COLUMBIA THREADNEEDLE INVESTMENTS

Your success. Our priority.

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS
THREADNEEDLE INVESTMENT FUNDS ICVC
MARCH 2021

THREADNEEDLE
INVESTMENT FUNDS ICVC

COLUMBIATHREADNEEDLE.COM

Contents

Company Information* **3**

Authorised Corporate Director's Report* **4**

Notes to the Annual Reports and Audited Financial Statements for Threadneedle Investment Funds ICVC ..... **5 – 7**

UK:

UK Fund ..... **8 – 17**

UK Select Fund ..... **18 – 25**

UK Smaller Companies Fund ..... **26 – 33**

UK Growth & Income Fund ..... **34 – 40**

UK Equity Income Fund ..... **41 – 51**

UK Monthly Income Fund ..... **52 – 57**

Monthly Extra Income Fund ..... **58 – 66**

Sterling Corporate Bond Fund ..... **67 – 75**

Sterling Bond Fund ..... **76 – 82**

Sterling Short-Term Money Market Fund ..... **83 – 88**

Europe:

European Fund ..... **89 – 97**

European Select Fund ..... **98 – 108**

European Smaller Companies Fund ..... **109 – 118**

European Bond Fund ..... **119 – 126**

Strategic Bond Fund ..... **127 – 136**

US:

American Fund ..... **137 – 146**

American Select Fund ..... **147 – 156**

American Smaller Companies Fund (US) ..... **157 – 165**

Dollar Bond Fund ..... **166 – 173**

Japan:

Japan Fund ..... **174 – 181**

Pacific Basin & Emerging Markets:

Asia Fund ..... **182 – 190**

Latin America Fund ..... **191 – 197**

Emerging Market Bond Fund ..... **198 – 206**

International:

High Yield Bond Fund ..... **207 – 218**

Global Select Fund ..... **219 – 227**

Global Bond Fund ..... **228 – 236**

Institutional Funds:

UK Institutional Fund ..... **237 – 242**

UK Equity Opportunities Fund ..... **243 – 248**

Statement of Authorised Corporate Director's (ACD) Responsibilities **249**

Statement of the Depositary's Responsibilities and Report of the Depositary **249**

Independent Auditors' Report ..... **250 – 251**

Portfolio Statements*:

UK Fund ..... **252 – 253**

UK Select Fund **254**

UK Smaller Companies Fund ..... **255 – 256**

UK Growth & Income Fund **257**

UK Equity Income Fund **258**

UK Monthly Income Fund ..... **259 – 260**

Monthly Extra Income Fund ..... **261 – 264**

Sterling Corporate Bond Fund ..... **265 – 268**

Sterling Bond Fund **269**

Sterling Short-Term Money Market Fund **270**

European Fund ..... **271 – 272**

Contents

(continued)

European Select Fund ..... **273 – 274**

European Smaller Companies Fund ..... **275 – 277**

European Bond Fund ..... **278 – 283**

Strategic Bond Fund ..... **284 – 291**

American Fund ..... **292 – 293**

American Select Fund ..... **294 – 295**

American Smaller Companies Fund (US) ..... **296 – 297**

Dollar Bond Fund ..... **298 – 301**

Japan Fund ..... **302 – 303**

Asia Fund ..... **304 – 305**

Latin America Fund ..... **306 – 307**

Emerging Market Bond Fund ..... **308 – 312**

High Yield Bond Fund ..... **313 – 319**

Global Select Fund ..... **320 – 322**

Global Bond Fund ..... **323 – 326**

UK Institutional Fund ..... **327 – 328**

UK Equity Opportunities Fund **329**

Performance Summaries* ..... **330 – 331**

Risk and Reward Profiles* ..... **332 – 335**

Important Information* ..... **336 – 340**

Directory* ..... **341 – 342**

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

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

Company Information

Company
Threadneedle Investment Funds ICVC (the Company)
Registered Number IC000002

Registered Office
Cannon Place, 78 Cannon Street, London EC4N 6AG

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

Board of Directors of the ACD
K Cates (non-executive)
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 Investment Funds ICVC for the 12 months to 7 March 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
Director
30 June 2021

R Vincent
Director

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

Notes to the financial statements

for the accounting period 8 March 2020 to 7 March 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 American Fund, American Select Fund, American Smaller Companies Fund (US), European Fund, European Select Fund, European Smaller Companies Fund, Global Select Fund, Latin America Fund, UK Equity Opportunities Fund, UK Equity Income Fund, UK Growth & Income Fund, UK Fund, UK Institutional Fund, UK Monthly Income Fund, UK Select Fund and UK Smaller Companies 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.

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 Strategic Bond 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 terms of 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.

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.

(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. Expenses are recognised on an accrual basis and include irrecoverable VAT where appropriate.

(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 337). Where undertaken, the allocation of return in relation to hedging transactions is applied in respect of that hedged share class only.

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

Notes to the financial statements

(continued)

(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. 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:

- Dollar Bond Fund
- Emerging Market Bond Fund
- European Bond Fund
- Global Bond Fund
- High Yield Bond Fund
- Monthly Extra Income Fund
- Sterling Bond Fund
- Strategic Bond Fund
- UK Equity Income Fund
- UK Growth & Income Fund
- UK Monthly Income Fund

(d) 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 the fund.

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 fund's 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 fund 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 its 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.

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 their 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 fund 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 RMP available on request from the client services team contact details on page 341.*

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

Notes to the financial statements

(continued)

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 337. 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 Investment Funds ICVC.

Threadneedle UK Fund

Investment Report

Investment Objective and Policy

The Fund aims to achieve 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 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 are 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 the 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.

It provides a suitable target benchmark against which Fund performance will be measured and evaluated over time.

The Fund typically invests in fewer than 80 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 Net Income Class 1 Shares*

Over the twelve months to 7 March 2021, the published share price of the Threadneedle UK Fund has risen from 124.08p to 133.34p.

Looking at performance within its peer group, the total return on the fund for the twelve months ending 28 February 2021, including net reinvested income, is +3.24% as compared to a median return of +5.58% over the same period. (For information the FTSE All-Share Total Return Index returned +3.50% over the same period).

Market Overview and Portfolio Activity

The year under review was a volatile, but ultimately positive period for UK equities. Global markets sold off sharply at the start of the period, as COVID-19 reached pandemic status and much of the world was placed in lockdown.

To mitigate the economic impact, central banks and governments unleashed a flood of unprecedented stimulus measures. These fuelled a rally in equities from late March until September, as did declining virus incidences and easing lockdown restrictions. After some shocking data released in April, subsequent economic news tended to reinforce this sentiment, and although weak was generally better than expected. Meanwhile, UK companies launched fund-raisings to strengthen their positions.

The equity rally weakened in the autumn amid concerns about a second wave of the pandemic and uncertainty ahead of the US presidential election. But the mood turned positive again in November, and remained largely so over the remainder of 2020. Markets were encouraged by Joe Biden's election victory, landmark results in coronavirus vaccine trials, and the subsequent approval of the first vaccines for use in the UK, Europe and the US. The resulting optimism around a return to more 'normalised' economic activity prompted a rotation towards value stocks, to which the UK equity market is heavily geared. Sentiment was also bolstered by the last-minute Brexit trade agreement with the EU, and hopes of increased fiscal stimulus in the US.

However, expectations of higher government spending and a rebound in growth also led investors to anticipate higher future inflation, which triggered some market volatility in 2021. Stocks were also hurt by concerns about new strains of the virus and sluggish vaccine rollouts in some countries. The UK led the way in vaccinating its population. Such has been the success of this programme that the government recently announced a roadmap out of the lockdown, which fostered hopes of a swifter economic rebound. Together with the increased clarity around Brexit, this reignited takeover interest in UK companies. Many UK firms have recently paid out dividends and re-issued guidance that was withdrawn at the onset of the pandemic.

In terms of activity, we initiated positions in miner BHP and defence manufacturer BAE Systems. The latter's growth prospects appear to be improving in several key areas, notably in the electronic and US land segments. Government spending on defence is expected to hold up well, particularly in the US, which accounts for nearly half of BAE's revenues. We expect free cashflow to improve, which should pave the way for dividends to go up and for net debt to come down.

We bought BHP following the sell-off in March, as part of our move to increase exposure to potential beneficiaries of fiscal and monetary stimulus. The stock subsequently performed well, helped by a rally in prices of industrial metals.

Over the year, we also took advantage of the wave of fund-raisings to top up some holdings, such as Whitbread and Compass. Whitbread's well-regarded brand should help it to emerge stronger from the crisis than its competitors. The company is also focused on strengthening its presence in the UK and German markets.

The position in RSA Insurance was profitably closed ahead of the company's takeover. We also sold British American Tobacco; we feel that over the long term, return on capital is likely to be constrained unless the company cuts dividends or deleverages.

Looking ahead, the announcement of a number of vaccines has buoyed hopes of a swifter economic recovery. Markets have responded by reverting towards value, especially given the prospect of increased fiscal stimulus in the US under the new administration. This rotation has benefited the UK stock market, and is likely to accelerate.

UK equities remain deeply discounted relative to global equities. We feel that this discount should start to narrow, as the global economy recovers and the Brexit-related overhang fades. Against this backdrop, a lot of the short positions against UK equities are likely to be closed.

Meanwhile, UK businesses are attractive targets for private-equity names and US corporates seeking to capitalise on the valuation discount. Consequently, the next year or two should be exciting, particularly given the polarised valuations, which have opened up many favourable opportunities in distressed stocks.

We will continue to focus on company fundamentals and use volatile markets to top up and buy favoured stocks in order to deliver solid, risk-adjusted returns.

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2020 to 7 March 2021

	Notes	2021 £000	Restated 2020** £000
Income			
Net capital gains/(losses)	2	130,355	(148,155)
Revenue	3	49,496	76,678
Expenses	4	(13,273)	(18,454)
Interest payable and similar charges	5	–	(1)
Net revenue before taxation		36,223	58,223
Taxation	6	–	–
Net revenue after taxation		36,223	58,223
Total return before distributions		166,578	(89,932)
Distributions**	7	(36,355)	(59,449)
Change in net assets attributable to shareholders from investment activities		130,223	(149,381)

BALANCE SHEET

as at 7 March 2021

	Notes	2021 £000	2020 £000
Assets:			
Fixed assets:			
Investments		1,834,073	1,832,831
Current assets:			
Debtors	8	20,054	28,627
Cash and bank balances		1	1
Cash equivalents***		10,620	8,802
Total assets		1,864,748	1,870,261
Liabilities:			
Creditors:			
Bank overdrafts		(115)	(4,128)
Distribution payable		(5,057)	(8,157)
Other creditors	9	(23,021)	(15,848)
Total liabilities		(28,193)	(28,133)
Net assets attributable to shareholders		1,836,555	1,842,128

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2020 to 7 March 2021

	2021 £000	Restated 2020** £000
Opening net assets attributable to shareholders	1,842,128	2,128,983
Amounts receivable on the issue of shares**	470,156	351,655
Amounts payable on the cancellation of shares**	(627,124)	(519,004)
	(156,968)	(167,349)
Dilution adjustment	258	44
Change in net assets attributable to shareholders from investment activities (see statement of total return above)**	130,223	(149,381)
Retained distribution on accumulation shares	20,908	29,817
Unclaimed distributions	6	14
Closing net assets attributable to shareholders	1,836,555	1,842,128

DISTRIBUTION TABLE

for the accounting period 8 March 2020 to 7 March 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				
08/03/20 to 07/09/20	1.0014	–	1.0014	2.1531
08/09/20 to 07/03/21	0.4786	–	0.4786	0.7327
Group 2				
08/03/20 to 07/09/20	0.5776	0.4238	1.0014	2.1531
08/09/20 to 07/03/21	0.4707	0.0079	0.4786	0.7327
Total distributions in the period			**1.4800**	**2.8858**

**In pound Sterling and against UK peer group (See Performance summary on pages 330 to 331).*

***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 UK Fund

DISTRIBUTION TABLE

(continued)

Class 1 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/09/20	0.9648	–	0.9648	2.0301
08/09/20 to 07/03/21	0.5049	–	0.5049	0.7003
Group 2				
08/03/20 to 07/09/20	0.4349	0.5299	0.9648	2.0301
08/09/20 to 07/03/21	0.5031	0.0018	0.5049	0.7003
Total distributions in the period			**1.4697**	**2.7304**

Class 2 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
08/03/20 to 07/09/20	1.3272	–	1.3272	2.5595
08/09/20 to 07/03/21	0.8442	–	0.8442	1.1406
Group 2				
08/03/20 to 07/09/20	0.9797	0.3475	1.3272	2.5595
08/09/20 to 07/03/21	0.7356	0.1086	0.8442	1.1406
Total distributions in the period			**2.1714**	**3.7001**

Class 2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/09/20	1.0676	–	1.0676	2.0028
08/09/20 to 07/03/21	0.6876	–	0.6876	0.9079
Group 2				
08/03/20 to 07/09/20	0.7050	0.3626	1.0676	2.0028
08/09/20 to 07/03/21	0.5791	0.1085	0.6876	0.9079
Total distributions in the period			**1.7552**	**2.9107**

Class L – Gross income shares*

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2020/2021
Group 1			
08/03/20 to 07/09/20	0.5544	–	0.5544
08/09/20 to 07/03/21	0.9553	–	0.9553
Group 2			
08/03/20 to 07/09/20	0.5544	–	0.5544
08/09/20 to 07/03/21	0.6132	0.3421	0.9553
Total distributions in the period			**1.5097**

Class L – Gross accumulation shares*

Distribution Period	Revenue	Equalisation	Gross Revenue Accumulated 2020/2021
Group 1			
08/03/20 to 07/09/20	0.5544	–	0.5544
08/09/20 to 07/03/21	0.9680	–	0.9680
Group 2			
08/03/20 to 07/09/20	0.5544	–	0.5544
08/09/20 to 07/03/21	0.9680	–	0.9680
Total distributions in the period			**1.5224**

Class X – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
08/03/20 to 07/09/20	2.0586	–	2.0586	2.6489
08/09/20 to 07/03/21	1.1956	–	1.1956	1.5075
Group 2				
08/03/20 to 07/09/20	2.0586	–	2.0586	2.6489
08/09/20 to 07/03/21	1.1956	–	1.1956	1.5075
Total distributions in the period			**3.2542**	**4.1564**

Class X – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/09/20	1.8375	–	1.8375	3.0446
08/09/20 to 07/03/21	1.4389	–	1.4389	1.7690
Group 2				
08/03/20 to 07/09/20	1.4376	0.3999	1.8375	3.0446
08/09/20 to 07/03/21	0.8560	0.5829	1.4389	1.7690
Total distributions in the period			**3.2764**	**4.8136**

Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
08/03/20 to 07/09/20	1.5977	–	1.5977	2.9859
08/09/20 to 07/03/21	1.0782	–	1.0782	1.4292
Group 2				
08/03/20 to 07/09/20	1.3591	0.2386	1.5977	2.9859
08/09/20 to 07/03/21	0.9029	0.1753	1.0782	1.4292
Total distributions in the period			**2.6759**	**4.4151**

Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/09/20	1.9266	–	1.9266	3.4939
08/09/20 to 07/03/21	1.3172	–	1.3172	1.7021
Group 2				
08/03/20 to 07/09/20	1.1157	0.8109	1.9266	3.4939
08/09/20 to 07/03/21	0.9846	0.3326	1.3172	1.7021
Total distributions in the period			**3.2438**	**5.1960**

Group 2: shares purchased during a distribution period.

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

Threadneedle UK Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Accumulation shares		
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share						
Opening net asset value per share (p)	123.09	133.22	135.81	118.56	125.60	125.20
Return before operating charges (p)	12.00	(4.97)	2.73	11.71	(4.88)	2.48
Operating charges (p)	(1.88)	(2.27)	(2.24)	(1.84)	(2.16)	(2.08)
Return after operating charges (p)*	10.12	(7.24)	0.49	9.87	(7.04)	0.40
Distributions (p)	(1.48)	(2.89)	(3.08)	(1.47)	(2.73)	(2.86)
Retained distributions on accumulation shares (p)	–	–	–	1.47	2.73	2.86
Closing net asset value per share (p)	131.73	123.09	133.22	128.43	118.56	125.60
*after direct transaction costs of (p)	0.14	0.17	0.18	0.14	0.16	0.17
Performance						
Return after charges (%)	8.22	(5.43)	0.36	8.32	(5.61)	0.32
Other information						
Closing net asset value (£000)	120,011	199,706	487,399	3,810	2,325	1,980
Closing number of shares	91,102,726	162,248,931	365,854,211	2,966,764	1,961,080	1,576,857
Operating charges (%)**	1.63	1.64	1.63	1.62	1.63	1.63
Direct transaction costs (%)***	0.12	0.13	0.13	0.12	0.13	0.13
Prices						
Highest share price (p)	134.73	148.94	149.10	130.88	142.61	137.46
Lowest share price (p)	88.54	124.08	121.03	85.42	118.81	113.18

	Class 2 – Income shares			Class 2 – Accumulation shares		
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share						
Opening net asset value per share (p)	123.23	133.43	136.02	99.16	104.44	103.51
Return before operating charges (p)	12.06	(5.01)	2.76	9.87	(4.11)	2.05
Operating charges (p)	(1.24)	(1.49)	(1.46)	(1.00)	(1.17)	(1.12)
Return after operating charges (p)*	10.82	(6.50)	1.30	8.87	(5.28)	0.93
Distributions (p)	(2.17)	(3.70)	(3.89)	(1.76)	(2.91)	(2.98)
Retained distributions on accumulation shares (p)	–	–	–	1.76	2.91	2.98
Closing net asset value per share (p)	131.88	123.23	133.43	108.03	99.16	104.44
*after direct transaction costs of (p)	0.14	0.17	0.18	0.11	0.14	0.14
Performance						
Return after charges (%)	8.78	(4.87)	0.96	8.95	(5.06)	0.90
Other information						
Closing net asset value (£000)	207,585	178,420	419,957	380,098	418,203	281,406
Closing number of shares	157,406,373	144,784,248	314,739,661	351,834,651	421,748,534	269,451,804
Operating charges (%)**	1.06	1.07	1.06	1.06	1.06	1.06
Direct transaction costs (%)***	0.12	0.13	0.13	0.12	0.13	0.13
Prices						
Highest share price (p)	135.12	149.44	149.52	110.00	119.14	113.78
Lowest share price (p)	88.66	124.63	121.42	71.45	99.36	94.00

Threadneedle UK Fund

Comparative Table Disclosure

(continued)

	Class L – Gross income shares[§]	Class L – Gross accumulation shares[§]
	07/03/2021[1]	07/03/2021[1]
Change in net assets per share		
Opening net asset value per share (p)	100.00	100.00
Return before operating charges (p)	18.13	18.19
Operating charges (p)	(0.47)	(0.43)
Return after operating charges (p)*	17.66	17.76
Distributions (p)	(1.51)	(1.52)
Retained distributions on accumulation shares (p)	–	1.52
Closing net asset value per share (p)	116.15	117.76
*after direct transaction costs of (p)	0.14	0.13
Performance		
Return after charges (%)	17.66	17.76
Other information		
Closing net asset value (£000)	566	1
Closing number of shares	487,109	1,001
Operating charges (%)**	0.67[†]	0.65[†]
Direct transaction costs (%)***	0.12	0.12
Prices		
Highest share price (p)	119.15	119.82
Lowest share price (p)	92.21	92.72

	Class X – Income shares			Class X – Accumulation shares		
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share						
Opening net asset value per share (p)	100.19	108.55	110.67	119.64	124.76	122.44
Return before operating charges (p)	10.11	(4.13)	2.24	12.09	(5.04)	2.40
Operating charges (p)	(0.05)	(0.07)	(0.07)	(0.07)	(0.08)	(0.08)
Return after operating charges (p)*	10.06	(4.20)	2.17	12.02	(5.12)	2.32
Distributions (p)	(3.25)	(4.16)	(4.29)	(3.28)	(4.81)	(4.80)
Retained distributions on accumulation shares (p)	–	–	–	3.28	4.81	4.80
Closing net asset value per share (p)	107.00	100.19	108.55	131.66	119.64	124.76
*after direct transaction costs of (p)	0.11	0.14	0.15	0.14	0.17	0.16
Performance						
Return after charges (%)	10.04	(3.87)	1.96	10.05	(4.10)	1.89
Other information						
Closing net asset value (£000)	3	62,315	60,197	452,702	353,973	46,842
Closing number of shares	3,000	62,196,718	55,453,153	343,830,475	295,852,892	37,546,067
Operating charges (%)**	0.06	0.06	0.06	0.06	0.06	0.06
Direct transaction costs (%)***	0.12	0.13	0.13	0.12	0.13	0.13
Prices						
Highest share price (p)	109.65	121.95	121.90	133.84	143.48	134.87
Lowest share price (p)	72.10	101.91	99.08	86.24	119.90	112.09

Threadneedle UK Fund

Comparative Table Disclosure

(continued)

	Class Z – Income shares			Class Z EUR – Income shares
	07/03/2021	07/03/2020	07/03/2019	09/11/2018[2]
Change in net assets per share				
Opening net asset value per share (p)	135.42	146.65	149.45	162.69
Return before operating charges (p)	13.27	(5.54)	3.06	(12.86)
Operating charges (p)	(1.07)	(1.27)	(1.26)	(0.40)
Return after operating charges (p)*	12.20	(6.81)	1.80	(13.26)
Distributions (p)	(2.68)	(4.42)	(4.60)	(3.11)
Retained distributions on accumulation shares (p)	–	–	–	–
Closing net asset value per share (p)	144.94	135.42	146.65	146.32
*after direct transaction costs of (p)	0.15	0.19	0.20	0.09
Performance				
Return after charges (%)	9.01	(4.64)	1.20	(8.15)
Other information				
Closing net asset value (£000)	441,965	414,949	487,696	–
Closing number of shares	304,928,999	306,418,216	332,560,403	–
Operating charges (%)**	0.83	0.83	0.83	–
Direct transaction costs (%)***	0.12	0.13	0.13	–
Prices				
Highest share price (p)	148.60	164.36	164.35	163.33
Lowest share price (p)	97.43	137.13	133.54	142.11

	Class Z – Accumulation shares			Class Z CHF Hedged – Accumulation shares
	07/03/2021	07/03/2020	07/03/2019	09/11/2018[3]
Change in net assets per share				
Opening net asset value per share (p)	163.28	171.60	169.71	137.04
Return before operating charges (p)	16.32	(6.82)	3.33	(2.18)
Operating charges (p)	(1.30)	(1.50)	(1.44)	(0.66)
Return after operating charges (p)*	15.02	(8.32)	1.89	(2.84)
Distributions (p)	(3.24)	(5.20)	(5.27)	(2.81)
Retained distributions on accumulation shares (p)	3.24	5.20	5.27	2.81
Closing net asset value per share (p)	178.30	163.28	171.60	134.20
*after direct transaction costs of (p)	0.19	0.22	0.23	0.14
Performance				
Return after charges (%)	9.20	(4.85)	1.11	(2.07)
Other information				
Closing net asset value (£000)	229,814	212,237	343,506	–
Closing number of shares	128,894,060	129,986,862	200,173,868	–
Operating charges (%)**	0.83	0.83	0.83	–
Direct transaction costs (%)***	0.12	0.13	0.13	–
Prices				
Highest share price (p)	181.46	196.11	186.63	152.68
Lowest share price (p)	117.66	163.63	154.39	129.61

Threadneedle UK Fund

Comparative Table Disclosure

(continued)

	Class Z EUR Hedged – Accumulation shares 09/11/2018[3]	Class Z USD Hedged – Accumulation shares 09/11/2018[2]
Change in net assets per share		
Opening net asset value per share (p)	150.79	139.26
Return before operating charges (p)	(5.09)	10.38
Operating charges (p)	(0.72)	(0.71)
Return after operating charges (p)*	(5.81)	9.67
Distributions (p)	(3.09)	(3.00)
Retained distributions on accumulation shares (p)	3.09	3.00
Closing net asset value per share (p)	144.98	148.93
*after direct transaction costs of (p)	0.16	0.15
Performance		
Return after charges (%)	(3.85)	6.94
Other information		
Closing net asset value (£000)	–	–
Closing number of shares	–	–
Operating charges (%)**	–	–
Direct transaction costs (%)***	–	–
Prices		
Highest share price (p)	165.01	165.61
Lowest share price (p)	143.25	133.25

**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.

[5]Only available to eligible investors.

[1]Commenced 27 July 2020.

[2]Commenced 15 June 2018 and closed 9 November 2018.

[3]Closed 9 November 2018.

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

Threadneedle UK Fund

Notes to the financial statements

for the accounting period 8 March 2020 to 7 March 2021

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 5 and 6.

2 NET CAPITAL GAINS/(LOSSES)

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

	2021 £000	2020 £000
Non-derivative securities	130,581	(148,209)
Other (losses)/gains	(220)	59
Transaction costs	(6)	(5)
Net capital gains/(losses)	130,355	(148,155)

3 REVENUE

	2021 £000	2020 £000
UK dividends	49,438	76,460
Interest on short term investments	–	17
Bank interest	19	201
Underwriting commission	39	–
Total revenue	49,496	76,678

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	(12,163)	(16,990)
Registration fees	(847)	(1,148)
	(13,010)	(18,138)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(203)	(248)
Safe custody fees	(44)	(52)
	(247)	(300)
Other expenses:		
Regulatory fees	(8)	(7)
Audit fees	(8)	(9)
	(16)	(16)
Total expenses*	(13,273)	(18,454)

**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	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	36,223	58,223
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(7,245)	(11,645)
Effects of:		
Revenue not subject to taxation	9,790	15,067
Excess expenses*	(2,518)	(3,177)
Conversion transfer from capital*	(27)	(245)
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 £77,062,288 (2020: £74,543,937) 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	20,443	38,520
Final	14,137	19,446
	34,580	57,966
Add: Revenue deducted on the cancellation of shares*	3,090	3,720
Deduct: Revenue received on the creation of shares*	(1,315)	(2,237)
Net distribution for the period	36,355	59,449
Net revenue after taxation	36,223	58,223
Equalisation on conversion*	132	1,226
Undistributed revenue brought forward	1	1
Undistributed revenue carried forward	(1)	(1)
Total distributions	36,355	59,449

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

Details of the distribution per share are set out in the table on pages 8 to 9.

8 DEBTORS

	2021 £000	2020 £000
Amounts receivable for the issue of shares	907	18,585
Sales awaiting settlement	7,957	–
Accrued revenue	11,190	10,042
Total debtors	20,054	28,627

9 OTHER CREDITORS

	2021 £000	2020 £000
Amounts payable for the cancellation of shares	(15,321)	(1,352)
Purchases awaiting settlement	(6,350)	(12,828)
Accrued expenses	(30)	(35)
Amounts payable to ACD	(1,320)	(1,633)
Total other creditors	(23,021)	(15,848)

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 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	1.50%
Class 2 shares	1.00%
Class L shares	0.60%
Class X shares	N/A*
Class Z shares	0.75%

Threadneedle UK Fund

Notes to the financial statements

(continued)

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	0.060%

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 10 to 13. The distribution per share class is given in the distribution table on pages 8 to 9.

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	162,248,931
Shares issued	3,002,436
Shares redeemed	(10,991,766)
Net conversions	(63,156,875)
Closing shares	91,102,726
Class 1 – Accumulation shares	
Opening shares	1,961,080
Shares issued	1,672,234
Shares redeemed	(285,835)
Net conversions	(380,715)
Closing shares	2,966,764
Class 2 – Income shares	
Opening shares	144,784,248
Shares issued	43,719,482
Shares redeemed	(31,109,160)
Net conversions	11,803
Closing shares	157,406,373
Class 2 – Accumulation shares	
Opening shares	421,748,534
Shares issued	187,973,603
Shares redeemed	(217,397,302)
Net conversions	(40,490,184)
Closing shares	351,834,651
Class L – Gross income shares*	
Opening shares	–
Shares issued	597,634
Shares redeemed	(110,525)
Net conversions	–
Closing shares	487,109
Class L – Gross accumulation shares*	
Opening shares	–
Shares issued	1,001
Shares redeemed	–
Net conversions	–
Closing shares	1,001
Class X – Income shares	
Opening shares	62,196,718
Shares issued	–
Shares redeemed	–
Net conversions	(62,193,718)
Closing shares	3,000
Class X – Accumulation shares	
Opening shares	295,852,892
Shares issued	100,200,399
Shares redeemed	(104,314,661)
Net conversions	52,091,845
Closing shares	343,830,475

	2021
Class Z – Income shares	
Opening shares	306,418,216
Shares issued	56,993,864
Shares redeemed	(115,812,150)
Net conversions	57,329,069
Closing shares	304,928,999
Class Z – Accumulation shares	
Opening shares	129,986,862
Shares issued	43,191,623
Shares redeemed	(69,114,042)
Net conversions	24,829,617
Closing shares	128,894,060

**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 6 to 7.

Market price risk sensitivity

The sensitivity figures provided are forecasts. A 5% market increase applied to the fund would result in an estimated increase in net asset value of the fund by 5.07% and vice versa (2020: 5.22%).

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	2,616
Currency 2020	**£000**
US Dollar	2,631

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 7 March was:

	Floating rate financial assets	**Fixed rate financial assets**	**Financial assets not carrying interest**	**Total**
Currency 2021	**£000**	**£000**	**£000**	**£000**
UK Sterling	–	10,620	1,851,512	1,862,132
US Dollar	1	–	2,615	2,616
Currency 2020	**£000**	**£000**	**£000**	**£000**
UK Sterling	–	8,802	1,858,828	1,867,630
US Dollar	1	–	2,630	2,631

	Floating rate financial liabilities	**Fixed rate financial liabilities**	**Financial liabilities not carrying interest**	**Total**
Currency 2021	**£000**	**£000**	**£000**	**£000**
UK Sterling	(115)	–	(28,078)	(28,193)
Currency 2020	**£000**	**£000**	**£000**	**£000**
UK Sterling	(4,128)	–	(24,005)	(28,133)

Threadneedle UK 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). Any impact to the rate of the underlying securities is considered in market price risk section.

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*	1,844,693	–	1,841,633	–
	1,844,693	–	1,841,633	–

**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

7 March 2021

	Value	Commissions		Taxes	
Purchases	**£000**	**£000**	**%**	**£000**	**%**
Equities	360,261	126	0.03	1,743	0.48
Collective investment schemes	356,518	–	–	–	–
Corporate actions	7,898	–	–	–	–
Total	724,677	126		1,743	
Gross purchases total:	726,546				

	Value	Commissions		Taxes	
Sales	**£000**	**£000**	**%**	**£000**	**%**
Equities	490,333	169	0.03	1	–
Collective investment schemes	354,700	–	–	–	–
Corporate actions	9,204	–	–	–	–
Total	854,237	169		1	
Total sales net of transaction costs:	854,067				

Transaction costs as a percentage of average Net Assets

Commissions:	0.02%
Taxes:	0.10%

7 March 2020

	Value	Commissions		Taxes	
Purchases	**£000**	**£000**	**%**	**£000**	**%**
Equities	448,343	199	0.04	2,169	0.48
Collective investment schemes	244,677	–	–	–	–
Total	693,020	199		2,169	
Gross purchases total:	695,388				

	Value	Commissions		Taxes	
Sales	**£000**	**£000**	**%**	**£000**	**%**
Equities	565,699	197	0.03	1	0.00
Collective investment schemes	236,000	–	–	–	–
Corporate actions	32,243	–	–	–	–
Total	833,942	197		1	
Total sales net of transaction costs:	833,744				

Transaction costs as a percentage of average Net Assets

Commissions:	0.02%
Taxes:	0.11%

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% (7 March 2020: 0.09%), 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 7 March 2020:

STATEMENT OF TOTAL RETURN	**Previously reported 2020**	**Adjustments**	**Restated 2020**
	£000	**£000**	**£000**
Distributions	(58,224)	(1,225)	(59,449)
Net impact		(1,225)	

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	757,982	(406,327)	351,655
Amounts payable on the cancellation of shares	(926,556)	407,552	(519,004)
	(168,574)	1,225	(167,349)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(148,156)	(1,225)	(149,381)
Impact on net assets attributable to shareholders		–	

	Previously reported 2020	**Adjustments**	**Restated 2020**
	£000	**£000**	**£000**
Note 6 TAXATION			
Excess expenses	(3,422)	245	(3,177)
Conversion transfer from capital	–	(245)	(245)
Net impact		–	

Threadneedle UK Fund

Notes to the financial statements

(continued)

	Previously reported 2020	Adjustments	Restated 2020
	£000	£000	£000
Note 7 DISTRIBUTIONS			
Add: Revenue deducted on the cancellation of shares	6,677	(2,957)	3,720
Deduct: Revenue received on the creation of shares	(6,419)	4,182	(2,237)
Net impact		1,225	
Equalisation on conversion	1	1,225	1,226

18 POST BALANCE SHEET EVENT

The table below shows net redemptions between the year-ended 7 March 2021 and 21 June 2021 as a percentage of the closing NAV for share classes with significant movements. The net redemptions of shares were reviewed again on 28 June with no material movements noted since 21 June. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

Share class	% Movement
Class Z – Income shares	(64.97)

Threadneedle UK Select 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 invests at least 90% of its assets in 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.

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 of any size, from any industry or economic sector, with significant sector and share weightings taken at the fund manager's discretion.

The FTSE All-Share Index is regarded as an appropriate performance measure of the UK stock market, with over 600 companies currently 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 Net Income Class 1 Shares*

Over the twelve months to 7 March 2021, the published share price of the Threadneedle UK Select Fund has risen from 114.28p to 119.70p.

Looking at performance within its peer group, the total return on the fund for the twelve months ending 28 February 2021, including net reinvested income, is +4.64% as compared to a median return of +5.58% over the same period. (For information the FTSE All-Share Total Return Index returned +3.50% over the same period).

Market Overview and Portfolio Activity

The year under review was a volatile, but ultimately positive period for UK equities. Global markets sold off sharply at the start of the period, as COVID-19 reached pandemic status and much of the world was placed in lockdown.

To mitigate the economic impact, central banks and governments unleashed a flood of unprecedented stimulus measures. These fuelled a rally in equities from late March until September, as did declining virus incidences and easing lockdown restrictions. After some shocking data released in April, subsequent economic news tended to reinforce this sentiment, and although weak was generally better than expected. Meanwhile, UK companies launched fund-raisings to strengthen their positions.

The equity rally weakened in the autumn amid concerns about a second wave of the pandemic and uncertainty ahead of the US presidential election. But the mood turned positive again in November, and remained largely so over the remainder of 2020. Markets were encouraged by Joe Biden's election victory, landmark results in coronavirus vaccine trials, and the subsequent approval of the first vaccines for use in the UK, Europe and the US. The resulting optimism around a return to more 'normalised' economic activity prompted a rotation towards value stocks, to which the UK equity market is heavily geared. Sentiment was also bolstered by the last-minute Brexit trade agreement with the EU, and hopes of increased fiscal stimulus in the US.

However, expectations of higher government spending and a rebound in growth also led investors to anticipate higher future inflation, which triggered some market volatility in 2021. Stocks were also hurt by concerns about new strains of the virus and sluggish vaccine rollouts in some countries. The UK led the way in vaccinating its population. Such has been the success of this programme that the government recently announced a roadmap out of the lockdown, which fostered hopes of a swifter economic rebound. Together with the increased clarity around Brexit, this reignited takeover interest in UK companies. Many UK firms have recently paid out dividends and re-issued guidance that was withdrawn at the onset of the pandemic.

In terms of activity, several new holdings were added to the portfolio over the period, such as miner BHP, media business WPP, accountancy software firm Sage, and defence manufacturer BAE Systems.

We bought BHP following the sell-off in March, as part of our move to increase exposure to potential beneficiaries of fiscal and monetary stimulus.

Sage recently announced plans to increase investment in helping small businesses transition to cloud computing. While this is likely to impact margins in the short-term, we are positive about the move, given the attractive growth prospects for cloud computing, especially as the pandemic has accelerated the 'offline to online' transition. The balance sheet is strong, and we feel that, at current valuations, a lot of future growth is being discounted.

BAE's growth prospects appear to be improving in several key areas, notably in the electronic and US land segments. Government spending on defence is expected to hold up well, particularly in the US, which accounts for nearly half of BAE's revenues. We expect free cashflow to improve, which should pave the way for dividends to go up and for net debt to come down.

Over the review period, we also topped up some holdings, such as Unilever and Whitbread. The latter was an example where we added to our position by taking advantage of the company's refinancing in response to the crisis.

Sales included British American Tobacco; we feel that over the long term, return on capital is likely to be constrained unless the company cuts dividends or deleverages.

Looking ahead, the announcement of a number of vaccines has buoyed hopes of a swifter economic recovery. Markets have responded by reverting towards value, especially given the prospect of increased fiscal stimulus in the US under the new administration. This rotation has benefited the UK stock market, and is likely to accelerate.

UK equities remain deeply discounted relative to global equities. We feel that this discount should start to narrow, as the global economy recovers and the Brexit-related overhang fades. Against this backdrop, a lot of the short positions against UK equities are likely to be closed.

Meanwhile, UK businesses are attractive targets for private-equity names and US corporates seeking to capitalise on the valuation discount. Consequently, the next year or two should be exciting, particularly given the polarised valuations, which have opened up many favourable opportunities in distressed stocks.

We will continue to focus on company fundamentals and use volatile markets to top up and buy favoured stocks in order to deliver solid, risk-adjusted returns.

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2020 to 7 March 2021

	Notes	2021 £000	Restated 2020** £000
Income			
Net capital gains/(losses)	2	13,370	(14,639)
Revenue	3	10,342	15,307
Expenses	4	(1,538)	(2,294)
Interest payable and similar charges	5	–	(4)
Net revenue before taxation		8,804	13,009
Taxation	6	–	–
Net revenue after taxation		8,804	13,009
Total return before distributions		22,174	(1,630)
Distributions*	7	(8,821)	(13,313)
Change in net assets attributable to shareholders from investment activities		13,353	(14,943)

BALANCE SHEET

as at 7 March 2021

	Notes	2021 £000	2020 £000
Assets:			
Fixed assets:			
Investments		286,992	277,794
Current assets:			
Debtors	8	8,990	8,791
Cash and bank balances		11,240	–
Cash equivalents***		4,004	9,594
Total assets		311,226	296,179
Liabilities:			
Creditors:			
Bank overdrafts		–	(95)
Distribution payable		(773)	(974)
Other creditors	9	(19,929)	(4,993)
Total liabilities		(20,702)	(6,062)
Net assets attributable to shareholders		290,524	290,117

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2020 to 7 March 2021

	2021 £000	Restated 2020** £000
Opening net assets attributable to shareholders	290,117	482,651
Amounts receivable on the issue of shares**	59,794	27,944
Amounts payable on the cancellation of shares**	(78,995)	(214,161)
	(19,201)	(186,217)
Dilution adjustment	93	101
Change in net assets attributable to shareholders from investment activities (see statement of total return above)**	13,353	(14,943)
Retained distribution on accumulation shares	6,157	8,522
Unclaimed distributions	5	3
Closing net assets attributable to shareholders	290,524	290,117

DISTRIBUTION TABLE

for the accounting period 8 March 2020 to 7 March 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				
08/03/20 to 07/09/20	1.5404	–	1.5404	1.8728
08/09/20 to 07/03/21	0.6192	–	0.6192	0.8826
Group 2				
08/03/20 to 07/09/20	0.8422	0.6982	1.5404	1.8728
08/09/20 to 07/03/21	0.5546	0.0646	0.6192	0.8826
Total distributions in the period			**2.1596**	**2.7554**

Class 2 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
08/03/20 to 07/09/20	1.8525	–	1.8525	2.2527
08/09/20 to 07/03/21	0.9466	–	0.9466	1.2310
Group 2				
08/03/20 to 07/09/20	1.0137	0.8388	1.8525	2.2527
08/09/20 to 07/03/21	0.7567	0.1899	0.9466	1.2310
Total distributions in the period			**2.7991**	**3.4837**

**In pound Sterling and against UK peer group (See Performance summary on pages 330 to 331).*

***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 UK Select Fund

DISTRIBUTION TABLE

(continued)

Class D – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/09/20	3.4323	–	3.4323	4.0603
08/09/20 to 07/03/21	1.7801	–	1.7801	2.2423
Group 2				
08/03/20 to 07/09/20	2.2837	1.1486	3.4323	4.0603
08/09/20 to 07/03/21	1.4013	0.3788	1.7801	2.2423
Total distributions in the period			**5.2124**	**6.3026**

Class L – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/09/20	4.8264	–	4.8264	5.6700
08/09/20 to 07/03/21	2.8217	–	2.8217	3.4426
Group 2				
08/03/20 to 07/09/20	3.2431	1.5833	4.8264	5.6700
08/09/20 to 07/03/21	2.1182	0.7035	2.8217	3.4426
Total distributions in the period			**7.6481**	**9.1126**

Class X – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/09/20	2.3664	–	2.3664	2.7594
08/09/20 to 07/03/21	1.5293	–	1.5293	1.8129
Group 2				
08/03/20 to 07/09/20	1.5095	0.8569	2.3664	2.7594
08/09/20 to 07/03/21	1.1247	0.4046	1.5293	1.8129
Total distributions in the period			**3.8957**	**4.5723**

Class X2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/09/20	7.9867	–	7.9867	9.3208
08/09/20 to 07/03/21	5.1619	–	5.1619	6.1125
Group 2				
08/03/20 to 07/09/20	6.5321	1.4546	7.9867	9.3208
08/09/20 to 07/03/21	3.6717	1.4902	5.1619	6.1125
Total distributions in the period			**13.1486**	**15.4333**

Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
08/03/20 to 07/09/20	2.3366	–	2.3366	2.8352
08/09/20 to 07/03/21	1.2532	–	1.2532	1.6064
Group 2				
08/03/20 to 07/09/20	1.0446	1.2920	2.3366	2.8352
08/09/20 to 07/03/21	1.0058	0.2474	1.2532	1.6064
Total distributions in the period			**3.5898**	**4.4416**

Class Z – Gross accumulation shares*

Distribution Period	Revenue	Equalisation	Gross Revenue Accumulated 2020/2021	Gross Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/09/20	1.5166	–	1.5166	
08/09/20 to 07/03/21	0.8192	–	0.8192	0.4880
Group 2				
08/03/20 to 07/09/20	0.8757	0.6409	1.5166	
08/09/20 to 07/03/21	0.6140	0.2052	0.8192	0.4880
Total distributions in the period			**2.3358**	**0.4880**

Group 2: shares purchased during a distribution period.

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

Threadneedle UK Select Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 2 – Income shares		
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share						
Opening net asset value per share (p)	113.36	121.34	127.47	113.74	121.79	127.95
Return before operating charges (p)	8.69	(3.16)	(1.22)	8.75	(3.23)	(1.23)
Operating charges (p)	(1.75)	(2.06)	(2.08)	(1.15)	(1.34)	(1.35)
Return after operating charges (p)*	6.94	(5.22)	(3.30)	7.60	(4.57)	(2.58)
Distributions (p)	(2.16)	(2.76)	(2.83)	(2.80)	(3.48)	(3.58)
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	118.14	113.36	121.34	118.54	113.74	121.79
*after direct transaction costs of (p)	0.37	0.54	0.56	0.38	0.54	0.56
Performance						
Return after charges (%)	6.12	(4.30)	(2.59)	6.68	(3.75)	(2.02)
Other information						
Closing net asset value (£000)	15,829	30,039	103,644	56,893	56,633	97,754
Closing number of shares	13,398,829	26,499,588	85,416,963	47,993,725	49,792,638	80,267,218
Operating charges (%)**	1.63	1.64	1.63	1.06	1.06	1.06
Direct transaction costs (%)***	0.35	0.43	0.44	0.35	0.43	0.44
Prices						
Highest share price (p)	121.20	132.43	139.69	121.83	133.18	140.39
Lowest share price (p)	87.64	113.97	111.87	87.94	114.70	112.48

	Class D – Accumulation shares			Class L – Accumulation shares		
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share						
Opening net asset value per share (p)	211.98	220.61	225.35	262.37	271.79	276.34
Return before operating charges (p)	16.83	(6.16)	(2.31)	20.39	(7.68)	(2.84)
Operating charges (p)	(2.18)	(2.47)	(2.43)	(1.55)	(1.74)	(1.71)
Return after operating charges (p)*	14.65	(8.63)	(4.74)	18.84	(9.42)	(4.55)
Distributions (p)	(5.21)	(6.30)	(6.32)	(7.65)	(9.11)	(9.06)
Retained distributions on accumulation shares (p)	5.21	6.30	6.32	7.65	9.11	9.06
Closing net asset value per share (p)	226.63	211.98	220.61	281.21	262.37	271.79
*after direct transaction costs of (p)	0.71	1.00	0.99	0.88	1.22	1.22
Performance						
Return after charges (%)	6.91	(3.91)	(2.10)	7.18	(3.47)	(1.65)
Other information						
Closing net asset value (£000)	28,182	39,542	8,541	1,827	1,953	2,978
Closing number of shares	12,435,183	18,653,427	3,871,487	648,381	744,580	1,095,750
Operating charges (%)**	1.07	1.06	1.07	0.61	0.61	0.61
Direct transaction costs (%)***	0.35	0.43	0.44	0.35	0.43	0.44
Prices						
Highest share price (p)	231.08	245.58	247.24	287.13	303.77	303.48
Lowest share price (p)	163.90	211.51	201.42	202.89	261.77	247.92

Threadneedle UK Select Fund

Comparative Table Disclosure

(continued)

	Class X – Accumulation shares			Class X2 – Accumulation shares		
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share						
Opening net asset value per share (p)	112.81	116.23	117.53	380.77	392.30	396.67
Return before operating charges (p)	9.09	(3.35)	(1.23)	30.66	(11.28)	(4.13)
Operating charges (p)	(0.07)	(0.07)	(0.07)	(0.22)	(0.25)	(0.24)
Return after operating charges (p)*	9.02	(3.42)	(1.30)	30.44	(11.53)	(4.37)
Distributions (p)	(3.90)	(4.57)	(4.52)	(13.15)	(15.43)	(15.25)
Retained distributions on accumulation shares (p)	3.90	4.57	4.52	13.15	15.43	15.25
Closing net asset value per share (p)	121.83	112.81	116.23	411.21	380.77	392.30
*after direct transaction costs of (p)	0.38	0.53	0.51	1.29	1.76	1.75
Performance						
Return after charges (%)	8.00	(2.94)	(1.11)	7.99	(2.94)	(1.10)
Other information						
Closing net asset value (£000)	71,723	64,831	848	82,831	86,328	254,263
Closing number of shares	58,871,785	57,468,858	730,044	20,143,131	22,671,760	64,814,029
Operating charges (%)**	0.06	0.06	0.06	0.06	0.06	0.06
Direct transaction costs (%)***	0.35	0.43	0.44	0.35	0.43	0.44
Prices						
Highest share price (p)	124.02	130.52	129.22	418.60	440.53	436.13
Lowest share price (p)	87.25	112.55	105.91	294.51	379.88	357.47

	Class Z – Income shares			Class Z – Gross accumulation shares[§]	
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020[‡]
Change in net assets per share					
Opening net asset value per share (p)	136.37	146.03	153.42	87.51	100.00
Return before operating charges (p)	10.52	(3.88)	(1.47)	7.01	(12.36)
Operating charges (p)	(1.16)	(1.34)	(1.36)	(0.76)	(0.13)
Return after operating charges (p)*	9.36	(5.22)	(2.83)	6.25	(12.49)
Distributions (p)	(3.59)	(4.44)	(4.56)	(2.34)	(0.49)
Retained distributions on accumulation shares (p)	–	–	–	2.34	0.49
Closing net asset value per share (p)	142.14	136.37	146.03	93.76	87.51
*after direct transaction costs of (p)	0.46	0.65	0.67	0.30	0.42
Performance					
Return after charges (%)	6.86	(3.57)	(1.84)	7.14	(12.49)
Other information					
Closing net asset value (£000)	26,718	10,790	14,623	6,521	1
Closing number of shares	18,796,708	7,912,435	10,013,751	6,955,331	1,000
Operating charges (%)**	0.88	0.88	0.88	0.88	0.81[†]
Direct transaction costs (%)***	0.35	0.43	0.44	0.35	0.43
Prices					
Highest share price (p)	146.16	159.79	168.39	95.57	101.34
Lowest share price (p)	105.45	137.65	134.94	67.67	87.31

**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.

[§]Only available to eligible investors.

[‡]Commenced 7 January 2020.

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

Threadneedle UK Select Fund

Notes to the financial statements

for the accounting period 8 March 2020 to 7 March 2021

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 5 and 6.

2 NET CAPITAL GAINS/(LOSSES)

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

	2021 £000	2020 £000
Non-derivative securities	13,417	(14,630)
Other losses	(45)	(6)
Transaction costs	(2)	(3)
Net capital gains/(losses)	13,370	(14,639)

3 REVENUE

	2021 £000	2020 £000
UK dividends	10,320	15,206
Interest on short term investments	–	13
Bank interest	10	88
Underwriting commission	12	–
Total revenue	10,342	15,307

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	(1,305)	(2,007)
Registration fees	(168)	(206)
	(1,473)	(2,213)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(34)	(48)
Safe custody fees	(15)	(17)
	(49)	(65)
Other expenses:		
Regulatory fees	(7)	(7)
Audit fees	(9)	(9)
	(16)	(16)
Total expenses*	(1,538)	(2,294)

**Including irrecoverable VAT where applicable.*

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2021 £000	2020 £000
Interest payable	–	(4)
Total interest payable and similar charges	–	(4)

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	8,804	13,009
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(1,761)	(2,602)
Effects of:		
Revenue not subject to taxation	2,024	2,980
Excess expenses*	(260)	(317)
Conversion transfer from capital*	(3)	(61)
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 £12,863,516 (2020: £12,603,734) 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	5,610	8,182
Final	3,010	3,845
	8,620	12,027
Add: Revenue deducted on the cancellation of shares*	519	1,492
Deduct: Revenue received on the creation of shares*	(318)	(206)
Net distribution for the period	8,821	13,313
Net revenue after taxation	8,804	13,009
Equalisation on conversion*	17	304
Total distributions	8,821	13,313

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

Details of the distribution per share are set out in the table on pages 18 to 19.

8 DEBTORS

	2021 £000	2020 £000
Amounts receivable for the issue of shares	119	2,743
Sales awaiting settlement	6,627	4,163
Accrued revenue	2,244	1,885
Total debtors	8,990	8,791

9 OTHER CREDITORS

	2021 £000	2020 £000
Amounts payable for the cancellation of shares	(19,380)	(142)
Purchases awaiting settlement	(392)	(4,659)
Accrued expenses	(11)	(12)
Amounts payable to ACD	(146)	(180)
Total other creditors	(19,929)	(4,993)

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 Select Fund currently has seven share classes; Class 1, Class 2, Class D, Class L, Class X, Class X2 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 D shares	0.90%
Class L shares	0.55%
Class X shares	N/A*
Class X2 shares	N/A*
Class Z shares	0.75%

Threadneedle UK Select Fund

Notes to the financial statements

(continued)

Registration fees

Class 1 shares	0.110%
Class 2 shares	0.035%
Class D shares	0.150%
Class L shares	0.035%
Class X shares	0.035%
Class X2 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 20 to 21. The distribution per share class is given in the distribution table on pages 18 to 19.
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	26,499,588
Shares issued	849,765
Shares redeemed	(1,804,212)
Net conversions	(12,146,312)
Closing shares	13,398,829
Class 2 – Income shares	
Opening shares	49,792,638
Shares issued	20,346,414
Shares redeemed	(21,248,280)
Net conversions	(897,047)
Closing shares	47,993,725
Class D – Accumulation shares	
Opening shares	18,653,427
Shares issued	1,129,276
Shares redeemed	(4,353,151)
Net conversions	(2,994,369)
Closing shares	12,435,183
Class L – Accumulation shares	
Opening shares	744,580
Shares issued	3,155
Shares redeemed	(99,354)
Net conversions	–
Closing shares	648,381
Class X – Accumulation shares	
Opening shares	57,468,858
Shares issued	10,855,709
Shares redeemed	(10,335,072)
Net conversions	882,290
Closing shares	58,871,785
Class X2 – Accumulation shares	
Opening shares	22,671,760
Shares issued	5,173,385
Shares redeemed	(7,702,014)
Net conversions	–
Closing shares	20,143,131
Class Z – Income shares	
Opening shares	7,912,435
Shares issued	3,444,473
Shares redeemed	(2,646,354)
Net conversions	10,086,154
Closing shares	18,796,708
Class Z – Gross accumulation shares	
Opening shares	1,000
Shares issued	155,255
Shares redeemed	(450,503)
Net conversions	7,249,579
Closing shares	6,955,331

13 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 6 to 7.

Market price risk sensitivity

The sensitivity figures provided are forecasts. A 5% market increase applied to the fund would result in an estimated increase in net asset value of the fund by 4.92% and vice versa (2020: 4.62%).

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	469
Currency 2020	**£000**
US Dollar	344

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 7 March was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2021	**£000**	**£000**	**£000**	**£000**
UK Sterling	11,240	4,004	295,513	310,757
US Dollar	–	–	469	469
Currency 2020	**£000**	**£000**	**£000**	**£000**
UK Sterling	–	9,594	286,241	295,835
US Dollar	–	–	344	344

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2021	**£000**	**£000**	**£000**	**£000**
UK Sterling	–	–	(20,702)	(20,702)
Currency 2020	**£000**	**£000**	**£000**	**£000**
UK Sterling	(95)	–	(5,967)	(6,062)

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). Any impact to the rate of the underlying securities is considered in market price risk section.

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 Select 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*	290,996	–	287,388	–
	290,996	–	287,388	–

**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

7 March 2021

	Value	Commissions		Taxes	
Purchases	**£000**	**£000**	**%**	**£000**	**%**
Equities	175,361	83	0.05	830	0.47
Collective investment schemes	67,510	–	–	–	–
Corporate actions	2,308	–	–	–	–
Total	245,179	83		830	
Gross purchases total:	246,092				

	Value	Commissions		Taxes	
Sales	**£000**	**£000**	**%**	**£000**	**%**
Equities	181,050	86	0.05	–	–
Collective investment schemes	73,100	–	–	–	–
Corporate actions	1,836	–	–	–	–
Total	255,986	86		–	
Total sales net of transaction costs:	255,900				

Transaction costs as a percentage of average Net Assets	
Commissions:	0.06%
Taxes:	0.29%

7 March 2020

	Value	Commissions		Taxes	
Purchases	**£000**	**£000**	**%**	**£000**	**%**
Equities	298,519	143	0.05	1,314	0.44
Collective investment schemes	138,071	–	–	–	–
Total	436,590	143		1,314	
Gross purchases total:	438,047				

	Value	Commissions		Taxes	
Sales	**£000**	**£000**	**%**	**£000**	**%**
Equities	471,638	254	0.05	–	–
Collective investment schemes	133,500	–	–	–	–
Corporate actions	1,221	–	–	–	–
Total	606,359	254		–	
Total sales net of transaction costs:	606,105				

Transaction costs as a percentage of average Net Assets	
Commissions:	0.10%
Taxes:	0.33%

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% (7 March 2020: 0.11%), 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 7 March 2020:

STATEMENT OF TOTAL RETURN	**Previously reported 2020 £000**	**Adjustments £000**	**Restated 2020 £000**
Distributions	(13,009)	(304)	(13,313)
Net impact		(304)	

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	133,792	(105,848)	27,944
Amounts payable on the cancellation of shares	(320,313)	106,152	(214,161)
	(186,521)	304	(186,217)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(14,639)	(304)	(14,943)
Impact on net assets attributable to shareholders		–	

	Previously reported 2020 £000	**Adjustments £000**	**Restated 2020 £000**
Note 6 TAXATION			
Excess expenses	(378)	61	(317)
Conversion transfer from capital	–	(61)	(61)
Net impact		–	

	Previously reported 2020 £000	**Adjustments £000**	**Restated 2020 £000**
Note 7 DISTRIBUTIONS			
Add: Revenue deducted on the cancellation of shares	2,250	(758)	1,492
Deduct: Revenue received on the creation of shares	(1,268)	1,062	(206)
Net impact		304	
Equalisation on conversion	–	304	304

Threadneedle UK Select Fund

Notes to the financial statements

(continued)

18 POST BALANCE SHEET EVENT

During the period from the balance sheet date to 21 June 2021, the net asset value of the Fund decreased by 12.01%. This decrease is primarily driven by overall levels of net redemptions within the Fund. The net asset value was reviewed again on 28 June with no material movements noted since 21 June.

The table below shows net redemptions between the year-ended 7 March 2021 and 21 June 2021 as a percentage of the closing NAV for share classes with significant movements. The net redemptions of shares were reviewed again on 28 June with no material movements noted since 21 June. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

Share class	% Movement
Class 2 – Income shares	(18.55)
Class X – Accumulation shares	(30.30)
Class X2 – Accumulation shares	(25.01)

Threadneedle UK Smaller Companies Fund

Investment Report

Investment Objective and Policy

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

The Fund is actively managed, and invests at least 90% of its assets in the shares of companies listed on the London Stock Exchange; predominantly smaller companies traded on the Alternative Investment Market (AIM) or included within the Numis Smaller Companies Index ex Investment Companies, that are UK domiciled, or have significant UK business operations.

The Fund selects companies considered to have good prospects for share price growth, from any industry or economic sector, with smaller companies providing potential exposure to niche growth areas that often cannot be accessed by large companies.

The Fund typically invests in shares of fewer than 70 companies. 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.

The Numis Smaller Companies Index ex Investment Companies is a widely used benchmark for monitoring the performance of UK smaller companies. It consists of companies that make up the smallest 10% of the UK main listed market by value (excluding investment companies). 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 7 March 2021, the published share price of the Threadneedle UK Smaller Companies Fund has risen from 343.64p to 431.34p.

Looking at performance within its peer group, the total return on the fund for the twelve months ending 28 February 2021, including net reinvested income, is +22.45% as compared to a median return of +20.43% over the same period. (For information the Numis Smaller Companies ex Investment Companies Index returned +16.21% over the same period).

Market Overview and Portfolio Activity

The review period was a turbulent, but ultimately strong period for UK small caps, which posted double-digit gains and were well ahead of the broader FTSE All-Share index.

Global markets plunged in March 2020 as the coronavirus spread rapidly around the world, prompting governments to impose lockdowns that brought cities, regions and even countries to a near halt. UK small caps underperformed amid the ensuing risk aversion. A sharp fall in the pound was a further headwind, given these stocks' perceived vulnerability to higher inflation.

To soften the economic blow of the pandemic, governments and central banks adopted unprecedented levels of support. In the UK, the Bank of England reduced official interest rates to all-time lows of 0.10%, with a view to supporting businesses and consumers by lowering the cost of borrowing. The bank also expanded its bond-buying (quantitative easing) programme. The UK government's huge range of stimulus policies included paying a substantial proportion of furloughed employees' wages, alongside specific measures to support those sectors hit particularly hard by lockdowns, such as hospitality, tourism and housing.

Optimism around these stimulus measures fuelled a recovery in global markets from the end of March. Falling coronavirus cases and the resulting easing of lockdown restrictions also buoyed sentiment, though in the autumn, there were periodic jitters about a resurgence of the virus. Fears of a no-deal Brexit also simmered over much of 2020, though were ultimately dispelled.

The mood turned strongly positive in November, as landmark advances in the race to develop coronavirus vaccines spurred hopes of a resumption of more 'normal' activity. Investors were also encouraged by Joe Biden's victory in the US election and resulting anticipation – and the eventual delivery – of more economic stimulus in the US. Towards the end of 2020, UK small caps were also boosted by the long-awaited Brexit trade deal. The concomitant rise in the pound was a further tailwind for small-cap stocks.

The recovery in financial markets surpassed the resurgence of the broader economy. For 2020 as a whole, the UK's GDP was down by a record 9.9%, as repeated lockdowns and other restrictions took their toll on economic activity, particularly in the dominant services sector. More encouragingly, the UK's vaccine rollout has been successful, with the government recently announcing a roadmap out of the lockdown. This has fostered hopes of a swifter economic rebound in 2021, which, along with the increased clarity around Brexit, heightened takeover interest in the UK stock market.

Several new stocks were added to the portfolio over the period. Examples included Synthomer (speciality chemicals), Jet2 (low-cost airline), Oxford Biomedica (pharmaceuticals) and Watches of Switzerland.

Synthomer is one of the world's leading suppliers of aqueous polymers. The company has expanded organically, as well as through the selective acquisition of neglected divisions from blue-chip multinationals.

Jet2 stands to gain significant market share following the demise of Thomas Cook and the challenges being experienced by rival TUI. Jet2 has a healthy liquidity position and favourable working-capital dynamics, which should tide the business through near-term travel disruptions. The long-term thesis is supported by the company's strong customer focus, vertical integration and the founder-owned structure.

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.

Luxury retailer Watches of Switzerland was also added via a placing of stock, as the original private-equity investor sold out. Despite the initial impact of lockdown-induced store closures, sales have held up well, helped by the US business and an acceleration of the e-commerce division, which we believe is sustainable post-COVID. The company is expanding its online presence and should benefit from the structural trend towards e-commerce, which has been accelerated by the pandemic.

We also participated in the initial public offering (IPO) of Moonpig. The online card and gift retailer has a dominant presence in the UK and Netherlands. The business has reached an inflection point; we believe that growth can now be accelerated thanks to technology and the leveraging of marketing costs. Moonpig is an exceptionally high-return business with very little demands on capital.

Over the period, we also supported some of our holdings in their efforts to raise liquidity to cope with the pandemic. For example, we added to Blue Prism via its placing.

We profitably sold Codemasters and AFH Financial ahead of their respective takeovers. We also closed our position in Just Group.

Looking ahead, the announcement of a number of vaccines has buoyed hopes of a swifter economic recovery. Meanwhile, the Brexit deal should remove a large part of the uncertainty that has weighed on UK equities in recent years.

That said, we expect the return to pre-crisis rates of growth to be slow. In particular, there are headwinds for the consumption sector, a significant contributor to the UK's GDP, while Brexit is still likely to result in some frictional trade costs.

Nevertheless, we believe there are positive drivers for small caps. High-quality businesses are likely to emerge from the crisis even stronger. We also see attractive prospects for businesses perceived to have too much debt at a headline level, but which have strong liquidity and the ability to cut costs. Finally, we feel that the share prices of certain companies seem to be discounting significant future equity raising.

We are monitoring companies closely, and rigorously adhering to our philosophy and process to seek out favoured stocks.

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2020 to 7 March 2021

	Notes	2021 £000	Restated 2020** £000
Income			
Net capital gains	2	57,289	17,091
Revenue	3	1,432	2,550
Expenses	4	(1,832)	(1,826)
Net (expense)/revenue before taxation		(400)	724
Taxation	5	–	–
Net (expense)/revenue after taxation		(400)	724
Total return before distributions		56,889	17,815
Distributions**	6	(251)	(826)
Change in net assets attributable to shareholders from investment activities		56,638	16,989

BALANCE SHEET

as at 7 March 2021

	Notes	2021 £000	2020 £000
Assets:			
Fixed assets:			
Investments		256,425	163,309
Current assets:			
Debtors	7	5,436	604
Cash and bank balances		1	4,336
Cash equivalents***		4,009	4,000
Total assets		265,871	172,249
Liabilities:			
Creditors:			
Bank overdrafts		(1,952)	–
Distribution payable		–	(170)
Other creditors	8	(4,673)	(536)
Total liabilities		(6,625)	(706)
Net assets attributable to shareholders		259,246	171,543

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2020 to 7 March 2021

	2021 £000	Restated 2020** £000
Opening net assets attributable to shareholders	171,543	164,023
Amounts receivable on the issue of shares**	69,348	40,535
Amounts payable on the cancellation of shares**	(39,103)	(50,573)
	30,245	(10,038)
Dilution adjustment	550	130
Change in net assets attributable to shareholders from investment activities (see statement of total return above)**	56,638	16,989
Retained distribution on accumulation shares	270	438
Unclaimed distributions	–	1
Closing net assets attributable to shareholders	259,246	171,543

DISTRIBUTION TABLE

for the accounting period 8 March 2020 to 7 March 2021

Dividend distribution in pence per share

Class 1 – Income shares

There is no distribution for the accounting period 8 March 2020 to 7 March 2021, as expenses exceed revenue (2020: Nil).

Class 2 – Income shares

There is no distribution for the accounting period 8 March 2020 to 7 March 2021, as expenses exceed revenue (2020: 1.4508).

**In pound Sterling and against UK peer group (See Performance summary on pages 330 to 331).*

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

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

Threadneedle UK Smaller Companies Fund

DISTRIBUTION TABLE

(continued)

Class X – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
08/03/20 to 07/09/20	0.4140	–	0.4140	1.0763
08/09/20 to 07/03/21	0.6223	–	0.6223	1.0680
Group 2				
08/03/20 to 07/09/20	0.4140	–	0.4140	1.0763
08/09/20 to 07/03/21	0.6223	–	0.6223	1.0680
Total distributions in the period			**1.0363**	**2.1443**

Class X – Gross accumulation shares*

Distribution Period	Revenue	Equalisation	Gross Revenue Accumulated 2020/2021	Gross Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/09/20	0.2708	–	0.2708	0.4462
08/09/20 to 07/03/21	0.4275	–	0.4275	0.7278
Group 2				
08/03/20 to 07/09/20	0.2708	–	0.2708	0.4462
08/09/20 to 07/03/21	0.2803	0.1472	0.4275	0.7278
Total distributions in the period			**0.6983**	**1.1740**

Class Z – Income shares

There is no distribution for the accounting period 8 March 2020 to 7 March 2021, as expenses exceed revenue (2020: 1.3921).

Class Z – Accumulation shares

There is no distribution for the accounting period 8 March 2020 to 7 March 2021, as expenses exceed revenue (2020: 1.1929).

Class Z CHF Hedged – Gross accumulation shares

There is no distribution for the accounting period 8 March 2020 to 7 March 2021, as expenses exceed revenue (2020: 0.6540).

Group 2: shares purchased during a distribution period.

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

Threadneedle UK Smaller Companies Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 2 – Income shares		
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share						
Opening net asset value per share (p)	340.42	306.06	343.90	347.03	311.38	349.17
Return before operating charges (p)	90.59	40.06	(31.75)	92.89	40.79	(32.22)
Operating charges (p)	(5.64)	(5.70)	(5.56)	(3.84)	(3.69)	(3.60)
Return after operating charges (p)*	84.95	34.36	(37.31)	89.05	37.10	(35.82)
Distributions (p)	–	–	(0.53)	–	(1.45)	(1.97)
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	425.37	340.42	306.06	436.08	347.03	311.38
*after direct transaction costs of (p)	0.65	0.60	0.39	0.67	0.62	0.40
Performance						
Return after charges (%)	24.95	11.23	(10.85)	25.66	11.91	(10.26)
Other information						
Closing net asset value (£000)	30,635	40,599	57,849	64,186	59,979	73,500
Closing number of shares	7,201,939	11,925,950	18,900,821	14,718,810	17,283,611	23,604,216
Operating charges (%)**	1.63	1.68	1.68	1.07	1.07	1.07
Direct transaction costs (%)***	0.18	0.18	0.12	0.18	0.18	0.12
Prices						
Highest share price (p)	438.93	397.35	369.07	449.95	405.63	375.36
Lowest share price (p)	231.73	302.93	281.19	236.25	308.22	286.03

	Class X – Income shares			Class X – Gross accumulation shares[§]	
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020[†]
Change in net assets per share					
Opening net asset value per share (p)	147.26	132.16	148.20	103.86	100.00
Return before operating charges (p)	39.69	17.27	(13.67)	28.03	3.92
Operating charges (p)	(0.05)	(0.03)	(0.09)	(0.08)	(0.06)
Return after operating charges (p)*	39.64	17.24	(13.76)	27.95	3.86
Distributions (p)	(1.04)	(2.14)	(2.28)	(0.70)	(1.17)
Retained distributions on accumulation shares (p)	–	–	–	0.70	1.17
Closing net asset value per share (p)	185.86	147.26	132.16	131.81	103.86
*after direct transaction costs of (p)	0.29	0.26	0.17	0.21	0.19
Performance					
Return after charges (%)	26.92	13.04	(9.28)	26.91	3.86
Other information					
Closing net asset value (£000)	6	4	4	55,982	33,927
Closing number of shares	3,000	3,000	3,000	42,470,722	32,667,508
Operating charges (%)**	0.03	0.02	0.06	0.07	0.07[†]
Direct transaction costs (%)***	0.18	0.18	0.12	0.18	0.18
Prices					
Highest share price (p)	192.39	172.98	159.75	135.99	121.13
Lowest share price (p)	100.29	130.83	121.77	70.73	94.64

Threadneedle UK Smaller Companies Fund

Comparative Table Disclosure

(continued)

	Class Z – Income shares			Class Z – Accumulation shares		
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share						
Opening net asset value per share (p)	234.80	210.69	236.26	202.26	180.40	200.80
Return before operating charges (p)	62.96	27.58	(21.81)	54.22	23.70	(18.63)
Operating charges (p)	(2.20)	(2.08)	(2.03)	(1.89)	(1.84)	(1.77)
Return after operating charges (p)*	60.76	25.50	(23.84)	52.33	21.86	(20.40)
Distributions (p)	–	(1.39)	(1.73)	–	(1.19)	(1.47)
Retained distributions on accumulation shares (p)	–	–	–	–	1.19	1.47
Closing net asset value per share (p)	295.56	234.80	210.69	254.59	202.26	180.40
*after direct transaction costs of (p)	0.46	0.42	0.27	0.40	0.37	0.24
Performance						
Return after charges (%)	25.88	12.10	(10.09)	25.87	12.12	(10.16)
Other information						
Closing net asset value (£000)	51,755	21,991	27,120	56,681	15,042	5,549
Closing number of shares	17,510,580	9,365,943	12,871,930	22,263,517	7,436,943	3,076,037
Operating charges (%)**	0.89	0.89	0.89	0.89	0.89	0.89
Direct transaction costs (%)***	0.18	0.18	0.12	0.18	0.18	0.12
Prices						
Highest share price (p)	304.96	274.69	254.11	262.69	235.98	215.97
Lowest share price (p)	159.86	208.56	193.64	137.72	178.57	165.48

	Class Z CHF Hedged – Gross accumulation shares[§]		
	07/03/2021	07/03/2020	07/03/2019[2]
Change in net assets per share			
Opening net asset value per share (p)	102.68	85.64	100.00
Return before operating charges (p)	21.08	17.83	(13.77)
Operating charges (p)	(0.87)	(0.79)	(0.59)
Return after operating charges (p)*	20.21	17.04	(14.36)
Distributions (p)	–	(0.65)	(0.48)
Retained distributions on accumulation shares (p)	–	0.65	0.48
Closing net asset value per share (p)	122.89	102.68	85.64
*after direct transaction costs of (p)	0.20	0.18	0.11
Performance			
Return after charges (%)	19.68	19.90	(14.36)
Other information			
Closing net asset value (£000)	1	1	1
Closing number of shares	1,000	1,000	1,000
Operating charges (%)**	0.80	0.80	0.81[†]
Direct transaction costs (%)***	0.18	0.18	0.12
Prices			
Highest share price (p)	129.99	115.10	106.58
Lowest share price (p)	75.57	85.14	81.94

**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.

[1]Commenced 9 May 2019.

[2]Commenced 30 May 2018.

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

Threadneedle UK Smaller Companies Fund

Notes to the financial statements

for the accounting period 8 March 2020 to 7 March 2021

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 5 and 6.

2 NET CAPITAL GAINS

Net capital gains during the period comprise:

	2021 £000	2020 £000
Non-derivative securities	57,288	17,095
Other gains/(losses)	4	(1)
Transaction costs	(3)	(3)
Net capital gains	57,289	17,091

3 REVENUE

	2021 £000	2020 £000
UK dividends	1,418	2,518
Bank interest	9	27
Underwriting commission	5	5
Total revenue	1,432	2,550

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	(1,613)	(1,640)
Registration fees	(165)	(136)
	(1,778)	(1,776)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(25)	(21)
Safe custody fees	(13)	(12)
	(38)	(33)
Other expenses:		
Regulatory fees	(7)	(7)
Audit fees	(9)	(10)
	(16)	(17)
Total expenses*	(1,832)	(1,826)

**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 (expense)/revenue before taxation	(400)	724
Net (expense)/revenue before taxation multiplied by the standard rate of corporation tax of 20%	80	(145)
Effects of:		
Revenue not subject to taxation	285	503
Excess expenses*	(362)	(353)
Conversion transfer from capital*	(3)	(5)
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 £7,421,086 (2020: £7,059,231) 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	88	403
Final	182	448
	270	851
Add: Revenue deducted on the cancellation of shares*	3	55
Deduct: Revenue received on the creation of shares*	(22)	(80)
Net distribution for the period	251	826
Net (expense)/revenue after taxation	(400)	724
Equalisation on conversion*	14	22
Shortfall transfer from capital to revenue	637	80
Total distributions	251	826

**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 26 to 27.

7 DEBTORS

	2021 £000	2020 £000
Amounts receivable for the issue of shares	1,561	425
Sales awaiting settlement	3,779	–
Accrued revenue	96	179
Total debtors	5,436	604

8 OTHER CREDITORS

	2021 £000	2020 £000
Amounts payable for the cancellation of shares	(1,923)	(173)
Purchases awaiting settlement	(2,544)	(173)
Accrued expenses	(11)	(11)
Amounts payable to ACD	(195)	(179)
Total other creditors	(4,673)	(536)

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 Smaller Companies 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%

Threadneedle UK Smaller Companies Fund

Notes to the financial statements

(continued)

Registration fees

Class 1 shares	0.150%
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 28 to 29. The distribution per share class is given in the distribution table on pages 26 to 27.

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	11,925,950
Shares issued	1,978,784
Shares redeemed	(2,287,405)
Net conversions	(4,415,390)
Closing shares	7,201,939
Class 2 – Income shares	
Opening shares	17,283,611
Shares issued	3,534,932
Shares redeemed	(3,234,455)
Net conversions	(2,865,278)
Closing shares	14,718,810
Class X – Income shares	
Opening shares	3,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	3,000
Class X – Gross accumulation shares	
Opening shares	32,667,508
Shares issued	707,543
Shares redeemed	(409,337)
Net conversions	9,505,008
Closing shares	42,470,722
Class Z – Income shares	
Opening shares	9,365,943
Shares issued	6,088,404
Shares redeemed	(4,334,359)
Net conversions	6,390,592
Closing shares	17,510,580
Class Z – Accumulation shares	
Opening shares	7,436,943
Shares issued	18,961,949
Shares redeemed	(4,135,375)
Net conversions	–
Closing shares	22,263,517
Class Z CHF Hedged – Gross accumulation shares	
Opening shares	1,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	1,000

12 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 6 to 7.

Market price risk sensitivity

The sensitivity figures provided are forecasts. A 5% market increase applied to the fund would result in an estimated increase in net asset value of the fund by 4.23% and vice versa (2020: 4.31%).

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
Swiss Franc	1
Currency 2020	**£000**
Euro	1
Swiss Franc	1

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 7 March was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2021	**£000**	**£000**	**£000**	**£000**
Euro	1	–	–	1
Swiss Franc	–	–	1	1
UK Sterling	–	4,009	261,860	265,869
Currency 2020	**£000**	**£000**	**£000**	**£000**
Euro	1	–	–	1
Swiss Franc	–	–	1	1
UK Sterling	4,335	4,000	163,912	172,247

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2021	**£000**	**£000**	**£000**	**£000**
UK Sterling	(1,952)	–	(4,673)	(6,625)
Currency 2020	**£000**	**£000**	**£000**	**£000**
UK Sterling	–	–	(706)	(706)

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). Any impact to the rate of the underlying securities is considered in market price risk section.

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.

Threadneedle UK Smaller Companies 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*	260,434	–	167,309	–
	260,434	–	167,309	–

**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

7 March 2021

	Value	Commissions		Taxes	
Purchases	**£000**	**£000**	**%**	**£000**	**%**
Equities	109,032	53	0.05	298	0.27
Collective investment schemes	40,009	–	–	–	–
Corporate actions	1,115	–	–	–	–
Total	150,156	53		298	
Gross purchases total:	150,507				

	Value	Commissions		Taxes	
Sales	**£000**	**£000**	**%**	**£000**	**%**
Equities	73,903	37	0.05	–	–
Collective investment schemes	40,000	–	–	–	–
Corporate actions	551	–	–	–	–
Total	114,454	37		–	
Total sales net of transaction costs:	114,417				

Transaction costs as a percentage of average Net Assets	
Commissions:	0.04%
Taxes:	0.14%

7 March 2020

	Value	Commissions		Taxes	
Purchases	**£000**	**£000**	**%**	**£000**	**%**
Equities	83,208	41	0.05	209	0.25
Collective investment schemes	4,000	–	–	–	–
Corporate actions	1,497	–	–	–	–
Total	88,705	41		209	
Gross purchases total:	88,955				

	Value	Commissions		Taxes	
Sales	**£000**	**£000**	**%**	**£000**	**%**
Equities	101,675	57	0.06	–	–
Corporate actions	1,544	–	–	–	–
Total	103,219	57		–	
Total sales net of transaction costs:	103,162				

Transaction costs as a percentage of average Net Assets	
Commissions:	0.06%
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 1.48% (7 March 2020: 1.86%), 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 7 March 2020:

STATEMENT OF TOTAL RETURN	**Previously reported 2020**	**Adjustments**	**Restated 2020**
	£000	**£000**	**£000**
Distributions	(804)	(22)	(826)
Net impact		(22)	

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	60,732	(20,197)	40,535
Amounts payable on the cancellation of shares	(70,792)	20,219	(50,573)
	(10,060)	22	(10,038)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	17,011	(22)	16,989
Impact on net assets attributable to shareholders		–	

	Previously reported 2020	**Adjustments**	**Restated 2020**
	£000	**£000**	**£000**
Note 6 TAXATION			
Excess expenses	(358)	5	(353)
Conversion transfer from capital	–	(5)	(5)
Net impact		–	

	Previously reported 2020	**Adjustments**	**Restated 2020**
	£000	**£000**	**£000**
Note 7 DISTRIBUTIONS			
Add: Revenue deducted on the cancellation of shares	72	(17)	55
Deduct: Revenue received on the creation of shares	(119)	39	(80)
Net impact		22	
Equalisation on conversion	–	22	22

Threadneedle UK Smaller Companies Fund

Notes to the financial statements

(continued)

17 POST BALANCE SHEET EVENT

The table below shows net redemptions between the year-ended 7 March 2021 and 21 June 2021 as a percentage of the closing NAV for share classes with significant movements. The net redemptions of shares were reviewed again on 28 June with no material movements noted since 21 June. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

Share class	% Movement
Class Z – Income shares	(11.96)
Class Z – Accumulation shares	(67.46)

Threadneedle UK Growth & Income Fund

Investment Report

Investment Objective and Policy

The Fund aims to provide a return over the long term, through the combination of capital growth and income. 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 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 offer good total return opportunities (the combination of share price growth and dividend income), from any industry or economic sector. Whilst there is no restriction on size, investment focuses on the largest 150 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. It provides a suitable target benchmark against which the performance of the Fund 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 (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 7 March 2021, the published share price of the Threadneedle UK Growth & Income Fund has risen from 86.04p to 87.99p.

Looking at performance within its peer group, the total return on the fund for the twelve months ending 28 February 2021, including net reinvested income, is +1.78% as compared to a median return of +5.58% over the same period. (For information the FTSE All-Share Total Return Index returned +3.50% over the same period).

Market Overview and Portfolio Activity

The year under review was a volatile, but ultimately positive period for UK equities. Global markets sold off sharply at the start of the period, as COVID-19 reached pandemic status and much of the world was placed in lockdown.

To mitigate the economic impact, central banks and governments unleashed a flood of unprecedented stimulus measures. These fuelled a rally in equities from late March until September, as did declining virus incidences and easing lockdown restrictions. After some shocking data released in April, subsequent economic news tended to reinforce this sentiment, and although weak was generally better than expected. Meanwhile, UK companies launched fund-raisings to strengthen their positions.

The equity rally weakened in the autumn amid concerns about a second wave of the pandemic and uncertainty ahead of the US presidential election. But the mood turned positive again in November, and remained largely so over the remainder of 2020. Markets were encouraged by Joe Biden's election victory, landmark results in coronavirus vaccine trials, and the subsequent approval of the first vaccines for use in the UK, Europe and the US. The resulting optimism around a return to more 'normalised' economic activity prompted a rotation towards value stocks, to which the UK equity market is heavily geared. Sentiment was also bolstered by the last-minute Brexit trade agreement with the EU, and hopes of increased fiscal stimulus in the US.

However, expectations of higher government spending and a rebound in growth also led investors to anticipate higher future inflation, which triggered some market volatility in 2021. Stocks were also hurt by concerns about new strains of the virus and sluggish vaccine rollouts in some countries. The UK led the way in vaccinating its population. Such has been the success of this programme that the government recently announced a roadmap out of the lockdown, which fostered hopes of a swifter economic rebound. Together with the increased clarity around Brexit, this reignited takeover interest in UK companies. Many UK firms have recently paid out dividends and re-issued guidance that was withdrawn at the onset of the pandemic.

In terms of activity, we took advantage of the aforementioned refinancing measures to top up some holdings, such as Hiscox, JD Wetherspoon and Rank.

We feel that 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.

JD Wetherspoon has only modestly negative cashflows, but has prudently raised extra equity to aid liquidity. We believe the pub chain will emerge stronger from the crisis, as many of its rivals are excessively leveraged.

Rank is expanding its digital presence, while the extensive operational changes and investments in the core Grosvenor Casinos business are starting to bear fruit.

Elsewhere, we also added to Imperial Brands. The firm is strengthening its balance sheet, and there is a renewed focus on the high-margin cigarette business. Management also plans to increase sales in Germany and the US.

We profitably sold RSA Insurance ahead of the company's takeover. We also realised some gains in Electrocomponents.

The UK equity market is trading at very attractive valuations relative to global peers, partly as a result of the high levels of consensus thinking in markets.

We feel that this discount should start to narrow, owing to the increased clarity around Brexit and the improved prospect of a global economic recovery once vaccines are rolled out. Against this backdrop, a lot of the short positions against UK equities are likely to be closed.

Meanwhile, UK businesses are attractive targets for private-equity names and US corporates seeking to capitalise on the valuation discount. Consequently, the next year or two should be exciting, particularly given the polarised valuations within the market as a result of the narrowly led rally since the lows of March. We feel there are many favourable opportunities in distressed stocks, which should rebound strongly when a shift in momentum finally occurs.

Our focus remains on company fundamentals to target strong, risk-adjusted returns.

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2020 to 7 March 2021

	Notes	2021 £000	Restated 2020** £000
Income			
Net capital gains/(losses)	2	15,230	(4,988)
Revenue	3	6,467	11,069
Expenses	4	(2,419)	(3,163)
Net revenue before taxation		4,048	7,906
Taxation	5	–	–
Net revenue after taxation		4,048	7,906
Total return before distributions		19,278	2,918
Distributions**	6	(6,177)	(10,693)
Change in net assets attributable to shareholders from investment activities		13,101	(7,775)

BALANCE SHEET

as at 7 March 2021

	Notes	2021 £000	2020 £000
Assets:			
Fixed assets:			
Investments		225,218	253,186
Current assets:			
Debtors	7	3,701	1,435
Cash and bank balances		12,360	733
Cash equivalents***		12,015	1,006
Total assets		253,294	256,360
Liabilities:			
Creditors:			
Distribution payable		(2,093)	(3,626)
Other creditors	8	(24,558)	(738)
Total liabilities		(26,651)	(4,364)
Net assets attributable to shareholders		226,643	251,996

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2020 to 7 March 2021

	2021 £000	Restated 2020** £000
Opening net assets attributable to shareholders	251,996	301,132
Amounts receivable on the issue of shares**	51,861	52,059
Amounts payable on the cancellation of shares**	(91,595)	(94,464)
	(39,734)	(42,405)
Dilution adjustment	167	–
Change in net assets attributable to shareholders from investment activities (see statement of total return above)**	13,101	(7,775)
Retained distribution on accumulation shares	1,099	1,027
Unclaimed distributions	14	17
Closing net assets attributable to shareholders	226,643	251,996

DISTRIBUTION TABLE

for the accounting period 8 March 2020 to 7 March 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				
08/03/20 to 07/09/20	0.9453	–	0.9453	1.9024
08/09/20 to 07/03/21	0.9366	–	0.9366	1.3839
Group 2				
08/03/20 to 07/09/20	0.7516	0.1937	0.9453	1.9024
08/09/20 to 07/03/21	0.7264	0.2102	0.9366	1.3839
Total distributions in the period			**1.8819**	**3.2863**

**In pound Sterling and against UK peer group (See Performance summary on pages 330 to 331).*

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

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

Threadneedle UK Growth & Income Fund

DISTRIBUTION TABLE

(continued)

Class 2 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
08/03/20 to 07/09/20	1.0921	–	1.0921	2.1612
08/09/20 to 07/03/21	1.0874	–	1.0874	1.5878
Group 2				
08/03/20 to 07/09/20	0.7621	0.3300	1.0921	2.1612
08/09/20 to 07/03/21	0.6674	0.4200	1.0874	1.5878
Total distributions in the period			**2.1795**	**3.7490**

Class X – Gross accumulation shares*

Distribution Period	Revenue	Equalisation	Gross Revenue Accumulated 2020/2021	Gross Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/09/20	1.1489	–	1.1489	1.3940
08/09/20 to 07/03/21	1.1647	–	1.1647	1.6326
Group 2				
08/03/20 to 07/09/20	1.1489	–	1.1489	1.3940
08/09/20 to 07/03/21	–	1.1647	1.1647	1.6326
Total distributions in the period			**2.3136**	**3.0266**

Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
08/03/20 to 07/09/20	1.5575	–	1.5575	3.1106
08/09/20 to 07/03/21	1.5491	–	1.5491	2.2711
Group 2				
08/03/20 to 07/09/20	1.0985	0.4590	1.5575	3.1106
08/09/20 to 07/03/21	0.9338	0.6153	1.5491	2.2711
Total distributions in the period			**3.1066**	**5.3817**

Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/09/20	1.1008	–	1.1008	2.1196
08/09/20 to 07/03/21	1.1088	–	1.1088	1.5778
Group 2				
08/03/20 to 07/09/20	0.9361	0.1647	1.1008	2.1196
08/09/20 to 07/03/21	0.8241	0.2847	1.1088	1.5778
Total distributions in the period			**2.2096**	**3.6974**

Group 2: shares purchased during a distribution period.

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

Threadneedle UK Growth & Income Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 2 – Income shares		
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share						
Opening net asset value per share (p)	84.48	88.12	88.67	94.62	98.20	98.32
Return before operating charges (p)	4.97	1.16	4.38	5.63	1.27	4.85
Operating charges (p)	(1.26)	(1.51)	(1.51)	(0.92)	(1.10)	(1.09)
Return after operating charges (p)*	3.71	(0.35)	2.87	4.71	0.17	3.76
Distributions (p)	(1.88)	(3.29)	(3.42)	(2.18)	(3.75)	(3.88)
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	86.31	84.48	88.12	97.15	94.62	98.20
*after direct transaction costs of (p)	0.04	0.02	0.01	0.04	0.02	0.02
Performance						
Return after charges (%)	4.39	(0.40)	3.24	4.98	0.17	3.82
Other information						
Closing net asset value (£000)	30,639	67,296	120,366	21,173	47,252	49,995
Closing number of shares	35,500,137	79,659,876	136,595,549	21,794,850	49,940,994	50,910,602
Operating charges (%)**	1.63	1.64	1.63	1.06	1.06	1.06
Direct transaction costs (%)***	0.05	0.02	0.01	0.05	0.02	0.01
Prices						
Highest share price (p)	88.03	100.01	100.48	99.09	111.94	111.69
Lowest share price (p)	61.50	86.04	82.88	68.90	96.40	92.29

	Class X – Gross accumulation shares		Class Z – Income shares		
	07/03/2021	07/03/2020[1]	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share					
Opening net asset value per share (p)	99.27	100.00	138.92	143.81	143.61
Return before operating charges (p)	6.22	(0.68)	8.31	1.82	7.08
Operating charges (p)	(0.06)	(0.05)	(1.14)	(1.33)	(1.32)
Return after operating charges (p)*	6.16	(0.73)	7.17	0.49	5.76
Distributions (p)	(2.31)	(3.03)	(3.11)	(5.38)	(5.56)
Retained distributions on accumulation shares (p)	2.31	3.03	–	–	–
Closing net asset value per share (p)	105.43	99.27	142.98	138.92	143.81
*after direct transaction costs of (p)	0.05	0.02	0.07	0.03	0.02
Performance					
Return after charges (%)	6.21	(0.73)	5.16	0.34	4.01
Other information					
Closing net asset value (£000)	32.129	31,359	140,656	105,918	130,734
Closing number of shares	30,475,853	31,588,518	98,377,404	76,246,045	90,907,105
Operating charges (%)**	0.06	0.06[†]	0.88	0.88	0.88
Direct transaction costs (%)***	0.05	0.02	0.05	0.02	0.01
Prices					
Highest share price (p)	106.32	115.28	145.77	164.22	163.27
Lowest share price (p)	72.39	96.88	101.16	141.48	135.06

Threadneedle UK Growth & Income Fund

Comparative Table Disclosure

(continued)

	Class Z – Accumulation shares		
	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share			
Opening net asset value per share (p)	98.19	98.00	94.33
Return before operating charges (p)	6.04	1.13	4.57
Operating charges (p)	(0.81)	(0.94)	(0.90)
Return after operating charges (p)*	5.23	0.19	3.67
Distributions (p)	(2.21)	(3.70)	(3.68)
Retained distributions on accumulation shares (p)	2.21	3.70	3.68
Closing net asset value per share (p)	103.42	98.19	98.00
*after direct transaction costs of (p)	0.05	0.02	0.02
Performance			
Return after charges (%)	5.33	0.19	3.89
Other information			
Closing net asset value (£000)	2,046	171	37
Closing number of shares	1,978,383	173,896	37,131
Operating charges (%)**	0.88	0.88	0.88
Direct transaction costs (%)***	0.05	0.02	0.01
Prices			
Highest share price (p)	104.32	114.21	107.24
Lowest share price (p)	71.57	96.42	90.59

**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.

[†]*Commenced 9 May 2019.*

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

Threadneedle UK Growth & Income Fund

Notes to the financial statements

for the accounting period 8 March 2020 to 7 March 2021

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 5 and 6.

2 NET CAPITAL GAINS/(LOSSES)

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

	2021 £000	2020 £000
Non-derivative securities	15,254	(4,989)
Other (losses)/gains	(22)	2
Transaction costs	(2)	(1)
Net capital gains/(losses)	15,230	(4,988)

3 REVENUE

	2021 £000	2020 £000
UK dividends	6,455	11,046
Interest on short term investments	–	1
Bank interest	8	14
Underwriting commission	4	8
Total revenue	6,467	11,069

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	(2,129)	(2,829)
Registration fees	(232)	(268)
	(2,361)	(3,097)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(30)	(36)
Safe custody fees	(14)	(15)
	(44)	(51)
Other expenses:		
Regulatory fees	(6)	(7)
Audit fees	(8)	(8)
	(14)	(15)
Total expenses*	(2,419)	(3,163)

**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	4,048	7,906
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(810)	(1,581)
Effects of:		
Revenue not subject to taxation	1,287	2,210
Excess expenses	(477)	(629)
Current tax charge for period (note 5a)	–	–

The fund has not recognised a deferred tax asset of £19,136,352 (2020: £18,658,880) 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	3,224	6,071
Final	2,471	4,145
	5,695	10,216
Add: Revenue deducted on the cancellation of shares*	636	887
Deduct: Revenue received on the creation of shares*	(154)	(410)
Net distribution for the period	6,177	10,693
Net revenue after taxation	4,048	7,906
Annual management charge to capital	2,129	2,829
Equalisation on conversion*	–	(42)
Total distributions	6,177	10,693

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

Details of the distribution per share are set out in the table on pages 34 to 35.

7 DEBTORS

	2021 £000	2020 £000
Amounts receivable for the issue of shares	2,828	193
Accrued revenue	873	1,242
Total debtors	3,701	1,435

8 OTHER CREDITORS

	2021 £000	2020 £000
Amounts payable for the cancellation of shares	(14,339)	(452)
Purchases awaiting settlement	(10,000)	–
Accrued expenses	(10)	(11)
Amounts payable to ACD	(209)	(275)
Total other creditors	(24,558)	(738)

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 Growth & 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 36 to 37. The distribution per share class is given in the distribution table on pages 34 to 35.

All classes have the same rights on winding up.

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

Threadneedle UK Growth & Income Fund

Notes to the financial statements

(continued)

Reconciliation of shares

	2021
Class 1 – Income shares	
Opening shares	79,659,876
Shares issued	1,786,403
Shares redeemed	(6,664,929)
Net conversions	(39,281,213)
Closing shares	35,500,137
Class 2 – Income shares	
Opening shares	49,940,994
Shares issued	5,711,544
Shares redeemed	(33,777,800)
Net conversions	(79,888)
Closing shares	21,794,850
Class X – Gross accumulation shares	
Opening shares	31,588,518
Shares issued	2,629,952
Shares redeemed	(3,742,617)
Net conversions	–
Closing shares	30,475,853
Class Z – Income shares	
Opening shares	76,246,045
Shares issued	9,677,678
Shares redeemed	(11,424,127)
Net conversions	23,877,808
Closing shares	98,377,404
Class Z – Accumulation shares	
Opening shares	173,896
Shares issued	37,802,169
Shares redeemed	(35,997,682)
Net conversions	–
Closing shares	1,978,383

12 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 6 to 7.

Market price risk sensitivity

The sensitivity figures provided are forecasts. A 5% market increase applied to the fund would result in an estimated increase in net asset value of the fund by 4.93% and vice versa (2020: 4.76%).

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	11
US Dollar	50
Currency 2020	**£000**
Euro	11
US Dollar	156

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 7 March was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2021	**£000**	**£000**	**£000**	**£000**
Euro	11	–	–	11
UK Sterling	12,341	12,015	228,877	253,233
US Dollar	8	–	42	50
Currency 2020	**£000**	**£000**	**£000**	**£000**
Euro	11	–	–	11
UK Sterling	713	1,006	254,474	256,193
US Dollar	9	–	147	156

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2021	**£000**	**£000**	**£000**	**£000**
UK Sterling	–	–	(26,651)	(26,651)
Currency 2020	**£000**	**£000**	**£000**	**£000**
UK Sterling	–	–	(4,364)	(4,364)

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). Any impact to the rate of the underlying securities is considered in market price risk section.

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*	237,233	–	254,192	–
	237,233	–	254,192	–

**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

7 March 2021

	Value	Commissions		Taxes	
Purchases	**£000**	**£000**	**%**	**£000**	**%**
Equities	27,998	5	0.02	112	0.40
Collective investment schemes	40,009	–	–	–	–
Corporate actions	462	–	–	–	–
Total	68,469	5		112	
Gross purchases total:	68,586				

Threadneedle UK Growth & Income Fund

Notes to the financial statements

(continued)

Sales	Value £000	Commissions £000	%	Taxes £000	%
Equities	70,604	13	0.02	–	–
Collective investment schemes	29,000	–	–	–	–
Corporate actions	1,208	–	–	–	–
Total	100,812	13		–	
Total sales net of transaction costs:	100,799				

Transaction costs as a percentage of average Net Assets

Commissions:	0.01%
Taxes:	0.04%

7 March 2020

Purchases	Value £000	Commissions £000	%	Taxes £000	%
Equities	10,306	5	0.05	32	0.31
Collective investment schemes	15,002	–	–	–	–
Corporate actions	1,022	–	–	–	–
Total	26,330	5		32	
Gross purchases total:	26,367				

Sales	Value £000	Commissions £000	%	Taxes £000	%
Equities	57,508	12	0.02	–	–
Collective investment schemes	13,996	–	–	–	–
Corporate actions	77	–	–	–	–
Total	71,581	12		–	
Total sales net of transaction costs:	71,569				

Transaction costs as a percentage of average Net Assets

Commissions:	0.01%
Taxes:	0.01%

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 0.18% (7 March 2020: 0.23%), 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 7 March 2020:

STATEMENT OF TOTAL RETURN	Previously reported 2020 £000	Adjustments £000	Restated 2020 £000
Distributions	(10,735)	42	(10,693)
Net impact		42	

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	57,620	(5,561)	52,059
Amounts payable on the cancellation of shares	(99,983)	5,519	(94,464)
	(42,363)	(42)	(42,405)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(7,817)	42	(7,775)
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	969	(82)	887
Deduct: Revenue received on the creation of shares	(450)	40	(410)
Net impact		(42)	
Equalisation on conversion	–	(42)	(42)

17 POST BALANCE SHEET EVENT

The table below shows net redemptions between the year-ended 7 March 2021 and 21 June 2021 as a percentage of the closing NAV for share classes with significant movements. The net redemptions of shares were reviewed again on 28 June with no material movements noted since 21 June. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

Share class	% Movement
Class Z – Income shares	(10.00)
Class Z – Accumulation shares	(13.89)

Threadneedle UK 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 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 the 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. These companies may be selected from any industry or economic sector, and whilst there is no restriction on size, investment tends to focus on the 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 typically invests in fewer than 60 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 Net Income Class 1 Shares*

Over the twelve months to 7 March 2021, the published share price of the Threadneedle UK Equity Income Fund has risen from 87.41p to 90.92p.

Looking at performance within its peer group, the total return on the fund for the twelve months ending 28 February 2021, including net reinvested income, is +4.11% as compared to a median return of +2.63% over the same period. (For information the FTSE All-Share Total Return Index returned +3.50% over the same period).

Market Overview and Portfolio Activity

The year under review was a volatile but ultimately positive period for UK equities. Global markets sold off sharply at the start of the period, as COVID-19 reached pandemic status and much of the world was placed in lockdown.

To mitigate the economic impact, central banks and governments unleashed a flood of unprecedented stimulus measures. These fuelled a rally in equities from late March until September, as did declining virus incidences and easing lockdown restrictions. After some shocking data released in April, subsequent economic news tended to reinforce this sentiment, and although weak was generally better than expected. Meanwhile, UK companies launched fund-raisings to strengthen their positions.

The equity rally weakened in the autumn amid concerns about a second wave of the pandemic and uncertainty ahead of the US presidential election. But the mood turned positive again in November, and remained largely so over the remainder of 2020. Markets were encouraged by Joe Biden's election victory, landmark results in coronavirus vaccine trials, and the subsequent approval of the first vaccines for use in the UK, Europe and the US. The resulting optimism around a return to more 'normalised' economic activity prompted a rotation towards value stocks, to which the UK equity market is heavily geared. Sentiment was also bolstered by the last-minute Brexit trade agreement with the EU, and hopes of increased fiscal stimulus in the US.

However, expectations of higher government spending and a rebound in growth also led investors to anticipate higher future inflation, which triggered some market volatility in 2021. Stocks were also hurt by concerns about new strains of the virus and sluggish vaccine rollouts in some countries. The UK was particularly successful in vaccinating its population. Such has been the success of this programme that the government recently announced a roadmap out of the lockdown, which fostered hopes of a swifter economic rebound. Together with the increased clarity around Brexit, this reignited takeover interest in UK companies. Many UK firms have recently paid out dividends and re-issued guidance that was withdrawn at the onset of the pandemic.

In terms of activity, we initiated a position in Direct Line, one of the major personal-lines insurers in the UK. The stock is trading at an attractive valuation with 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 the firm should continue to exploit.

Over the review period, we also topped up some existing holdings, such as Imperial Brands, JD Wetherspoon and Rank.

Imperial Brands is strengthening its balance sheet, and there is a renewed focus on the high-margin cigarette business. Management also plans to increase sales in Germany and the US.

JD Wetherspoon and Rank were among the holdings that we increased by taking advantage of the aforementioned refinancing. Despite having only modestly negative cashflows JD Wetherspoon prudently raised extra equity to aid liquidity. We believe the pub chain will emerge stronger from the crisis, as many of its rivals are excessively leveraged. Meanwhile, Rank is expanding its digital presence, and the extensive operational changes and investments in the core Grosvenor Casinos business are starting to bear fruit.

We profitably sold RSA Insurance ahead of the company's takeover. We also realised some gains in AstraZeneca, which performed well in 2020.

The UK equity market is trading at very attractive valuations relative to global peers, partly as a result of the high levels of consensus thinking in markets.

We feel that this discount should start to narrow, owing to the increased clarity around Brexit and the improved prospect of a global economic recovery once vaccines are rolled out. Against this backdrop, a lot of the short positions against UK equities are likely to be closed.

Meanwhile, UK businesses are attractive targets for private-equity names and US corporates seeking to capitalise on the valuation discount. Consequently, the next year or two should be exciting, particularly given the polarised valuations within the market as a result of the narrowly led rally since the lows of March 2020. We feel there are many favourable opportunities in distressed stocks, which should rebound strongly when a shift in momentum finally occurs.

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

Our focus remains on company fundamentals to target strong, risk-adjusted returns.

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2020 to 7 March 2021

	Notes	2021 £000	2020 £000
Income			
Net capital gains/(losses)	2	177,458	(181,198)
Revenue	3	111,093	176,984
Expenses	4	(29,933)	(37,085)
Interest payable and similar charges	5	–	(1)
Net revenue before taxation		81,160	139,898
Taxation	6	–	–
Net revenue after taxation		81,160	139,898
Total return before distributions		258,618	(41,300)
Distributions	7	(108,641)	(173,982)
Change in net assets attributable to shareholders from investment activities		149,977	(215,282)

BALANCE SHEET

as at 7 March 2021

	Notes	2021 £000	2020 £000
Assets:			
Fixed assets:			
Investments		3,479,396	3,830,208
Current assets:			
Debtors	8	38,904	31,173
Cash and bank balances		–	197
Cash equivalents***		39,512	10,027
Total assets		3,557,812	3,871,605
Liabilities:			
Creditors:			
Bank overdrafts		(4,843)	–
Distribution payable		(12,498)	(19,310)
Other creditors	9	(68,216)	(5,951)
Total liabilities		(85,557)	(25,261)
Net assets attributable to shareholders		3,472,255	3,846,344

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2020 to 7 March 2021

	2021 £000	Restated 2020** £000
Opening net assets attributable to shareholders	3,846,344	4,060,916
Amounts receivable on the issue of shares**	217,302	316,246
Amounts payable on the cancellation of shares**	(785,397)	(384,826)
	(568,095)	(68,580)
Dilution adjustment	1	–
Change in net assets attributable to shareholders from investment activities (see statement of total return above)**	149,977	(215,282)
Retained distribution on accumulation shares	44,024	69,276
Unclaimed distributions	4	14
Closing net assets attributable to shareholders	3,472,255	3,846,344

DISTRIBUTION TABLE

for the accounting period 8 March 2020 to 7 March 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				
08/03/20 to 07/06/20	0.6292	–	0.6292	1.2668
08/06/20 to 07/09/20	0.6860	–	0.6860	0.9921
08/09/20 to 07/12/20	0.6610	–	0.6610	0.9266
08/12/20 to 07/03/21	0.5288	–	0.5288	0.7234
Group 2				
08/03/20 to 07/06/20	0.3951	0.2341	0.6292	1.2668
08/06/20 to 07/09/20	0.4078	0.2782	0.6860	0.9921
08/09/20 to 07/12/20	0.3425	0.3185	0.6610	0.9266
08/12/20 to 07/03/21	0.3880	0.1408	0.5288	0.7234
Total distributions in the period			**2.5050**	**3.9089**

**In pound Sterling and against UK peer group (See Performance summary on pages 330 to 331).*

***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 UK Equity Income Fund

DISTRIBUTION TABLE

(continued)

Class 1 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/06/20	0.9590	–	0.9590	1.8500
08/06/20 to 07/09/20	1.0527	–	1.0527	1.4691
08/09/20 to 07/12/20	1.0230	–	1.0230	1.3866
08/12/20 to 07/03/21	0.8248	–	0.8248	1.0911
Group 2				
08/03/20 to 07/06/20	0.6605	0.2985	0.9590	1.8500
08/06/20 to 07/09/20	0.6209	0.4318	1.0527	1.4691
08/09/20 to 07/12/20	0.6458	0.3772	1.0230	1.3866
08/12/20 to 07/03/21	0.5144	0.3104	0.8248	1.0911
Total distributions in the period			**3.8595**	**5.7968**

Class 2 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
08/03/20 to 07/06/20	0.7175	–	0.7175	1.4301
08/06/20 to 07/09/20	0.7833	–	0.7833	1.1239
08/09/20 to 07/12/20	0.7559	–	0.7559	1.0518
08/12/20 to 07/03/21	0.6085	–	0.6085	0.8254
Group 2				
08/03/20 to 07/06/20	0.4565	0.2610	0.7175	1.4301
08/06/20 to 07/09/20	0.4216	0.3617	0.7833	1.1239
08/09/20 to 07/12/20	0.4607	0.2952	0.7559	1.0518
08/12/20 to 07/03/21	0.4510	0.1575	0.6085	0.8254
Total distributions in the period			**2.8652**	**4.4312**

Class 2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/06/20	0.8897	–	0.8897	1.6984
08/06/20 to 07/09/20	0.9782	–	0.9782	1.3536
08/09/20 to 07/12/20	0.9524	–	0.9524	1.2803
08/12/20 to 07/03/21	0.7724	–	0.7724	1.0129
Group 2				
08/03/20 to 07/06/20	0.8896	0.0001	0.8897	1.6984
08/06/20 to 07/09/20	0.8917	0.0865	0.9782	1.3536
08/09/20 to 07/12/20	0.9524	–	0.9524	1.2803
08/12/20 to 07/03/21	0.4483	0.3241	0.7724	1.0129
Total distributions in the period			**3.5927**	**5.3452**

Class D – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
08/03/20 to 07/06/20	1.2482	–	1.2482	2.5073
08/06/20 to 07/09/20	1.3622	–	1.3622	1.9634
08/09/20 to 07/12/20	1.3145	–	1.3145	1.8356
08/12/20 to 07/03/21	1.0499	–	1.0499	1.4315
Group 2				
08/03/20 to 07/06/20	1.0491	0.1991	1.2482	2.5073
08/06/20 to 07/09/20	0.8910	0.4712	1.3622	1.9634
08/09/20 to 07/12/20	1.0004	0.3141	1.3145	1.8356
08/12/20 to 07/03/21	0.6150	0.4349	1.0499	1.4315
Total distributions in the period			**4.9748**	**7.7378**

Class L – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
08/03/20 to 07/06/20	1.2240	–	1.2240	2.4285
08/06/20 to 07/09/20	1.3376	–	1.3376	1.9108
08/09/20 to 07/12/20	1.2925	–	1.2925	1.7901
08/12/20 to 07/03/21	1.0417	–	1.0417	1.4066
Group 2				
08/03/20 to 07/06/20	0.7683	0.4557	1.2240	2.4285
08/06/20 to 07/09/20	0.8363	0.5013	1.3376	1.9108
08/09/20 to 07/12/20	0.8222	0.4703	1.2925	1.7901
08/12/20 to 07/03/21	0.6001	0.4416	1.0417	1.4066
Total distributions in the period			**4.8958**	**7.5360**

Class L – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/06/20	2.1343	–	2.1343	4.0559
08/06/20 to 07/09/20	2.3493	–	2.3493	3.2363
08/09/20 to 07/12/20	2.2900	–	2.2900	3.0641
08/12/20 to 07/03/21	1.8595	–	1.8595	2.4272
Group 2				
08/03/20 to 07/06/20	1.4046	0.7297	2.1343	4.0559
08/06/20 to 07/09/20	1.4800	0.8693	2.3493	3.2363
08/09/20 to 07/12/20	1.6490	0.6410	2.2900	3.0641
08/12/20 to 07/03/21	1.0913	0.7682	1.8595	2.4272
Total distributions in the period			**8.6331**	**12.7835**

Class X – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
08/03/20 to 07/06/20	0.8083	–	0.8083	1.5959
08/06/20 to 07/09/20	0.8843	–	0.8843	1.2575
08/09/20 to 07/12/20	0.8563	–	0.8563	1.1795
08/12/20 to 07/03/21	0.6906	–	0.6906	0.9283
Group 2				
08/03/20 to 07/06/20	0.8083	–	0.8083	1.5959
08/06/20 to 07/09/20	0.8843	–	0.8843	1.2575
08/09/20 to 07/12/20	–	0.8563	0.8563	1.1795
08/12/20 to 07/03/21	0.6906	–	0.6906	0.9283
Total distributions in the period			**3.2395**	**4.9612**

Class X – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/06/20	2.2643	–	2.2643	4.2795
08/06/20 to 07/09/20	2.4956	–	2.4956	3.4191
08/09/20 to 07/12/20	2.4366	–	2.4366	3.2416
08/12/20 to 07/03/21	1.9811	–	1.9811	2.5715
Group 2				
08/03/20 to 07/06/20	2.1925	0.0718	2.2643	4.2795
08/06/20 to 07/09/20	1.2422	1.2534	2.4956	3.4191
08/09/20 to 07/12/20	2.1078	0.3288	2.4366	3.2416
08/12/20 to 07/03/21	0.4551	1.5260	1.9811	2.5715
Total distributions in the period			**9.1776**	**13.5117**

Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
08/03/20 to 07/06/20	0.9583	–	0.9583	1.9106
08/06/20 to 07/09/20	1.0467	–	1.0467	1.5007
08/09/20 to 07/12/20	1.0107	–	1.0107	1.4047
08/12/20 to 07/03/21	0.8119	–	0.8119	1.1006
Group 2				
08/03/20 to 07/06/20	0.6432	0.3151	0.9583	1.9106
08/06/20 to 07/09/20	0.6536	0.3931	1.0467	1.5007
08/09/20 to 07/12/20	0.7098	0.3009	1.0107	1.4047
08/12/20 to 07/03/21	0.5210	0.2909	0.8119	1.1006
Total distributions in the period			**3.8276**	**5.9166**

Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/06/20	1.2939	–	1.2939	2.4712
08/06/20 to 07/09/20	1.4231	–	1.4231	1.9682
08/09/20 to 07/12/20	1.3863	–	1.3863	1.8618
08/12/20 to 07/03/21	1.1220	–	1.1220	1.4707
Group 2				
08/03/20 to 07/06/20	0.7594	0.5345	1.2939	2.4712
08/06/20 to 07/09/20	0.9260	0.4971	1.4231	1.9682
08/09/20 to 07/12/20	0.9379	0.4484	1.3863	1.8618
08/12/20 to 07/03/21	0.7733	0.3487	1.1220	1.4707
Total distributions in the period			**5.2253**	**7.7719**

Group 2: shares purchased during a distribution period.

Threadneedle UK Equity Income Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Accumulation shares		
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share						
Opening net asset value per share (p)	86.50	92.03	92.01	131.80	134.39	129.06
Return before operating charges (p)	7.04	(0.12)	5.38	10.96	(0.37)	7.49
Operating charges (p)	(1.30)	(1.50)	(1.52)	(2.01)	(2.22)	(2.16)
Return after operating charges (p)*	5.74	(1.62)	3.86	8.95	(2.59)	5.33
Distributions (p)	(2.51)	(3.91)	(3.84)	(3.86)	(5.80)	(5.47)
Retained distributions on accumulation shares (p)	–	–	–	3.86	5.80	5.47
Closing net asset value per share (p)	89.73	86.50	92.03	140.75	131.80	134.39
*after direct transaction costs of (p)	0.03	0.03	0.03	0.04	0.05	0.05
Performance						
Return after charges (%)	6.64	(1.76)	4.20	6.79	(1.93)	4.13
Other information						
Closing net asset value (£000)	198,994	255,538	330,425	155,526	161,973	222,901
Closing number of shares	221,780,184	295,425,783	359,047,835	110,496,196	122,897,028	165,857,368
Operating charges (%)**	1.59	1.59	1.59	1.59	1.59	1.59
Direct transaction costs (%)***	0.04	0.03	0.03	0.04	0.03	0.03
Prices						
Highest share price (p)	91.77	100.40	102.82	143.12	151.70	146.01
Lowest share price (p)	64.86	87.33	85.24	98.97	130.24	123.49

	Class 1 CHF Hedged – Accumulation shares	Class 1 EUR Hedged – Accumulation shares
	09/11/2018[1]	09/11/2018[1]
Change in net assets per share		
Opening net asset value per share (p)	134.04	128.53
Return before operating charges (p)	5.50	2.06
Operating charges (p)	(1.04)	(0.99)
Return after operating charges (p)*	4.46	1.07
Distributions (p)	(3.96)	(3.79)
Retained distributions on accumulation shares (p)	3.96	3.79
Closing net asset value per share (p)	138.50	129.60
*after direct transaction costs of (p)	0.02	0.02
Performance		
Return after charges (%)	3.33	0.83
Other information		
Closing net asset value (£000)	–	–
Closing number of shares	–	–
Operating charges (%)**	–	–
Direct transaction costs (%)***	–	–
Prices		
Highest share price (p)	154.75	145.72
Lowest share price (p)	125.62	121.27

Threadneedle UK Equity Income Fund

Comparative Table Disclosure

(continued)

	Class 1 USD Hedged – Accumulation shares	Class 2 – Income shares		
	09/11/2018[1]	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share				
Opening net asset value per share (p)	150.78	97.25	102.96	102.42
Return before operating charges (p)	19.34	7.97	(0.17)	6.00
Operating charges (p)	(1.24)	(0.97)	(1.11)	(1.12)
Return after operating charges (p)*	18.10	7.00	(1.28)	4.88
Distributions (p)	(4.72)	(2.87)	(4.43)	(4.34)
Retained distributions on accumulation shares (p)	4.72	–	–	–
Closing net asset value per share (p)	168.88	101.38	97.25	102.96
*after direct transaction costs of (p)	0.02	0.03	0.04	0.04
Performance				
Return after charges (%)	12.00	7.20	(1.24)	4.76
Other information				
Closing net asset value (£000)	–	141,808	153,282	181,990
Closing number of shares	–	139,880,464	157,608,914	176,765,510
Operating charges (%)**	–	1.05	1.05	1.05
Direct transaction costs (%)***	–	0.04	0.03	0.03
Prices				
Highest share price (p)	185.98	103.60	112.78	114.70
Lowest share price (p)	142.57	72.94	98.20	95.27

	Class 2 – Accumulation shares			Class D – Income shares		
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share						
Opening net asset value per share (p)	120.56	122.27	116.79	173.03	183.00	181.90
Return before operating charges (p)	10.11	(0.37)	6.75	14.09	(0.31)	10.59
Operating charges (p)	(1.21)	(1.34)	(1.28)	(1.68)	(1.92)	(1.93)
Return after operating charges (p)*	8.90	(1.71)	5.48	12.41	(2.23)	8.66
Distributions (p)	(3.59)	(5.35)	(5.02)	(4.97)	(7.74)	(7.56)
Retained distributions on accumulation shares (p)	3.59	5.35	5.02	–	–	–
Closing net asset value per share (p)	129.46	120.56	122.27	180.47	173.03	183.00
*after direct transaction costs of (p)	0.04	0.05	0.04	0.06	0.07	0.06
Performance						
Return after charges (%)	7.38	(1.40)	4.69	7.17	(1.22)	4.76
Other information						
Closing net asset value (£000)	13,689	15,791	17,355	1,502	1,131	1,150
Closing number of shares	10,573,838	13,097,881	14,193,793	832,005	653,324	628,455
Operating charges (%)**	1.05	1.05	1.06	1.02	1.02	1.02
Direct transaction costs (%)***	0.04	0.03	0.03	0.04	0.03	0.03
Prices						
Highest share price (p)	131.52	138.63	132.44	184.41	200.60	203.77
Lowest share price (p)	90.56	118.65	112.24	129.77	174.67	169.32

Threadneedle UK Equity Income Fund

Comparative Table Disclosure

(continued)

	Class L – Income shares			Class L – Accumulation shares		
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share						
Opening net asset value per share (p)	165.79	174.72	173.04	289.03	291.80	277.45
Return before operating charges (p)	13.66	(0.31)	10.10	24.39	(0.93)	16.11
Operating charges (p)	(0.95)	(1.08)	(1.08)	(1.67)	(1.84)	(1.76)
Return after operating charges (p)*	12.71	(1.39)	9.02	22.72	(2.77)	14.35
Distributions (p)	(4.90)	(7.54)	(7.34)	(8.63)	(12.78)	(11.94)
Retained distributions on accumulation shares (p)	–	–	–	8.63	12.78	11.94
Closing net asset value per share (p)	173.60	165.79	174.72	311.75	289.03	291.80
*after direct transaction costs of (p)	0.05	0.06	0.06	0.10	0.11	0.10
Performance						
Return after charges (%)	7.67	(0.80)	5.21	7.86	(0.95)	5.17
Other information						
Closing net asset value (£000)	498,719	501,268	219,604	262,984	394,113	263,452
Closing number of shares	287,275,107	302,346,792	125,690,839	84,356,791	136,359,046	90,284,756
Operating charges (%)**	0.60	0.60	0.60	0.60	0.60	0.60
Direct transaction costs (%)***	0.04	0.03	0.03	0.04	0.03	0.03
Prices						
Highest share price (p)	177.29	192.08	194.16	316.48	332.04	315.23
Lowest share price (p)	124.37	167.39	161.54	217.13	283.46	267.63

	Class X – Income shares			Class X – Accumulation shares		
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share						
Opening net asset value per share (p)	109.47	114.73	113.00	306.37	307.62	290.89
Return before operating charges (p)	8.97	(0.24)	6.60	26.06	(1.09)	16.88
Operating charges (p)	(0.05)	(0.06)	(0.06)	(0.15)	(0.16)	(0.15)
Return after operating charges (p)*	8.92	(0.30)	6.54	25.91	(1.25)	16.73
Distributions (p)	(3.24)	(4.96)	(4.81)	(9.18)	(13.51)	(12.56)
Retained distributions on accumulation shares (p)	–	–	–	9.18	13.51	12.56
Closing net asset value per share (p)	115.15	109.47	114.73	332.28	306.37	307.62
*after direct transaction costs of (p)	0.04	0.04	0.04	0.10	0.11	0.10
Performance						
Return after charges (%)	8.15	(0.26)	5.79	8.46	(0.41)	5.75
Other information						
Closing net asset value (£000)	14,902	6,902	3,858	33,052	29,029	42,122
Closing number of shares	12,940,648	6,304,941	3,363,326	9,947,080	9,474,838	13,692,572
Operating charges (%)**	0.05	0.05	0.05	0.05	0.05	0.05
Direct transaction costs (%)***	0.04	0.03	0.03	0.04	0.03	0.03
Prices						
Highest share price (p)	117.49	126.69	127.09	337.03	351.60	331.28
Lowest share price (p)	82.14	110.51	105.96	230.22	299.23	281.55

Threadneedle UK Equity Income Fund

Comparative Table Disclosure

(continued)

	Class Z – Income shares			Class Z – Accumulation shares		
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share						
Opening net asset value per share (p)	130.82	138.14	137.08	176.57	178.67	170.26
Return before operating charges (p)	10.73	(0.24)	8.00	14.84	(0.56)	9.88
Operating charges (p)	(1.02)	(1.16)	(1.17)	(1.39)	(1.54)	(1.47)
Return after operating charges (p)*	9.71	(1.40)	6.83	13.45	(2.10)	8.41
Distributions (p)	(3.83)	(5.92)	(5.77)	(5.23)	(7.77)	(7.28)
Retained distributions on accumulation shares (p)	–	–	–	5.23	7.77	7.28
Closing net asset value per share (p)	136.70	130.82	138.14	190.02	176.57	178.67
*after direct transaction costs of (p)	0.04	0.05	0.05	0.06	0.07	0.06
Performance						
Return after charges (%)	7.42	(1.01)	4.98	7.62	(1.18)	4.94
Other information						
Closing net asset value (£000)	1,243,133	1,372,924	1,745,600	907,946	954,393	1,032,459
Closing number of shares	909,369,374	1,049,501,400	1,263,689,987	477,812,537	540,524,493	577,868,081
Operating charges (%)**	0.82	0.82	0.82	0.82	0.82	0.82
Direct transaction costs (%)***	0.04	0.03	0.03	0.04	0.03	0.03
Prices						
Highest share price (p)	139.65	151.62	153.67	192.97	202.94	193.26
Lowest share price (p)	98.12	132.07	127.76	132.63	173.47	163.94

	Class Z CHF Hedged – Accumulation shares	Class Z EUR Hedged – Accumulation shares
	09/11/2018[1]	09/11/2018[1]
Change in net assets per share		
Opening net asset value per share (p)	137.57	135.32
Return before operating charges (p)	4.85	2.36
Operating charges (p)	(0.55)	(0.54)
Return after operating charges (p)*	4.30	1.82
Distributions (p)	(4.10)	(4.02)
Retained distributions on accumulation shares (p)	4.10	4.02
Closing net asset value per share (p)	141.87	137.14
*after direct transaction costs of (p)	0.02	0.02
Performance		
Return after charges (%)	3.13	1.34
Other information		
Closing net asset value (£000)	–	–
Closing number of shares	–	–
Operating charges (%)**	–	–
Direct transaction costs (%)***	–	–
Prices		
Highest share price (p)	159.39	153.98
Lowest share price (p)	128.98	127.71

Threadneedle UK Equity Income Fund

Comparative Table Disclosure

(continued)

	Class Z USD Hedged – Accumulation shares 09/11/2018[1]
Change in net assets per share	
Opening net asset value per share (p)	155.55
Return before operating charges (p)	20.26
Operating charges (p)	(0.66)
Return after operating charges (p)*	19.60
Distributions (p)	(4.91)
Retained distributions on accumulation shares (p)	4.91
Closing net asset value per share (p)	175.15
*after direct transaction costs of (p)	0.02
Performance	
Return after charges (%)	12.60
Other information	
Closing net asset value (£000)	–
Closing number of shares	–
Operating charges (%)**	–
Direct transaction costs (%)***	–
Prices	
Highest share price (p)	192.51
Lowest share price (p)	147.15

**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.

[1]*Closed 9 November 2018.*

Threadneedle UK Equity Income Fund

Notes to the financial statements

for the accounting period 8 March 2020 to 7 March 2021

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 5 and 6.

2 NET CAPITAL GAINS/(LOSSES)

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

	2021 £000	2020 £000
Non-derivative securities	177,769	(181,217)
Other (losses)/gains	(307)	25
Transaction costs	(4)	(6)
Net capital gains/(losses)	177,458	(181,198)

3 REVENUE

	2021 £000	2020 £000
UK dividends	110,766	176,631
Overseas dividends	272	–
Interest on short term investments	–	41
Bank interest	55	201
Underwriting commission	–	111
Total revenue	111,093	176,984

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	(27,478)	(34,067)
Registration fees	(1,928)	(2,401)
	(29,406)	(36,468)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(424)	(500)
Safe custody fees	(83)	(98)
	(507)	(598)
Other expenses:		
Regulatory fees	(11)	(10)
Audit fees	(9)	(9)
	(20)	(19)
Total expenses*	(29,933)	(37,085)

**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		
Total current tax (note 6b)	–	–
Total tax charge for the period	–	–
b) Factors affecting taxation charge for period		
Net revenue before taxation	81,160	139,898
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(16,232)	(27,980)
Effects of:		
Revenue not subject to taxation	22,153	35,350
Excess expenses	(5,920)	(7,366)
Conversion transfer from capital	(1)	(4)
Current tax charge for period (note 6a)	–	–

The fund has not recognised a deferred tax asset of £74,166,557 (2020: £68,246,099) 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	86,585	141,480
Final	20,618	32,286
	107,203	173,766
Add: Revenue deducted on the cancellation of shares*	2,050	1,639
Deduct: Revenue received on the creation of shares*	(612)	(1,423)
Net distribution for the period	108,641	173,982
Net revenue after taxation	81,160	139,898
Annual management charge to capital	27,478	34,067
Equalisation on conversion	3	19
Undistributed revenue carried forward	–	(2)
Total distributions	108,641	173,982

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

Details of the distribution per share are set out in the table on pages 41 to 42.

8 DEBTORS

	2021 £000	2020 £000
Amounts receivable for the issue of shares	4,977	7,357
Sales awaiting settlement	17,625	–
Accrued revenue	16,302	23,816
Total debtors	38,904	31,173

9 OTHER CREDITORS

	2021 £000	2020 £000
Amounts payable for the cancellation of shares	(54,909)	(2,356)
Purchases awaiting settlement	(10,404)	–
Accrued expenses	(54)	(65)
Amounts payable to ACD	(2,849)	(3,530)
Total other creditors	(68,216)	(5,951)

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 Equity Income Fund currently has six share classes; Class 1, Class 2, Class D, Class L, 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 D shares	0.90%
Class L shares	0.55%
Class X shares	N/A*
Class Z shares	0.75%

Threadneedle UK Equity Income Fund

Notes to the financial statements

(continued)

Registration fees	
Class 1 shares	0.080%
Class 2 shares	0.035%
Class D shares	0.110%
Class L shares	0.035%
Class X shares	0.035%
Class Z shares	0.060%

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 43 to 47. The distribution per share class is given in the distribution table on pages 41 to 42.
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	295,425,783
Shares issued	50,175,753
Shares redeemed	(50,488,015)
Net conversions	(73,333,337)
Closing shares	221,780,184
Class 1 – Accumulation shares	
Opening shares	122,897,028
Shares issued	8,709,861
Shares redeemed	(18,805,491)
Net conversions	(2,305,202)
Closing shares	110,496,196
Class 2 – Income shares	
Opening shares	157,608,914
Shares issued	7,893,519
Shares redeemed	(25,421,515)
Net conversions	(200,454)
Closing shares	139,880,464
Class 2 – Accumulation shares	
Opening shares	13,097,881
Shares issued	2,017,221
Shares redeemed	(4,541,019)
Net conversions	(245)
Closing shares	10,573,838
Class D – Income shares	
Opening shares	653,324
Shares issued	407,363
Shares redeemed	(149,583)
Net conversions	(79,099)
Closing shares	832,005
Class L – Income shares	
Opening shares	302,346,792
Shares issued	15,090,230
Shares redeemed	(41,310,993)
Net conversions	11,149,078
Closing shares	287,275,107
Class L – Accumulation shares	
Opening shares	136,359,046
Shares issued	20,639,698
Shares redeemed	(78,960,500)
Net conversions	6,318,547
Closing shares	84,356,791
Class X – Income shares	
Opening shares	6,304,941
Shares issued	12,672,197
Shares redeemed	(6,036,490)
Net conversions	–
Closing shares	12,940,648

	2021
Class X – Accumulation shares	
Opening shares	9,474,838
Shares issued	2,465,846
Shares redeemed	(1,993,604)
Net conversions	–
Closing shares	9,947,080
Class Z – Income shares	
Opening shares	1,049,501,400
Shares issued	30,733,355
Shares redeemed	(205,485,388)
Net conversions	34,620,007
Closing shares	909,369,374
Class Z – Accumulation shares	
Opening shares	540,524,493
Shares issued	19,408,802
Shares redeemed	(73,344,795)
Net conversions	(8,775,963)
Closing shares	477,812,537

13 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 6 to 7.

Market price risk sensitivity

The sensitivity figures provided are forecasts. A 5% market increase applied to the fund would result in an estimated increase in net asset value of the fund by 4.79% and vice versa (2020: 4.69%).

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	655
Currency 2020	**£000**
Euro	3
US Dollar	2,244

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 7 March was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2021	**£000**	**£000**	**£000**	**£000**
UK Sterling	–	39,512	3,517,645	3,557,157
US Dollar	–	–	655	655
Currency 2020	**£000**	**£000**	**£000**	**£000**
Euro	3	–	–	3
UK Sterling	194	10,027	3,859,137	3,869,358
US Dollar	–	–	2,244	2,244

Threadneedle UK Equity Income 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**
UK Sterling	(4,843)	–	(80,714)	(85,557)
Currency 2020	**£000**	**£000**	**£000**	**£000**
UK Sterling	–	–	(25,261)	(25,261)

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). Any impact to the rate of the underlying securities is considered in market price risk section.

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*	3,518,908	–	3,840,235	–
	3,518,908	–	3,840,235	–

**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

7 March 2021

	Value	Commissions		Taxes	
Purchases	**£000**	**£000**	**%**	**£000**	**%**
Equities	211,760	63	0.03	926	0.44
Collective investment schemes	429,055	–	–	–	–
Total	640,815	63		926	
Gross purchases total:	641,804				

	Value	Commissions		Taxes	
Sales	**£000**	**£000**	**%**	**£000**	**%**
Equities	728,195	226	0.03	1	–
Collective investment schemes	399,570	–	–	–	–
Corporate actions	13,360	–	–	–	–
Total	1,141,125	226		1	
Total sales net of transaction costs:	1,140,898				

Transaction costs as a percentage of average Net Assets

Commissions:	0.01%
Taxes:	0.03%

7 March 2020

	Value	Commissions		Taxes	
Purchases	**£000**	**£000**	**%**	**£000**	**%**
Equities	256,263	93	0.04	1,269	0.50
Collective investment schemes	199,171	–	–	–	–
Corporate actions	14,843	–	–	–	–
Total	470,277	93		1,269	
Gross purchases total:	471,639				

	Value	Commissions		Taxes	
Sales	**£000**	**£000**	**%**	**£000**	**%**
Equities	299,728	110	0.04	1	0.00
Collective investment schemes	214,150	–	–	–	–
Corporate actions	794	–	–	–	–
Total	514,672	110		1	
Total sales net of transaction costs:	514,561				

Transaction costs as a percentage of average Net Assets

Commissions:	0.00%
Taxes:	0.03%

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 0.15% (7 March 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 7 March 2020:

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	321,182	(4,936)	316,246
Amounts payable on the cancellation of shares	(389,762)	4,936	(384,826)
	(68,580)	–	(68,580)
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	1,650	(11)	1,639
Deduct: Revenue received on the creation of shares	(1,434)	11	(1,423)
Net impact		–	

Threadneedle UK Equity Income Fund

Notes to the financial statements

(continued)

18 POST BALANCE SHEET EVENT

The table below shows net redemptions between the year-ended 7 March 2021 and 21 June 2021 as a percentage of the closing NAV for share classes with significant movements. The net redemptions of shares were reviewed again on 28 June with no material movements noted since 21 June. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

Share class	% Movement
Class D – Income shares	(16.83)

Threadneedle UK Monthly Income Fund

Investment Report

Investment Objective and Policy

The Fund aims to provide a monthly 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 focuses on selecting companies that exhibit strong potential for paying attractive and sustainable dividend income. These companies may be chosen from any industry or economic sector, and whilst there is no restriction on size, investment tends to focus on the 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 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 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 7 March 2021, the published share price of the Threadneedle UK Monthly Income Fund has risen from 65.06p to 65.72p.

Looking at performance within its peer group, the total return on the fund for the twelve months ending 28 February 2021, including net reinvested income, is +0.31% as compared to a median return of +2.63% over the same period. (For information the FTSE All-Share Total Return Index returned +3.50% over the same period).

Market Overview and Portfolio Activity

The last year was truly unprecedented; its beginning coinciding almost exactly with the arrival of coronavirus on European shores. Meanwhile, an issue as significant and controversial as Brexit, which had consumed the country for the previous five years, and where the transition period ended on 31 December 2020, went virtually unmentioned.

As infections spiralled out of control, threatening to overwhelm the National Health Service, the country was locked down from 23 March. Working from home became the norm for many white collar workers, and only essential businesses remained open. Initially, deaths peaked at over 1,000 per day in April before steadily falling and troughing at around 10 per day in September. The economy progressively re-opened from June.

However, by the autumn, infection rates rose again as the second wave of the pandemic took hold. This resulted in a second lockdown for a month in November, followed by a third that lasted from Christmas until the end of the period. In addition, between these periods, ad-hoc local tiering restrictions were in place. Deaths peaked at around 1,250 per day in February. Shortly afterwards a road-map detailing when restrictions might lift was published, with schools due to reopen on 8 March. Cumulative deaths at this point approached 125,000, although the start of a successful vaccination programme in January saw approximately a third of the adult population inoculated by early March.

In total, for approximately five months of the period under review, large swathes of the domestic economy were either closed or operated under various levels of constraint. This pattern was broadly replicated in many parts of the Western world. The consequential contraction in the UK economy caused by the restrictions surpassed that seen in the financial crisis or even in the Great Depression. Having troughed at -25%, the economy shrunk by 9.9% over 2020 as a whole – the largest reduction in more than 300 years. Both the size of this contraction and the mortality rate from the virus were some of the worst seen globally. This was due to the UK economy's internationally facing, services-sector-based characteristics, the poor underlying health of the population, and a reactive government response to the crisis. The Bank of England swiftly cut interest rates twice in March, from 0.75% to 0.25%, and then again to 0.1%, a record low. The bank also instigated an additional £200bn asset-purchase programme on top of its existing £435bn. However, the truth was that monetary policy, both conventional and unconventional, having never recovered from the financial crisis of a decade earlier, was essentially exhausted. Thus, the government was forced to step in to underpin large parts of the economy via its Jobs Retention Scheme, which supported the furlough of over five million workers. However, this pushed the government's annual budget deficit to around £435bn, or over 20% of GDP, and national debt to over £2 tn, or more than 100% of GDP.

The market fell almost 25% in the first two weeks of the period under review before steadily rallying to end the year up 4.7%.

The fund's relatively defensive stance served it well during the initial sell-off. However, we steadily repositioned the portfolio to have a more balanced stance by increasing exposure to more economically sensitive stocks which had fallen too hard. Throughout the year, the fund also attempted to retain a relatively balanced selection of both growth and value stocks. During the year, eight stocks were added and four removed from the portfolio, leaving 66 stocks at year end. New additions were J Sainsbury, Aviva, Capital & Counties Properties, WPP, Forterra, HICL, Essentra and Speedy Hire. We sold Marstons, Direct Line, HSBC and Land Securities. We also significantly reduced holdings in defensive stocks which had held up well during the sell-off, such as AstraZeneca, GlaxoSmithKline, BAE Systems and Chesnara. The holding in Royal Dutch Shell was also reduced. We topped up positions in BHP and Legal & General.

Life assurance remains the fund's biggest overweight sector. At the sector level, the biggest change was to progressively move from an underweight to an overweight in industrials during the year; in the process, this became the second largest overweight.

The biggest challenge the fund faced was the collapse in company dividend payments. In a three-week period at the end of March 2020, a record number of companies cut, deferred or passed payments at a speed and level of severity never seen before. Even the totemic Royal Dutch Shell cut its payments by almost two-thirds. Although by period end this process had just about troughed, the resultant reduction in dividends is estimated to have been approximately 37–38%.

As foreshadowed in the previous year's final report, the fund had to make some painful decisions in response to this situation. Due to this almost overnight change in companies' dividends occurring right at the beginning of its financial year, the fund reduced its own distributions. For the first three months of the year, this was by approximately 55%: 0.12 pence per unit (ppu) vs 0.27ppu for the class 1 and 0.21ppu vs 0.47ppu for the Z class. This reduction moderated over the following eight months to around 40% (0.16ppu vs 0.27ppu for the class 1 and 0.28ppu vs 0.47ppu for the Z class). And as the situation gradually stabilised, the fund was able to increase its final payment by approximately 11%. This left overall distributions for the year down by approximately 36%.

This cut, only the second in the fund's 23-year history, although unavoidable, was deeply regrettable. From this new base, the fund will begin to rebuild its distribution in a steady fashion, in the process reverting to its traditional policy of making 11 even payouts. Although this year's final payment will reduce, the 11 monthly payments will increase by approximately 21% to 0.18ppu for the class 1 and 15% to 0.30ppu for the Z class versus the average for last year.

At period end, the historic yield on an ex-dividend basis for both these two shares classes was 3.4%.

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2020 to 7 March 2021

	Notes	2021 £000	2020 £000
Income			
Net capital gains/(losses)	2	5,354	(23,926)
Revenue	3	13,572	22,205
Expenses	4	(4,321)	(6,595)
Interest payable and similar charges	5	–	(2)
Net revenue before taxation		9,251	15,608
Taxation	6	–	–
Net revenue after taxation		9,251	15,608
Total return before distributions		14,605	(8,318)
Distributions	7	(13,123)	(21,636)
Change in net assets attributable to shareholders from investment activities		1,482	(29,954)

BALANCE SHEET

as at 7 March 2021

	Notes	2021 £000	2020 £000
Assets:			
Fixed assets:			
Investments		364,472	382,596
Current assets:			
Debtors	8	2,865	4,819
Cash and bank balances		3,391	3,475
Cash equivalents**		2,012	8
Total assets		372,740	390,898
Liabilities:			
Creditors:			
Distribution payable		(3,458)	(3,276)
Other creditors	9	(3,375)	(2,039)
Total liabilities		(6,833)	(5,315)
Net assets attributable to shareholders		365,907	385,583

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2020 to 7 March 2021

	2021 £000	2020 £000
Opening net assets attributable to shareholders	385,583	442,788
Amounts receivable on the issue of shares	7,168	12,297
Amounts payable on the cancellation of shares	(28,385)	(39,662)
	(21,217)	(27,365)
Dilution adjustment	(11)	–
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	1,482	(29,954)
Unclaimed distributions	70	114
Closing net assets attributable to shareholders	365,907	385,583

DISTRIBUTION TABLE

for the accounting period 8 March 2020 to 7 March 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				
08/03/20 to 07/04/20	0.1200	–	0.1200	0.2700
08/04/20 to 07/05/20	0.1200	–	0.1200	0.2700
08/05/20 to 07/06/20	0.1200	–	0.1200	0.2700
08/06/20 to 07/07/20	0.1600	–	0.1600	0.2700
08/07/20 to 07/08/20	0.1600	–	0.1600	0.2700
08/08/20 to 07/09/20	0.1600	–	0.1600	0.2700
08/09/20 to 07/10/20	0.1600	–	0.1600	0.2700
08/10/20 to 07/11/20	0.1600	–	0.1600	0.2700
08/11/20 to 07/12/20	0.1600	–	0.1600	0.2700
08/12/20 to 07/01/21	0.1600	–	0.1600	0.2700
08/01/21 to 07/02/21	0.1600	–	0.1600	0.2700
08/02/21 to 07/03/21	0.5978	–	0.5978	0.5402

**In pound Sterling and against UK peer group (See Performance summary on pages 330 to 331).*

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

Threadneedle UK Monthly Income Fund

DISTRIBUTION TABLE

(continued)

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 2				
08/03/20 to 07/04/20	0.0674	0.0526	0.1200	0.2700
08/04/20 to 07/05/20	–	0.1200	0.1200	0.2700
08/05/20 to 07/06/20	–	0.1200	0.1200	0.2700
08/06/20 to 07/07/20	–	0.1600	0.1600	0.2700
08/07/20 to 07/08/20	–	0.1600	0.1600	0.2700
08/08/20 to 07/09/20	–	0.1600	0.1600	0.2700
08/09/20 to 07/10/20	–	0.1600	0.1600	0.2700
08/10/20 to 07/11/20	–	0.1600	0.1600	0.2700
08/11/20 to 07/12/20	–	0.1600	0.1600	0.2700
08/12/20 to 07/01/21	–	0.1600	0.1600	0.2700
08/01/21 to 07/02/21	–	0.1600	0.1600	0.2700
08/02/21 to 07/03/21	0.0565	0.5413	0.5978	0.5402
Total distributions in the period			**2.2378**	**3.5102**

Class 2 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
08/03/20 to 07/04/20	0.1800	–	0.1800	0.4100
08/04/20 to 07/05/20	0.1800	–	0.1800	0.4100
08/05/20 to 07/06/20	0.1800	–	0.1800	0.4100
08/06/20 to 07/07/20	0.2400	–	0.2400	0.4100
08/07/20 to 07/08/20	0.2400	–	0.2400	0.4100
08/08/20 to 07/09/20	0.2400	–	0.2400	0.4100
08/09/20 to 07/10/20	0.2400	–	0.2400	0.4100
08/10/20 to 07/11/20	0.2400	–	0.2400	0.4100
08/11/20 to 07/12/20	0.2400	–	0.2400	0.4100
08/12/20 to 07/01/21	0.2400	–	0.2400	0.4100
08/01/21 to 07/02/21	0.2400	–	0.2400	0.3600
08/02/21 to 07/03/21	0.9273	–	0.9273	0.8011
Group 2				
08/03/20 to 07/04/20	0.1800	–	0.1800	0.4100
08/04/20 to 07/05/20	0.1800	–	0.1800	0.4100
08/05/20 to 07/06/20	0.1800	–	0.1800	0.4100
08/06/20 to 07/07/20	0.2400	–	0.2400	0.4100
08/07/20 to 07/08/20	0.2400	–	0.2400	0.4100
08/08/20 to 07/09/20	0.2400	–	0.2400	0.4100
08/09/20 to 07/10/20	0.2400	–	0.2400	0.4100
08/10/20 to 07/11/20	0.2400	–	0.2400	0.4100
08/11/20 to 07/12/20	0.2400	–	0.2400	0.4100
08/12/20 to 07/01/21	0.2400	–	0.2400	0.4100
08/01/21 to 07/02/21	0.2400	–	0.2400	0.3600
08/02/21 to 07/03/21	0.9273	–	0.9273	0.8011
Total distributions in the period			**3.3873**	**5.2611**

Class X – Gross income shares*

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
08/03/20 to 07/04/20	0.1750	–	0.1750	
08/04/20 to 07/05/20	0.1750	–	0.1750	
08/05/20 to 07/06/20	0.1750	–	0.1750	–
08/06/20 to 07/07/20	0.2350	–	0.2350	0.3900
08/07/20 to 07/08/20	0.2350	–	0.2350	0.3900
08/08/20 to 07/09/20	0.2350	–	0.2350	0.3900
08/09/20 to 07/10/20	0.2350	–	0.2350	0.3900
08/10/20 to 07/11/20	0.2350	–	0.2350	0.3900
08/11/20 to 07/12/20	0.2350	–	0.2350	0.3900
08/12/20 to 07/01/21	0.2350	–	0.2350	0.3900
08/01/21 to 07/02/21	0.2350	–	0.2350	0.3900
08/02/21 to 07/03/21	0.9151	–	0.9151	0.8930
Group 2				
08/03/20 to 07/04/20	0.1750	–	0.1750	
08/04/20 to 07/05/20	0.1750	–	0.1750	
08/05/20 to 07/06/20	0.1750	–	0.1750	–
08/06/20 to 07/07/20	0.2350	–	0.2350	0.3900
08/07/20 to 07/08/20	0.2350	–	0.2350	0.3900
08/08/20 to 07/09/20	0.2350	–	0.2350	0.3900
08/09/20 to 07/10/20	0.2350	–	0.2350	0.3900
08/10/20 to 07/11/20	0.2350	–	0.2350	0.3900
08/11/20 to 07/12/20	0.2350	–	0.2350	0.3900
08/12/20 to 07/01/21	0.2350	–	0.2350	0.3900
08/01/21 to 07/02/21	0.2350	–	0.2350	0.3900
08/02/21 to 07/03/21	0.9151	–	0.9151	0.8930
Total distributions in the period			**3.3201**	**4.0130**

Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
08/03/20 to 07/04/20	0.2100	–	0.2100	0.4700
08/04/20 to 07/05/20	0.2100	–	0.2100	0.4700
08/05/20 to 07/06/20	0.2100	–	0.2100	0.4700
08/06/20 to 07/07/20	0.2800	–	0.2800	0.4700
08/07/20 to 07/08/20	0.2800	–	0.2800	0.4700
08/08/20 to 07/09/20	0.2800	–	0.2800	0.4700
08/09/20 to 07/10/20	0.2800	–	0.2800	0.4700
08/10/20 to 07/11/20	0.2800	–	0.2800	0.4700
08/11/20 to 07/12/20	0.2800	–	0.2800	0.4700
08/12/20 to 07/01/21	0.2800	–	0.2800	0.4700
08/01/21 to 07/02/21	0.2800	–	0.2800	0.4700
08/02/21 to 07/03/21	1.1103	–	1.1103	1.0274
Group 2				
08/03/20 to 07/04/20	0.1240	0.0860	0.2100	0.4700
08/04/20 to 07/05/20	–	0.2100	0.2100	0.4700
08/05/20 to 07/06/20	–	0.2100	0.2100	0.4700
08/06/20 to 07/07/20	–	0.2800	0.2800	0.4700
08/07/20 to 07/08/20	–	0.2800	0.2800	0.4700
08/08/20 to 07/09/20	–	0.2800	0.2800	0.4700
08/09/20 to 07/10/20	–	0.2800	0.2800	0.4700
08/10/20 to 07/11/20	–	0.2800	0.2800	0.4700
08/11/20 to 07/12/20	–	0.2800	0.2800	0.4700
08/12/20 to 07/01/21	–	0.2800	0.2800	0.4700
08/01/21 to 07/02/21	–	0.2800	0.2800	0.4700
08/02/21 to 07/03/21	0.3067	0.8036	1.1103	1.0274
Total distributions in the period			**3.9803**	**6.1974**

Group 2: shares purchased during a distribution period.

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

Threadneedle UK Monthly Income Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 2 – Income shares		
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share						
Opening net asset value per share (p)	64.34	69.50	71.88	95.23	102.34	105.32
Return before operating charges (p)	3.45	(0.49)	2.26	5.14	(0.74)	3.30
Operating charges (p)	(0.94)	(1.16)	(1.18)	(0.93)	(1.11)	(1.12)
Return after operating charges (p)*	2.51	(1.65)	1.08	4.21	(1.85)	2.18
Distributions (p)	(2.24)	(3.51)	(3.46)	(3.39)	(5.26)	(5.16)
Closing net asset value per share (p)	64.61	64.34	69.50	96.05	95.23	102.34
*after direct transaction costs of (p)	0.07	0.12	0.07	0.10	0.18	0.10
Performance						
Return after charges (%)	3.90	(2.37)	1.50	4.42	(1.81)	2.07
Other information						
Closing net asset value (£000)	175,411	322,344	367,747	36	81	86
Closing number of shares	271,490,142	500,965,659	529,162,282	37,157	84,409	84,409
Operating charges (%)**	1.58	1.63	1.63	1.06	1.06	1.06
Direct transaction costs (%)***	0.11	0.17	0.09	0.11	0.17	0.09
Prices						
Highest share price (p)	66.45	75.60	77.94	98.75	111.74	114.31
Lowest share price (p)	48.93	65.06	64.46	72.43	96.28	94.83

	Class X – Gross income shares		Class Z – Income shares		
	07/03/2021	07/03/2020[1]	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share					
Opening net asset value per share (p)	93.39	100.00	114.02	122.23	125.48
Return before operating charges (p)	5.08	(2.60)	6.17	(0.90)	3.93
Operating charges (p)	(0.05)	–	(0.94)	(1.11)	(1.12)
Return after operating charges (p)*	5.03	(2.60)	5.23	(2.01)	2.81
Distributions (p)	(3.32)	(4.01)	(3.98)	(6.20)	(6.06)
Closing net asset value per share (p)	95.10	93.39	115.27	114.02	122.23
*after direct transaction costs of (p)	0.10	0.17	0.12	0.21	0.12
Performance					
Return after charges (%)	5.39	(2.60)	4.59	(1.64)	2.24
Other information					
Closing net asset value (£000)	7,896	1	182,564	63,157	74,955
Closing number of shares	8,303,653	1,000	158,379,335	55,392,407	61,324,814
Operating charges (%)**	0.06	–[†]	0.88	0.88	0.88
Direct transaction costs (%)***	0.11	0.17	0.11	0.17	0.09
Prices					
Highest share price (p)	97.60	109.53	118.46	133.84	136.27
Lowest share price (p)	71.05	94.53	86.73	115.34	113.25

**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.

[1] *Commenced 9 May 2019.*

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

Threadneedle UK Monthly Income Fund

Notes to the financial statements

for the accounting period 8 March 2020 to 7 March 2021

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 5 and 6.

2 NET CAPITAL GAINS/(LOSSES)

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

	2021 £000	2020 £000
Non-derivative securities	5,462	(23,934)
Other (losses)/gains	(107)	10
Transaction costs	(1)	(2)
Net capital gains/(losses)	5,354	(23,926)

3 REVENUE

	2021 £000	2020 £000
UK dividends	13,449	22,160
Overseas dividends	115	–
Interest on short term investments	–	4
Bank interest	5	32
Underwriting commission	3	9
Total revenue	13,572	22,205

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	(3,871)	(6,028)
Registration fees	(378)	(482)
	(4,249)	(6,510)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(42)	(52)
Safe custody fees	(16)	(18)
	(58)	(70)
Other expenses:		
Regulatory fees	(6)	(6)
Audit fees	(8)	(9)
	(14)	(15)
Total expenses*	(4,321)	(6,595)

**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		
Total current tax (note 6b)	–	–
Total tax charge for the period	–	–
b) Factors affecting taxation charge for period		
Net revenue before taxation	9,251	15,608
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(1,850)	(3,122)
Effects of:		
Revenue not subject to taxation	2,608	4,314
Excess expenses	(757)	(1,192)
Conversion transfer from capital	(1)	–
Current tax charge for period (note 6a)	–	–

The fund has not recognised a deferred tax asset of £45,588,690 (2020: £44,832,033) 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
Interim	9,540	18,245
Final	3,458	3,276
	12,998	21,521
Add: Revenue deducted on the cancellation of shares	354	192
Deduct: Revenue received on the creation of shares	(229)	(77)
Net distribution for the period	13,123	21,636
Net revenue after taxation	9,251	15,608
Annual management charge to capital	3,871	6,028
Equalisation on conversion	1	–
Undistributed revenue brought forward	–	1
Undistributed revenue carried forward	–	(1)
Total distributions	13,123	21,636

Details of the distribution per share are set out in the table on pages 52 to 53.

8 DEBTORS

	2021 £000	2020 £000
Amounts receivable for the issue of shares	526	990
Sales awaiting settlement	–	660
Accrued revenue	2,311	3,137
Foreign withholding tax recoverable	28	28
United Kingdom income tax recoverable	–	4
Total debtors	2,865	4,819

9 OTHER CREDITORS

	2021 £000	2020 £000
Amounts payable for the cancellation of shares	(623)	(358)
Purchases awaiting settlement	(2,337)	(1,036)
Accrued expenses	(11)	(13)
Amounts payable to ACD	(404)	(632)
Total other creditors	(3,375)	(2,039)

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 UK Monthly Income Fund

Notes to the financial statements

(continued)

12 SHAREHOLDER FUNDS

Threadneedle UK Monthly 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	1.40%
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%

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 54. The distribution per share class is given in the distribution table on pages 52 to 53.

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	500,965,659
Shares issued	7,809,974
Shares redeemed	(25,439,093)
Net conversions	(211,846,398)
Closing shares	271,490,142
Class 2 – Income shares	
Opening shares	84,409
Shares issued	–
Shares redeemed	(47,252)
Net conversions	–
Closing shares	37,157
Class X – Gross income shares	
Opening shares	1,000
Shares issued	–
Shares redeemed	(1,094,122)
Net conversions	9,396,775
Closing shares	8,303,653
Class Z – Income shares	
Opening shares	55,392,407
Shares issued	3,031,326
Shares redeemed	(11,784,663)
Net conversions	111,740,265
Closing shares	158,379,335

13 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 6 to 7.

Market price risk sensitivity

The sensitivity figures provided are forecasts. A 5% market increase applied to the fund would result in an estimated increase in net asset value of the fund by 4.94% and vice versa (2020: 4.74%).

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	28
US Dollar	764
Currency 2020	**£000**
Euro	28
US Dollar	1,415

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 7 March was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2021	**£000**	**£000**	**£000**	**£000**
Euro	–	–	28	28
UK Sterling	3,391	2,012	366,545	371,948
US Dollar	–	–	764	764
Currency 2020	**£000**	**£000**	**£000**	**£000**
Euro	–	–	28	28
UK Sterling	3,475	8	385,972	389,455
US Dollar	–	–	1,415	1,415

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2021	**£000**	**£000**	**£000**	**£000**
UK Sterling	–	–	(6,833)	(6,833)
Currency 2020	**£000**	**£000**	**£000**	**£000**
UK Sterling	–	–	(5,315)	(5,315)

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). Any impact to the rate of the underlying securities is considered in market price risk section.

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*	366,484	–	382,604	–
	366,484	–	382,604	–

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

Threadneedle UK Monthly Income Fund

Notes to the financial statements

(continued)

15 CONTINGENT LIABILITIES AND COMMITMENTS

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

16 PORTFOLIO TRANSACTION COSTS

7 March 2021

	Value	Commissions		Taxes	
Purchases	**£000**	**£000**	**%**	**£000**	**%**
Equities	69,348	36	0.05	296	0.43
Collective investment schemes	20,005	–	–	–	–
Corporate actions	675	–	–	–	–
Total	90,028	36		296	
Gross purchases total:	90,360				

	Value	Commissions		Taxes	
Sales	**£000**	**£000**	**%**	**£000**	**%**
Equities	93,993	51	0.05	–	–
Collective investment schemes	18,000	–	–	–	–
Total	111,993	51		–	
Total sales net of transaction costs:	111,942				

Transaction costs as a percentage of average Net Assets	
Commissions:	0.03%
Taxes:	0.08%

7 March 2020

	Value	Commissions		Taxes	
Purchases	**£000**	**£000**	**%**	**£000**	**%**
Equities	119,780	67	0.06	597	0.50
Collective investment schemes	34,022	–	–	–	–
Corporate actions	1,268	–	–	–	–
Total	155,070	67		597	
Gross purchases total:	155,734				

	Value	Commissions		Taxes	
Sales	**£000**	**£000**	**%**	**£000**	**%**
Equities	134,198	75	0.06	–	–
Collective investment schemes	39,030	–	–	–	–
Corporate actions	20,779	–	–	–	–
Total	194,007	75		–	
Total sales net of transaction costs:	193,932				

Transaction costs as a percentage of average Net Assets	
Commissions:	0.03%
Taxes:	0.14%

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% (7 March 2020: 0.21%), being the difference between the respective buying and selling prices for the fund's investments.

Threadneedle Monthly Extra Income Fund

Investment Report

Investment Objective and Policy

The Fund aims to provide a monthly income 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 in a combination of company shares and bonds; typically, between 70-80% in UK company shares and 20%-30% in bonds. The Fund considers UK companies to mean companies listed on the London Stock Exchange; predominantly those 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. These companies may be chosen from any industry or economic sector, and whilst there is no restriction on size, investment tends to focus on the larger companies included in the FTSE All-Share Index. The bonds selected are usually investment grade corporate bonds, but may also include government bonds. These bonds are denominated in sterling (or hedged back to sterling, if a different currency).

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

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 7 March 2021, the published share price of the Threadneedle Monthly Extra Income Fund has risen from 77.80p to 78.46p.

Looking at performance within its peer group, the total return on the fund for the twelve months ending 28 February 2021, including net reinvested income, is +2.24% as compared to a median return of +2.51% over the same period. (For information the 80% FTSE All Share, 20% ICE BofA Sterling Corp & Collaterized is +3.37%).

Market Overview and Portfolio Activity

The year under review was a turbulent, but ultimately positive period for UK equities. Meanwhile, despite spells of intense volatility, the sterling investment-grade (IG) credit market was little changed in total-return terms. A rise in UK gilt yields (which move inversely to price) was counterbalanced by tightening credit spreads (the yield premiums offered by corporate bonds over "risk-free" government bonds of the same maturity).

Equities sold off sharply at the start of the period, as COVID-19 reached pandemic status and much of the world was placed in lockdown.

To mitigate the economic impact, central banks and governments unleashed a flood of unprecedented stimulus measures. These fuelled a rally in equities and corporate bonds from late March until September, as did declining virus incidences and easing lockdown restrictions. Credit markets in particular benefited from news that an unlimited asset-purchase programme from the Federal Reserve would include corporate bonds, echoing similar action from the European Central Bank and Bank of England. After some shocking data released in April, subsequent economic news tended to reinforce this sentiment, and although weak was generally better than expected. Meanwhile, UK companies launched fund-raisings to strengthen their positions.

The rally weakened in the autumn amid concerns about a second wave of the pandemic and uncertainty ahead of the US presidential election. But the mood turned positive again in November, and remained largely so over the remainder of 2020. Markets were encouraged by Joe Biden's election victory, landmark results in coronavirus vaccine trials, and the subsequent approval of the first vaccines for use in the UK, Europe and the US. The resulting optimism around a return to more 'normalised' economic activity prompted a rotation towards value stocks, to which the UK equity market is heavily geared. Sentiment was also bolstered by the last-minute Brexit trade agreement with the EU, and hopes of increased fiscal stimulus in the US.

However, expectations of higher government spending and a rebound in growth also led investors to anticipate higher future inflation and pushed up bond yields, which triggered some market volatility in 2021. There were also concerns about new strains of the virus and sluggish vaccine rollouts in some countries. The UK led the way in vaccinating its population, which fostered hopes of a swifter economic rebound.

In terms of activity, within equities, we initiated a position in Direct Line, one of the major personal-lines insurers in the UK. The stock is trading at an attractive valuation with 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 the firm should continue to exploit.

Over the review period, we also topped up some existing holdings, such as Imperial Brands, Pearson, Tate & Lyle, Hiscox and JD Wetherspoon. In the last two cases, we took advantage of the companies' refinancings in response to the crisis.

We profitably sold RSA Insurance ahead of the company's takeover. We also realised some gains in AstraZeneca, which performed well in 2020.

Following the steep sell-off in March 2020, we subsequently became more constructive on the outlook for the sterling IG market, given the scale and credit-friendly nature of the policy response, and the compelling valuations on offer. Consequently, we increased credit risk within the portfolio before reducing it again in the summer, as spreads came back in towards their long-term averages. The fixed income segment retains a modest overweight in credit risk, which remains tilted to defensive sectors, such as regulated utilities and infrastructure, which we think will weather the crisis well.

We were active in the primary market, participating in a range of new issues from the likes of Southern Water and ING. In the secondary market, we started positions in financials Bank of America, among others, and topped up some existing holdings. Sales included Total.

The UK equity market is trading at very attractive valuations relative to global peers, partly as a result of the high levels of consensus thinking in markets.

We feel that this discount should start to narrow, owing to the increased clarity around Brexit and the improved prospect of a global economic recovery once vaccines are rolled out. Against this backdrop, a lot of the short positions against UK equities are likely to be closed.

Meanwhile, UK businesses are attractive targets for private-equity names and US corporates seeking to capitalise on the valuation discount. Consequently, the next year or two should be exciting, particularly given the polarised valuations within the market as a result of the narrowly led rally since the lows of March. We feel there are many favourable opportunities in distressed stocks, which should rebound strongly when a shift in momentum finally occurs.

Conditions have stabilised following the swift and sharp contraction in dividend payments in April and May, with many companies reinstating 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.

Our focus remains on company fundamentals to target strong, risk-adjusted returns.

Credit markets will remain supported by ultra-loose monetary and fiscal policy conditions in developed markets for the foreseeable future. Meanwhile, we are more optimistic about economic growth than was the case a few months ago, largely due to policy support and the introduction of seemingly efficacious vaccines.

Credit fundamentals also appear to be heading in a more credit-positive direction, with the expectation of profit growth and increased cashflows being directed towards deleveraging. Likewise, we expect to see lower levels of new issuance this year than last.

However, our enthusiasm is somewhat tempered when we look at valuations. Spreads in the sterling IG market are well inside their 5-year and 20-year averages.

All things considered, however, we are reasonably optimistic on the outlook for the market – more so, in fact, than we were before the pandemic.

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2020 to 7 March 2021

	Notes	2021 £000	2020 £000
Income			
Net capital gains	2	1,372	1,474
Revenue	3	7,098	12,397
Expenses	4	(1,741)	(2,607)
Interest payable and similar charges	5	(2)	(1)
Net revenue before taxation		5,355	9,789
Taxation	6	–	–
Net revenue after taxation		5,355	9,789
Total return before distributions		6,727	11,263
Distributions	7	(6,771)	(11,966)
Change in net assets attributable to shareholders from investment activities		(44)	(703)

BALANCE SHEET

as at 7 March 2021

	Notes	2021 £000	2020 £000
Assets:			
Fixed assets:			
Investments		224,541	270,535
Current assets:			
Debtors	8	1,937	2,306
Cash and bank balances	9	2,264	4,827
Total assets		228,742	277,668
Liabilities:			
Investment liabilities		(21)	(145)
Creditors:			
Distribution payable		(981)	(1,367)
Other creditors	10	(2,521)	(1,494)
Total liabilities		(3,523)	(3,006)
Net assets attributable to shareholders		225,219	274,662

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2020 to 7 March 2021

	2021 £000	2020 £000
Opening net assets attributable to shareholders	274,662	314,852
Amounts receivable on the issue of shares	33,685	45,410
Amounts payable on the cancellation of shares	(83,732)	(86,401)
	(50,047)	(40,991)
Dilution adjustment	223	–
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(44)	(703)
Retained distribution on accumulation shares	425	1,501
Unclaimed distributions	–	3
Closing net assets attributable to shareholders	225,219	274,662

**In pound Sterling and against UK peer group (See Performance summary on pages 330 to 331).*

DISTRIBUTION TABLE

for the accounting period 8 March 2020 to 7 March 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				
08/03/20 to 07/04/20	0.1800	–	0.1800	0.2400
08/04/20 to 07/05/20	0.1800	–	0.1800	0.2500
08/05/20 to 07/06/20	0.1800	–	0.1800	0.2450
08/06/20 to 07/07/20	0.1800	–	0.1800	0.2450
08/07/20 to 07/08/20	0.1700	–	0.1700	0.2450
08/08/20 to 07/09/20	0.1800	–	0.1800	0.2450
08/09/20 to 07/10/20	0.1800	–	0.1800	0.2450
08/10/20 to 07/11/20	0.1450	–	0.1450	0.2450
08/11/20 to 07/12/20	0.1450	–	0.1450	0.2450
08/12/20 to 07/01/21	0.1450	–	0.1450	0.2450
08/01/21 to 07/02/21	0.1450	–	0.1450	0.2450
08/02/21 to 07/03/21	0.3517	–	0.3517	0.4252

Threadneedle Monthly Extra Income Fund

DISTRIBUTION TABLE

(continued)

Class 1 EUR Hedged – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
08/03/20 to 07/04/20	0.4255	–	0.4255	0.3615
08/04/20 to 07/05/20	0.1594	–	0.1594	0.4986
08/05/20 to 07/06/20	0.3235	–	0.3235	0.6440
08/06/20 to 07/07/20	0.2263	–	0.2263	0.2956
08/07/20 to 07/08/20	0.2358	–	0.2358	0.1268
08/08/20 to 07/09/20	0.5148	–	0.5148	0.8773
08/09/20 to 07/10/20	0.0818	–	0.0818	0.2863
08/10/20 to 07/11/20	0.1993	–	0.1993	0.2852
08/11/20 to 07/12/20	0.5206	–	0.5206	0.4158
08/12/20 to 07/01/21	0.1720	–	0.1720	0.1699
08/01/21 to 07/02/21	0.0514	–	0.0514	0.1339
08/02/21 to 07/03/21	0.4377	–	0.4377	0.6059
Group 2				
08/03/20 to 07/04/20	0.2193	0.2062	0.4255	0.3615
08/04/20 to 07/05/20	0.1081	0.0513	0.1594	0.4986
08/05/20 to 07/06/20	0.1024	0.2211	0.3235	0.6440
08/06/20 to 07/07/20	0.0529	0.1734	0.2263	0.2956
08/07/20 to 07/08/20	0.1438	0.0920	0.2358	0.1268
08/08/20 to 07/09/20	–	0.5148	0.5148	0.8773
08/09/20 to 07/10/20	0.0262	0.0556	0.0818	0.2863
08/10/20 to 07/11/20	0.0155	0.1838	0.1993	0.2852
08/11/20 to 07/12/20	0.2200	0.3006	0.5206	0.4158
08/12/20 to 07/01/21	0.0775	0.0945	0.1720	0.1699
08/01/21 to 07/02/21	0.0514	–	0.0514	0.1339
08/02/21 to 07/03/21	0.4377	–	0.4377	0.6059
Total distributions in the period			**3.3481**	**4.7008**

Class 1 EUR Hedged – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/04/20	0.3586	–	0.3586	0.2931
08/04/20 to 07/05/20	0.1354	–	0.1354	0.4052
08/05/20 to 07/06/20	0.2741	–	0.2741	0.5256
08/06/20 to 07/07/20	0.1917	–	0.1917	0.2425
08/07/20 to 07/08/20	0.2001	–	0.2001	0.1048
08/08/20 to 07/09/20	0.4381	–	0.4381	0.7232
08/09/20 to 07/10/20	0.0705	–	0.0705	0.2386
08/10/20 to 07/11/20	0.1712	–	0.1712	0.2384
08/11/20 to 07/12/20	0.4479	–	0.4479	0.3472
08/12/20 to 07/01/21	0.1495	–	0.1495	0.1432
08/01/21 to 07/02/21	0.0458	–	0.0458	0.1141
08/02/21 to 07/03/21	0.3789	–	0.3789	0.5081
Group 2				
08/03/20 to 07/04/20	0.3586	–	0.3586	0.2931
08/04/20 to 07/05/20	0.1354	–	0.1354	0.4052
08/05/20 to 07/06/20	0.2741	–	0.2741	0.5256
08/06/20 to 07/07/20	0.1917	–	0.1917	0.2425
08/07/20 to 07/08/20	0.2001	–	0.2001	0.1048
08/08/20 to 07/09/20	0.4381	–	0.4381	0.7232
08/09/20 to 07/10/20	0.0705	–	0.0705	0.2386
08/10/20 to 07/11/20	0.1712	–	0.1712	0.2384
08/11/20 to 07/12/20	0.4479	–	0.4479	0.3472
08/12/20 to 07/01/21	0.1495	–	0.1495	0.1432
08/01/21 to 07/02/21	0.0458	–	0.0458	0.1141
08/02/21 to 07/03/21	0.3789	–	0.3789	0.5081
Total distributions in the period			**2.8618**	**3.8840**

Class X – Gross income shares*

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
08/03/20 to 07/04/20	0.2300	–	0.2300	
08/04/20 to 07/05/20	0.2300	–	0.2300	
08/05/20 to 07/06/20	0.2300	–	0.2300	–
08/06/20 to 07/07/20	0.2300	–	0.2300	0.3100
08/07/20 to 07/08/20	0.2150	–	0.2150	0.3100
08/08/20 to 07/09/20	0.2300	–	0.2300	0.3100
08/09/20 to 07/10/20	0.2300	–	0.2300	0.3100
08/10/20 to 07/11/20	0.1550	–	0.1550	0.3100
08/11/20 to 07/12/20	0.1550	–	0.1550	0.3100
08/12/20 to 07/01/21	–	0.1550	0.1550	0.3100
08/01/21 to 07/02/21	0.1550	–	0.1550	0.3100
08/02/21 to 07/03/21	0.5735	–	0.5735	0.6300
Total distributions in the period			**2.7885**	**3.1100**

Class X – Gross accumulation shares*

Distribution Period	Revenue	Equalisation	Gross Revenue Accumulated 2020/2021	Gross Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/04/20	0.2300	–	0.2300	
08/04/20 to 07/05/20	0.2300	–	0.2300	
08/05/20 to 07/06/20	0.2300	–	0.2300	–
08/06/20 to 07/07/20	0.2300	–	0.2300	0.3100
08/07/20 to 07/08/20	0.2300	–	0.2300	0.3100
08/08/20 to 07/09/20	0.2300	–	0.2300	0.3100
08/09/20 to 07/10/20	0.2300	–	0.2300	0.3100
08/10/20 to 07/11/20	0.2150	–	0.2150	0.3100
08/11/20 to 07/12/20	0.2150	–	0.2150	0.3100
08/12/20 to 07/01/21	0.2150	–	0.2150	0.3100
08/01/21 to 07/02/21	0.2150	–	0.2150	0.3100
08/02/21 to 07/03/21	0.5104	–	0.5104	0.6422
Group 2				
08/03/20 to 07/04/20	0.2300	–	0.2300	
08/04/20 to 07/05/20	0.2300	–	0.2300	
08/05/20 to 07/06/20	0.2300	–	0.2300	–
08/06/20 to 07/07/20	0.2300	–	0.2300	0.3100
08/07/20 to 07/08/20	0.2300	–	0.2300	0.3100
08/08/20 to 07/09/20	0.2300	–	0.2300	0.3100
08/09/20 to 07/10/20	0.2300	–	0.2300	0.3100
08/10/20 to 07/11/20	0.2150	–	0.2150	0.3100
08/11/20 to 07/12/20	0.2150	–	0.2150	0.3100
08/12/20 to 07/01/21	0.2150	–	0.2150	0.3100
08/01/21 to 07/02/21	0.2150	–	0.2150	0.3100
08/02/21 to 07/03/21	0.5104	–	0.5104	0.6422
Total distributions in the period			**2.9804**	**3.1222**

Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
08/03/20 to 07/04/20	0.3100	–	0.3100	0.4100
08/04/20 to 07/05/20	0.3100	–	0.3100	0.4300
08/05/20 to 07/06/20	0.3100	–	0.3100	0.4200
08/06/20 to 07/07/20	0.3100	–	0.3100	0.4200
08/07/20 to 07/08/20	0.3100	–	0.3100	0.4200
08/08/20 to 07/09/20	0.3100	–	0.3100	0.4200
08/09/20 to 07/10/20	0.3100	–	0.3100	0.4200
08/10/20 to 07/11/20	0.2550	–	0.2550	0.4200
08/11/20 to 07/12/20	0.2550	–	0.2550	0.4200
08/12/20 to 07/01/21	0.2550	–	0.2550	0.4200
08/01/21 to 07/02/21	0.2550	–	0.2550	0.4200
08/02/21 to 07/03/21	0.6215	–	0.6215	0.7924
Group 2				
08/03/20 to 07/04/20	0.1577	0.1523	0.3100	0.4100
08/04/20 to 07/05/20	0.1045	0.2055	0.3100	0.4300
08/05/20 to 07/06/20	–	0.3100	0.3100	0.4200
08/06/20 to 07/07/20	0.0468	0.2632	0.3100	0.4200
08/07/20 to 07/08/20	0.2045	0.1055	0.3100	0.4200
08/08/20 to 07/09/20	–	0.3100	0.3100	0.4200
08/09/20 to 07/10/20	–	0.3100	0.3100	0.4200
08/10/20 to 07/11/20	0.0723	0.1827	0.2550	0.4200
08/11/20 to 07/12/20	–	0.2550	0.2550	0.4200
08/12/20 to 07/01/21	–	0.2550	0.2550	0.4200
08/01/21 to 07/02/21	–	0.2550	0.2550	0.4200
08/02/21 to 07/03/21	0.3620	0.2595	0.6215	0.7924
Total distributions in the period			**3.8115**	**5.4124**

Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/04/20	0.2750	–	0.2750	0.3700
08/04/20 to 07/05/20	0.2750	–	0.2750	0.3700
08/05/20 to 07/06/20	0.2750	–	0.2750	0.3700
08/06/20 to 07/07/20	0.2750	–	0.2750	0.3700
08/07/20 to 07/08/20	0.2750	–	0.2750	0.3700
08/08/20 to 07/09/20	0.2750	–	0.2750	0.3700
08/09/20 to 07/10/20	0.2750	–	0.2750	0.3700
08/10/20 to 07/11/20	0.2750	–	0.2750	0.3700
08/11/20 to 07/12/20	0.2750	–	0.2750	0.3700
08/12/20 to 07/01/21	0.2750	–	0.2750	0.3700
08/01/21 to 07/02/21	0.2750	–	0.2750	0.3700
08/02/21 to 07/03/21	0.8459	–	0.8459	1.2318

Threadneedle Monthly Extra Income Fund

DISTRIBUTION TABLE

(continued)

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 2				
08/03/20 to 07/04/20	0.1652	0.1098	0.2750	0.3700
08/04/20 to 07/05/20	0.1414	0.1336	0.2750	0.3700
08/05/20 to 07/06/20	–	0.2750	0.2750	0.3700
08/06/20 to 07/07/20	–	0.2750	0.2750	0.3700
08/07/20 to 07/08/20	–	0.2750	0.2750	0.3700
08/08/20 to 07/09/20	–	0.2750	0.2750	0.3700
08/09/20 to 07/10/20	–	0.2750	0.2750	0.3700
08/10/20 to 07/11/20	–	0.2750	0.2750	0.3700
08/11/20 to 07/12/20	–	0.2750	0.2750	0.3700
08/12/20 to 07/01/21	–	0.2750	0.2750	0.3700
08/01/21 to 07/02/21	–	0.2750	0.2750	0.3700
08/02/21 to 07/03/21	0.1791	0.6668	0.8459	1.2318
Total distributions in the period			**3.8709**	**5.3018**

Class Z EUR Hedged – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/04/20	0.3603	–	0.3603	0.2928
08/04/20 to 07/05/20	0.1387	–	0.1387	0.4094
08/05/20 to 07/06/20	0.2801	–	0.2801	0.5302
08/06/20 to 07/07/20	0.1965	–	0.1965	0.2460
08/07/20 to 07/08/20	0.2060	–	0.2060	0.1060
08/08/20 to 07/09/20	0.4462	–	0.4462	0.7310
08/09/20 to 07/10/20	0.0722	–	0.0722	0.2424
08/10/20 to 07/11/20	0.1753	–	0.1753	0.2426
08/11/20 to 07/12/20	0.4571	–	0.4571	0.3514
08/12/20 to 07/01/21	0.1532	–	0.1532	0.1464
08/01/21 to 07/02/21	0.0470	–	0.0470	0.1165
08/02/21 to 07/03/21	0.3874	–	0.3874	0.5173
Group 2				
08/03/20 to 07/04/20	0.3603	–	0.3603	0.2928
08/04/20 to 07/05/20	0.1387	–	0.1387	0.4094
08/05/20 to 07/06/20	0.2801	–	0.2801	0.5302
08/06/20 to 07/07/20	0.1965	–	0.1965	0.2460
08/07/20 to 07/08/20	0.2060	–	0.2060	0.1060
08/08/20 to 07/09/20	0.4462	–	0.4462	0.7310
08/09/20 to 07/10/20	0.0722	–	0.0722	0.2424
08/10/20 to 07/11/20	0.1753	–	0.1753	0.2426
08/11/20 to 07/12/20	0.4571	–	0.4571	0.3514
08/12/20 to 07/01/21	0.1532	–	0.1532	0.1464
08/01/21 to 07/02/21	0.0470	–	0.0470	0.1165
08/02/21 to 07/03/21	0.3874	–	0.3874	0.5173
Total distributions in the period			**2.9200**	**3.9320**

Group 2: shares purchased during a distribution period.

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

Threadneedle Monthly Extra Income Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 1 EUR Hedged – Income shares		
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share						
Opening net asset value per share (p)	77.19	78.22	77.69	115.42	117.01	122.47
Return before operating charges (p)	3.96	3.21	4.70	4.85	4.80	0.96
Operating charges (p)	(0.98)	(1.12)	(1.11)	(1.51)	(1.69)	(1.71)
Return after operating charges (p)*	2.98	2.09	3.59	3.34	3.11	(0.75)
Distributions (p)	(2.18)	(3.12)	(3.06)	(3.35)	(4.70)	(4.71)
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	77.99	77.19	78.22	115.41	115.42	117.01
*after direct transaction costs of (p)	0.05	0.02	0.01	0.08	0.03	0.02
Performance						
Return after charges (%)	3.86	2.67	4.62	2.89	2.66	(0.61)
Other information						
Closing net asset value (£000)	25,648	51,692	97,572	2,160	3,538	3,966
Closing number of shares	32,885,101	66,965,303	124,744,919	1,871,594	3,065,112	3,389,579
Operating charges (%)**	1.34	1.39	1.39	1.34	1.39	1.39
Direct transaction costs (%)***	0.07	0.03	0.01	0.07	0.03	0.01
Prices						
Highest share price (p)	80.08	86.20	84.82	123.62	130.58	134.01
Lowest share price (p)	59.91	76.90	73.62	96.04	113.86	114.25

	Class 1 EUR Hedged – Accumulation shares			Class X – Gross income shares	
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020[1]
Change in net assets per share					
Opening net asset value per share (p)	97.10	94.74	95.40	99.51	100.00
Return before operating charges (p)	4.16	3.74	0.68	5.00	2.62
Operating charges (p)	(1.28)	(1.38)	(1.34)	(0.07)	–
Return after operating charges (p)*	2.88	2.36	(0.66)	4.93	2.62
Distributions (p)	(2.86)	(3.88)	(3.75)	(2.79)	(3.11)
Retained distributions on accumulation shares (p)	2.86	3.88	3.75	–	–
Closing net asset value per share (p)	99.98	97.10	94.74	101.65	99.51
*after direct transaction costs of (p)	0.07	0.03	0.02	0.07	0.03
Performance					
Return after charges (%)	2.97	2.49	(0.69)	4.95	2.62
Other information					
Closing net asset value (£000)	10	10	10	15,523	1
Closing number of shares	10,001	10,001	10,001	15,271,041	1,000
Operating charges (%)**	1.33	1.37	1.37	0.07	–[†]
Direct transaction costs (%)***	0.07	0.03	0.01	0.07	0.03
Prices					
Highest share price (p)	106.62	107.30	106.06	104.28	110.94
Lowest share price (p)	80.80	93.33	90.98	77.24	98.00

Threadneedle Monthly Extra Income Fund

Comparative Table Disclosure

(continued)

	Class X – Gross accumulation shares		Class Z – Income shares		
	07/03/2021	07/03/2020[1]	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share					
Opening net asset value per share (p)	102.51	100.00	134.41	135.36	133.60
Return before operating charges (p)	5.43	2.57	6.84	5.50	8.04
Operating charges (p)	(0.06)	(0.06)	(0.95)	(1.04)	(1.02)
Return after operating charges (p)*	5.37	2.51	5.89	4.46	7.02
Distributions (p)	(2.98)	(3.12)	(3.81)	(5.41)	(5.26)
Retained distributions on accumulation shares (p)	2.98	3.12	–	–	–
Closing net asset value per share (p)	107.88	102.51	136.49	134.41	135.36
*after direct transaction costs of (p)	0.06	0.03	0.09	0.04	0.02
Performance					
Return after charges (%)	5.24	2.51	4.38	3.29	5.25
Other information					
Closing net asset value (£000)	1	25,022	168,995	180,456	196,431
Closing number of shares	1,001	24,410,392	123,811,639	134,262,752	145,120,698
Operating charges (%)**	0.07	0.07[†]	0.74	0.74	0.74
Direct transaction costs (%)***	0.07	0.03	0.07	0.03	0.01
Prices					
Highest share price (p)	109.86	112.93	140.05	149.95	146.26
Lowest share price (p)	79.57	98.00	104.32	133.28	127.25

	Class Z – Accumulation shares			Class Z EUR Hedged – Accumulation shares		
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share						
Opening net asset value per share (p)	134.68	130.50	123.96	98.78	95.77	95.83
Return before operating charges (p)	7.13	5.20	7.50	4.19	3.75	0.65
Operating charges (p)	(0.96)	(1.02)	(0.96)	(0.72)	(0.74)	(0.71)
Return after operating charges (p)*	6.17	4.18	6.54	3.47	3.01	(0.06)
Distributions (p)	(3.87)	(5.30)	(4.97)	(2.92)	(3.93)	(3.76)
Retained distributions on accumulation shares (p)	3.87	5.30	4.97	2.92	3.93	3.76
Closing net asset value per share (p)	140.85	134.68	130.50	102.25	98.78	95.77
*after direct transaction costs of (p)	0.09	0.04	0.02	0.07	0.03	0.02
Performance						
Return after charges (%)	4.58	3.20	5.28	3.51	3.14	(0.06)
Other information						
Closing net asset value (£000)	12,872	13,930	16,860	10	13	13
Closing number of shares	9,138,872	10,343,044	12,919,667	10,001	13,520	13,411
Operating charges (%)**	0.74	0.74	0.74	0.73	0.73	0.72
Direct transaction costs (%)***	0.07	0.03	0.01	0.07	0.03	0.01
Prices						
Highest share price (p)	143.59	148.52	137.74	108.95	108.74	106.87
Lowest share price (p)	104.53	129.28	121.33	82.19	94.38	91.41

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

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

[§]Only available to eligible investors.

[1]Commenced 9 May 2019.

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

Threadneedle Monthly Extra Income Fund

Notes to the financial statements

for the accounting period 8 March 2020 to 7 March 2021

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 5 and 6.

2 NET CAPITAL GAINS

Net capital gains during the period comprise:

	2021 £000	2020 £000
Non-derivative securities	1,299	1,642
Forward currency contracts	(50)	(225)
Other gains	128	61
Transaction costs	(5)	(4)
Net capital gains	1,372	1,474

3 REVENUE

	2021 £000	2020 £000
UK dividends	5,630	10,242
Interest on debt securities	1,467	2,138
Bank interest	1	11
Underwriting commission	–	6
Total revenue	7,098	12,397

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	(1,441)	(2,205)
Registration fees	(237)	(326)
	(1,678)	(2,531)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(27)	(37)
Safe custody fees	(15)	(18)
	(42)	(55)
Other expenses:		
Regulatory fees	(6)	(6)
Audit fees	(15)	(15)
	(21)	(21)
Total expenses*	(1,741)	(2,607)

**Including irrecoverable VAT where applicable.*

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2021 £000	2020 £000
Interest payable	(2)	(1)
Total interest payable and similar charges	(2)	(1)

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	5,355	9,789
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(1,071)	(1,958)
Effects of:		
Revenue not subject to taxation	1,102	2,025
Excess expenses	(31)	(67)
Current tax charge for period (note 6a)	–	–

The fund has not recognised a deferred tax asset of £726,344 (2020: £695,776) 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
Interim	5,634	10,180
Final	1,058	1,651
	6,692	11,831
Add: Revenue deducted on the cancellation of shares	167	388
Deduct: Revenue received on the creation of shares	(88)	(253)
Net distribution for the period	6,771	11,966
Net revenue after taxation	5,355	9,789
Annual management charge to capital	1,441	2,205
Equalisation on conversion	–	1
Tax relief on capitalised fees	(25)	(29)
Total distributions	6,771	11,966

Details of the distribution per share are set out in the table on pages 58 to 60.

8 DEBTORS

	2021 £000	2020 £000
Amounts receivable for the issue of shares	153	91
Sales awaiting settlement	289	–
Accrued revenue	1,495	2,215
Total debtors	1,937	2,306

9 CASH AND BANK BALANCES

	2021 £000	2020 £000
Amounts held at futures clearing houses and brokers	10	110
Cash and bank balances	2,254	4,717
Total cash and bank balances	2,264	4,827

10 OTHER CREDITORS

	2021 £000	2020 £000
Amounts payable for the cancellation of shares	(1,272)	(811)
Purchases awaiting settlement	(1,043)	(404)
Accrued expenses	(15)	(17)
Amounts payable to ACD	(159)	(230)
Corporation tax payable	(32)	(32)
Total other creditors	(2,521)	(1,494)

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.

Threadneedle Monthly Extra Income Fund

Notes to the financial statements

(continued)

13 SHAREHOLDER FUNDS

Threadneedle Monthly Extra Income Fund currently has three share classes; Class 1, Class X and Class Z shares. The charges on each share class are as follows:

Annual management charge	
Class 1 shares	1.15%
Class X shares	N/A*
Class Z shares	0.60%
Registration fees	
Class 1 shares	0.110%
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 61 to 62. The distribution per share class is given in the distribution table on pages 58 to 60.
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	66,965,303
Shares issued	1,099,465
Shares redeemed	(9,958,944)
Net conversions	(25,220,723)
Closing shares	32,885,101
Class 1 EUR Hedged – Income shares	
Opening shares	3,065,112
Shares issued	111,780
Shares redeemed	(1,305,298)
Net conversions	–
Closing shares	1,871,594
Class 1 EUR Hedged – Accumulation shares	
Opening shares	10,001
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	10,001
Class X – Gross income shares	
Opening shares	1,000
Shares issued	432,920
Shares redeemed	(2,180,673)
Net conversions	17,017,794
Closing shares	15,271,041
Class X – Gross accumulation shares	
Opening shares	24,410,392
Shares issued	–
Shares redeemed	(24,409,391)
Net conversions	–
Closing shares	1,001
Class Z – Income shares	
Opening shares	134,262,752
Shares issued	25,148,549
Shares redeemed	(37,453,141)
Net conversions	1,853,479
Closing shares	123,811,639
Class Z – Accumulation shares	
Opening shares	10,343,044
Shares issued	788,810
Shares redeemed	(2,021,870)
Net conversions	28,888
Closing shares	9,138,872
Class Z EUR Hedged – Accumulation shares	
Opening shares	13,520
Shares issued	–
Shares redeemed	(3,519)
Net conversions	–
Closing shares	10,001

14 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 6 to 7.

Market price risk sensitivity

The sensitivity figures provided are forecasts. A 5% market increase applied to the fund would result in an estimated increase in net asset value of the fund by 3.85% and vice versa (2020: 3.55%).
A 1.00% interest rate decrease applied to the fund would result in an estimated increase in net asset value of the fund by 1.69% and vice versa (2020: -1.88%).

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	2,087
US Dollar	23
Currency 2020	**£000**
Euro	3,167
US Dollar	167

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:

2021	**Forward Foreign Exchange Contracts Exposure**
Counterparty	**£000**
Citigroup	4

2020	**Forward Foreign Exchange Contracts Exposure**
Counterparty	**£000**
J.P. Morgan	141

The fund did not hold any collateral received from the fund's counterparties in the current year (2020: £100,000). In the prior year, 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

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.

Threadneedle Monthly Extra 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 7 March was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2021	**£000**	**£000**	**£000**	**£000**
Euro	377	1,790	2,265	4,432
UK Sterling	8,441	36,285	184,415	229,141
US Dollar	415	1,152	534	2,101
Currency 2020	**£000**	**£000**	**£000**	**£000**
Euro	612	2,586	4,130	7,328
UK Sterling	11,132	50,816	215,858	277,806
US Dollar	607	2,806	265	3,678

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2021	**£000**	**£000**	**£000**	**£000**
Euro	–	–	(2,345)	(2,345)
UK Sterling	–	–	(6,032)	(6,032)
US Dollar	–	–	(2,078)	(2,078)
Currency 2020	**£000**	**£000**	**£000**	**£000**
Euro	–	–	(4,161)	(4,161)
UK Sterling	–	–	(6,478)	(6,478)
US Dollar	–	–	(3,511)	(3,511)

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). Any impact to the rate of the underlying securities is considered in market price risk section.

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.

At 7 March 2021, the fund had outstanding forward foreign exchange contracts with an asset value of £11,000 (2020: £149,000) and a liability value of £21,000 (2020: £145,000).

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	180,380	–	207,135	–
Level 2	44,161	(21)	63,400	(145)
	224,541	(21)	270,535	(145)

Included within Level 1, are debt securities of £2,046,000 (2020: £481,000). 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.

16 CONTINGENT LIABILITIES AND COMMITMENTS

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

17 PORTFOLIO TRANSACTION COSTS

7 March 2021

	Value	Commissions		Taxes	
Purchases	**£000**	**£000**	**%**	**£000**	**%**
Bonds	27,699	–	–	–	–
Equities	30,263	7	0.02	139	0.46
Total	57,962	7		139	
Gross purchases total:	58,108				

	Value	Commissions		Taxes	
Sales	**£000**	**£000**	**%**	**£000**	**%**
Bonds	43,376	–	–	–	–
Equities	60,945	14	0.02	1	0.00
Corporate actions	739	–	–	–	–
Total	105,060	14		1	
Total sales net of transaction costs:	105,045				

Transaction costs as a percentage of average Net Assets	
Commissions:	0.01%
Taxes:	0.06%

7 March 2020

	Value	Commissions		Taxes	
Purchases	**£000**	**£000**	**%**	**£000**	**%**
Bonds	22,913	–	–	–	–
Equities	14,235	8	0.05	71	0.50
Corporate actions	738	–	–	–	–
Total	37,886	8		71	
Gross purchases total:	37,965				

	Value	Commissions		Taxes	
Sales	**£000**	**£000**	**%**	**£000**	**%**
Bonds	30,441	–	–	–	–
Equities	52,491	9	0.02	1	0.00
Corporate actions	171	–	–	–	–
Total	83,103	9		1	
Total sales net of transaction costs:	83,093				

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 0.31% (7 March 2020: 0.32%), being the difference between the respective buying and selling prices for the fund's investments.

Threadneedle Monthly Extra Income Fund

Notes to the financial statements

(continued)

18 POST BALANCE SHEET EVENT

The table below shows net redemptions between the year-ended 7 March 2021 and 21 June 2021 as a percentage of the closing NAV for share classes with significant movements. The net redemptions of shares were reviewed again on 28 June with no material movements noted since 21 June. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

Share class	% Movement
Class 1 EUR Hedged – Income shares	(20.69)
Class Z – Income shares	(13.04)

Threadneedle Sterling 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 (5 years or more).

The Fund is actively managed, and invests at least two-thirds of its assets in investment grade corporate bonds that are denominated in sterling (or hedged back to sterling, if a different currency), issued by UK companies and companies worldwide. In addition, the Fund may invest in other bonds (including below investment grade corporate bonds, and government bonds) when considered appropriate to achieve its investment objective.

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.

Performance of Net Income Class 1 Shares*

Over the twelve months to 7 March 2021, the published share price of the Threadneedle Sterling Corporate Bond Fund has risen from 65.44p to 65.79p.

Looking at performance within its peer group, the total return on the fund for the twelve months ending 28 February 2021, including net reinvested income, is +2.22% as compared to a median return of +1.80% over the same period. (For information the iBoxx GBP Non-Gilts gave a total return of +1.07% for the same period).

Market Overview and Portfolio Activity

The year in review was a turbulent period in terms of both world events and financial-market movements. Despite spells of intense volatility, the sterling investment-grade (IG) credit market was little changed in total-return terms. A rise in UK gilt yields (which move inversely to price) was counterbalanced by tightening credit spreads (the yield premiums offered by corporate bonds over "risk-free" government bonds of the same maturity).

In the first few weeks of the period, spreads widened dramatically as the COVID-19 outbreak approached pandemic status and most countries imposed draconian restrictions to contain it. Meanwhile, central banks and governments unleashed a flood of policy measures in response to the economic aspect of the crisis. Credit markets in particular benefited from news that an unlimited asset-purchase programme from the Federal Reserve would include corporate bonds, echoing similar action from the European Central Bank and Bank of England (BoE).

From late March until September, risk assets in general (such as equities and corporate bonds) rallied amid hopes that this stimulus and 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, quantitative easing (in the UK and elsewhere) and speculation that the BoE might cut rates below zero to revive the economy. Longer-dated yields rose sharply in August, however, and the curve steepened, 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 the reimposition of control measures 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 the even larger injection of fiscal stimulus which has since been signed into law.

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.

Early in the period, we became more constructive on the outlook for the market, especially IG, given the scale and credit-friendly nature of the policy response and the compelling valuations on offer. Consequently, we took the opportunity to increase credit risk within the portfolio, mainly via attractively priced new issues. We continued to increase the portfolio's 'beta' (sensitivity to changes in credit spreads) early in the second quarter of 2020, before reducing it again as spreads came back in towards their long-term averages. At the end of the period, the portfolio still had a long position in credit risk, which remains tilted to defensive sectors that we think will weather the crisis well.

As regards specific trades, we participated in several issues in the primary market, the largest of which (in terms of position sizes) included deals from Southern Water Services, ING Groep, National Grid, BP, Credit Suisse and BFCM. In the secondary market, we started new positions in Rabobank, Tencent, BNG Bank, ABN Amro Bank, and Anglo American among others.

On the disposals side, we reduced exposure to some issuers, such as Bunzl, Lloyds Bank, Electricite De France, Severn Trent Utilities and Imperial Brands. We exited others completely, including Pennon Group, NIE, BNP Paribas, Deutsche Telekom, and Orange.

We are cautiously optimistic on the outlook for credit markets. While some difficult months remain before vaccines can turn the tide, a return to something approaching economic normality may be in sight later in the year. In the meantime, the support measures introduced by governments and central banks will help to mitigate the ongoing interruption to economic output and employment.

One area which tempers our optimism is valuation, with sterling IG credit spreads now firmly back inside their 20-year averages. Against this, however, corporate fundamentals have improved in aggregate, as evidenced by better-than-expected corporate results. The outlook for defaults remains relatively subdued, as businesses have shored up their liquidity profiles through government support, primary issuance and capital injections.

At the sector level, we still favour more defensive areas of the market which we think will weather the current tough economic conditions well.

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2020 to 7 March 2021

	Notes	2021 £000	Restated 2020** £000
Income			
Net capital gains	2	6,611	71,455
Revenue	3	27,798	31,099
Expenses	4	(3,199)	(3,682)
Interest payable and similar charges	5	(1,147)	(908)
Net revenue before taxation		23,452	26,509
Taxation	6	–	–
Net revenue after taxation		23,452	26,509
Total return before distributions		30,063	97,964
Distributions**	7	(23,455)	(26,548)
Change in net assets attributable to shareholders from investment activities		6,608	71,416

BALANCE SHEET

as at 7 March 2021

	Notes	2021 £000	2020 £000
Assets:			
Fixed assets:			
Investments		1,012,089	944,700
Current assets:			
Debtors	8	15,079	14,584
Cash and bank balances	9	10,793	28,590
Cash equivalents***		29,641	2,402
Total assets		1,067,602	990,276
Liabilities:			
Investment liabilities		(1,162)	(10,068)
Creditors:			
Bank overdrafts	9	(5,083)	(4,474)
Distribution payable		(2,150)	(2,057)
Other creditors	10	(15,229)	(12,669)
Total liabilities		(23,624)	(29,268)
Net assets attributable to shareholders		1,043,978	961,008

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2020 to 7 March 2021

	2021 £000	Restated 2020** £000
Opening net assets attributable to shareholders	961,008	970,016
Amounts receivable on the issue of shares**	281,556	217,401
Amounts payable on the cancellation of shares**	(220,063)	(315,646)
	61,493	(98,245)
Dilution adjustment	1,085	420
Change in net assets attributable to shareholders from investment activities (see statement of total return above)**	6,608	71,416
Retained distribution on accumulation shares	13,782	17,390
Unclaimed distributions	2	11
Closing net assets attributable to shareholders	1,043,978	961,008

DISTRIBUTION TABLE

for the accounting period 8 March 2020 to 7 March 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				
08/03/20 to 07/06/20	0.3066	–	0.3066	0.3705
08/06/20 to 07/09/20	0.2694	–	0.2694	0.3594
08/09/20 to 07/12/20	0.2452	–	0.2452	0.3037
08/12/20 to 07/03/21	0.2311	–	0.2311	0.3109
Group 2				
08/03/20 to 07/06/20	0.1335	0.1731	0.3066	0.3705
08/06/20 to 07/09/20	0.0718	0.1976	0.2694	0.3594
08/09/20 to 07/12/20	0.1891	0.0561	0.2452	0.3037
08/12/20 to 07/03/21	0.1112	0.1199	0.2311	0.3109
Total distributions in the period			**1.0523**	**1.3445**

**In pound Sterling and against UK peer group (See Performance summary on pages 330 to 331).*

***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 Corporate Bond Fund

DISTRIBUTION TABLE

(continued)

Class 1 – Accumulation shares

Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/06/20	0.5683	–	0.5683	0.6419
08/06/20 to 07/09/20	0.4787	–	0.4787	0.6262
08/09/20 to 07/12/20	0.4377	–	0.4377	0.5325
08/12/20 to 07/03/21	0.4139	–	0.4139	0.5467
Group 2				
08/03/20 to 07/06/20	0.3483	0.2200	0.5683	0.6419
08/06/20 to 07/09/20	0.4787	–	0.4787	0.6262
08/09/20 to 07/12/20	0.0282	0.4095	0.4377	0.5325
08/12/20 to 07/03/21	0.4139	–	0.4139	0.5467
Total distributions in the period			**1.8986**	**2.3473**

Class 1 – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
08/03/20 to 07/06/20	0.3207	–	0.3207	0.3707
08/06/20 to 07/09/20	0.2694	–	0.2694	0.3596
08/09/20 to 07/12/20	0.2453	–	0.2453	0.3039
08/12/20 to 07/03/21	0.2312	–	0.2312	0.3110
Group 2				
08/03/20 to 07/06/20	0.1010	0.2197	0.3207	0.3707
08/06/20 to 07/09/20	0.0605	0.2089	0.2694	0.3596
08/09/20 to 07/12/20	0.0784	0.1669	0.2453	0.3039
08/12/20 to 07/03/21	0.0841	0.1471	0.2312	0.3110
Total distributions in the period			**1.0666**	**1.3452**

Class 2 – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
08/03/20 to 07/06/20	0.3717	–	0.3717	0.4218
08/06/20 to 07/09/20	0.3247	–	0.3247	0.4121
08/09/20 to 07/12/20	0.2993	–	0.2993	0.3555
08/12/20 to 07/03/21	0.2854	–	0.2854	0.3645
Group 2				
08/03/20 to 07/06/20	0.1843	0.1874	0.3717	0.4218
08/06/20 to 07/09/20	0.1911	0.1336	0.3247	0.4121
08/09/20 to 07/12/20	0.1288	0.1705	0.2993	0.3555
08/12/20 to 07/03/21	0.1714	0.1140	0.2854	0.3645
Total distributions in the period			**1.2811**	**1.5539**

Class 2 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2020/2021	Gross Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/06/20	0.7596	–	0.7596	0.8407
08/06/20 to 07/09/20	0.6668	–	0.6668	0.8268
08/09/20 to 07/12/20	0.6178	–	0.6178	0.7179
08/12/20 to 07/03/21	0.5916	–	0.5916	0.7395
Group 2				
08/03/20 to 07/06/20	0.3357	0.4239	0.7596	0.8407
08/06/20 to 07/09/20	0.3791	0.2877	0.6668	0.8268
08/09/20 to 07/12/20	0.3107	0.3071	0.6178	0.7179
08/12/20 to 07/03/21	0.3686	0.2230	0.5916	0.7395
Total distributions in the period			**2.6358**	**3.1249**

Class L – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
08/03/20 to 07/06/20	0.6312	–	0.6312	0.7124
08/06/20 to 07/09/20	0.5564	–	0.5564	0.6975
08/09/20 to 07/12/20	0.5145	–	0.5145	0.6049
08/12/20 to 07/03/21	0.4919	–	0.4919	0.6203
Group 2				
08/03/20 to 07/06/20	0.3492	0.2820	0.6312	0.7124
08/06/20 to 07/09/20	0.3189	0.2375	0.5564	0.6975
08/09/20 to 07/12/20	0.2777	0.2368	0.5145	0.6049
08/12/20 to 07/03/21	0.2481	0.2438	0.4919	0.6203
Total distributions in the period			**2.1940**	**2.6351**

Class L – Accumulation shares

Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/06/20	0.6947	–	0.6947	0.7646
08/06/20 to 07/09/20	0.6161	–	0.6161	0.7538
08/09/20 to 07/12/20	0.5727	–	0.5727	0.6580
08/12/20 to 07/03/21	0.5501	–	0.5501	0.6782
Group 2				
08/03/20 to 07/06/20	0.4888	0.2059	0.6947	0.7646
08/06/20 to 07/09/20	0.3827	0.2334	0.6161	0.7538
08/09/20 to 07/12/20	0.1768	0.3959	0.5727	0.6580
08/12/20 to 07/03/21	0.2889	0.2612	0.5501	0.6782
Total distributions in the period			**2.4336**	**2.8546**

Class L – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
08/03/20 to 07/06/20	0.6310	–	0.6310	0.7124
08/06/20 to 07/09/20	0.5563	–	0.5563	0.6975
08/09/20 to 07/12/20	0.5145	–	0.5145	0.6048
08/12/20 to 07/03/21	0.4919	–	0.4919	0.6203
Group 2				
08/03/20 to 07/06/20	0.5582	0.0728	0.6310	0.7124
08/06/20 to 07/09/20	0.3834	0.1729	0.5563	0.6975
08/09/20 to 07/12/20	0.2186	0.2959	0.5145	0.6048
08/12/20 to 07/03/21	0.1850	0.3069	0.4919	0.6203
Total distributions in the period			**2.1937**	**2.6350**

Class X – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
08/03/20 to 07/06/20	0.8356	–	0.8356	0.8763
08/06/20 to 07/09/20	0.7173	–	0.7173	0.8635
08/09/20 to 07/12/20	0.6697	–	0.6697	0.7619
08/12/20 to 07/03/21	0.6458	–	0.6458	0.7826
Group 2				
08/03/20 to 07/06/20	0.5212	0.3144	0.8356	0.8763
08/06/20 to 07/09/20	0.5657	0.1516	0.7173	0.8635
08/09/20 to 07/12/20	0.6697	–	0.6697	0.7619
08/12/20 to 07/03/21	0.6458	–	0.6458	0.7826
Total distributions in the period			**2.8684**	**3.2843**

Class X – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2020/2021	Gross Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/06/20	0.8912	–	0.8912	0.9624
08/06/20 to 07/09/20	0.8173	–	0.8173	0.9560
08/09/20 to 07/12/20	0.7676	–	0.7676	0.8499
08/12/20 to 07/03/21	0.7444	–	0.7444	0.8782
Group 2				
08/03/20 to 07/06/20	0.3768	0.5144	0.8912	0.9624
08/06/20 to 07/09/20	0.3871	0.4302	0.8173	0.9560
08/09/20 to 07/12/20	0.3335	0.4341	0.7676	0.8499
08/12/20 to 07/03/21	0.4247	0.3197	0.7444	0.8782
Total distributions in the period			**3.2205**	**3.6465**

Group 2: shares purchased during a distribution period.

Threadneedle Sterling Corporate Bond Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Accumulation shares		
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share						
Opening net asset value per share (p)	65.22	60.70	60.96	115.36	105.14	103.01
Return before operating charges (p)	1.74	6.42	1.77	3.10	11.21	3.04
Operating charges (p)	(0.57)	(0.56)	(0.53)	(1.02)	(0.99)	(0.91)
Return after operating charges (p)*	1.17	5.86	1.24	2.08	10.22	2.13
Distributions (p)	(1.05)	(1.34)	(1.50)	(1.90)	(2.35)	(2.56)
Retained distributions on accumulation shares (p)	–	–	–	1.90	2.35	2.56
Closing net asset value per share (p)	65.34	65.22	60.70	117.44	115.36	105.14
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	1.79	9.65	2.03	1.80	9.72	2.07
Other information						
Closing net asset value (£000)	19,404	36,714	37,608	578	983	338
Closing number of shares	29,698,100	56,294,088	61,959,400	491,882	851,994	321,385
Operating charges (%)**	0.88	0.88	0.88	0.88	0.88	0.88
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	67.98	65.67	61.56	121.75	115.60	105.47
Lowest share price (p)	56.37	60.91	59.64	99.71	105.50	102.22

	Class 1 – Gross income shares[§]			Class 2 – Income shares		
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share						
Opening net asset value per share (p)	65.25	60.73	60.99	65.32	60.79	61.05
Return before operating charges (p)	1.75	6.43	1.78	1.75	6.43	1.78
Operating charges (p)	(0.57)	(0.56)	(0.54)	(0.37)	(0.35)	(0.34)
Return after operating charges (p)*	1.18	5.87	1.24	1.38	6.08	1.44
Distributions (p)	(1.07)	(1.35)	(1.50)	(1.28)	(1.55)	(1.70)
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	65.36	65.25	60.73	65.42	65.32	60.79
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	1.81	9.67	2.03	2.11	10.00	2.36
Other information						
Closing net asset value (£000)	9,393	11,204	16,187	88,617	87,594	182,457
Closing number of shares	14,370,829	17,170,705	26,652,455	135,449,966	134,102,799	300,126,582
Operating charges (%)**	0.88	0.88	0.88	0.56	0.56	0.56
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	68.00	65.70	61.59	68.08	65.81	61.69
Lowest share price (p)	56.40	60.94	59.67	56.47	61.00	59.74

Threadneedle Sterling Corporate Bond Fund

Comparative Table Disclosure

(continued)

	Class 2 – Gross accumulation shares[§]			Class L – Income shares		
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share						
Opening net asset value per share (p)	133.38	121.16	118.32	106.39	99.01	99.44
Return before operating charges (p)	3.59	12.93	3.51	2.85	10.50	2.90
Operating charges (p)	(0.75)	(0.71)	(0.67)	(0.49)	(0.48)	(0.45)
Return after operating charges (p)*	2.84	12.22	2.84	2.36	10.02	2.45
Distributions (p)	(2.64)	(3.12)	(3.34)	(2.19)	(2.64)	(2.88)
Retained distributions on accumulation shares (p)	2.64	3.12	3.34	–	–	–
Closing net asset value per share (p)	136.22	133.38	121.16	106.56	106.39	99.01
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	2.13	10.09	2.40	2.22	10.12	2.46
Other information						
Closing net asset value (£000)	178,298	230,284	347,689	204,353	223,040	72,668
Closing number of shares	130,886,372	172,650,413	286,961,969	191,766,646	209,642,635	73,391,811
Operating charges (%)**	0.56	0.56	0.56	0.46	0.46	0.46
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	141.15	133.65	121.54	110.90	107.22	100.50
Lowest share price (p)	115.30	121.58	117.70	91.97	99.36	97.30

	Class L – Accumulation shares			Class L – Gross income shares[§]		
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share						
Opening net asset value per share (p)	117.10	106.26	103.67	106.39	99.01	99.44
Return before operating charges (p)	3.16	11.36	3.07	2.85	10.50	2.90
Operating charges (p)	(0.54)	(0.52)	(0.48)	(0.49)	(0.48)	(0.46)
Return after operating charges (p)*	2.62	10.84	2.59	2.36	10.02	2.44
Distributions (p)	(2.43)	(2.85)	(3.03)	(2.19)	(2.64)	(2.87)
Retained distributions on accumulation shares (p)	2.43	2.85	3.03	–	–	–
Closing net asset value per share (p)	119.72	117.10	106.26	106.56	106.39	99.01
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	2.24	10.20	2.50	2.22	10.12	2.45
Other information						
Closing net asset value (£000)	9,974	11,165	10,788	4,409	6,511	6,954
Closing number of shares	8,331,690	9,534,762	10,151,572	4,137,941	6,120,554	7,023,159
Operating charges (%)**	0.46	0.46	0.46	0.46	0.46	0.46
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	124.02	117.33	106.60	110.90	107.22	100.49
Lowest share price (p)	101.23	106.63	103.20	91.97	99.35	97.29

Threadneedle Sterling Corporate Bond Fund

Comparative Table Disclosure

(continued)

	Class X – Gross income shares[§]			Class X – Gross accumulation shares[§]		
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share						
Opening net asset value per share (p)	114.51	106.57	107.03	129.50	117.05	113.73
Return before operating charges (p)	3.09	11.29	3.12	3.50	12.52	3.39
Operating charges (p)	(0.07)	(0.07)	(0.06)	(0.08)	(0.07)	(0.07)
Return after operating charges (p)*	3.02	11.22	3.06	3.42	12.45	3.32
Distributions (p)	(2.87)	(3.28)	(3.52)	(3.22)	(3.65)	(3.79)
Retained distributions on accumulation shares (p)	–	–	–	3.22	3.65	3.79
Closing net asset value per share (p)	114.66	114.51	106.57	132.92	129.50	117.05
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	2.64	10.53	2.86	2.64	10.64	2.92
Other information						
Closing net asset value (£000)	123,861	264	245	405,091	353,249	295,082
Closing number of shares	108,026,368	230,128	230,128	304,761,989	272,782,869	252,109,463
Operating charges (%)**	0.06	0.06	0.06	0.06	0.06	0.06
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	119.37	115.51	108.25	137.61	129.74	117.41
Lowest share price (p)	99.01	106.94	104.74	111.97	117.45	113.49

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

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

[§]Only available to eligible investors.

Threadneedle Sterling Corporate Bond Fund

Notes to the financial statements

for the accounting period 8 March 2020 to 7 March 2021

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 5 and 6.

2 NET CAPITAL GAINS

Net capital gains during the period comprise:

	2021 £000	2020 £000
Non-derivative securities	(13,433)	87,563
Derivative contracts	13,357	(13,644)
Forward currency contracts	2,819	(1,283)
Other gains/(losses)	3,870	(1,179)
Transaction costs	(2)	(2)
Net capital gains	6,611	71,455

3 REVENUE

	2021 £000	2020 £000
Interest on debt securities	27,758	30,959
Interest on short term investments	–	19
Bank interest	40	121
Total revenue	27,798	31,099

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	(2,598)	(3,090)
Registration fees	(394)	(392)
	(2,992)	(3,482)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(127)	(120)
Safe custody fees	(63)	(62)
	(190)	(182)
Other expenses:		
Regulatory fees	(6)	(7)
Audit fees	(11)	(11)
	(17)	(18)
Total expenses*	(3,199)	(3,682)

**Including irrecoverable VAT where applicable.*

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2021 £000	2020 £000
Interest payable	(1)	(7)
Derivative expense	(1,146)	(901)
Total interest payable and similar charges	(1,147)	(908)

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	23,452	26,509
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(4,690)	(5,302)
Effects of:		
Distributions treated as tax deductible*	4,691	5,310
Conversion transfer from capital*	(1)	(8)
Current tax charge for period (note 6a)	–	–

**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	Restated 2020* £000
Interim	18,430	20,251
Final	5,241	5,799
	23,671	26,050
Add: Revenue deducted on the cancellation of shares*	595	1,302
Deduct: Revenue received on the creation of shares*	(811)	(804)
Net distribution for the period	23,455	26,548
Net revenue after taxation	23,452	26,509
Equalisation on conversion*	3	39
Total distributions	23,455	26,548

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

Details of the distribution per share are set out in the table on pages 67 to 68.

8 DEBTORS

	2021 £000	2020 £000
Amounts receivable for the issue of shares	1,108	852
Accrued revenue	13,971	13,732
Total debtors	15,079	14,584

9 CASH AND BANK BALANCES

	2021 £000	2020 £000
Amounts held at futures clearing houses and brokers	9,004	16,208
Cash and bank balances	1,789	12,382
	10,793	28,590
Cash overdrafts at broker	(5,083)	(4,474)
Total cash and bank balances	5,710	24,116

10 OTHER CREDITORS

	2021 £000	2020 £000
Amounts payable for the cancellation of shares	(7,293)	(6,269)
Purchases awaiting settlement	(7,635)	(6,047)
Accrued expenses	(25)	(25)
Amounts payable to ACD	(276)	(328)
Total other creditors	(15,229)	(12,669)

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.

Threadneedle Sterling Corporate Bond Fund

Notes to the financial statements

(continued)

13 SHAREHOLDER FUNDS

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

Annual management charge	
Class 1 shares	0.75%
Class 2 shares	0.50%
Class L shares	0.40%
Class X shares	N/A*
Registration fees	
Class 1 shares	0.110%
Class 2 shares	0.035%
Class L shares	0.035%
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 69 to 71. The distribution per share class is given in the distribution table on pages 67 to 68.
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	56,294,088
Shares issued	2,229,699
Shares redeemed	(4,645,100)
Net conversions	(24,180,587)
Closing shares	29,698,100
Class 1 – Accumulation shares	
Opening shares	851,994
Shares issued	309,495
Shares redeemed	(500,374)
Net conversions	(169,233)
Closing shares	491,882
Class 1 – Gross income shares	
Opening shares	17,170,705
Shares issued	720,924
Shares redeemed	(3,477,897)
Net conversions	(42,903)
Closing shares	14,370,829
Class 2 – Income shares	
Opening shares	134,102,799
Shares issued	6,716,456
Shares redeemed	(13,392,708)
Net conversions	8,023,419
Closing shares	135,449,966
Class 2 – Gross accumulation shares	
Opening shares	172,650,413
Shares issued	44,121,270
Shares redeemed	(86,032,003)
Net conversions	146,692
Closing shares	130,886,372
Class L – Income shares	
Opening shares	209,642,635
Shares issued	14,941,514
Shares redeemed	(32,929,250)
Net conversions	111,747
Closing shares	191,766,646
Class L – Accumulation shares	
Opening shares	9,534,762
Shares issued	399,035
Shares redeemed	(1,602,107)
Net conversions	–
Closing shares	8,331,690

	2021
Class L – Gross income shares	
Opening shares	6,120,554
Shares issued	46,856
Shares redeemed	(1,847,415)
Net conversions	(182,054)
Closing shares	4,137,941
Class X – Gross income shares	
Opening shares	230,128
Shares issued	113,722,543
Shares redeemed	(15,206,323)
Net conversions	9,280,020
Closing shares	108,026,368
Class X – Gross accumulation shares	
Opening shares	272,782,869
Shares issued	58,397,114
Shares redeemed	(26,417,994)
Net conversions	–
Closing shares	304,761,989

14 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 6 to 7.

Market price risk sensitivity

The sensitivity figures provided are forecasts. A 1.00% interest rate decrease applied to the fund would result in an estimated increase on the net asset value of the fund by 6.91% and vice versa (2020: 7.01%).

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	57
US Dollar	93
Currency 2020	**£000**
Euro	(5,815)
US Dollar	159

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:

2021	Futures and Options Exposure	Forward Foreign Exchange Contracts Exposure	Collateral Pledged
Counterparty	**£000**	**£000**	**£000**
Barclays	–	7	–
HSBC	–	72	–
UBS	1,252	533	–

2020	Futures and Options Exposure	Forward Foreign Exchange Contracts Exposure	Collateral Pledged
Counterparty	**£000**	**£000**	**£000**
Bank of Scotland	–	11	–
Barclays	–	–	1,910

The fund held £900,000 (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.

Threadneedle Sterling Corporate Bond Fund

Notes to the financial statements

(continued)

Analysis of investments by credit ratings

	2021		2020	
	Value £000	% of Investment	Value £000	% of Investment
AAA	80,006	7.69	10,079	1.07
Aaa	–	–	5,782	0.62
AA+	8,999	0.86	8,894	0.95
Aa1	2,913	0.28	–	–
AA	18,510	1.78	20,596	2.20
Aa2u	–	–	38,611	4.12
AA-	7,582	0.73	8,727	0.93
Aa3u	48,589	4.67	–	–
A+	29,424	2.83	32,391	3.46
A	31,651	3.04	33,523	3.58
A2	3,834	0.37	–	–
A-	43,868	4.22	133,390	14.23
A3	3,127	0.29	2,982	0.32
BBB+	281,939	27.10	213,796	22.82
Baa1	5,118	0.49	14,774	1.58
BBB	211,301	20.31	213,310	22.76
Baa2	15,295	1.47	16,144	1.72
BBB-	92,353	8.88	114,304	12.20
Baa3	12,523	1.20	4,862	0.52
BB+	57,246	5.50	32,364	3.45
BB	18,172	1.75	6,136	0.65
Ba2	2,131	0.20	–	–
BB-	669	0.06	5,522	0.59
B+	1,619	0.16	–	–
CCC+	–	–	590	0.06
Not Rated*	33,322	3.20	25,571	2.73
Liquidity Funds	29,641	2.85	2,402	0.26
Derivatives**	703	0.07	(7,716)	(0.82)
	1,040,535	100.00	937,034	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 7 March was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2021	**£000**	**£000**	**£000**	**£000**
Euro	18,232	52,511	2,719	73,462
UK Sterling	112,847	813,386	142,035	1,068,268
US Dollar	12,268	41,381	10,033	63,682
Currency 2020	**£000**	**£000**	**£000**	**£000**
Euro	11,197	37,686	5,416	54,299
UK Sterling	104,201	753,180	125,772	983,153
US Dollar	4,810	62,266	3,160	70,236

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2021	**£000**	**£000**	**£000**	**£000**
Euro	–	–	(73,405)	(73,405)
UK Sterling	–	–	(24,440)	(24,440)
US Dollar	(5,083)	–	(58,506)	(63,589)
Currency 2020	**£000**	**£000**	**£000**	**£000**
Euro	(432)	–	(59,682)	(60,114)
UK Sterling	–	–	(16,489)	(16,489)
US Dollar	(4,042)	–	(66,035)	(70,077)

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). Any impact to the rate of the underlying securities is considered in market price risk section.

Derivative risks

Derivatives including credit default swaps, 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 credit default swaps, 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.

At 7 March 2021, the fund had outstanding credit default swaps, forward foreign exchange contracts and futures and options with an asset value of £1,865,000 (2020: £2,352,000) and a liability value of £1,162,000 (2020: £10,068,000).

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*	132,714	–	47,283	(5,966)
Level 2	909,014	(1,162)	899,815	(4,102)
Level 3	2	–	4	–
	1,041,730	(1,162)	947,102	(10,068)

Included within Level 1, are debt securities of £131,461,000 (2020: £47,283,000). 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).

Threadneedle Sterling Corporate Bond Fund

Notes to the financial statements

(continued)

17 PORTFOLIO TRANSACTION COSTS

During the period under review the fund's purchases and sales of bonds amounted to £656,855,441 (2020: £490,948,039) and £569,658,194 (2020: £557,517,039) respectively. Collective investment schemes purchases and sales amounted to £298,037,928 (2020: £134,085,431) and £270,800,000 (2020: £141,700,000) respectively. Corporate action costs and proceeds amounted to £Nil (2020: £Nil) and £1,013,454 (2020: £1,125,429) 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 £20,537 (2020: £13,965).

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 0.68% (7 March 2020: 0.32%), 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:

STATEMENT OF TOTAL RETURN	Previously reported 2020	Adjustments	Restated 2020
	£000	£000	£000
Distributions	(26,517)	(31)	(26,548)
Net impact		(31)	

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	395,445	(178,044)	217,401
Amounts payable on the cancellation of shares	(493,721)	178,075	(315,646)
	(98,276)	31	(98,245)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	71,447	(31)	71,416
Impact on net assets attributable to shareholders		–	

	Previously reported 2020	Adjustments	Restated 2020
	£000	£000	£000
Note 6 TAXATION			
Distributions treated as tax deductible	5,303	7	5,310
Conversion transfer from capital	(1)	(7)	(8)
Net impact		–	

	Previously reported 2020	Adjustments	Restated 2020
	£000	£000	£000
Note 7 DISTRIBUTIONS			
Add: Revenue deducted on the cancellation of shares	1,483	(181)	1,302
Deduct: Revenue received on the creation of shares	(1,016)	212	(804)
Net impact		31	
Equalisation on conversion	9	30	39
Undistributed revenue carried forward	(1)	1	–
Net impact		31	

19 POST BALANCE SHEET EVENT

The table below shows net redemptions between the year-ended 7 March 2021 and 28 June 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.

Share class	% Movement
Class 1 – Accumulation shares	(60.87)
Class L – Gross income shares	(32.50)
Class X – Gross income shares	(17.70)

Threadneedle Sterling 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 FTSE Actuaries UK Conventional Gilts All Stock 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.

The FTSE Actuaries UK Conventional Gilts All Stocks Index is regarded as an appropriate 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 Net Income Class 1 Shares*

Over the twelve months to 7 March 2021, the published share price of the Threadneedle Sterling Bond Fund has fallen from 64.66p to 59.92p.

Looking at performance within its peer group, the total return on the fund for the twelve months ending 28 February 2021, including net reinvested income, is -5.22% as compared to a median return of -4.63% over the same period. (For information the FTSE Actuaries UK Conventional Gilts All Stocks Index gave a total return of -4.22% for the same period).

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 were no exception. Over the review term as a whole, the yield on benchmark 10-year gilts rose 43 basis points to 0.73%.

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.

Like the other leading central banks, the Bank of England (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 was near the line separating growth and shrinkage 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 0.2 years long relative to the index. On 11 March, we added exposure to the 15-25 year area.

Portfolio activity was fairly quiet in April and 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. We then 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 gilts maturing in 2035. 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 the year with relative duration of 0.8 years long.

On the first trading day of January, we reduced duration by selling 2041, 2050 and 2061 gilts, as the 30-year yield touched 0.71%. In other activity during the month, we added to duration by purchasing 2041 bonds as the 30-year yield hit 0.93% and switched existing higher-coupon gilts into the new 2046 issue in a duration-neutral trade.

At the start of February, we increased duration via 2050 gilts as yields climbed to our target. However, we soon reversed this 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.

At the end of the period, relative duration was 0.55 years long, broken down as follows: flat in 0-3 years; -0.20 (contribution to duration) in 3-7 years; 0.15 in 7-15 years; 0.35 in 15-25 years; and 0.25 in ultra-longs.

As regards the outlook for gilts, yields have moved higher across the curve as the vaccine roll out 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 scarring 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 Monetary Policy Committee appear less supportive of the additional monetary tool.

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2020 to 7 March 2021

	Notes	2021 £000	Restated 2020** £000
Income			
Net capital (losses)/gains	2	(39,276)	58,024
Revenue	3	3,150	5,258
Expenses	4	(1,395)	(1,527)
Net revenue before taxation		1,755	3,731
Taxation	5	–	–
Net revenue after taxation		1,755	3,731
Total return before distributions		(37,521)	61,755
Distributions**	6	(2,768)	(4,897)
Change in net assets attributable to shareholders from investment activities		(40,289)	56,858

BALANCE SHEET

as at 7 March 2021

	Notes	2021 £000	2020 £000
Assets:			
Fixed assets:			
Investments		557,668	528,134
Current assets:			
Debtors	7	7,517	13,453
Cash and bank balances		584	5,719
Cash equivalents***		2,423	1,913
Total assets		568,192	549,219
Liabilities:			
Creditors:			
Distribution payable		(166)	(321)
Other creditors	8	(3,082)	(11,584)
Total liabilities		(3,248)	(11,905)
Net assets attributable to shareholders		564,944	537,314

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2020 to 7 March 2021

	2021 £000	Restated 2020** £000
Opening net assets attributable to shareholders	537,314	451,225
Amounts receivable on the issue of shares**	211,045	178,325
Amounts payable on the cancellation of shares**	(145,684)	(153,448)
	65,361	24,877
Dilution adjustment	63	51
Change in net assets attributable to shareholders from investment activities (see statement of total return above)**	(40,289)	56,858
Retained distribution on accumulation shares	2,495	4,303
Closing net assets attributable to shareholders	564,944	537,314

DISTRIBUTION TABLE

for the accounting period 8 March 2020 to 7 March 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				
08/03/20 to 07/09/20	0.2039	–	0.2039	0.3357
08/09/20 to 07/03/21	0.1290	–	0.1290	0.2698
Group 2				
08/03/20 to 07/09/20	0.1047	0.0992	0.2039	0.3357
08/09/20 to 07/03/21	0.0690	0.0600	0.1290	0.2698
Total distributions in the period			**0.3329**	**0.6055**

**In pound Sterling and against UK peer group (See Performance summary on pages 330 to 331).*

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

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

Threadneedle Sterling Bond 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				
08/03/20 to 07/09/20	0.5063	–	0.5063	0.7302
08/09/20 to 07/03/21	0.2843	–	0.2843	0.5901
Group 2				
08/03/20 to 07/09/20	0.3560	0.1503	0.5063	0.7302
08/09/20 to 07/03/21	0.1322	0.1521	0.2843	0.5901
Total distributions in the period			**0.7906**	**1.3203**

Class X - Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
08/03/20 to 07/09/20	0.4407	–	0.4407	0.7225
08/09/20 to 07/03/21	0.2855	–	0.2855	0.5716
Group 2				
08/03/20 to 07/09/20	0.4407	–	0.4407	0.7225
08/09/20 to 07/03/21	0.2855	–	0.2855	0.5716
Total distributions in the period			**0.7262**	**1.2941**

Class X - Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2020/2021	Gross Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/09/20	0.4139	–	0.4139	0.6602
08/09/20 to 07/03/21	0.2686	–	0.2686	0.5380
Group 2				
08/03/20 to 07/09/20	0.1632	0.2507	0.4139	0.6602
08/09/20 to 07/03/21	0.1026	0.1660	0.2686	0.5380
Total distributions in the period			**0.6825**	**1.1982**

Class Z - Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
08/03/20 to 07/09/20	0.3767	–	0.3767	0.6233
08/09/20 to 07/03/21	0.2326	–	0.2326	0.4953
Group 2				
08/03/20 to 07/09/20	0.2248	0.1519	0.3767	0.6233
08/09/20 to 07/03/21	0.1179	0.1147	0.2326	0.4953
Total distributions in the period			**0.6093**	**1.1186**

Class Z - Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2020/2021	Gross Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/09/20	0.4142	–	0.4142	0.6872
08/09/20 to 07/03/21	0.2596	–	0.2596	0.5489
Group 2				
08/03/20 to 07/09/20	0.1088	0.3054	0.4142	0.6872
08/09/20 to 07/03/21	0.1428	0.1168	0.2596	0.5489
Total distributions in the period			**0.6738**	**1.2361**

Group 2: shares purchased during a distribution period.

Threadneedle Sterling Bond Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Gross accumulation shares[§]		
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share						
Opening net asset value per share (p)	64.33	57.42	56.13	141.27	124.89	120.55
Return before operating charges (p)	(3.91)	7.83	2.32	(8.60)	17.08	4.99
Operating charges (p)	(0.34)	(0.31)	(0.30)	(0.74)	(0.70)	(0.65)
Return after operating charges (p)*	(4.25)	7.52	2.02	(9.34)	16.38	4.34
Distributions (p)	(0.33)	(0.61)	(0.73)	(0.79)	(1.32)	(1.57)
Retained distributions on accumulation shares (p)	–	–	–	0.79	1.32	1.57
Closing net asset value per share (p)	59.75	64.33	57.42	131.93	141.27	124.89
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	(6.61)	13.10	3.60	(6.61)	13.12	3.60
Other information						
Closing net asset value (£000)	69,066	67,039	283,655	52,907	79,842	30,437
Closing number of shares	115,581,647	104,215,490	494,003,665	40,101,826	56,515,332	24,370,959
Operating charges (%)**	0.53	0.53	0.53	0.53	0.53	0.53
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	67.00	64.66	57.96	147.14	141.41	125.28
Lowest share price (p)	58.89	57.16	54.89	129.71	124.32	118.65

	Class X – Gross income shares[§]			Class X – Gross accumulation shares[§]		
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share						
Opening net asset value per share (p)	132.85	118.04	114.87	125.41	110.35	105.99
Return before operating charges (p)	(8.10)	16.16	4.75	(7.66)	15.13	4.43
Operating charges (p)	(0.07)	(0.06)	(0.02)	(0.07)	(0.07)	(0.07)
Return after operating charges (p)*	(8.17)	16.10	4.73	(7.73)	15.06	4.36
Distributions (p)	(0.73)	(1.29)	(1.56)	(0.68)	(1.20)	(1.41)
Retained distributions on accumulation shares (p)	–	–	–	0.68	1.20	1.41
Closing net asset value per share (p)	123.95	132.85	118.04	117.68	125.41	110.35
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	(6.15)	13.64	4.12	(6.16)	13.65	4.11
Other information						
Closing net asset value (£000)	20	22	3	297,887	287,782	64,523
Closing number of shares	16,495	16,495	3,000	253,133,204	229,463,782	58,471,904
Operating charges (%)**	0.05	0.05	0.02	0.06	0.06	0.06
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	138.36	133.54	119.15	130.62	125.54	110.67
Lowest share price (p)	122.07	117.51	112.64	115.24	109.85	104.63

Threadneedle Sterling Bond Fund

Comparative Table Disclosure

(continued)

	Class Z – Income shares			Class Z – Gross accumulation shares[$]		
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share						
Opening net asset value per share (p)	125.05	111.56	109.00	139.14	123.00	118.71
Return before operating charges (p)	(7.60)	15.23	4.50	(8.48)	16.83	4.93
Operating charges (p)	(0.62)	(0.62)	(0.58)	(0.69)	(0.69)	(0.64)
Return after operating charges (p)*	(8.22)	14.61	3.92	(9.17)	16.14	4.29
Distributions (p)	(0.61)	(1.12)	(1.36)	(0.67)	(1.24)	(1.49)
Retained distributions on accumulation shares (p)	–	–	–	0.67	1.24	1.49
Closing net asset value per share (p)	116.22	125.05	111.56	129.97	139.14	123.00
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	(6.57)	13.10	3.60	(6.59)	13.12	3.61
Other information						
Closing net asset value (£000)	8,515	10,002	10,042	136,549	92,627	62,565
Closing number of shares	7,326,625	7,998,506	9,001,019	105,058,554	66,572,658	50,864,249
Operating charges (%)**	0.50	0.53	0.53	0.50	0.53	0.53
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	130.24	125.66	112.59	144.91	139.27	123.39
Lowest share price (p)	114.52	111.05	106.62	127.78	122.44	116.86

**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 Bond Fund

Notes to the financial statements

for the accounting period 8 March 2020 to 7 March 2021

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 5 and 6.

2 NET CAPITAL (LOSSES)/GAINS

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

	2021 £000	2020 £000
Non-derivative securities	(39,274)	58,026
Transaction costs	(2)	(2)
Net capital (losses)/gains	(39,276)	58,024

3 REVENUE

	2021 £000	2020 £000
Interest on debt securities	3,140	5,217
Bank interest	10	41
Total revenue	3,150	5,258

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	(1,013)	(1,151)
Registration fees	(281)	(281)
	(1,294)	(1,432)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(63)	(58)
Safe custody fees	(21)	(20)
	(84)	(78)
Other expenses:		
Regulatory fees	(7)	(7)
Audit fees	(10)	(10)
	(17)	(17)
Total expenses*	(1,395)	(1,527)

**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	1,755	3,731
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(351)	(746)
Effects of:		
Excess expenses*	351	749
Conversion transfer from capital*	–	(3)
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 £4,611,622 (2020: £4,962,862) 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	Restated 2020* £000
Interim	1,662	2,825
Final	1,233	2,255
	2,895	5,080
Add: Revenue deducted on the cancellation of shares*	148	390
Deduct: Revenue received on the creation of shares*	(275)	(573)
Net distribution for the period	2,768	4,897
Net revenue after taxation	1,755	3,731
Annual management charge to capital	1,013	1,151
Equalisation on conversion*	–	15
Total distributions	2,768	4,897

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

Details of the distribution per share are set out in the table on pages 76 to 77.

7 DEBTORS

	2021 £000	2020 £000
Amounts receivable for the issue of shares	3,182	10,998
Sales awaiting settlement	821	–
Accrued revenue	3,514	2,455
Total debtors	7,517	13,453

8 OTHER CREDITORS

	2021 £000	2020 £000
Amounts payable for the cancellation of shares	(1,253)	(1,963)
Purchases awaiting settlement	(1,689)	(9,488)
Accrued expenses	(15)	(15)
Amounts payable to ACD	(125)	(118)
Total other creditors	(3,082)	(11,584)

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 Sterling Bond Fund currently has three share classes; Class 1, Class X and Class Z shares. The charges on each share class are as follows:

Annual management charge	
Class 1 shares	0.45%
Class X shares	N/A*
Class Z shares	0.30%
Registration fees	
Class 1 shares	0.060%
Class X shares	0.035%
Class Z shares	0.090%

Threadneedle Sterling 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 pages 78 to 79. The distribution per share class is given in the distribution table on pages 76 to 77.
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	104,215,490
Shares issued	42,234,699
Shares redeemed	(30,386,506)
Net conversions	(482,036)
Closing shares	115,581,647
Class 1 – Gross accumulation shares	
Opening shares	56,515,332
Shares issued	40,161,955
Shares redeemed	(56,573,219)
Net conversions	(2,242)
Closing shares	40,101,826
Class X – Gross income shares	
Opening shares	16,495
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	16,495
Class X – Gross accumulation shares	
Opening shares	229,463,782
Shares issued	41,602,971
Shares redeemed	(17,933,549)
Net conversions	–
Closing shares	253,133,204
Class Z – Income shares	
Opening shares	7,998,506
Shares issued	1,322,333
Shares redeemed	(2,242,178)
Net conversions	247,964
Closing shares	7,326,625
Class Z – Gross accumulation shares	
Opening shares	66,572,658
Shares issued	53,968,069
Shares redeemed	(15,484,449)
Net conversions	2,276
Closing shares	105,058,554

12 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 6 to 7.

Market price risk sensitivity

The sensitivity figures provided are forecasts. A 1.00% interest rate decrease applied to the fund would result in an estimated increase on the net asset value of the fund by 12.71% and vice versa (2020: 13.29%).

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	17,332	3.10	19,419	3.66
Aaa	10,405	1.86	4,697	0.89
AA+	6,860	1.22	6,882	1.30
AA	3,215	0.57	1,673	0.31
Aa2u	–	–	391,698	73.90
AA-	–	–	2,422	0.46
Aa3u	178,791	31.92	–	–
A+	4,766	0.85	–	–
Not Rated*	336,299	60.04	101,343	19.12
Liquidity Funds	2,423	0.44	1,913	0.36
	560,091	100.00	530,047	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 7 March was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2021	**£000**	**£000**	**£000**	**£000**
UK Sterling	11,583	549,091	7,518	568,192
Currency 2020	**£000**	**£000**	**£000**	**£000**
UK Sterling	8,973	526,793	13,453	549,219

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2021	**£000**	**£000**	**£000**	**£000**
UK Sterling	–	–	(3,248)	(3,248)
Currency 2020	**£000**	**£000**	**£000**	**£000**
UK Sterling	–	–	(11,905)	(11,905)

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). Any impact to the rate of the underlying securities is considered in market price risk section.

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 Sterling Bond Fund

Notes to the financial statements

(continued)

	2021		2020	
	Assets	Liabilities	Assets	Liabilities
Valuation technique	**£000**	**£000**	**£000**	**£000**
Level 1*	523,319	–	500,361	–
Level 2	36,772	–	29,686	–
	560,091	–	530,047	–

Included within Level 1, are debt securities of £523,319,000 (2020: £500,361,000). 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 £933,845,737 (2020: £1,104,614,588) and £859,710,745 (2020: £1,075,758,063) respectively. Collective investment schemes purchases and sales amounted to £97,509,832 (2020: £26,512,732) and £97,000,000 (2020: £24,600,000) 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 0.10% (7 March 2020: 0.20%), 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 7 March 2020:

STATEMENT OF TOTAL RETURN	**Previously reported 2020**	**Adjustments**	**Restated 2020**
	£000	**£000**	**£000**
Distributions	4,882	15	4,897
Net impact		15	

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	416,158	(237,833)	178,325
Amounts payable on the cancellation of shares	(391,296)	237,848	(153,448)
	24,862	15	24,877
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	56,873	(15)	56,858
Impact on net assets attributable to shareholders		–	

	Previously reported 2020	**Adjustments**	**Restated 2020**
	£000	**£000**	**£000**
Note 5 TAXATION			
Excess expenses	746	3	749
Conversion transfer from capital	–	(3)	(3)
Net impact		–	

	Previously reported 2020	**Adjustments**	**Restated 2020**
	£000	**£000**	**£000**
Note 6 DISTRIBUTIONS			
Add: Revenue deducted on the cancellation of shares	1,175	(785)	390
Deduct: Revenue received on the creation of shares	(1,373)	800	(573)
Net impact		15	
Equalisation on conversion	–	15	15

17 POST BALANCE SHEET EVENT

The table below shows net redemptions between the year-ended 7 March 2021 and 21 June 2021 as a percentage of the closing NAV for share classes with significant movements. The net redemptions of shares were reviewed again on 28 June with no material movements noted since 21 June. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

Share class	**% Movement**
Class Z – Income shares	(11.49)
Class Z – Gross accumulation shares	(24.03)

Threadneedle Sterling Short-Term Money Market Fund*

Investment Report

Investment Objective and Policy

The Fund aims to provide income and preserve the original value of your investment, however, this is not guaranteed.

The Fund is actively managed, and looks to provide income returns broadly in line with the 1 Month GBP London Interbank Bid Rate (LIBID), before charges are deducted.

The Fund invests in short-term assets of high credit quality from issuers that have received a favourable assessment in accordance with credit quality assessment procedures adopted by the Fund. These investments may include UK Government securities (including Treasury bills) with a maturity of 184 days or less, sterling denominated cash deposits and certificates of deposit. In addition, up to 50% of the Fund may be invested in sterling denominated commercial paper, also with a maturity of 184 days, or less. Investment in other short-term money market funds is permitted, but limited in total to 10% of the Fund's value.

Performance of Net Income Class 1 Shares**

Over the twelve months to 7 March 2021, the published share price of the Threadneedle Sterling Short – Term Money Market Fund has fallen from 100.07p to 99.71p.

The total return on the fund for the twelve months ending 28 February 2021, including net reinvested income, is -0.01%. (Source: Threadneedle, bid-bid, net income reinvested.) For information the 1 Month GBP London Interbank Bid Rate (LIBID) Index gave a total return of -0.03% for the same period.

Market Overview and Portfolio Activity

During the reporting period, the fund remained well diversified and liquid, being invested in a mix of well-rated banks and sovereign-backed institutions. When selecting suitable investments for the portfolio, we continued to take into account the financial strength of these banks and financial institutions.

Over the period under review, we kept the fund relatively short and broadly unchanged. At the time of writing, the weighted average maturity of the fund is approximately 53 days and the weighted average yield is 0.03%. The fund is invested approximately 58% in bank-issued certificates of deposit, 27% in short-dated bank deposits (including 3% in AAA-rated external liquidity funds), 11% in Euro Commercial Paper (ECP) and 4% in UK Treasury bonds, Treasury bills, and Treasury notes which are all government-issued fixed income securities that are deemed safe and secure. Treasury bonds mature in 30 years and offer investors the highest interest payments bi-annually. Treasury bills have the shortest maturity terms from four weeks to a year.

The period was dominated by the impact of the COVID-19 pandemic on economies across the globe. Governments and central banks adopted unprecedented levels of support to soften the economic blow.

In the UK, the Bank of England (BoE) began by reducing official interest rates from 0.75% to 0.25% following an emergency meeting on 11 March, with a view to supporting businesses and consumers through lowering the cost of borrowing. A range of additional stimulus measures were also introduced. In March, Andrew Bailey took over as governor of the BoE, as Mark Carney's term of office drew to a close. On 19 March, UK interest rates were cut to a record low of 0.10% to further lessen the economic shock from COVID-19. Investors subsequently speculated as to whether interest rates could be lowered again, with a possible move into negative territory. In the event, rates were left unchanged at 0.10% for the remainder of the reporting period and the BoE announced a range of additional support measures.

The BoE's policies included the expansion of the bank's bond-buying (quantitative easing) programme, with purchases of both UK government securities (gilts) and non-financial sterling investment-grade corporate bonds. The UK government's huge range of stimulus policies have included paying a substantial proportion of furloughed employees' wages. There have also been specific measures to support those sectors hit particularly hard by COVID-19 lockdowns, such as hospitality, tourism and housing.

The spread of COVID-19 delivered a sharp shock to the UK economy. For 2020 as a whole, GDP was down by a record 9.9%, as repeated lockdowns and other restrictions took their toll on economic activity. On the political front, Brexit fears continued to simmer for much of the period. However, a trade deal was finally concluded between the UK and EU in late December, just ahead of the expiry of the transition period.

Towards the end of 2020, sentiment was boosted by the success of several clinical trials for coronavirus vaccines, and the UK government has rapidly rolled out a programme of inoculations. Such has been the success of this programme, that the government recently announced a roadmap out of the current lockdown. With expectations of a return to 'normality' by mid-summer, this has brought the prospect of a swifter economic recovery.

The value of sterling has risen, given the UK's brighter economic prospects as well as indications from the BoE that it is unlikely to adopt negative interest rates in the near future. However, there are concerns that inflation could pick up as the economy recovers, and may exceed the BoE's 2% target later in 2021. The BoE's chief economist, who sits on the rate-setting Monetary Policy Committee, has stated that inflation risks are skewed to the upside.

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2020 to 7 March 2021

	Notes	2021 £000	Restated 2020*** £000
Income			
Net capital losses	2	(54)	(109)
Revenue	3	778	3,842
Expenses	4	(461)	(698)
Interest payable and similar charges	5	–	(1)
Net revenue before taxation		317	3,143
Taxation	6	–	–
Net revenue after taxation		317	3,143
Total return before distributions		263	3,034
Distributions***	7	(457)	(3,255)
Change in net assets attributable to shareholders from investment activities		(194)	(221)

BALANCE SHEET

as at 7 March 2021

	Notes	2021 £000	2020 £000
Assets:			
Fixed assets:			
Investments		276,492	337,301
Current assets:			
Debtors	8	20	568
Cash and bank balances		86,037	74,284
Cash equivalents****		11,528	34,386
Total assets		374,077	446,539
Liabilities:			
Creditors:			
Distribution payable		–	(344)
Other creditors	9	(15,807)	(16,057)
Total liabilities		(15,807)	(16,401)
Net assets attributable to shareholders		358,270	430,138

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2020 to 7 March 2021

	2021 £000	Restated 2020*** £000
Opening net assets attributable to shareholders	430,138	486,897
Amounts receivable on the issue of shares***	356,791	373,261
Amounts payable on the cancellation of shares***	(428,747)	(432,136)
	(71,956)	(58,875)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)***	(194)	(221)
Retained distribution on accumulation shares	282	2,337
Closing net assets attributable to shareholders	358,270	430,138

DISTRIBUTION TABLE

for the accounting period 8 March 2020 to 7 March 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				
08/03/20 to 07/09/20	0.0711	–	0.0711	0.2710
08/09/20 to 07/03/21	–	–	–	0.2665
Group 2				
08/03/20 to 07/09/20	0.0074	0.0637	0.0711	0.2710
08/09/20 to 07/03/21	–	–	–	0.2665
Total distributions in the period			**0.0711**	**0.5375**

Class 2 – Accumulation shares

Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/09/20	0.0848	–	0.0848	0.2857
08/09/20 to 07/03/21	–	–	–	0.2808
Group 2				
08/03/20 to 07/09/20	0.0255	0.0593	0.0848	0.2857
08/09/20 to 07/03/21	–	–	–	0.2808
Total distributions in the period			**0.0848**	**0.5665**

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

***In pound Sterling and against UK peer group (See Performance summary on pages 330 to 331).*

****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 Sterling Short-Term Money Market Fund

DISTRIBUTION TABLE

(continued)

Class X – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2020/2021	Gross Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/09/20	0.1628	–	0.1628	0.3644
08/09/20 to 07/03/21	0.0085	–	0.0085	0.3539
Group 2				
08/03/20 to 07/09/20	0.0433	0.1195	0.1628	0.3644
08/09/20 to 07/03/21	–	0.0085	0.0085	0.3539
Total distributions in the period			**0.1713**	**0.7183**

Group 2: shares purchased during a distribution period.

Threadneedle Sterling Short-Term Money Market Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 2 – Accumulation shares		
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share						
Opening net asset value per share (p)	99.81	99.84	99.81	101.07	100.54	100.06
Return before operating charges (p)	0.20	0.74	0.68	0.21	0.74	0.69
Operating charges (p)	(0.23)	(0.23)	(0.23)	(0.21)	(0.21)	(0.21)
Return after operating charges (p)*	(0.03)	0.51	0.45	–	0.53	0.48
Distributions (p)	(0.07)	(0.54)	(0.42)	(0.08)	(0.57)	(0.44)
Retained distributions on accumulation shares (p)	–	–	–	0.08	0.57	0.44
Closing net asset value per share (p)	99.71	99.81	99.84	101.07	101.07	100.54
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	(0.03)	0.51	0.45	–	0.53	0.48
Other information						
Closing net asset value (£000)	138,717	128,807	314,520	50,877	62,775	49,689
Closing number of shares	139,121,016	129,056,186	315,022,373	50,337,149	62,108,332	49,424,514
Operating charges (%)**	0.23	0.23	0.23	0.21	0.21	0.21
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	99.89	100.10	100.10	101.17	101.09	100.54
Lowest share price (p)	99.71	99.84	99.82	101.07	100.54	100.06

	Class X – Gross accumulation shares[§]		
	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share			
Opening net asset value per share (p)	101.95	101.25	100.62
Return before operating charges (p)	0.21	0.76	0.69
Operating charges (p)	(0.06)	(0.06)	(0.06)
Return after operating charges (p)*	0.15	0.70	0.63
Distributions (p)	(0.17)	(0.72)	(0.60)
Retained distributions on accumulation shares (p)	0.17	0.72	0.60
Closing net asset value per share (p)	102.10	101.95	101.25
*after direct transaction costs of (p)	–	–	–
Performance			
Return after charges (%)	0.15	0.69	0.63
Other information			
Closing net asset value (£000)	168,676	238,556	122,688
Closing number of shares	165,211,005	234,002,057	121,172,112
Operating charges (%)**	0.06	0.06	0.06
Direct transaction costs (%)***	–	–	–
Prices			
Highest share price (p)	102.11	101.96	101.25
Lowest share price (p)	101.95	101.25	100.63

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

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

[§]*Only available to eligible investors.*

Threadneedle Sterling Short-Term Money Market Fund

Notes to the financial statements

for the accounting period 8 March 2020 to 7 March 2021

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 5 and 6.

2 NET CAPITAL LOSSES

Net capital losses during the period comprise:

	2021 £000	2020 £000
Non-derivative securities	(54)	(108)
Transaction costs	–	(1)
Net capital losses	(54)	(109)

3 REVENUE

	2021 £000	2020 £000
Interest on debt securities	711	3,239
Interest on short term investments	25	379
Bank interest	42	224
Total revenue	778	3,842

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	(256)	(381)
Registration fees	(142)	(227)
	(398)	(608)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(39)	(61)
Safe custody fees	(15)	(20)
	(54)	(81)
Other expenses:		
Audit fees	(9)	(9)
	(9)	(9)
Total expenses*	(461)	(698)

**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	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	317	3,143
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(63)	(629)
Effects of:		
Distributions treated as tax deductible*	63	651
Conversion transfer from capital*	–	(22)
Current tax charge for period (note 6a)	–	–

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

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	Restated 2020* £000
Interim	332	1,736
Final	14	1,346
	346	3,082
Add: Revenue deducted on the cancellation of shares*	337	692
Deduct: Revenue received on the creation of shares*	(226)	(519)
Net distribution for the period	457	3,255
Net revenue after taxation	317	3,143
Equalisation on conversion*	–	112
Shortfall transfer from capital to revenue	140	–
Total distributions	457	3,255

**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 83 to 84.

8 DEBTORS

	2021 £000	2020 £000
Amounts receivable for the issue of shares	6	320
Accrued revenue	14	248
Total debtors	20	568

9 OTHER CREDITORS

	2021 £000	2020 £000
Amounts payable for the cancellation of shares	(761)	–
Purchases awaiting settlement	(14,992)	(15,994)
Accrued expenses	(12)	(13)
Amounts payable to ACD	(42)	(50)
Total other creditors	(15,807)	(16,057)

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 Sterling Short-Term Money Market Fund

Notes to the financial statements

(continued)

12 SHAREHOLDER FUNDS

Threadneedle Sterling Short-Term Money Market 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	0.15%*
Class 2 shares	0.15%
Class X shares	N/A**
Registration fees	
Class 1 shares	0.060%
Class 2 shares	0.035%
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 page 85. The distribution per share class is given in the distribution table on pages 83 to 84. All classes have the same rights on winding up.

**The lower annual management charge of 0.15% is charged at the ACD's discretion subject to market conditions and can be increased to a maximum of the 0.5% fee disclosed in the prospectus.*

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

Reconciliation of shares

	2021
Class 1 – Income shares	
Opening shares	129,056,186
Shares issued	80,670,387
Shares redeemed	(70,605,557)
Net conversions	–
Closing shares	139,121,016
Class 2 – Accumulation shares	
Opening shares	62,108,332
Shares issued	39,811,272
Shares redeemed	(51,582,455)
Net conversions	–
Closing shares	50,337,149
Class X – Gross accumulation shares	
Opening shares	234,002,057
Shares issued	231,437,258
Shares redeemed	(300,228,310)
Net conversions	–
Closing shares	165,211,005

13 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 6 to 7.

Market price risk sensitivity

The sensitivity figures provided are forecasts. A 1.00% interest rate decrease applied to the fund would result in an estimated increase on the net asset value of the fund by 0.16% and vice versa (2020: 0.12%).

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

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 7 March was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2021	**£000**	**£000**	**£000**	**£000**
UK Sterling	86,037	288,020	20	374,077
Currency 2020	**£000**	**£000**	**£000**	**£000**
UK Sterling	74,284	371,687	568	446,539

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2021	**£000**	**£000**	**£000**	**£000**
UK Sterling	–	–	(15,807)	(15,807)
Currency 2020	**£000**	**£000**	**£000**	**£000**
UK Sterling	–	–	(16,401)	(16,401)

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). Any impact to the rate of the underlying securities is considered in market price risk section.

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*	288,020	–	371,687	–
	288,020	–	371,687	–

Included within Level 1, are debt securities of £14,999,000 (2020: £76,328,000). 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.*

15 CONTINGENT LIABILITIES AND COMMITMENTS

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

16 PORTFOLIO TRANSACTION COSTS

During the period under review the fund's purchases and sales of bonds amounted to £915,639,002 (2020: £1,630,679,987) and £976,570,464 (2020: £1,670,647,000) respectively. Collective investment schemes purchases and sales amounted to £38,141,390 (2020: £27,712,667) and £61,000,000 (2020: £16,500,000) 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 0.01% (7 March 2020: 0.01%), being the difference between the respective buying and selling prices for the fund's investments.

Threadneedle Sterling Short-Term Money Market Fund

Notes to the financial statements

(continued)

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 7 March 2020:

STATEMENT OF TOTAL RETURN	**Previously reported 2020**	**Adjustments**	**Restated 2020**
	£000	**£000**	**£000**
Distributions	(3,143)	(112)	(3,255)
Net impact		(112)	

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	612,588	(239,327)	373,261
Amounts payable on the cancellation of shares	(671,575)	239,439	(432,136)
	(58,987)	112	(58,875)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(109)	(112)	(221)
Impact on net assets attributable to shareholders		–	

	Previously reported 2020	**Adjustments**	**Restated 2020**
	£000	**£000**	**£000**
Note 6 TAXATION			
Distributions treated as tax deductible	629	22	651
Conversion transfer from capital	–	(22)	(22)
Net impact		–	

	Previously reported 2020	**Adjustments**	**Restated 2020**
	£000	**£000**	**£000**
Note 7 DISTRIBUTIONS			
Add: Revenue deducted on the cancellation of shares	1,025	(333)	692
Deduct: Revenue received on the creation of shares	(964)	445	(519)
Net impact		112	
Equalisation on conversion	–	112	112

Threadneedle European Fund

Investment Report

Investment Objective and Policy

The Fund aims to achieve capital growth over the long term. It looks to outperform the FTSE World Europe ex UK 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 shares of companies domiciled in Continental Europe, or which have significant Continental European business operations.

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 FTSE World Europe ex UK Index.

The FTSE World Europe ex UK Index is regarded as providing an appropriate representation of the share performance of large and medium-sized companies across Europe (excluding the UK), currently with approximately 500 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 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 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 7 March 2021, the published share price of the Threadneedle European Fund has risen 242.25p to 282.30p.

Looking at the sterling performance within its peer group, the total return on the fund for the twelve months ending 28 February 2021, including net reinvested income, is +16.67% as compared to a median return of +15.43% over the same period. (For information the FTSE World Europe ex UK Index returned +14.44% over the same period).

Market Overview and Portfolio Activity

The year was dominated by concerns over the repercussions of COVID-19, a virulent virus which rapidly spread internationally. A dizzying series of responses to the pandemic included travel restrictions and lockdowns that brought cities, regions and even countries to a near halt; a wave of emergency rate cuts and liquidity injections by central banks; and the announcement of substantial economic support measures by governments.

Equities rallied from a sharp slump as optimism grew that these support measures would eventually reignite growth. Vaccine rollouts later provided grounds for optimism that the virus could be curbed, although mutant strains emerged, which will require additional research.

The pandemic's effect on growth was stark. Data showed that GDP in leading economies fell sharply in the first quarter of 2020. Eurozone GDP slumped in the second quarter versus the first; Spain was impacted particularly badly. Later, signs emerged that economies were recovering, although progress was interrupted by fresh lockdowns as the virus flared up again, and new variants surfaced. Meanwhile, many companies withdrew earnings guidance and cut dividends.

Stimulus measures included a €750 billion EU pandemic recovery fund, to be financed by joint borrowing for the first time ever. In the US, the newly elected President Biden proposed a $1.9 trillion support package. The US Federal Reserve is currently sanguine that the economy will not overheat, but bond yields spiked higher in early 2021 as inflationary expectations mounted. While the surge in yields boosted financial stocks, it also generated bouts of weakness in the technology sector. Inflationary concerns were echoed in Europe too.

New holdings included Eurofins Scientific, PUMA and Akzo Nobel. Capital raising strengthens Eurofins Scientific's balance sheet and gives greater flexibility in uncertain times. The laboratory testing firm is at the forefront of antibody tests for COVID-19 and has been approached by governments as public bodies lack adequate capacity. Paints business Akzo Nobel is a high-quality cyclical stock which had been left behind as the market focused on long-term compounding growth companies, where valuations had become stretched. An aggressive growth strategy is paying off for sportswear firm PUMA, with results set to recover sharply after the COVID-19 impact, helped by operational efficiencies and a successful online offering.

Sales included SAP; while the software firm expects robust growth from transition to the cloud, short-term financial results will be affected by the change in strategy, which took the market by surprise.

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 second 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 should follow. Markets will take heart as this means fiscal and monetary policy aimed at stimulating growth, which should be mirrored in Europe too. However, some previously fragile business models are proving unsustainable, impacting small businesses and employment in the hospitality and travel sectors.

Brexit is at last agreed, which should be well received. Negotiations were bad-tempered and some practicalities are still unclear, particularly as lockdowns and travel restrictions continue.

Our main focus in managing this portfolio is on stock selection, informed by macroeconomic and thematic views. We favour companies that have a competitive advantage and pricing power generated by brands, patented processes, regulatory barriers to entry and strong market positions.

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2020 to 7 March 2021

	Notes	2021 £000	Restated 2020** £000
Income			
Net capital gains	2	138,213	77,171
Revenue	3	17,050	25,413
Expenses	4	(5,970)	(6,920)
Interest payable and similar charges	5	(2)	(8)
Net revenue before taxation		11,078	18,485
Taxation	6	(2,167)	(3,217)
Net revenue after taxation		8,911	15,268
Total return before distributions		147,124	92,439
Distributions**	7	(9,031)	(13,780)
Change in net assets attributable to shareholders from investment activities		138,093	78,659

BALANCE SHEET

as at 7 March 2021

	Notes	2021 £000	2020 £000
Assets:			
Fixed assets:			
Investments		874,598	960,392
Current assets:			
Debtors	8	25,162	13,971
Cash and bank balances	9	27,361	10,374
Cash equivalents***		3,016	11,207
Total assets		930,137	995,944
Liabilities:			
Investment liabilities		(7)	(7,625)
Creditors:			
Distribution payable		(13)	(19)
Other creditors	10	(49,616)	(1,361)
Total liabilities		(49,636)	(9,005)
Net assets attributable to shareholders		880,501	986,939

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2020 to 7 March 2021

	2021 £000	Restated 2020** £000
Opening net assets attributable to shareholders	986,939	1,070,849
Amounts receivable on the issue of shares**	131,568	175,639
Amounts payable on the cancellation of shares**	(383,025)	(350,126)
	(251,457)	(174,487)
Dilution adjustment	116	–
Change in net assets attributable to shareholders from investment activities (see statement of total return above)**	138,093	78,659
Retained distribution on accumulation shares	6,810	11,918
Closing net assets attributable to shareholders	880,501	986,939

DISTRIBUTION TABLE

for the accounting period 8 March 2020 to 7 March 2021

Dividend distribution in pence per share

Class 1 – Accumulation shares

There is no distribution for the accounting period 8 March 2020 to 7 March 2021, as expenses exceed revenue (2020: 1.0466).

Class 2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/03/21	1.4183	–	1.4183	2.8307
Group 2				
08/03/20 to 07/03/21	–	1.4183	1.4183	2.8307
Total distributions in the period			**1.4183**	**2.8307**

Class D – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/03/21	2.3003	–	2.3003	4.6772
Group 2				
08/03/20 to 07/03/21	–	2.3003	2.3003	4.6772
Total distributions in the period			**2.3003**	**4.6772**

**In pound Sterling and against UK peer group (See Performance summary on pages 330 to 331).*

***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 European Fund

DISTRIBUTION TABLE

(continued)

Class L – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
08/03/20 to 07/03/21	1.9880	–	1.9880	2.9790
Group 2				
08/03/20 to 07/03/21	0.2689	1.7191	1.9880	2.9790
Total distributions in the period			**1.9880**	**2.9790**

Class L – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/03/21	2.8636	–	2.8636	4.2315
Group 2				
08/03/20 to 07/03/21	0.6268	2.2368	2.8636	4.2315
Total distributions in the period			**2.8636**	**4.2315**

Class L GBP – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
08/03/20 to 07/03/21	1.7710	–	1.7710	2.6551
Group 2				
08/03/20 to 07/03/21	–	1.7710	1.7710	2.6551
Total distributions in the period			**1.7710**	**2.6551**

Class X – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/03/21	2.2908	–	2.2908	2.9110
Group 2				
08/03/20 to 07/03/21	1.1311	1.1597	2.2908	2.9110
Total distributions in the period			**2.2908**	**2.9110**

Class X2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/03/21	9.0774	–	9.0774	11.5353
Group 2				
08/03/20 to 07/03/21	2.2747	6.8027	9.0774	11.5353
Total distributions in the period			**9.0774**	**11.5353**

Class X GBP Hedged – Gross accumulation shares*

Distribution Period	Revenue	Equalisation	Gross Revenue Accumulated 2020/2021	Gross Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/03/21	1.5731	–	1.5731	0.3165
Group 2				
08/03/20 to 07/03/21	0.5735	0.9996	1.5731	0.3165
Total distributions in the period			**1.5731**	**0.3165**

Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
08/03/20 to 07/03/21	1.0304	–	1.0304	1.7836
Group 2				
08/03/20 to 07/03/21	–	1.0304	1.0304	1.7836
Total distributions in the period			**1.0304**	**1.7836**

Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/03/21	1.3939	–	1.3939	2.3791
Group 2				
08/03/20 to 07/03/21	0.3326	1.0613	1.3939	2.3791
Total distributions in the period			**1.3939**	**2.3791**

Group 2: shares purchased during a distribution period.

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

Threadneedle European Fund

Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 2 – Accumulation shares		
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share						
Opening net asset value per share (p)	242.17	223.73	227.50	276.50	253.95	256.75
Return before operating charges (p)	41.77	22.46	(0.06)	47.85	25.58	(0.07)
Operating charges (p)	(4.27)	(4.02)	(3.71)	(3.20)	(3.03)	(2.73)
Return after operating charges (p)*	37.50	18.44	(3.77)	44.65	22.55	(2.80)
Distributions (p)	–	(1.05)	(1.87)	(1.42)	(2.83)	(3.59)
Retained distributions on accumulation shares (p)	–	1.05	1.87	1.42	2.83	3.59
Closing net asset value per share (p)	279.67	242.17	223.73	321.15	276.50	253.95
*after direct transaction costs of (p)	0.41	0.56	0.28	0.47	0.65	0.31
Performance						
Return after charges (%)	15.48	8.24	(1.66)	16.15	8.88	(1.09)
Other information						
Closing net asset value (£000)	75,363	87,885	313,643	408,444	350,728	344,321
Closing number of shares	26,946,769	36,290,245	140,189,774	127,181,112	126,847,064	135,583,758
Operating charges (%)**	1.63	1.64	1.63	1.06	1.06	1.06
Direct transaction costs (%)***	0.15	0.23	0.12	0.15	0.23	0.12
Prices						
Highest share price (p)	295.33	272.38	246.95	338.82	310.90	279.48
Lowest share price (p)	189.23	222.04	204.62	216.08	252.04	232.00

	Class D – Accumulation shares			Class L – Income shares		
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share						
Opening net asset value per share (p)	463.82	426.06	430.82	197.72	183.51	188.20
Return before operating charges (p)	80.09	42.90	(0.13)	34.31	18.44	(0.06)
Operating charges (p)	(5.27)	(5.14)	(4.63)	(1.32)	(1.25)	(1.15)
Return after operating charges (p)*	74.82	37.76	(4.76)	32.99	17.19	(1.21)
Distributions (p)	(2.30)	(4.68)	(5.95)	(1.99)	(2.98)	(3.48)
Retained distributions on accumulation shares (p)	2.30	4.68	5.95	–	–	–
Closing net asset value per share (p)	538.64	463.82	426.06	228.72	197.72	183.51
*after direct transaction costs of (p)	0.77	1.09	0.53	0.34	0.46	0.23
Performance						
Return after charges (%)	16.13	8.86	(1.10)	16.69	9.37	(0.64)
Other information						
Closing net asset value (£000)	497	997	951	92	104	205
Closing number of shares	92,251	214,870	223,169	40,352	52,639	111,918
Operating charges (%)**	1.07	1.07	1.07	0.61	0.61	0.61
Direct transaction costs (%)***	0.15	0.23	0.12	0.15	0.23	0.12
Prices						
Highest share price (p)	568.29	521.52	468.92	243.21	225.63	205.30
Lowest share price (p)	362.47	422.85	389.24	154.53	182.10	170.67

Threadneedle European Fund

Comparative Table Disclosure

(continued)

	Class L – Accumulation shares			Class L GBP – Income shares		
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share						
Opening net asset value per share (p)	285.04	260.68	262.36	176.22	163.56	166.53
Return before operating charges (p)	49.43	26.15	(0.07)	30.59	16.45	1.22
Operating charges (p)	(1.90)	(1.79)	(1.61)	(1.18)	(1.13)	(1.04)
Return after operating charges (p)*	47.53	24.36	(1.68)	29.41	15.32	0.18
Distributions (p)	(2.86)	(4.23)	(4.85)	(1.77)	(2.66)	(3.15)
Retained distributions on accumulation shares (p)	2.86	4.23	4.85	–	–	–
Closing net asset value per share (p)	332.57	285.04	260.68	203.86	176.22	163.56
*after direct transaction costs of (p)	0.49	0.67	0.32	0.30	0.42	0.21
Performance						
Return after charges (%)	16.67	9.34	(0.64)	16.69	9.37	0.11
Other information						
Closing net asset value (£000)	1,621	1,482	1,573	474	360	383
Closing number of shares	487,544	519,784	603,578	232,278	204,457	234,420
Operating charges (%)**	0.61	0.61	0.61	0.61	0.61	0.61
Direct transaction costs (%)***	0.15	0.23	0.12	0.15	0.23	0.12
Prices						
Highest share price (p)	350.63	320.50	286.20	216.79	201.10	181.26
Lowest share price (p)	222.78	258.72	237.93	137.73	162.31	152.16

	Class X – Accumulation shares			Class X2 – Accumulation shares		
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share						
Opening net asset value per share (p)	142.40	129.50	129.62	564.28	513.14	513.63
Return before operating charges (p)	24.76	12.99	(0.04)	98.07	51.48	(0.18)
Operating charges (p)	(0.09)	(0.09)	(0.08)	(0.36)	(0.34)	(0.31)
Return after operating charges (p)*	24.67	12.90	(0.12)	97.71	51.14	(0.49)
Distributions (p)	(2.29)	(2.91)	(3.12)	(9.08)	(11.54)	(12.36)
Retained distributions on accumulation shares (p)	2.29	2.91	3.12	9.08	11.54	12.36
Closing net asset value per share (p)	167.07	142.40	129.50	661.99	564.28	513.14
*after direct transaction costs of (p)	0.24	0.33	0.16	0.94	1.29	0.63
Performance						
Return after charges (%)	17.32	9.96	(0.09)	17.32	9.97	(0.10)
Other information						
Closing net asset value (£000)	115,914	303,748	210,531	14,565	43,655	179,035
Closing number of shares	69,382,657	213,300,518	162,578,165	2,200,213	7,736,439	34,889,972
Operating charges (%)**	0.06	0.06	0.06	0.06	0.06	0.06
Direct transaction costs (%)***	0.15	0.23	0.12	0.15	0.23	0.12
Prices						
Highest share price (p)	175.99	160.05	141.77	697.36	634.22	561.76
Lowest share price (p)	111.32	128.52	118.06	441.10	509.29	467.84

Threadneedle European Fund

Comparative Table Disclosure

(continued)

	Class X GBP Hedged – Gross accumulation shares[§]		Class Z – Income shares		
	07/03/2021	07/03/2020[1]	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share					
Opening net asset value per share (p)	100.18	100.00	146.36	135.84	139.31
Return before operating charges (p)	17.66	0.21	25.35	13.66	(0.05)
Operating charges (p)	(0.06)	(0.03)	(1.41)	(1.36)	(1.23)
Return after operating charges (p)*	17.60	0.18	23.94	12.30	(1.28)
Distributions (p)	(1.57)	(0.32)	(1.03)	(1.78)	(2.19)
Retained distributions on accumulation shares (p)	1.57	0.32	–	–	–
Closing net asset value per share (p)	117.78	100.18	169.27	146.36	135.84
*after direct transaction costs of (p)	0.17	0.25	0.25	0.35	0.17
Performance					
Return after charges (%)	17.57	0.18	16.36	9.05	(0.92)
Other information					
Closing net asset value (£000)	220,930	175,444	1,338	1,004	567
Closing number of shares	187,580,116	175,127,274	790,547	686,124	417,059
Operating charges (%)**	0.06	0.06[†]	0.88	0.88	0.88
Direct transaction costs (%)***	0.15	0.23	0.15	0.23	0.12
Prices					
Highest share price (p)	122.46	117.11	179.62	166.58	151.76
Lowest share price (p)	74.71	99.88	114.38	134.80	126.05

	Class Z – Accumulation shares		
	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share			
Opening net asset value per share (p)	197.77	181.32	183.00
Return before operating charges (p)	34.26	18.25	(0.06)
Operating charges (p)	(1.92)	(1.80)	(1.62)
Return after operating charges (p)*	32.34	16.45	(1.68)
Distributions (p)	(1.39)	(2.38)	(2.88)
Retained distributions on accumulation shares (p)	1.39	2.38	2.88
Closing net asset value per share (p)	230.11	197.77	181.32
*after direct transaction costs of (p)	0.34	0.46	0.22
Performance			
Return after charges (%)	16.35	9.07	(0.92)
Other information			
Closing net asset value (£000)	41,263	21,532	19,640
Closing number of shares	17,931,454	10,887,328	10,831,823
Operating charges (%)**	0.88	0.88	0.88
Direct transaction costs (%)***	0.15	0.23	0.12
Prices			
Highest share price (p)	242.71	222.35	199.36
Lowest share price (p)	154.56	179.95	165.58

**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.

[§]Only available to eligible investors.

[1]Commenced 8 October 2019.

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

Threadneedle European Fund

Notes to the financial statements

for the accounting period 8 March 2020 to 7 March 2021

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 5 and 6.

2 NET CAPITAL GAINS

Net capital gains during the period comprise:

	2021 £000	2020 £000
Non-derivative securities	133,956	78,551
Forward currency contracts	4,331	(1,439)
Other (losses)/gains	(61)	74
Transaction costs	(13)	(15)
Net capital gains	138,213	77,171

3 REVENUE

	2021 £000	2020 £000
UK dividends	–	1,522
Overseas dividends	16,509	23,845
Interest on short term investments	–	1
Bank interest	541	45
Total revenue	17,050	25,413

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	(5,359)	(6,214)
Registration fees	(420)	(502)
	(5,779)	(6,716)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(114)	(124)
Safe custody fees	(59)	(62)
	(173)	(186)
Other expenses:		
Regulatory fees	(8)	(7)
Audit fees	(10)	(11)
	(18)	(18)
Total expenses*	(5,970)	(6,920)

**Including irrecoverable VAT where applicable.*

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2021 £000	2020 £000
Interest payable	(2)	(8)
Total interest payable and similar charges	(2)	(8)

6 TAXATION

	2021 £000	Restated 2020* £000
a) Analysis of charge in period		
Overseas taxes	(2,167)	(3,217)
Total current tax (note 6b)	(2,167)	(3,217)
Total tax charge for the period	(2,167)	(3,217)
b) Factors affecting taxation charge for period		
Net revenue before taxation	11,078	18,485
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(2,216)	(3,697)
Effects of:		
Revenue not subject to taxation	3,158	5,055
Overseas taxes	(2,167)	(3,217)
Excess expenses*	(935)	(1,175)
Conversion transfer from capital*	(7)	(183)
Current tax charge for period (note 6a)	(2,167)	(3,217)

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

The fund has not recognised a deferred tax asset of £14,589,354 (2020: £13,654,111) 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	6,823	11,937
	6,823	11,937
Add: Revenue deducted on the cancellation of shares*	3,095	3,319
Deduct: Revenue received on the creation of shares*	(887)	(1,476)
Net distribution for the period	9,031	13,780
Net revenue after taxation	8,911	15,268
Equalisation on conversion*	36	(1,488)
Shortfall transfer from capital to revenue	84	–
Total distributions	9,031	13,780

**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 89 to 90.

8 DEBTORS

	2021 £000	2020 £000
Amounts receivable for the issue of shares	876	4,987
Sales awaiting settlement	21,078	5,777
Accrued revenue	426	173
Foreign withholding tax recoverable	2,782	3,034
Total debtors	25,162	13,971

9 CASH AND BANK BALANCES

	2021 £000	2020 £000
Amounts held at futures clearing houses and brokers	–	6,660
Cash and bank balances	27,361	3,714
Total cash and bank balances	27,361	10,374

10 OTHER CREDITORS

	2021 £000	2020 £000
Amounts payable for the cancellation of shares	(30,103)	(679)
Purchases awaiting settlement	(18,825)	–
Accrued expenses	(24)	(27)
Amounts payable to ACD	(587)	(579)
Corporation tax payable	(77)	(76)
Total other creditors	(49,616)	(1,361)

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.

Threadneedle European Fund

Notes to the financial statements

(continued)

13 SHAREHOLDER FUNDS

Threadneedle European Fund currently has seven share classes; Class 1, Class 2, Class D, Class L, Class X, Class X2 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 D shares	0.90%
Class L shares	0.55%
Class X shares	N/A*
Class X2 shares	N/A*
Class Z shares	0.75%
Registration fees	
Class 1 shares	0.110%
Class 2 shares	0.035%
Class D shares	0.150%
Class L shares	0.035%
Class X shares	0.035%
Class X2 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 91 to 93. 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	36,290,245
Shares issued	3,025,468
Shares redeemed	(6,238,214)
Net conversions	(6,130,730)
Closing shares	26,946,769
Class 2 – Accumulation shares	
Opening shares	126,847,064
Shares issued	23,320,748
Shares redeemed	(22,986,700)
Net conversions	–
Closing shares	127,181,112
Class D – Accumulation shares	
Opening shares	214,870
Shares issued	1,349
Shares redeemed	(7,874)
Net conversions	(116,094)
Closing shares	92,251
Class L – Income shares	
Opening shares	52,639
Shares issued	4,133
Shares redeemed	(16,420)
Net conversions	–
Closing shares	40,352
Class L – Accumulation shares	
Opening shares	519,784
Shares issued	3,965
Shares redeemed	(36,205)
Net conversions	–
Closing shares	487,544
Class L GBP – Income shares	
Opening shares	204,457
Shares issued	27,821
Shares redeemed	–
Net conversions	–
Closing shares	232,278

	2021
Class X – Accumulation shares	
Opening shares	213,300,518
Shares issued	3,434,127
Shares redeemed	(147,351,988)
Net conversions	–
Closing shares	69,382,657
Class X2 – Accumulation shares	
Opening shares	7,736,439
Shares issued	2,585,212
Shares redeemed	(2,034,822)
Net conversions	(6,086,616)
Closing shares	2,200,213
Class X GBP Hedged – Gross accumulation shares	
Opening shares	175,127,274
Shares issued	33,461,000
Shares redeemed	(56,627,991)
Net conversions	35,619,833
Closing shares	187,580,116
Class Z – Income shares	
Opening shares	686,124
Shares issued	265,772
Shares redeemed	(161,349)
Net conversions	–
Closing shares	790,547
Class Z – Accumulation shares	
Opening shares	10,887,328
Shares issued	1,269,174
Shares redeemed	(1,984,689)
Net conversions	7,759,641
Closing shares	17,931,454

14 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 6 to 7.

Market price risk sensitivity

The sensitivity figures provided are forecasts. A 5% market increase applied to the fund would result in an estimated increase in net asset value of the fund by 5.09% and vice versa (2020: 5.08%).

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	37,278
Euro	464,106
Norwegian Krone	22,525
Swedish Krona	46,407
Swiss Franc	82,995
US Dollar	80
Currency 2020	**£000**
Danish Krone	48,766
Euro	481,852
Norwegian Krone	21,108
Swedish Krona	59,339
Swiss Franc	166,215
US Dollar	236

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).

Threadneedle European Fund

Notes to the financial statements

(continued)

	Currency movement	Fund movement
Currency 2021	**%**	**%**
Euro	1.08	0.57

	Currency movement	Fund movement
Currency 2020	**%**	**%**
Euro	1.19	0.58
Swiss Franc	7.83	1.32

Credit/Counterparty exposure

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

2021	Forward Foreign Exchange Contracts Exposure	Collateral Pledged
Counterparty	**£000**	**£000**
J.P. Morgan	552	–

2020	Forward Foreign Exchange Contracts Exposure	Collateral Pledged
Counterparty	**£000**	**£000**
J.P. Morgan	–	6,660
Lloyds	1	–

The fund held £480,000 (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.

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 7 March was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2021	**£000**	**£000**	**£000**	**£000**
Danish Krone	–	–	52,566	52,566
Euro	–	–	721,657	721,657
Norwegian Krone	905	–	21,620	22,525
Swedish Krona	–	–	46,407	46,407
Swiss Franc	–	–	82,995	82,995
UK Sterling	26,456	3,016	259,861	289,333
US Dollar	–	–	80	80
Currency 2020	**£000**	**£000**	**£000**	**£000**
Danish Krone	–	–	48,766	48,766
Euro	170	–	695,179	695,349
Norwegian Krone	–	–	21,108	21,108
Swedish Krona	–	–	59,339	59,339
Swiss Franc	670	–	165,545	166,215
UK Sterling	9,534	11,207	210,864	231,605
US Dollar	–	–	236	236

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2021	**£000**	**£000**	**£000**	**£000**
Danish Krone	–	–	(15,288)	(15,288)
Euro	–	–	(257,551)	(257,551)
UK Sterling	–	–	(62,223)	(62,223)
Currency 2020	**£000**	**£000**	**£000**	**£000**
Euro	–	–	(213,497)	(213,497)
UK Sterling	–	–	(22,182)	(22,182)

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). Any impact to the rate of the underlying securities is considered in market price risk section.

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.

At 7 March 2021, the fund had outstanding forward foreign exchange contracts with an asset value of £560,000 (2020: £525,000) and a liability value of £7,000 (2020: £7,625,000).

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*	877,054	–	971,074	–
Level 2	560	(7)	525	(7,625)
	877,614	(7)	971,599	(7,625)

**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

7 March 2021

	Value	Commissions		Taxes	
Purchases	**£000**	**£000**	**%**	**£000**	**%**
Equities	687,883	413	0.06	591	0.09
Collective investment schemes	180,009	–	–	–	–
Corporate actions	1,381	–	–	–	–
Total	869,273	413		591	
Gross purchases total:	870,277				

	Value	Commissions		Taxes	
Sales	**£000**	**£000**	**%**	**£000**	**%**
Equities	909,952	478	0.05	–	–
Collective investment schemes	188,200	–	–	–	–
Corporate actions	533	–	–	–	–
Total	1,098,685	478		–	
Total sales net of transaction costs:	1,098,207				

Transaction costs as a percentage of average Net Assets	
Commissions:	0.09%
Taxes:	0.06%

Threadneedle European Fund

Notes to the financial statements

(continued)

7 March 2020

Purchases	Value £000	Commissions £000	%	Taxes £000	%
Equities	970,183	583	0.06	1,141	0.12
Collective investment schemes	102,517	–	–	–	–
Corporate actions	5,145	–	–	–	–
Total	1,077,845	583		1,141	
Gross purchases total:	1,079,569				

Sales	Value £000	Commissions £000	%	Taxes £000	%
Equities	1,158,835	625	0.05	1	0.00
Collective investment schemes	91,310	–	–	–	–
Total	1,250,145	625		1	
Total sales net of transaction costs:	1,249,519				

Transaction costs as a percentage of average Net Assets	
Commissions:	0.12%
Taxes:	0.11%

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 0.09% (7 March 2020: 0.05%), 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:

STATEMENT OF TOTAL RETURN	Previously reported 2020 £000	Adjustments £000	Restated 2020 £000
Distributions	(12,867)	(913)	(13,780)
Net impact		(913)	

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	391,037	(215,398)	175,639
Amounts payable on the cancellation of shares	(566,437)	216,311	(350,126)
	(175,400)	913	(174,487)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	79,572	(913)	78,659
Impact on net assets attributable to shareholders		–	

Note 6 TAXATION	Previously reported 2020 £000	Adjustments £000	Restated 2020 £000
Excess expenses	(1,358)	183	(1,175)
Conversion transfer from capital	–	(183)	(183)
Net impact		–	

Note 7 DISTRIBUTIONS	Previously reported 2020 £000	Adjustments £000	Restated 2020 £000
Add: Revenue deducted on the cancellation of shares	5,490	(2,171)	3,319
Deduct: Revenue received on the creation of shares	(4,560)	3,084	(1,476)
Net impact		913	
Equalisation on conversion	(2,401)	913	(1,488)

19 POST BALANCE SHEET EVENT

The table below shows net redemptions between the year-ended 7 March 2021 and 28 June 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.

Share class	% Movement
Class 2 – Accumulation shares	(12.80)
Class L – Income shares	(24.24)
Class X2 – Accumulation shares	(13.01)
Class X GBP Hedged – Gross accumulation shares	(16.40)

Threadneedle European Select 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 World Europe ex UK 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 Continental Europe, or which have significant Continental European business operations.

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 FTSE World Europe ex UK Index.

The FTSE World Europe ex UK Index is regarded as providing an appropriate representation of the share performance of large and medium-sized companies across Europe (excluding the UK), currently with approximately 500 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 Net Accumulation Class 1 Shares*

Over the twelve months to 7 March 2021, the published share price of the Threadneedle European Select Fund has risen from 320.52p to 374.84p.

Looking at the sterling performance within its peer group, the total return on the fund for the twelve months ending 28 February 2021, including net reinvested income, is +20.10% as compared to a median return of +15.43% over the same period. (For information the FTSE World Europe ex UK Index returned +14.44% over the same period).

Market Overview and Portfolio Activity

The year was dominated by concerns over the repercussions of COVID-19, a virulent virus which rapidly spread internationally. A dizzying series of responses to the pandemic included travel restrictions and lockdowns that brought cities, regions and even countries to a near halt; a wave of emergency rate cuts and liquidity injections by central banks; and the announcement of substantial economic support measures by governments.

Equities rallied from a sharp slump as optimism grew that these support measures would eventually reignite growth. Vaccine rollouts later provided grounds for optimism that the virus could be curbed, although mutant strains emerged, which will require additional research.

The pandemic's effect on growth was stark. Data showed that GDP in leading economies fell sharply in the first quarter of 2020. Eurozone GDP slumped in the second quarter versus the first; Spain was impacted particularly badly. Later, signs emerged that economies were recovering, although progress was interrupted by fresh lockdowns as the virus flared up again, and new variants surfaced. Meanwhile, many companies withdrew earnings guidance and cut dividends.

Stimulus measures included a €750 billion EU pandemic recovery fund, to be financed by joint borrowing for the first time ever. In the US, the newly elected President Biden proposed a $1.9 trillion support package. The US Federal Reserve is currently sanguine that the economy will not overheat, but bond yields spiked higher in early 2021 as inflationary expectations mounted. While the surge in yields boosted financial stocks, it also generated bouts of weakness in the technology sector. Inflationary concerns were echoed in Europe too.

New holdings included Siemens Healthineers, STMicroelectronics and Zalando. Siemens Healthineers is a world-leading hospital technology business; barriers to entry are high, which is likely to sustain market share and pricing, and there are encouraging opportunities in diagnostics. STMicroelectronics is a specialist in microprocessors and sensors used in auto and consumer electronics. Restructuring in recent years has focused on niches (where the firm has high market share) and manufacturing, with a likely boost to future margins, growth and returns. Zalando has a fast-growing European platform for online retail – scale gives substantial advantages and enables high and sustainable margins.

Sales included RELX (information and analytics); much of the company's business has been resilient, but the exhibitions division is suffering heavily owing to the virus-related lockdowns.

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 second 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 should follow. Markets will take heart as this means fiscal and monetary policy aimed at stimulating growth, which should be mirrored in Europe too. However, some previously fragile business models are proving unsustainable, impacting small businesses and employment in the hospitality and travel sectors.

Brexit is at last agreed, which should be well received. Negotiations were bad-tempered and some practicalities are still unclear, particularly as lockdowns and travel restrictions continue.

Our main focus in managing this high-conviction portfolio is on stock selection. We seek to identify high-quality companies with the pricing power to sustain strong returns.

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2020 to 7 March 2021

	Notes	2021 £000	Restated 2020** £000
Income			
Net capital gains	2	251,481	161,132
Revenue	3	23,457	33,469
Expenses	4	(15,808)	(15,517)
Interest payable and similar charges	5	(31)	(46)
Net revenue before taxation		7,618	17,906
Taxation	6	(2,785)	(4,793)
Net revenue after taxation		4,833	13,113
Total return before distributions		256,314	174,245
Distributions**	7	(5,902)	(13,192)
Change in net assets attributable to shareholders from investment activities		250,412	161,053

BALANCE SHEET

as at 7 March 2021

	Notes	2021 £000	2020 £000
Assets:			
Fixed assets:			
Investments		1,655,933	1,548,295
Current assets:			
Debtors	8	14,974	5,767
Cash and bank balances	9	3,806	320
Cash equivalents***		12,218	34,198
Total assets		1,686,931	1,588,580
Liabilities:			
Investment liabilities		(2)	(336)
Creditors:			
Bank overdrafts	9	(631)	–
Distribution payable		(688)	(1,760)
Other creditors	10	(16,055)	(3,424)
Total liabilities		(17,376)	(5,520)
Net assets attributable to shareholders		1,669,555	1,583,060

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2020 to 7 March 2021

	2021 £000	Restated 2020** £000
Opening net assets attributable to shareholders	1,583,060	1,527,014
Amounts receivable on the issue of shares**	125,962	115,681
Amounts payable on the cancellation of shares**	(294,404)	(231,432)
	(168,442)	(115,751)
Dilution adjustment	40	47
Change in net assets attributable to shareholders from investment activities (see statement of total return above)**	250,412	161,053
Retained distribution on accumulation shares	4,485	10,697
Closing net assets attributable to shareholders	1,669,555	1,583,060

**In pound Sterling and against UK peer group (See Performance summary on pages 330 to 331).*

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

DISTRIBUTION TABLE

for the accounting period 8 March 2020 to 7 March 2021

Dividend distribution in pence per share

Class 1 – Income shares

There is no distribution for the accounting period 8 March 2020 to 7 March 2021, as expenses exceed revenue (2020: 0.1703).

Class 1 – Accumulation shares

There is no distribution for the accounting period 8 March 2020 to 7 March 2021, as expenses exceed revenue (2020: 0.3937).

Class 2 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
08/03/20 to 07/03/21	0.3191	–	0.3191	1.3761
Group 2				
08/03/20 to 07/03/21	–	0.3191	0.3191	1.3761
Total distributions in the period			**0.3191**	**1.3761**

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

Threadneedle European Select Fund

DISTRIBUTION TABLE

(continued)

Class 2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/03/21	0.5724	–	0.5724	2.4728
Group 2				
08/03/20 to 07/03/21	–	0.5724	0.5724	2.4728
Total distributions in the period			**0.5724**	**2.4728**

Class 2 USD Hedged – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/03/21	0.3632	–	0.3632	1.1135
Group 2				
08/03/20 to 07/03/21	–	0.3632	0.3632	1.1135
Total distributions in the period			**0.3632**	**1.1135**

Class X – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/03/21	1.9659	–	1.9659	2.5741
Group 2				
08/03/20 to 07/03/21	0.0534	1.9125	1.9659	2.5741
Total distributions in the period			**1.9659**	**2.5741**

Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
08/03/20 to 07/03/21	0.6968	–	0.6968	1.4949
Group 2				
08/03/20 to 07/03/21	–	0.6968	0.6968	1.4949
Total distributions in the period			**0.6968**	**1.4949**

Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/03/21	0.9088	–	0.9088	1.9319
Group 2				
08/03/20 to 07/03/21	–	0.9088	0.9088	1.9319
Total distributions in the period			**0.9088**	**1.9319**

Group 2: shares purchased during a distribution period.

Threadneedle European Select Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 1 EUR – Income shares
	07/03/2021	07/03/2020	07/03/2019	09/11/2018[1]
Change in net assets per share				
Opening net asset value per share (p)	136.76	123.25	126.83	132.95
Return before operating charges (p)	23.85	15.92	(0.88)	(9.75)
Operating charges (p)	(2.44)	(2.24)	(2.07)	(0.70)
Return after operating charges (p)*	21.41	13.68	(2.95)	(10.45)
Distributions (p)	–	(0.17)	(0.63)	(0.97)
Retained distributions on accumulation shares (p)	–	–	–	–
Closing net asset value per share (p)	158.17	136.76	123.25	121.53
*after direct transaction costs of (p)	0.14	0.14	0.07	0.04
Performance				
Return after charges (%)	15.66	11.10	(2.33)	(7.86)
Other information				
Closing net asset value (£000)	360	433	347	–
Closing number of shares	227,584	316,472	281,501	–
Operating charges (%)**	1.60	1.60	1.62	–
Direct transaction costs (%)***	0.09	0.10	0.06	–
Prices				
Highest share price (p)	171.75	151.51	138.89	138.89
Lowest share price (p)	110.56	122.28	114.20	119.08

	Class 1 – Accumulation shares			Class 1 EUR – Accumulation shares
	07/03/2021	07/03/2020	07/03/2019	09/11/2018[1]
Change in net assets per share				
Opening net asset value per share (p)	320.42	288.40	295.27	309.51
Return before operating charges (p)	55.88	37.24	(2.10)	(24.96)
Operating charges (p)	(5.72)	(5.22)	(4.77)	(1.64)
Return after operating charges (p)*	50.16	32.02	(6.87)	(26.60)
Distributions (p)	–	(0.39)	(1.47)	(2.26)
Retained distributions on accumulation shares (p)	–	0.39	1.47	2.26
Closing net asset value per share (p)	370.58	320.42	288.40	282.91
*after direct transaction costs of (p)	0.32	0.33	0.17	0.08
Performance				
Return after charges (%)	15.65	11.10	(2.33)	(8.59)
Other information				
Closing net asset value (£000)	201,491	247,767	266,743	–
Closing number of shares	54,371,743	77,326,044	92,488,996	–
Operating charges (%)**	1.60	1.60	1.61	–
Direct transaction costs (%)***	0.09	0.10	0.06	–
Prices				
Highest share price (p)	402.40	354.52	323.33	323.33
Lowest share price (p)	259.04	286.13	265.85	277.23

Threadneedle European Select Fund

Comparative Table Disclosure

(continued)

	Class 1 USD – Accumulation shares	Class 1 SGD Hedged – Accumulation shares
	09/11/2018[1]	09/11/2018[2]
Change in net assets per share		
Opening net asset value per share (p)	309.51	165.60
Return before operating charges (p)	(24.96)	4.00
Operating charges (p)	(1.64)	(1.89)
Return after operating charges (p)*	(26.60)	2.11
Distributions (p)	(2.26)	(1.28)
Retained distributions on accumulation shares (p)	2.26	1.28
Closing net asset value per share (p)	282.91	167.71
*after direct transaction costs of (p)	0.08	0.09
Performance		
Return after charges (%)	(8.59)	1.27
Other information		
Closing net asset value (£000)	–	–
Closing number of shares	–	–
Operating charges (%)**	–	–
Direct transaction costs (%)***	–	–
Prices		
Highest share price (p)	323.33	187.16
Lowest share price (p)	277.23	161.68

	Class 1 USD Hedged – Accumulation shares	Class 2 – Income shares		
	09/11/2018[2]	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share				
Opening net asset value per share (p)	136.89	203.65	183.54	188.89
Return before operating charges (p)	10.67	35.57	23.70	(1.37)
Operating charges (p)	(1.61)	(2.39)	(2.21)	(2.01)
Return after operating charges (p)*	9.06	33.18	21.49	(3.38)
Distributions (p)	(1.05)	(0.32)	(1.38)	(1.97)
Retained distributions on accumulation shares (p)	1.05	–	–	–
Closing net asset value per share (p)	145.95	236.51	203.65	183.54
*after direct transaction costs of (p)	0.08	0.21	0.21	0.11
Performance				
Return after charges (%)	6.62	16.29	11.71	(1.79)
Other information				
Closing net asset value (£000)	–	822	962	1,233
Closing number of shares	–	347,446	472,420	671,722
Operating charges (%)**	–	1.05	1.06	1.06
Direct transaction costs (%)***	–	0.09	0.10	0.06
Prices				
Highest share price (p)	160.91	256.95	226.68	207.38
Lowest share price (p)	133.26	164.66	182.10	170.82

Threadneedle European Select Fund

Comparative Table Disclosure

(continued)

	Class 2 EUR – Income shares	Class 2 – Accumulation shares		
	09/11/2018[1]	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share				
Opening net asset value per share (p)	198.30	365.35	327.03	333.00
Return before operating charges (p)	(13.78)	63.83	42.26	(2.42)
Operating charges (p)	(0.70)	(4.31)	(3.94)	(3.55)
Return after operating charges (p)*	(14.48)	59.52	38.32	(5.97)
Distributions (p)	(2.16)	(0.57)	(2.47)	(3.47)
Retained distributions on accumulation shares (p)	–	0.57	2.47	3.47
Closing net asset value per share (p)	181.66	424.87	365.35	327.03
*after direct transaction costs of (p)	0.05	0.37	0.37	0.20
Performance				
Return after charges (%)	(7.30)	16.29	11.72	(1.79)
Other information				
Closing net asset value (£000)	–	206,081	193,003	195,428
Closing number of shares	–	48,504,932	52,827,073	59,757,401
Operating charges (%)**	–	1.05	1.06	1.06
Direct transaction costs (%)***	–	0.09	0.10	0.06
Prices				
Highest share price (p)	207.38	460.96	403.90	365.60
Lowest share price (p)	177.97	295.41	324.46	301.13

	Class 2 EUR – Accumulation shares	Class 2 USD Hedged – Accumulation shares		
	09/11/2018[1]	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share				
Opening net asset value per share (p)	349.58	176.92	154.61	139.61
Return before operating charges (p)	(28.10)	22.44	24.22	16.60
Operating charges (p)	(1.23)	(2.03)	(1.91)	(1.60)
Return after operating charges (p)*	(29.33)	20.41	22.31	15.00
Distributions (p)	(3.81)	(0.36)	(1.11)	(1.45)
Retained distributions on accumulation shares (p)	3.81	0.36	1.11	1.45
Closing net asset value per share (p)	320.25	197.33	176.92	154.61
*after direct transaction costs of (p)	0.09	0.17	0.18	0.09
Performance				
Return after charges (%)	(8.39)	11.54	14.43	10.74
Other information				
Closing net asset value (£000)	–	3,549	6,287	15,308
Closing number of shares	–	1,798,466	3,554,014	9,901,087
Operating charges (%)**	–	1.05	1.06	1.06
Direct transaction costs (%)***	–	0.09	0.10	0.06
Prices				
Highest share price (p)	365.60	209.75	204.57	164.57
Lowest share price (p)	313.74	144.79	154.67	135.99

Threadneedle European Select Fund

Comparative Table Disclosure

(continued)

	Class X – Accumulation shares			Class Z – Income shares		
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share						
Opening net asset value per share (p)	152.98	135.59	136.69	163.88	147.71	152.02
Return before operating charges (p)	26.80	17.48	(1.02)	28.65	19.06	(1.11)
Operating charges (p)	(0.09)	(0.09)	(0.08)	(1.49)	(1.40)	(1.27)
Return after operating charges (p)*	26.71	17.39	(1.10)	27.16	17.66	(2.38)
Distributions (p)	(1.97)	(2.57)	(2.80)	(0.70)	(1.49)	(1.93)
Retained distributions on accumulation shares (p)	1.97	2.57	2.80	–	–	–
Closing net asset value per share (p)	179.69	152.98	135.59	190.34	163.88	147.71
*after direct transaction costs of (p)	0.15	0.15	0.08	0.17	0.17	0.09
Performance						
Return after charges (%)	17.46	12.83	(0.80)	16.57	11.96	(1.57)
Other information						
Closing net asset value (£000)	40,928	67,644	106,330	187,750	192,153	142,693
Closing number of shares	22,776,848	44,216,778	78,419,864	98,639,630	117,252,943	96,604,604
Operating charges (%)**	0.05	0.06	0.06	0.81	0.83	0.83
Direct transaction costs (%)***	0.09	0.10	0.06	0.09	0.10	0.06
Prices						
Highest share price (p)	194.67	168.91	150.79	207.18	182.78	167.08
Lowest share price (p)	123.73	134.53	124.60	132.51	146.55	137.72

	Class Z – Accumulation shares			Class Z EUR – Accumulation shares
	07/03/2021	07/03/2020	07/03/2019	09/11/2018[1]
Change in net assets per share				
Opening net asset value per share (p)	213.70	190.87	193.92	203.70
Return before operating charges (p)	37.35	24.63	(1.43)	(16.37)
Operating charges (p)	(1.95)	(1.80)	(1.62)	(0.56)
Return after operating charges (p)*	35.40	22.83	(3.05)	(16.93)
Distributions (p)	(0.91)	(1.93)	(2.46)	(2.53)
Retained distributions on accumulation shares (p)	0.91	1.93	2.46	2.53
Closing net asset value per share (p)	249.10	213.70	190.87	186.77
*after direct transaction costs of (p)	0.22	0.22	0.11	0.05
Performance				
Return after charges (%)	16.57	11.96	(1.57)	(8.31)
Other information				
Closing net asset value (£000)	1,028,574	874,811	798,932	–
Closing number of shares	412,913,280	409,368,215	418,570,008	–
Operating charges (%)**	0.81	0.83	0.83	–
Direct transaction costs (%)***	0.09	0.10	0.06	–
Prices				
Highest share price (p)	270.16	236.19	213.13	213.13
Lowest share price (p)	172.80	189.37	175.68	182.96

Threadneedle European Select Fund

Comparative Table Disclosure

(continued)

	Class Z USD – Accumulation shares
	09/11/2018[1]
Change in net assets per share	
Opening net asset value per share (p)	203.70
Return before operating charges (p)	(16.37)
Operating charges (p)	(0.56)
Return after operating charges (p)*	(16.93)
Distributions (p)	(2.53)
Retained distributions on accumulation shares (p)	2.53
Closing net asset value per share (p)	186.77
*after direct transaction costs of (p)	0.05
Performance	
Return after charges (%)	(8.31)
Other information	
Closing net asset value (£000)	–
Closing number of shares	–
Operating charges (%)**	–
Direct transaction costs (%)***	–
Prices	
Highest share price (p)	213.13
Lowest share price (p)	182.96

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

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

[1]*Commenced 15 June 2018 and closed 9 November 2018.*

[2]*Closed 9 November 2018.*

Threadneedle European Select Fund

Notes to the financial statements

for the accounting period 8 March 2020 to 7 March 2021

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 5 and 6.

2 NET CAPITAL GAINS

Net capital gains during the period comprise:

	2021 £000	2020 £000
Non-derivative securities	251,934	162,133
Forward currency contracts	(386)	(871)
Other losses	(64)	(127)
Transaction costs	(3)	(3)
Net capital gains	251,481	161,132

3 REVENUE

	2021 £000	2020 £000
Overseas dividends	22,631	33,467
Bank interest	826	2
Total revenue	23,457	33,469

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	(14,688)	(14,216)
Registration fees	(800)	(958)
	(15,488)	(15,174)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(205)	(195)
Safe custody fees	(101)	(88)
Revenue collection expenses	–	(46)
	(306)	(329)
Other expenses:		
Regulatory fees	(5)	(5)
Audit fees	(9)	(9)
	(14)	(14)
Total expenses*	(15,808)	(15,517)

**Including irrecoverable VAT where applicable.*

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2021 £000	2020 £000
Interest payable	(31)	(46)
Total interest payable and similar charges	(31)	(46)

6 TAXATION

	2021 £000	Restated 2020* £000
a) Analysis of charge in period		
Overseas taxes	(2,785)	(4,793)
Total current tax (note 6b)	(2,785)	(4,793)
Total tax charge for the period	(2,785)	(4,793)
b) Factors affecting taxation charge for period		
Net revenue before taxation	7,618	17,906
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(1,524)	(3,581)
Effects of:		
Revenue not subject to taxation	4,312	6,650
Overseas taxes	(2,785)	(4,793)
Excess expenses*	(2,753)	(3,053)
Conversion transfer from capital*	(35)	(16)
Current tax charge for period (note 6a)	(2,785)	(4,793)

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

The fund has not recognised a deferred tax asset of £27,199,372 (2020: £24,446,068) 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	5,173	12,457
	5,173	12,457
Add: Revenue deducted on the cancellation of shares*	1,232	1,707
Deduct: Revenue received on the creation of shares*	(503)	(972)
Net distribution for the period	5,902	13,192
Net revenue after taxation	4,833	13,113
Equalisation on conversion*	176	79
Shortfall transfer from capital to revenue	893	–
Total distributions	5,902	13,192

**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 98 to 99.

8 DEBTORS

	2021 £000	2020 £000
Amounts receivable for the issue of shares	2,277	1,017
Sales awaiting settlement	8,107	–
Accrued revenue	376	243
Foreign withholding tax recoverable	4,214	4,507
Total debtors	14,974	5,767

9 CASH AND BANK BALANCES

	2021 £000	2020 £000
Amounts held at futures clearing houses and brokers	26	218
Cash and bank balances	3,780	102
	3,806	320
Bank overdrafts	(631)	–
Total cash and bank balances	3,175	320

10 OTHER CREDITORS

	2021 £000	2020 £000
Amounts payable for the cancellation of shares	(2,427)	(1,837)
Purchases awaiting settlement	(12,083)	–
Accrued expenses	(36)	(35)
Amounts payable to ACD	(1,509)	(1,552)
Total other creditors	(16,055)	(3,424)

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.

Threadneedle European Select Fund

Notes to the financial statements

(continued)

13 SHAREHOLDER FUNDS

Threadneedle European Select 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	0.080%
Class 2 shares	0.030%
Class X shares	0.030%
Class Z shares	0.030%

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 100 to 104. The distribution per share class is given in the distribution table on pages 98 to 99.

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	316,472
Shares issued	2,693
Shares redeemed	(13,127)
Net conversions	(78,454)
Closing shares	227,584
Class 1 – Accumulation shares	
Opening shares	77,326,044
Shares issued	2,964,226
Shares redeemed	(5,088,369)
Net conversions	(20,830,158)
Closing shares	54,371,743
Class 2 – Income shares	
Opening shares	472,420
Shares issued	4,074
Shares redeemed	(129,048)
Net conversions	–
Closing shares	347,446
Class 2 – Accumulation shares	
Opening shares	52,827,073
Shares issued	6,263,153
Shares redeemed	(8,741,244)
Net conversions	(1,844,050)
Closing shares	48,504,932
Class 2 USD Hedged – Accumulation shares	
Opening shares	3,554,014
Shares issued	319,755
Shares redeemed	(2,075,303)
Net conversions	–
Closing shares	1,798,466
Class X – Accumulation shares	
Opening shares	44,216,778
Shares issued	547,035
Shares redeemed	(21,986,965)
Net conversions	–
Closing shares	22,776,848
Class Z – Income shares	
Opening shares	117,252,943
Shares issued	8,981,137
Shares redeemed	(27,866,543)
Net conversions	272,093
Closing shares	98,639,630
Class Z – Accumulation shares	
Opening shares	409,368,215
Shares issued	30,564,864
Shares redeemed	(61,133,445)
Net conversions	34,113,646
Closing shares	412,913,280

14 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 6 to 7.

Market price risk sensitivity

The sensitivity figures provided are forecasts. A 5% market increase applied to the fund would result in an estimated increase in net asset value of the fund by 4.54% and vice versa (2020: 4.88%).

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	111,685
Euro	1,188,866
Swedish Krona	99,844
Swiss Franc	263,117
US Dollar	3,495
Currency 2020	**£000**
Danish Krone	107,291
Euro	1,142,865
Swedish Krona	83,478
Swiss Franc	211,826
US Dollar	41,424

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	1.08	0.77
Swiss Franc	5.80	0.91
	Currency movement	**Fund movement**
Currency 2020	**%**	**%**
Euro	1.19	0.86
Swiss Franc	7.83	1.05

Credit/Counterparty exposure

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

2021	Forward Foreign Exchange Contracts Exposure	Collateral Pledged
Counterparty	**£000**	**£000**
J.P. Morgan	62	26
2020	**Forward Foreign Exchange Contracts Exposure**	**Collateral Pledged**
Counterparty	**£000**	**£000**
J.P. Morgan	–	218
Lloyds	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.

Threadneedle European Select 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 7 March was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2021	**£000**	**£000**	**£000**	**£000**
Danish Krone	–	–	122,709	122,709
Euro	3,806	12,218	1,176,542	1,192,566
Swedish Krona	–	–	99,844	99,844
Swiss Franc	–	–	263,117	263,117
UK Sterling	–	–	8,897	8,897
US Dollar	–	–	3,683	3,683
Currency 2020	**£000**	**£000**	**£000**	**£000**
Danish Krone	–	–	107,291	107,291
Euro	250	–	1,150,830	1,151,080
Swedish Krona	–	–	83,478	83,478
Swiss Franc	–	–	211,826	211,826
UK Sterling	70	–	1,566	1,636
US Dollar	–	–	42,125	42,125

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2021	**£000**	**£000**	**£000**	**£000**
Danish Krone	–	–	(11,024)	(11,024)
Euro	–	–	(3,700)	(3,700)
UK Sterling	(631)	–	(5,718)	(6,349)
US Dollar	–	–	(188)	(188)
Currency 2020	**£000**	**£000**	**£000**	**£000**
Euro	–	–	(8,215)	(8,215)
UK Sterling	–	–	(5,460)	(5,460)
US Dollar	–	–	(701)	(701)

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). Any impact to the rate of the underlying securities is considered in market price risk section.

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.

At 7 March 2021, the fund had outstanding forward foreign exchange contracts with an asset value of £64,000 (2020: £29,000) and a liability value of £2,000 (2020: £336,000).

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*	1,668,087	–	1,582,464	–
Level 2	64	(2)	29	(336)
	1,668,151	(2)	1,582,493	(336)

**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

7 March 2021

	Value	Commissions		Taxes	
Purchases	**£000**	**£000**	**%**	**£000**	**%**
Equities	728,582	465	0.06	515	0.07
Collective investment schemes	109,569	–	–	–	–
Total	838,151	465		515	
Gross purchases total:	839,131				

	Value	Commissions		Taxes	
Sales	**£000**	**£000**	**%**	**£000**	**%**
Equities	876,521	571	0.07	1	–
Collective investment schemes	131,682	–	–	–	–
Corporate actions	876	–	–	–	–
Total	1,009,079	571		1	
Total sales net of transaction costs:	1,008,507				

Transaction costs as a percentage of average Net Assets	
Commissions:	0.06%
Taxes:	0.03%

7 March 2020

	Value	Commissions		Taxes	
Purchases	**£000**	**£000**	**%**	**£000**	**%**
Equities	649,992	409	0.06	727	0.11
Collective investment schemes	170,732	–	–	–	–
Corporate actions	8,288	–	–	–	–
Total	829,012	409		727	
Gross purchases total:	830,148				

	Value	Commissions		Taxes	
Sales	**£000**	**£000**	**%**	**£000**	**%**
Equities	779,386	495	0.06	1	0.00
Collective investment schemes	136,502	–	–	–	–
Total	915,888	495		1	
Total sales net of transaction costs:	915,392				

Transaction costs as a percentage of average Net Assets	
Commissions:	0.06%
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% (7 March 2020: 0.05%), being the difference between the respective buying and selling prices for the fund's investments.

Threadneedle European Select Fund

Notes to the financial statements

(continued)

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:

STATEMENT OF TOTAL RETURN	Previously reported 2020 £000	Adjustments £000	Restated 2020 £000
Distributions	(13,123)	(69)	(13,192)
Net impact		(69)	

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	132,400	(16,719)	115,681
Amounts payable on the cancellation of shares	(248,220)	16,788	(231,432)
	(115,820)	69	(115,751)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	161,122	(69)	161,053
Impact on net assets attributable to shareholders		–	

	Previously reported 2020 £000	Adjustments £000	Restated 2020 £000
Note 6 TAXATION			
Excess expenses	(3,067)	14	(3,053)
Conversion transfer from capital	(2)	(14)	(16)
Net impact		–	

	Previously reported 2020 £000	Adjustments £000	Restated 2020 £000
Note 7 DISTRIBUTIONS			
Add: Revenue deducted on the cancellation of shares	1,842	(135)	1,707
Deduct: Revenue received on the creation of shares	(1,176)	204	(972)
Net impact		69	
Equalisation on conversion	10	69	79

Threadneedle European Smaller Companies Fund

Investment Report

Investment Objective and Policy

The Fund aims to achieve capital growth over the long term. It looks to outperform the EMIX Smaller European Companies Ex UK 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 shares of European smaller companies.

The Fund considers European smaller companies to be those domiciled in Continental Europe, or with significant Continental European business operations, that, at the time of purchase, are not represented in the top 225 companies in the FTSE World Europe ex UK Index (an index of large and medium-sized European (ex UK) companies).

The Fund selects smaller companies considered to have good prospects for share price growth, from any industry or economic sector, and in some instances, this may provide exposure to niche growth areas that often cannot be accessed through large companies.

The EMIX Smaller European Companies Ex UK Index is regarded as providing an appropriate representation of the share performance of smaller sized companies across Europe (excluding the UK), currently with over 1,000 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 100 companies, which may include shares of some companies not within the EMIX Smaller Europe Ex UK 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 Net Accumulation Class 1 Shares*

Over the twelve months to 7 March 2021, the published share price of the Threadneedle European Smaller Companies Fund has risen from 852.89p to 1,104.41p.

Looking at the sterling performance within its peer group, the total return on the fund for the twelve months ending 28 February 2021, including net reinvested income, is +30.86% as compared to a median return of +31.56% over the same period. (For information the EMIX Smaller European Companies Ex UK Index returned +28.99% over the same period).

Market Overview and Portfolio Activity

The year was dominated by concerns over the repercussions of COVID-19, a virulent virus which rapidly spread internationally. A dizzying series of responses to the pandemic included travel restrictions and lockdowns that brought cities, regions and even countries to a near halt; a wave of emergency rate cuts and liquidity injections by central banks; and the announcement of substantial economic support measures by governments.

Equities rallied from a sharp slump as optimism grew that these support measures would eventually reignite growth. Vaccine rollouts later provided grounds for optimism that the virus could be curbed, although mutant strains emerged, which will require additional research.

The pandemic's effect on growth was stark. Data showed that GDP in leading economies fell sharply in the first quarter of 2020. Eurozone GDP slumped in the second quarter versus the first; Spain was impacted particularly badly. Later, signs emerged that economies were recovering, although progress was interrupted by fresh lockdowns as the virus flared up again, and new variants surfaced. Meanwhile, many companies withdrew earnings guidance and cut dividends.

Stimulus measures included a €750 billion EU pandemic recovery fund, to be financed by joint borrowing for the first time ever. In the US, the newly elected President Biden proposed a $1.9 trillion support package. The US Federal Reserve is currently sanguine that the economy will not overheat, but bond yields spiked higher in early 2021 as inflationary expectations mounted. While the surge in yields boosted financial stocks, it also generated bouts of weakness in the technology sector. Inflationary concerns were echoed in Europe too.

New holdings included ASM International, Stillfront and CANCOM. ASM International is a leader in single wafer ALD (atomic layer disposition) technology for manufacturing semiconductors. Stillfront is an attractively valued gaming business, with a successful acquisition strategy – bolt-ons create synergies. CANCOM specialises in IT backup, archiving and security. The company has seen strong growth, particularly in the high-margin cloud business. Recent expansion into Slovakia helps reduce the company's cost base.

Following a period of good returns, we trimmed several holdings including Sartorius (pharmaceutical and laboratory equipment).

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 second 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 should follow. Markets will take heart as this means fiscal and monetary policy aimed at stimulating growth, which should be mirrored in Europe too. However, some previously fragile business models are proving unsustainable, impacting small businesses and employment in the hospitality and travel sectors.

Brexit is at last agreed, which should be well received. Negotiations were bad-tempered and some practicalities are still unclear, particularly as lockdowns and travel restrictions continue.

Our main focus in managing this portfolio is on stock selection, informed by macroeconomic and thematic views. We favour companies that have a competitive advantage and pricing power generated by brands, patented processes, regulatory barriers to entry and strong market positions.

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2020 to 7 March 2021

	Notes	2021 £000	Restated 2020** £000
Income			
Net capital gains	2	103,747	16,199
Revenue	3	4,680	8,693
Expenses	4	(4,377)	(4,546)
Interest payable and similar charges	5	(18)	(9)
Net revenue before taxation		285	4,138
Taxation	6	(506)	(1,170)
Net (expense)/revenue after taxation		(221)	2,968
Total return before distributions		103,526	19,167
Distributions**	7	(416)	(2,973)
Change in net assets attributable to shareholders from investment activities		103,110	16,194

BALANCE SHEET

as at 7 March 2021

	Notes	2021 £000	2020 £000
Assets:			
Fixed assets:			
Investments		458,768	376,600
Current assets:			
Debtors	8	1,988	1,260
Cash and bank balances		3,040	469
Cash equivalents***		2,739	2,627
Total assets		466,535	380,956
Liabilities:			
Creditors:			
Distribution payable		(12)	(108)
Other creditors	9	(3,473)	(2,068)
Total liabilities		(3,485)	(2,176)
Net assets attributable to shareholders		463,050	378,780

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2020 to 7 March 2021

	2021 £000	Restated 2020** £000
Opening net assets attributable to shareholders	378,780	451,479
Amounts receivable on the issue of shares**	46,133	25,983
Amounts payable on the cancellation of shares**	(65,385)	(117,221)
	(19,252)	(91,238)
Dilution adjustment	19	15
Change in net assets attributable to shareholders from investment activities (see statement of total return above)**	103,110	16,194
Retained distribution on accumulation shares	393	2,330
Closing net assets attributable to shareholders	463,050	378,780

DISTRIBUTION TABLE

for the accounting period 8 March 2020 to 7 March 2021

Dividend distribution in pence per share

Class 1 – Income shares

There is no distribution for the accounting period 8 March 2020 to 7 March 2021, as expenses exceed revenue (2020: Nil).

Class 1 EUR – Income shares

There is no distribution for the accounting period 8 March 2020 to 7 March 2021, as expenses exceed revenue (2020: Nil).

Class 1 – Accumulation shares

There is no distribution for the accounting period 8 March 2020 to 7 March 2021, as expenses exceed revenue (2020: Nil).

Class 2 – Accumulation shares

There is no distribution for the accounting period 8 March 2020 to 7 March 2021, as expenses exceed revenue (2020: 6.1303).

**In pound Sterling and against UK peer group (See Performance summary on pages 330 to 331).*

***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 European Smaller Companies 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				
08/03/20 to 07/03/21	1.0652	–	1.0652	1.1621
Group 2				
08/03/20 to 07/03/21	1.0652	–	1.0652	1.1621
Total distributions in the period			**1.0652**	**1.1621**

Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
08/03/20 to 07/03/21	0.1646	–	0.1646	1.5091
Group 2				
08/03/20 to 07/03/21	–	0.1646	0.1646	1.5091
Total distributions in the period			**0.1646**	**1.5091**

Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/03/21	0.1831	–	0.1831	1.6774
Group 2				
08/03/20 to 07/03/21	–	0.1831	0.1831	1.6774
Total distributions in the period			**0.1831**	**1.6774**

Group 2: shares purchased during a distribution period.

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

Threadneedle European Smaller Companies Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 1 EUR – Income shares		
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020	07/03/2019[1]
Change in net assets per share						
Opening net asset value per share (p)	828.00	803.52	846.11	828.00	803.52	892.73
Return before operating charges (p)	245.82	39.13	(27.05)	245.78	39.11	(77.99)
Operating charges (p)	(16.30)	(14.65)	(14.41)	(16.26)	(14.63)	(10.10)
Return after operating charges (p)*	229.52	24.48	(41.46)	229.52	24.48	(88.09)
Distributions (p)	–	–	(1.13)	–	–	(1.12)
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	1,057.52	828.00	803.52	1,057.52	828.00	803.52
*after direct transaction costs of (p)	0.30	0.26	0.71	0.30	0.26	0.70
Performance						
Return after charges (%)	27.72	3.05	(4.90)	27.72	3.05	(9.87)
Other information						
Closing net asset value (£000)	560	437	436	29,891	27,557	34,005
Closing number of shares	52,934	52,838	54,266	2,826,542	3,328,151	4,231,965
Operating charges (%)**	1.67	1.67	1.69	1.67	1.67	1.67[†]
Direct transaction costs (%)***	0.03	0.03	0.08	0.03	0.03	0.08
Prices						
Highest share price (p)	1,168.12	939.93	921.17	1,168.12	939.93	921.17
Lowest share price (p)	650.30	795.58	726.80	650.30	795.57	726.80

	Class 1 – Accumulation shares			Class 1 EUR – Accumulation shares
	07/03/2021	07/03/2020	07/03/2019	23/11/2018[3]
Change in net assets per share				
Opening net asset value per share (p)	852.01	826.82	869.42	917.33
Return before operating charges (p)	252.83	40.25	(27.84)	(97.91)
Operating charges (p)	(16.66)	(15.06)	(14.76)	(5.66)
Return after operating charges (p)*	236.17	25.19	(42.60)	(103.57)
Distributions (p)	–	–	(1.15)	(4.07)
Retained distributions on accumulation shares (p)	–	–	1.15	4.07
Closing net asset value per share (p)	1,088.18	852.01	826.82	789.16
*after direct transaction costs of (p)	0.31	0.27	0.73	0.27
Performance				
Return after charges (%)	27.72	3.05	(4.90)	(11.60)
Other information				
Closing net asset value (£000)	44,007	43,766	83,057	–
Closing number of shares	4,044,114	5,136,755	10,045,388	–
Operating charges (%)**	1.67	1.68	1.69	–
Direct transaction costs (%)***	0.03	0.03	0.08	–
Prices				
Highest share price (p)	1,201.99	967.19	946.55	946.55
Lowest share price (p)	669.15	818.74	746.83	789.16

Threadneedle European Smaller Companies Fund

Comparative Table Disclosure

(continued)

	Class 1 CHF Hedged – Accumulation shares	Class 2 – Accumulation shares		
	23/11/2018[3]	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share				
Opening net asset value per share (p)	143.32	971.66	937.14	979.38
Return before operating charges (p)	(8.50)	289.15	45.39	(31.76)
Operating charges (p)	(1.26)	(12.18)	(10.87)	(10.48)
Return after operating charges (p)*	(9.76)	276.97	34.52	(42.24)
Distributions (p)	(0.64)	–	(6.13)	(7.25)
Retained distributions on accumulation shares (p)	0.64	–	6.13	7.25
Closing net asset value per share (p)	133.56	1,248.63	971.66	937.14
*after direct transaction costs of (p)	0.06	0.35	0.31	0.82
Performance				
Return after charges (%)	(6.81)	28.50	3.68	(4.31)
Other information				
Closing net asset value (£000)	–	114,992	93,939	108,819
Closing number of shares	–	9,209,419	9,667,973	11,611,884
Operating charges (%)**	–	1.06	1.06	1.07
Direct transaction costs (%)***	–	0.03	0.03	0.08
Prices				
Highest share price (p)	159.99	1,378.78	1,102.12	1,069.41
Lowest share price (p)	133.56	763.24	927.99	845.43

	Class 2 EUR – Accumulation shares	Class X – Gross accumulation shares[5]	
	23/11/2018[3]	07/03/2021	07/03/2020[2]
Change in net assets per share			
Opening net asset value per share (p)	1,035.08	99.83	100.00
Return before operating charges (p)	(138.13)	29.81	(0.12)
Operating charges (p)	(4.07)	(0.07)	(0.05)
Return after operating charges (p)*	(142.20)	29.74	(0.17)
Distributions (p)	(8.93)	(1.07)	(1.16)
Retained distributions on accumulation shares (p)	8.93	1.07	1.16
Closing net asset value per share (p)	892.88	129.57	99.83
*after direct transaction costs of (p)	0.31	0.04	0.03
Performance			
Return after charges (%)	(13.74)	29.79	(0.17)
Other information			
Closing net asset value (£000)	–	28,737	31,433
Closing number of shares	–	22,178,624	31,487,779
Operating charges (%)**	–	0.06	0.06[†]
Direct transaction costs (%)***	–	0.03	0.03
Prices			
Highest share price (p)	1,069.41	143.00	113.08
Lowest share price (p)	892.88	78.43	98.75

Threadneedle European Smaller Companies Fund

Comparative Table Disclosure

(continued)

	Class Z – Income shares			Class Z EUR – Income shares
	07/03/2021	07/03/2020	07/03/2019	23/11/2018[3]
Change in net assets per share				
Opening net asset value per share (p)	183.96	178.56	188.06	198.85
Return before operating charges (p)	54.76	8.62	(6.14)	(24.59)
Operating charges (p)	(1.91)	(1.71)	(1.64)	(0.62)
Return after operating charges (p)*	52.85	6.91	(7.78)	(25.21)
Distributions (p)	(0.16)	(1.51)	(1.72)	(1.97)
Retained distributions on accumulation shares (p)	–	–	–	–
Closing net asset value per share (p)	236.65	183.96	178.56	171.67
*after direct transaction costs of (p)	0.07	0.06	0.16	0.06
Performance				
Return after charges (%)	28.73	3.87	(4.14)	(12.68)
Other information				
Closing net asset value (£000)	17,225	13,174	21,697	–
Closing number of shares	7,278,481	7,161,109	12,151,117	–
Operating charges (%)**	0.88	0.88	0.88	–
Direct transaction costs (%)***	0.03	0.03	0.08	–
Prices				
Highest share price (p)	261.47	210.32	205.52	205.52
Lowest share price (p)	144.51	176.80	162.57	171.67

	Class Z – Accumulation shares			Class Z EUR – Accumulation shares
	07/03/2021	07/03/2020	07/03/2019	23/11/2018[3]
Change in net assets per share				
Opening net asset value per share (p)	206.00	198.32	206.89	218.76
Return before operating charges (p)	61.34	9.59	(6.75)	(29.19)
Operating charges (p)	(2.15)	(1.91)	(1.82)	(0.71)
Return after operating charges (p)*	59.19	7.68	(8.57)	(29.90)
Distributions (p)	(0.18)	(1.68)	(1.89)	(2.16)
Retained distributions on accumulation shares (p)	0.18	1.68	1.89	2.16
Closing net asset value per share (p)	265.19	206.00	198.32	188.86
*after direct transaction costs of (p)	0.08	0.06	0.17	0.06
Performance				
Return after charges (%)	28.73	3.87	(4.14)	(13.67)
Other information				
Closing net asset value (£000)	227,638	168,474	203,465	–
Closing number of shares	85,840,588	81,782,838	102,592,660	–
Operating charges (%)**	0.88	0.88	0.88	–
Direct transaction costs (%)***	0.03	0.03	0.08	–
Prices				
Highest share price (p)	292.80	233.59	226.10	226.10
Lowest share price (p)	161.82	196.39	178.85	188.86

Threadneedle European Smaller Companies Fund

Comparative Table Disclosure

(continued)

	Class Z CHF Hedged – Accumulation shares 23/11/2018[3]
Change in net assets per share	
Opening net asset value per share (p)	146.30
Return before operating charges (p)	(8.47)
Operating charges (p)	(0.68)
Return after operating charges (p)*	(9.15)
Distributions (p)	(1.51)
Retained distributions on accumulation shares (p)	1.51
Closing net asset value per share (p)	137.15
*after direct transaction costs of (p)	0.06
Performance	
Return after charges (%)	(6.25)
Other information	
Closing net asset value (£000)	–
Closing number of shares	–
Operating charges (%)**	–
Direct transaction costs (%)***	–
Prices	
Highest share price (p)	163.94
Lowest share price (p)	137.15

**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.

[5]Only available to eligible investors.

[1]Commenced 15 June 2018.

[2]Commenced 9 May 2019.

[3]Closed 23 November 2018.

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

Threadneedle European Smaller Companies Fund

Notes to the financial statements

for the accounting period 8 March 2020 to 7 March 2021

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 5 and 6.

2 NET CAPITAL GAINS

Net capital gains during the period comprise:

	2021 £000	2020 £000
Non-derivative securities	103,714	16,312
Forward currency contracts	(77)	(44)
Other gains/(losses)	114	(66)
Transaction costs	(4)	(3)
Net capital gains	103,747	16,199

3 REVENUE

	2021 £000	2020 £000
Overseas dividends	4,554	8,693
Bank interest	126	–
Total revenue	4,680	8,693

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	(3,873)	(4,029)
Registration fees	(403)	(417)
	(4,276)	(4,446)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(52)	(52)
Safe custody fees	(33)	(32)
	(85)	(84)
Other expenses:		
Regulatory fees	(9)	(8)
Audit fees	(7)	(8)
	(16)	(16)
Total expenses*	(4,377)	(4,546)

**Including irrecoverable VAT where applicable.*

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2021 £000	2020 £000
Interest payable	(18)	(9)
Total interest payable and similar charges	(18)	(9)

6 TAXATION

	2021 £000	2020 £000
a) Analysis of charge in period		
Overseas taxes	(506)	(1,170)
Total current tax (note 6b)	(506)	(1,170)
Total tax charge for the period	(506)	(1,170)
b) Factors affecting taxation charge for period		
Net revenue before taxation	285	4,138
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(57)	(828)
Effects of:		
Revenue not subject to taxation	879	1,731
Overseas taxes	(506)	(1,170)
Excess expenses	(819)	(903)
Conversion transfer from capital	(3)	–
Current tax charge for period (note 6a)	(506)	(1,170)

The fund has not recognised a deferred tax asset of £9,382,169 (2020: £8,562,972) 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	405	2,438
	405	2,438
Add: Revenue deducted on the cancellation of shares*	145	718
Deduct: Revenue received on the creation of shares*	(134)	(183)
Net distribution for the period	416	2,973
Net (expense)/revenue after taxation	(221)	2,968
Equalisation on conversion*	14	(6)
Shortfall transfer from capital to revenue	623	11
Total distributions	416	2,973

**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 109 to 110.

8 DEBTORS

	2021 £000	2020 £000
Amounts receivable for the issue of shares	978	348
Foreign withholding tax recoverable	1,010	912
Total debtors	1,988	1,260

9 OTHER CREDITORS

	2021 £000	2020 £000
Amounts payable for the cancellation of shares	(1,022)	(1,269)
Purchases awaiting settlement	(1,972)	(380)
Accrued expenses	(14)	(14)
Amounts payable to ACD	(465)	(405)
Total other creditors	(3,473)	(2,068)

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 European Smaller Companies 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 European Smaller Companies Fund

Notes to the financial statements

(continued)

Registration fees	
Class 1 shares	0.150%
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 111 to 114. The distribution per share class is given in the distribution table on pages 109 to 110.
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	52,838
Shares issued	2,812
Shares redeemed	(2,142)
Net conversions	(574)
Closing shares	52,934
Class 1 EUR – Income shares	
Opening shares	3,328,151
Shares issued	180,578
Shares redeemed	(682,187)
Net conversions	–
Closing shares	2,826,542
Class 1 – Accumulation shares	
Opening shares	5,136,755
Shares issued	226,621
Shares redeemed	(552,875)
Net conversions	(766,387)
Closing shares	4,044,114
Class 2 – Accumulation shares	
Opening shares	9,667,973
Shares issued	785,399
Shares redeemed	(953,383)
Net conversions	(290,570)
Closing shares	9,209,419
Class X – Gross accumulation shares	
Opening shares	31,487,779
Shares issued	–
Shares redeemed	(9,309,155)
Net conversions	–
Closing shares	22,178,624
Class Z – Income shares	
Opening shares	7,161,109
Shares issued	2,267,928
Shares redeemed	(2,264,116)
Net conversions	113,560
Closing shares	7,278,481
Class Z – Accumulation shares	
Opening shares	81,782,838
Shares issued	11,732,706
Shares redeemed	(12,106,222)
Net conversions	4,431,266
Closing shares	85,840,588

13 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 6 to 7.

Market price risk sensitivity

The sensitivity figures provided are forecasts. A 5% market increase applied to the fund would result in an estimated increase in net asset value of the fund by 4.47% and vice versa (2020: 5.16%).

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	15,370
Euro	354,475
Swedish Krona	30,596
Swiss Franc	62,995
Currency 2020	**£000**
Danish Krone	14,628
Euro	293,051
Swedish Krona	24,203
Swiss Franc	48,295
US Dollar	25

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	1.08	0.83
Swiss Franc	5.80	0.79
	Currency movement	**Fund movement**
Currency 2020	**%**	**%**
Euro	1.19	0.92
Swiss Franc	7.83	1.00

Credit/Counterparty exposure

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

2021	**Forward Foreign Exchange Contracts Exposure**
Counterparty	**£000**
Bank of Scotland	1

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 7 March was:

	Floating rate financial assets	**Fixed rate financial assets**	**Financial assets not carrying interest**	**Total**
Currency 2021	**£000**	**£000**	**£000**	**£000**
Danish Krone	–	–	15,370	15,370
Euro	2,825	2,739	350,988	356,552
Swedish Krona	–	–	30,596	30,596
Swiss Franc	–	–	62,995	62,995
UK Sterling	215	–	1,083	1,298
Currency 2020	**£000**	**£000**	**£000**	**£000**
Danish Krone	–	–	14,628	14,628
Euro	419	2,627	290,385	293,431
Swedish Krona	–	–	24,203	24,203
Swiss Franc	–	–	48,295	48,295
UK Sterling	25	–	349	374
US Dollar	25	–	–	25

Threadneedle European Smaller Companies 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	–	–	(2,077)	(2,077)
UK Sterling	–	–	(1,684)	(1,684)
Currency 2020	**£000**	**£000**	**£000**	**£000**
Euro	–	–	(380)	(380)
UK Sterling	–	–	(1,796)	(1,796)

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). Any impact to the rate of the underlying securities is considered in market price risk section.

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.

At 7 March 2021, the fund had outstanding forward foreign exchange contracts with an asset value of £1,000 (2020: £Nil) 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.

	2021		2020	
	Assets	Liabilities	Assets	Liabilities
Valuation technique	**£000**	**£000**	**£000**	**£000**
Level 1*	461,506	–	379,227	–
Level 2	1	–	–	–
	461,507	–	379,227	–

**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

7 March 2021

	Value	Commissions		Taxes	
Purchases	**£000**	**£000**	**%**	**£000**	**%**
Equities	70,763	42	0.06	29	0.04
Collective investment schemes	21,584	–	–	–	–
Corporate actions	322	–	–	–	–
Total	92,669	42		29	
Gross purchases total:	92,740				

	Value	Commissions		Taxes	
Sales	**£000**	**£000**	**%**	**£000**	**%**
Equities	92,362	62	0.07	–	–
Collective investment schemes	21,299	–	–	–	–
Corporate actions	575	–	–	–	–
Total	114,236	62		–	
Total sales net of transaction costs:	114,174				

Transaction costs as a percentage of average Net Assets

Commissions:	0.02%
Taxes:	0.01%

7 March 2020

	Value	Commissions		Taxes	
Purchases	**£000**	**£000**	**%**	**£000**	**%**
Equities	46,221	22	0.05	24	0.05
Collective investment schemes	21,929	–	–	–	–
Corporate actions	1,366	–	–	–	–
Total	69,516	22		24	
Gross purchases total:	69,562				

	Value	Commissions		Taxes	
Sales	**£000**	**£000**	**%**	**£000**	**%**
Equities	139,073	83	0.06	–	–
Collective investment schemes	20,410	–	–	–	–
Total	159,483	83		–	
Total sales net of transaction costs:	159,400				

Transaction costs as a percentage of average Net Assets

Commissions:	0.02%
Taxes:	0.01%

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 0.18% (7 March 2020: 0.19%), 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 7 March 2020:

STATEMENT OF TOTAL RETURN	Previously reported 2020	Adjustments	Restated 2020
	£000	**£000**	**£000**
Distributions	(2,980)	7	(2,973)
Net impact		7	

Threadneedle European Smaller Companies Fund

Notes to the financial statements

(continued)

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	48,632	(22,649)	25,983
Amounts payable on the cancellation of shares	(139,863)	22,642	(117,221)
	(91,231)	(7)	(91,238)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	16,187	7	16,194
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	891	(173)	718
Deduct: Revenue received on the creation of shares	(349)	166	(183)
Net impact		(7)	
Equalisation on conversion	1	(7)	(6)

Threadneedle European 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 ICE BofA Pan-Europe Broad Market 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 bonds issued by governments, quasi-government entities and companies (corporate bonds) that are denominated in a European currency.

The Fund usually selects bonds that are investment grade, but may also include bonds with a lower credit rating in the portfolio if this is considered appropriate, as well as bonds denominated in non-European currencies.

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 ICE BofA Pan-Europe Broad Market Index is regarded as an appropriate performance measure of investment grade corporate and government bonds that are denominated in European currencies. 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 7 March 2021, the published share price of the Threadneedle European Bond Fund has fallen from 84.55p to 83.29p.

The sterling total return on the fund for the twelve months ending 28 February 2021, including net reinvested income, is +1.96%. For information the ICE BofA Pan-Europe Broad Market Index returned -0.06% over the same period.

Market Overview and Portfolio Activity

The period under review was one of considerable volatility for financial assets generally, due mainly to developments concerning COVID-19 and the related global wave of monetary and fiscal stimulus, and European government bonds were no exception.

Yields on benchmark 10-year German bunds hit a record low at the start of the review term as the escalating pandemic and lockdown measures brought cities, regions and even countries to a near halt, prompting a rush by investors for the safety of government debt. Yields generally remained low in absolute terms throughout the period, helped by substantial monetary stimulus, although there were bouts of weakness. Among these, bunds fell in May as a ruling by Germany's highest court called into question the Bundesbank's authority to buy bonds as part of a stimulus programme. The market was in the red again in August as global equities rose for a fifth straight month following the pandemic-induced slump earlier in the year.

However, conditions for bonds deteriorated in the new year as a US fiscal-stimulus package worth $1.9tn neared approval, feeding both anticipation of a strong rebound in global growth and concern about possible inflationary effects. This prompted investors to move out of sovereign issues, and yields climbed sharply into the end of the review term. Yields on 10-year bunds were higher over the period as a whole and underperformed eurozone periphery debt markets, which rallied as the European Central Bank (ECB) ramped up its bond purchases. Italy also outperformed as Mario Draghi, former president of the ECB, was appointed prime minister in February.

As indicated, the leading central banks were very accommodative during the review term, and this included the ECB. The central bank announced a €750bn programme of bond purchases in March, which was subsequently increased by €1.1tn. Other measures included buying commercial paper and expanding cheap funding for banks to spur lending. Elsewhere, the Federal Reserve cut its key interest rate back to near zero and unveiled measures including a $700bn round of fresh monetary stimulus. The Bank of England cut its policy rate to a record low and announced a £200bn debt-buying programme, later expanded by £250bn.

Within sovereigns, we increased exposure to Spain, France, the Netherlands and Slovenia. We initiated a small position in Austria via its newly issued century bond. We realised some gains in Italy following the spread compression of these bonds over German bunds in 2020. The holdings in the UK and Germany were also reduced. We sold out of Ireland and Belgium.

Within agency/quasi-sovereign debt, new additions included FADE (a securitisation platform sponsored by the Spanish government) and French government-backed agency Société du Grand Paris. We also initiated positions in the Societe du Grand Paris, Italian development bank CDP (Cassa Depositi e Prestiti), Hungarian state-owned credit institution MFB and the International Bank for Reconstruction and Development. We bought a new social bond issued as part of EU SURE – the programme to protect jobs threatened by the pandemic. We topped up our holdings in state-owned railway companies Adif Alta Velocidad (Spain) and SNCF (France). The allocation to the European Investment Bank was reduced.

In corporate bonds, we took advantage of the dramatic widening in spreads in March to start to cover our underweight here, and increased exposure over the period. In the primary market, we took part in several new issues from financials such as Nordea Bank, Nationwide, ING, OP Corporate Bank and Wells Fargo. New positions in other sectors included beverage firm Anheuser-Busch InBev.

In the secondary market, new additions included BNG Bank and Unédic; the latter manages France's unemployment insurance scheme. We topped up holdings including Aroundtown and Cadent Finance. Sales included RELX, Deutsche Telekom and French banking group BPCE.

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.

Inflation should recover from historic lows in the coming months mainly thanks to base effects. But demand-led price pressure remains elusive and should keep the ECB's policy stance highly accommodative.

Hopes for a return to a higher growth path (and, thus, a sustainably higher level of real interest rates) rest on the ability of governments to bring about a permanent shift towards more expansive fiscal policy.

We reserve judgement on the success of this project, which makes us inclined to become more positive towards duration in portfolios when longer-dated yields approach estimates of 'neutral' interest rates.

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2020 to 7 March 2021

	Notes	2021 £000	Restated 2020** £000
Income			
Net capital (losses)/gains	2	(1,473)	10,560
Revenue	3	1,288	1,306
Expenses	4	(1,330)	(1,069)
Interest payable and similar charges	5	(457)	(661)
Net expense before taxation		(499)	(424)
Taxation	6	–	–
Net expense after taxation		(499)	(424)
Total return before distributions		(1,972)	10,136
Distributions**	7	(646)	(490)
Change in net assets attributable to shareholders from investment activities		(2,618)	9,646

BALANCE SHEET

as at 7 March 2021

	Notes	2021 £000	2020 £000
Assets:			
Fixed assets:			
Investments		136,543	119,532
Current assets:			
Debtors	8	1,709	13,406
Cash and bank balances	9	4,467	6,037
Cash equivalents***		4	5,341
Total assets		142,723	144,316
Liabilities:			
Investment liabilities		(1,566)	(1,380)
Creditors:			
Bank overdrafts	9	(1)	–
Distribution payable		(40)	(24)
Other creditors	10	(1,821)	(8,977)
Total liabilities		(3,428)	(10,381)
Net assets attributable to shareholders		139,295	133,935

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2020 to 7 March 2021

	2021 £000	Restated 2020** £000
Opening net assets attributable to shareholders	133,935	95,502
Amounts receivable on the issue of shares**	162,999	50,086
Amounts payable on the cancellation of shares**	(155,980)	(21,811)
	7,019	28,275
Dilution adjustment	411	41
Change in net assets attributable to shareholders from investment activities (see statement of total return above)**	(2,618)	9,646
Retained distribution on accumulation shares	548	471
Closing net assets attributable to shareholders	139,295	133,935

DISTRIBUTION TABLE

for the accounting period 8 March 2020 to 7 March 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				
08/03/20 to 07/09/20	0.2369	–	0.2369	0.2793
08/09/20 to 07/03/21	0.1492	–	0.1492	0.1289
Group 2				
08/03/20 to 07/09/20	0.0809	0.1560	0.2369	0.2793
08/09/20 to 07/03/21	0.0879	0.0613	0.1492	0.1289
Total distributions in the period			**0.3861**	**0.4082**

**In pound Sterling and against UK peer group (See Performance summary on pages 330 to 331).*

***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 European Bond 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				
08/03/20 to 07/09/20	0.4738	–	0.4738	0.5560
08/09/20 to 07/03/21	0.2993	–	0.2993	0.2574
Group 2				
08/03/20 to 07/09/20	0.2673	0.2065	0.4738	0.5560
08/09/20 to 07/03/21	0.1023	0.1970	0.2993	0.2574
Total distributions in the period			**0.7731**	**0.8134**

Class 2 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2020/2021	Gross Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/09/20	0.4994	–	0.4994	0.5720
08/09/20 to 07/03/21	0.3411	–	0.3411	0.2956
Group 2				
08/03/20 to 07/09/20	0.0795	0.4199	0.4994	0.5720
08/09/20 to 07/03/21	0.2775	0.0636	0.3411	0.2956
Total distributions in the period			**0.8405**	**0.8676**

Class X – Gross accumulation shares*

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2020/2021	Gross Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/09/20	0.3506	–	0.3506	0.2512
08/09/20 to 07/03/21	0.2389	–	0.2389	0.2059
Group 2				
08/03/20 to 07/09/20	0.2002	0.1504	0.3506	0.2512
08/09/20 to 07/03/21	0.2389	–	0.2389	0.2059
Total distributions in the period			**0.5895**	**0.4571**

Class Z – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
08/03/20 to 07/09/20	0.3479	–	0.3479	0.4082
08/09/20 to 07/03/21	0.2197	–	0.2197	0.1888
Group 2				
08/03/20 to 07/09/20	0.0856	0.2623	0.3479	0.4082
08/09/20 to 07/03/21	0.0859	0.1338	0.2197	0.1888
Total distributions in the period			**0.5676**	**0.5970**

Class Z – Gross accumulation shares*

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2020/2021	Gross Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/09/20	0.3264	–	0.3264	
08/09/20 to 07/03/21	0.2039	–	0.2039	0.0060
Group 2				
08/03/20 to 07/09/20	0.2150	0.1114	0.3264	
08/09/20 to 07/03/21	0.0634	0.1405	0.2039	0.0060
Total distributions in the period			**0.5303**	**0.0060**

Group 2: shares purchased during a distribution period.

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

Threadneedle European Bond Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Gross accumulation shares[§]		
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share						
Opening net asset value per share (p)	84.31	76.83	78.88	168.62	152.91	155.38
Return before operating charges (p)	0.09	8.82	(0.35)	0.15	17.58	(0.70)
Operating charges (p)	(0.97)	(0.93)	(0.90)	(1.94)	(1.87)	(1.77)
Return after operating charges (p)*	(0.88)	7.89	(1.25)	(1.79)	15.71	(2.47)
Distributions (p)	(0.39)	(0.41)	(0.80)	(0.77)	(0.81)	(1.58)
Retained distributions on accumulation shares (p)	–	–	–	0.77	0.81	1.58
Closing net asset value per share (p)	83.04	84.31	76.83	166.83	168.62	152.91
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	(1.04)	10.27	(1.58)	(1.06)	10.27	(1.59)
Other information						
Closing net asset value (£000)	9,717	11,379	15,474	99,965	109,637	71,593
Closing number of shares	11,702,099	13,497,535	20,141,055	59,918,886	65,020,428	46,821,469
Operating charges (%)**	1.12	1.15	1.15	1.13	1.15	1.15
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	90.86	88.25	79.74	182.23	175.64	157.90
Lowest share price (p)	82.06	76.58	75.76	164.12	152.41	150.04

	Class 2 – Gross accumulation shares[§]			Class X – Gross accumulation shares[§]	
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020[†]
Change in net assets per share					
Opening net asset value per share (p)	157.00	141.57	143.04	109.55	100.00
Return before operating charges (p)	0.14	16.29	(0.62)	0.08	9.62
Operating charges (p)	(0.94)	(0.86)	(0.85)	(0.09)	(0.07)
Return after operating charges (p)*	(0.80)	15.43	(1.47)	(0.01)	9.55
Distributions (p)	(0.84)	(0.87)	(1.56)	(0.59)	(0.46)
Retained distributions on accumulation shares (p)	0.84	0.87	1.56	0.59	0.46
Closing net asset value per share (p)	156.20	157.00	141.57	109.54	109.55
*after direct transaction costs of (p)	–	–	–	–	–
Performance					
Return after charges (%)	(0.51)	10.90	(1.03)	(0.01)	9.55
Other information					
Closing net asset value (£000)	966	596	4,011	16,226	7,900
Closing number of shares	618,590	379,409	2,833,571	14,813,205	7,210,639
Operating charges (%)**	0.57	0.56	0.60	0.08	0.08[†]
Direct transaction costs (%)***	–	–	–	–	–
Prices					
Highest share price (p)	170.40	163.03	146.04	119.36	113.44
Lowest share price (p)	152.91	141.13	138.58	106.75	100.00

Threadneedle European Bond Fund

Comparative Table Disclosure

(continued)

	Class Z – Income shares			Class Z – Gross accumulation shares[§]	
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020[2]
Change in net assets per share					
Opening net asset value per share (p)	123.67	112.12	114.54	106.09	100.00
Return before operating charges (p)	0.11	12.93	(0.52)	0.10	6.11
Operating charges (p)	(0.82)	(0.78)	(0.74)	(0.67)	(0.02)
Return after operating charges (p)*	(0.71)	12.15	(1.26)	(0.57)	6.09
Distributions (p)	(0.57)	(0.60)	(1.16)	(0.53)	(0.01)
Retained distributions on accumulation shares (p)	–	–	–	0.53	0.01
Closing net asset value per share (p)	122.39	123.67	112.12	105.52	106.09
*after direct transaction costs of (p)	–	–	–	–	–
Performance					
Return after charges (%)	(0.57)	10.84	(1.10)	(0.54)	6.09
Other information					
Closing net asset value (£000)	12,409	4,422	4,424	12	1
Closing number of shares	10,139,410	3,575,833	3,945,786	11,500	1,000
Operating charges (%)**	0.65	0.65	0.65	0.63	0.45[†]
Direct transaction costs (%)***	–	–	–	–	–
Prices					
Highest share price (p)	133.78	129.08	116.27	115.13	106.22
Lowest share price (p)	120.43	111.77	110.35	103.31	100.00

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

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

[§]Only available to eligible investors.

[1]Commenced 9 May 2019.

[2]Commenced 18 February 2020.

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

Threadneedle European Bond Fund

Notes to the financial statements

for the accounting period 8 March 2020 to 7 March 2021

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 5 and 6.

2 NET CAPITAL (LOSSES)/GAINS

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

	2021 £000	2020 £000
Non-derivative securities	(2,612)	9,561
Derivative contracts	977	868
Forward currency contracts	242	(27)
Other (losses)/gains	(77)	159
Transaction costs	(3)	(1)
Net capital (losses)/gains	(1,473)	10,560

3 REVENUE

	2021 £000	2020 £000
Interest on debt securities	1,288	1,301
Bank interest	–	5
Total revenue	1,288	1,306

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	(1,145)	(922)
Registration fees	(138)	(105)
	(1,283)	(1,027)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(16)	(12)
Safe custody fees	(16)	(13)
	(32)	(25)
Other expenses:		
Regulatory fees	(6)	(8)
Audit fees	(9)	(9)
	(15)	(17)
Total expenses*	(1,330)	(1,069)

**Including irrecoverable VAT where applicable.*

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2021 £000	2020 £000
Interest payable	(16)	(20)
Derivative expense	(441)	(641)
Total interest payable and similar charges	(457)	(661)

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 expense before taxation	(499)	(424)
Net expense before taxation multiplied by the standard rate of corporation tax of 20%	100	85
Effects of:		
Excess expenses	(100)	(85)
Current tax charge for period (note 6a)	–	–

The fund has not recognised a deferred tax asset of £2,532,350 (2020: £2,432,609) 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.

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	Restated 2020* £000
Interim	385	338
Final	256	208
	641	546
Add: Revenue deducted on the cancellation of shares*	189	26
Deduct: Revenue received on the creation of shares*	(184)	(82)
Net distribution for the period	646	490
Net expense after taxation	(499)	(424)
Annual management charge to capital	1,145	922
Equalisation on conversion*	–	(8)
Total distributions	646	490

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

Details of the distribution per share are set out in the table on pages 119 to 120.

8 DEBTORS

	2021 £000	2020 £000
Amounts receivable for the issue of shares	440	10,477
Sales awaiting settlement	671	2,225
Accrued revenue	598	704
Total debtors	1,709	13,406

9 CASH AND BANK BALANCES

	2021 £000	2020 £000
Amounts held at futures clearing houses and brokers	1,858	2,164
Cash and bank balances	2,609	3,873
	4,467	6,037
Cash overdrafts at broker	(1)	–
Total cash and bank balances	4,466	6,037

10 OTHER CREDITORS

	2021 £000	2020 £000
Amounts payable for the cancellation of shares	(177)	(173)
Purchases awaiting settlement	(1,512)	(8,683)
Accrued expenses	(9)	(9)
Amounts payable to ACD	(123)	(112)
Total other creditors	(1,821)	(8,977)

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.

Threadneedle European Bond Fund

Notes to the financial statements

(continued)

13 SHAREHOLDER FUNDS

Threadneedle European Bond 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	0.95%
Class 2 shares	0.50%
Class X shares	N/A*
Class Z shares	0.50%
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 121 to 122. The distribution per share class is given in the distribution table on pages 119 to 120.
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	13,497,535
Shares issued	2,811,220
Shares redeemed	(4,087,902)
Net conversions	(518,754)
Closing shares	11,702,099
Class 1 – Gross accumulation shares	
Opening shares	65,020,428
Shares issued	70,042,947
Shares redeemed	(75,144,489)
Net conversions	–
Closing shares	59,918,886
Class 2 – Gross accumulation shares	
Opening shares	379,409
Shares issued	12,910,727
Shares redeemed	(12,671,546)
Net conversions	–
Closing shares	618,590
Class X – Gross accumulation shares	
Opening shares	7,210,639
Shares issued	8,145,666
Shares redeemed	(543,100)
Net conversions	–
Closing shares	14,813,205
Class Z – Income shares	
Opening shares	3,575,833
Shares issued	7,607,306
Shares redeemed	(1,397,037)
Net conversions	353,308
Closing shares	10,139,410
Class Z – Gross accumulation shares	
Opening shares	1,000
Shares issued	13,243
Shares redeemed	(2,743)
Net conversions	–
Closing shares	11,500

14 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 6 to 7.

Market price risk sensitivity

The sensitivity figures provided are forecasts. A 1.00% interest rate decrease applied to the fund would result in an estimated increase on the net asset value of the fund by 8.64% and vice versa (2020: 9.19%).

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	114,802
Swedish Krona	505
US Dollar	9
Currency 2020	**£000**
Euro	101,483
Swedish Krona	489
US Dollar	11

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	1.08	0.89
	Currency movement	**Fund movement**
Currency 2020	**%**	**%**
Euro	1.19	0.90

Credit/Counterparty exposure

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

2021	Futures and Options Exposure	Forward Foreign Exchange Contracts Exposure
Counterparty	**£000**	**£000**
Barclays	–	28
Lloyds	–	8
UBS	28	1

2020	Futures and Options Exposure	Forward Foreign Exchange Contracts Exposure
Counterparty	**£000**	**£000**
Barclays	–	335
Lloyds	–	11

The fund held £9,000 (2020: £340,000) 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	3,524	2.61	4,114	3.33
Aaae	550	0.41	–	–
Aaau	301	0.22	632	0.51
AA+	720	0.53	135	0.11
Aa1	–	–	930	0.75
AA	2,930	2.17	2,513	2.04
Aa2	5,660	4.19	865	0.70
Aa2u	2,080	1.54	30,932	25.05
AA-	5,615	4.16	5,794	4.69
Aa3	770	0.57	721	0.58
Aa3u	239	0.18	–	–

Threadneedle European Bond Fund

Notes to the financial statements

(continued)

	2021		2020	
	Value £000	% of Investment	Value £000	% of Investment
A+	3,944	2.92	4,052	3.28
A	5,189	3.85	1,710	1.38
A2	100	0.07	–	–
A-	5,256	3.89	6,428	5.21
A3	485	0.36	493	0.40
BBB+	12,497	9.26	4,557	3.69
Baa1	8,019	5.94	4,404	3.57
Baa1u	279	0.21	286	0.23
BBB	13,496	10.00	9,170	7.43
Baa2	6,522	4.83	4,100	3.32
BBB-	3,808	2.82	3,085	2.50
Baa3	1,121	0.83	536	0.43
Baa3u	5,445	4.03	14,186	11.49
BB+	1,863	1.38	1,012	0.82
BB	1,423	1.06	510	0.41
BB-	92	0.07	86	0.07
B	120	0.09	–	–
Not Rated*	43,931	32.55	17,853	14.46
Liquidity Funds	4	–	–	–
Collective investment schemes	–	–	5,341	4.32
Derivatives**	(1,002)	(0.74)	(952)	(0.77)
	134,981	100.00	123,493	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 7 March was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2021	**£000**	**£000**	**£000**	**£000**
Euro	10,518	108,162	5,188	123,868
Swedish Krona	505	–	–	505
UK Sterling	1,488	19,767	6,830	28,085
US Dollar	10	–	–	10
Currency 2020	**£000**	**£000**	**£000**	**£000**
Euro	6,039	95,409	12,802	114,250
Swedish Krona	489	–	–	489
UK Sterling	2,232	26,302	14,354	42,888
US Dollar	11	–	–	11

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2021	**£000**	**£000**	**£000**	**£000**
Euro	–	–	(9,066)	(9,066)
UK Sterling	–	–	(4,106)	(4,106)
US Dollar	(1)	–	–	(1)
Currency 2020	**£000**	**£000**	**£000**	**£000**
Euro	–	(1,284)	(11,483)	(12,767)
UK Sterling	–	–	(10,936)	(10,936)

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). Any impact to the rate of the underlying securities is considered in market price risk section.

Derivative risks

Derivatives including credit default swaps, 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 credit default swaps, 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.

At 7 March 2021, the fund had outstanding credit default swaps, forward foreign exchange contracts and futures and options with an asset value of £564,000 (2020: £428,000) and a liability value of £1,566,000 (2020: £1,380,000).

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*	43,503	(1)	62,057	(2)
Level 2	93,008	(1,565)	62,750	(1,378)
Level 3	36	–	66	–
	136,547	(1,566)	124,873	(1,380)

Included within Level 1, are debt securities of £43,474,000 (2020: £62,057,000). 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 £249,272,489 (2020: £133,420,134) and £229,079,901 (2020: £113,999,765) respectively. Collective investment schemes purchases and sales amounted to £21,848,026 (2020: £17,885,967) and £27,514,956 (2020: £14,132,610) respectively. Corporate action costs and proceeds amounted to £Nil (2020: £Nil) and £61,450 (2020: £14,360) 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 £878 (2020: £249).

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 0.26% (7 March 2020: 0.27%), being the difference between the respective buying and selling prices for the fund's investments.

Threadneedle European Bond Fund

Notes to the financial statements

(continued)

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:

STATEMENT OF TOTAL RETURN	Previously reported 2020 £000	Adjustments £000	Restated 2020 £000
Distributions	(498)	8	(490)
Net impact		8	

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	56,990	(6,904)	50,086
Amounts payable on the cancellation of shares	(28,707)	6,896	(21,811)
	28,283	(8)	28,275
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	9,638	8	9,646
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	40	(14)	26
Deduct: Revenue received on the creation of shares	(88)	6	(82)
Net impact		(8)	
Equalisation on conversion	–	(8)	(8)

19 POST BALANCE SHEET EVENT

During the period from the balance sheet date to 21 June 2021, the net asset value of the Fund decreased by 15.98%. This decrease is primarily driven by overall levels of net redemptions within the Fund. The net asset value was reviewed again on 28 June with no material movements noted since 21 June.

The table below shows net redemptions between the year-ended 7 March 2021 and 28 June 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.

Share class	% Movement
Class 1 – Gross accumulation shares	(18.05)

Threadneedle Strategic 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 (5 years or more).

The Fund is actively managed, and invests at least two-thirds of its assets in bonds denominated in sterling (GBP) or euro (EUR). In addition to GBP or EUR denominated bonds, the Fund may invest in bonds priced in other currencies, however all non-sterling bonds are usually hedged back to sterling.

The Fund follows a strategic investment approach, allowing for changes to allocation between investment grade and below investment grade corporate bonds, as well as investment in government bonds and bonds issued by international organisations. This approach aims to position the Fund to take advantage of those areas of the bond market that are considered to offer the best return potential.

Derivatives (including forward transactions) may be used for investment purposes. This includes allowing 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.

Performance of Net Income Class 1 Shares*

Over the twelve months to 7 March 2021, the published share price of the Threadneedle Strategic Bond Fund has risen from 46.96p to 47.98p.

The total return on the fund for the twelve months ending 28 February 2021, including net reinvested income, is +5.22% as compared to a median return of +3.57% over the same period. This compares against a return of +3.62% for a composite index of 60% iBoxx GBP Non-Gilts 1-10 Years + 40% ICE BofA European Currency High Yield Excluding Subordinated Financials Constrained (Hedged to Sterling).

Market Overview and Portfolio Activity

The year in review was a turbulent period in terms of both world events and financial-market movements. Despite spells of intense volatility, the sterling investment-grade (IG) credit market was little changed in total-return terms, while the European high-yield (HY) credit delivered positive returns. In the former, a rise in UK gilt yields (which move inversely to price) was counterbalanced by tightening credit spreads (the yield premiums offered by corporate bonds over "risk-free" government bonds of the same maturity).

In Europe, German bund yields also rose, but the tightening in HY credit spreads was enough to produce a positive total return.

In the first few weeks of the period, spreads widened dramatically as the COVID-19 outbreak approached pandemic status and most countries imposed draconian restrictions to contain it. Meanwhile, central banks and governments unleashed a flood of policy measures in response to the economic aspect of the crisis. Credit markets in particular benefited from news that an unlimited asset-purchase programme from the Federal Reserve (Fed) would include corporate bonds, echoing similar action from the European Central Bank (ECB) and Bank of England (BoE).

From late March until September, risk assets in general (such as equities and corporate bonds) rallied amid hopes that this stimulus and the eventual easing of lockdown restrictions would fuel a swift recovery in the global economy. Despite the 'risk-on' tone, core government bond yields remained low, anchored by central-bank asset-purchase programmes and low interest rates. After the initial flurry of action, the Fed, ECB, BoE and Bank of Japan all continued to expand their stimulus through these months. There was more fiscal stimulus, too – perhaps most notably in July, when eurozone states agreed a jointly financed €750bn pandemic relief fund.

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 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, though HY spreads had widened.

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 and still more monetary stimulus in the eurozone provided more fuel for the risk-on rally – as did their eventual delivery in December. News of the last-minute trade agreement between the UK and the EU also bolstered sentiment as the year drew to a close.

The remainder of the period was characterised by a sharp rise in 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 an even larger injection of fiscal stimulus, which was close to being signed into law as the period ended. Falling COVID-19 infection and death rates in those countries furthest along in their vaccination programmes, including the UK and US, further buoyed risk appetite.

Early in the period, we became more constructive on the outlook for the market, especially IG, given the scale and credit-friendly nature of the policy response and the compelling valuations on offer. Consequently, we took the opportunity to increase IG credit risk within the portfolio, mainly via attractively priced new issues. We continued to increase the portfolio's 'beta' (sensitivity to changes in credit spreads) early in the second quarter of 2020, before reducing it again as spreads came back in towards their long-term averages. At the end of the period, the portfolio still had a long position in credit risk, which 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 primary-market issues, the largest of which (in terms of position sizes) included deals from Tennet, Southern Water Services, Eaton, Altice and Telecom Italia. In the secondary market, we started new positions in Adani Ports & Special Economic Zone, Tencent, Aegon, Braskem, and Energuate among others. On the disposals side, we reduced exposure to issuers such as Bacardi, NatWest, DS Smith, Fiserv, and Bupa, and exited others completely, including Ypso, Swire Pacific, Pennon Group, Bharti Airtel and Northumbrian Water. Among sovereign issuers, we started a position in UK gilts and exited positions in France and Oman.

We are cautiously optimistic on the outlook for credit markets. While some difficult months remain before vaccines can turn the tide, a return to something approaching economic normality may be in sight later in the year. In the meantime, the support measures introduced by governments and central banks will help to mitigate the ongoing interruption to economic output and employment.

One area which tempers our optimism is valuation, with sterling IG and European HY credit spreads now firmly back inside their 20-year averages. Against this, however, corporate fundamentals have improved in aggregate, as evidenced by better-than-expected corporate results. The outlook for defaults remains relatively subdued, as businesses have shored up their liquidity profiles through government support, primary issuance and capital injections.

On balance, we remain more constructive on the outlook for IG than HY, given the IG market's greater ability to withstand lower economic growth than its more leveraged counterpart. In addition, more IG issuers are well placed to benefit from government and central-bank stimulus. That said, we continue to add selective HY names where we see robust business models and attractive valuations. At the sector level, we still favour more defensive areas of the market – such as utilities, higher-quality technology companies and senior-preferred bank debt – which we think will weather the current tough economic conditions well. Within HY, we prefer defensive 'BB' rated names.

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2020 to 7 March 2021

	Notes	2021 £000	2020 £000
Income			
Net capital gains	2	6,910	12,150
Revenue	3	7,891	8,832
Expenses	4	(1,805)	(1,995)
Interest payable and similar charges	5	(1,423)	(2,691)
Net revenue before taxation		4,663	4,146
Taxation	6	–	–
Net revenue after taxation		4,663	4,146
Total return before distributions		11,573	16,296
Distributions	7	(6,212)	(5,868)
Change in net assets attributable to shareholders from investment activities		5,361	10,428

BALANCE SHEET

as at 7 March 2021

	Notes	2021 £000	2020 £000
Assets:			
Fixed assets:			
Investments		225,640	228,853
Current assets:			
Debtors	8	3,488	3,156
Cash and bank balances	9	10,672	16,638
Cash equivalents***		5,017	14
Total assets		244,817	248,661
Liabilities:			
Investment liabilities		(3,664)	(9,875)
Creditors:			
Bank overdrafts	9	(1,650)	(3,614)
Distribution payable		(309)	(383)
Other creditors	10	(9,978)	(1,949)
Total liabilities		(15,601)	(15,821)
Net assets attributable to shareholders		229,216	232,840

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2020 to 7 March 2021

	2021 £000	Restated 2020** £000
Opening net assets attributable to shareholders	232,840	239,417
Amounts receivable on the issue of shares**	17,777	12,175
Amounts payable on the cancellation of shares**	(28,664)	(30,983)
	(10,887)	(18,808)
Dilution adjustment	36	–
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	5,361	10,428
Retained distribution on accumulation shares	1,866	1,797
Unclaimed distributions	–	6
Closing net assets attributable to shareholders	229,216	232,840

**In pound Sterling and against UK peer group (See Performance summary on pages 330 to 331).*

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

DISTRIBUTION TABLE

for the accounting period 8 March 2020 to 7 March 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				
08/03/20 to 07/04/20	0.1503	–	0.1503	0.1051
08/04/20 to 07/05/20	0.1338	–	0.1338	0.1005
08/05/20 to 07/06/20	0.1047	–	0.1047	0.0995
08/06/20 to 07/07/20	0.1363	–	0.1363	0.0974
08/07/20 to 07/08/20	0.1109	–	0.1109	0.0932
08/08/20 to 07/09/20	0.0565	–	0.0565	0.0901
08/09/20 to 07/10/20	0.1067	–	0.1067	0.0929
08/10/20 to 07/11/20	0.1050	–	0.1050	0.0876
08/11/20 to 07/12/20	0.0991	–	0.0991	0.0799
08/12/20 to 07/01/21	0.0862	–	0.0862	0.0753
08/01/21 to 07/02/21	0.0787	–	0.0787	0.0811
08/02/21 to 07/03/21	0.0878	–	0.0878	0.1096

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

Threadneedle Strategic Bond Fund

DISTRIBUTION TABLE

(continued)

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 2				
08/03/20 to 07/04/20	0.1174	0.0329	0.1503	0.1051
08/04/20 to 07/05/20	0.0399	0.0939	0.1338	0.1005
08/05/20 to 07/06/20	–	0.1047	0.1047	0.0995
08/06/20 to 07/07/20	0.0292	0.1071	0.1363	0.0974
08/07/20 to 07/08/20	0.0175	0.0934	0.1109	0.0932
08/08/20 to 07/09/20	0.0159	0.0406	0.0565	0.0901
08/09/20 to 07/10/20	0.0346	0.0721	0.1067	0.0929
08/10/20 to 07/11/20	0.0259	0.0791	0.1050	0.0876
08/11/20 to 07/12/20	0.0435	0.0556	0.0991	0.0799
08/12/20 to 07/01/21	0.0415	0.0447	0.0862	0.0753
08/01/21 to 07/02/21	0.0359	0.0428	0.0787	0.0811
08/02/21 to 07/03/21	0.0134	0.0744	0.0878	0.1096
Total distributions in the period			**1.2560**	**1.1122**

Class 1 – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
08/03/20 to 07/04/20	0.1505	–	0.1505	0.1053
08/04/20 to 07/05/20	0.1341	–	0.1341	0.1006
08/05/20 to 07/06/20	0.1200	–	0.1200	0.0997
08/06/20 to 07/07/20	0.1215	–	0.1215	0.0978
08/07/20 to 07/08/20	0.1111	–	0.1111	0.0934
08/08/20 to 07/09/20	0.0566	–	0.0566	0.0902
08/09/20 to 07/10/20	0.1069	–	0.1069	0.0932
08/10/20 to 07/11/20	0.1052	–	0.1052	0.0876
08/11/20 to 07/12/20	0.0994	–	0.0994	0.0801
08/12/20 to 07/01/21	0.0862	–	0.0862	0.0755
08/01/21 to 07/02/21	0.0789	–	0.0789	0.0812
08/02/21 to 07/03/21	0.0880	–	0.0880	0.1098
Group 2				
08/03/20 to 07/04/20	0.0797	0.0708	0.1505	0.1053
08/04/20 to 07/05/20	0.0141	0.1200	0.1341	0.1006
08/05/20 to 07/06/20	0.0100	0.1100	0.1200	0.0997
08/06/20 to 07/07/20	0.0309	0.0906	0.1215	0.0978
08/07/20 to 07/08/20	0.0112	0.0999	0.1111	0.0934
08/08/20 to 07/09/20	0.0167	0.0399	0.0566	0.0902
08/09/20 to 07/10/20	0.0173	0.0896	0.1069	0.0932
08/10/20 to 07/11/20	0.0085	0.0967	0.1052	0.0876
08/11/20 to 07/12/20	0.0196	0.0798	0.0994	0.0801
08/12/20 to 07/01/21	0.0063	0.0799	0.0862	0.0755
08/01/21 to 07/02/21	0.0005	0.0784	0.0789	0.0812
08/02/21 to 07/03/21	0.0083	0.0797	0.0880	0.1098
Total distributions in the period			**1.2584**	**1.1144**

Class 2 – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
08/03/20 to 07/04/20	0.1694	–	0.1694	0.1195
08/04/20 to 07/05/20	0.1514	–	0.1514	0.1143
08/05/20 to 07/06/20	0.1359	–	0.1359	0.1134
08/06/20 to 07/07/20	0.1382	–	0.1382	0.1112
08/07/20 to 07/08/20	0.1268	–	0.1268	0.1068
08/08/20 to 07/09/20	0.0671	–	0.0671	0.1034
08/09/20 to 07/10/20	0.1222	–	0.1222	0.1064
08/10/20 to 07/11/20	0.1203	–	0.1203	0.1007
08/11/20 to 07/12/20	0.1141	–	0.1141	0.0921
08/12/20 to 07/01/21	0.1000	–	0.1000	0.0876
08/01/21 to 07/02/21	0.0915	–	0.0915	0.0938
08/02/21 to 07/03/21	0.1016	–	0.1016	0.1248
Group 2				
08/03/20 to 07/04/20	0.0904	0.0790	0.1694	0.1195
08/04/20 to 07/05/20	0.0258	0.1256	0.1514	0.1143
08/05/20 to 07/06/20	0.0110	0.1249	0.1359	0.1134
08/06/20 to 07/07/20	0.0211	0.1171	0.1382	0.1112
08/07/20 to 07/08/20	0.0195	0.1073	0.1268	0.1068
08/08/20 to 07/09/20	0.0363	0.0308	0.0671	0.1034
08/09/20 to 07/10/20	0.0267	0.0955	0.1222	0.1064
08/10/20 to 07/11/20	0.0118	0.1085	0.1203	0.1007
08/11/20 to 07/12/20	0.0166	0.0975	0.1141	0.0921
08/12/20 to 07/01/21	0.0124	0.0876	0.1000	0.0876
08/01/21 to 07/02/21	0.0039	0.0876	0.0915	0.0938
08/02/21 to 07/03/21	0.0142	0.0874	0.1016	0.1248
Total distributions in the period			**1.4385**	**1.2740**

Class 2 – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
08/03/20 to 07/04/20	0.1789	–	0.1789	0.1262
08/04/20 to 07/05/20	0.1599	–	0.1599	0.1207
08/05/20 to 07/06/20	0.1436	–	0.1436	0.1199
08/06/20 to 07/07/20	0.1459	–	0.1459	0.1173
08/07/20 to 07/08/20	0.1340	–	0.1340	0.1128
08/08/20 to 07/09/20	0.0708	–	0.0708	0.1093
08/09/20 to 07/10/20	0.1291	–	0.1291	0.1124
08/10/20 to 07/11/20	0.1271	–	0.1271	0.1063
08/11/20 to 07/12/20	0.1205	–	0.1205	0.0973
08/12/20 to 07/01/21	0.1056	–	0.1056	0.0925
08/01/21 to 07/02/21	0.0966	–	0.0966	0.0991
08/02/21 to 07/03/21	0.1074	–	0.1074	0.1318

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 2				
08/03/20 to 07/04/20	0.1789	–	0.1789	0.1262
08/04/20 to 07/05/20	0.1599	–	0.1599	0.1207
08/05/20 to 07/06/20	0.1436	–	0.1436	0.1199
08/06/20 to 07/07/20	0.1459	–	0.1459	0.1173
08/07/20 to 07/08/20	0.1340	–	0.1340	0.1128
08/08/20 to 07/09/20	0.0708	–	0.0708	0.1093
08/09/20 to 07/10/20	0.1291	–	0.1291	0.1124
08/10/20 to 07/11/20	0.1271	–	0.1271	0.1063
08/11/20 to 07/12/20	0.1205	–	0.1205	0.0973
08/12/20 to 07/01/21	0.1056	–	0.1056	0.0925
08/01/21 to 07/02/21	0.0966	–	0.0966	0.0991
08/02/21 to 07/03/21	0.1074	–	0.1074	0.1318
Total distributions in the period			**1.5194**	**1.3456**

Class 2 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2020/2021	Gross Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/04/20	0.4198	–	0.4198	0.2891
08/04/20 to 07/05/20	0.3767	–	0.3767	0.2769
08/05/20 to 07/06/20	0.3392	–	0.3392	0.2756
08/06/20 to 07/07/20	0.3458	–	0.3458	0.2706
08/07/20 to 07/08/20	0.3182	–	0.3182	0.2607
08/08/20 to 07/09/20	0.1690	–	0.1690	0.2528
08/09/20 to 07/10/20	0.3077	–	0.3077	0.2607
08/10/20 to 07/11/20	0.3037	–	0.3037	0.2473
08/11/20 to 07/12/20	0.2888	–	0.2888	0.2265
08/12/20 to 07/01/21	0.2534	–	0.2534	0.2160
08/01/21 to 07/02/21	0.2325	–	0.2325	0.2315
08/02/21 to 07/03/21	0.2578	–	0.2578	0.3084
Group 2				
08/03/20 to 07/04/20	0.2198	0.2000	0.4198	0.2891
08/04/20 to 07/05/20	0.1061	0.2706	0.3767	0.2769
08/05/20 to 07/06/20	0.0977	0.2415	0.3392	0.2756
08/06/20 to 07/07/20	0.2183	0.1275	0.3458	0.2706
08/07/20 to 07/08/20	0.1200	0.1982	0.3182	0.2607
08/08/20 to 07/09/20	0.0436	0.1254	0.1690	0.2528
08/09/20 to 07/10/20	0.0702	0.2375	0.3077	0.2607
08/10/20 to 07/11/20	0.0846	0.2191	0.3037	0.2473
08/11/20 to 07/12/20	0.1516	0.1372	0.2888	0.2265
08/12/20 to 07/01/21	0.1538	0.0996	0.2534	0.2160
08/01/21 to 07/02/21	0.0258	0.2067	0.2325	0.2315
08/02/21 to 07/03/21	0.1319	0.1259	0.2578	0.3084
Total distributions in the period			**3.6126**	**3.1161**

Class X – Gross accumulation shares*

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2020/2021	Gross Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/04/20	0.3479	–	0.3479	
08/04/20 to 07/05/20	0.3122	–	0.3122	
08/05/20 to 07/06/20	0.2812	–	0.2812	0.2080
08/06/20 to 07/07/20	0.2870	–	0.2870	0.2218
08/07/20 to 07/08/20	0.2642	–	0.2642	0.2148
08/08/20 to 07/09/20	0.1403	–	0.1403	0.2085
08/09/20 to 07/10/20	0.2558	–	0.2558	0.2152
08/10/20 to 07/11/20	0.2527	–	0.2527	0.2042
08/11/20 to 07/12/20	0.2404	–	0.2404	0.1871
08/12/20 to 07/01/21	0.2111	–	0.2111	0.1786
08/01/21 to 07/02/21	0.1937	–	0.1937	0.1915
08/02/21 to 07/03/21	0.2158	–	0.2158	0.2553
Group 2				
08/03/20 to 07/04/20	0.3479	–	0.3479	
08/04/20 to 07/05/20	0.3122	–	0.3122	
08/05/20 to 07/06/20	0.2812	–	0.2812	0.2080
08/06/20 to 07/07/20	0.2870	–	0.2870	0.2218
08/07/20 to 07/08/20	0.2642	–	0.2642	0.2148
08/08/20 to 07/09/20	0.1403	–	0.1403	0.2085
08/09/20 to 07/10/20	0.2558	–	0.2558	0.2152
08/10/20 to 07/11/20	0.2527	–	0.2527	0.2042
08/11/20 to 07/12/20	0.2404	–	0.2404	0.1871
08/12/20 to 07/01/21	0.2111	–	0.2111	0.1786
08/01/21 to 07/02/21	0.1937	–	0.1937	0.1915
08/02/21 to 07/03/21	0.2158	–	0.2158	0.2553
Total distributions in the period			**3.0023**	**2.0850**

Class Z – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
08/03/20 to 07/04/20	0.3331	–	0.3331	0.2328
08/04/20 to 07/05/20	0.2973	–	0.2973	0.2224
08/05/20 to 07/06/20	0.2835	–	0.2835	0.2206
08/06/20 to 07/07/20	0.2529	–	0.2529	0.2161
08/07/20 to 07/08/20	0.2475	–	0.2475	0.2073
08/08/20 to 07/09/20	0.1279	–	0.1279	0.2005
08/09/20 to 07/10/20	0.2385	–	0.2385	0.2067
08/10/20 to 07/11/20	0.2348	–	0.2348	0.1951
08/11/20 to 07/12/20	0.2221	–	0.2221	0.1783
08/12/20 to 07/01/21	0.1936	–	0.1936	0.1687
08/01/21 to 07/02/21	0.1772	–	0.1772	0.1812
08/02/21 to 07/03/21	0.1973	–	0.1973	0.2439

Threadneedle Strategic Bond Fund

DISTRIBUTION TABLE

(continued)

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 2				
08/03/20 to 07/04/20	0.2044	0.1287	0.3331	0.2328
08/04/20 to 07/05/20	0.1071	0.1902	0.2973	0.2224
08/05/20 to 07/06/20	0.1626	0.1209	0.2835	0.2206
08/06/20 to 07/07/20	0.1047	0.1482	0.2529	0.2161
08/07/20 to 07/08/20	0.1231	0.1244	0.2475	0.2073
08/08/20 to 07/09/20	0.0278	0.1001	0.1279	0.2005
08/09/20 to 07/10/20	0.1125	0.1260	0.2385	0.2067
08/10/20 to 07/11/20	0.0841	0.1507	0.2348	0.1951
08/11/20 to 07/12/20	0.0533	0.1688	0.2221	0.1783
08/12/20 to 07/01/21	0.0713	0.1223	0.1936	0.1687
08/01/21 to 07/02/21	0.0556	0.1216	0.1772	0.1812
08/02/21 to 07/03/21	0.1190	0.0783	0.1973	0.2439
Total distributions in the period			**2.8057**	**2.4736**

Class Z – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
08/03/20 to 07/04/20	0.3332	–	0.3332	0.2328
08/04/20 to 07/05/20	0.2973	–	0.2973	0.2224
08/05/20 to 07/06/20	0.2663	–	0.2663	0.2206
08/06/20 to 07/07/20	0.2702	–	0.2702	0.2161
08/07/20 to 07/08/20	0.2476	–	0.2476	0.2073
08/08/20 to 07/09/20	0.1279	–	0.1279	0.2005
08/09/20 to 07/10/20	0.2385	–	0.2385	0.2067
08/10/20 to 07/11/20	0.2348	–	0.2348	0.1951
08/11/20 to 07/12/20	0.2221	–	0.2221	0.1783
08/12/20 to 07/01/21	0.1936	–	0.1936	0.1687
08/01/21 to 07/02/21	0.1771	–	0.1771	0.1813
08/02/21 to 07/03/21	0.1974	–	0.1974	0.2438
Group 2				
08/03/20 to 07/04/20	0.1598	0.1734	0.3332	0.2328
08/04/20 to 07/05/20	0.0394	0.2579	0.2973	0.2224
08/05/20 to 07/06/20	0.1323	0.1340	0.2663	0.2206
08/06/20 to 07/07/20	0.0639	0.2063	0.2702	0.2161
08/07/20 to 07/08/20	0.1187	0.1289	0.2476	0.2073
08/08/20 to 07/09/20	–	0.1279	0.1279	0.2005
08/09/20 to 07/10/20	0.1279	0.1106	0.2385	0.2067
08/10/20 to 07/11/20	0.0418	0.1930	0.2348	0.1951
08/11/20 to 07/12/20	0.0534	0.1687	0.2221	0.1783
08/12/20 to 07/01/21	0.0877	0.1059	0.1936	0.1687
08/01/21 to 07/02/21	0.0669	0.1102	0.1771	0.1813
08/02/21 to 07/03/21	0.0879	0.1095	0.1974	0.2438
Total distributions in the period			**2.8060**	**2.4736**

Class Z – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2020/2021	Gross Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/04/20	0.4522	–	0.4522	0.3085
08/04/20 to 07/05/20	0.4051	–	0.4051	0.2954
08/05/20 to 07/06/20	0.3640	–	0.3640	0.2937
08/06/20 to 07/07/20	0.3702	–	0.3702	0.2883
08/07/20 to 07/08/20	0.3402	–	0.3402	0.2772
08/08/20 to 07/09/20	0.1760	–	0.1760	0.2685
08/09/20 to 07/10/20	0.3289	–	0.3289	0.2775
08/10/20 to 07/11/20	0.3245	–	0.3245	0.2625
08/11/20 to 07/12/20	0.3076	–	0.3076	0.2403
08/12/20 to 07/01/21	0.2687	–	0.2687	0.2276
08/01/21 to 07/02/21	0.2463	–	0.2463	0.2451
08/02/21 to 07/03/21	0.2748	–	0.2748	0.3299
Group 2				
08/03/20 to 07/04/20	0.2085	0.2437	0.4522	0.3085
08/04/20 to 07/05/20	0.0366	0.3685	0.4051	0.2954
08/05/20 to 07/06/20	0.1813	0.1827	0.3640	0.2937
08/06/20 to 07/07/20	0.2437	0.1265	0.3702	0.2883
08/07/20 to 07/08/20	0.3187	0.0215	0.3402	0.2772
08/08/20 to 07/09/20	0.0662	0.1098	0.1760	0.2685
08/09/20 to 07/10/20	0.2263	0.1026	0.3289	0.2775
08/10/20 to 07/11/20	0.2485	0.0760	0.3245	0.2625
08/11/20 to 07/12/20	0.2077	0.0999	0.3076	0.2403
08/12/20 to 07/01/21	0.2106	0.0581	0.2687	0.2276
08/01/21 to 07/02/21	0.1250	0.1213	0.2463	0.2451
08/02/21 to 07/03/21	0.2065	0.0683	0.2748	0.3299
Total distributions in the period			**3.8585**	**3.3145**

Group 2: shares purchased during a distribution period.

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

Threadneedle Strategic Bond Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Gross income shares[§]		
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share						
Opening net asset value per share (p)	46.96	45.20	46.43	47.05	45.29	46.51
Return before operating charges (p)	2.87	3.53	0.82	2.87	3.54	0.84
Operating charges (p)	(0.64)	(0.66)	(0.65)	(0.64)	(0.67)	(0.65)
Return after operating charges (p)*	2.23	2.87	0.17	2.23	2.87	0.19
Distributions (p)	(1.26)	(1.11)	(1.40)	(1.26)	(1.11)	(1.41)
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	47.93	46.96	45.20	48.02	47.05	45.29
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	4.75	6.35	0.37	4.74	6.34	0.41
Other information						
Closing net asset value (£000)	20,010	25,314	28,976	200	309	7,836
Closing number of shares	41,750,659	53,902,519	64,100,246	417,152	656,906	17,303,800
Operating charges (%)**	1.36	1.43	1.43	1.36	1.45	1.43
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	48.67	47.39	46.60	48.76	47.48	46.69
Lowest share price (p)	41.25	45.36	44.44	41.32	45.44	44.52

	Class 2 – Income shares			Class 2 – Gross income shares[§]		
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share						
Opening net asset value per share (p)	51.46	49.28	50.36	54.35	52.05	53.20
Return before operating charges (p)	3.14	3.87	0.91	3.32	4.09	0.95
Operating charges (p)	(0.42)	(0.42)	(0.41)	(0.45)	(0.44)	(0.43)
Return after operating charges (p)*	2.72	3.45	0.50	2.87	3.65	0.52
Distributions (p)	(1.44)	(1.27)	(1.58)	(1.52)	(1.35)	(1.67)
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	52.74	51.46	49.28	55.70	54.35	52.05
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	5.29	7.00	0.99	5.28	7.01	0.98
Other information						
Closing net asset value (£000)	6,454	6,413	6,892	16,071	15,682	14,939
Closing number of shares	12,238,803	12,462,447	13,984,353	28,853,385	28,853,385	28,700,737
Operating charges (%)**	0.82	0.82	0.82	0.82	0.82	0.82
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	53.53	51.92	50.56	56.54	54.84	53.40
Lowest share price (p)	45.21	49.45	48.41	47.75	52.23	51.13

Threadneedle Strategic Bond Fund

Comparative Table Disclosure

(continued)

	Class 2 – Gross accumulation shares[§]			Class X – Gross accumulation shares[§]	
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020[†]
Change in net assets per share					
Opening net asset value per share (p)	127.58	119.17	117.95	105.64	100.00
Return before operating charges (p)	7.95	9.43	2.19	6.62	5.70
Operating charges (p)	(1.06)	(1.02)	(0.97)	(0.08)	(0.06)
Return after operating charges (p)*	6.89	8.41	1.22	6.54	5.64
Distributions (p)	(3.61)	(3.12)	(3.77)	(3.00)	(2.09)
Retained distributions on accumulation shares (p)	3.61	3.12	3.77	3.00	2.09
Closing net asset value per share (p)	134.47	127.58	119.17	112.18	105.64
*after direct transaction costs of (p)	–	–	–	–	–
Performance					
Return after charges (%)	5.40	7.06	1.03	6.19	5.64
Other information					
Closing net asset value (£000)	52,913	60,090	65,104	8,085	7,614
Closing number of shares	39,348,596	47,098,550	54,632,514	7,207,402	7,207,402
Operating charges (%)**	0.82	0.82	0.82	0.07	0.07[†]
Direct transaction costs (%)***	–	–	–	–	–
Prices					
Highest share price (p)	135.98	128.42	119.54	113.39	106.31
Lowest share price (p)	112.09	119.58	116.16	92.84	100.00

	Class Z – Income shares			Class Z – Gross income shares[§]		
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share						
Opening net asset value per share (p)	103.07	98.57	100.58	103.07	98.57	100.58
Return before operating charges (p)	6.29	7.72	1.81	6.29	7.72	1.81
Operating charges (p)	(0.76)	(0.75)	(0.73)	(0.76)	(0.75)	(0.73)
Return after operating charges (p)*	5.53	6.97	1.08	5.53	6.97	1.08
Distributions (p)	(2.81)	(2.47)	(3.09)	(2.81)	(2.47)	(3.09)
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	105.79	103.07	98.57	105.79	103.07	98.57
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	5.37	7.07	1.07	5.37	7.07	1.07
Other information						
Closing net asset value (£000)	43,268	43,021	46,651	79,254	71,050	65,639
Closing number of shares	40,899,539	41,739,489	47,330,205	74,915,191	68,932,271	66,592,997
Operating charges (%)**	0.74	0.74	0.74	0.74	0.74	0.74
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	107.35	103.99	100.97	107.35	103.99	100.97
Lowest share price (p)	90.56	98.91	96.80	90.56	98.91	96.80

Threadneedle Strategic Bond Fund

Comparative Table Disclosure

(continued)

	Class Z – Gross accumulation shares[§]		
	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share			
Opening net asset value per share (p)	139.95	130.62	129.19
Return before operating charges (p)	8.71	10.34	2.39
Operating charges (p)	(1.05)	(1.01)	(0.96)
Return after operating charges (p)*	7.66	9.33	1.43
Distributions (p)	(3.86)	(3.31)	(4.03)
Retained distributions on accumulation shares (p)	3.86	3.31	4.03
Closing net asset value per share (p)	147.61	139.95	130.62
*after direct transaction costs of (p)	–	–	–
Performance			
Return after charges (%)	5.47	7.14	1.11
Other information			
Closing net asset value (£000)	2,961	3,347	3,380
Closing number of shares	2,005,564	2,391,960	2,587,617
Operating charges (%)**	0.74	0.74	0.74
Direct transaction costs (%)***	–	–	–
Prices			
Highest share price (p)	149.26	140.86	131.03
Lowest share price (p)	122.95	131.07	127.30

**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.

[1]Commenced 9 May 2019.

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

Threadneedle Strategic Bond Fund

Notes to the financial statements

for the accounting period 8 March 2020 to 7 March 2021

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 5 and 6.

2 NET CAPITAL GAINS

Net capital gains during the period comprise:

	2021 £000	2020 £000
Non-derivative securities	(1,549)	17,934
Derivative contracts	4,197	(4,116)
Forward currency contracts	1,416	(3,294)
Other gains	2,848	1,628
Transaction costs	(2)	(2)
Net capital gains	6,910	12,150

3 REVENUE

	2021 £000	2020 £000
Interest on debt securities	7,884	8,766
Interest on short term investments	–	3
Bank interest	7	63
Total revenue	7,891	8,832

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	(1,549)	(1,723)
Registration fees	(193)	(206)
	(1,742)	(1,929)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(27)	(28)
Safe custody fees	(19)	(21)
	(46)	(49)
Other expenses:		
Regulatory fees	(7)	(7)
Audit fees	(10)	(10)
	(17)	(17)
Total expenses*	(1,805)	(1,995)

**Including irrecoverable VAT where applicable.*

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2021 £000	2020 £000
Interest payable	(3)	(5)
Derivative expense	(1,420)	(2,686)
Total interest payable and similar charges	(1,423)	(2,691)

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	4,663	4,146
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(933)	(829)
Effects of:		
Excess expenses	307	829
Distributions treated as tax deductible	626	–
Current tax charge for period (note 6a)	–	–

The fund does not have a deferred tax asset at the year end. (2020: £307,211) 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.

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	5,765	5,293
Final	432	555
	6,197	5,848
Add: Revenue deducted on the cancellation of shares*	45	31
Deduct: Revenue received on the creation of shares*	(30)	(11)
Net distribution for the period	6,212	5,868
Net revenue after taxation	4,663	4,146
Annual management charge to capital	1,549	1,723
Undistributed revenue carried forward	–	(1)
Total distributions	6,212	5,868

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

Details of the distribution per share are set out in the table on pages 127 to 129.

8 DEBTORS

	2021 £000	2020 £000
Amounts receivable for the issue of shares	264	198
Sales awaiting settlement	542	207
Accrued revenue	2,682	2,751
Total debtors	3,488	3,156

9 CASH AND BANK BALANCES

	2021 £000	2020 £000
Amounts held at futures clearing houses and brokers	7,126	14,347
Cash and bank balances	3,546	2,291
	10,672	16,638
Cash overdrafts at broker	(1,650)	(3,614)
Total cash and bank balances	9,022	13,024

10 OTHER CREDITORS

	2021 £000	2020 £000
Amounts payable for the cancellation of shares	(5,306)	(278)
Purchases awaiting settlement	(4,489)	(1,476)
Accrued expenses	(11)	(12)
Amounts payable to ACD	(172)	(183)
Total other creditors	(9,978)	(1,949)

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.

Threadneedle Strategic Bond Fund

Notes to the financial statements

(continued)

13 SHAREHOLDER FUNDS

Threadneedle Strategic Bond 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	1.10%
Class 2 shares	0.75%
Class X shares	N/A*
Class Z shares	0.60%
Registration fees	
Class 1 shares	0.150%
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 130 to 132. The distribution per share class is given in the distribution table on pages 127 to 129.
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	53,902,519
Shares issued	644,489
Shares redeemed	(6,118,804)
Net conversions	(6,677,545)
Closing shares	41,750,659
Class 1 – Gross income shares	
Opening shares	656,906
Shares issued	556
Shares redeemed	(240,310)
Net conversions	–
Closing shares	417,152
Class 2 – Income shares	
Opening shares	12,462,447
Shares issued	53,051
Shares redeemed	(228,656)
Net conversions	(48,039)
Closing shares	12,238,803
Class 2 – Gross income shares	
Opening shares	28,853,385
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	28,853,385
Class 2 – Gross accumulation shares	
Opening shares	47,098,550
Shares issued	6,455,872
Shares redeemed	(14,205,826)
Net conversions	–
Closing shares	39,348,596
Class X – Gross accumulation shares	
Opening shares	7,207,402
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	7,207,402
Class Z – Income shares	
Opening shares	41,739,489
Shares issued	1,017,034
Shares redeemed	(4,918,036)
Net conversions	3,061,052
Closing shares	40,899,539
Class Z – Gross income shares	
Opening shares	68,932,271
Shares issued	7,262,243
Shares redeemed	(1,279,323)
Net conversions	–
Closing shares	74,915,191
Class Z – Gross accumulation shares	
Opening shares	2,391,960
Shares issued	69,929
Shares redeemed	(456,641)
Net conversions	316
Closing shares	2,005,564

14 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 6 to 7.

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 1.8% x benchmark VAR† As at year end the fund's VaR was 2.5% (2020: 2.2%).
At 7 March, 2021 the VaR utilisation was 67% (2020: 56%) (actual VaR/VaR limit). During the year ended 7 March, 2021 the lowest VaR utilisation was 53% (2020: 54%), the highest VaR utilisation was 75% (2020: 94%) and the average utilisation was 70% (2020: 70%).

†The benchmark of fund is shown on page 330.

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	–
Euro	(1,129)
Japanese Yen	(227)
US Dollar	79
Currency 2020	**£000**
Australian Dollar	1
Euro	(1,441)
Japanese Yen	(239)
US Dollar	307

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:

2021	Credit Default Swaps Exposure	Forward Foreign Exchange Contracts Exposure	Collateral Pledged
Counterparty	**£000**	**£000**	**£000**
Barclays	–	31	–
Goldman Sachs	–	–	110
HSBC	–	25	–
J.P. Morgan	–	–	860
UBS	–	9	–

Threadneedle Strategic Bond Fund

Notes to the financial statements

(continued)

2020	Credit Default Swaps Exposure	Forward Foreign Exchange Contracts Exposure	Collateral Pledged
Counterparty	**£000**	**£000**	**£000**
Barclays	–	–	4,560
Citigroup	450	–	290
Credit Suisse	–	1	–
Goldman Sachs	–	–	310
HSBC	–	–	10
J.P. Morgan	–	–	710
UBS	–	22	–

The fund held £220,000 (2020: £290,000) 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	11,318	4.99	443	0.20
AA+	–	–	370	0.17
AA	954	0.42	2,041	0.93
Aa2	2,246	0.99	–	–
Aa2u	–	–	4,157	1.90
A+	3,092	1.36	3,834	1.75
A	591	0.26	1,692	0.77
A-	6,131	2.70	12,136	5.54
A3	–	–	1,821	0.83
BBB+	25,265	11.13	26,386	12.05
Baa1	2,071	0.91	3,543	1.62
BBB	33,609	14.81	41,476	18.94
Baa2	4,138	1.82	4,870	2.22
BBB-	23,071	10.17	33,380	15.24
Baa3	3,738	1.65	3,384	1.55
BB+	31,229	13.76	20,409	9.32
BB	15,142	6.67	8,009	3.66
Ba2	3,926	1.73	4,938	2.25
BB-	17,419	7.67	13,817	6.31
B+	5,886	2.59	9,744	4.45
B1	358	0.16	–	–
B	12,979	5.72	12,359	5.64
(P)B	272	0.12	–	–
Ba3	1,674	0.74	2,068	0.94
B2	–	–	646	0.30
B-	5,375	2.37	3,596	1.64
B3	1,336	0.59	500	0.23
CCC+	4,406	1.94	3,077	1.41
Caa1	823	0.36	–	–
CCC	867	0.38	406	0.19
CC	281	0.12	–	–
Not Rated*	6,681	2.94	7,517	3.43
Liquidity Funds	5,017	2.21	14	0.01
Derivatives**	(2,910)	(1.28)	(7,641)	(3.49)
	226,985	100.00	218,992	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 7 March was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2021	**£000**	**£000**	**£000**	**£000**
Australian Dollar	235	–	–	235
Euro	15,493	73,235	3,035	91,763
UK Sterling	21,871	98,250	121,614	241,735
US Dollar	3,668	27,814	3,302	34,784
Currency 2020	**£000**	**£000**	**£000**	**£000**
Australian Dollar	218	–	–	218
Euro	7,767	60,788	4,695	73,250
UK Sterling	32,979	93,863	113,302	240,144
US Dollar	2,874	44,782	2,655	50,311

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2021	**£000**	**£000**	**£000**	**£000**
Australian Dollar	–	–	(235)	(235)
Euro	(1,267)	–	(91,625)	(92,892)
Japanese Yen	(218)	–	(9)	(227)
UK Sterling	–	–	(11,242)	(11,242)
US Dollar	(164)	–	(34,541)	(34,705)
Currency 2020	**£000**	**£000**	**£000**	**£000**
Australian Dollar	–	–	(217)	(217)
Euro	(2,814)	–	(71,877)	(74,691)
Japanese Yen	(239)	–	–	(239)
UK Sterling	–	–	(5,932)	(5,932)
US Dollar	(561)	–	(49,443)	(50,004)

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). Any impact to the rate of the underlying securities is considered in market price risk section.

Derivative risks

Derivatives including credit default swaps, forward foreign exchange contracts, futures and options 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 credit default swaps, forward foreign exchange contracts, futures and options 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 7 March 2021, the fund had outstanding credit default swaps, forward foreign exchange contracts, futures and options and interest rate swaps with an asset value of £754,000 (2020: £2,234,000) and a liability value of £3,664,000 (2020: £9,875,000).

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.

Threadneedle Strategic Bond 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*	7,868	(162)	4,362	(1,924)
Level 2	222,438	(3,502)	223,464	(7,951)
Level 3	351	–	1,041	–
	230,657	(3,664)	228,867	(9,875)

Included within Level 1, are debt securities of £7,463,000 (2020: £4,170,000). 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 £151,308,200 (2020: £145,624,016) and £150,520,133 (2020: £168,459,191) respectively. Collective investment schemes purchases and sales amounted to £44,503,408 (2020: £22,513,599) and £39,500,000 (2020: £22,500,000) respectively. Corporate action costs and proceeds amounted to £Nil (2020: £Nil) and £557,089 (2020: £1,401,834) 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 £8,155 (2020: £10,621).

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 0.65% (7 March 2020: 0.74%), 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:

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	14,258	(2,083)	12,175
Amounts payable on the cancellation of shares	(33,066)	2,083	(30,983)
	(18,808)	–	(18,808)
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	33	(2)	31
Deduct: Revenue received on the creation of shares	(13)	2	(11)
Net impact		–	

19 POST BALANCE SHEET EVENT

The table below shows net redemptions between the year-ended 7 March 2021 and 21 June 2021 as a percentage of the closing NAV for share classes with significant movements. The net redemptions of shares were reviewed again on 28 June with no material movements noted since 21 June. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

Share class	**% Movement**
Class 1 – Gross income shares	(11.22)

Threadneedle American Fund

Investment Report

Investment Objective and Policy

The Fund aims to achieve 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 invests at least 75% of its assets in shares of companies domiciled in the United States of America (US), or which have significant US business operations.

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 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. It provides a suitable target benchmark against which Fund performance will be measured and evaluated over time.

The Fund typically invests in fewer than 80 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 Net Accumulation Class 1 Shares*

Over the twelve months to 7 March 2021, the published share price of the Threadneedle American Fund has risen from 331.29p to 422.20p.

Looking at the sterling performance within its peer group, the total return on the fund for the twelve months ending 28 February 2021, including net reinvested income, is +27.65% as compared to a median return of +22.41% over the same period. (For information the S&P 500 Index returned +19.95% over the same period).

Market Overview and Portfolio Activity

US equities registered strong gains over the review period, staging a sharp rebound after a very weak first quarter (Q1) in 2020. The COVID-19 pandemic was the chief driver of market movements over the year. As the coronavirus outbreak in China spread around the world, measures to control the spread of the virus brought cities, regions and even entire countries to a near standstill. Equities were particularly weak in March as oil prices collapsed to 18-year lows, adding to the overall turmoil. Intermittent tensions with China remained a feature, and domestic political rhetoric was heated as November's presidential election drew closer, although the latter had little impact on the market.

After the Q1s weakness, equities were supported by a wave of monetary and fiscal stimulus. The Federal Reserve (Fed) lowered its main interest rate back to near zero and pledged to provide unlimited monetary stimulus, while a $2.2tn fiscal-stimulus plan was signed into law in March. Slowing COVID-19 infection rates also contributed to the rally, which lifted the S&P 500 to record highs in late summer. Stocks weakened in September and October amid a sharp rise in virus cases, but surged in the following month on indications that a COVID-19 vaccine would be available shortly and Joe Biden's ultimately decisive victory in the US presidential election. A $900bn fiscal-stimulus package was signed into law in December, helping shares to end 2020 on a positive note. Encouraging corporate earnings helped to push all three of the major US equity indices to record highs in early February 2021, but equities pulled back later in the month, as surging Treasury yields reflected fears that the anticipated reopening of the economy, combined with loose fiscal and monetary policy, would result in higher inflation.

The materials and consumer discretionary sectors outperformed over the review period, but technology was the strongest S&P 500 sector, leading returns from March to September and significantly outpacing the benchmark as the pandemic helped to speed up the 'digitalisation of everything'. An equity pullback in early autumn was accompanied by a rotation out of 'pandemic winners', and into cheaper cyclicals, which had most to gain from an economic reopening. Then, in November, hopes for more normalised economic activity following successful vaccine trials and optimism around Joe Biden's victory in the US election prompted a rotation towards value stocks. Energy underperformed significantly, reflecting the collapse in oil prices as coronavirus related restrictions weighed on fuel demand. However, oil prices rallied to pre pandemic levels towards the end of the review period. Real estate and utilities, viewed as defensive, trailed the broad equity rebound.

During the period, we opened new positions in Morgan Stanley and Intercontinental Exchange, and re-initiated a position in Nvidia.

Morgan Stanley is moving its business mix away from the more volatile, transaction-driven model of its banking arm to the asset-management side, which is fee-based and offers greater stability. October's agreement to buy fund manager Eaton Vance will help to accelerate that shift, creating a business with 60% of revenue coming from asset management. Trends in the wealth-management division have been strong, with improving margins driven by loan and deposit strategy and rising levels of new clients and assets. The valuation is compelling, given the sharper focus on recurring revenues.

Intercontinental Exchange (ICE) operates in an effective duopoly with CME Group in the futures exchange industry. As well as providing clearing services for multiple types of futures contracts, ICE has a data business relaying information including pricing and volume figures to traders. ICE is also moving into new areas such as mortgage services, with the aim of automating mortgage origination – if successful, this would be a very attractive proposition. While the revenue stream is somewhat volatile, it tends to grow over the cycle, and the free cashflow (FCF) yield is superior to other data businesses.

We favour the risk/reward profile of Nvidia over that of NXP Semiconductors, which we sold. We also prefer Nvidia's positive business momentum, as demand for chips has grown rapidly in recent years in line with ever rising data intensity in machines and devices. The growth of technologies including autonomous vehicles promises to spur demand further. With these drivers in place, Nvidia should hold up well in the current market: it has a strong balance sheet and is committed to its dividend, while demand for its products has increased as lockdowns have hugely boosted gaming activity.

We scaled up the exposures to Cisco Systems, Voya Financial, Centene and Broadcom, while taking some profits on Facebook, Take-Two Interactive Software and Caterpillar. The fund exited positions including Visa, Procter & Gamble, Apple and Bank of America.

Two key themes will affect the recovery's shape and our portfolio positioning in 2021: corporate costs and consumer spending. Household finances have been less impacted in this recession than in prior downturns, but consumer spending patterns will have changed after the pandemic. The "experience economy" should see the best growth: tourism, out-of-home entertainment and leisure spending. However, a significant part of business travel is unlikely to return.

Firms have cut costs aggressively during this crisis to protect profits and liquidity. While some will add back expenses as revenues grow, there will be an opportunity to invest in firms that have reduced costs permanently, giving additional operational leverage to drive sustained improvements in profitability through the next business cycle.

While the question remains as to how quickly the US economy, especially the service economy, can recover, we note that government-mandated lockdown measures in the US are less restrictive than across much of Europe, so the rebound depends more on consumer confidence and the spending of household savings.

We are keen to see how President Biden progresses in enacting his policy initiatives. New stimulus is close to being approved, which includes small-business support and further direct payments to households. This, together with the acceleration of vaccine rollouts, has boosted 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. Meanwhile, 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 8 March 2020 to 7 March 2021

	Notes	2021 £000	Restated 2020** £000
Income			
Net capital gains	2	697,551	190,170
Revenue	3	37,110	34,297
Expenses	4	(18,162)	(18,109)
Interest payable and similar charges	5	(1)	(2)
Net revenue before taxation		18,947	16,186
Taxation	6	(5,232)	(4,974)
Net revenue after taxation		13,715	11,212
Total return before distributions		711,266	201,382
Distributions**	7	(14,169)	(11,263)
Change in net assets attributable to shareholders from investment activities		697,097	190,119

BALANCE SHEET

as at 7 March 2021

	Notes	2021 £000	2020 £000
Assets:			
Fixed assets:			
Investments		2,747,837	2,087,899
Current assets:			
Debtors	8	45,565	37,043
Cash and bank balances	9	30,313	17,436
Cash equivalents***		36,249	20,283
Total assets		2,859,964	2,162,661
Liabilities:			
Investment liabilities		(4,720)	(299)
Creditors:			
Bank overdrafts	9	(2,287)	–
Distribution payable		(196)	(177)
Other creditors	10	(88,609)	(45,062)
Total liabilities		(95,812)	(45,538)
Net assets attributable to shareholders		2,764,152	2,117,123

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2020 to 7 March 2021

	2021 £000	Restated 2020** £000
Opening net assets attributable to shareholders	2,117,123	1,988,356
Amounts receivable on the issue of shares**	678,320	339,342
Amounts payable on the cancellation of shares**	(741,572)	(411,781)
	(63,252)	(72,439)
Dilution adjustment	144	–
Change in net assets attributable to shareholders from investment activities (see statement of total return above)**	697,097	190,119
Retained distribution on accumulation shares	13,040	11,087
Closing net assets attributable to shareholders	2,764,152	2,117,123

DISTRIBUTION TABLE

for the accounting period 8 March 2020 to 7 March 2021

Dividend distribution in pence per share

Class 1 – Income shares

There is no distribution for the accounting period 8 March 2020 to 7 March 2021, as expenses exceed revenue (2020: Nil).

Class 1 – Accumulation shares

There is no distribution for the accounting period 8 March 2020 to 7 March 2021, as expenses exceed revenue (2020: Nil).

**In pound Sterling and against UK peer group (See Performance summary on pages 330 to 331).*

***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 American Fund

DISTRIBUTION TABLE

(continued)

Class 2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/03/21	0.8116	–	0.8116	1.1459
Group 2				
08/03/20 to 07/03/21	0.2826	0.5290	0.8116	1.1459
Total distributions in the period			**0.8116**	**1.1459**

Class X – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/03/21	5.7400	–	5.7400	5.5230
Group 2				
08/03/20 to 07/03/21	4.5760	1.1640	5.7400	5.5230
Total distributions in the period			**5.7400**	**5.5230**

Class X GBP Hedged – Gross accumulation shares*

Distribution Period	Revenue	Equalisation	Gross Revenue Accumulated 2020/2021	Gross Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/03/21	1.3848	–	1.3848	0.5008
Group 2				
08/03/20 to 07/03/21	0.7279	0.6569	1.3848	0.5008
Total distributions in the period			**1.3848**	**0.5008**

Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
08/03/20 to 07/03/21	1.3551	–	1.3551	1.5096
Group 2				
08/03/20 to 07/03/21	0.5019	0.8532	1.3551	1.5096
Total distributions in the period			**1.3551**	**1.5096**

Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/03/21	1.4172	–	1.4172	1.5708
Group 2				
08/03/20 to 07/03/21	0.6367	0.7805	1.4172	1.5708
Total distributions in the period			**1.4172**	**1.5708**

Group 2: shares purchased during a distribution period.

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

Threadneedle American Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 1 EUR – Income shares
	07/03/2021	07/03/2020	07/03/2019	09/11/2018[1]
Change in net assets per share				
Opening net asset value per share (p)	332.87	304.98	285.17	304.69
Return before operating charges (p)	103.80	33.49	24.63	9.98
Operating charges (p)	(6.05)	(5.60)	(4.82)	(5.65)
Return after operating charges (p)*	97.75	27.89	19.81	4.33
Distributions (p)	–	–	–	–
Retained distributions on accumulation shares (p)	–	–	–	–
Closing net asset value per share (p)	430.62	332.87	304.98	309.02
*after direct transaction costs of (p)	0.12	0.04	0.14	0.17
Performance				
Return after charges (%)	29.37	9.14	6.95	1.42
Other information				
Closing net asset value (£000)	1,008	991	1,161	–
Closing number of shares	234,021	297,579	380,807	–
Operating charges (%)**	1.57	1.63	1.64	–
Direct transaction costs (%)***	0.03	0.01	0.05	–
Prices				
Highest share price (p)	443.15	387.64	331.24	331.24
Lowest share price (p)	285.93	303.73	264.90	297.04

	Class 1 – Accumulation shares			Class 1 EUR – Accumulation shares
	07/03/2021	07/03/2020	07/03/2019	09/11/2018[1]
Change in net assets per share				
Opening net asset value per share (p)	332.96	305.07	285.25	304.78
Return before operating charges (p)	103.84	33.43	24.71	9.98
Operating charges (p)	(6.05)	(5.54)	(4.89)	(5.65)
Return after operating charges (p)*	97.79	27.89	19.82	4.33
Distributions (p)	–	–	–	–
Retained distributions on accumulation shares (p)	–	–	–	–
Closing net asset value per share (p)	430.75	332.96	305.07	309.11
*after direct transaction costs of (p)	0.12	0.04	0.14	0.17
Performance				
Return after charges (%)	29.37	9.14	6.95	1.42
Other information				
Closing net asset value (£000)	141,963	142,687	342,266	–
Closing number of shares	32,957,333	42,853,644	112,193,586	–
Operating charges (%)**	1.58	1.64	1.63	–
Direct transaction costs (%)***	0.03	0.01	0.05	–
Prices				
Highest share price (p)	443.28	387.75	331.33	331.33
Lowest share price (p)	286.01	303.82	264.98	297.13

Threadneedle American Fund

Comparative Table Disclosure

(continued)

	Class 1 USD – Accumulation shares	Class 1 EUR Hedged – Accumulation shares
	09/11/2018[1]	09/11/2018[2]
Change in net assets per share		
Opening net asset value per share (p)	304.78	312.10
Return before operating charges (p)	9.98	(5.69)
Operating charges (p)	(5.65)	(3.20)
Return after operating charges (p)*	4.33	(8.89)
Distributions (p)	–	–
Retained distributions on accumulation shares (p)	–	–
Closing net asset value per share (p)	309.11	303.21
*after direct transaction costs of (p)	0.17	0.26
Performance		
Return after charges (%)	1.42	(2.85)
Other information		
Closing net asset value (£000)	–	–
Closing number of shares	–	–
Operating charges (%)**	–	–
Direct transaction costs (%)***	–	–
Prices		
Highest share price (p)	331.33	333.94
Lowest share price (p)	297.13	286.30

	Class 2 – Accumulation shares			Class 2 EUR – Accumulation shares
	07/03/2021	07/03/2020	07/03/2019	09/11/2018[1]
Change in net assets per share				
Opening net asset value per share (p)	380.11	346.32	321.97	344.55
Return before operating charges (p)	118.82	37.95	27.95	9.87
Operating charges (p)	(4.67)	(4.16)	(3.60)	(4.16)
Return after operating charges (p)*	114.15	33.79	24.35	5.71
Distributions (p)	(0.81)	(1.15)	(1.00)	(0.46)
Retained distributions on accumulation shares (p)	0.81	1.15	1.00	0.46
Closing net asset value per share (p)	494.26	380.11	346.32	350.26
*after direct transaction costs of (p)	0.14	0.05	0.16	0.20
Performance				
Return after charges (%)	30.03	9.76	7.56	1.66
Other information				
Closing net asset value (£000)	1,227,063	1,011,788	943,486	–
Closing number of shares	248,261,374	266,186,093	272,430,969	–
Operating charges (%)**	1.06	1.06	1.06	–
Direct transaction costs (%)***	0.03	0.01	0.05	–
Prices				
Highest share price (p)	508.52	442.61	375.20	375.20
Lowest share price (p)	326.59	344.91	299.22	336.63

Threadneedle American Fund

Comparative Table Disclosure

(continued)

	Class 2 USD – Accumulation shares	Class X – Accumulation shares		
	09/11/2018[1]	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share				
Opening net asset value per share (p)	344.55	416.32	375.48	345.57
Return before operating charges (p)	9.88	130.78	41.10	30.13
Operating charges (p)	(4.17)	(0.29)	(0.26)	(0.22)
Return after operating charges (p)*	5.71	130.49	40.84	29.91
Distributions (p)	(0.46)	(5.74)	(5.52)	(4.76)
Retained distributions on accumulation shares (p)	0.46	5.74	5.52	4.76
Closing net asset value per share (p)	350.26	546.81	416.32	375.48
*after direct transaction costs of (p)	0.20	0.15	0.05	0.18
Performance				
Return after charges (%)	1.66	31.34	10.88	8.66
Other information				
Closing net asset value (£000)	–	620,096	398,072	319,657
Closing number of shares	–	113,402,628	95,617,966	85,132,032
Operating charges (%)**	–	0.06	0.06	0.06
Direct transaction costs (%)***	–	0.03	0.01	0.05
Prices				
Highest share price (p)	375.20	562.20	484.49	405.06
Lowest share price (p)	336.63	357.86	373.96	321.44

	Class X GBP Hedged – Gross accumulation shares[§]		Class Z – Income shares		
	07/03/2021	07/03/2020[3]	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share					
Opening net asset value per share (p)	102.07	100.00	281.75	257.47	240.05
Return before operating charges (p)	37.63	2.10	88.15	28.22	20.86
Operating charges (p)	(0.07)	(0.03)	(2.70)	(2.43)	(2.12)
Return after operating charges (p)*	37.56	2.07	85.45	25.79	18.74
Distributions (p)	(1.38)	(0.50)	(1.36)	(1.51)	(1.32)
Retained distributions on accumulation shares (p)	1.38	0.50	–	–	–
Closing net asset value per share (p)	139.63	102.07	365.84	281.75	257.47
*after direct transaction costs of (p)	0.04	0.01	0.10	0.04	0.12
Performance					
Return after charges (%)	36.80	2.07	30.33	10.02	7.81
Other information					
Closing net asset value (£000)	297,888	169,636	52,860	33,025	25,907
Closing number of shares	213,336,180	166,203,073	14,448,827	11,721,411	10,061,816
Operating charges (%)**	0.06	0.06[†]	0.82	0.83	0.83
Direct transaction costs (%)***	0.03	0.01	0.03	0.01	0.05
Prices					
Highest share price (p)	144.57	117.63	377.74	329.77	280.10
Lowest share price (p)	76.69	99.75	242.11	256.42	223.13

Threadneedle American Fund

Comparative Table Disclosure

(continued)

	Class Z – Accumulation shares			Class Z USD – Accumulation shares
	07/03/2021	07/03/2020	07/03/2019	09/11/2018[1]
Change in net assets per share				
Opening net asset value per share (p)	294.76	267.92	248.51	266.11
Return before operating charges (p)	92.27	29.36	21.59	7.17
Operating charges (p)	(2.84)	(2.52)	(2.18)	(2.52)
Return after operating charges (p)*	89.43	26.84	19.41	4.65
Distributions (p)	(1.42)	(1.57)	(1.37)	(0.76)
Retained distributions on accumulation shares (p)	1.42	1.57	1.37	0.76
Closing net asset value per share (p)	384.19	294.76	267.92	270.76
*after direct transaction costs of (p)	0.11	0.04	0.13	0.15
Performance				
Return after charges (%)	30.34	10.02	7.81	1.75
Other information				
Closing net asset value (£000)	423,274	360,924	355,879	–
Closing number of shares	110,173,343	122,445,251	132,832,174	–
Operating charges (%)**	0.82	0.83	0.83	–
Direct transaction costs (%)***	0.03	0.01	0.05	–
Prices				
Highest share price (p)	395.19	343.14	289.98	289.98
Lowest share price (p)	253.29	266.82	231.00	260.21

	Class Z EUR Hedged – Accumulation shares
	09/11/2018[2]
Change in net assets per share	
Opening net asset value per share (p)	176.13
Return before operating charges (p)	(3.14)
Operating charges (p)	(0.92)
Return after operating charges (p)*	(4.06)
Distributions (p)	(0.50)
Retained distributions on accumulation shares (p)	0.50
Closing net asset value per share (p)	172.07
*after direct transaction costs of (p)	0.14
Performance	
Return after charges (%)	(2.31)
Other information	
Closing net asset value (£000)	–
Closing number of shares	–
Operating charges (%)**	–
Direct transaction costs (%)***	–
Prices	
Highest share price (p)	189.22
Lowest share price (p)	161.67

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

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

[5]Only available to eligible investors.

[1]Commenced 15 June 2018 and closed 9 November 2018.

[2]Closed 9 November 2018.

[3]Commenced 8 October 2019.

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

Threadneedle American Fund

Notes to the financial statements

for the accounting period 8 March 2020 to 7 March 2021

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 5 and 6.

2 NET CAPITAL GAINS

Net capital gains during the period comprise:

	2021 £000	2020 £000
Non-derivative securities	678,324	188,794
Forward currency contracts	20,714	1,760
Other losses	(1,481)	(381)
Transaction costs	(6)	(3)
Net capital gains	697,551	190,170

3 REVENUE

	2021 £000	2020 £000
Overseas dividends	37,057	33,962
Interest on short term investments	–	41
Bank interest	53	294
Total revenue	37,110	34,297

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	(16,693)	(16,748)
Registration fees	(1,084)	(1,031)
	(17,777)	(17,779)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(309)	(261)
Safe custody fees	(63)	(55)
	(372)	(316)
Other expenses:		
Regulatory fees	(5)	(5)
Audit fees	(8)	(9)
	(13)	(14)
Total expenses*	(18,162)	(18,109)

**Including irrecoverable VAT where applicable.*

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2021 £000	2020 £000
Interest payable	(1)	(2)
Total interest payable and similar charges	(1)	(2)

6 TAXATION

	2021 £000	Restated 2020* £000
a) Analysis of charge in period		
Overseas taxes	(5,232)	(4,974)
Total current tax (note 6b)	(5,232)	(4,974)
Total tax charge for the period	(5,232)	(4,974)
b) Factors affecting taxation charge for period		
Net revenue before taxation	18,947	16,186
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(3,789)	(3,237)
Effects of:		
Revenue not subject to taxation	7,351	6,699
Overseas taxes	(5,232)	(4,974)
Overseas tax expensed	10	15
Excess expenses*	(3,569)	(3,343)
Conversion transfer from capital*	(3)	(134)
Current tax charge for period (note 6a)	(5,232)	(4,974)

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

The fund has not recognised a deferred tax asset of £40,726,320 (2020: £37,157,703) 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	13,236	11,264
	13,236	11,264
Add: Revenue deducted on the cancellation of shares*	2,530	1,055
Deduct: Revenue received on the creation of shares*	(1,597)	(1,056)
Net distribution for the period	14,169	11,263
Net revenue after taxation	13,715	11,212
Equalisation on conversion*	8	(507)
Shortfall transfer from capital to revenue	446	557
Undistributed revenue brought forward	–	1
Total distributions	14,169	11,263

**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 137 to 138.

8 DEBTORS

	2021 £000	2020 £000
Amounts receivable for the issue of shares	21,522	10,217
Sales awaiting settlement	21,793	24,683
Accrued revenue	2,205	2,127
Foreign withholding tax recoverable	45	16
Total debtors	45,565	37,043

9 CASH AND BANK BALANCES

	2021 £000	2020 £000
Amounts held at futures clearing houses and brokers	1,071	1,260
Cash and bank balances	29,242	16,176
	30,313	17,436
Bank overdrafts	(2,287)	–
Total cash and bank balances	28,026	17,436

10 OTHER CREDITORS

	2021 £000	2020 £000
Amounts payable for the cancellation of shares	(10,178)	(6,686)
Purchases awaiting settlement	(76,557)	(36,592)
Accrued expenses	(43)	(38)
Amounts payable to ACD	(1,831)	(1,746)
Total other creditors	(88,609)	(45,062)

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.

Threadneedle American Fund

Notes to the financial statements

(continued)

13 SHAREHOLDER FUNDS

Threadneedle American 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	0.100%
Class 2 shares	0.035%
Class X shares	0.035%
Class Z shares	0.050%

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 139 to 142 The distribution per share class is given in the distribution table on pages 137 to 138.
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	297,579
Shares issued	16,974
Shares redeemed	(63,072)
Net conversions	(17,460)
Closing shares	234,021
Class 1 – Accumulation shares	
Opening shares	42,853,644
Shares issued	2,677,561
Shares redeemed	(8,783,560)
Net conversions	(3,790,312)
Closing shares	32,957,333
Class 2 – Accumulation shares	
Opening shares	266,186,093
Shares issued	51,132,809
Shares redeemed	(69,058,987)
Net conversions	1,459
Closing shares	248,261,374
Class X – Accumulation shares	
Opening shares	95,617,966
Shares issued	81,103,816
Shares redeemed	(50,616,525)
Net conversions	(12,702,629)
Closing shares	113,402,628
Class X GBP Hedged – Gross accumulation shares	
Opening shares	166,203,073
Shares issued	65,299,024
Shares redeemed	(71,676,872)
Net conversions	53,510,955
Closing shares	213,336,180
Class Z – Income shares	
Opening shares	11,721,411
Shares issued	3,835,329
Shares redeemed	(1,163,566)
Net conversions	55,653
Closing shares	14,448,827
Class Z – Accumulation shares	
Opening shares	122,445,251
Shares issued	5,486,485
Shares redeemed	(21,997,595)
Net conversions	4,239,202
Closing shares	110,173,343

14 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 6 to 7.

Market price risk sensitivity

The sensitivity figures provided are forecasts. A 5% market increase applied to the fund would result in an estimated increase in net asset value of the fund by 5.05% and vice versa (2020: 5.12%).

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	2,488,746
Currency 2020	**£000**
US Dollar	1,946,672

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	6.22	0.97
	Currency movement	**Fund movement**
Currency 2020	**%**	**%**
US Dollar	5.51	0.89

Credit/Counterparty exposure

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

2021	**Forward Foreign Exchange Contracts Exposure**	**Collateral Pledged**
Counterparty	**£000**	**£000**
J.P. Morgan	–	1,071
2020	**Forward Foreign Exchange Contracts Exposure**	**Collateral Pledged**
Counterparty	**£000**	**£000**
Barclays	37	–
J.P. Morgan	1,385	1,260

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 7 March was:

	Floating rate financial assets	**Fixed rate financial assets**	**Financial assets not carrying interest**	**Total**
Currency 2021	**£000**	**£000**	**£000**	**£000**
UK Sterling	–	–	351,670	351,670
US Dollar	30,313	36,249	2,775,423	2,841,985
Currency 2020	**£000**	**£000**	**£000**	**£000**
UK Sterling	47	–	237,502	237,549
US Dollar	17,389	20,283	2,112,638	2,150,310

Threadneedle American 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**
UK Sterling	(2,287)	–	(73,977)	(76,264)
US Dollar	–	–	(353,239)	(353,239)
Currency 2020	**£000**	**£000**	**£000**	**£000**
UK Sterling	–	–	(67,098)	(67,098)
US Dollar	–	–	(203,638)	(203,638)

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). Any impact to the rate of the underlying securities is considered in market price risk section.

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.

At 7 March 2021, the fund had outstanding forward foreign exchange contracts with an asset value of £210,000 (2020: £1,693,000) and a liability value of £4,720,000 (2020: £299,000).

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*	2,783,876	–	2,106,489	–
Level 2	210	(4,720)	1,693	(299)
	2,784,086	(4,720)	2,108,182	(299)

**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

7 March 2021

	Value	Commissions		Taxes	
Purchases	**£000**	**£000**	**%**	**£000**	**%**
Equities	2,006,235	431	0.02	–	–
Collective investment schemes	358,460	–	–	–	–
Total	2,364,695	431		–	
Gross purchases total:	2,365,126				

	Value	Commissions		Taxes	
Sales	**£000**	**£000**	**%**	**£000**	**%**
Equities	2,021,287	337	0.02	42	–
Collective investment schemes	334,940	–	–	–	–
Total	2,356,227	337		42	
Total sales net of transaction costs:	2,355,848				

Transaction costs as a percentage of average Net Assets	
Commissions:	0.03%
Taxes:	0.00%

7 March 2020

	Value	Commissions		Taxes	
Purchases	**£000**	**£000**	**%**	**£000**	**%**
Equities	842,914	128	0.02	–	–
Collective investment schemes	139,782	–	–	–	–
Total	982,696	128		–	
Gross purchases total:	982,824				

	Value	Commissions		Taxes	
Sales	**£000**	**£000**	**%**	**£000**	**%**
Equities	924,680	124	0.01	18	–
Collective investment schemes	126,444	–	–	–	–
Total	1,051,124	124		18	
Total sales net of transaction costs:	1,050,982				

Transaction costs as a percentage of average Net Assets	
Commissions:	0.01%
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 0.05% (7 March 2020: 0.02%), being the difference between the respective buying and selling prices for the fund's investments.

Threadneedle American Fund

Notes to the financial statements

(continued)

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:

STATEMENT OF TOTAL RETURN	**Previously reported 2020**	**Adjustments**	**Restated 2020**
	£000	**£000**	**£000**
Distributions	(10,605)	(658)	(11,263)
Net impact		(658)	

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	515,281	(175,939)	339,342
Amounts payable on the cancellation of shares	(588,378)	176,597	(411,781)
	(73,097)	658	(72,439)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	190,777	(658)	190,119
Impact on net assets attributable to shareholders		–	

	Previously reported 2020	**Adjustments**	**Restated 2020**
	£000	**£000**	**£000**
Note 6 TAXATION			
Excess expenses	(3,475)	132	(3,343)
Conversion transfer from capital	(2)	(132)	(134)
Net impact		–	

	Previously reported 2020	**Adjustments**	**Restated 2020**
	£000	**£000**	**£000**
Note 7 DISTRIBUTIONS			
Add: Revenue deducted on the cancellation of shares	1,060	(5)	1,055
Deduct: Revenue received on the creation of shares	(1,719)	663	(1,056)
Net impact		658	
Equalisation on conversion	(1,165)	658	(507)

Threadneedle American Select 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 invests at least 75% of its assets in a concentrated portfolio of shares of companies domiciled in the United States of America (US), or which have significant US business operations.

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 within any industry or economic sector, with significant sector and share weightings taken at the discretion of the fund manager. There is no restriction on company size, however, 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. It provides a helpful benchmark against which Fund performance can be evaluated over time.

The Fund typically invests in fewer than 60 companies, which may include the 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 Net Accumulation Class 1 Shares*

Over the twelve months to 7 March 2021, the published share price of the Threadneedle American Select Fund has risen from 345.19p to 437.97p.

Looking at the sterling performance within its peer group, the total return on the fund for the twelve months ending 28 February 2021, including net reinvested income, is +25.73% as compared to a median return of +22.41% over the same period. (For information the S&P 500 Index returned +19.95%.

Market Overview and Portfolio Activity

US equities registered strong gains over the review period, staging a sharp rebound after a very weak first quarter (Q1) in 2020. The COVID-19 pandemic was the chief driver of market movements over the year. As the coronavirus outbreak in China spread around the world, measures to control the spread of the virus brought cities, regions and even entire countries to a near standstill. Equities were particularly weak in March as oil prices collapsed to 18-year lows, adding to the overall turmoil. Intermittent tensions with China remained a feature, and domestic political rhetoric was heated as November's presidential election drew closer, although the latter had little impact on the market.

After the Q1 weakness, equities were supported by a wave of monetary and fiscal stimulus. The Federal Reserve (Fed) lowered its main interest rate back to near zero and pledged to provide unlimited monetary stimulus, while a $2.2tn fiscal-stimulus plan was signed into law in March. Slowing COVID-19 infection rates also contributed to the rally, which lifted the S&P 500 to record highs in late summer. Stocks weakened in September and October amid a sharp rise in virus cases, but surged in the following month on indications that a COVID-19 vaccine would be available shortly and Joe Biden's ultimately decisive victory in the US presidential election. A $900bn fiscal-stimulus package was signed into law in December, helping shares to end 2020 on a positive note. Encouraging corporate earnings helped to push all three of the major US equity indices to record highs in early February 2021, but equities pulled back later in the month, as surging Treasury yields reflected fears that the anticipated reopening of the economy, combined with loose fiscal and monetary policy, would result in higher inflation.

The materials and consumer discretionary sectors outperformed over the review period, but technology was the strongest S&P 500 sector, leading returns from March to September and significantly outpacing the benchmark as the pandemic helped to speed up the 'digitalisation of everything'. An equity pullback in early autumn was accompanied by a rotation out of 'pandemic winners', and into cheaper cyclicals, which had most to gain from an economic reopening. Then, in November, hopes for more normalised economic activity following successful vaccine trials and optimism around Joe Biden's victory in the US election prompted a rotation towards value stocks. Energy underperformed significantly, reflecting the collapse in oil prices as coronavirus related restrictions weighed on fuel demand. However, oil prices rallied to pre pandemic levels towards the end of the review period. Real estate and utilities, viewed as defensive, trailed the broad equity rebound.

The fund opened new positions in Intuit (financial software), Las Vegas Sands (casino operator) and PayPal (online payments).

We increased the positions in BioMarin Pharmaceutical, Adobe and Mastercard, while the allocations to Booking Holdings, Uber and Visa were reduced. The fund sold its holdings of PNC Financial Services, Alexion Pharmaceuticals, Mondelēz International and L3Harris Technologies.

Two key themes will affect the recovery's shape and our portfolio positioning in 2021: corporate costs and consumer spending. Household finances have been less impacted in this recession than in prior downturns, but consumer spending patterns will have changed after the pandemic. The "experience economy" should see the best growth: tourism, out-of-home entertainment and leisure spending. However, a significant part of business travel is unlikely to return.

Firms have cut costs aggressively during this crisis to protect profits and liquidity. While some will add back expenses as revenues grow, there will be an opportunity to invest in firms that have reduced costs permanently, giving additional operational leverage to drive sustained improvements in profitability through the next business cycle.

While the question remains as to how quickly the US economy, especially the service economy, can recover, we note that government-mandated lockdown measures in the US are less restrictive than across much of Europe, so the rebound depends more on consumer confidence and the spending of household savings.

We are keen to see how President Biden progresses in enacting his policy initiatives. New stimulus is close to being approved, which includes small-business support and further direct payments to households. This, together with the acceleration of vaccine rollouts, has boosted 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. Meanwhile, 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 8 March 2020 to 7 March 2021

	Notes	2021 £000	Restated 2020** £000
Income			
Net capital gains	2	261,930	83,209
Revenue	3	7,329	8,733
Expenses	4	(9,474)	(9,557)
Net expense before taxation		(2,145)	(824)
Taxation	5	(1,102)	(1,123)
Net expense after taxation		(3,247)	(1,947)
Total return before distributions		258,683	81,262
Distributions**	6	(1,071)	(673)
Change in net assets attributable to shareholders from investment activities		257,612	80,589

BALANCE SHEET

as at 7 March 2021

	Notes	2021 £000	2020 £000
Assets:			
Fixed assets:			
Investments		1,093,096	805,778
Current assets:			
Debtors	7	6,738	6,271
Cash and bank balances	8	7,646	1,846
Total assets		1,107,480	813,895
Liabilities:			
Investment liabilities		(19)	(13)
Creditors:			
Distribution payable		–	(4)
Other creditors	9	(7,023)	(4,814)
Total liabilities		(7,042)	(4,831)
Net assets attributable to shareholders		1,100,438	809,064

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2020 to 7 March 2021

	2021 £000	Restated 2020** £000
Opening net assets attributable to shareholders	809,064	829,964
Amounts receivable on the issue of shares**	180,069	26,915
Amounts payable on the cancellation of shares**	(147,504)	(129,037)
	32,565	(102,122)
Dilution adjustment	59	–
Change in net assets attributable to shareholders from investment activities (see statement of total return above)**	257,612	80,589
Retained distribution on accumulation shares	1,138	633
Closing net assets attributable to shareholders	1,100,438	809,064

DISTRIBUTION TABLE

for the accounting period 8 March 2020 to 7 March 2021

Dividend distribution in pence per share

Class 1 – Income shares

There is no distribution for the accounting period 8 March 2020 to 7 March 2021, as expenses exceed revenue (2020: Nil).

Class 1 – Accumulation shares

There is no distribution for the accounting period 8 March 2020 to 7 March 2021, as expenses exceed revenue (2020: Nil).

Class 2 – Accumulation shares

There is no distribution for the accounting period 8 March 2020 to 7 March 2021, as expenses exceed revenue (2020: Nil).

**In pound Sterling and against UK peer group (See Performance summary on pages 330 to 331).*

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

Threadneedle American Select Fund

DISTRIBUTION TABLE

(continued)

Class X – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/03/21	1.2174	–	1.2174	1.4848
Group 2				
08/03/20 to 07/03/21	1.0374	0.1800	1.2174	1.4848
Total distributions in the period			**1.2174**	**1.4848**

Class Z – Income shares

There is no distribution for the accounting period 8 March 2020 to 7 March 2021, as expenses exceed revenue (2020: 0.0888).

Class Z – Accumulation shares

There is no distribution for the accounting period 8 March 2020 to 7 March 2021, as expenses exceed revenue (2020: 0.0876).

Class Z CHF Hedged – Accumulation shares

There is no distribution for the accounting period 8 March 2020 to 7 March 2021, as expenses exceed revenue (2020: 0.0424).

Class Z GBP Hedged – Accumulation shares

There is no distribution for the accounting period 8 March 2020 to 7 March 2021, as expenses exceed revenue (2020: 0.0484).

Group 2: shares purchased during a distribution period.

Threadneedle American Select Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 1 EUR – Income shares
	07/03/2021	07/03/2020	07/03/2019	09/11/2018[1]
Change in net assets per share				
Opening net asset value per share (p)	345.28	317.42	296.95	314.33
Return before operating charges (p)	106.45	33.66	25.47	6.78
Operating charges (p)	(6.55)	(5.80)	(5.00)	(5.80)
Return after operating charges (p)*	99.90	27.86	20.47	0.98
Distributions (p)	–	–	–	–
Retained distributions on accumulation shares (p)	–	–	–	–
Closing net asset value per share (p)	445.18	345.28	317.42	315.31
*after direct transaction costs of (p)	0.06	0.05	0.21	0.25
Performance				
Return after charges (%)	28.93	8.78	6.89	0.31
Other information				
Closing net asset value (£000)	707	781	755	–
Closing number of shares	158,711	226,328	237,827	–
Operating charges (%)**	1.63	1.63	1.64	–
Direct transaction costs (%)***	0.01	0.01	0.07	–
Prices				
Highest share price (p)	464.68	412.17	340.40	340.40
Lowest share price (p)	300.73	316.21	274.23	299.77

	Class 1 – Accumulation shares			Class 1 EUR – Accumulation shares
	07/03/2021	07/03/2020	07/03/2019	09/11/2018[1]
Change in net assets per share				
Opening net asset value per share (p)	345.47	317.60	297.12	314.51
Return before operating charges (p)	106.57	33.65	25.50	6.79
Operating charges (p)	(6.61)	(5.78)	(5.02)	(5.81)
Return after operating charges (p)*	99.96	27.87	20.48	0.98
Distributions (p)	–	–	–	–
Retained distributions on accumulation shares (p)	–	–	–	–
Closing net asset value per share (p)	445.43	345.47	317.60	315.49
*after direct transaction costs of (p)	0.06	0.05	0.22	0.25
Performance				
Return after charges (%)	28.93	8.78	6.89	0.31
Other information				
Closing net asset value (£000)	273,851	243,286	288,681	–
Closing number of shares	61,479,649	70,421,025	90,893,642	–
Operating charges (%)**	1.62	1.63	1.63	–
Direct transaction costs (%)***	0.01	0.01	0.07	–
Prices				
Highest share price (p)	464.94	412.40	340.59	340.59
Lowest share price (p)	300.89	316.38	274.38	299.93

Threadneedle American Select Fund

Comparative Table Disclosure

(continued)

	Class 1 USD – Accumulation shares	Class 1 EUR Hedged – Accumulation shares
	09/11/2018[1]	09/11/2018[2]
Change in net assets per share		
Opening net asset value per share (p)	314.51	268.91
Return before operating charges (p)	6.78	(10.09)
Operating charges (p)	(5.80)	(2.93)
Return after operating charges (p)*	0.98	(13.02)
Distributions (p)	–	–
Retained distributions on accumulation shares (p)	–	–
Closing net asset value per share (p)	315.49	255.89
*after direct transaction costs of (p)	0.25	0.13
Performance		
Return after charges (%)	0.31	(4.84)
Other information		
Closing net asset value (£000)	–	–
Closing number of shares	–	–
Operating charges (%)**	–	–
Direct transaction costs (%)***	–	–
Prices		
Highest share price (p)	340.59	284.22
Lowest share price (p)	299.93	243.49

	Class 2 – Accumulation shares			Class 2 USD – Accumulation shares
	07/03/2021	07/03/2020	07/03/2019	09/11/2018[1]
Change in net assets per share				
Opening net asset value per share (p)	394.73	360.83	335.62	355.83
Return before operating charges (p)	122.04	38.20	28.93	6.27
Operating charges (p)	(4.93)	(4.30)	(3.72)	(4.34)
Return after operating charges (p)*	117.11	33.90	25.21	1.93
Distributions (p)	–	–	–	–
Retained distributions on accumulation shares (p)	–	–	–	–
Closing net asset value per share (p)	511.84	394.73	360.83	357.76
*after direct transaction costs of (p)	0.06	0.06	0.25	0.28
Performance				
Return after charges (%)	29.67	9.40	7.51	0.54
Other information				
Closing net asset value (£000)	245,857	200,844	215,952	–
Closing number of shares	48,034,071	50,881,757	59,848,373	–
Operating charges (%)**	1.06	1.06	1.06	–
Direct transaction costs (%)***	0.01	0.01	0.07	–
Prices				
Highest share price (p)	534.11	471.11	385.83	385.83
Lowest share price (p)	343.85	359.45	310.08	340.07

Threadneedle American Select Fund

Comparative Table Disclosure

(continued)

	Class 2 EUR Hedged – Accumulation shares		Class X – Accumulation shares		
	09/11/2018[2]	07/03/2018	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share					
Opening net asset value per share (p)	231.04		182.92	165.55	152.44
Return before operating charges (p)	(8.17)		56.78	17.48	13.21
Operating charges (p)	(1.68)		(0.13)	(0.11)	(0.10)
Return after operating charges (p)*	(9.85)		56.65	17.37	13.11
Distributions (p)	–		(1.22)	(1.48)	(1.48)
Retained distributions on accumulation shares (p)	–		1.22	1.48	1.48
Closing net asset value per share (p)	221.19		239.57	182.92	165.55
*after direct transaction costs of (p)	0.11		0.03	0.03	0.11
Performance					
Return after charges (%)	(4.26)		30.97	10.49	8.60
Other information					
Closing net asset value (£000)	–		223,920	66,992	24,771
Closing number of shares	–		93,466,465	36,623,863	14,962,715
Operating charges (%)**	–		0.06	0.06	0.06
Direct transaction costs (%)***	–		0.01	0.01	0.07
Prices					
Highest share price (p)	245.24		249.87	218.20	176.13
Lowest share price (p)	210.39		159.38	164.93	140.96

	Class Z – Income shares			Class Z – Accumulation shares		
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share						
Opening net asset value per share (p)	271.37	247.57	230.08	278.88	254.34	236.03
Return before operating charges (p)	83.99	26.20	19.85	86.32	26.92	20.36
Operating charges (p)	(2.66)	(2.31)	(2.01)	(2.73)	(2.38)	(2.05)
Return after operating charges (p)*	81.33	23.89	17.84	83.59	24.54	18.31
Distributions (p)	–	(0.09)	(0.35)	–	(0.09)	(0.36)
Retained distributions on accumulation shares (p)	–	–	–	–	0.09	0.36
Closing net asset value per share (p)	352.70	271.37	247.57	362.47	278.88	254.34
*after direct transaction costs of (p)	0.04	0.04	0.17	0.05	0.04	0.17
Performance						
Return after charges (%)	29.97	9.65	7.75	29.97	9.65	7.76
Other information						
Closing net asset value (£000)	15,205	12,556	12,192	340,432	284,231	287,330
Closing number of shares	4,311,040	4,626,694	4,924,811	93,921,250	101,917,018	112,971,009
Operating charges (%)**	0.82	0.83	0.83	0.83	0.83	0.83
Direct transaction costs (%)***	0.01	0.01	0.07	0.01	0.01	0.07
Prices						
Highest share price (p)	368.00	323.93	264.79	378.19	332.78	271.65
Lowest share price (p)	236.41	246.62	212.61	242.95	253.37	218.11

Threadneedle American Select Fund

Comparative Table Disclosure

(continued)

	Class Z EUR – Accumulation shares	Class Z USD – Accumulation shares
	09/11/2018[1]	09/11/2018[1]
Change in net assets per share		
Opening net asset value per share (p)	250.40	250.40
Return before operating charges (p)	4.80	4.80
Operating charges (p)	(3.21)	(3.21)
Return after operating charges (p)*	1.59	1.59
Distributions (p)	(0.08)	(0.08)
Retained distributions on accumulation shares (p)	0.08	0.08
Closing net asset value per share (p)	251.99	251.99
*after direct transaction costs of (p)	0.27	0.27
Performance		
Return after charges (%)	0.63	0.63
Other information		
Closing net asset value (£000)	–	–
Closing number of shares	–	–
Operating charges (%)**	–	–
Direct transaction costs (%)***	–	–
Prices		
Highest share price (p)	271.65	271.65
Lowest share price (p)	239.52	239.52

	Class Z CHF Hedged – Accumulation shares			Class Z GBP Hedged – Accumulation shares		
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share						
Opening net asset value per share (p)	174.58	152.66	156.88	154.97	145.23	144.82
Return before operating charges (p)	52.12	23.35	(2.96)	56.38	11.06	1.60
Operating charges (p)	(1.70)	(1.43)	(1.26)	(1.49)	(1.32)	(1.19)
Return after operating charges (p)*	50.42	21.92	(4.22)	54.89	9.74	0.41
Distributions (p)	–	(0.04)	(0.22)	–	(0.05)	(0.20)
Retained distributions on accumulation shares (p)	–	0.04	0.22	–	0.05	0.20
Closing net asset value per share (p)	225.00	174.58	152.66	209.86	154.97	145.23
*after direct transaction costs of (p)	0.03	0.03	0.11	0.03	0.02	0.10
Performance						
Return after charges (%)	28.88	14.36	(2.69)	35.42	6.71	0.28
Other information						
Closing net asset value (£000)	22	17	15	444	357	268
Closing number of shares	10,000	10,000	10,000	211,336	230,250	184,308
Operating charges (%)**	0.82	0.83	0.82	0.83	0.83	0.83
Direct transaction costs (%)***	0.01	0.01	0.07	0.01	0.01	0.07
Prices						
Highest share price (p)	245.15	198.13	171.37	220.35	183.09	153.72
Lowest share price (p)	144.80	151.25	135.60	118.31	141.73	122.40

**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.

[1]Commenced 15 June 2018 and closed 9 November 2018.

[2]Closed 9 November 2018.

Threadneedle American Select Fund

Notes to the financial statements

for the accounting period 8 March 2020 to 7 March 2021

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 5 and 6.

2 NET CAPITAL GAINS

Net capital gains during the period comprise:

	2021 £000	2020 £000
Non-derivative securities	263,023	80,199
Forward currency contracts	475	(15)
Other (losses)/gains	(1,567)	3,026
Transaction costs	(1)	(1)
Net capital gains	261,930	83,209

3 REVENUE

	2021 £000	2020 £000
Overseas dividends	7,323	7,608
Interest on short term investments	4	1,057
Bank interest	2	68
Total revenue	7,329	8,733

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	(8,704)	(8,816)
Registration fees	(605)	(595)
	(9,309)	(9,411)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(121)	(106)
Safe custody fees	(30)	(26)
	(151)	(132)
Other expenses:		
Regulatory fees	(5)	(5)
Audit fees	(9)	(9)
	(14)	(14)
Total expenses*	(9,474)	(9,557)

**Including irrecoverable VAT where applicable.*

5 TAXATION

	2021 £000	Restated 2020* £000
a) Analysis of charge in period		
Overseas taxes	(1,102)	(1,123)
Total current tax (note 5b)	(1,102)	(1,123)
Total tax charge for the period	(1,102)	(1,123)
b) Factors affecting taxation charge for period		
Net expense before taxation	(2,145)	(824)
Net expense before taxation multiplied by the standard rate of corporation tax of 20%	429	165
Effects of:		
Revenue not subject to taxation	1,469	1,522
Overseas taxes	(1,102)	(1,123)
Excess expenses	(1,898)	(1,666)
Conversion transfer from capital*	–	(21)
Current tax charge for period (note 5a)	(1,102)	(1,123)

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

The fund has not recognised a deferred tax asset of £30,116,425 (2020: £28,239,995) 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	1,138	637
	1,138	637
Add: Revenue deducted on the cancellation of shares	48	42
Deduct: Revenue received on the creation of shares	(115)	(6)
Net distribution for the period	1,071	673
Net expense after taxation	(3,247)	(1,947)
Equalisation on conversion*	–	107
Shortfall transfer from capital to revenue	4,318	2,513
Total distributions	1,071	673

**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 147 to 148.

7 DEBTORS

	2021 £000	2020 £000
Amounts receivable for the issue of shares	1,572	1,713
Sales awaiting settlement	4,553	4,026
Accrued revenue	612	521
Foreign withholding tax recoverable	1	11
Total debtors	6,738	6,271

8 CASH AND BANK BALANCES

	2021 £000	2020 £000
Amounts held at futures clearing houses and brokers	14	15
Cash and bank balances	7,632	1,831
Total cash and bank balances	7,646	1,846

9 OTHER CREDITORS

	2021 £000	2020 £000
Amounts payable for the cancellation of shares	(3,262)	(1,870)
Purchases awaiting settlement	(2,773)	(1,983)
Accrued expenses	(22)	(19)
Amounts payable to ACD	(966)	(942)
Total other creditors	(7,023)	(4,814)

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 7 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 American Select 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 American Select Fund

Notes to the financial statements

(continued)

Registration fees

Class 1 shares	0.100%
Class 2 shares	0.035%
Class X shares	0.035%
Class Z shares	0.050%

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 149 to 152. The distribution per share class is given in the distribution table on pages 147 to 148.
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	226,328
Shares issued	2,286
Shares redeemed	(44,325)
Net conversions	(25,578)
Closing shares	158,711
Class 1 – Accumulation shares	
Opening shares	70,421,025
Shares issued	3,087,001
Shares redeemed	(6,727,343)
Net conversions	(5,301,034)
Closing shares	61,479,649
Class 2 – Accumulation shares	
Opening shares	50,881,757
Shares issued	8,950,244
Shares redeemed	(11,797,930)
Net conversions	–
Closing shares	48,034,071
Class X – Accumulation shares	
Opening shares	36,623,863
Shares issued	62,881,245
Shares redeemed	(6,038,643)
Net conversions	–
Closing shares	93,466,465
Class Z – Income shares	
Opening shares	4,626,694
Shares issued	174,930
Shares redeemed	(557,548)
Net conversions	66,964
Closing shares	4,311,040
Class Z – Accumulation shares	
Opening shares	101,917,018
Shares issued	1,762,448
Shares redeemed	(16,269,800)
Net conversions	6,511,584
Closing shares	93,921,250
Class Z CHF Hedged – Accumulation shares	
Opening shares	10,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	10,000
Class Z GBP Hedged – Accumulation shares	
Opening shares	230,250
Shares issued	49,144
Shares redeemed	(68,058)
Net conversions	–
Closing shares	211,336

13 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 6 to 7.

Market price risk sensitivity

The sensitivity figures provided are forecasts. A 5% market increase applied to the fund would result in an estimated increase in net asset value of the fund by 4.96% and vice versa (2020: 5.47%).

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**
Swiss Franc	23
US Dollar	1,102,155
Currency 2020	**£000**
Swiss Franc	18
US Dollar	807,365

Currency sensitivity

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	6.22	6.22
	Currency movement	**Fund movement**
Currency 2020	**%**	**%**
US Dollar	0.97	0.97

Credit/Counterparty exposure

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

2021	Forward Foreign Exchange Contracts Exposure	Collateral Pledged
Counterparty	**£000**	**£000**
J.P. Morgan	–	13
2020	**Forward Foreign Exchange Contracts Exposure**	**Collateral Pledged**
Counterparty	**£000**	**£000**
Barclays	15	–
J.P. Morgan	4	15

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 7 March was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2021	**£000**	**£000**	**£000**	**£000**
Swiss Franc	–	–	25	25
UK Sterling	357	–	5,501	5,858
US Dollar	7,289	–	1,096,909	1,104,198
Currency 2020	**£000**	**£000**	**£000**	**£000**
Swiss Franc	–	–	21	21
UK Sterling	108	–	7,242	7,350
US Dollar	1,738	–	807,131	808,869

Threadneedle American Select 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**
Swiss Franc	–	–	(2)	(2)
UK Sterling	–	–	(7,598)	(7,598)
US Dollar	–	–	(2,043)	(2,043)
Currency 2020	**£000**	**£000**	**£000**	**£000**
Swiss Franc	–	–	(3)	(3)
UK Sterling	–	–	(5,669)	(5,669)
US Dollar	–	–	(1,504)	(1,504)

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). Any impact to the rate of the underlying securities is considered in market price risk section.

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.

At 7 March 2021, the fund had outstanding forward foreign exchange contracts with an asset value of £7,000 (2020: £19,000) and a liability value of £19,000 (2020: £13,000).

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	
	Assets	Liabilities	Assets	Liabilities
Valuation technique	**£000**	**£000**	**£000**	**£000**
Level 1	1,093,090	–	805,759	–
Level 2	6	(19)	19	(13)
	1,093,096	(19)	805,778	(13)

15 CONTINGENT LIABILITIES AND COMMITMENTS

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

16 PORTFOLIO TRANSACTION COSTS

7 March 2021

	Value	Commissions		Taxes	
Purchases	**£000**	**£000**	**%**	**£000**	**%**
Equities	429,783	54	0.01	–	–
Total	429,783	54		–	
Gross purchases total:	429,837				

	Value	Commissions		Taxes	
Sales	**£000**	**£000**	**%**	**£000**	**%**
Equities	410,468	80	0.02	9	0.00
Total	410,468	80		9	
Total sales net of transaction costs:	410,379				

Transaction costs as a percentage of average Net Assets	
Commissions:	0.01%
Taxes:	0.00%

7 March 2020

	Value	Commissions		Taxes	
Purchases	**£000**	**£000**	**%**	**£000**	**%**
Equities	233,912	61	0.03	–	–
Total	233,912	61		–	
Gross purchases total:	233,973				

	Value	Commissions		Taxes	
Sales	**£000**	**£000**	**%**	**£000**	**%**
Equities	282,648	70	0.02	6	0.00
Total	282,648	70		6	
Total sales net of transaction costs:	282,572				

Transaction costs as a percentage of average Net Assets	
Commissions:	0.01%
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 0.05% (7 March 2020: 0.03%), 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 7 March 2020:

STATEMENT OF TOTAL RETURN	Previously reported 2020	Adjustments	Restated 2020
	£000	**£000**	**£000**
Distributions	(567)	(106)	(673)
Net impact		(106)	

Threadneedle American Select Fund

Notes to the financial statements

(continued)

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	66,677	(39,762)	26,915
Amounts payable on the cancellation of shares	(168,905)	39,868	(129,037)
	(102,228)	106	(102,122)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	80,695	(106)	80,589
Impact on net assets attributable to shareholders		–	

	Previously reported 2020	Adjustments	Restated 2020
	£000	£000	£000
Note 6 TAXATION			
Excess expenses	(1,687)	21	(1,666)
Conversion transfer from capital	–	(21)	(21)
Net impact		–	

	Previously reported 2020	Adjustments	Restated 2020
	£000	£000	£000
Note 7 DISTRIBUTIONS			
Add: Revenue deducted on the cancellation of shares	42	–	42
Deduct: Revenue received on the creation of shares	(112)	106	(6)
Net impact		106	
Equalisation on conversion	1	106	107

18 POST BALANCE SHEET EVENT

The table below shows net redemptions between the year-ended 7 March 2021 and 21 June 2021 as a percentage of the closing NAV for share classes with significant movements. The net redemptions of shares were reviewed again on 28 June with no material movements noted since 21 June. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

Share class	% Movement
Class Z GBP Hedged – Accumulation shares	(18.01)

Threadneedle American Smaller Companies Fund (US)

Investment Report

Investment Objective and Policy

The Fund aims to achieve capital growth over the long term. It looks to outperform the Russell 2500 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 shares of American smaller companies.

The Fund considers American smaller companies to be those domiciled in the United States of America (US), or with significant US business operations, and which have a market size ranging from typically $500 million to $10 billion at the time of investment.

The Fund selects smaller companies considered to have good prospects for share price growth, from any industry or economic sector, and in some instances, this may provide exposure to niche growth areas that often cannot be accessed by large companies.

The Fund typically invests in fewer than 80 companies, which may include shares of some companies not within the Russell 2500 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.

The Russell 2500 Index is regarded as an appropriate performance measure of shares of small to medium sized companies listed on US stock markets, with around 2500 companies included. It 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 7 March 2021, the published share price of the Threadneedle American Smaller Companies Fund (US) has risen from 323.11p to 503.25p.

Looking at the sterling performance within its peer group, the total return on the fund for the twelve months ending 28 February 2021, including net reinvested income, is +53.35% as compared to a median return of +27.28% over the same period. (For information the Russell 2500 returned +33.30% over the same period).

Market Overview and Portfolio Activity

US small- and mid-cap stocks had a positive return during the term under review, rebounding after a weak first quarter (Q1) in 2020. The COVID-19 pandemic was the chief driver of market movements over the year. As the coronavirus outbreak in China spread around the world, measures to control the spread of the virus brought cities, regions and even entire countries to a near standstill. Equities were particularly weak in March as oil prices collapsed to 18-year lows, adding to the overall turmoil. Intermittent tensions with China remained a feature, and domestic political rhetoric was heated as November's presidential election drew closer, although the latter had little impact on the market.

After the Q1s weakness, equities were supported by a wave of monetary and fiscal stimulus. The Federal Reserve lowered its main interest rate back to near zero and pledged to provide unlimited monetary stimulus, while a $2.2tn fiscal-stimulus plan was signed into law in March. Slowing COVID-19 infection rates also contributed to the rally. Stocks weakened in September and October amid a sharp rise in virus cases, but surged in the following month on indications that a COVID-19 vaccine would be available shortly and Joe Biden's ultimately decisive victory in the US presidential election. A $900bn fiscal-stimulus package was signed into law in December, helping shares to end 2020 on a positive note. Encouraging corporate earnings helped to push all three of the major US equity indices to record highs in early February 2021, but equities pulled back later in the month, as surging Treasury yields reflected fears that the anticipated reopening of the economy, combined with loose fiscal and monetary policy, would result in higher inflation.

Small- and mid-cap shares trailed large-cap stocks over the review period, reflecting strong investor affinity for the mega-cap technology firms, which led returns from March to September. However, the equity pullback in early autumn was accompanied by a rotation out of 'pandemic winners', and into cheaper cyclicals, which had most to gain from an economic reopening. Then, in November, hopes for more normalised economic activity following successful vaccine trials and optimism around Joe Biden's victory in the US election prompted a rotation towards value, benefiting small- and mid-cap stocks, which outperformed large-cap equities over the final months of the review period.

Avista, Conmed and Under Armour were among new exposures in the fund. We also received shares of WillScot Mobile Mini following the completion of portfolio holding Mobile Mini's merger.

Electric and gas utility Avista serves residential, commercial and industrial customers in four north-western states and is poised to expand its rate base at a sustainable 3–5% pace, reflecting an increased focus on renewable power and leading to low-single-digit dividend growth.

Medical-devices firm Conmed competes in the orthopaedics (mainly arthroscopy and powered instruments) and general-surgery markets against larger rivals. New management has been in place since 2014 (the board is also all new) and has succeeded in accelerating sales growth through investment, new products and acquisitions. Launches of new products should continue to drive revenue gains and margin leverage, and management has committed to grow sales at a mid-single-digit pace and earnings per share in the low to mid-double digits in coming years as activity normalises.

Under Armour is a small player in the growing global athletic-wear market. We believe that there is a strong sales and margin-recovery opportunity ahead for Under Armour, given the pandemic-driven tailwind for athleisurewear and households' improved expense discipline.

We bought more shares of Newpark Resources, Quanex Building Products and Kindred Biosciences, and reduced the exposures to Mirati Therapeutics, Vishay Intertechnology, Qurate Retail and Cohu. The fund liquidated holdings including Altair Engineering, Medifast, Cubic, MTS Systems and Portland General Electric.

Two key themes will affect the recovery's shape and our portfolio positioning in 2021: corporate costs and consumer spending. Household finances have been less impacted in this recession than in prior downturns, but consumer spending patterns will have changed after the pandemic. The "experience economy" should see the best growth: tourism, out-of-home entertainment and leisure spending. However, a significant part of business travel is unlikely to return.

Firms have cut costs aggressively during this crisis to protect profits and liquidity. While some will add back expenses as revenues grow, there will be an opportunity to invest in firms that have reduced costs permanently, giving additional operational leverage to drive sustained improvements in profitability through the next business cycle.

While the question remains as to how quickly the US economy, especially the service economy, can recover, we note that government-mandated lockdown measures in the US are less restrictive than across much of Europe, so the rebound depends more on consumer confidence and the spending of household savings.

We are keen to see how President Biden progresses in enacting his policy initiatives. New stimulus is close to being approved, which includes small-business support and further direct payments to households. This, together with the acceleration of vaccine rollouts, has boosted 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. Meanwhile, 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 8 March 2020 to 7 March 2021

	Notes	2021 £000	2020 £000
Income			
Net capital gains	2	165,791	15,371
Revenue	3	5,245	4,807
Expenses	4	(3,599)	(3,792)
Net revenue before taxation		1,646	1,015
Taxation	5	(665)	(553)
Net revenue after taxation		981	462
Total return before distributions		166,772	15,833
Distributions	6	(1,110)	(686)
Change in net assets attributable to shareholders from investment activities		165,662	15,147

BALANCE SHEET

as at 7 March 2021

	Notes	2021 £000	2020 £000
Assets:			
Fixed assets:			
Investments		453,617	318,426
Current assets:			
Debtors	7	2,748	669
Cash and bank balances		2,123	534
Cash equivalents**		4,347	2,637
Total assets		462,835	322,266
Liabilities:			
Investment liabilities		(3)	–
Creditors:			
Bank overdrafts		(1,415)	–
Distribution payable		(29)	(24)
Other creditors	8	(3,349)	(1,064)
Total liabilities		(4,796)	(1,088)
Net assets attributable to shareholders		458,039	321,178

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2020 to 7 March 2021

	2021 £000	2020 £000
Opening net assets attributable to shareholders	321,178	372,465
Amounts receivable on the issue of shares	22,455	10,393
Amounts payable on the cancellation of shares	(52,281)	(77,464)
	(29,826)	(67,071)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	165,662	15,147
Retained distribution on accumulation shares	1,025	637
Closing net assets attributable to shareholders	458,039	321,178

DISTRIBUTION TABLE

for the accounting period 8 March 2020 to 7 March 2021

Dividend distribution in pence per share

Class 1 – Income shares

There is no distribution for the accounting period 8 March 2020 to 7 March 2021, as expenses exceed revenue (2020: Nil).

Class 1 – Accumulation shares

There is no distribution for the accounting period 8 March 2020 to 7 March 2021, as expenses exceed revenue (2020: Nil).

Class 1 EUR – Accumulation shares

There is no distribution for the accounting period 8 March 2020 to 7 March 2021, as expenses exceed revenue (2020: Nil).

**In pound Sterling and against UK peer group (See Performance summary on pages 330 to 331).*

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

Threadneedle American Smaller Companies Fund (US)

DISTRIBUTION TABLE

(continued)

Class 2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/03/21	1.0300	–	1.0300	0.4216
Group 2				
08/03/20 to 07/03/21	0.3303	0.6997	1.0300	0.4216
Total distributions in the period			**1.0300**	**0.4216**

Class X – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/03/21	4.5148	–	4.5148	3.6970
Group 2				
08/03/20 to 07/03/21	3.4762	1.0386	4.5148	3.6970
Total distributions in the period			**4.5148**	**3.6970**

Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
08/03/20 to 07/03/21	0.9614	–	0.9614	0.6062
Group 2				
08/03/20 to 07/03/21	0.2534	0.7080	0.9614	0.6062
Total distributions in the period			**0.9614**	**0.6062**

Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/03/21	1.2693	–	1.2693	0.7987
Group 2				
08/03/20 to 07/03/21	0.3171	0.9522	1.2693	0.7987
Total distributions in the period			**1.2693**	**0.7987**

Group 2: shares purchased during a distribution period.

Threadneedle American Smaller Companies Fund (US)

Comparative Table Disclosure

	Class 1 – Income shares			Class 1 EUR – Income shares
	07/03/2021	07/03/2020	07/03/2019	23/11/2018[1]
Change in net assets per share				
Opening net asset value per share (p)	330.67	321.91	307.15	340.43
Return before operating charges (p)	189.59	14.52	19.95	(29.54)
Operating charges (p)	(6.24)	(5.76)	(5.19)	(2.09)
Return after operating charges (p)*	183.35	8.76	14.76	(31.63)
Distributions (p)	–	–	–	–
Retained distributions on accumulation shares (p)	–	–	–	–
Closing net asset value per share (p)	514.02	330.67	321.91	308.80
*after direct transaction costs of (p)	0.44	0.38	0.43	0.17
Performance				
Return after charges (%)	55.45	2.72	4.81	(9.29)
Other information				
Closing net asset value (£000)	2,006	1,420	1,628	–
Closing number of shares	390,243	429,524	505,796	–
Operating charges (%)**	1.63	1.63	1.65	–
Direct transaction costs (%)***	0.11	0.11	0.13	–
Prices				
Highest share price (p)	537.43	384.74	361.13	361.13
Lowest share price (p)	252.07	321.59	273.33	305.73

	Class 1 – Accumulation shares			Class 1 EUR – Accumulation shares		
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020	07/03/2019[2]
Change in net assets per share						
Opening net asset value per share (p)	330.84	322.07	307.28	330.81	322.05	340.58
Return before operating charges (p)	189.66	14.53	19.97	189.55	14.52	(14.66)
Operating charges (p)	(6.22)	(5.76)	(5.18)	(6.12)	(5.76)	(3.87)
Return after operating charges (p)*	183.44	8.77	14.79	183.43	8.76	(18.53)
Distributions (p)	–	–	–	–	–	–
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	514.28	330.84	322.07	514.24	330.81	322.05
*after direct transaction costs of (p)	0.44	0.39	0.43	0.43	0.39	0.45
Performance						
Return after charges (%)	55.45	2.72	4.81	55.45	2.72	(5.44)
Other information						
Closing net asset value (£000)	29,684	22,862	26,766	14,082	14,457	18,743
Closing number of shares	5,771,910	6,910,365	8,310,513	2,738,349	4,370,056	5,819,946
Operating charges (%)**	1.63	1.63	1.64	1.62	1.63	1.63†
Direct transaction costs (%)***	0.11	0.11	0.13	0.11	0.11	0.13
Prices						
Highest share price (p)	537.71	384.94	361.28	537.66	384.91	361.28
Lowest share price (p)	252.20	321.76	273.44	252.18	321.74	273.44

Threadneedle American Smaller Companies Fund (US)

Comparative Table Disclosure

(continued)

	Class 1 USD – Accumulation shares	Class 2 – Accumulation shares		
	23/11/2018[1]	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share				
Opening net asset value per share (p)	340.58	379.01	366.85	348.03
Return before operating charges (p)	(29.55)	218.24	16.44	22.69
Operating charges (p)	(2.10)	(4.71)	(4.28)	(3.87)
Return after operating charges (p)*	(31.65)	213.53	12.16	18.82
Distributions (p)	–	(1.03)	(0.42)	–
Retained distributions on accumulation shares (p)	–	1.03	0.42	–
Closing net asset value per share (p)	308.93	592.54	379.01	366.85
*after direct transaction costs of (p)	0.17	0.50	0.44	0.50
Performance				
Return after charges (%)	(9.29)	56.34	3.31	5.41
Other information				
Closing net asset value (£000)	–	237,321	154,344	160,580
Closing number of shares	–	40,051,765	40,722,996	43,772,116
Operating charges (%)**	–	1.06	1.06	1.06
Direct transaction costs (%)***	–	0.11	0.11	0.13
Prices				
Highest share price (p)	361.28	619.31	439.46	410.35
Lowest share price (p)	305.86	288.99	366.52	311.13

	Class 2 USD – Accumulation shares	Class X – Accumulation shares		
	23/11/2018[1]	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share				
Opening net asset value per share (p)	386.35	319.69	306.42	287.83
Return before operating charges (p)	(33.47)	185.15	13.47	18.77
Operating charges (p)	(1.55)	(0.23)	(0.20)	(0.18)
Return after operating charges (p)*	(35.02)	184.92	13.27	18.59
Distributions (p)	–	(4.51)	(3.70)	(2.92)
Retained distributions on accumulation shares (p)	–	4.51	3.70	2.92
Closing net asset value per share (p)	351.33	504.61	319.69	306.42
*after direct transaction costs of (p)	0.19	0.43	0.37	0.42
Performance				
Return after charges (%)	(9.06)	57.84	4.33	6.46
Other information				
Closing net asset value (£000)	–	18,492	12,303	11,033
Closing number of shares	–	3,664,680	3,848,281	3,600,793
Operating charges (%)**	–	0.06	0.06	0.06
Direct transaction costs (%)***	–	0.11	0.11	0.13
Prices				
Highest share price (p)	410.35	527.07	368.49	341.05
Lowest share price (p)	347.69	243.83	306.15	259.36

Threadneedle American Smaller Companies Fund (US)

Comparative Table Disclosure

(continued)

	Class Z – Income shares			Class Z – Accumulation shares		
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share						
Opening net asset value per share (p)	201.60	195.39	185.31	266.43	257.42	243.78
Return before operating charges (p)	116.35	8.71	12.10	153.57	11.50	15.89
Operating charges (p)	(2.06)	(1.89)	(1.72)	(2.74)	(2.49)	(2.25)
Return after operating charges (p)*	114.29	6.82	10.38	150.83	9.01	13.64
Distributions (p)	(0.96)	(0.61)	(0.30)	(1.27)	(0.80)	(0.39)
Retained distributions on accumulation shares (p)	–	–	–	1.27	0.80	0.39
Closing net asset value per share (p)	314.93	201.60	195.39	417.26	266.43	257.42
*after direct transaction costs of (p)	0.27	0.23	0.27	0.35	0.31	0.35
Performance						
Return after charges (%)	56.69	3.49	5.60	56.61	3.50	5.60
Other information						
Closing net asset value (£000)	9,426	7,947	15,805	147,028	107,845	137,910
Closing number of shares	2,993,096	3,941,811	8,088,859	35,236,228	40,478,383	53,573,430
Operating charges (%)**	0.88	0.88	0.88	0.88	0.88	0.88
Direct transaction costs (%)***	0.11	0.11	0.13	0.11	0.11	0.13
Prices						
Highest share price (p)	329.96	234.23	218.69	436.05	308.59	287.69
Lowest share price (p)	153.67	195.21	165.90	203.16	257.19	218.24

	Class Z USD – Accumulation shares	Class Z EUR Hedged – Gross Accumulation shares[5]
	23/11/2018[1]	23/11/2018[3]
Change in net assets per share		
Opening net asset value per share (p)	270.75	100.00
Return before operating charges (p)	(23.44)	(8.39)
Operating charges (p)	(0.90)	(0.39)
Return after operating charges (p)*	(24.34)	(8.78)
Distributions (p)	(0.18)	(0.12)
Retained distributions on accumulation shares (p)	0.18	0.12
Closing net asset value per share (p)	246.41	91.22
*after direct transaction costs of (p)	0.13	0.06
Performance		
Return after charges (%)	(8.99)	(8.78)
Other information		
Closing net asset value (£000)	–	–
Closing number of shares	–	–
Operating charges (%)**	–	–
Direct transaction costs (%)***	–	–
Prices		
Highest share price (p)	287.69	109.64
Lowest share price (p)	243.82	90.79

Threadneedle American Smaller Companies Fund (US)

Comparative Table Disclosure

(continued)

	Class Z CHF Hedged – Gross Accumulation shares[5] 05/11/2018[4]
Change in net assets per share	
Opening net asset value per share (p)	100.00
Return before operating charges (p)	(5.25)
Operating charges (p)	(0.32)
Return after operating charges (p)*	(5.57)
Distributions (p)	–
Retained distributions on accumulation shares (p)	–
Closing net asset value per share (p)	94.43
*after direct transaction costs of (p)	0.05
Performance	
Return after charges (%)	(5.57)
Other information	
Closing net asset value (£000)	–
Closing number of shares	–
Operating charges (%)**	–
Direct transaction costs (%)***	–
Prices	
Highest share price (p)	111.66
Lowest share price (p)	91.60

**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.

[5]Only available to eligible investors.

[1]Commenced 15 June 2018 and closed 23 November 2018.

[2]Commenced 15 June 2018.

[3]Commenced 30 May 2018 and closed 23 November 2018.

[4]Commenced 30 May 2018 and closed 5 November 2018.

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

Threadneedle American Smaller Companies Fund (US)

Notes to the financial statements

for the accounting period 8 March 2020 to 7 March 2021

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 5 and 6.

2 NET CAPITAL GAINS

Net capital gains during the period comprise:

	2021 £000	2020 £000
Non-derivative securities	166,045	15,274
Forward currency contracts	(45)	(31)
Other (losses)/gains	(206)	132
Transaction costs	(3)	(4)
Net capital gains	165,791	15,371

3 REVENUE

	2021 £000	2020 £000
Overseas dividends	5,231	4,745
Interest on short term investments	–	1
Bank interest	14	61
Total revenue	5,245	4,807

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	(3,281)	(3,446)
Registration fees	(244)	(270)
	(3,525)	(3,716)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(42)	(44)
Safe custody fees	(16)	(16)
	(58)	(60)
Other expenses:		
Regulatory fees	(8)	(7)
Audit fees	(8)	(9)
	(16)	(16)
Total expenses*	(3,599)	(3,792)

**Including irrecoverable VAT where applicable.*

5 TAXATION

	2021 £000	2020 £000
a) Analysis of charge in period		
Overseas taxes	(665)	(553)
Total current tax (note 5b)	(665)	(553)
Total tax charge for the period	(665)	(553)
b) Factors affecting taxation charge for period		
Net revenue before taxation	1,646	1,015
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(329)	(203)
Effects of:		
Revenue not subject to taxation	870	836
Overseas taxes	(665)	(553)
Overseas tax expensed	26	18
Excess expenses	(566)	(651)
Conversion transfer from capital	(1)	–
Current tax charge for period (note 5a)	(665)	(553)

The fund has not recognised a deferred tax asset of £7,504,808 (2020: £6,939,213) 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
Final	1,054	661
	1,054	661
Add: Revenue deducted on the cancellation of shares	98	29
Deduct: Revenue received on the creation of shares	(42)	(4)
Net distribution for the period	1,110	686
Net revenue after taxation	981	462
Equalisation on conversion	3	–
Shortfall transfer from capital to revenue	126	224
Total distributions	1,110	686

Details of the distribution per share and any share class with a shortfall are set out in the table on pages 157 to 158.

7 DEBTORS

	2021 £000	2020 £000
Amounts receivable for the issue of shares	2,106	31
Sales awaiting settlement	126	–
Accrued revenue	464	638
Foreign withholding tax recoverable	52	–
Total debtors	2,748	669

8 OTHER CREDITORS

	2021 £000	2020 £000
Amounts payable for the cancellation of shares	(1,729)	(701)
Purchases awaiting settlement	(1,169)	–
Accrued expenses	(13)	(12)
Amounts payable to ACD	(438)	(351)
Total other creditors	(3,349)	(1,064)

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 American Smaller Companies Fund (US) 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%

Threadneedle American Smaller Companies Fund (US)

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 159 to 162. The distribution per share class is given in the distribution table on pages 157 to 158.
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	429,524
Shares issued	8,327
Shares redeemed	(42,546)
Net conversions	(5,062)
Closing shares	390,243
Class 1 – Accumulation shares	
Opening shares	6,910,365
Shares issued	683,039
Shares redeemed	(1,424,803)
Net conversions	(396,691)
Closing shares	5,771,910
Class 1 EUR – Accumulation shares	
Opening shares	4,370,056
Shares issued	421,728
Shares redeemed	(2,053,435)
Net conversions	–
Closing shares	2,738,349
Class 2 – Accumulation shares	
Opening shares	40,722,996
Shares issued	1,291,640
Shares redeemed	(1,920,668)
Net conversions	(42,203)
Closing shares	40,051,765
Class X – Accumulation shares	
Opening shares	3,848,281
Shares issued	341,650
Shares redeemed	(525,251)
Net conversions	–
Closing shares	3,664,680
Class Z – Income shares	
Opening shares	3,941,811
Shares issued	336,334
Shares redeemed	(1,316,991)
Net conversions	31,942
Closing shares	2,993,096
Class Z – Accumulation shares	
Opening shares	40,478,383
Shares issued	2,574,925
Shares redeemed	(8,350,673)
Net conversions	533,593
Closing shares	35,236,228

12 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 6 to 7.

Market price risk sensitivity

The sensitivity figures provided are forecasts. A 5% market increase applied to the fund would result in an estimated increase in net asset value of the fund by 5.12% and vice versa (2020: 5.16%).

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	459,033
Currency 2020	**£000**
US Dollar	321,791

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	6.22	0.97
	Currency movement	**Fund movement**
Currency 2020	**%**	**%**
US Dollar	6.23	0.97

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 7 March was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2021	**£000**	**£000**	**£000**	**£000**
UK Sterling	–	–	2,630	2,630
US Dollar	2,123	4,347	454,208	460,678
Currency 2020	**£000**	**£000**	**£000**	**£000**
UK Sterling	37	–	439	476
US Dollar	497	2,637	319,060	322,194

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2021	**£000**	**£000**	**£000**	**£000**
UK Sterling	(1,415)	–	(2,209)	(3,624)
US Dollar	–	–	(1,645)	(1,645)
Currency 2020	**£000**	**£000**	**£000**	**£000**
UK Sterling	–	–	(1,089)	(1,089)
US Dollar	–	–	(403)	(403)

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). Any impact to the rate of the underlying securities is considered in market price risk section.

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.
At 7 March 2021, the fund had outstanding forward foreign exchange contracts with an asset value of £Nil (2020: £4,000) and a liability value of £3,000 (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.

Threadneedle American Smaller Companies Fund (US)

Notes to the financial statements

(continued)

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*	457,964	–	321,059	–
Level 2	–	(3)	4	–
	457,964	(3)	321,063	–

**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

7 March 2021

	Value	Commissions		Taxes	
Purchases	**£000**	**£000**	**%**	**£000**	**%**
Equities	313,638	220	0.07	–	–
Collective investment schemes	67,026	–	–	–	–
Total	380,664	220		–	
Gross purchases total:	380,884				

	Value	Commissions		Taxes	
Sales	**£000**	**£000**	**%**	**£000**	**%**
Equities	343,344	175	0.05	7	0.00
Collective investment schemes	65,195	–	–	–	–
Corporate actions	1,783	–	–	–	–
Total	410,322	175		7	
Total sales net of transaction costs:	410,140				

Transaction costs as a percentage of average Net Assets	
Commissions:	0.11%
Taxes:	0.00%

7 March 2020

	Value	Commissions		Taxes	
Purchases	**£000**	**£000**	**%**	**£000**	**%**
Equities	418,120	225	0.05	–	–
Collective investment schemes	28,937	–	–	–	–
Total	447,057	225		–	
Gross purchases total:	447,282				

	Value	Commissions		Taxes	
Sales	**£000**	**£000**	**%**	**£000**	**%**
Equities	484,272	168	0.03	10	0.00
Collective investment schemes	26,652	–	–	–	–
Corporate actions	71	–	–	–	–
Total	510,995	168		10	
Total sales net of transaction costs:	510,817				

Transaction costs as a percentage of average Net Assets	
Commissions:	0.11%
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 0.12% (7 March 2020: 0.11%), 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 7 March 2021 and 21 June 2021 as a percentage of the closing NAV for share classes with significant movements. The net redemptions of shares were reviewed again on 28 June with no material movements noted since 21 June. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

Share class	**% Movement**
Class X – Accumulation shares	(27.54)

Threadneedle Dollar 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 (5 years or more).

The Fund is actively managed, and invests at least two-thirds of its assets in bonds issued by the US government and companies worldwide, denominated in US dollars (or hedged back to USD, if a different currency). The Fund may also invest in other bonds, including US denominated bonds issued by governments outside the US (or government agencies), as well as international organisations.

The Fund usually selects bonds that are investment grade, but may include some bonds with a lower credit rating in the portfolio if this is considered appropriate to achieve its investment objective.

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.

Performance of Net Income Class 1 Shares*

Over the twelve months to 7 March 2021, the published share price of the Threadneedle Dollar Bond Fund has fallen from 66.43p to 61.65p.

The sterling total return on the fund for the twelve months ending 28 February 2021, including net reinvested income, is -4.65% as compared to a median return of -6.95% over the same period. (For information the 50% ICE BofA US Treasury Master + 50% ICE BofA Eurodollar Global Index gave a total return of -7.85% in sterling terms for the same period).

Market Overview and Portfolio Activity

The year in review was a turbulent period in terms of both world events and financial-market movements. US Treasury yields swung in both directions but finished significantly higher than they began. For corporate bond markets, the effect of this was offset by tightening credit spreads (the yield premiums offered by corporate bonds over "risk-free" government bonds of the same maturity). The 10-year US Treasury yield rose 65 basis points to around 1.6%, while spreads in the US investment-grade and high-yield markets narrowed by around 26% and 29% respectively in risk-adjusted (or percentage) terms.

In the first few weeks of the period, credit spreads widened dramatically as the COVID-19 outbreak approached pandemic status and most countries imposed draconian restrictions to contain it. Meanwhile, central banks and governments unleashed a flood of policy measures in response to the economic aspect of the crisis. Credit markets in particular benefited from news that an unlimited asset-purchase programme from the Federal Reserve (Fed) would include corporate bonds, echoing similar action from the European Central Bank (ECB) and Bank of England (BoE).

From late March until September, risk assets in general (such as equities and corporate bonds) rallied amid hopes that this stimulus and the eventual easing of lockdown restrictions would fuel a swift recovery in the global economy. Despite the 'risk-on' tone, core government bond yields remained low, anchored by central-bank asset-purchase programmes and low interest rates. After the initial flurry of action, the Fed, ECB, BoE and Bank of Japan all continued to expand their stimulus through these months. In August, the Fed announced a major shift in policy, announcing it would target an average inflation rate, allowing it to rise above 2% to make up for time spent below that level, and no longer view the approach of full employment as a cue to hike rates. Long-dated Treasury yields rose in response as investors anticipated higher future inflation.

In September, 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 also mounted in relation to the US presidential election. 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, though HY spreads had widened.

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 and still more monetary stimulus in the eurozone provided more fuel for the risk-on rally – as did their eventual delivery in December.

The remainder of the period was characterised by a sharp rise in 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 an even larger injection of fiscal stimulus, which was close to being signed into law as the period ended. Falling COVID-19 infection and death rates in those countries furthest along in their vaccination programmes, including the UK and US, further buoyed risk appetite.

Early in the period, we became more constructive on the outlook for credit, given the scale and credit-friendly nature of the policy response and the compelling valuations on offer. Consequently, we took the opportunity to increase the credit risk within the portfolio. We continued to increase the portfolio's 'beta' (sensitivity to changes in credit spreads) early in the second quarter, before reducing it again as spreads came back in towards their long-term averages. At the end of the period, 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.

As regards specific trades, we took part in a wide range of new issues, the largest of which (in terms of position sizes) included deals from Becton Dickinson, New York Life, Fiserv, Danske Bank and Galaxy Pipeline Assets. In the secondary market, we started new positions in the sovereign debt of Qatar and Abu Dhabi as well in many corporate issuers including BNG Bank, Aroundtown, Altice, Braskem and Equinix. On the disposals side, we reduced exposure to issuers such as Apple, Credit Agricole, NiSource, Williams Partners and Syngenta; and exited others completely, including Loews, Alibaba, Thomson Reuters, Bharti Airtel and Swire Pacific.

We are cautiously optimistic on the outlook for credit markets. While some difficult months remain before vaccines can turn the tide, a return to something approaching economic normality may be in sight later in the year. In the meantime, the support measures introduced by governments and central banks will help to mitigate the ongoing interruption to economic output and employment.

One area which tempers our optimism is valuation, with IG and HY credit spreads now firmly back inside their 20-year averages. Against this, however, corporate fundamentals have improved in aggregate, as evidenced by better-than-expected corporate results. The outlook for defaults remains relatively subdued, as businesses have shored up their liquidity profiles through government support, primary issuance and capital injections.

On balance, we remain more constructive on the outlook for IG than HY, given the IG market's greater ability to withstand lower economic growth than its more leveraged counterpart. In addition, more IG issuers are well placed to benefit from government and central-bank stimulus. That said, we continue to add selective HY names where we see the business model as robust and the valuation attractive. At the sector level, we still favour more defensive areas of the market – such as utilities, higher-quality technology companies and senior-preferred bank debt – which we think will weather the current tough economic conditions well. Within HY, we prefer defensive 'BB' rated names.

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2020 to 7 March 2021

	Notes	2021 £000	Restated 2020** £000
Income			
Net capital (losses)/gains	2	(4,709)	5,258
Revenue	3	1,673	1,557
Expenses	4	(211)	(351)
Interest payable and similar charges	5	(186)	(46)
Net revenue before taxation		1,276	1,160
Taxation	6	–	–
Net revenue after taxation		1,276	1,160
Total return before distributions		(3,433)	6,418
Distributions**	7	(1,414)	(1,448)
Change in net assets attributable to shareholders from investment activities		(4,847)	4,970

BALANCE SHEET

as at 7 March 2021

	Notes	2021 £000	2020 £000
Assets:			
Fixed assets:			
Investments		62,031	55,284
Current assets:			
Debtors	8	442	863
Cash and bank balances	9	943	651
Cash equivalents***		2,430	2,727
Total assets		65,846	59,525
Liabilities:			
Investment liabilities		(490)	(732)
Creditors:			
Bank overdrafts	9	(6)	(138)
Distribution payable		(85)	(119)
Other creditors	10	(409)	(354)
Total liabilities		(990)	(1,343)
Net assets attributable to shareholders		64,856	58,182

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2020 to 7 March 2021

	2021 £000	Restated 2020** £000
Opening net assets attributable to shareholders	58,182	42,436
Amounts receivable on the issue of shares**	26,244	24,581
Amounts payable on the cancellation of shares**	(16,004)	(14,958)
	10,240	9,623
Dilution adjustment	48	13
Change in net assets attributable to shareholders from investment activities (see statement of total return above)**	(4,847)	4,970
Retained distribution on accumulation shares	1,233	1,140
Closing net assets attributable to shareholders	64,856	58,182

DISTRIBUTION TABLE

for the accounting period 8 March 2020 to 7 March 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				
08/03/20 to 07/09/20	0.7729	–	0.7729	0.9283
08/09/20 to 07/03/21	0.5330	–	0.5330	0.7946
Group 2				
08/03/20 to 07/09/20	0.4529	0.3200	0.7729	0.9283
08/09/20 to 07/03/21	0.4903	0.0427	0.5330	0.7946
Total distributions in the period			**1.3059**	**1.7229**

**In pound Sterling and against UK peer group (See Performance summary on pages 330 to 331).*

***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 Dollar Bond 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				
08/03/20 to 07/09/20	1.8025	–	1.8025	2.1082
08/09/20 to 07/03/21	1.2565	–	1.2565	1.8283
Group 2				
08/03/20 to 07/09/20	1.0343	0.7682	1.8025	2.1082
08/09/20 to 07/03/21	0.7259	0.5306	1.2565	1.8283
Total distributions in the period			**3.0590**	**3.9365**

Class X – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2020/2021	Gross Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/09/20	1.4369	–	1.4369	1.6633
08/09/20 to 07/03/21	1.0125	–	1.0125	1.4477
Group 2				
08/03/20 to 07/09/20	0.8136	0.6233	1.4369	1.6633
08/09/20 to 07/03/21	0.5825	0.4300	1.0125	1.4477
Total distributions in the period			**2.4494**	**3.1110**

Class Z – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
08/03/20 to 07/09/20	1.4892	–	1.4892	1.7794
08/09/20 to 07/03/21	1.0259	–	1.0259	1.5246
Group 2				
08/03/20 to 07/09/20	0.7271	0.7621	1.4892	1.7794
08/09/20 to 07/03/21	0.5523	0.4736	1.0259	1.5246
Total distributions in the period			**2.5151**	**3.3040**

Class Z – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2020/2021	Gross Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/09/20	1.8927	–	1.8927	2.2028
08/09/20 to 07/03/21	1.3186	–	1.3186	1.9132
Group 2				
08/03/20 to 07/09/20	0.6946	1.1981	1.8927	2.2028
08/09/20 to 07/03/21	0.6923	0.6263	1.3186	1.9132
Total distributions in the period			**3.2113**	**4.1160**

Group 2: shares purchased during a distribution period.

Threadneedle Dollar Bond Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Gross accumulation shares[$]		
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share						
Opening net asset value per share (p)	65.58	59.04	56.45	152.81	134.10	124.62
Return before operating charges (p)	(2.42)	8.99	4.97	(5.79)	20.42	11.02
Operating charges (p)	(0.78)	(0.73)	(0.69)	(1.81)	(1.71)	(1.54)
Return after operating charges (p)*	(3.20)	8.26	4.28	(7.60)	18.71	9.48
Distributions (p)	(1.31)	(1.72)	(1.69)	(3.06)	(3.94)	(3.75)
Retained distributions on accumulation shares (p)	–	–	–	3.06	3.94	3.75
Closing net asset value per share (p)	61.07	65.58	59.04	145.21	152.81	134.10
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	(4.88)	13.99	7.58	(4.97)	13.95	7.61
Other information						
Closing net asset value (£000)	713	1,456	27,539	6,247	6,711	8,452
Closing number of shares	1,168,074	2,219,859	46,643,711	4,301,944	4,391,911	6,302,985
Operating charges (%)**	1.16	1.17	1.17	1.16	1.17	1.17
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	70.74	69.68	61.99	164.84	158.26	138.40
Lowest share price (p)	60.50	58.72	54.79	142.63	133.37	120.94

	Class X – Gross accumulation shares[$]			Class Z – Income shares		
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share						
Opening net asset value per share (p)	117.62	102.10	93.83	126.17	113.05	107.53
Return before operating charges (p)	(4.53)	15.62	8.32	(4.73)	17.24	9.50
Operating charges (p)	(0.11)	(0.10)	(0.05)	(0.85)	(0.82)	(0.76)
Return after operating charges (p)*	(4.64)	15.52	8.27	(5.58)	16.42	8.74
Distributions (p)	(2.45)	(3.11)	(2.95)	(2.52)	(3.30)	(3.22)
Retained distributions on accumulation shares (p)	2.45	3.11	2.95	–	–	–
Closing net asset value per share (p)	112.98	117.62	102.10	118.07	126.17	113.05
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	(3.94)	15.20	8.81	(4.42)	14.52	8.13
Other information						
Closing net asset value (£000)	47,517	40,312	3	9,019	8,397	6,044
Closing number of shares	42,058,774	34,273,155	3,001	7,638,046	6,655,174	5,346,131
Operating charges (%)**	0.09	0.09	0.05	0.66	0.67	0.67
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	127.31	121.16	105.17	136.32	133.75	118.34
Lowest share price (p)	110.94	101.57	91.18	116.97	112.45	104.42

Threadneedle Dollar Bond Fund

Comparative Table Disclosure

(continued)

	Class Z – Gross accumulation shares[$]		
	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share			
Opening net asset value per share (p)	160.27	139.94	129.40
Return before operating charges (p)	(6.12)	21.36	11.45
Operating charges (p)	(1.08)	(1.03)	(0.91)
Return after operating charges (p)*	(7.20)	20.33	10.54
Distributions (p)	(3.21)	(4.12)	(3.90)
Retained distributions on accumulation shares (p)	3.21	4.12	3.90
Closing net asset value per share (p)	153.07	160.27	139.94
*after direct transaction costs of (p)	–	–	–
Performance			
Return after charges (%)	(4.49)	14.53	8.15
Other information			
Closing net asset value (£000)	1,360	1,306	398
Closing number of shares	888,762	814,926	284,362
Operating charges (%)**	0.66	0.67	0.67
Direct transaction costs (%)***	–	–	–
Prices			
Highest share price (p)	173.16	165.57	144.31
Lowest share price (p)	150.33	139.20	125.65

**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 Dollar Bond Fund

Notes to the financial statements

for the accounting period 8 March 2020 to 7 March 2021

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 5 and 6.

2 NET CAPITAL (LOSSES)/GAINS

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

	2021 £000	2020 £000
Non-derivative securities	(5,975)	6,551
Derivative contracts	1,352	(1,461)
Forward currency contracts	75	75
Other (losses)/gains	(159)	94
Transaction costs	(2)	(1)
Net capital (losses)/gains	(4,709)	5,258

3 REVENUE

	2021 £000	2020 £000
Interest on debt securities	1,665	1,472
Interest on short term investments	–	23
Bank interest	8	62
Total revenue	1,673	1,557

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	(138)	(279)
Registration fees	(40)	(43)
	(178)	(322)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(9)	(6)
Safe custody fees	(10)	(10)
	(19)	(16)
Other expenses:		
Regulatory fees	(6)	(7)
Audit fees	(9)	(9)
Expenses cap	1	3
	(14)	(13)
Total expenses*	(211)	(351)

**Including irrecoverable VAT where applicable.*

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2021 £000	2020 £000
Derivative expense	(186)	(46)
Total interest payable and similar charges	(186)	(46)

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	1,276	1,160
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(255)	(232)
Effects of:		
Excess expenses*	255	234
Conversion transfer from capital*	–	(2)
Current tax charge for period (note 6a)	–	–

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

The fund has not recognised a deferred tax asset of £305,859 (2020: £561,127) 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.

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	880	758
Final	576	711
	1,456	1,469
Add: Revenue deducted on the cancellation of shares*	91	129
Deduct: Revenue received on the creation of shares*	(133)	(150)
Net distribution for the period	1,414	1,448
Net revenue after taxation	1,276	1,160
Annual management charge to capital	138	278
Equalisation on conversion*	–	10
Total distributions	1,414	1,448

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

Details of the distribution per share are set out in the table on pages 166 to 167.

8 DEBTORS

	2021 £000	2020 £000
Amounts receivable for the issue of shares	40	517
Accrued revenue	402	346
Total debtors	442	863

9 CASH AND BANK BALANCES

	2021 £000	2020 £000
Amounts held at futures clearing houses and brokers	640	646
Cash and bank balances	303	5
	943	651
Bank overdrafts	(6)	(138)
Total cash and bank balances	937	513

10 OTHER CREDITORS

	2021 £000	2020 £000
Amounts payable for the cancellation of shares	(78)	(287)
Purchases awaiting settlement	(312)	(41)
Accrued expenses	(4)	(7)
Amounts payable to ACD	(15)	(19)
Total other creditors	(409)	(354)

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.

Threadneedle Dollar Bond Fund

Notes to the financial statements

(continued)

13 SHAREHOLDER FUNDS

Threadneedle Dollar Bond Fund currently has three share classes; Class 1, Class X and Class Z shares. The charges on each share class are as follows:

Annual management charge

Class 1 shares	1.00%
Class X shares	N/A*
Class Z shares	0.50%

Registration fees

Class 1 shares	0.110%
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 168 to 169. The distribution per share class is given in the distribution table on pages 166 to 167.
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	2,219,859
Shares issued	472,239
Shares redeemed	(1,372,773)
Net conversions	(151,251)
Closing shares	1,168,074
Class 1 – Gross accumulation shares	
Opening shares	4,391,911
Shares issued	1,072,874
Shares redeemed	(1,162,841)
Net conversions	–
Closing shares	4,301,944
Class X – Gross accumulation shares	
Opening shares	34,273,155
Shares issued	13,397,150
Shares redeemed	(5,611,531)
Net conversions	–
Closing shares	42,058,774
Class Z – Income shares	
Opening shares	6,655,174
Shares issued	5,478,084
Shares redeemed	(4,573,740)
Net conversions	78,528
Closing shares	7,638,046
Class Z – Gross accumulation shares	
Opening shares	814,926
Shares issued	497,901
Shares redeemed	(424,065)
Net conversions	–
Closing shares	888,762

14 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 6 to 7.

Market price risk sensitivity

The sensitivity figures provided are forecasts. A 1.00% interest rate decrease applied to the fund would result in an estimated increase on the net asset value of the fund by 5.66% and vice versa (2020: 5.93%).

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	65,004
Currency 2020	**£000**
US Dollar	58,159

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	6.22	6.23
	Currency movement	**Fund movement**
Currency 2020	**%**	**%**
US Dollar	0.97	0.97

Credit/Counterparty exposure

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

2021	Futures and Options Exposure	Forward Foreign Exchange Contracts Exposure
Counterparty	**£000**	**£000**
UBS	274	–

2020	Futures and Options Exposure	Forward Foreign Exchange Contracts Exposure
Counterparty	**£000**	**£000**
Barclays	–	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.

Analysis of investments by credit ratings

	2021		2020	
	Value £000	% of Investment	Value £000	% of Investment
AAA	8,216	12.83	897	1.57
Aaa	19,041	29.77	29,040	50.70
AA+	1,043	1.62	803	1.40
AA	774	1.21	133	0.23
Aa2	481	0.75	–	–
AA-	1,811	2.84	574	1.00
A+	2,192	3.44	2,191	3.83
A1	168	0.26	–	–
A	3,205	5.00	2,040	3.56
A-	3,434	5.37	3,874	6.76
A3	–	–	301	0.53
BBB+	7,087	11.08	4,634	8.09
BBB	6,870	10.74	5,525	9.65
BBB-	4,134	6.46	3,695	6.45
BB+	654	1.02	690	1.20
BB	158	0.25	165	0.29
Ba2	300	0.47	167	0.29
BB-	747	1.17	484	0.85
B	300	0.47	–	–
CCC+	–	–	18	0.03
Not Rated*	945	1.48	–	–
Liquidity Funds	2,430	3.80	2,727	4.76
Derivatives**	(20)	(0.03)	(679)	(1.19)
	63,970	100.00	57,279	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.*

Threadneedle Dollar Bond Fund

Notes to the financial statements

(continued)

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 7 March was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2021	**£000**	**£000**	**£000**	**£000**
UK Sterling	–	–	89	89
US Dollar	5,488	59,445	894	65,827
Currency 2020	**£000**	**£000**	**£000**	**£000**
UK Sterling	5	–	625	630
US Dollar	1,972	56,631	585	59,188

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2021	**£000**	**£000**	**£000**	**£000**
UK Sterling	(6)	–	(231)	(237)
US Dollar	–	–	(823)	(823)
Currency 2020	**£000**	**£000**	**£000**	**£000**
UK Sterling	–	–	(607)	(607)
US Dollar	(138)	–	(891)	(1,029)

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). Any impact to the rate of the underlying securities is considered in market price risk section.

Derivative risks

Derivatives including credit default swaps, 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 credit default swaps, 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.

At 7 March 2021, the fund had outstanding credit default swaps, forward foreign exchange contracts and futures and options with an asset value of £470,000 (2020: £53,000) and a liability value of £490,000 (2020: £732,000).

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*	25,535	(4)	31,785	(678)
Level 2	38,926	(486)	26,226	(54)
	64,461	(490)	58,011	(732)

Included within Level 1, are debt securities of £25,257,000 (2020: £31,767,000). 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 £72,394,763 (2020: £40,199,179) and £59,881,170 (2020: £34,135,500) respectively. Collective investment schemes purchases and sales amounted to £9,402,565 (2020: £8,289,977) and £9,693,784 (2020: £5,510,092) respectively. Corporate action costs and proceeds amounted to £Nil (2020: £Nil) and £14,234 (2020: £Nil) 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 £1,953 (2020: £871).

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 0.19% (7 March 2020: 0.17%), 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:

STATEMENT OF TOTAL RETURN	**Previously reported 2020**	**Adjustments**	**Restated 2020**
	£000	**£000**	**£000**
Distributions	(1,438)	(10)	(1,448)
Net impact		(10)	

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	58,174	(33,593)	24,581
Amounts payable on the cancellation of shares	(48,561)	33,603	(14,958)
	9,613	10	9,623
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	4,980	(10)	4,970
Impact on net assets attributable to shareholders		–	

Threadneedle Dollar Bond Fund

Notes to the financial statements

(continued)

	Previously reported 2020	Adjustments	Restated 2020
	£000	£000	£000
Note 6 TAXATION			
Excess expenses	232	2	234
Conversion transfer from capital	–	(2)	(2)
Net impact		–	

	Previously reported 2020	Adjustments	Restated 2020
	£000	£000	£000
Note 7 DISTRIBUTIONS			
Add: Revenue deducted on the cancellation of shares	410	(281)	129
Deduct: Revenue received on the creation of shares	(441)	291	(150)
Net impact		10	
Equalisation on conversion	–	10	10

19 POST BALANCE SHEET EVENT

The table below shows net redemptions between the year-ended 7 March 2021 and 21 June 2021 as a percentage of the closing NAV for share classes with significant movements. The net redemptions of shares were reviewed again on 28 June with no material movements noted since 21 June. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

Share class	% Movement
Class 1 – Income shares	(50.04)
Class Z – Income shares	(23.67)

Threadneedle Japan Fund

Investment Report

Investment Objective and Policy

The Fund aims to achieve capital growth over the long term. It looks to outperform the MSCI Japan 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 Japan, or which have significant Japanese business operations.

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 Japan Index.

The MSCI Japan Index is designed to measure the performance of shares across large and medium-sized companies in the Japanese market, currently with approximately 300 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 60 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 Net Accumulation Class 1 Shares*

Over the twelve months to 7 March 2021, the published share price of the Threadneedle Japan Fund has risen from 60.27p to 80.84p.

Looking at the sterling performance within its peer group, the total return on the fund for the twelve months ending 28 February 2021, including net reinvested income, is +35.16% as compared to a median return of +22.27% over the same period. (For information the MSCI Japan Index returned +17.72% over the same period).

Market Overview and Portfolio Activity

Japanese equities delivered a positive return during the 12 months to 7 March, rebounding from initial COVID-related weakness with the help of significant fiscal and monetary stimulus. The rally gained strength following the approval of vaccines and the implementation of inoculation programmes, which prompted hopes for a return to economic normality.

Japanese stocks held up better than global markets in the sell-off in March, given the relative success of the country's containment measures. Second-quarter GDP was weak, as expected, but the economy contracted less sharply than its US, eurozone or UK counterparts.

Over the summer, Japanese equities recouped earlier losses amid a wider rally, driven by optimism over the significant global fiscal and monetary response, and signs that the pandemic may have peaked. Specifically, the Bank of Japan pledged to increase purchases of government bonds and corporate debt, and expanded this commitment further in June by increasing its coronavirus lending package to over $1tn. Meanwhile, an additional $1.1tn fiscal-stimulus package was approved by the cabinet in May, complementing a programme of similar size announced in April.

The resignation of Prime Minister Shinzo Abe in August for health reasons prompted some volatility but this was brief, with the market reassured by the swift appointment of Yoshide Suga, a supporter of Abe's policies. Japan's third-quarter GDP rebounded by over 5% on a quarterly basis, with business investment and consumer consumption particularly robust. The quarterly Tankan survey also revealed a stronger-than-expected improvement in sentiment at large manufacturers. The government announced a further stimulus package later in the period. Meanwhile, the Bank of Japan extended COVID-19 lending programs until September 2021 and initiated a policy review to assess ways that it can revive inflation.

As 2020 drew to a close, Japan was among 15 Asia-Pacific signatories, including China, to the Regional Comprehensive Economic Partnership (RCEP), an agreement forming the world's largest trading bloc. The move was welcomed by investors, enthused by the long-term benefits that greater regional trade cooperation will bring to Japanese businesses. As the period ended, 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 rotation into more value-oriented cyclicals.

Early in the period, we initiated a holding in gaming software company Square Enix; we remain optimistic on its outlook, given the rising returns available due to digitisation, coupled with the firm's broad range of strong franchises. Elsewhere, we initiated a position in homebuilder Open House. Due to the effects of COVID, demand is shifting from apartments to larger detached houses as buyers seek more space to work from home. In the manufacturing sector, new holdings included Fanuc and Takeuchi. Fanuc makes factory automation equipment, and we believe the company should benefit from rising capacity utilisation and profit-margin expansion over the coming years. For Takeuchi, we are positive on the construction-machinery business given the recovery in earnings currently underway and scope for further improvements in profitability in future.

Initial sales activity generally focused on reducing exposure to companies where the fundamental outlook had been challenged by the pandemic. Consequently, we exited positions including trading house Mitsubishi Corp., hair-care product firm Milbon, and Nidec, a manufacturer of small precision motors. Other sales largely centred on profit taking where strong share price appreciation left little additional valuation upside. In particular, biopharmaceutical research business PeptiDream exited the portfolio after excellent gains, while peer Takeda was sold for similar reasons. Our original thesis was predicated on a likely narrowing of the stock's valuation discount as the sale of non-core businesses progressed, and this has mostly played out. Lasertec was also sold. The manufacturer of photomask inspection systems for the semiconductor industry has benefited from a strong pick-up in orders, which we believe is now reflected in the share price.

As restrictions on social distancing measures continued to be eased globally, we have witnessed economic activity pick up to pre-COVID levels and earnings revisions improve substantially. We can expect these improvements to coincide with supportive fiscal measures across the developed world as governments and central banks pledge to provide continued economic support. We believe both developments will create select investment opportunities in more cyclical markets such as Japan.

Recent vaccine optimism has fuelled positive investor sentiment globally, although we can still envisage distribution challenges in the near term. Meanwhile, the debate of inflation and cyclical rotation has been gaining traction as the market moves into an upcycle and economies re-open. While we certainly see the merits for a cyclical rebound as restrictions on social distancing are eased, the question of how long it will last and the best way to gain exposure to this trend is crucial to evaluate.

Japanese companies have vast amounts of cash on their balance sheets which can be deployed through various channels such as an increase in domestic consumption, dividend and share buybacks, and M&As. Corporates are also supported by sizeable fiscal stimulus with Japan implementing the largest stimulus package globally as a percentage of GDP.

Elsewhere, the new US administration could lead to increased news flow surrounding domestic and foreign policy, and may introduce some uncertainty around the future rules of economic engagement.

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2020 to 7 March 2021

	Notes	2021 £000	Restated 2020** £000
Income			
Net capital gains	2	230,256	52,693
Revenue	3	15,418	14,079
Expenses	4	(3,132)	(3,454)
Interest payable and similar charges	5	(50)	(68)
Net revenue before taxation		12,236	10,557
Taxation	6	(1,552)	(1,393)
Net revenue after taxation		10,684	9,164
Total return before distributions		240,940	61,857
Distributions**	7	(10,680)	(8,133)
Change in net assets attributable to shareholders from investment activities		230,260	53,724

BALANCE SHEET

as at 7 March 2021

	Notes	2021 £000	2020 £000
Assets:			
Fixed assets:			
Investments		855,585	742,397
Current assets:			
Debtors	8	18,254	2,382
Cash and bank balances	9	22,269	51,476
Total assets		896,108	796,255
Liabilities:			
Investment liabilities		(26)	(8,954)
Creditors:			
Bank overdrafts	9	(8,636)	–
Distribution payable		(29)	(27)
Other creditors	10	(7,993)	(4,335)
Total liabilities		(16,684)	(13,316)
Net assets attributable to shareholders		879,424	782,939

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2020 to 7 March 2021

	2021 £000	Restated 2020** £000
Opening net assets attributable to shareholders	782,939	701,498
Amounts receivable on the issue of shares**	146,610	200,833
Amounts payable on the cancellation of shares**	(289,773)	(180,939)
	(143,163)	19,894
Dilution adjustment	143	216
Change in net assets attributable to shareholders from investment activities (see statement of total return above)**	230,260	53,724
Retained distribution on accumulation shares	9,245	7,607
Closing net assets attributable to shareholders	879,424	782,939

**In pound Sterling and against UK peer group (See Performance summary on pages 330 to 331).*

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

DISTRIBUTION TABLE

for the accounting period 8 March 2020 to 7 March 2021

Dividend distribution in pence per share

Class 1 – Accumulation shares

There is no distribution for the accounting period 8 March 2020 to 7 March 2021, as expenses exceed revenue (2020: 0.0212).

Class 2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/03/21	0.4515	–	0.4515	0.4277
Group 2				
08/03/20 to 07/03/21	–	0.4515	0.4515	0.4277
Total distributions in the period			**0.4515**	**0.4277**

Threadneedle Japan Fund

DISTRIBUTION TABLE

(continued)

Class X – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
08/03/20 to 07/03/21	3.0132	–	3.0132	2.6652
Group 2				
08/03/20 to 07/03/21	1.2225	1.7907	3.0132	2.6652
Total distributions in the period			**3.0132**	**2.6652**

Class X – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/03/21	2.8141	–	2.8141	2.4481
Group 2				
08/03/20 to 07/03/21	0.4218	2.3923	2.8141	2.4481
Total distributions in the period			**2.8141**	**2.4481**

Class X2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/03/21	4.9553	–	4.9553	4.3107
Group 2				
08/03/20 to 07/03/21	1.6412	3.3141	4.9553	4.3107
Total distributions in the period			**4.9553**	**4.3107**

Class X GBP Hedged – Gross accumulation shares*

Distribution Period	Revenue	Equalisation	Gross Revenue Accumulated 2020/2021	Gross Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/03/21	1.7960	–	1.7960	0.0656
Group 2				
08/03/20 to 07/03/21	0.4715	1.3245	1.7960	0.0656
Total distributions in the period			**1.7960**	**0.0656**

Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/03/21	1.8391	–	1.8391	1.6889
Group 2				
08/03/20 to 07/03/21	0.0599	1.7792	1.8391	1.6889
Total distributions in the period			**1.8391**	**1.6889**

Group 2: shares purchased during a distribution period.

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

Threadneedle Japan Fund

Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 2 – Accumulation shares		
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share						
Opening net asset value per share (p)	61.23	56.35	60.29	70.08	64.15	68.23
Return before operating charges (p)	20.68	5.86	(2.97)	23.76	6.69	(3.36)
Operating charges (p)	(1.19)	(0.98)	(0.97)	(0.90)	(0.76)	(0.72)
Return after operating charges (p)*	19.49	4.88	(3.94)	22.86	5.93	(4.08)
Distributions (p)	–	(0.02)	–	(0.45)	(0.43)	(0.30)
Retained distributions on accumulation shares (p)	–	0.02	–	0.45	0.43	0.30
Closing net asset value per share (p)	80.72	61.23	56.35	92.94	70.08	64.15
*after direct transaction costs of (p)	0.06	0.04	0.06	0.07	0.05	0.07
Performance						
Return after charges (%)	31.83	8.66	(6.54)	32.62	9.24	(5.98)
Other information						
Closing net asset value (£000)	3,043	3,881	120,505	273,487	234,125	229,529
Closing number of shares	3,769,313	6,339,266	213,843,169	294,274,977	334,062,691	357,825,938
Operating charges (%)**	1.63	1.66	1.63	1.06	1.06	1.06
Direct transaction costs (%)***	0.08	0.07	0.10	0.08	0.07	0.10
Prices						
Highest share price (p)	87.80	67.63	65.69	101.00	77.38	74.59
Lowest share price (p)	52.75	55.72	53.12	60.39	63.43	60.40

	Class X – Income shares			Class X – Accumulation shares		
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share						
Opening net asset value per share (p)	161.72	148.99	159.31	151.04	136.85	144.13
Return before operating charges (p)	55.01	15.50	(7.95)	51.36	14.28	(7.19)
Operating charges (p)	(0.12)	(0.10)	(0.09)	(0.11)	(0.09)	(0.09)
Return after operating charges (p)*	54.89	15.40	(8.04)	51.25	14.19	(7.28)
Distributions (p)	(3.01)	(2.67)	(2.28)	(2.81)	(2.45)	(2.07)
Retained distributions on accumulation shares (p)	–	–	–	2.81	2.45	2.07
Closing net asset value per share (p)	213.60	161.72	148.99	202.29	151.04	136.85
*after direct transaction costs of (p)	0.16	0.12	0.16	0.15	0.11	0.15
Performance						
Return after charges (%)	33.94	10.34	(5.05)	33.93	10.37	(5.05)
Other information						
Closing net asset value (£000)	2,053	1,643	2,054	340,904	343,057	238,570
Closing number of shares	960,960	1,015,841	1,378,268	168,519,928	227,134,722	174,323,739
Operating charges (%)**	0.06	0.06	0.06	0.06	0.06	0.06
Direct transaction costs (%)***	0.08	0.07	0.10	0.08	0.07	0.10
Prices						
Highest share price (p)	235.07	181.39	175.16	219.53	166.62	158.46
Lowest share price (p)	139.40	147.36	142.15	130.18	135.36	128.60

Threadneedle Japan Fund

Comparative Table Disclosure

(continued)

	Class X2 – Accumulation shares			Class X GBP Hedged – Gross accumulation shares[§]	
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020[1]
Change in net assets per share					
Opening net asset value per share (p)	265.96	240.97	253.78	99.07	100.00
Return before operating charges (p)	90.44	25.15	(12.66)	44.34	(0.90)
Operating charges (p)	(0.18)	(0.16)	(0.15)	(0.07)	(0.03)
Return after operating charges (p)*	90.26	24.99	(12.81)	44.27	(0.93)
Distributions (p)	(4.96)	(4.31)	(3.64)	(1.80)	(0.07)
Retained distributions on accumulation shares (p)	4.96	4.31	3.64	1.80	0.07
Closing net asset value per share (p)	356.22	265.96	240.97	143.34	99.07
*after direct transaction costs of (p)	0.25	0.19	0.26	0.10	0.08
Performance					
Return after charges (%)	33.94	10.37	(5.05)	44.69	(0.93)
Other information					
Closing net asset value (£000)	13,361	28,679	108,924	229,909	166,235
Closing number of shares	3,750,684	10,783,532	45,201,527	160,396,933	167,795,591
Operating charges (%)**	0.06	0.06	0.06	0.06	0.06[†]
Direct transaction costs (%)***	0.08	0.07	0.10	0.08	0.07
Prices					
Highest share price (p)	386.57	293.39	279.02	150.96	114.89
Lowest share price (p)	229.24	238.34	226.44	80.47	97.52

	Class Z – Accumulation shares		
	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share			
Opening net asset value per share (p)	214.40	195.91	208.03
Return before operating charges (p)	72.73	20.41	(10.30)
Operating charges (p)	(2.32)	(1.92)	(1.82)
Return after operating charges (p)*	70.41	18.49	(12.12)
Distributions (p)	(1.84)	(1.69)	(1.27)
Retained distributions on accumulation shares (p)	1.84	1.69	1.27
Closing net asset value per share (p)	284.81	214.40	195.91
*after direct transaction costs of (p)	0.21	0.16	0.22
Performance			
Return after charges (%)	32.84	9.44	(5.83)
Other information			
Closing net asset value (£000)	16,667	5,319	1,916
Closing number of shares	5,852,003	2,480,686	978,092
Operating charges (%)**	0.88	0.88	0.88
Direct transaction costs (%)***	0.08	0.07	0.10
Prices			
Highest share price (p)	309.44	236.72	227.65
Lowest share price (p)	184.76	193.74	184.40

**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.

[1]Commenced 8 October 2019.

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

Threadneedle Japan Fund

Notes to the financial statements

for the accounting period 8 March 2020 to 7 March 2021

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 5 and 6.

2 NET CAPITAL GAINS

Net capital gains during the period comprise:

	2021 £000	2020 £000
Non-derivative securities	209,485	51,929
Forward currency contracts	21,725	(2,709)
Other (losses)/gains	(950)	3,476
Transaction costs	(4)	(3)
Net capital gains	230,256	52,693

3 REVENUE

	2021 £000	2020 £000
Overseas dividends	15,416	14,073
Bank interest	2	6
Total revenue	15,418	14,079

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	(2,659)	(2,983)
Registration fees	(294)	(299)
	(2,953)	(3,282)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(96)	(92)
Safe custody fees	(67)	(63)
	(163)	(155)
Other expenses:		
Regulatory fees	(7)	(7)
Audit fees	(9)	(10)
	(16)	(17)
Total expenses*	(3,132)	(3,454)

**Including irrecoverable VAT where applicable.*

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2021 £000	2020 £000
Interest payable	(50)	(68)
Total interest payable and similar charges	(50)	(68)

6 TAXATION

	2021 £000	Restated 2020* £000
a) Analysis of charge in period		
Overseas taxes	(1,552)	(1,393)
Total current tax (note 6b)	(1,552)	(1,393)
Total tax charge for the period	(1,552)	(1,393)
b) Factors affecting taxation charge for period		
Net revenue before taxation	12,236	10,557
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(2,447)	(2,111)
Effects of:		
Revenue not subject to taxation	3,103	2,718
Overseas taxes	(1,552)	(1,393)
Overseas tax expensed	–	7
Excess expenses*	(655)	(525)
Conversion transfer from capital*	(1)	(89)
Current tax charge for period (note 6a)	(1,552)	(1,393)

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

The fund has not recognised a deferred tax asset of £9,406,837 (2020: £8,751,527) 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	9,274	7,635
	9,274	7,635
Add: Revenue deducted on the cancellation of shares*	2,624	1,220
Deduct: Revenue received on the creation of shares*	(1,218)	(722)
Net distribution for the period	10,680	8,133
Net revenue after taxation	10,684	9,164
Equalisation on conversion*	(5)	(1,031)
Shortfall transfer from capital to revenue	1	–
Total distributions	10,680	8,133

**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 174 to 175.

8 DEBTORS

	2021 £000	2020 £000
Amounts receivable for the issue of shares	12,581	1,731
Sales awaiting settlement	4,947	–
Accrued revenue	726	651
Total debtors	18,254	2,382

9 CASH AND BANK BALANCES

	2021 £000	2020 £000
Amounts held at futures clearing houses and brokers	–	7,950
Cash and bank balances	22,269	43,526
	22,269	51,476
Bank overdrafts	(8,636)	–
Total cash and bank balances	13,633	51,476

10 OTHER CREDITORS

	2021 £000	2020 £000
Amounts payable for the cancellation of shares	(922)	(15)
Purchases awaiting settlement	(6,731)	(4,010)
Accrued expenses	(23)	(23)
Amounts payable to ACD	(317)	(287)
Total other creditors	(7,993)	(4,335)

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.

Threadneedle Japan Fund

Notes to the financial statements

(continued)

13 SHAREHOLDER FUNDS

Threadneedle Japan Fund currently has five share classes; Class 1, Class 2, Class X, Class X2 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 X2 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 X2 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 176 to 177. The distribution per share class is given in the distribution table on pages 174 to 175.
All classes have the same rights on winding up.

**X Shares are not subject to an Annual Management Charge.*
***X 2 Shares are not subject to an Annual Management Charge.*

Reconciliation of shares	**2021**
Class 1 – Accumulation shares	
Opening shares	6,339,266
Shares issued	1,998,750
Shares redeemed	(2,119,752)
Net conversions	(2,448,951)
Closing shares	3,769,313
Class 2 – Accumulation shares	
Opening shares	334,062,691
Shares issued	70,516,929
Shares redeemed	(110,304,643)
Net conversions	–
Closing shares	294,274,977
Class X – Income shares	
Opening shares	1,015,841
Shares issued	1,047,824
Shares redeemed	(1,102,705)
Net conversions	–
Closing shares	960,960
Class X – Accumulation shares	
Opening shares	227,134,722
Shares issued	9,621,667
Shares redeemed	(68,236,461)
Net conversions	–
Closing shares	168,519,928
Class X2 – Accumulation shares	
Opening shares	10,783,532
Shares issued	6,351,482
Shares redeemed	(2,998,316)
Net conversions	(10,386,014)
Closing shares	3,750,684
Class X GBP Hedged – Gross accumulation shares	
Opening shares	167,795,591
Shares issued	27,693,081
Shares redeemed	(63,503,238)
Net conversions	28,411,499
Closing shares	160,396,933
Class Z – Accumulation shares	
Opening shares	2,480,686
Shares issued	5,358,961
Shares redeemed	(2,686,046)
Net conversions	698,402
Closing shares	5,852,003

14 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 6 to 7.

Market price risk sensitivity

The sensitivity figures provided are forecasts. A 5% market increase applied to the fund would result in an estimated increase in net asset value of the fund by 5.00% and vice versa (2020: 4.72%).

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**
Japanese Yen	646,932
Currency 2020	**£000**
Japanese Yen	606,723

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	9.21	6.66
	Currency movement	**Fund movement**
Currency 2020	**%**	**%**
US Dollar	6.78	5.16

Credit/Counterparty exposure

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

2021	**Forward Foreign Exchange Contracts Exposure**	**Collateral Pledged**
Counterparty	**£000**	**£000**
J.P. Morgan	2,852	–
2020	**Forward Foreign Exchange Contracts Exposure**	**Collateral Pledged**
Counterparty	**£000**	**£000**
Royal Bank of Scotland	2	–
Barclays	1	–
J.P. Morgan	–	7,950

The fund held £2,350,000 (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.

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 7 March was:

	Floating rate financial assets	**Fixed rate financial assets**	**Financial assets not carrying interest**	**Total**
Currency 2021	**£000**	**£000**	**£000**	**£000**
Japanese Yen	22,269	–	869,601	891,870
UK Sterling	–	–	253,653	253,653
Currency 2020	**£000**	**£000**	**£000**	**£000**
Japanese Yen	43,515	–	759,351	802,866
UK Sterling	7,961	–	184,910	192,871

Threadneedle Japan 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**
Japanese Yen	–	–	(244,938)	(244,938)
UK Sterling	(8,636)	–	(12,525)	(21,161)
Currency 2020	**£000**	**£000**	**£000**	**£000**
Japanese Yen	–	–	(196,143)	(196,143)
UK Sterling	–	–	(16,655)	(16,655)

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). Any impact to the rate of the underlying securities is considered in market price risk section.

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.

At 7 March 2021, the fund had outstanding forward foreign exchange contracts with an asset value of £2,865,000 (2020: £297,000) and a liability value of £26,000 (2020: £8,954,000).

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	852,720	–	742,100	–
Level 2	2,865	(26)	297	(8,954)
	855,585	(26)	742,397	(8,954)

16 CONTINGENT LIABILITIES AND COMMITMENTS

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

17 PORTFOLIO TRANSACTION COSTS

7 March 2021

	Value	Commissions		Taxes	
Purchases	**£000**	**£000**	**%**	**£000**	**%**
Equities	522,849	298	0.06	–	–
Total	522,849	298		–	
Gross purchases total:	523,147				

	Value	Commissions		Taxes	
Sales	**£000**	**£000**	**%**	**£000**	**%**
Equities	622,372	359	0.06	–	–
Total	622,372	359		–	
Total sales net of transaction costs:	622,013				

Transaction costs as a percentage of average Net Assets

Commissions:	0.08%
Taxes:	0.00%

7 March 2020

	Value	Commissions		Taxes	
Purchases	**£000**	**£000**	**%**	**£000**	**%**
Equities	459,824	266	0.06	–	–
Total	459,824	266		–	
Gross purchases total:	460,090				

	Value	Commissions		Taxes	
Sales	**£000**	**£000**	**%**	**£000**	**%**
Equities	442,063	287	0.06	–	–
Total	442,063	287		–	
Total sales net of transaction costs:	441,776				

Transaction costs as a percentage of average Net Assets

Commissions:	0.07%
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 0.20% (7 March 2020: 0.16%), 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:

STATEMENT OF TOTAL RETURN	Previously reported 2020	Adjustments	Restated 2020
	£000	**£000**	**£000**
Distributions	(7,687)	(446)	(8,133)
Net impact		(446)	

Threadneedle Japan Fund

Notes to the financial statements

(continued)

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	304,856	(104,023)	200,833
Amounts payable on the cancellation of shares	(285,408)	104,469	(180,939)
	19,448	446	19,894
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	54,170	(446)	53,724
Impact on net assets attributable to shareholders		–	

	Previously reported 2020	Adjustments	Restated 2020
	£000	£000	£000
Note 6 TAXATION			
Excess expenses	(614)	89	(525)
Conversion transfer from capital	–	(89)	(89)
Net impact		–	

	Previously reported 2020	Adjustments	Restated 2020
	£000	£000	£000
Note 7 DISTRIBUTIONS			
Add: Revenue deducted on the cancellation of shares	1,591	(371)	1,220
Deduct: Revenue received on the creation of shares	(1,539)	817	(722)
Net impact		446	
Equalisation on conversion	(1,477)	446	(1,031)

19 POST BALANCE SHEET EVENT

The table below shows net redemptions between the year-ended 7 March 2021 and 21 June 2021 as a percentage of the closing NAV for share classes with significant movements. The net redemptions of shares were reviewed again on 28 June with no material movements noted since 21 June. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

Share class	% Movement
Class X – Income shares	(14.84)

Threadneedle Asia Fund

Investment Report

Investment Objective and Policy

The Fund aims to achieve capital growth over the long term. It looks to outperform the MSCI AC Asia Pacific ex Japan 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 shares of companies domiciled in Asia (with the exclusion of Japan), or which have significant Asian (excluding Japan) business operations.

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 AC Asia Pacific ex Japan index.

The MSCI AC Asia Pacific ex Japan Index is designed to capture the share performance of large and medium-sized companies across the Asia Pacific region (excluding Japan), and is currently comprised of over 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 70 companies, which may include shares of some companies not within the Index. The Fund is permitted to invest up to 40% 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 Net Accumulation Class 1 Shares*

Over the twelve months to 7 March 2021, the published share price of the Threadneedle Asia Fund has risen from 233.09p to 320.34p.

Looking at the sterling performance within its peer group, the total return on the fund for the twelve months ending 28 February 2021, including net reinvested income, is +37.05% as compared to a median return of +31.28% over the same period. (For information the MSCI AC Asia Pacific Ex Japan Index returned +27.61% over the same period).

Market Overview and Portfolio Activity

The Asia Pacific ex Japan index posted a strong return over the twelve-month period. There was concern at the beginning of the period as investors feared the economic implications of containment measures and social distancing as a result of COVID-19. However, Asian economies proved more successful in containing the virus than their Western counterparts and markets rallied strongly as restrictions were gradually eased and economic activity improved. The rebound was also driven by central banks expanding their stimulus programmes. In particular, Asian stock markets were supported by indications that the US Federal Reserve would keep interest rates low, and a weaker US dollar. Towards the end of 2020, investors were also encouraged by landmark advances in the development of vaccines for the virus, Joe Biden's victory in the US election and subsequent expectations for further fiscal stimulus in Washington.

However, as the period ended, 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 rotation into more value-oriented cyclicals.

The Chinese market performed particularly well over the period as a whole given the country's containment of the virus, the deceleration of new cases, and supportive measures from the authorities. Later in the period, economic data releases were broadly favourable: second-quarter GDP exceeded expectations, service-sector activity returned to year-on-year growth in June, and manufacturing activity reverted to more normalised levels. GDP rose by 2.3% in 2020, making China one of the only large global economies to exhibit growth last year. Korea was among the top performers in the index as the economy benefitted from strong performance in the tech sector. Global stimulus measures and vaccine optimism proved a further tailwind for the market given its sensitivity to the world economy. Taiwan also performed well given solid corporate results and a broad-based rally in technology stocks following virus concerns earlier in the period. Indian equities fared well too. While the earlier national lockdown caused a sharp market decline, equities subsequently rallied amid improved global sentiment and hopes of further domestic fiscal stimulus. At a sector level, technology was the standout performer within the Asian region.

During the review period, new positions included KIA Motors and SK Hynix in Korea, JD.com in China and Sea Ltd in Singapore. KIA Motors enjoys a sizeable and growing market share in Europe and the US, and we are constructive on the company's strong position in India. SK Hynix is a semiconductor business and stands to benefit from the improving growth prospects for the memory-chip segment. Retailer JD.com is pursuing new initiatives to increase penetration into lower-tier cities in China through diversified channel strategies, and is strengthening its supply-chain relationships with broader product categories. Singapore internet platform Sea has been a notable beneficiary of the stay-at-home economy through increased sales of its gaming and e-commerce products.

Later in the period, new additions included Hua Hong Semiconductor, which manufactures semiconductors used in a wide range of products. We expect the company to benefit from China's 5G infrastructure initiative, alongside greater demand from electric vehicles (EVs). Another purchase was Indian technology firm Tech Mahindra. The company is expected to be a key beneficiary of the upswing in the IT outsourcing cycle, which has been reflected in the strong momentum of new deals. We also added a position in Gree Electric Appliances, one of China's leading suppliers of commercial and residential air-conditioning equipment. Revenue growth is expected to improve as a result of the move to higher-priced, premium-quality products and an improving product mix.

Early in the period, we exited ICICI Bank on concerns over the deterioration in asset quality given the downward pressure on economic growth in India due to coronavirus. We also sold CapitaLand as we became less optimistic on the outlook for Singapore's property market. Other sales included camera-lens manufacturer Largan Precision, given the uncertain demand outlook for the company's products; and China Construction Bank, as we felt its recent recovery was reflected in the share price. We also exited Telkom Indonesia due to persistently higher-than-anticipated cost pressures, increased competition and greater-than-expected volatility in the key enterprise division.

As restrictions on social distancing measures have continued to be eased in Asia, we have witnessed economic activity pick up to pre-COVID levels and earnings revisions improve substantially. Political risk has been reduced and sentiment has been further supported by weakness in the US dollar.

Recent vaccine optimism has fuelled positive investor sentiment globally, although we can still envisage distribution challenges in the near term. Meanwhile, the debate over inflation and cyclical rotation has been gaining traction as the market moves into an upcycle and economies re-open. While we certainly see the merits for a cyclical rebound as restrictions on social distancing are eased, an evaluation of how long this trend will last and the best way to gain exposure is crucial.

Rising inflationary expectations may cause some volatility but can be positive for Asian equity markets if consistent with a stronger global growth outlook, as long as the adjustment is gradual. Underlying price pressures in Asian economies remain subdued and economic fundamentals are relatively robust.

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.

Structural progress is still ongoing, with reforms key to unlocking growth potential and accelerating secular themes. The policy agenda across the region is emphasising domestic demand as a long-term growth driver, with key reforms progressing in Indonesia, India and China.

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2020 to 7 March 2021

	Notes	2021 £000	Restated 2020** £000
Income			
Net capital gains	2	237,843	33,875
Revenue	3	14,680	14,791
Expenses	4	(2,441)	(2,450)
Interest payable and similar charges	5	–	(18)
Net revenue before taxation		12,239	12,323
Taxation	6	(2,137)	(756)
Net revenue after taxation		10,102	11,567
Total return before distributions		247,945	45,442
Distributions**	7	(11,190)	(11,182)
Change in net assets attributable to shareholders from investment activities		236,755	34,260

BALANCE SHEET

as at 7 March 2021

	Notes	2021 £000	2020 £000
Assets:			
Fixed assets:			
Investments		820,339	634,896
Current assets:			
Debtors	8	11,699	8,678
Cash and bank balances		13,160	2,508
Cash equivalents***		6,890	11,556
Total assets		852,088	657,638
Liabilities:			
Investment liabilities		–	(48)
Creditors:			
Bank overdrafts		(4,287)	(1,006)
Other creditors	9	(21,300)	(3,705)
Total liabilities		(25,587)	(4,759)
Net assets attributable to shareholders		826,501	652,879

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2020 to 7 March 2021

	2021 £000	Restated 2020** £000
Opening net assets attributable to shareholders	652,879	448,736
Amounts receivable on the issue of shares**	119,194	301,466
Amounts payable on the cancellation of shares**	(192,689)	(145,729)
	(73,495)	155,737
Dilution adjustment	–	311
Change in net assets attributable to shareholders from investment activities (see statement of total return above)**	236,755	34,260
Retained distribution on accumulation shares	10,362	13,835
Closing net assets attributable to shareholders	826,501	652,879

DISTRIBUTION TABLE

for the accounting period 8 March 2020 to 7 March 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				
08/03/20 to 07/03/21	0.3737	–	0.3737	1.9736
Group 2				
08/03/20 to 07/03/21	0.2290	0.1447	0.3737	1.9736
Total distributions in the period			**0.3737**	**1.9736**

**In pound Sterling and against UK peer group (See Performance summary on pages 330 to 331).*

***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 Asia Fund

DISTRIBUTION TABLE

(continued)

Class 2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/03/21	2.3301	–	2.3301	3.7290
Group 2				
08/03/20 to 07/03/21	1.0023	1.3278	2.3301	3.7290
Total distributions in the period			**2.3301**	**3.7290**

Class X – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/03/21	3.6584	–	3.6584	4.2751
Group 2				
08/03/20 to 07/03/21	2.2887	1.3697	3.6584	4.2751
Total distributions in the period			**3.6584**	**4.2751**

Class X2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/03/21	14.1824	–	14.1824	16.5690
Group 2				
08/03/20 to 07/03/21	8.2357	5.9467	14.1824	16.5690
Total distributions in the period			**14.1824**	**16.5690**

Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/03/21	2.2512	–	2.2512	3.2869
Group 2				
08/03/20 to 07/03/21	0.8401	1.4111	2.2512	3.2869
Total distributions in the period			**2.2512**	**3.2869**

Group 2: shares purchased during a distribution period.

Threadneedle Asia Fund

Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 1 EUR – Accumulation shares
	07/03/2021	07/03/2020	07/03/2019	25/01/2019[1]
Change in net assets per share				
Opening net asset value per share (p)	234.57	216.54	223.94	233.55
Return before operating charges (p)	89.84	21.84	(3.76)	(24.27)
Operating charges (p)	(4.35)	(3.81)	(3.64)	(1.92)
Return after operating charges (p)*	85.49	18.03	(7.40)	(26.19)
Distributions (p)	(0.37)	(1.97)	(1.74)	(1.60)
Retained distributions on accumulation shares (p)	0.37	1.97	1.74	1.60
Closing net asset value per share (p)	320.06	234.57	216.54	207.36
*after direct transaction costs of (p)	0.33	0.26	0.53	0.15
Performance				
Return after charges (%)	36.45	8.33	(3.30)	(11.21)
Other information				
Closing net asset value (£000)	8,597	13,094	65,180	–
Closing number of shares	2,685,924	5,582,102	30,101,025	–
Operating charges (%)**	1.64	1.67	1.66	–
Direct transaction costs (%)***	0.12	0.11	0.24	–
Prices				
Highest share price (p)	343.66	259.86	237.99	232.75
Lowest share price (p)	198.82	213.81	194.10	194.10

	Class 1 USD – Accumulation shares	Class 2 – Accumulation shares		
	25/01/2019[1]	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share				
Opening net asset value per share (p)	233.55	265.42	243.60	250.48
Return before operating charges (p)	185.73	102.15	24.68	(4.23)
Operating charges (p)	(1.92)	(3.31)	(2.86)	(2.65)
Return after operating charges (p)*	183.81	98.84	21.82	(6.88)
Distributions (p)	(1.60)	(2.33)	(3.73)	(3.35)
Retained distributions on accumulation shares (p)	1.60	2.33	3.73	3.35
Closing net asset value per share (p)	207.36	364.26	265.42	243.60
*after direct transaction costs of (p)	0.15	0.38	0.30	0.59
Performance				
Return after charges (%)	(11.21)	37.24	8.96	(2.75)
Other information				
Closing net asset value (£000)	–	177,810	140,910	133,075
Closing number of shares	–	48,813,452	53,088,843	54,629,187
Operating charges (%)**	–	1.08	1.08	1.08
Direct transaction costs (%)***	–	0.12	0.11	0.24
Prices				
Highest share price (p)	232.75	391.01	293.78	266.58
Lowest share price (p)	194.10	224.96	240.53	217.85

Threadneedle Asia Fund

Comparative Table Disclosure

(continued)

	Class 2 EUR – Accumulation shares	Class 2 USD – Accumulation shares
	25/01/2019[1]	25/01/2019[1]
Change in net assets per share		
Opening net asset value per share (p)	261.64	261.64
Return before operating charges (p)	(27.12)	(27.10)
Operating charges (p)	(1.40)	(1.42)
Return after operating charges (p)*	(28.52)	(28.52)
Distributions (p)	(3.04)	(3.04)
Retained distributions on accumulation shares (p)	3.04	3.04
Closing net asset value per share (p)	233.12	233.12
*after direct transaction costs of (p)	0.17	0.17
Performance		
Return after charges (%)	(10.90)	(10.90)
Other information		
Closing net asset value (£000)	–	–
Closing number of shares	–	–
Operating charges (%)**	–	–
Direct transaction costs (%)***	–	–
Prices		
Highest share price (p)	260.75	260.75
Lowest share price (p)	217.85	217.85

	Class X – Accumulation shares			Class X2 – Accumulation shares		
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share						
Opening net asset value per share (p)	179.08	162.75	165.70	693.89	630.61	642.14
Return before operating charges (p)	69.32	16.47	(2.82)	268.84	63.84	(11.03)
Operating charges (p)	(0.17)	(0.14)	(0.13)	(0.64)	(0.56)	(0.50)
Return after operating charges (p)*	69.15	16.33	(2.95)	268.20	63.28	(11.53)
Distributions (p)	(3.66)	(4.28)	(3.82)	(14.18)	(16.57)	(14.70)
Retained distributions on accumulation shares (p)	3.66	4.28	3.82	14.18	16.57	14.70
Closing net asset value per share (p)	248.23	179.08	162.75	962.09	693.89	630.61
*after direct transaction costs of (p)	0.26	0.20	0.39	0.99	0.80	1.51
Performance						
Return after charges (%)	38.61	10.03	(1.78)	38.65	10.03	(1.80)
Other information						
Closing net asset value (£000)	332,410	229,517	122,597	275,690	248,873	110,093
Closing number of shares	133,911,838	128,166,472	75,329,668	28,655,431	35,866,422	17,458,287
Operating charges (%)**	0.08	0.08	0.08	0.08	0.08	0.08
Direct transaction costs (%)***	0.12	0.11	0.24	0.12	0.11	0.24
Prices						
Highest share price (p)	266.32	197.95	176.79	1,031.95	767.02	685.12
Lowest share price (p)	151.81	160.70	144.97	588.25	622.67	561.72

Threadneedle Asia Fund

Comparative Table Disclosure

(continued)

	Class Z – Accumulation shares			Class Z USD – Accumulation shares
	07/03/2021	07/03/2020	07/03/2019	25/01/2019[1]
Change in net assets per share				
Opening net asset value per share (p)	208.30	190.87	195.92	204.75
Return before operating charges (p)	80.26	19.30	(3.32)	(21.02)
Operating charges (p)	(2.18)	(1.87)	(1.73)	(1.11)
Return after operating charges (p)*	78.08	17.43	(5.05)	(22.13)
Distributions (p)	(2.25)	(3.29)	(2.95)	(2.67)
Retained distributions on accumulation shares (p)	2.25	3.29	2.95	2.67
Closing net asset value per share (p)	286.38	208.30	190.87	182.62
*after direct transaction costs of (p)	0.30	0.24	0.46	0.16
Performance				
Return after charges (%)	37.48	9.13	(2.58)	(10.81)
Other information				
Closing net asset value (£000)	31,994	20,485	17,791	–
Closing number of shares	11,171,979	9,834,053	9,321,029	–
Operating charges (%)**	0.90	0.90	0.90	–
Direct transaction costs (%)***	0.12	0.11	0.24	–
Prices				
Highest share price (p)	307.37	230.53	208.61	204.06
Lowest share price (p)	176.55	188.46	170.57	170.57

**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.

[1]*Commenced 15 June 2018 and closed 25 January 2019.*

Threadneedle Asia Fund

Notes to the financial statements

for the accounting period 8 March 2020 to 7 March 2021

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 5 and 6.

2 NET CAPITAL GAINS

Net capital gains during the period comprise:

	2021 £000	2020 £000
Non-derivative securities	238,318	33,919
Forward currency contracts	(163)	35
Other losses	(308)	(71)
Transaction costs	(4)	(8)
Net capital gains	237,843	33,875

3 REVENUE

	2021 £000	2020 £000
Overseas dividends	14,653	14,632
Franked dividend distributions	–	29
Interest on short term investments	–	13
Bank interest	27	107
Management fee rebate on collective investment scheme holdings	–	10
Total revenue	14,680	14,791

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	(1,866)	(1,994)
Registration fees	(285)	(232)
	(2,151)	(2,226)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(89)	(67)
Safe custody fees	(174)	(131)
	(263)	(198)
Other expenses:		
Regulatory fees	(18)	(12)
Audit fees	(7)	(8)
Non-audit service fees payable to auditors	(2)	(6)
	(27)	(26)
Total expenses*	(2,441)	(2,450)

**Including irrecoverable VAT where applicable.*

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2021 £000	2020 £000
Interest payable	–	(18)
Total interest payable and similar charges	–	(18)

6 TAXATION

	2021 £000	Restated 2020* £000
a) Analysis of charge in period		
Capital gains tax charge in the statement of total return for the period (note 6a)	(23)	–
Overseas taxes	(1,053)	(1,417)
Total current tax (note 6b)	(1,076)	(1,417)
Deferred tax (note 6c)	(1,061)	–
Capital gains tax (note 6d)	–	661
Total tax charge for the period	(2,137)	(756)
b) Factors affecting taxation charge for period		
Net revenue before taxation	12,239	12,323
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(2,448)	(2,465)
Effects of:		
Revenue not subject to taxation	2,889	2,861
Overseas taxes	(1,053)	(1,417)
Overseas tax expensed	7	8
Excess expenses*	(447)	(349)
Conversion transfer from capital*	(1)	(55)
Overseas capital gains tax	(1,084)	–
Current tax charge for period (note 6a)	(2,137)	(1,417)
c) Deferred tax		
Deferred tax charge in statement of total return for year (note 6a)	(1,061)	–
Provision at the end of the period	(1,061)	–
d) Capital gains tax		
Capital gains tax charge in the statement of total return for the period (note 6a)	–	661
Provision at the end of the period	–	661

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

The fund has not recognised a deferred tax asset of £8,875,903 (2020: £8,428,799) 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	10,362	13,835
	10,362	13,835
Add: Revenue deducted on the cancellation of shares*	1,500	1,533
Deduct: Revenue received on the creation of shares*	(672)	(4,186)
Net distribution for the period	11,190	11,182
Net revenue after taxation	10,102	11,567
Capital gains tax	–	(661)
Equalisation on conversion*	3	276
Undistributed revenue brought forward	1	1
Undistributed revenue carried forward	–	(1)
Overseas capital gains tax	1,084	–
Total distributions	11,190	11,182

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

Details of the distribution per share are set out in the table on pages 182 to 183.

8 DEBTORS

	2021 £000	2020 £000
Amounts receivable for the issue of shares	4,849	6,807
Sales awaiting settlement	3,908	–
Accrued revenue	2,895	1,870
Foreign withholding tax recoverable	47	1
Total debtors	11,699	8,678

9 OTHER CREDITORS

	2021 £000	2020 £000
Amounts payable for the cancellation of shares	(16,643)	(741)
Purchases awaiting settlement	(2,140)	(1,555)
Accrued expenses	(32)	(29)
Amounts payable to ACD	(245)	(201)
Corporation tax payable	(1,179)	(1,179)
Deferred tax Indian capital gains tax payable	(1,061)	–
Total other creditors	(21,300)	(3,705)

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 Asia 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.

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.

The fund has received £Nil (2020: £29,000) franked dividend distributions and £Nil (2020: £10,000) management fee rebate on collective investment scheme holdings.

In addition this investment has produced a non-derivative security gain of £Nil (2020: £-3,383,000).

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

12 SHAREHOLDER FUNDS

Threadneedle Asia Fund currently has five share classes; Class 1, Class 2, Class X, Class X2 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 X2 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 X2 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 184 to 186. The distribution per share class is given in the distribution table on pages 182 to 183.

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	5,582,102
Shares issued	2,840,748
Shares redeemed	(3,984,481)
Net conversions	(1,752,445)
Closing shares	2,685,924
Class 2 – Accumulation shares	
Opening shares	53,088,843
Shares issued	14,165,787
Shares redeemed	(18,432,503)
Net conversions	(8,675)
Closing shares	48,813,452
Class X – Accumulation shares	
Opening shares	128,166,472
Shares issued	13,558,055
Shares redeemed	(7,812,689)
Net conversions	–
Closing shares	133,911,838
Class X2 – Accumulation shares	
Opening shares	35,866,422
Shares issued	5,096,066
Shares redeemed	(12,307,057)
Net conversions	–
Closing shares	28,655,431
Class Z – Accumulation shares	
Opening shares	9,834,053
Shares issued	1,237,157
Shares redeemed	(1,880,475)
Net conversions	1,981,244
Closing shares	11,171,979

13 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 6 to 7.

Market price risk sensitivity

The sensitivity figures provided are forecasts. A 5% market increase applied to the fund would result in an estimated increase in net asset value of the fund by 5.18% and vice versa (2020: 5.16%).

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	96,044
China Renminbi	14,775
Hong Kong Dollar	260,652
Indian Rupee	59,912
Indonesian Rupiah	13,386
Philippines Peso	7,781
Singapore Dollar	13,060
South Korean Won	150,267
Taiwan Dollar	122,304
US Dollar	94,471
Currency 2020	**£000**
Australian Dollar	84,640
China Renminbi	15,586
Hong Kong Dollar	212,761
Indian Rupee	43,625
Indonesian Rupiah	18,068
Philippines Peso	13,066
Singapore Dollar	18,507
South Korean Won	85,333
Taiwan Dollar	88,229
US Dollar	71,568

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	**%**	**%**
Australian Dollar	7.87	0.91
Hong Kong Dollar	6.12	1.93
South Korean Won	0.32	0.06
Taiwan Dollar	1.17	0.17
US Dollar	6.22	0.71
	Currency movement	**Fund movement**
Currency 2020	**%**	**%**
Australian Dollar	4.98	0.65
Hong Kong Dollar	1.95	0.64
South Korean Won	4.60	0.60
Taiwan Dollar	3.82	0.52
US Dollar	0.97	0.11

Threadneedle Asia Fund

Notes to the financial statements

(continued)

Credit/Counterparty exposure

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

2021	Forward Foreign Exchange Contracts Exposure
Counterparty	**£000**
Barclays	2

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 7 March was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2021	**£000**	**£000**	**£000**	**£000**
Australian Dollar	–	–	96,044	96,044
China Renminbi	–	–	14,775	14,775
Hong Kong Dollar	–	–	260,652	260,652
Indian Rupee	1,721	–	58,191	59,912
Indonesian Rupiah	–	–	13,386	13,386
Philippines Peso	–	–	7,781	7,781
Singapore Dollar	–	–	15,200	15,200
South Korean Won	–	–	150,267	150,267
Taiwan Dollar	3,109	–	119,195	122,304
UK Sterling	8,330	–	4,848	13,178
US Dollar	–	6,890	91,868	98,758
Currency 2020	**£000**	**£000**	**£000**	**£000**
Australian Dollar	–	–	84,640	84,640
China Renminbi	–	–	15,586	15,586
Hong Kong Dollar	–	–	214,316	214,316
Indian Rupee	–	–	43,625	43,625
Indonesian Rupiah	–	–	18,068	18,068
Philippines Peso	–	–	13,066	13,066
Singapore Dollar	–	–	18,507	18,507
South Korean Won	–	–	85,333	85,333
Taiwan Dollar	2,508	–	85,721	88,229
UK Sterling	–	–	6,851	6,851
US Dollar	–	11,556	61,024	72,580

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2021	**£000**	**£000**	**£000**	**£000**
Singapore Dollar	–	–	(2,140)	(2,140)
UK Sterling	–	–	(19,329)	(19,329)
US Dollar	(4,287)	–	–	(4,287)
Currency 2020	**£000**	**£000**	**£000**	**£000**
Hong Kong Dollar	–	–	(1,555)	(1,555)
UK Sterling	(38)	–	(5,317)	(5,355)
US Dollar	(968)	–	(44)	(1,012)

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). Any impact to the rate of the underlying securities is considered in market price risk section.

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.

At 7 March 2021, the fund had outstanding forward foreign exchange contracts with an asset value of £2,000 (2020: £Nil) and a liability value of £Nil (2020: £48,000).

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	
	Assets	Liabilities	Assets	Liabilities
Valuation technique	**£000**	**£000**	**£000**	**£000**
Level 1*	827,227	–	646,452	–
Level 2	2	–	–	(48)
	827,229	–	646,452	(48)

**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

7 March 2021

	Value	Commissions		Taxes	
Purchases	**£000**	**£000**	**%**	**£000**	**%**
Equities	244,724	179	0.07	105	0.04
Collective investment schemes	122,019	–	–	–	–
Corporate actions	365	–	–	–	–
Total	367,108	179		105	
Gross purchases total:	367,392				

	Value	Commissions		Taxes	
Sales	**£000**	**£000**	**%**	**£000**	**%**
Equities	299,537	193	0.06	442	0.15
Collective investment schemes	126,006	–	–	–	–
Total	425,543	193		442	
Total sales net of transaction costs:	424,908				

Transaction costs as a percentage of average Net Assets	
Commissions:	0.05%
Taxes:	0.07%

Threadneedle Asia Fund

Notes to the financial statements

(continued)

7 March 2020

Purchases	Value £000	Commissions £000	%	Taxes £000	%
Equities	311,288	167	0.05	152	0.05
Collective investment schemes	92,809	–	–	–	–
Corporate actions	176	–	–	–	–
Total	404,273	167		152	
Gross purchases total:	404,592				

Sales	Value £000	Commissions £000	%	Taxes £000	%
Equities	151,013	136	0.09	183	0.12
Collective investment schemes	86,807	–	–	–	–
Total	237,820	136		183	
Total sales net of transaction costs:	237,501				

Transaction costs as a percentage of average Net Assets

Commissions:	0.05%
Taxes:	0.06%

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% (7 March 2020: 0.22%), 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 7 March 2020:

STATEMENT OF TOTAL RETURN	Previously reported 2020 £000	Adjustments £000	Restated 2020 £000
Distributions	(10,906)	(276)	(11,182)
Net impact		(276)	

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	364,193	(62,727)	301,466
Amounts payable on the cancellation of shares	(208,732)	63,003	(145,729)
	155,461	276	155,737
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	34,536	(276)	34,260
Impact on net assets attributable to shareholders		–	

Note 6 TAXATION	Previously reported 2020 £000	Adjustments £000	Restated 2020 £000
Excess expenses	(404)	55	(349)
Conversion transfer from capital	–	(55)	(55)
Net impact		–	

Note 7 DISTRIBUTIONS	Previously reported 2020 £000	Adjustments £000	Restated 2020 £000
Add: Revenue deducted on the cancellation of shares	1,826	(293)	1,533
Deduct: Revenue received on the creation of shares	(4,755)	569	(4,186)
Net impact		276	
Equalisation on conversion	–	276	276

18 POST BALANCE SHEET EVENT

During the period from the balance sheet date to 21 June 2021, the net asset value of the Fund decreased by 14.09%. This decrease is primarily driven by overall levels of net redemptions within the Fund. The net asset value was reviewed again on 28 June with no material movements noted since 21 June.

Threadneedle Latin America Fund

Investment Report

Investment Objective and Policy

The Fund aims to achieve capital growth over the long term. It looks to outperform the MSCI EM Latin America 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 Latin America, or which have significant Latin American business operations.

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 EM Latin America 10/40 Index.

The MSCI EM Latin American 10/40 Index is designed to measure the share performance of large and medium-sized companies across 5 Emerging Market countries within Latin America (Brazil, Chile, Colombia, Mexico, and Peru). The Index currently includes approximately 100 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 65 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 Net Accumulation Class 1 Shares*

Over the twelve months to 7 March 2021, the published share price of the Threadneedle Latin America Fund has risen from 218.10p to 220.59p.

Looking at the sterling performance within its peer group, the total return on the fund for the twelve months ending 28 February 2021, including net reinvested income, is -2.61% as compared to a median return of -14.08% over the same period. (For information the MSCI EM Latin America 10/40 Index returned -14.00% over the same period).

Market Overview and Portfolio Activity

Latin American equities declined modestly during the 12 months to 7 March. The period began with sharp declines in market values amid the spread of the coronavirus and the associated restrictions on economic activity. Unprecedented global central-bank monetary accommodation helped to support financial system liquidity and boost financial markets. Subsequent steady improvement in economic activity amid easing lockdown measures and the rollout of various vaccines later in the period was also supportive.

Brazil was among the weakest markets, given rapid community transmission of the virus, a sharp sell-off in the oil price and a weak real. While second-quarter GDP data proved to be much weaker than expected, shorter-term datapoints exhibited steady improvement. However, political news flow injected further volatility in the summer months, as calls to loosen the public-spending cap caused concern about the fiscal outlook. Equities soon rebounded, however, helped by ongoing economic recovery. Third-quarter GDP rose by a record amount, only for a fresh spike in virus caseloads and concerns about inflationary pressures to cause market weakness as the period ended.

Mexican equities began the period on a particularly weak footing, but ultimately recovered to outperform the benchmark. Rising virus cases and the lockdown restrictions caused manufacturing activity to slump and unemployment to rise. A credit-rating downgrade also undermined confidence. Despite a decline in second-quarter GDP, equities recovered as the central bank cut interest rates to the lowest level in four years. The tentative recovery in manufacturing that began in the second quarter gathered pace and continued until the end of the period, notching up seven successive months of expansion. However, equity markets weakened as the period ended, hurt by deteriorating virus trends and weakness in the peso.

The Andean region performed best, with Argentina, Chile and Peru all delivering healthy double-digit returns. With these markets highly dependent on the extractive industries, the collapse in demand for commodities initially soured sentiment. However, commodity prices later recovered, aided by the gradual recovery in economic activity and hopes that vaccines may accelerate a return to normality. Argentina also benefited from optimism surrounding the renegotiation of the country's debt between the government and creditors. Colombia was the region's worst performer amid dismal economic data and concern about the country's oil production.

The fund continues to focus on long-term secular growth opportunities, which we believe will generate strong, long-term returns whatever the economic backdrop. In this vein, the fund participated in the initial public offering of Vasta Platform, which provides online educational content to schools. The company's content and ed-tech solutions platform should allow it to benefit from the digital transformation of education. The firm operates the largest laser hair-removal clinic chain in Brazil – a market experiencing significant growth as disposable incomes rise over the long term. Online home-furnishing retailer Mobly was another notable addition. Offering various branded and private-label products, its value-for-money positioning should allow rapid growth in the Brazilian market.

Notable sales included those companies facing fundamental challenges as a result of COVID-19. We consequently sold Brazilian retailer Companhia Brasileira de Distribuição (GPA) and Chilean shopping-mall manager Parque Arauco. Restaurant operator Alsea also exited, given our view that recovery in footfall following the coronavirus is likely to be protracted. Airline company Copa was another sale. While we see scope for a recovery in journeys within Brazil, Copa is particularly exposed to international travel, where we believe a revival in fortunes will take longer to materialise.

Latin American equities continue to face COVID-related challenges, with the region's economies impacted by the economic slowdown. Despite this, we are witnessing the early signs of recovery. Each economy needs to be assessed individually by evaluating its unique place in the political, monetary and GDP-growth cycles, as well as by its exposure to commodities, which varies across countries.

In terms of trade tensions, Latin America remains reasonably protected compared to other global regions, as some of its economies are relatively closed and most exports are related to raw commodities, which are less exposed to tariffs.

The outlook for the Brazilian economy has been significantly impacted by virus concerns. The pandemic has had negative implications for economic growth and the implementation of further policy reforms. Political tensions present further risks to monitor. However, we continue to identify opportunities and secular growth trends in the consumer and technology sectors. We believe there is potential for growth in consumer finance, as technology is democratising banking and steadily reducing the unbanked section of the population.

Mexico continues to suffer from political uncertainty, resulting in heightened investor concern. We hold a constructive view on the future for US-Mexico trade relations. Additionally, Mexico's manufacturing sector should gain market share as more corporates continue to diversify their supply chains.

In the Andean region, Argentina has been feeling the repercussions of fiscal and monetary imbalances. We currently have limited exposure to domestic stocks, given concerns surrounding the country's deficit, inflation and currency devaluation.

Overall, the fund's focus remains on secular growth trends, quality companies likely to gain market share, and diversified, bottom-up opportunities.

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2020 to 7 March 2021

	Notes	2021 £000	Restated 2020** £000
Income			
Net capital gains/(losses)	2	8,333	(38,719)
Revenue	3	5,125	10,713
Expenses	4	(3,091)	(4,547)
Interest payable and similar charges	5	–	(4)
Net revenue before taxation		2,034	6,162
Taxation	6	(292)	(755)
Net revenue after taxation		1,742	5,407
Total return before distributions		10,075	(33,312)
Distributions**	7	(1,744)	(5,437)
Change in net assets attributable to shareholders from investment activities		8,331	(38,749)

BALANCE SHEET

as at 7 March 2021

	Notes	2021 £000	2020 £000
Assets:			
Fixed assets:			
Investments		297,063	276,846
Current assets:			
Debtors	8	13,289	5,106
Cash and bank balances		7,671	8,095
Cash equivalents***		6,534	18,102
Total assets		324,557	308,149
Liabilities:			
Investment liabilities		(1)	–
Creditors:			
Bank overdrafts		(4,394)	(270)
Other creditors	9	(18,209)	(8,745)
Total liabilities		(22,604)	(9,015)
Net assets attributable to shareholders		301,953	299,134

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2020 to 7 March 2021

	2021 £000	Restated 2020** £000
Opening net assets attributable to shareholders	299,134	412,507
Amounts receivable on the issue of shares**	103,255	158,223
Amounts payable on the cancellation of shares**	(110,531)	(237,820)
	(7,276)	(79,597)
Dilution adjustment	12	122
Change in net assets attributable to shareholders from investment activities (see statement of total return above)**	8,331	(38,749)
Retained distribution on accumulation shares	1,752	4,851
Closing net assets attributable to shareholders	301,953	299,134

DISTRIBUTION TABLE

for the accounting period 8 March 2020 to 7 March 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				
08/03/20 to 07/03/21	0.1590	–	0.1590	2.0193
Group 2				
08/03/20 to 07/03/21	–	0.1590	0.1590	2.0193
Total distributions in the period			**0.1590**	**2.0193**

**In pound Sterling and against UK peer group (See Performance summary on pages 330 to 331).*

***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 Latin America Fund

DISTRIBUTION TABLE

(continued)

Class 2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/03/21	1.5445	–	1.5445	4.0503
Group 2				
08/03/20 to 07/03/21	0.5204	1.0241	1.5445	4.0503
Total distributions in the period			**1.5445**	**4.0503**

Class X – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/03/21	1.5653	–	1.5653	2.7135
Group 2				
08/03/20 to 07/03/21	0.6653	0.9000	1.5653	2.7135
Total distributions in the period			**1.5653**	**2.7135**

Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/03/21	0.6701	–	0.6701	1.5668
Group 2				
08/03/20 to 07/03/21	0.3095	0.3606	0.6701	1.5668
Total distributions in the period			**0.6701**	**1.5668**

Group 2: shares purchased during a distribution period.

Threadneedle Latin America Fund

Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 2 – Accumulation shares		
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share						
Opening net asset value per share (p)	213.99	243.25	261.20	240.50	271.71	289.96
Return before operating charges (p)	10.93	(24.85)	(13.93)	12.43	(28.03)	(15.38)
Operating charges (p)	(3.46)	(4.41)	(4.02)	(2.50)	(3.18)	(2.87)
Return after operating charges (p)*	7.47	(29.26)	(17.95)	9.93	(31.21)	(18.25)
Distributions (p)	(0.16)	(2.02)	(3.29)	(1.54)	(4.05)	(5.30)
Retained distributions on accumulation shares (p)	0.16	2.02	3.29	1.54	4.05	5.30
Closing net asset value per share (p)	221.46	213.99	243.25	250.43	240.50	271.71
*after direct transaction costs of (p)	0.28	0.47	0.52	0.31	0.53	0.58
Performance						
Return after charges (%)	3.49	(12.03)	(6.87)	4.13	(11.49)	(6.29)
Other information						
Closing net asset value (£000)	35,319	39,303	56,823	234,563	226,061	314,532
Closing number of shares	15,948,307	18,366,754	23,360,248	93,663,105	93,996,899	115,759,137
Operating charges (%)**	1.70	1.70	1.69	1.09	1.09	1.08
Direct transaction costs (%)***	0.14	0.18	0.21	0.14	0.18	0.21
Prices						
Highest share price (p)	250.02	282.98	263.19	282.48	316.86	293.64
Lowest share price (p)	152.15	218.10	211.51	171.05	245.11	235.19

	Class X – Accumulation shares			Class Z – Accumulation shares		
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share						
Opening net asset value per share (p)	100.85	112.98	119.53	82.70	93.27	99.35
Return before operating charges (p)	5.25	(12.02)	(6.46)	4.29	(9.66)	(5.26)
Operating charges (p)	(0.09)	(0.11)	(0.09)	(0.72)	(0.91)	(0.82)
Return after operating charges (p)*	5.16	(12.13)	(6.55)	3.57	(10.57)	(6.08)
Distributions (p)	(1.57)	(2.71)	(3.09)	(0.67)	(1.57)	(1.98)
Retained distributions on accumulation shares (p)	1.57	2.71	3.09	0.67	1.57	1.98
Closing net asset value per share (p)	106.01	100.85	112.98	86.27	82.70	93.27
*after direct transaction costs of (p)	0.13	0.23	0.24	0.11	0.18	0.20
Performance						
Return after charges (%)	5.12	(10.74)	(5.48)	4.32	(11.33)	(6.12)
Other information						
Closing net asset value (£000)	4,387	4,236	223	27,684	29,534	40,929
Closing number of shares	4,138,559	4,200,888	197,394	32,091,563	35,712,206	43,884,360
Operating charges (%)**	0.09	0.09	0.08	0.91	0.91	0.90
Direct transaction costs (%)***	0.14	0.18	0.21	0.14	0.18	0.21
Prices						
Highest share price (p)	119.41	132.24	122.03	97.28	108.84	100.78
Lowest share price (p)	71.76	102.78	97.25	58.82	84.28	80.62

**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 Latin America Fund

Notes to the financial statements

for the accounting period 8 March 2020 to 7 March 2021

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 5 and 6.

2 NET CAPITAL GAINS/(LOSSES)

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

	2021 £000	2020 £000
Non-derivative securities	9,316	(38,510)
Forward currency contracts	13	204
Other losses	(989)	(406)
Transaction costs	(7)	(7)
Net capital gains/(losses)	8,333	(38,719)

3 REVENUE

	2021 £000	2020 £000
Overseas dividends	5,094	10,472
Interest on short term investments	–	37
Bank interest	31	204
Total revenue	5,125	10,713

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	(2,818)	(4,136)
Registration fees	(154)	(232)
	(2,972)	(4,368)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(33)	(48)
Safe custody fees	(71)	(115)
	(104)	(163)
Other expenses:		
Regulatory fees	(7)	(7)
Audit fees	(8)	(9)
	(15)	(16)
Total expenses*	(3,091)	(4,547)

**Including irrecoverable VAT where applicable.*

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2021 £000	2020 £000
Interest payable	–	(4)
Total interest payable and similar charges	–	(4)

6 TAXATION

	2021 £000	Restated 2020* £000
a) Analysis of charge in period		
Overseas taxes	(292)	(755)
Total current tax (note 6b)	(292)	(755)
Total tax charge for the period	(292)	(755)
b) Factors affecting taxation charge for period		
Net revenue before taxation	2,034	6,162
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(407)	(1,232)
Effects of:		
Revenue not subject to taxation	790	1,343
Overseas taxes	(292)	(755)
Overseas tax expensed	41	121
Excess expenses*	(424)	(226)
Conversion transfer from capital	–	(6)
Current tax charge for period (note 6a)	(292)	(755)

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

The fund has not recognised a deferred tax asset of £12,479,342 (2020: £12,055,142) 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	1,752	4,852
	1,752	4,852
Add: Revenue deducted on the cancellation of shares*	280	1,361
Deduct: Revenue received on the creation of shares*	(288)	(776)
Net distribution for the period	1,744	5,437
Net revenue after taxation	1,742	5,407
Equalisation on conversion*	2	30
Total distributions	1,744	5,437

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

Details of the distribution per share are set out in the table on pages 191 to 192.

8 DEBTORS

	2021 £000	2020 £000
Amounts receivable for the issue of shares	10,879	316
Sales awaiting settlement	2,180	3,968
Accrued revenue	230	822
Total debtors	13,289	5,106

9 OTHER CREDITORS

	2021 £000	2020 £000
Amounts payable for the cancellation of shares	(553)	(360)
Purchases awaiting settlement	(15,408)	(6,064)
Accrued expenses	(17)	(21)
Amounts payable to ACD	(321)	(390)
Corporation tax payable	(1,910)	(1,910)
Total other creditors	(18,209)	(8,745)

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 Latin America 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 Latin America Fund

Notes to the financial statements

(continued)

Registration fees

Class 1 shares	0.150%
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 193. The distribution per share class is given in the distribution table on pages 191 to 192.
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	18,366,754
Shares issued	21,184,805
Shares redeemed	(23,225,601)
Net conversions	(377,651)
Closing shares	15,948,307
Class 2 – Accumulation shares	
Opening shares	93,996,899
Shares issued	22,240,303
Shares redeemed	(22,559,995)
Net conversions	(14,102)
Closing shares	93,663,105
Class X – Accumulation shares	
Opening shares	4,200,888
Shares issued	906
Shares redeemed	(63,235)
Net conversions	–
Closing shares	4,138,559
Class Z – Accumulation shares	
Opening shares	35,712,206
Shares issued	5,542,395
Shares redeemed	(10,178,370)
Net conversions	1,015,332
Closing shares	32,091,563

13 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 6 to 7.

Market price risk sensitivity

The sensitivity figures provided are forecasts. A 5% market increase applied to the fund would result in an estimated increase in net asset value of the fund by 4.84% and vice versa (2020: 4.44%).

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	169,250
Canadian Dollar	3,928
Chilean Peso	3,438
Euro	3,885
Mexican Peso	33,337
US Dollar	90,999
Currency 2020	**£000**
Brazilian Real	167,876
Canadian Dollar	1,670
Chilean Peso	8,472
Euro	1
Mexican Peso	31,658
US Dollar	94,084

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	**%**	**%**
Brazilian Real	30.69	17.20
Mexican Peso	12.14	1.34
US Dollar	6.22	1.87

	Currency movement	Fund movement
Currency 2020	**%**	**%**
Brazilian Real	19.05	10.81
Mexican Peso	3.02	0.31
US Dollar	0.97	0.29

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 7 March was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2021	**£000**	**£000**	**£000**	**£000**
Brazilian Real	–	–	173,055	173,055
Canadian Dollar	–	–	4,388	4,388
Chilean Peso	–	–	3,438	3,438
Euro	–	–	3,885	3,885
Mexican Peso	–	–	34,235	34,235
UK Sterling	–	–	13,246	13,246
US Dollar	7,671	6,534	78,292	92,497
Currency 2020	**£000**	**£000**	**£000**	**£000**
Brazilian Real	6,595	–	162,228	168,823
Canadian Dollar	–	–	1,670	1,670
Chilean Peso	–	–	8,472	8,472
Euro	1	–	–	1
Mexican Peso	–	–	31,658	31,658
UK Sterling	–	–	1,996	1,996
US Dollar	1,499	18,102	75,928	95,529

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2021	**£000**	**£000**	**£000**	**£000**
Brazilian Real	(50)	–	(3,755)	(3,805)
Canadian Dollar	–	–	(460)	(460)
Mexican Peso	–	–	(898)	(898)
UK Sterling	(4,344)	–	(11,786)	(16,130)
US Dollar	–	–	(1,498)	(1,498)
Currency 2020	**£000**	**£000**	**£000**	**£000**
Brazilian Real	–	–	(947)	(947)
UK Sterling	(270)	–	(6,353)	(6,623)
US Dollar	–	–	(1,445)	(1,445)

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). Any impact to the rate of the underlying securities is considered in market price risk section.

Threadneedle Latin America Fund

Notes to the financial statements

(continued)

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.

At 7 March 2021, the fund had outstanding forward foreign exchange contracts with an asset value of £Nil (2020: £Nil) and a liability value of £1,000 (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.

	2021		2020	
	Assets	Liabilities	Assets	Liabilities
Valuation technique	**£000**	**£000**	**£000**	**£000**
Level 1*	303,597	–	294,948	–
Level 2	–	(1)	–	–
	303,597	(1)	294,948	–

**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

7 March 2021

	Value	Commissions		Taxes	
Purchases	**£000**	**£000**	**%**	**£000**	**%**
Equities	157,842	167	0.11	32	0.02
Collective investment schemes	50,551	–	–	–	–
Corporate actions	160	–	–	–	–
Total	208,553	167		32	
Gross purchases total:	208,752				

	Value	Commissions		Taxes	
Sales	**£000**	**£000**	**%**	**£000**	**%**
Equities	147,423	153	0.10	31	0.02
Collective investment schemes	60,094	–	–	–	–
Total	207,517	153		31	
Total sales net of transaction costs:	207,333				

Transaction costs as a percentage of average Net Assets	
Commissions:	0,12%
Taxes:	0.02%

7 March 2020

	Value	Commissions		Taxes	
Purchases	**£000**	**£000**	**%**	**£000**	**%**
Equities	248,910	223	0.09	52	0.02
Collective investment schemes	86,722	–	–	–	–
Total	335,632	223		52	
Gross purchases total:	335,907				

	Value	Commissions		Taxes	
Sales	**£000**	**£000**	**%**	**£000**	**%**
Equities	340,308	379	0.11	77	0.02
Collective investment schemes	73,052	–	–	–	–
Corporate actions	866	–	–	–	–
Total	414,226	379		77	
Total sales net of transaction costs:	413,770				

Transaction costs as a percentage of average Net Assets	
Commissions:	0.15%
Taxes:	0.03%

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 0.18% (7 March 2020: 0.19%), 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 7 March 2020:

STATEMENT OF TOTAL RETURN	**Previously reported 2020**	**Adjustments**	**Restated 2020**
	£000	**£000**	**£000**
Distributions	(5,407)	(30)	(5,437)
Net impact		(30)	

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	165,359	(7,136)	158,223
Amounts payable on the cancellation of shares	(244,986)	7,166	(237,820)
	(79,627)	30	(79,597)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(38,719)	(30)	(38,749)
Impact on net assets attributable to shareholders		–	

Threadneedle Latin America Fund

Notes to the financial statements

(continued)

	Previously reported 2020	Adjustments	Restated 2020
	£000	£000	£000
Note 6 TAXATION			
Excess expenses	(232)	6	(226)
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	1,385	(24)	1,361
Deduct: Revenue received on the creation of shares	(830)	54	(776)
Net impact		30	
Equalisation on conversion	–	30	30

18 POST BALANCE SHEET EVENT

The table below shows net redemptions between the year-ended 7 March 2021 and 21 June 2021 as a percentage of the closing NAV for share classes with significant movements. The net redemptions of shares were reviewed again on 28 June with no material movements noted since 21 June. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

Share class	% Movement
Class 1 – Accumulation shares	(17.06)

Threadneedle Emerging Market 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 J.P. Morgan Emerging Market Bond Index Global (EMBI Global) 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 bonds issued by governments (or quasi-government entities) of Emerging Market countries and companies which are domiciled or have significant business operations in such countries.

The Fund considers Emerging Market countries to be those characterised as developing or emerging by the World Bank, the United Nations, or the EMBI Global.

The selected bonds may be of any credit quality, including those rated below investment grade or unrated, and are typically denominated in US dollars. Due to the perceived higher risk of investing in bonds issued by emerging market borrowers, these bonds typically offer higher yields than those of more stable bonds issued in developed countries.

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

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 EMBI Global is regarded as an appropriate performance measure of US dollar-denominated emerging market bonds issued by government and quasi-government entities. It provides a suitable target benchmark against which Fund performance will be measured and evaluated over time.

Performance of Gross Accumulation Class 1 Shares*

Over the twelve months to 7 March 2021, the published share price of the Threadneedle Emerging Market Bond Fund has fallen from 294.70p to 275.35p.

The sterling total return on the fund for the twelve months ending 28 February 2021, including net reinvested income, is -6.75% as compared to a median return of -5.93% over the same period. (For information the JPM Emerging Market Bonds Global Index gave a total return of -7.73% for the same period).

Market Overview and Portfolio Activity

Emerging-market (EM) bonds registered a modest positive return during the 12 months to 7 March 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 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. EMs benefited from the dual tailwinds of a weaking dollar and rising commodity prices. Risk appetite weakened, again, 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, as a $900 billion US stimulus package was signed into law in late December.

EM bonds weakened towards the end of the period as the 'reflation trade' gathered pace. Core government bond yields surged amid expectations that a revival in growth may drive inflation higher. Meanwhile, rising COVID-19 cases and the slow pace of vaccination roll-outs within EM countries were further headwinds for the asset class.

Central banks were very much in focus over the period. The US Federal Reserve lowered its policy rate back to near zero and pledged to provide unlimited monetary stimulus, causing the dollar to weaken. 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. Later in the review period there were signs that the market was nearing the end of its easing cycle, with most central banks opting to keep rates unchanged. However, Turkey was a notable exception – the central bank raised rates in late 2020, in an effort to counter inflation pressures, the first EM country to do so since the March sell-off.

In Brazil, the real remained weak as political issues outweighed tentative signs of economic recovery. Large-scale fiscal stimulus measures prompted concern about the deficit outlook, while the resignation of senior economic officials cast doubt on the government's commitment to its reform agenda. Third-quarter GDP rose by a record amount, but a fresh spike in virus caseloads and concerns about inflationary pressures weakened sentiment towards the end of the review period.

Argentine assets were volatile amid concerns about the prospect of default ahead of critical negotiations with the IMF and creditors on restructuring $65bn of debt. However, local bonds were boosted in August, as a restructuring agreement was reached. Later in the period, investor sentiment was hit by fears of a possible devaluation of the peso, despite the government's efforts to stabilise the currency. Concerns about Argentina's finances also resurfaced following news that public debt now equals the country's GDP.

Mexico was hit hard by COVID-19 as the economy in the US, its main trading partner, went into recession. A credit-rating downgrade in April undermined investor confidence, while deteriorating virus trends and weakness in the peso dampened sentiment later in the review period. More positively, the tentative recovery in manufacturing that began in Q2 2020 gathered pace and continued until the end of the period, notching up seven successive months of expansion.

In Turkey, the lira remained under pressure against both the euro and the US dollar, owing to negative real interest rates, a widening current-account deficit and waning confidence in the government's financial policies.

Russia's approval of a coronavirus vaccine in August and plans to begin a large-scale vaccination programme were met with caution, given the speed of the vaccine's development and a lack of testing data. Later in the period, sentiment was boosted by the rise in oil prices and appreciation in the ruble. The central bank left its key interest rate unchanged following some stabilisation in inflation and indicated that it did not intend to implement further cuts.

South Africa's economy was hampered by intermittent blackouts as the national electric utility failed to meet demand, causing doubt about the likely pace of economic recovery. However, official data showed that GDP rebounded strongly in the third quarter, exceeding market expectations. Less positively, tougher restrictions were introduced in December in response to a surge in new COVID-19 cases, linked to the new variant of the coronavirus. By the end of the period, there was positive news on the COVID-19 front, with the government commencing its vaccination programme and the number of new cases declining.

In terms of activity, among government bonds, we established positions in South Africa and Panama.

We increased our holdings in Colombia, Mexico, Turkey, Saudi Arabia, Qatar, El Salvador and Russia. Peru, Ukraine, Croatia, Brazil, Egypt, the Dominican Republic, Pakistan, Emirate of Abu Dhabi, Oman, Sri Lanka and Paraguay were among holdings that were reduced. The fund sold out of the Philippines, Honduras, Mongolia, Nigeria and Senegal.

Within quasi-sovereigns, the fund initiated exposure to the sovereign sukuks of Indonesia and Saudi Arabia and increased its exposure to Russia's Ministry of Finance. We sold the holdings of Abu Dhabi's sovereign wealth fund and exited sukuks issued by the Central Bank of Bahrain.

In the corporate-debt portfolio, new allocations included Philippine conglomerate JG Summit, Dubai-based logistics firm DP World, chemical company MEGlobal. gas pipeline consortium Galaxy Pipeline Assets and Peruvian mining company Volcan. We added to Inalum (Indonesia Asahan Aluminium), computer manufacturer Lenovo, petrochemical company Braskem, telecommunications company Millicom and Philippine energy company SMC Global Power.

Within the oil and gas industry, we opened a position in Petronas, and increased the holdings in Pemex (Petroleos Mexicanos). We reduced the allocation to Sinopec and exited the positions in Gazprom, CNOOC and Indonesian firm Pertamina. Elsewhere, we trimmed the holdings of South Africa's national electricity utility Eskom, agribusiness Syngenta and Indonesia's PLN (Perusahaan Listrik Negara) and exited the positions in pan-African Liquid Telecom and Mexican cement firm Cemex. Among mining companies, we sold Codelco (Corporacion Nacional del Cobre de Chile), Metinvest and Vale.

EM fixed-income valuations, especially in the sovereign space and in lower-quality strata, still look cheap relative to historical ranges, but only marginally so. Much of the 2020 distortion has now been corrected as fund flows into the asset class have recovered and global risk sentiment has stabilised. Primary markets have proven accessible to a broad section of the issuer community, and multilateral lenders have so far shown themselves to be generous in the provision of relief and the conditionality associated with it.

International liquidity conditions have remained extremely favourable up until now. But with advanced economies beginning to transition to a post-vaccine normalisation phase, the risks to EM assets from any moderation of the US monetary stance are becoming pertinent. EM fixed income markets (and investors) may be haunted by the spectre of the 2013 "taper tantrum", and the fiscal response to COVID-19 has left many EM balance sheets stretched. However, relatively modest credit expansions, benign core inflation and improved external positions should insulate local-currency assets to a degree.

Rising US real yields do carry risks, not least to 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 8 March 2020 to 7 March 2021

	Notes	2021 £000	Restated 2020** £000
Income			
Net capital (losses)/gains	2	(15,847)	17,162
Revenue	3	8,397	11,025
Expenses	4	(1,877)	(2,225)
Interest payable and similar charges	5	(1)	(1)
Net revenue before taxation		6,519	8,799
Taxation	6	(36)	–
Net revenue after taxation		6,483	8,799
Total return before distributions		(9,364)	25,961
Distributions**	7	(8,154)	(10,751)
Change in net assets attributable to shareholders from investment activities		(17,518)	15,210

BALANCE SHEET

as at 7 March 2021

	Notes	2021 £000	2020 £000
Assets:			
Fixed assets:			
Investments		152,020	167,848
Current assets:			
Debtors	8	1,969	4,999
Cash and bank balances	9	3,739	167
Cash equivalents***		7,142	8,319
Total assets		164,870	181,333
Liabilities:			
Investment liabilities		–	(199)
Creditors:			
Bank overdrafts	9	–	(1,557)
Distribution payable		(1,930)	(2,709)
Other creditors	10	(354)	(1,665)
Total liabilities		(2,284)	(6,130)
Net assets attributable to shareholders		162,586	175,203

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2020 to 7 March 2021

	2021 £000	Restated 2020** £000
Opening net assets attributable to shareholders	175,203	178,516
Amounts receivable on the issue of shares**	30,881	22,582
Amounts payable on the cancellation of shares**	(30,198)	(45,273)
	683	(22,691)
Dilution adjustment	207	21
Change in net assets attributable to shareholders from investment activities (see statement of total return above)**	(17,518)	15,210
Retained distribution on accumulation shares	4,010	4,147
Unclaimed distributions	1	–
Closing net assets attributable to shareholders	162,586	175,203

DISTRIBUTION TABLE

for the accounting period 8 March 2020 to 7 March 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				
08/03/20 to 07/09/20	1.3585	–	1.3585	1.9297
08/09/20 to 07/03/21	1.2962	–	1.2962	1.5836
Group 2				
08/03/20 to 07/09/20	0.8563	0.5022	1.3585	1.9297
08/09/20 to 07/03/21	0.7110	0.5852	1.2962	1.5836
Total distributions in the period			**2.6547**	**3.5133**

**In pound Sterling and against UK peer group (See Performance summary on pages 330 to 331).*

***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 Emerging Market Bond Fund

DISTRIBUTION TABLE

(continued)

Class 1 – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
08/03/20 to 07/09/20	2.3100	–	2.3100	3.2802
08/09/20 to 07/03/21	2.2035	–	2.2035	2.6919
Group 2				
08/03/20 to 07/09/20	1.2856	1.0244	2.3100	3.2802
08/09/20 to 07/03/21	1.2301	0.9734	2.2035	2.6919
Total distributions in the period			**4.5135**	**5.9721**

Class 1 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2020/2021	Gross Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/09/20	6.5880	–	6.5880	8.8498
08/09/20 to 07/03/21	6.4313	–	6.4313	7.4732
Group 2				
08/03/20 to 07/09/20	2.6762	3.9118	6.5880	8.8498
08/09/20 to 07/03/21	2.6176	3.8137	6.4313	7.4732
Total distributions in the period			**13.0193**	**16.3230**

Class 2 – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
08/03/20 to 07/09/20	2.4855	–	2.4855	3.5153
08/09/20 to 07/03/21	2.3886	–	2.3886	2.8980
Group 2				
08/03/20 to 07/09/20	1.2201	1.2654	2.4855	3.5153
08/09/20 to 07/03/21	1.4572	0.9314	2.3886	2.8980
Total distributions in the period			**4.8741**	**6.4133**

Class 2 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2020/2021	Gross Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/09/20	6.7933	–	6.7933	9.1298
08/09/20 to 07/03/21	6.7171	–	6.7171	7.7472
Group 2				
08/03/20 to 07/09/20	3.8072	2.9861	6.7933	9.1298
08/09/20 to 07/03/21	2.0004	4.7167	6.7171	7.7472
Total distributions in the period			**13.5104**	**16.8770**

Class X – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
08/03/20 to 07/09/20	2.7355	–	2.7355	3.8132
08/09/20 to 07/03/21	2.6302	–	2.6302	3.1594
Group 2				
08/03/20 to 07/09/20	2.7355	–	2.7355	3.8132
08/09/20 to 07/03/21	2.6302	–	2.6302	3.1594
Total distributions in the period			**5.3657**	**6.9726**

Class X – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2020/2021	Gross Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/09/20	3.0759	–	3.0759	4.0539
08/09/20 to 07/03/21	3.0276	–	3.0276	3.4572
Group 2				
08/03/20 to 07/09/20	2.1251	0.9508	3.0759	4.0539
08/09/20 to 07/03/21	1.8972	1.1304	3.0276	3.4572
Total distributions in the period			**6.1035**	**7.5111**

Class Z – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
08/03/20 to 07/09/20	2.3328	–	2.3328	3.2859
08/09/20 to 07/03/21	2.2359	–	2.2359	2.7082
Group 2				
08/03/20 to 07/09/20	1.3353	0.9975	2.3328	3.2859
08/09/20 to 07/03/21	1.1242	1.1117	2.2359	2.7082
Total distributions in the period			**4.5687**	**5.9941**

Class Z – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
08/03/20 to 07/09/20	2.1848	–	2.1848	3.0776
08/09/20 to 07/03/21	2.0941	–	2.0941	2.5364
Group 2				
08/03/20 to 07/09/20	1.4125	0.7723	2.1848	3.0776
08/09/20 to 07/03/21	0.6460	1.4481	2.0941	2.5364
Total distributions in the period			**4.2789**	**5.6140**

Class Z – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2020/2021	Gross Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/09/20	3.7275	–	3.7275	4.9652
08/09/20 to 07/03/21	3.6544	–	3.6544	4.2106
Group 2				
08/03/20 to 07/09/20	1.5078	2.2197	3.7275	4.9652
08/09/20 to 07/03/21	1.1918	2.4626	3.6544	4.2106
Total distributions in the period			**7.3819**	**9.1758**

Group 2: shares purchased during a distribution period.

Threadneedle Emerging Market Bond Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Gross income shares[5]		
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share						
Opening net asset value per share (p)	60.66	56.01	59.25	103.11	95.21	100.72
Return before operating charges (p)	(2.98)	9.15	1.70	(5.06)	15.56	2.90
Operating charges (p)	(0.93)	(0.99)	(0.95)	(1.58)	(1.69)	(1.62)
Return after operating charges (p)*	(3.91)	8.16	0.75	(6.64)	13.87	1.28
Distributions (p)	(2.65)	(3.51)	(3.99)	(4.51)	(5.97)	(6.79)
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	54.10	60.66	56.01	91.96	103.11	95.21
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	(6.45)	14.57	1.27	(6.44)	14.57	1.27
Other information						
Closing net asset value (£000)	4,082	5,974	6,452	46,510	57,116	66,994
Closing number of shares	7,545,453	9,849,009	11,519,472	50,578,988	55,393,856	70,365,338
Operating charges (%)**	1.60	1.61	1.61	1.60	1.61	1.61
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	60.68	67.22	61.74	103.15	114.27	104.95
Lowest share price (p)	52.49	57.87	57.07	89.23	98.37	97.01

	Class 1 – Gross accumulation shares[5]			Class 2 – Income shares		
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share						
Opening net asset value per share (p)	294.08	257.18	253.91	109.54	100.68	106.02
Return before operating charges (p)	(14.76)	41.52	7.42	(5.39)	16.48	3.06
Operating charges (p)	(4.55)	(4.62)	(4.15)	(1.13)	(1.21)	(1.16)
Return after operating charges (p)*	(19.31)	36.90	3.27	(6.52)	15.27	1.90
Distributions (p)	(13.02)	(16.32)	(17.41)	(4.87)	(6.41)	(7.24)
Retained distributions on accumulation shares (p)	13.02	16.32	17.41	–	–	–
Closing net asset value per share (p)	274.77	294.08	257.18	98.15	109.54	100.68
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	(6.57)	14.35	1.29	(5.95)	15.17	1.79
Other information						
Closing net asset value (£000)	31,474	31,259	30,844	293	411	1,477
Closing number of shares	11,454,560	10,629,550	11,993,171	298,900	374,983	1,466,898
Operating charges (%)**	1.60	1.61	1.61	1.08	1.09	1.09
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	298.57	308.28	272.53	109.80	121.10	110.72
Lowest share price (p)	254.47	265.40	246.41	94.83	104.03	102.40

Threadneedle Emerging Market Bond Fund

Comparative Table Disclosure

(continued)

	Class 2 – Gross accumulation shares[§]			Class X – Gross income shares[§]		
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share						
Opening net asset value per share (p)	300.92	261.79	257.11	119.72	108.93	113.56
Return before operating charges (p)	(15.10)	42.32	7.53	(5.91)	17.87	3.28
Operating charges (p)	(3.17)	(3.19)	(2.85)	(0.09)	(0.11)	(0.11)
Return after operating charges (p)*	(18.27)	39.13	4.68	(6.00)	17.76	3.17
Distributions (p)	(13.51)	(16.88)	(17.87)	(5.37)	(6.97)	(7.80)
Retained distributions on accumulation shares (p)	13.51	16.88	17.87	–	–	–
Closing net asset value per share (p)	282.65	300.92	261.79	108.35	119.72	108.93
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	(6.07)	14.95	1.82	(5.01)	16.30	2.79
Other information						
Closing net asset value (£000)	6,982	7,233	9,451	220	508	462
Closing number of shares	2,470,255	2,403,634	3,610,315	203,244	424,476	424,476
Operating charges (%)**	1.08	1.09	1.09	0.08	0.09	0.10
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	306.78	314.52	277.33	120.46	131.60	119.61
Lowest share price (p)	260.48	270.19	249.59	103.71	112.59	110.30

	Class X – Gross accumulation shares[§]			Class Z – Income shares		
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share						
Opening net asset value per share (p)	134.63	115.95	112.75	103.96	95.17	99.82
Return before operating charges (p)	(6.79)	18.80	3.30	(5.12)	15.58	2.87
Operating charges (p)	(0.11)	(0.12)	(0.10)	(0.75)	(0.80)	(0.76)
Return after operating charges (p)*	(6.90)	18.68	3.20	(5.87)	14.78	2.11
Distributions (p)	(6.10)	(7.51)	(7.88)	(4.57)	(5.99)	(6.76)
Retained distributions on accumulation shares (p)	6.10	7.51	7.88	–	–	–
Closing net asset value per share (p)	127.73	134.63	115.95	93.52	103.96	95.17
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	(5.13)	16.11	2.84	(5.65)	15.53	2.11
Other information						
Closing net asset value (£000)	31,873	20,851	11,115	28,249	37,969	40,558
Closing number of shares	24,953,978	15,487,680	9,585,709	30,207,822	36,522,812	42,615,065
Operating charges (%)**	0.08	0.09	0.09	0.75	0.76	0.76
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	138.34	139.91	122.76	104.33	114.64	104.50
Lowest share price (p)	116.61	119.70	109.50	90.01	98.35	96.63

Threadneedle Emerging Market Bond Fund

Comparative Table Disclosure

(continued)

	Class Z – Gross income shares[§]			Class Z – Gross accumulation shares[§]		
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share						
Opening net asset value per share (p)	97.37	89.14	93.49	166.05	143.98	140.95
Return before operating charges (p)	(4.80)	14.59	2.69	(8.37)	23.30	4.12
Operating charges (p)	(0.70)	(0.75)	(0.71)	(1.21)	(1.23)	(1.09)
Return after operating charges (p)*	(5.50)	13.84	1.98	(9.58)	22.07	3.03
Distributions (p)	(4.28)	(5.61)	(6.33)	(7.38)	(9.18)	(9.71)
Retained distributions on accumulation shares (p)	–	–	–	7.38	9.18	9.71
Closing net asset value per share (p)	87.59	97.37	89.14	156.47	166.05	143.98
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	(5.65)	15.53	2.12	(5.77)	15.33	2.15
Other information						
Closing net asset value (£000)	1,264	1,867	1,743	11,639	12,015	9,420
Closing number of shares	1,442,842	1,918,013	1,955,506	7,438,443	7,235,839	6,542,098
Operating charges (%)**	0.75	0.76	0.76	0.75	0.76	0.76
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	97.72	107.37	97.88	169.72	173.23	152.50
Lowest share price (p)	84.31	92.12	90.50	143.77	148.62	136.85

**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 Emerging Market Bond Fund

Notes to the financial statements

for the accounting period 8 March 2020 to 7 March 2021

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 5 and 6.

2 NET CAPITAL (LOSSES)/GAINS

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

	2021 £000	2020 £000
Non-derivative securities	(16,066)	16,752
Forward currency contracts	202	475
Other gains/(losses)	19	(62)
Transaction costs	(2)	(3)
Net capital (losses)/gains	(15,847)	17,162

3 REVENUE

	2021 £000	2020 £000
Interest on debt securities	8,362	10,703
Interest on short term investments	–	50
Bank interest	35	272
Total revenue	8,397	11,025

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	(1,648)	(1,951)
Registration fees	(164)	(186)
	(1,812)	(2,137)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(21)	(23)
Safe custody fees	(16)	(23)
Revenue collection expenses	(6)	(18)
	(43)	(64)
Other expenses:		
Regulatory fees	(7)	(7)
Audit fees	(15)	(16)
Non-audit service fees payable to auditors	–	(1)
	(22)	(24)
Total expenses*	(1,877)	(2,225)

**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		
Overseas taxes	(13)	–
Overseas capital gains tax	(23)	–
Total current tax (note 6b)	(36)	–
Total tax charge for the period	(36)	–
b) Factors affecting taxation charge for period		
Net revenue before taxation	6,519	8,799
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(1,304)	(1,760)
Effects of:		
Overseas taxes	(13)	–
Overseas tax expensed	3	29
Excess expenses	1,000	1,000
Distributions treated as tax deductible	301	731
Overseas capital gains tax	(23)	–
Current tax charge for period (note 6a)	(36)	–

The fund has not recognised a deferred tax asset of £93,719 (2020: £1,093,719) 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.

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	4,237	5,837
Final	3,860	4,530
	8,097	10,367
Add: Revenue deducted on the cancellation of shares*	368	715
Deduct: Revenue received on the creation of shares*	(311)	(331)
Net distribution for the period	8,154	10,751
Net revenue after taxation	6,483	8,799
Annual management charge to capital	1,648	1,951
Overseas capital gains tax	23	–
Equalisation on conversion*	–	2
Undistributed revenue carried forward	–	(1)
Total distributions	8,154	10,751

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

Details of the distribution per share are set out in the table on pages 198 to 199.

8 DEBTORS

	2021 £000	2020 £000
Amounts receivable for the issue of shares	56	160
Sales awaiting settlement	–	2,734
Accrued revenue	1,913	2,105
Total debtors	1,969	4,999

9 CASH AND BANK BALANCES

	2021 £000	2020 £000
Amounts held at futures clearing houses and brokers	–	123
Cash and bank balances	3,739	44
	3,739	167
Bank overdrafts	–	(1,557)
Total cash and bank balances	3,739	(1,390)

10 OTHER CREDITORS

	2021 £000	2020 £000
Amounts payable for the cancellation of shares	(174)	(135)
Purchases awaiting settlement	–	(1,314)
Accrued expenses	(14)	(15)
Amounts payable to ACD	(166)	(201)
Total other creditors	(354)	(1,665)

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 Emerging Market Bond 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 Emerging Market Bond 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	1.00%
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 200 to 202. The distribution per share class is given in the distribution table on pages 198 to 199.

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	9,849,009
Shares issued	528,177
Shares redeemed	(911,809)
Net conversions	(1,919,924)
Closing shares	7,545,453
Class 1 – Gross income shares	
Opening shares	55,393,856
Shares issued	1,123,739
Shares redeemed	(5,933,656)
Net conversions	(4,951)
Closing shares	50,578,988
Class 1 – Gross accumulation shares	
Opening shares	10,629,550
Shares issued	2,053,140
Shares redeemed	(1,228,130)
Net conversions	–
Closing shares	11,454,560
Class 2 – Income shares	
Opening shares	374,983
Shares issued	41,037
Shares redeemed	(137,299)
Net conversions	20,179
Closing shares	298,900
Class 2 – Gross accumulation shares	
Opening shares	2,403,634
Shares issued	1,500,011
Shares redeemed	(1,433,390)
Net conversions	–
Closing shares	2,470,255
Class X – Gross income shares	
Opening shares	424,476
Shares issued	–
Shares redeemed	(221,232)
Net conversions	–
Closing shares	203,244
Class X – Gross accumulation shares	
Opening shares	15,487,680
Shares issued	13,380,711
Shares redeemed	(3,914,413)
Net conversions	–
Closing shares	24,953,978
Class Z – Income shares	
Opening shares	36,522,812
Shares issued	1,652,962
Shares redeemed	(9,069,754)
Net conversions	1,101,802
Closing shares	30,207,822
Class Z – Gross income shares	
Opening shares	1,918,013
Shares issued	249,395
Shares redeemed	(731,033)
Net conversions	6,467
Closing shares	1,442,842
Class Z – Gross accumulation shares	
Opening shares	7,235,839
Shares issued	790,765
Shares redeemed	(584,455)
Net conversions	(3,706)
Closing shares	7,438,443

14 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 6 to 7.

Market price risk sensitivity

The sensitivity figures provided are forecasts. A 1.00% interest rate decrease applied to the fund would result in an estimated increase on the net asset value of the fund by 8.17% and vice versa (2020: 8.19%).

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**
Dominican Republic Peso	1,351
Egyptian Pound	1,868
Euro	243
Mexican Peso	(22)
Russian Ruble	2,605
US Dollar	158,514
Currency 2020	**£000**
Brazilian Real	142
Dominican Republic Peso	3,568
Egyptian Pound	2,765
Euro	(123)
Mexican Peso	104
Russian Ruble	1,292
US Dollar	170,245

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).

Threadneedle Emerging Market Bond Fund

Notes to the financial statements

(continued)

	Currency movement	Fund movement
Currency 2021	**%**	**%**
US Dollar	6.22	0.97

	Currency movement	Fund movement
Currency 2020	**%**	**%**
US Dollar	6.06	0.94

Credit/Counterparty exposure

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

2021	Forward Foreign Exchange Contracts Exposure	Collateral Pledged
Counterparty	**£000**	**£000**
HSBC	81	–
UBS	69	–

2020	Forward Foreign Exchange Contracts Exposure	Collateral Pledged
Counterparty	**£000**	**£000**
HSBC	396	–
J.P. Morgan	–	123

The fund did not hold any collateral received from the fund's counterparties in the current year (2020: £208,000). 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.

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
AA	2,515	1.58	3,681	2.09
Aa2	1,808	1.14	1,480	0.84
AA-	8,876	5.58	7,908	4.49
A+	3,291	2.07	10,057	5.71
A1	6,502	4.09	4,626	2.63
A	2,049	1.29	1,577	0.90
A-	946	0.59	2,751	1.56
BBB+	2,064	1.30	20,669	11.75
BBB	22,487	14.13	6,146	3.49
Baa2	7,374	4.63	8,122	4.62
BBB-	15,227	9.57	19,429	11.04
Baa3	5,025	3.16	2,623	1.49
BB+	3,922	2.46	1,056	0.60
Ba1	–	–	942	0.54
BB	2,999	1.88	7,926	4.50
Ba2	2,091	1.31	2,560	1.45
BB-	11,978	7.53	14,135	8.03
B+	–	–	1,851	1.05
B1	821	0.52	7,999	4.55
B	6,103	3.83	14,384	8.17
Ba3	4,956	3.11	2,757	1.57
B2	11,515	7.23	322	0.18
B-	6,059	3.81	6,503	3.70
B3	225	0.14	1,578	0.90
CCC+	4,133	2.60	3,216	1.83
Caa1	1,790	1.12	–	–
CCC	537	0.34	–	–
CCC-	–	–	1,830	1.04
D	612	0.38	984	0.56
Not Rated*	15,965	10.03	10,340	5.88
Liquidity Funds	7,142	4.49	8,319	4.73
Derivatives**	150	0.09	197	0.11
	159,162	100.00	175,968	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 7 March was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2021	**£000**	**£000**	**£000**	**£000**
Dominican Republic Peso	–	1,341	10	1,351
Egyptian Pound	1,868	–	–	1,868
Euro	1	3,586	127	3,714
Mexican Peso	–	1,400	24	1,424
Russian Ruble	–	2,532	73	2,605
UK Sterling	205	–	106	311
US Dollar	3,566	148,252	6,705	158,523
Currency 2020	**£000**	**£000**	**£000**	**£000**
Brazilian Real	–	2,840	–	2,840
Dominican Republic Peso	–	2,833	735	3,568
Egyptian Pound	–	1,781	984	2,765
Euro	4	4,371	150	4,525
Mexican Peso	–	2,751	49	2,800
Russian Ruble	–	1,281	11	1,292
UK Sterling	39	–	231	270
US Dollar	1,545	158,492	13,125	173,162

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2021	**£000**	**£000**	**£000**	**£000**
Euro	–	–	(3,471)	(3,471)
Mexican Peso	–	–	(1,446)	(1,446)
UK Sterling	–	–	(2,284)	(2,284)
US Dollar	–	–	(9)	(9)
Currency 2020	**£000**	**£000**	**£000**	**£000**
Brazilian Real	–	–	(2,698)	(2,698)
Euro	–	–	(4,648)	(4,648)
Mexican Peso	–	–	(2,696)	(2,696)
UK Sterling	–	–	(3,060)	(3,060)
US Dollar	(1,557)	–	(1,360)	(2,917)

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). Any impact to the rate of the underlying securities is considered in market price risk section.

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.

At 7 March 2021, the fund had outstanding forward foreign exchange contracts with an asset value of £150,000 (2020: £396,000) and a liability value of £Nil (2020: £199,000).

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.

Threadneedle Emerging Market Bond Fund

Notes to the financial statements

(continued)

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*	9,006	–	8,319	–
Level 2	149,303	–	166,213	(199)
Level 3	853	–	1,635	–
	159,162	–	176,167	(199)

Included within Level 1, are debt securities of £9,006,000 (2020: £8,319,000). 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 £184,654,500 (2020: £302,778,893) and £184,963,547 (2020: £321,752,272) respectively. Collective investment schemes purchases and sales amounted to £33,573,456 (2020: £24,837,397) and £34,009,395 (2020: £22,343,515) respectively. Corporate action costs and proceeds amounted to £Nil (2020: £Nil) and £134,866 (2020: £94,978) 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 0.43% (7 March 2020: 0.45%), 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:

STATEMENT OF TOTAL RETURN	Previously reported 2020	Adjustments	Restated 2020
	£000	£000	£000
Distributions	(10,749)	(2)	(10,751)
Net impact		(2)	

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	35,460	(12,878)	22,582
Amounts payable on the cancellation of shares	(58,153)	12,880	(45,273)
	(22,693)	2	(22,691)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	15,212	(2)	15,210
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	944	(229)	715
Deduct: Revenue received on the creation of shares	(562)	231	(331)
Net impact		2	
Equalisation on conversion	–	2	2

19 POST BALANCE SHEET EVENT

The table below shows net redemptions between the year-ended 7 March 2021 and 21 June 2021 as a percentage of the closing NAV for share classes with significant movements. The net redemptions of shares were reviewed again on 28 June with no material movements noted since 21 June. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

Share class	% Movement
Class 1 – Income shares	(11.11)
Class Z – Gross income shares	(10.32)

Threadneedle High Yield Bond Fund

Investment Report

Investment Objective and Policy

The Fund aims to provide income. It looks to outperform the ICE BofA European Currency High Yield Excluding Subordinated Financials Constrained (Hedged to Sterling) 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 bonds issued by companies worldwide that are denominated in euros (EUR) or sterling (GBP) and rated below investment grade. The Fund may invest to a lesser extent in bonds denominated in currencies other than euro and sterling, bonds of other credit quality (as well as unrated bonds) and bonds issued by governments and quasi-government entities. Non-sterling bonds are typically hedged into sterling.

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 ICE BofA European Currency High Yield Excluding Subordinated Financials Constrained (Hedged to Sterling) Index is regarded as an appropriate performance measure of euro and sterling-denominated below investment grade bonds, issued by a broad range of companies. 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 7 March 2021, the published share price of the Threadneedle High Yield Bond Fund has risen from 41.74p to 42.63p.

The total return on the fund for the twelve months ending 28 February 2021, including net reinvested income, is +5.07% as compared to a median return of +5.58% over the same period. (For information the ICE BofA European Currency High Yield Excluding Subordinated Financials Constrained (Hedged to Sterling) Index gave a total return of +5.83% for the same period).

Market Overview and Portfolio Activity

European high yield (EHY) bonds ultimately showed a positive return for the period under review, following considerable volatility driven mainly by developments concerning COVID-19 and the related global wave of monetary and fiscal stimulus.

The term began with extreme weakness in the asset class as the escalating pandemic and lockdown measures brought cities, regions and even countries to a near-halt, causing economies to contract sharply. Central banks and governments around the world responded with measures including interest-rate cuts and spending packages. Against this backdrop, the EHY market delivered a very strong positive return in 2020's second quarter. Further advances followed over the rest of the review period, with an acceleration in the fourth quarter as risk assets were lifted by the approval of COVID-19 vaccines and prospects for additional US fiscal stimulus.

As indicated, the leading central banks were very accommodative during the review period, and the European Central Bank (ECB) was no exception. Among other measures, the ECB announced a €750bn programme of bond purchases in March, which was subsequently increased by €1.1tn. Elsewhere, the Federal Reserve indicated that its policy rate will likely remain near zero through 2023, while a $1.9tn fiscal-stimulus proposal was on the verge of approval by the US Congress at the end of the review period. The steps discussed above were supportive for fixed income generally. Indeed, some Italian and Portuguese government debt traded at negative yields in the secondary market as investors took positions reflecting anticipation of additional monetary support from the ECB. The EHY market was further helped by the ongoing hunt for yield among investors, which continued to drive funds into the asset class. As such, credit spreads, after the massive widening in March, finished tighter over the review period as a whole.

On the supply side, issuance was active once the market revived, after slamming shut in March, as a broad variety of companies moved to raise cash. We took part in new issues including CMA CGM (container shipping), Virgin Media O2 (telecoms), Ineos (chemicals), Carnival (cruise line), Getlink (infrastructure) and Tennet (utilities).

The fund also established several new holdings in fallen angels, as a number of rating downgrades brought numerous new entrants to the HY universe. These included Ford, Valeo and ZF Finance in the automotive industry, along with Petroleos Mexicanos (oil and gas), Electricite De France (utilities) and Lufthansa (airlines) in other sectors. Conversely, we closed some positions in companies that returned to investment-grade status, thus moving out of HY benchmarks; Fiat Chrysler (automotive) and Smurfit Kappa (packaging) were among these.

In terms of selling, the fund trimmed allocations including Casino Group (retail), Elis (textile/hygiene services), Netflix (streaming), Teva Pharmaceutical (healthcare) and Telefonica (telecoms). Portfolio holdings Interxion (data centres) and Refinitiv (financial market data) were acquired by new owners, and elsewhere, Enel (utilities), Petrobras (oil and gas) and Orange (telecoms) were among exits.

With spreads now back to pre-pandemic levels, where we go from here rests much on the outlook and the post-COVID path.

At the macro level, positive news (falling infection numbers and rising vaccinations) has boosted the post-coronavirus outlook. This has been buoyed by the US fiscal-stimulus plan. However, the vaccine rollout is progressing at an uneven pace, with Europe lagging behind the US and the UK. Asia remains ahead of the pack with improving growth figures. Given the market-positive news, inflation concerns – and with it, the risk of rising interest rates – have re-emerged, pushing yields on government bonds higher, even as central banks maintain that rate hikes are still far away and plan to continue bond-purchase programmes.

We are halfway through reporting season, and figures generally look better than low expectations. Given robust demand for bonds, market anticipation is that profits will come later as conditions improve. While manufacturing continues to surprise on the upside, companies heavily exposed to COVID still struggle, especially in the travel and leisure sectors. Investor demand for HY remains strong, as most firms are perceived to have sufficient liquidity. Companies focusing on cost control, cashflow and liquidity management have been rewarded with strong demand for their bonds. The lack of forward guidance remains unchanged for 2021, looking further out towards 2022. Overall, credit quality appears to be stabilising, with talk of "rising stars" on the horizon. High leverage profiles are not an immediate market concern, with lower default rates expected in 2021.

Valuations remain fair, with the recovery largely priced in by current spreads. Still, there is potential for further tightening, as we continue to see pockets of opportunity in the market. HY investors are compensated at the lower expected default rates.

Technicals remain the driving force, underpinned by central banks as monetary authorities re-emphasise "lower for longer". Supply from the primary market and fallen angels is expected to be lower than 2020, while rising star potential is on the upside. The search for yield remains a major driving force for the asset class as managed accounts continue to experience strong demand. With a very supportive market outlook for risk, strengthening growth, improving corporate profits and balance sheets, and a low default outlook, the main worry is a general market complacency.

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2020 to 7 March 2021

	Notes	2021 £000	2020 £000
Income			
Net capital gains	2	27,923	9,053
Revenue	3	36,231	33,377
Expenses	4	(6,477)	(6,005)
Interest payable and similar charges	5	(16)	(16)
Net revenue before taxation		29,738	27,356
Taxation	6	–	–
Net revenue after taxation		29,738	27,356
Total return before distributions		57,661	36,409
Distributions	7	(35,353)	(32,555)
Change in net assets attributable to shareholders from investment activities		22,308	3,854

BALANCE SHEET

as at 7 March 2021

	Notes	2021 £000	2020 £000
Assets:			
Fixed assets:			
Investments		892,893	811,436
Current assets:			
Debtors	8	11,644	11,489
Cash and bank balances	9	11,293	40,513
Cash equivalents***		47,605	33,308
Total assets		963,435	896,746
Liabilities:			
Investment liabilities		(197)	(32,930)
Creditors:			
Bank overdrafts	9	(2,044)	–
Distribution payable		(1,155)	(1,260)
Other creditors	10	(29,105)	(3,483)
Total liabilities		(32,501)	(37,673)
Net assets attributable to shareholders		930,934	859,073

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2020 to 7 March 2021

	2021 £000	Restated 2020** £000
Opening net assets attributable to shareholders	859,073	743,937
Amounts receivable on the issue of shares**	183,282	215,517
Amounts payable on the cancellation of shares**	(153,797)	(120,991)
	29,485	94,526
Dilution adjustment	624	510
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	22,308	3,854
Retained distribution on accumulation shares	19,441	16,234
Unclaimed distributions	3	12
Closing net assets attributable to shareholders	930,934	859,073

**In pound Sterling and against UK peer group (See Performance summary on pages 330 to 331).*

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

DISTRIBUTION TABLE

for the accounting period 8 March 2020 to 7 March 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				
08/03/20 to 07/04/20	0.1270	–	0.1270	0.1457
08/04/20 to 07/05/20	0.1364	–	0.1364	0.1556
08/05/20 to 07/06/20	0.1159	–	0.1159	0.1559
08/06/20 to 07/07/20	0.1607	–	0.1607	0.1513
08/07/20 to 07/08/20	0.1352	–	0.1352	0.1533
08/08/20 to 07/09/20	0.1349	–	0.1349	0.1326
08/09/20 to 07/10/20	0.1456	–	0.1456	0.1497
08/10/20 to 07/11/20	0.1323	–	0.1323	0.1257
08/11/20 to 07/12/20	0.1305	–	0.1305	0.1129
08/12/20 to 07/01/21	0.1259	–	0.1259	0.1333
08/01/21 to 07/02/21	0.1052	–	0.1052	0.1240
08/02/21 to 07/03/21	0.1204	–	0.1204	0.1348

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

Threadneedle High Yield Bond Fund

DISTRIBUTION TABLE

(continued)

Class 1 – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
08/03/20 to 07/04/20	0.1297	–	0.1297	0.1458
08/04/20 to 07/05/20	0.1365	–	0.1365	0.1558
08/05/20 to 07/06/20	0.1316	–	0.1316	0.1560
08/06/20 to 07/07/20	0.1451	–	0.1451	0.1514
08/07/20 to 07/08/20	0.1353	–	0.1353	0.1534
08/08/20 to 07/09/20	0.1351	–	0.1351	0.1328
08/09/20 to 07/10/20	0.1457	–	0.1457	0.1498
08/10/20 to 07/11/20	0.1324	–	0.1324	0.1259
08/11/20 to 07/12/20	0.1305	–	0.1305	0.1129
08/12/20 to 07/01/21	0.1261	–	0.1261	0.1335
08/01/21 to 07/02/21	0.1052	–	0.1052	0.1241
08/02/21 to 07/03/21	0.1205	–	0.1205	0.1350
Group 2				
08/03/20 to 07/04/20	0.0798	0.0499	0.1297	0.1458
08/04/20 to 07/05/20	0.0272	0.1093	0.1365	0.1558
08/05/20 to 07/06/20	0.0126	0.1190	0.1316	0.1560
08/06/20 to 07/07/20	0.1033	0.0418	0.1451	0.1514
08/07/20 to 07/08/20	0.0641	0.0712	0.1353	0.1534
08/08/20 to 07/09/20	0.0211	0.1140	0.1351	0.1328
08/09/20 to 07/10/20	0.0315	0.1142	0.1457	0.1498
08/10/20 to 07/11/20	0.0227	0.1097	0.1324	0.1259
08/11/20 to 07/12/20	0.0300	0.1005	0.1305	0.1129
08/12/20 to 07/01/21	0.0049	0.1212	0.1261	0.1335
08/01/21 to 07/02/21	0.0150	0.0902	0.1052	0.1241
08/02/21 to 07/03/21	0.0886	0.0319	0.1205	0.1350
Total distributions in the period			**1.5737**	**1.6764**

Class 1 USD Hedged – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
08/03/20 to 07/04/20	0.2544	–	0.2544	0.2577
08/04/20 to 07/05/20	0.2603	–	0.2603	0.2785
08/05/20 to 07/06/20	0.2544	–	0.2544	0.2849
08/06/20 to 07/07/20	0.2749	–	0.2749	0.2795
08/07/20 to 07/08/20	0.2520	–	0.2520	0.2894
08/08/20 to 07/09/20	0.2434	–	0.2434	0.2557
08/09/20 to 07/10/20	0.2681	–	0.2681	0.2842
08/10/20 to 07/11/20	0.2423	–	0.2423	0.2314
08/11/20 to 07/12/20	0.2333	–	0.2333	0.2058
08/12/20 to 07/01/21	0.2220	–	0.2220	0.2391
08/01/21 to 07/02/21	0.1833	–	0.1833	0.2237
08/02/21 to 07/03/21	0.2062	–	0.2062	0.2468
Group 2				
08/03/20 to 07/04/20	0.1444	0.1100	0.2544	0.2577
08/04/20 to 07/05/20	0.1240	0.1363	0.2603	0.2785
08/05/20 to 07/06/20	0.1214	0.1330	0.2544	0.2849
08/06/20 to 07/07/20	0.2484	0.0265	0.2749	0.2795
08/07/20 to 07/08/20	0.0685	0.1835	0.2520	0.2894
08/08/20 to 07/09/20	0.1931	0.0503	0.2434	0.2557
08/09/20 to 07/10/20	–	0.2681	0.2681	0.2842
08/10/20 to 07/11/20	–	0.2423	0.2423	0.2314
08/11/20 to 07/12/20	0.0805	0.1528	0.2333	0.2058
08/12/20 to 07/01/21	0.0811	0.1409	0.2220	0.2391
08/01/21 to 07/02/21	–	0.1833	0.1833	0.2237
08/02/21 to 07/03/21	0.0775	0.1287	0.2062	0.2468
Total distributions in the period			**2.8946**	**3.0767**

Class 1 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2020/2021	Gross Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/04/20	0.3729	–	0.3729	0.4025
08/04/20 to 07/05/20	0.3933	–	0.3933	0.4314
08/05/20 to 07/06/20	0.3813	–	0.3813	0.4338
08/06/20 to 07/07/20	0.4202	–	0.4202	0.4227
08/07/20 to 07/08/20	0.3939	–	0.3939	0.4295
08/08/20 to 07/09/20	0.3945	–	0.3945	0.3731
08/09/20 to 07/10/20	0.4270	–	0.4270	0.4224
08/10/20 to 07/11/20	0.3894	–	0.3894	0.3560
08/11/20 to 07/12/20	0.3850	–	0.3850	0.3204
08/12/20 to 07/01/21	0.3730	–	0.3730	0.3798
08/01/21 to 07/02/21	0.3122	–	0.3122	0.3541
08/02/21 to 07/03/21	0.3586	–	0.3586	0.3856
Total distributions in the period			**4.6013**	**4.7113**

Class 2 – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
08/03/20 to 07/04/20	0.1805	–	0.1805	0.2154
08/04/20 to 07/05/20	0.2026	–	0.2026	0.2297
08/05/20 to 07/06/20	0.1958	–	0.1958	0.2304
08/06/20 to 07/07/20	0.2151	–	0.2151	0.2238
08/07/20 to 07/08/20	0.2014	–	0.2014	0.2268
08/08/20 to 07/09/20	0.2010	–	0.2010	0.1969
08/09/20 to 07/10/20	0.2166	–	0.2166	0.2216
08/10/20 to 07/11/20	0.1973	–	0.1973	0.1870
08/11/20 to 07/12/20	0.1947	–	0.1947	0.1679
08/12/20 to 07/01/21	0.1883	–	0.1883	0.1984
08/01/21 to 07/02/21	0.1577	–	0.1577	0.1846
08/02/21 to 07/03/21	0.1802	–	0.1802	0.2003
Group 2				
08/03/20 to 07/04/20	0.1535	0.0270	0.1805	0.2154
08/04/20 to 07/05/20	0.0976	0.1050	0.2026	0.2297
08/05/20 to 07/06/20	0.0708	0.1250	0.1958	0.2304
08/06/20 to 07/07/20	0.0196	0.1955	0.2151	0.2238
08/07/20 to 07/08/20	0.0966	0.1048	0.2014	0.2268
08/08/20 to 07/09/20	0.0629	0.1381	0.2010	0.1969
08/09/20 to 07/10/20	0.0534	0.1632	0.2166	0.2216
08/10/20 to 07/11/20	0.0459	0.1514	0.1973	0.1870
08/11/20 to 07/12/20	0.0576	0.1371	0.1947	0.1679
08/12/20 to 07/01/21	0.1043	0.0840	0.1883	0.1984
08/01/21 to 07/02/21	0.0567	0.1010	0.1577	0.1846
08/02/21 to 07/03/21	0.0495	0.1307	0.1802	0.2003
Total distributions in the period			**2.3312**	**2.4828**

Class 2 – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
08/03/20 to 07/04/20	0.1658	–	0.1658	0.1854
08/04/20 to 07/05/20	0.1743	–	0.1743	0.1978
08/05/20 to 07/06/20	0.1685	–	0.1685	0.1983
08/06/20 to 07/07/20	0.1852	–	0.1852	0.1926
08/07/20 to 07/08/20	0.1733	–	0.1733	0.1952
08/08/20 to 07/09/20	0.1730	–	0.1730	0.1695
08/09/20 to 07/10/20	0.1864	–	0.1864	0.1908
08/10/20 to 07/11/20	0.1697	–	0.1697	0.1609
08/11/20 to 07/12/20	0.1676	–	0.1676	0.1446
08/12/20 to 07/01/21	0.1621	–	0.1621	0.1707
08/01/21 to 07/02/21	0.1356	–	0.1356	0.1590
08/02/21 to 07/03/21	0.1552	–	0.1552	0.1724
Group 2				
08/03/20 to 07/04/20	0.1058	0.0600	0.1658	0.1854
08/04/20 to 07/05/20	0.0433	0.1310	0.1743	0.1978
08/05/20 to 07/06/20	0.1386	0.0299	0.1685	0.1983
08/06/20 to 07/07/20	0.1575	0.0277	0.1852	0.1926
08/07/20 to 07/08/20	0.0680	0.1053	0.1733	0.1952
08/08/20 to 07/09/20	0.1525	0.0205	0.1730	0.1695
08/09/20 to 07/10/20	0.0790	0.1074	0.1864	0.1908
08/10/20 to 07/11/20	0.0097	0.1600	0.1697	0.1609
08/11/20 to 07/12/20	0.0176	0.1500	0.1676	0.1446
08/12/20 to 07/01/21	0.0222	0.1399	0.1621	0.1707
08/01/21 to 07/02/21	0.0056	0.1300	0.1356	0.1590
08/02/21 to 07/03/21	0.0153	0.1399	0.1552	0.1724
Total distributions in the period			**2.0167**	**2.1372**

Class 2 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2020/2021	Gross Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/04/20	0.6076	–	0.6076	0.6526
08/04/20 to 07/05/20	0.6408	–	0.6408	0.6984
08/05/20 to 07/06/20	0.6216	–	0.6216	0.7029
08/06/20 to 07/07/20	0.6856	–	0.6856	0.6853
08/07/20 to 07/08/20	0.6436	–	0.6436	0.6971
08/08/20 to 07/09/20	0.6449	–	0.6449	0.6073
08/09/20 to 07/10/20	0.6970	–	0.6970	0.6859
08/10/20 to 07/11/20	0.6370	–	0.6370	0.5807
08/11/20 to 07/12/20	0.6310	–	0.6310	0.5232
08/12/20 to 07/01/21	0.6121	–	0.6121	0.6197
08/01/21 to 07/02/21	0.5139	–	0.5139	0.5785
08/02/21 to 07/03/21	0.5891	–	0.5891	0.6284

Threadneedle High Yield Bond Fund

DISTRIBUTION TABLE

(continued)

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2020/2021	Gross Revenue Accumulated 2019/2020
Group 2				
08/03/20 to 07/04/20	0.4320	0.1756	0.6076	0.6526
08/04/20 to 07/05/20	0.3051	0.3357	0.6408	0.6984
08/05/20 to 07/06/20	0.1060	0.5156	0.6216	0.7029
08/06/20 to 07/07/20	0.2662	0.4194	0.6856	0.6853
08/07/20 to 07/08/20	0.3072	0.3364	0.6436	0.6971
08/08/20 to 07/09/20	0.3205	0.3244	0.6449	0.6073
08/09/20 to 07/10/20	0.2690	0.4280	0.6970	0.6859
08/10/20 to 07/11/20	0.3801	0.2569	0.6370	0.5807
08/11/20 to 07/12/20	0.3515	0.2795	0.6310	0.5232
08/12/20 to 07/01/21	0.2973	0.3148	0.6121	0.6197
08/01/21 to 07/02/21	0.3616	0.1523	0.5139	0.5785
08/02/21 to 07/03/21	0.3812	0.2079	0.5891	0.6284
Total distributions in the period			**7.5242**	**7.6600**

Class X – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
08/03/20 to 07/04/20	0.3663	–	0.3663	0.3534
08/04/20 to 07/05/20	0.3349	–	0.3349	0.3773
08/05/20 to 07/06/20	0.3239	–	0.3239	0.3786
08/06/20 to 07/07/20	0.3563	–	0.3563	0.3678
08/07/20 to 07/08/20	0.3335	–	0.3335	0.3732
08/08/20 to 07/09/20	0.3333	–	0.3333	0.3240
08/09/20 to 07/10/20	0.3592	–	0.3592	0.3651
08/10/20 to 07/11/20	0.3273	–	0.3273	0.3081
08/11/20 to 07/12/20	0.3234	–	0.3234	0.2771
08/12/20 to 07/01/21	0.3129	–	0.3129	0.3274
08/01/21 to 07/02/21	0.2621	–	0.2621	0.3049
08/02/21 to 07/03/21	0.2999	–	0.2999	0.3309
Group 2				
08/03/20 to 07/04/20	0.2763	0.0900	0.3663	0.3534
08/04/20 to 07/05/20	0.3349	–	0.3349	0.3773
08/05/20 to 07/06/20	0.3239	–	0.3239	0.3786
08/06/20 to 07/07/20	0.2190	0.1373	0.3563	0.3678
08/07/20 to 07/08/20	0.1305	0.2030	0.3335	0.3732
08/08/20 to 07/09/20	0.3333	–	0.3333	0.3240
08/09/20 to 07/10/20	0.3592	–	0.3592	0.3651
08/10/20 to 07/11/20	0.3273	–	0.3273	0.3081
08/11/20 to 07/12/20	0.3234	–	0.3234	0.2771
08/12/20 to 07/01/21	0.3129	–	0.3129	0.3274
08/01/21 to 07/02/21	0.2621	–	0.2621	0.3049
08/02/21 to 07/03/21	0.2999	–	0.2999	0.3309
Total distributions in the period			**3.9330**	**4.0878**

Class X – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2020/2021	Gross Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/04/20	0.4008	–	0.4008	0.4281
08/04/20 to 07/05/20	0.4239	–	0.4239	0.4587
08/05/20 to 07/06/20	0.4115	–	0.4115	0.4618
08/06/20 to 07/07/20	0.4541	–	0.4541	0.4506
08/07/20 to 07/08/20	0.4265	–	0.4265	0.4586
08/08/20 to 07/09/20	0.4278	–	0.4278	0.3998
08/09/20 to 07/10/20	0.4625	–	0.4625	0.4518
08/10/20 to 07/11/20	0.4230	–	0.4230	0.3827
08/11/20 to 07/12/20	0.4193	–	0.4193	0.3451
08/12/20 to 07/01/21	0.4070	–	0.4070	0.4089
08/01/21 to 07/02/21	0.3419	–	0.3419	0.3821
08/02/21 to 07/03/21	0.3922	–	0.3922	0.4152
Group 2				
08/03/20 to 07/04/20	0.2608	0.1400	0.4008	0.4281
08/04/20 to 07/05/20	0.0545	0.3694	0.4239	0.4587
08/05/20 to 07/06/20	0.4115	–	0.4115	0.4618
08/06/20 to 07/07/20	0.4541	–	0.4541	0.4506
08/07/20 to 07/08/20	0.1591	0.2674	0.4265	0.4586
08/08/20 to 07/09/20	0.4278	–	0.4278	0.3998
08/09/20 to 07/10/20	0.4625	–	0.4625	0.4518
08/10/20 to 07/11/20	0.4230	–	0.4230	0.3827
08/11/20 to 07/12/20	0.2152	0.2041	0.4193	0.3451
08/12/20 to 07/01/21	0.4070	–	0.4070	0.4089
08/01/21 to 07/02/21	0.3419	–	0.3419	0.3821
08/02/21 to 07/03/21	0.3922	–	0.3922	0.4152
Total distributions in the period			**4.9905**	**5.0434**

Class Z – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
08/03/20 to 07/04/20	0.3161	–	0.3161	0.3534
08/04/20 to 07/05/20	0.3331	–	0.3331	0.3777
08/05/20 to 07/06/20	0.3284	–	0.3284	0.3785
08/06/20 to 07/07/20	0.3477	–	0.3477	0.3677
08/07/20 to 07/08/20	0.3306	–	0.3306	0.3726
08/08/20 to 07/09/20	0.3302	–	0.3302	0.3225
08/09/20 to 07/10/20	0.3564	–	0.3564	0.3643
08/10/20 to 07/11/20	0.3241	–	0.3241	0.3061
08/11/20 to 07/12/20	0.3195	–	0.3195	0.2747
08/12/20 to 07/01/21	0.3088	–	0.3088	0.3250
08/01/21 to 07/02/21	0.2579	–	0.2579	0.3022
08/02/21 to 07/03/21	0.2955	–	0.2955	0.3288
Group 2				
08/03/20 to 07/04/20	0.2318	0.0843	0.3161	0.3534
08/04/20 to 07/05/20	0.2086	0.1245	0.3331	0.3777
08/05/20 to 07/06/20	0.1206	0.2078	0.3284	0.3785
08/06/20 to 07/07/20	0.1931	0.1546	0.3477	0.3677
08/07/20 to 07/08/20	0.1590	0.1716	0.3306	0.3726
08/08/20 to 07/09/20	0.1617	0.1685	0.3302	0.3225
08/09/20 to 07/10/20	0.1389	0.2175	0.3564	0.3643
08/10/20 to 07/11/20	0.1478	0.1763	0.3241	0.3061
08/11/20 to 07/12/20	0.1549	0.1646	0.3195	0.2747
08/12/20 to 07/01/21	0.1612	0.1476	0.3088	0.3250
08/01/21 to 07/02/21	0.1119	0.1460	0.2579	0.3022
08/02/21 to 07/03/21	0.1625	0.1330	0.2955	0.3288
Total distributions in the period			**3.8483**	**4.0735**

Class Z – Accumulation shares

Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/04/20	0.3867	–	0.3867	0.4148
08/04/20 to 07/05/20	0.4080	–	0.4080	0.4450
08/05/20 to 07/06/20	0.3957	–	0.3957	0.4474
08/06/20 to 07/07/20	0.4361	–	0.4361	0.4362
08/07/20 to 07/08/20	0.4091	–	0.4091	0.4436
08/08/20 to 07/09/20	0.4100	–	0.4100	0.3853
08/09/20 to 07/10/20	0.4439	–	0.4439	0.4364
08/10/20 to 07/11/20	0.4051	–	0.4051	0.3681
08/11/20 to 07/12/20	0.4007	–	0.4007	0.3314
08/12/20 to 07/01/21	0.3885	–	0.3885	0.3931
08/01/21 to 07/02/21	0.3253	–	0.3253	0.3666
08/02/21 to 07/03/21	0.3737	–	0.3737	0.3995
Group 2				
08/03/20 to 07/04/20	0.2932	0.0935	0.3867	0.4148
08/04/20 to 07/05/20	0.1925	0.2155	0.4080	0.4450
08/05/20 to 07/06/20	0.1811	0.2146	0.3957	0.4474
08/06/20 to 07/07/20	0.1886	0.2475	0.4361	0.4362
08/07/20 to 07/08/20	0.1992	0.2099	0.4091	0.4436
08/08/20 to 07/09/20	0.1779	0.2321	0.4100	0.3853
08/09/20 to 07/10/20	0.1812	0.2627	0.4439	0.4364
08/10/20 to 07/11/20	0.1915	0.2136	0.4051	0.3681
08/11/20 to 07/12/20	0.2153	0.1854	0.4007	0.3314
08/12/20 to 07/01/21	0.2039	0.1846	0.3885	0.3931
08/01/21 to 07/02/21	0.1025	0.2228	0.3253	0.3666
08/02/21 to 07/03/21	0.2516	0.1221	0.3737	0.3995
Total distributions in the period			**4.7828**	**4.8674**

Class Z – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
08/03/20 to 07/04/20	0.3064	–	0.3064	0.3442
08/04/20 to 07/05/20	0.3244	–	0.3244	0.3678
08/05/20 to 07/06/20	0.3135	–	0.3135	0.3686
08/06/20 to 07/07/20	0.3445	–	0.3445	0.3581
08/07/20 to 07/08/20	0.3220	–	0.3220	0.3629
08/08/20 to 07/09/20	0.3215	–	0.3215	0.3141
08/09/20 to 07/10/20	0.3472	–	0.3472	0.3548
08/10/20 to 07/11/20	0.3156	–	0.3156	0.2981
08/11/20 to 07/12/20	0.3112	–	0.3112	0.2676
08/12/20 to 07/01/21	0.3008	–	0.3008	0.3165
08/01/21 to 07/02/21	0.2510	–	0.2510	0.2944
08/02/21 to 07/03/21	0.2879	–	0.2879	0.3203
Group 2				
08/03/20 to 07/04/20	0.2077	0.0987	0.3064	0.3442
08/04/20 to 07/05/20	0.1649	0.1595	0.3244	0.3678
08/05/20 to 07/06/20	0.1205	0.1930	0.3135	0.3686
08/06/20 to 07/07/20	0.1488	0.1957	0.3445	0.3581
08/07/20 to 07/08/20	0.1714	0.1506	0.3220	0.3629
08/08/20 to 07/09/20	0.1328	0.1887	0.3215	0.3141
08/09/20 to 07/10/20	0.0841	0.2631	0.3472	0.3548
08/10/20 to 07/11/20	0.1258	0.1898	0.3156	0.2981
08/11/20 to 07/12/20	0.1394	0.1718	0.3112	0.2676
08/12/20 to 07/01/21	0.1570	0.1438	0.3008	0.3165
08/01/21 to 07/02/21	0.1241	0.1269	0.2510	0.2944
08/02/21 to 07/03/21	0.1077	0.1802	0.2879	0.3203
Total distributions in the period			**3.7460**	**3.9674**

Class Z – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2020/2021	Gross Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/04/20	0.4748	–	0.4748	0.5117
08/04/20 to 07/05/20	0.5032	–	0.5032	0.5486
08/05/20 to 07/06/20	0.4881	–	0.4881	0.5519
08/06/20 to 07/07/20	0.5380	–	0.5380	0.5382
08/07/20 to 07/08/20	0.5047	–	0.5047	0.5471
08/08/20 to 07/09/20	0.5056	–	0.5056	0.4754
08/09/20 to 07/10/20	0.5476	–	0.5476	0.5388
08/10/20 to 07/11/20	0.4997	–	0.4997	0.4541
08/11/20 to 07/12/20	0.4941	–	0.4941	0.4089
08/12/20 to 07/01/21	0.4792	–	0.4792	0.4849
08/01/21 to 07/02/21	0.4011	–	0.4011	0.4524
08/02/21 to 07/03/21	0.4611	–	0.4611	0.4927

Threadneedle High Yield Bond Fund

DISTRIBUTION TABLE

(continued)

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2020/2021	Gross Revenue Accumulated 2019/2020
Group 2				
08/03/20 to 07/04/20	0.3503	0.1245	0.4748	0.5117
08/04/20 to 07/05/20	0.2763	0.2269	0.5032	0.5486
08/05/20 to 07/06/20	0.2221	0.2660	0.4881	0.5519
08/06/20 to 07/07/20	0.3333	0.2047	0.5380	0.5382
08/07/20 to 07/08/20	0.4152	0.0895	0.5047	0.5471
08/08/20 to 07/09/20	0.2304	0.2752	0.5056	0.4754
08/09/20 to 07/10/20	0.2777	0.2699	0.5476	0.5388
08/10/20 to 07/11/20	0.2460	0.2537	0.4997	0.4541
08/11/20 to 07/12/20	0.2891	0.2050	0.4941	0.4089
08/12/20 to 07/01/21	0.3114	0.1678	0.4792	0.4849
08/01/21 to 07/02/21	0.2145	0.1866	0.4011	0.4524
08/02/21 to 07/03/21	0.2435	0.2176	0.4611	0.4927
Total distributions in the period			**5.8972**	**6.0047**

Group 2: shares purchased during a distribution period.

Threadneedle High Yield Bond Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Gross income shares[§]		
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share						
Opening net asset value per share (p)	41.65	41.53	42.59	41.68	41.57	42.63
Return before operating charges (p)	2.81	2.36	1.31	2.81	2.36	1.31
Operating charges (p)	(0.54)	(0.57)	(0.56)	(0.54)	(0.57)	(0.56)
Return after operating charges (p)*	2.27	1.79	0.75	2.27	1.79	0.75
Distributions (p)	(1.57)	(1.67)	(1.81)	(1.57)	(1.68)	(1.81)
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	42.35	41.65	41.53	42.38	41.68	41.57
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	5.45	4.31	1.76	5.45	4.31	1.76
Other information						
Closing net asset value (£000)	46,299	65,253	74,794	6,684	7,869	31,262
Closing number of shares	109,312,689	156,682,843	180,080,571	15,769,622	18,880,847	75,196,806
Operating charges (%)**	1.33	1.33	1.33	1.33	1.34	1.33
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	42.86	43.18	42.85	42.89	43.22	42.89
Lowest share price (p)	34.24	41.60	40.37	34.27	41.64	40.41

	Class 1 USD Hedged – Gross income shares[§]			Class 1 – Gross accumulation shares[§]		
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share						
Opening net asset value per share (p)	75.59	73.54	70.35	119.69	114.75	112.67
Return before operating charges (p)	1.28	6.17	7.34	8.36	6.53	3.59
Operating charges (p)	(0.99)	(1.04)	(0.98)	(1.59)	(1.59)	(1.51)
Return after operating charges (p)*	0.29	5.13	6.36	6.77	4.94	2.08
Distributions (p)	(2.89)	(3.08)	(3.17)	(4.60)	(4.71)	(4.90)
Retained distributions on accumulation shares (p)	–	–	–	4.60	4.71	4.90
Closing net asset value per share (p)	72.99	75.59	73.54	126.46	119.69	114.75
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	0.38	6.98	9.04	5.66	4.31	1.85
Other information						
Closing net asset value (£000)	12,274	6,116	5,312	852	844	776
Closing number of shares	16,815,727	8,091,370	7,223,373	673,787	704,496	675,945
Operating charges (%)**	1.33	1.33	1.33	1.33	1.33	1.34
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	78.47	83.96	76.62	127.47	123.70	115.30
Lowest share price (p)	69.39	73.40	68.51	98.40	114.93	110.32

Threadneedle High Yield Bond Fund

Comparative Table Disclosure

(continued)

	Class 2 – Income shares			Class 2 – Gross income shares[§]		
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share						
Opening net asset value per share (p)	60.73	60.29	61.54	52.27	51.89	52.96
Return before operating charges (p)	4.13	3.42	1.91	3.57	2.95	1.65
Operating charges (p)	(0.48)	(0.50)	(0.49)	(0.42)	(0.43)	(0.42)
Return after operating charges (p)*	3.65	2.92	1.42	3.15	2.52	1.23
Distributions (p)	(2.33)	(2.48)	(2.67)	(2.02)	(2.14)	(2.30)
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	62.05	60.73	60.29	53.40	52.27	51.89
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	6.01	4.84	2.31	6.03	4.86	2.32
Other information						
Closing net asset value (£000)	4,953	6,606	9,527	861	1,107	2,122
Closing number of shares	7,982,991	10,878,864	15,801,121	1,612,953	2,117,240	4,089,792
Operating charges (%)**	0.81	0.81	0.81	0.81	0.81	0.81
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	62.77	62.95	61.95	54.02	54.19	53.32
Lowest share price (p)	49.94	60.39	58.55	42.99	51.98	50.40

	Class 2 – Gross accumulation shares[§]			Class X – Gross income shares[§]		
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share						
Opening net asset value per share (p)	191.47	182.61	178.37	100.37	98.90	100.19
Return before operating charges (p)	13.46	10.41	5.70	6.88	5.62	3.14
Operating charges (p)	(1.56)	(1.55)	(1.46)	(0.06)	(0.06)	(0.06)
Return after operating charges (p)*	11.90	8.86	4.24	6.82	5.56	3.08
Distributions (p)	(7.52)	(7.66)	(7.90)	(3.93)	(4.09)	(4.37)
Retained distributions on accumulation shares (p)	7.52	7.66	7.90	–	–	–
Closing net asset value per share (p)	203.37	191.47	182.61	103.26	100.37	98.90
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	6.22	4.85	2.38	6.79	5.62	3.07
Other information						
Closing net asset value (£000)	316,501	296,173	184,313	6,968	2,948	8,042
Closing number of shares	155,625,473	154,682,281	100,931,916	6,747,781	2,936,664	8,131,106
Operating charges (%)**	0.81	0.81	0.81	0.06	0.06	0.06
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	204.95	197.84	183.49	104.39	104.02	100.95
Lowest share price (p)	157.46	182.90	175.41	82.58	99.07	95.93

Threadneedle High Yield Bond Fund

Comparative Table Disclosure

(continued)

	Class X – Gross accumulation shares[§]			Class Z – Income shares		
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share						
Opening net asset value per share (p)	126.56	119.80	116.14	101.61	100.72	102.66
Return before operating charges (p)	8.95	6.84	3.73	6.93	5.71	3.18
Operating charges (p)	(0.08)	(0.08)	(0.07)	(0.73)	(0.75)	(0.74)
Return after operating charges (p)*	8.87	6.76	3.66	6.20	4.96	2.44
Distributions (p)	(4.99)	(5.04)	(5.17)	(3.85)	(4.07)	(4.38)
Retained distributions on accumulation shares (p)	4.99	5.04	5.17	–	–	–
Closing net asset value per share (p)	135.43	126.56	119.80	103.96	101.61	100.72
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	7.01	5.64	3.15	6.10	4.92	2.38
Other information						
Closing net asset value (£000)	125,339	115,450	76,912	300,612	266,458	272,757
Closing number of shares	92,548,539	91,223,235	64,200,212	289,161,149	262,241,834	270,795,387
Operating charges (%)**	0.06	0.06	0.06	0.73	0.73	0.73
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	136.44	130.73	120.37	105.15	105.32	103.36
Lowest share price (p)	104.11	120.00	114.93	83.56	100.89	97.79

	Class Z – Accumulation shares			Class Z – Gross income shares[§]		
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share						
Opening net asset value per share (p)	124.03	118.21	115.38	98.97	98.11	99.99
Return before operating charges (p)	8.72	6.72	3.68	6.74	5.57	3.11
Operating charges (p)	(0.91)	(0.90)	(0.85)	(0.71)	(0.74)	(0.72)
Return after operating charges (p)*	7.81	5.82	2.83	6.03	4.83	2.39
Distributions (p)	(4.78)	(4.87)	(5.02)	(3.75)	(3.97)	(4.27)
Retained distributions on accumulation shares (p)	4.78	4.87	5.02	–	–	–
Closing net asset value per share (p)	131.84	124.03	118.21	101.25	98.97	98.11
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	6.30	4.92	2.45	6.09	4.92	2.39
Other information						
Closing net asset value (£000)	26,470	24,074	21,275	27,557	32,842	37,501
Closing number of shares	20,076,709	19,409,718	17,998,360	27,217,256	33,185,019	38,225,545
Operating charges (%)**	0.73	0.73	0.73	0.73	0.73	0.73
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	132.86	128.16	118.77	102.41	102.58	100.67
Lowest share price (p)	102.00	118.40	113.53	81.39	98.26	95.25

Threadneedle High Yield Bond Fund

Comparative Table Disclosure

(continued)

	Class Z – Gross accumulation shares[$]		
	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share			
Opening net asset value per share (p)	153.01	145.82	142.32
Return before operating charges (p)	10.75	8.31	4.55
Operating charges (p)	(1.13)	(1.12)	(1.05)
Return after operating charges (p)*	9.62	7.19	3.50
Distributions (p)	(5.90)	(6.00)	(6.20)
Retained distributions on accumulation shares (p)	5.90	6.00	6.20
Closing net asset value per share (p)	162.63	153.01	145.82
*after direct transaction costs of (p)	–	–	–
Performance			
Return after charges (%)	6.29	4.93	2.46
Other information			
Closing net asset value (£000)	55,564	33,333	19,344
Closing number of shares	34,166,360	21,785,459	13,266,056
Operating charges (%)**	0.73	0.73	0.73
Direct transaction costs (%)***	–	–	–
Prices			
Highest share price (p)	163.88	158.09	146.51
Lowest share price (p)	125.83	146.05	140.05

**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 High Yield Bond Fund

Notes to the financial statements

for the accounting period 8 March 2020 to 7 March 2021

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 5 and 6.

2 NET CAPITAL GAINS

Net capital gains during the period comprise:

	2021 £000	2020 £000
Non-derivative securities	14,504	9,351
Derivative contracts	(77)	(204)
Forward currency contracts	1,948	(11,533)
Other gains	11,552	11,442
Transaction costs	(4)	(3)
Net capital gains	27,923	9,053

3 REVENUE

	2021 £000	2020 £000
Unfranked dividend distributions	110	481
Interest on debt securities	36,025	31,794
Interest on short term investments	3	80
Derivative revenue	52	746
Bank interest	41	276
Total revenue	36,231	33,377

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	(5,615)	(5,199)
Registration fees	(674)	(633)
	(6,289)	(5,832)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(109)	(99)
Safe custody fees	(58)	(51)
	(167)	(150)
Other expenses:		
Regulatory fees	(6)	(7)
Audit fees	(15)	(16)
	(21)	(23)
Total expenses*	(6,477)	(6,005)

**Including irrecoverable VAT where applicable.*

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2021 £000	2020 £000
Interest payable	(16)	(16)
Total interest payable and similar charges	(16)	(16)

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	29,738	27,356
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(5,948)	(5,471)
Effects of:		
Distributions treated as tax deductible	5,948	5,471
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	Restated 2020* £000
Interim	32,716	29,982
Final	2,670	2,799
	35,386	32,781
Add: Revenue deducted on the cancellation of shares*	259	211
Deduct: Revenue received on the creation of shares*	(292)	(437)
Net distribution for the period	35,353	32,555
Net revenue after taxation	29,738	27,356
Annual management charge to capital	5,615	5,199
Total distributions	35,353	32,555

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

Details of the distribution per share are set out in the table on pages 207 to 210.

8 DEBTORS

	2021 £000	2020 £000
Amounts receivable for the issue of shares	260	381
Sales awaiting settlement	533	400
Accrued revenue	10,851	10,708
Total debtors	11,644	11,489

9 CASH AND BANK BALANCES

	2021 £000	2020 £000
Amounts held at futures clearing houses and brokers	2,043	31,535
Cash and bank balances	9,250	8,978
	11,293	40,513
Cash overdrafts at broker	(2,044)	–
Total cash and bank balances	9,249	40,513

10 OTHER CREDITORS

	2021 £000	2020 £000
Amounts payable for the cancellation of shares	(21,192)	(1,463)
Purchases awaiting settlement	(7,246)	(1,382)
Accrued expenses	(27)	(27)
Amounts payable to ACD	(640)	(611)
Total other creditors	(29,105)	(3,483)

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.

Threadneedle High Yield Bond Fund

Notes to the financial statements

(continued)

13 SHAREHOLDER FUNDS

Threadneedle High Yield Bond 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	1.20%
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 211 to 214. The distribution per share class is given in the distribution table on pages 207 to 210.
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	156,682,843
Shares issued	4,287,220
Shares redeemed	(18,285,846)
Net conversions	(33,371,528)
Closing shares	109,312,689
Class 1 – Gross income shares	
Opening shares	18,880,847
Shares issued	455,122
Shares redeemed	(3,456,690)
Net conversions	(109,657)
Closing shares	15,769,622
Class 1 USD Hedged – Gross income shares	
Opening shares	8,091,370
Shares issued	8,757,078
Shares redeemed	(32,721)
Net conversions	–
Closing shares	16,815,727
Class 1 – Gross accumulation shares	
Opening shares	704,496
Shares issued	87,768
Shares redeemed	(68,165)
Net conversions	(50,312)
Closing shares	673,787
Class 2 – Income shares	
Opening shares	10,878,864
Shares issued	78,292
Shares redeemed	(2,968,570)
Net conversions	(5,595)
Closing shares	7,982,991
Class 2 – Gross income shares	
Opening shares	2,117,240
Shares issued	27,782
Shares redeemed	(532,069)
Net conversions	–
Closing shares	1,612,953
Class 2 – Gross accumulation shares	
Opening shares	154,682,281
Shares issued	21,535,378
Shares redeemed	(20,592,186)
Net conversions	–
Closing shares	155,625,473

	2021
Class X – Gross income shares	
Opening shares	2,936,664
Shares issued	3,442,011
Shares redeemed	(4,435,301)
Net conversions	4,804,407
Closing shares	6,747,781
Class X – Gross accumulation shares	
Opening shares	91,223,235
Shares issued	7,313,360
Shares redeemed	(5,988,056)
Net conversions	–
Closing shares	92,548,539
Class Z – Income shares	
Opening shares	262,241,834
Shares issued	86,042,749
Shares redeemed	(65,958,746)
Net conversions	6,835,312
Closing shares	289,161,149
Class Z – Accumulation shares	
Opening shares	19,409,718
Shares issued	9,527,420
Shares redeemed	(8,912,985)
Net conversions	52,556
Closing shares	20,076,709
Class Z – Gross income shares	
Opening shares	33,185,019
Shares issued	1,795,249
Shares redeemed	(9,936,664)
Net conversions	2,173,652
Closing shares	27,217,256
Class Z – Gross accumulation shares	
Opening shares	21,785,459
Shares issued	15,134,015
Shares redeemed	(2,757,102)
Net conversions	3,988
Closing shares	34,166,360

14 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 6 to 7.

Market price risk sensitivity

The sensitivity figures provided are forecasts. A 1.00% interest rate decrease applied to the fund would result in an estimated increase on the net asset value of the fund by 3.76% and vice versa (2020: 3.78%).

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	(687)
US Dollar	12,414
Currency 2020	**£000**
Euro	(7,582)
US Dollar	6,119

Currency sensitivity

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

Threadneedle High Yield Bond Fund

Notes to the financial statements

(continued)

Credit/Counterparty exposure

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

2021	Forward Foreign Exchange Contracts Exposure	Collateral Pledged
Counterparty	**£000**	**£000**
Bank of Scotland	2	–
Barclays	732	–
Citigroup	1	–
J.P. Morgan	1,067	–
Lloyds	5	–
UBS	893	–

2020	Forward Foreign Exchange Contracts Exposure	Collateral Pledged
Counterparty	**£000**	**£000**
Barclays	–	10,350
Citigroup	244	260
Credit Suisse	21	–
Goldman Sachs	101	120
J.P. Morgan	–	640
Lloyds	46	20
RBS	–	10,260
UBS	–	10,370

The fund held £2,430,000 (2020: £490,000) 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
BBB+	496	0.05	516	0.06
BBB	23,497	2.50	4,136	0.51
Baa2	4,144	0.44	4,196	0.52
BBB-	14,966	1.59	48,023	5.92
BB+	258,788	27.52	252,545	31.11
Ba1	2,850	0.30	3,007	0.37
BB	111,073	11.81	117,393	14.46
Ba2	20,738	2.21	10,145	1.25
BB-	147,537	15.69	112,284	13.83
B+	44,210	4.70	67,413	8.30
B1	8,808	0.94	–	–
B	122,475	13.03	109,146	13.45
(P)B	1,767	0.19	–	–
Ba3	–	–	2,288	0.28
B2	–	–	3,462	0.43
B-	53,661	5.71	39,232	4.83
(P)B-	4,739	0.51	730	0.09
B3	16,117	1.71	6,641	0.82
CCC+	30,259	3.22	14,556	1.79
Caa1	10,652	1.13	–	–
CCC	3,224	0.34	3,633	0.45
Caa2	–	–	766	0.09
CCC-	886	0.10	–	–
CC	3,509	0.37	1,303	0.16
Not Rated*	5,639	0.60	9,269	1.14
Liquidity Funds	47,605	5.06	33,308	4.10
Derivatives**	2,661	0.28	(32,178)	(3.96)
	940,301	100.00	811,814	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 7 March was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2021	**£000**	**£000**	**£000**	**£000**
Euro	89,743	685,524	35,279	810,546
UK Sterling	7,119	151,167	825,457	983,743
US Dollar	3,254	12,125	13,873	29,252
Currency 2020	**£000**	**£000**	**£000**	**£000**
Euro	47,950	634,458	61,786	744,194
UK Sterling	40,556	135,099	747,639	923,294
US Dollar	706	25,737	7,354	33,797

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2021	**£000**	**£000**	**£000**	**£000**
Euro	–	–	(811,233)	(811,233)
UK Sterling	(2,044)	–	(62,492)	(64,536)
US Dollar	–	–	(16,838)	(16,838)
Currency 2020	**£000**	**£000**	**£000**	**£000**
Euro	–	–	(751,776)	(751,776)
UK Sterling	–	–	(62,758)	(62,758)
US Dollar	–	–	(27,678)	(27,678)

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). Any impact to the rate of the underlying securities is considered in market price risk section.

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.

At 7 March 2021, the fund had outstanding forward foreign exchange contracts with an asset value of £2,858,000 (2020: £752,000) and a liability value of £197,000 (2020: £32,930,000).

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 High Yield Bond Fund

Notes to the financial statements

(continued)

	2021		2020	
	Assets	Liabilities	Assets	Liabilities
Valuation technique	**£000**	**£000**	**£000**	**£000**
Level 1*	47,605	–	33,308	–
Level 2	890,589	(197)	802,970	(32,930)
Level 3	2,304	–	8,466	–
	940,498	(197)	844,744	(32,930)

Included within Level 1, are debt securities of £47,605,000 (2020: £33,308,000). 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

7 March 2021

	Value	Commissions		Taxes	
Purchases	**£000**	**£000**	**%**	**£000**	**%**
Bonds	623,234	–	–	–	–
Collective investment schemes	178,392	10	0.01	–	–
Total	801,626	10		–	
Gross purchases total:	801,636				

	Value	Commissions		Taxes	
Sales	**£000**	**£000**	**%**	**£000**	**%**
Bonds	557,081	–	–	–	–
Collective investment schemes	163,689	10	0.01	–	–
Corporate actions	3,657	–	–	–	–
Total	724,427	10		–	
Total sales net of transaction costs:	724,417				

Transaction costs as a percentage of average Net Assets	
Commissions:	0.00%
Taxes:	0.00%

7 March 2020

	Value	Commissions		Taxes	
Purchases	**£000**	**£000**	**%**	**£000**	**%**
Bonds	452,754	–	–	–	–
Collective investment schemes	168,532	4	0.00	–	–
Total	621,286	4		–	
Gross purchases total:	621,290				

	Value	Commissions		Taxes	
Sales	**£000**	**£000**	**%**	**£000**	**%**
Bonds	310,685	–	–	–	–
Collective investment schemes	182,123	18	0.01	–	–
Corporate actions	12,127	–	–	–	–
Total	504,935	18		–	
Total sales net of transaction costs:	504,917				

Transaction costs as a percentage of average Net Assets	
Commissions:	0.00%
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 0.75% (7 March 2020: 0.98%), 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:

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	240,773	(25,256)	215,517
Amounts payable on the cancellation of shares	(146,247)	25,256	(120,991)
	94,526	–	94,526
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	251	(40)	211
Deduct: Revenue received on the creation of shares	(477)	40	(437)
Net impact		–	

19 POST BALANCE SHEET EVENT

The table below shows net redemptions between the year-ended 7 March 2021 and 21 June 2021 as a percentage of the closing NAV for share classes with significant movements. The net redemptions of shares were reviewed again on 28 June with no material movements noted since 21 June. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

Share class	**% Movement**
Class Z – Income shares	(10.56)

Threadneedle Global Select 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 shares of companies worldwide.

The Fund selects companies considered to have good prospects for share price growth, from any economic sector or geographic region, 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 providing an appropriate representation of the share performance of large and medium-sized companies worldwide, with over 2,700 companies currently 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 90 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 Net Accumulation Class 1 Shares*

Over the twelve months to 7 March 2021, the published share price of the Threadneedle Global Select Fund has risen from 250.71p to 302.03p.

Looking at the sterling performance within its peer group, the total return on the fund for the twelve months ending 28 February 2021, including net reinvested income, is +21.49% as compared to a median return of +20.92% over the same period. (For information the MSCI AC World Index returned +19.56% over the same period).

Market Overview and Portfolio Activity

Global equities rose during the 12 months to 7 March. Early in the period, markets fell sharply, amid concerns about the likely impact of COVID-19 on the global economy. Governments and central banks responded 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. However, 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 had a more volatile start to 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. As the period ended, 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 cyclicals.

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 of 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. As the period came to a close, the UK was leading 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 the country's 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 much of the period. The strong performance of index heavyweight China was also beneficial, though trade tensions proved a headwind.

New additions over the period included Roche, T-Mobile US and Intuit.

Roche enjoys a dominant market position, which we believe is sustainable given the healthcare company's global footprint and broad range of products. Roche's strong branding, historic reputation and best-in-class execution through patents provide it with competitive edges that peers cannot replicate. Furthermore, the company's rich pipeline of product launches could accelerate growth.

T-Mobile US is the leading challenger brand in American wireless. The company boasts a resilient business model and a strong reputation. T-Mobile US is well positioned to benefit and gain market share post-pandemic, as the demand for cloud computing and the development of 5G increases.

Intuit develops business and financial management software solutions, and is well-placed to monetise its growing customer base over time. The firm is seeing increasing momentum across its business segments. Top-line growth should be strengthened by the increasing depth of offerings across products and geographies. We feel that this should lead to healthy growth in earnings and cash flow, thanks to operational efficiencies and strong financial discipline.

To help fund these purchases, we closed our position in Alibaba. The tightening of Chinese regulations has clouded the firm's outlook, so we decided to reallocate this capital elsewhere. We profitably sold Illumina and Nintendo, following both stocks' strong gains.

The indiscriminate market movements of early 2020 have increased the relative attractiveness of the competitively advantaged companies in which we invest. While markets have since recovered, uncertainties around the coronavirus pandemic remain. We believe that the ongoing global responses to the virus have accelerated certain structural trends, and created an environment in which companies with a sustainable edge can thrive. We also 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 should 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 8 March 2020 to 7 March 2021

	Notes	2021 £000	Restated 2020** £000
Income			
Net capital gains	2	206,715	129,347
Revenue	3	12,986	12,508
Expenses	4	(7,416)	(7,658)
Interest payable and similar charges	5	(1)	(1)
Net revenue before taxation		5,569	4,849
Taxation	6	(2,281)	(1,258)
Net revenue after taxation		3,288	3,591
Total return before distributions		210,003	132,938
Distributions**	7	(5,990)	(5,619)
Change in net assets attributable to shareholders from investment activities		204,013	127,319

BALANCE SHEET

as at 7 March 2021

	Notes	2021 £000	2020 £000
Assets:			
Fixed assets:			
Investments		1,203,903	939,172
Current assets:			
Debtors	8	7,862	3,147
Cash and bank balances		6,401	3,812
Cash equivalents***		8,688	43,630
Total assets		1,226,854	989,761
Liabilities:			
Investment liabilities		(4)	(18)
Creditors:			
Bank overdrafts		(1,168)	–
Distribution payable		(4)	(5)
Other creditors	9	(20,380)	(2,025)
Total liabilities		(21,556)	(2,048)
Net assets attributable to shareholders		1,205,298	987,713

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2020 to 7 March 2021

	2021 £000	Restated 2020** £000
Opening net assets attributable to shareholders	987,713	872,378
Amounts receivable on the issue of shares**	119,657	170,692
Amounts payable on the cancellation of shares**	(112,246)	(188,410)
	7,411	(17,718)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)**	204,013	127,319
Retained distribution on accumulation shares	6,161	5,734
Closing net assets attributable to shareholders	1,205,298	987,713

DISTRIBUTION TABLE

for the accounting period 8 March 2020 to 7 March 2021

Dividend distribution in pence per share

Class 1 – Accumulation shares

There is no distribution for the accounting period 8 March 2020 to 7 March 2021, as expenses exceed revenue (2020: Nil).

Class 2 – Accumulation shares

There is no distribution for the accounting period 8 March 2020 to 7 March 2021, as expenses exceed revenue (2020: 0.326).

Class X – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/03/21	2.2075	–	2.2075	2.1221
Group 2				
08/03/20 to 07/03/21	0.8104	1.3971	2.2075	2.1221
Total distributions in the period			**2.2075**	**2.1221**

**In pound Sterling and against UK peer group (See Performance summary on pages 330 to 331).*

***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 Select Fund

DISTRIBUTION TABLE

(continued)

Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
08/03/20 to 07/03/21	0.4677	–	0.4677	0.6130
Group 2				
08/03/20 to 07/03/21	0.0217	0.4460	0.4677	0.6130
Total distributions in the period			**0.4677**	**0.6130**

Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/03/21	0.5965	–	0.5965	0.7792
Group 2				
08/03/20 to 07/03/21	0.0321	0.5644	0.5965	0.7792
Total distributions in the period			**0.5965**	**0.7792**

Group 2: shares purchased during a distribution period.

Threadneedle Global Select Fund

Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 1 EUR – Accumulation shares
	07/03/2021	07/03/2020	07/03/2019	25/01/2019[1]
Change in net assets per share				
Opening net asset value per share (p)	255.03	223.00	214.97	228.14
Return before operating charges (p)	55.39	36.13	11.63	(12.22)
Operating charges (p)	(4.63)	(4.10)	(3.60)	(1.94)
Return after operating charges (p)*	50.76	32.03	8.03	(14.16)
Distributions (p)	–	–	–	–
Retained distributions on accumulation shares (p)	–	–	–	–
Closing net asset value per share (p)	305.79	255.03	223.00	213.98
*after direct transaction costs of (p)	0.12	0.13	0.16	0.19
Performance				
Return after charges (%)	19.90	14.36	3.74	(6.21)
Other information				
Closing net asset value (£000)	310,284	296,819	394,056	–
Closing number of shares	101,470,265	116,385,509	176,705,657	–
Operating charges (%)**	1.63	1.63	1.63	–
Direct transaction costs (%)***	0.04	0.06	0.07	–
Prices				
Highest share price (p)	319.52	283.30	238.91	238.91
Lowest share price (p)	219.11	221.19	198.87	198.87

	Class 1 USD – Accumulation shares	Class 2 – Accumulation shares		
	25/01/2019[1]	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share				
Opening net asset value per share (p)	228.14	370.08	321.74	308.39
Return before operating charges (p)	(12.15)	80.59	52.23	16.71
Operating charges (p)	(2.01)	(4.38)	(3.89)	(3.36)
Return after operating charges (p)*	(14.16)	76.21	48.34	13.35
Distributions (p)	–	–	(0.33)	(1.18)
Retained distributions on accumulation shares (p)	–	–	0.33	1.18
Closing net asset value per share (p)	213.98	446.29	370.08	321.74
*after direct transaction costs of (p)	0.29	0.18	0.19	0.23
Performance				
Return after charges (%)	(6.21)	20.59	15.02	4.33
Other information				
Closing net asset value (£000)	–	41,453	38,481	32,258
Closing number of shares	–	9,288,527	10,398,051	10,026,116
Operating charges (%)**	–	1.06	1.06	1.07
Direct transaction costs (%)***	–	0.04	0.06	0.07
Prices				
Highest share price (p)	238.91	465.93	411.00	343.60
Lowest share price (p)	198.87	318.00	319.13	286.62

Threadneedle Global Select Fund

Comparative Table Disclosure

(continued)

	Class 2 EUR – Accumulation shares	Class 2 USD – Accumulation shares
	25/01/2019[1]	25/01/2019[1]
Change in net assets per share		
Opening net asset value per share (p)	327.82	327.82
Return before operating charges (p)	(17.35)	(17.43)
Operating charges (p)	(1.92)	(1.84)
Return after operating charges (p)*	(19.27)	(19.27)
Distributions (p)	(0.73)	(0.73)
Retained distributions on accumulation shares (p)	0.73	0.73
Closing net asset value per share (p)	308.55	308.55
*after direct transaction costs of (p)	0.28	0.21
Performance		
Return after charges (%)	(5.88)	(5.88)
Other information		
Closing net asset value (£000)	–	–
Closing number of shares	–	–
Operating charges (%)**	–	–
Direct transaction costs (%)***	–	–
Prices		
Highest share price (p)	343.60	343.60
Lowest share price (p)	286.62	286.62

	Class X – Accumulation shares			Class Z – Income shares		
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share						
Opening net asset value per share (p)	197.62	170.11	161.42	210.03	182.77	175.83
Return before operating charges (p)	43.22	27.63	8.79	45.78	29.65	9.53
Operating charges (p)	(0.13)	(0.12)	(0.10)	(2.01)	(1.78)	(1.54)
Return after operating charges (p)*	43.09	27.51	8.69	43.77	27.87	7.99
Distributions (p)	(2.21)	(2.12)	(2.29)	(0.47)	(0.61)	(1.05)
Retained distributions on accumulation shares (p)	2.21	2.12	2.29	–	–	–
Closing net asset value per share (p)	240.71	197.62	170.11	253.33	210.03	182.77
*after direct transaction costs of (p)	0.10	0.10	0.12	0.10	0.11	0.13
Performance						
Return after charges (%)	21.80	16.17	5.38	20.84	15.25	4.54
Other information						
Closing net asset value (£000)	626,658	486,283	272,362	2,218	1,635	1,421
Closing number of shares	260,332,551	246,064,523	160,111,848	875,543	778,688	777,506
Operating charges (%)**	0.06	0.06	0.06	0.85	0.85	0.85
Direct transaction costs (%)***	0.04	0.06	0.07	0.04	0.06	0.07
Prices						
Highest share price (p)	251.03	219.38	180.63	264.89	233.93	196.07
Lowest share price (p)	169.86	168.73	151.24	180.49	181.29	163.68

Threadneedle Global Select Fund

Comparative Table Disclosure

(continued)

	Class Z – Accumulation shares			Class Z USD – Accumulation shares
	07/03/2021	07/03/2020	07/03/2019	25/01/2019[1]
Change in net assets per share				
Opening net asset value per share (p)	267.83	232.35	222.25	236.38
Return before operating charges (p)	58.38	37.73	12.05	(12.52)
Operating charges (p)	(2.56)	(2.25)	(1.95)	(1.09)
Return after operating charges (p)*	55.82	35.48	10.10	(13.61)
Distributions (p)	(0.60)	(0.78)	(1.32)	(0.94)
Retained distributions on accumulation shares (p)	0.60	0.78	1.32	0.94
Closing net asset value per share (p)	323.65	267.83	232.35	222.77
*after direct transaction costs of (p)	0.13	0.14	0.17	0.21
Performance				
Return after charges (%)	20.84	15.27	4.54	(5.76)
Other information				
Closing net asset value (£000)	224,685	164,495	172,281	–
Closing number of shares	69,422,164	61,417,341	74,146,666	–
Operating charges (%)**	0.85	0.85	0.85	–
Direct transaction costs (%)***	0.04	0.06	0.07	–
Prices				
Highest share price (p)	337.79	297.39	247.84	247.84
Lowest share price (p)	230.16	230.47	206.90	206.90

**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.

[1]*Commenced 15 June 2018 and closed 25 January 2019.*

Threadneedle Global Select Fund

Notes to the financial statements

for the accounting period 8 March 2020 to 7 March 2021

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 5 and 6.

2 NET CAPITAL GAINS

Net capital gains during the period comprise:

	2021 £000	2020 £000
Non-derivative securities	206,585	128,418
Forward currency contracts	194	66
Other (losses)/gains	(63)	865
Transaction costs	(1)	(2)
Net capital gains	206,715	129,347

3 REVENUE

	2021 £000	2020 £000
UK dividends	1,005	988
Overseas dividends	11,863	11,036
Interest on short term investments	–	66
Bank interest	118	418
Total revenue	12,986	12,508

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	(6,490)	(6,793)
Registration fees	(710)	(678)
	(7,200)	(7,471)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(133)	(117)
Safe custody fees	(70)	(53)
	(203)	(170)
Other expenses:		
Regulatory fees	(6)	(7)
Audit fees	(7)	(8)
Non-audit service fees payable to auditors	–	(2)
	(13)	(17)
Total expenses*	(7,416)	(7,658)

**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	(178)	–
Overseas taxes	(1,308)	(1,258)
Total current tax	(1,486)	(1,258)
Deferred tax (note 6c)	(795)	–
Total tax charge for the period (note 6b)	(2,281)	(1,258)
b) Factors affecting taxation charge for period		
Net revenue before taxation	5,569	4,849
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(1,114)	(970)
Effects of:		
Revenue not subject to taxation	2,512	2,346
Overseas taxes	(1,308)	(1,258)
Overseas tax expensed	10	9
Excess expenses*	(1,401)	(1,270)
Conversion transfer from capital*	(7)	(115)
Overseas capital gains tax	(973)	–
Current tax charge for period (note 6a)	(2,281)	(1,258)
c) Deferred tax		
Deferred tax charge in statement of total return for year (note 6a)	(795)	–
Provision at the end of the period	(795)	–

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

The fund has not recognised a deferred tax asset of £17,418,732 (2020: £16,029,428) 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	6,165	5,739
	6,165	5,739
Add: Revenue deducted on the cancellation of shares	119	125
Deduct: Revenue received on the creation of shares	(294)	(245)
Net distribution for the period	5,990	5,619
Net revenue after taxation	3,288	3,591
Equalisation on conversion	36	574
Shortfall transfer from capital to revenue	1,693	1,454
Overseas capital gains tax	973	–
Total distributions	5,990	5,619

**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 219 to 220.

8 DEBTORS

	2021 £000	2020 £000
Amounts receivable for the issue of shares	5,417	1,708
Sales awaiting settlement	525	–
Accrued revenue	1,373	952
Foreign withholding tax recoverable	547	487
Total debtors	7,862	3,147

9 OTHER CREDITORS

	2021 £000	2020 £000
Amounts payable for the cancellation of shares	(4,894)	(1,300)
Purchases awaiting settlement	(13,931)	–
Accrued expenses	(25)	(22)
Amounts payable to ACD	(735)	(703)
Deferred Indian capital gains tax payable	(795)	–
Total other creditors	(20,380)	(2,025)

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 Select 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 Select 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	0.080%

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 221 to 223. The distribution per share class is given in the distribution table on pages 219 to 220.

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	116,385,509
Shares issued	18,904,836
Shares redeemed	(21,421,533)
Net conversions	(12,398,547)
Closing shares	101,470,265
Class 2 – Accumulation shares	
Opening shares	10,398,051
Shares issued	1,008,437
Shares redeemed	(2,117,961)
Net conversions	–
Closing shares	9,288,527
Class X – Accumulation shares	
Opening shares	246,064,523
Shares issued	17,230,700
Shares redeemed	(2,962,672)
Net conversions	–
Closing shares	260,332,551
Class Z – Income shares	
Opening shares	778,688
Shares issued	159,533
Shares redeemed	(78,894)
Net conversions	16,216
Closing shares	875,543
Class Z – Accumulation shares	
Opening shares	61,417,341
Shares issued	7,444,049
Shares redeemed	(11,214,926)
Net conversions	11,775,700
Closing shares	69,422,164

13 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 6 to 7.

Market price risk sensitivity

The sensitivity figures provided are forecasts. A 5% market increase applied to the fund would result in an estimated increase in net asset value of the fund by 4.91% and vice versa (2020: 4.99%).

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	31,641
Euro	102,459
Hong Kong Dollar	53,452
Indian Rupee	19,387
Indonesian Rupiah	10,234
Japanese Yen	59,475
Singapore Dollar	1
South Korean Won	43,163
Swiss Franc	29,380
Taiwan Dollar	20,781
US Dollar	805,776
Currency 2020	**£000**
Canadian Dollar	109
Danish Krone	12,954
Euro	109,555
Hong Kong Dollar	37,743
Indian Rupee	17,454
Japanese Yen	47,165
Singapore Dollar	1
South Korean Won	25,270
Taiwan Dollar	76
US Dollar	695,148

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	6.22	4.16
	Currency movement	**Fund movement**
Currency 2020	**%**	**%**
Euro	1.19	0.13
US Dollar	0.97	0.68

Credit/Counterparty exposure

As at the balance sheet date there is no derivative exposure or collateral to disclose.

2020	**Forward Foreign Exchange Contracts Exposure**
Counterparty	**£000**
Barclays	9

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.

Threadneedle Global Select 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 7 March was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2021	**£000**	**£000**	**£000**	**£000**
Danish Krone	113	–	41,841	41,954
Euro	–	–	102,459	102,459
Hong Kong Dollar	–	–	53,452	53,452
Indian Rupee	–	–	19,387	19,387
Indonesian Rupiah	–	–	10,234	10,234
Japanese Yen	–	–	59,475	59,475
Singapore Dollar	1	–	–	1
South Korean Won	–	–	43,163	43,163
Swiss Franc	–	–	29,380	29,380
Taiwan Dollar	77	–	20,704	20,781
UK Sterling	–	–	40,797	40,797
US Dollar	6,210	8,688	791,343	806,241
Currency 2020	**£000**	**£000**	**£000**	**£000**
Canadian Dollar	–	–	109	109
Danish Krone	–	–	12,954	12,954
Euro	–	–	109,555	109,555
Hong Kong Dollar	–	–	37,743	37,743
Indian Rupee	–	–	17,454	17,454
Japanese Yen	–	–	47,165	47,165
Singapore Dollar	1	–	–	1
South Korean Won	–	–	25,270	25,270
Taiwan Dollar	76	–	–	76
UK Sterling	73	–	45,400	45,473
US Dollar	3,662	43,630	648,472	695,764

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2021	**£000**	**£000**	**£000**	**£000**
Danish Krone	–	–	(10,313)	(10,313)
UK Sterling	(1,168)	–	(10,080)	(11,248)
US Dollar	–	–	(465)	(465)
Currency 2020	**£000**	**£000**	**£000**	**£000**
UK Sterling	–	–	(3,235)	(3,235)
US Dollar	–	–	(616)	(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). Any impact to the rate of the underlying securities is considered in market price risk section.

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.

At 7 March 2021, the fund had outstanding forward foreign exchange contracts with an asset value of £Nil (2020: £9,000) and a liability value of £4,000 (2020: £18,000).

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	
	Assets	Liabilities	Assets	Liabilities
Valuation technique	**£000**	**£000**	**£000**	**£000**
Level 1*	1,212,591	–	982,793	–
Level 2	–	(4)	9	(18)
	1,212,591	(4)	982,802	(18)

**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

7 March 2021

	Value	Commissions		Taxes	
Purchases	**£000**	**£000**	**%**	**£000**	**%**
Equities	428,658	156	0.04	184	0.04
Collective investment schemes	131,759	–	–	–	–
Corporate actions	570	–	–	–	–
Total	560,987	156		184	
Gross purchases total:	561,327				

	Value	Commissions		Taxes	
Sales	**£000**	**£000**	**%**	**£000**	**%**
Equities	370,571	117	0.03	30	0.01
Collective investment schemes	167,687	–	–	–	–
Total	538,258	117		30	
Total sales net of transaction costs:	538,111				

Transaction costs as a percentage of average Net Assets	
Commissions:	0.02%
Taxes:	0.02%

7 March 2020

	Value	Commissions		Taxes	
Purchases	**£000**	**£000**	**%**	**£000**	**%**
Equities	339,894	116	0.03	180	0.05
Collective investment schemes	146,984	–	–	–	–
Total	486,878	116		180	
Gross purchases total:	487,174				

	Value	Commissions		Taxes	
Sales	**£000**	**£000**	**%**	**£000**	**%**
Equities	385,580	139	0.04	70	0.02
Collective investment schemes	111,963	–	–	–	–
Total	497,543	139		70	
Total sales net of transaction costs:	497,334				

Transaction costs as a percentage of average Net Assets	
Commissions:	0.03%
Taxes:	0.03%

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.

Threadneedle Global Select Fund

Notes to the financial statements

(continued)

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% (7 March 2020: 0.04%), 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 7 March 2020:

STATEMENT OF TOTAL RETURN	Previously reported 2020	Adjustments	Restated 2020
	£000	£000	£000
Distributions	(5,048)	(571)	(5,619)
Net impact		(571)	

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	304,631	(133,939)	170,692
Amounts payable on the cancellation of shares	(322,920)	134,510	(188,410)
	(18,289)	571	(17,718)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	127,890	(571)	127,319
Impact on net assets attributable to shareholders		–	

	Previously reported 2020	Adjustments	Restated 2020
	£000	£000	£000
Note 6 TAXATION			
Excess expenses	(1,385)	115	(1,270)
Conversion transfer from capital	–	(115)	(115)
Net impact		–	

	Previously reported 2020	Adjustments	Restated 2020
	£000	£000	£000
Note 7 DISTRIBUTIONS			
Add: Revenue deducted on the cancellation of shares	171	(46)	125
Deduct: Revenue received on the creation of shares	(862)	617	(245)
Net impact		571	
Equalisation on conversion	3	571	574

18 POST BALANCE SHEET EVENT

During the period from the balance sheet date to 21 June 2021, the net asset value of the Fund decreased by 25.40%. This decrease is primarily driven by overall levels of net redemptions within the Fund. The net asset value was reviewed again on 28 June with no material movements noted since 21 June.

Threadneedle Global 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 JP Morgan Government Bond Index Global (GBI Global) 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 bonds issued or guaranteed by governments, government agencies or quasi-government entities worldwide. In addition, the Fund may invest in other bonds, including bonds issued by companies.

The Fund usually selects bonds that are investment grade, but may include some bonds with a lower credit rating in the portfolio, if this is considered appropriate. The bonds selected may be denominated in various currencies.

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 GBI Global is regarded as a good performance measure of local currency bonds issued by developed 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 7 March 2021, the published share price of the Threadneedle Global Bond Fund has fallen from 69.77p to 63.17p.

Looking at the sterling performance within its peer group, the total return on the fund for the twelve months ending 28 February 2021, including net reinvested income, is -6.06% as compared to a median return of -4.27% over the same period. (For information the JPM GBI Global Index gave a total return of -6.34% for the same period).

Market Overview and Portfolio Activity

The period under review was one of considerable volatility for government bonds and financial assets generally, due mainly to developments concerning COVID-19 and the related global wave of monetary and fiscal stimulus.

Bond yields fell sharply at the start of the review term as the escalating pandemic and lockdown measures brought cities, regions and even countries to a near-halt, prompting a rush by investors for the safety of government debt. Over the remainder of 2020, yields generally remained low in absolute terms, helped by continuing monetary support from central banks. There were also local factors that influenced particular markets, such as the US, where the presidential election was a key event. Expectations of increased government spending under the new administration propelled Treasury yields higher in the final quarter of 2020. Meanwhile, in the UK, where prospects for a post-Brexit trade deal with the EU were uncertain until an agreement was announced on Christmas Eve.

However, the picture changed swiftly in the new year as vaccine rollouts and the likely approval of a $1.9tn US fiscal-stimulus package fed anticipation of a strong rebound in global growth as well as concerns about possible inflationary effects. This prompted investors to move out of sovereign issues, and yields climbed sharply into the end of the review term. For the period as a whole, yields on benchmark 10-year US Treasuries, UK gilts and German bunds were higher.

As indicated, the leading central banks were very accommodative during the review term. The Federal Reserve (Fed) cut its key interest rate back to near zero in March and subsequently indicated that any rise is unlikely before 2024. The bank also announced a variety of liquidity support programmes, including a $700bn round of fresh monetary stimulus; these include direct purchases of corporate debt, a step not taken during the global financial crisis. In August, the Fed made a major shift in policy, announcing it would target an average inflation rate, allowing it to rise above 2% to make up for time spent below that level, and no longer view the approach of full employment as a cue to hike rates. Elsewhere, the European Central Bank initially unveiled a €750bn programme of bond purchases, which was subsequently increased by €1.1tn. Also in March, the Bank of England cut its policy rate to a record low and announced a £200bn debt-buying programme, later expanded by £250bn.

Within sovereigns, we increased exposure to Italy, Spain, Japan and Australia. We initiated a small position in Austria via the newly issued century bond. The holdings in US Treasuries and France were reduced. We sold out of Ireland.

Within agency debt/quasi-sovereigns, new positions included the World Bank, the European Investment Bank, the Swedish Export Credit Corporation, the Inter American Development Bank and Italian sovereign-wealth fund CDP (Cassa Depositi e Prestiti). We also initiated a position in FADE, a securitisation platform sponsored by the Spanish government. We topped up the holdings in French state owned railway operator Societe Nationale SNCF, the Province of Ontario (Canada), and the International Bank for Reconstruction and Development. We reduced exposure to the Federal Home Loan Bank.

In social bonds, we bought new bonds issued as part of the EU SURE programme to protect jobs threatened by the pandemic. We also initiated positions in French government organisation Caisse D'Amort Dette Society, responsible for financing the debt associated with the provision of social security; and the International Finance Facility for Immunisation, which raised funds for UN-supported vaccine alliance Gavi.

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.

It is likely that high, but transitory, rates of inflation over the coming months will put pressure on the Fed to choose one of two paths. The bank may choose to endorse the market's repricing of a more aggressive rate path, concluding that labour market healing will be full and rapid, and that the US economy – boosted by ongoing fiscal stimulus – is likely to return to pre-pandemic patterns of saving and investment behaviour.

Or the Fed may reinforce its commitment to inflation overshoots by strengthening its forward guidance for well-anchored policy rates, being cognisant that the degree of economic scarring is likely to suppress rates of growth and medium-term price pressures relative to pre-COVID norms. The level of bond yields and the shape of yield curves will depend upon the resolution of the Fed's dilemma.

Hopes for a return to a higher growth path (and, thus, a sustainably higher level of real interest rates) rest on the ability of the Democrat majority in Congress to bring about a permanent shift towards more expansive fiscal policy in order to increase the potential growth rate through investments in infrastructure.

We reserve judgement on the success of this project, which makes us inclined to become more positive towards duration in portfolios when longer-dated yields approach estimates of 'neutral' interest rates.

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2020 to 7 March 2021

	Notes	2021 £000	Restated 2020** £000
Income			
Net capital (losses)/gains	2	(47,612)	58,730
Revenue	3	6,107	9,497
Expenses	4	(1,556)	(2,539)
Interest payable and similar charges	5	(15)	(20)
Net revenue before taxation		4,536	6,938
Taxation	6	(5)	(5)
Net revenue after taxation		4,531	6,933
Total return before distributions		(43,081)	65,663
Distributions**	7	(5,733)	(9,177)
Change in net assets attributable to shareholders from investment activities		(48,814)	56,486

BALANCE SHEET

as at 7 March 2021

	Notes	2021 £000	2020 £000
Assets:			
Fixed assets:			
Investments		522,175	459,842
Current assets:			
Debtors	8	6,159	37,932
Cash and bank balances	9	5,364	12,040
Cash equivalents***		18,835	12,134
Total assets		552,533	521,948
Liabilities:			
Investment liabilities		(2,117)	(1,443)
Creditors:			
Bank overdrafts	9	(1,204)	(1,654)
Distribution payable		(171)	(133)
Other creditors	10	(2,270)	(50,255)
Total liabilities		(5,762)	(53,485)
Net assets attributable to shareholders		546,771	468,463

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2020 to 7 March 2021

	2021 £000	Restated 2020** £000
Opening net assets attributable to shareholders	468,463	378,444
Amounts receivable on the issue of shares**	310,922	156,978
Amounts payable on the cancellation of shares**	(189,567)	(132,492)
	121,355	24,486
Dilution adjustment	122	45
Change in net assets attributable to shareholders from investment activities (see statement of total return above)*	(48,814)	56,486
Retained distribution on accumulation shares	5,645	9,002
Closing net assets attributable to shareholders	546,771	468,463

DISTRIBUTION TABLE

for the accounting period 8 March 2020 to 7 March 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				
08/03/20 to 07/09/20	0.4187	–	0.4187	0.7206
08/09/20 to 07/03/21	0.2763	–	0.2763	0.5912
Group 2				
08/03/20 to 07/09/20	0.1846	0.2341	0.4187	0.7206
08/09/20 to 07/03/21	0.1286	0.1477	0.2763	0.5912
Total distributions in the period			**0.6950**	**1.3118**

**In pound Sterling and against UK peer group (See Performance summary on pages 330 to 331).*

***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 Global Bond Fund

DISTRIBUTION TABLE

(continued)

Class 1 – Accumulation shares

Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/09/20	0.4197	–	0.4197	0.7066
08/09/20 to 07/03/21	0.2777	–	0.2777	0.5854
Group 2				
08/03/20 to 07/09/20	0.1977	0.2220	0.4197	0.7066
08/09/20 to 07/03/21	0.1583	0.1194	0.2777	0.5854
Total distributions in the period			**0.6974**	**1.2920**

Class 1 – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
08/03/20 to 07/09/20	0.5747	–	0.5747	0.9853
08/09/20 to 07/03/21	0.3875	–	0.3875	0.8086
Group 2				
08/03/20 to 07/09/20	0.3350	0.2397	0.5747	0.9853
08/09/20 to 07/03/21	0.3875	–	0.3875	0.8086
Total distributions in the period			**0.9622**	**1.7939**

Class 1 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2020/2021	Gross Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/09/20	0.8814	–	0.8814	1.4902
08/09/20 to 07/03/21	0.5856	–	0.5856	1.2344
Group 2				
08/03/20 to 07/09/20	0.4675	0.4139	0.8814	1.4902
08/09/20 to 07/03/21	0.2278	0.3578	0.5856	1.2344
Total distributions in the period			**1.4670**	**2.7246**

Class 2 – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
08/03/20 to 07/09/20	0.5008	–	0.5008	0.8345
08/09/20 to 07/03/21	0.3396	–	0.3396	0.6910
Group 2				
08/03/20 to 07/09/20	0.1197	0.3811	0.5008	0.8345
08/09/20 to 07/03/21	0.2153	0.1243	0.3396	0.6910
Total distributions in the period			**0.8404**	**1.5255**

Class 2 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2020/2021	Gross Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/09/20	0.7769	–	0.7769	1.2697
08/09/20 to 07/03/21	0.5306	–	0.5306	1.0622
Group 2				
08/03/20 to 07/09/20	0.3379	0.4390	0.7769	1.2697
08/09/20 to 07/03/21	0.3762	0.1544	0.5306	1.0622
Total distributions in the period			**1.3075**	**2.3319**

Class X – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2020/2021	Gross Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/09/20	0.8271	–	0.8271	1.3417
08/09/20 to 07/03/21	0.5670	–	0.5670	1.1266
Group 2				
08/03/20 to 07/09/20	0.4284	0.3987	0.8271	1.3417
08/09/20 to 07/03/21	0.2168	0.3502	0.5670	1.1266
Total distributions in the period			**1.3941**	**2.4683**

Class Z – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
08/03/20 to 07/09/20	0.7298	–	0.7298	1.2423
08/09/20 to 07/03/21	0.4814	–	0.4814	1.0230
Group 2				
08/03/20 to 07/09/20	0.3617	0.3681	0.7298	1.2423
08/09/20 to 07/03/21	0.2329	0.2485	0.4814	1.0230
Total distributions in the period			**1.2112**	**2.2653**

Class Z – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
08/03/20 to 07/09/20	0.7423	–	0.7423	1.2421
08/09/20 to 07/03/21	0.4813	–	0.4813	1.0228
Group 2				
08/03/20 to 07/09/20	0.5162	0.2261	0.7423	1.2421
08/09/20 to 07/03/21	0.1739	0.3074	0.4813	1.0228
Total distributions in the period			**1.2236**	**2.2649**

Class Z – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2020/2021	Gross Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/09/20	0.8794	–	0.8794	1.4730
08/09/20 to 07/03/21	0.5854	–	0.5854	1.2254
Group 2				
08/03/20 to 07/09/20	0.2770	0.6024	0.8794	1.4730
08/09/20 to 07/03/21	0.3425	0.2429	0.5854	1.2254
Total distributions in the period			**1.4648**	**2.6984**

Group 2: shares purchased during a distribution period.

Threadneedle Global Bond Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Accumulation shares		
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share						
Opening net asset value per share (p)	69.14	61.35	61.41	69.11	60.16	58.96
Return before operating charges (p)	(4.72)	10.02	2.12	(4.79)	9.85	2.03
Operating charges (p)	(0.87)	(0.92)	(0.86)	(0.87)	(0.90)	(0.83)
Return after operating charges (p)*	(5.59)	9.10	1.26	(5.66)	8.95	1.20
Distributions (p)	(0.70)	(1.31)	(1.32)	(0.70)	(1.29)	(1.27)
Retained distributions on accumulation shares (p)	–	–	–	0.70	1.29	1.27
Closing net asset value per share (p)	62.85	69.14	61.35	63.45	69.11	60.16
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	(8.09)	14.83	2.05	(8.19)	14.88	2.04
Other information						
Closing net asset value (£000)	2,057	2,377	2,084	2,730	2,386	1,609
Closing number of shares	3,272,606	3,437,869	3,396,893	4,301,880	3,453,192	2,674,651
Operating charges (%)**	1.25	1.38	1.38	1.24	1.38	1.38
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	73.25	73.31	64.91	73.19	71.88	62.95
Lowest share price (p)	62.44	61.10	59.65	62.77	59.92	57.27

	Class 1 – Gross income shares[§]			Class 1 – Gross accumulation shares[§]		
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share						
Opening net asset value per share (p)	94.44	83.79	83.88	145.67	126.86	124.33
Return before operating charges (p)	(6.39)	13.66	2.88	(10.03)	20.71	4.27
Operating charges (p)	(1.24)	(1.22)	(1.17)	(1.83)	(1.90)	(1.74)
Return after operating charges (p)*	(7.63)	12.44	1.71	(11.86)	18.81	2.53
Distributions (p)	(0.96)	(1.79)	(1.80)	(1.47)	(2.72)	(2.69)
Retained distributions on accumulation shares (p)	–	–	–	1.47	2.72	2.69
Closing net asset value per share (p)	85.85	94.44	83.79	133.81	145.67	126.86
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	(8.08)	14.85	2.04	(8.14)	14.83	2.03
Other information						
Closing net asset value (£000)	4	30	247,003	29,792	30,664	32,591
Closing number of shares	4,554	32,165	294,771,253	22,263,932	21,049,695	25,689,992
Operating charges (%)**	1.30	1.40	1.38	1.25	1.38	1.38
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	100.06	100.13	88.66	154.34	151.59	132.75
Lowest share price (p)	85.30	83.46	81.48	132.36	126.36	120.76

Threadneedle Global Bond Fund

Comparative Table Disclosure

(continued)

	Class 2 – Income shares			Class 2 – Gross accumulation shares[$]		
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share						
Opening net asset value per share (p)	77.67	68.57	68.30	120.49	104.33	101.66
Return before operating charges (p)	(5.34)	11.23	2.35	(8.33)	17.08	3.51
Operating charges (p)	(0.63)	(0.60)	(0.56)	(0.98)	(0.92)	(0.84)
Return after operating charges (p)*	(5.97)	10.63	1.79	(9.31)	16.16	2.67
Distributions (p)	(0.84)	(1.53)	(1.52)	(1.31)	(2.33)	(2.28)
Retained distributions on accumulation shares (p)	–	–	–	1.31	2.33	2.28
Closing net asset value per share (p)	70.86	77.67	68.57	111.18	120.49	104.33
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	(7.69)	15.50	2.62	(7.73)	15.49	2.63
Other information						
Closing net asset value (£000)	255	264	20,610	69,165	99,497	44,395
Closing number of shares	360,174	340,401	30,057,613	62,211,964	82,574,940	42,550,857
Operating charges (%)**	0.81	0.81	0.81	0.81	0.80	0.81
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	82.31	82.16	72.50	127.69	125.02	109.07
Lowest share price (p)	70.42	68.30	66.38	109.96	103.93	98.81

	Class X – Gross accumulation shares[$]			Class Z – Income shares		
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share						
Opening net asset value per share (p)	128.03	110.04	106.42	119.88	105.57	104.89
Return before operating charges (p)	(8.92)	18.06	3.69	(8.26)	17.30	3.61
Operating charges (p)	(0.08)	(0.07)	(0.07)	(0.76)	(0.72)	(0.67)
Return after operating charges (p)*	(9.00)	17.99	3.62	(9.02)	16.58	2.94
Distributions (p)	(1.39)	(2.47)	(2.40)	(1.21)	(2.27)	(2.26)
Retained distributions on accumulation shares (p)	1.39	2.47	2.40	–	–	–
Closing net asset value per share (p)	119.03	128.03	110.04	109.65	119.88	105.57
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	(7.03)	16.35	3.40	(7.52)	15.71	2.80
Other information						
Closing net asset value (£000)	404,073	319,493	18,494	35,380	12,502	11,282
Closing number of shares	339,462,337	249,536,544	16,806,511	32,267,332	10,428,908	10,686,980
Operating charges (%)**	0.06	0.06	0.06	0.63	0.63	0.63
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	135.74	132.35	114.89	127.05	126.61	111.55
Lowest share price (p)	117.71	109.63	103.53	108.92	105.16	101.96

Threadneedle Global Bond Fund

Comparative Table Disclosure

(continued)

	Class Z – Gross income shares[§]			Class Z – Gross accumulation shares[§]		
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share						
Opening net asset value per share (p)	119.87	105.55	104.87	144.90	125.24	121.82
Return before operating charges (p)	(8.26)	17.30	3.61	(10.07)	20.52	4.20
Operating charges (p)	(0.76)	(0.72)	(0.67)	(0.91)	(0.86)	(0.78)
Return after operating charges (p)*	(9.02)	16.58	2.94	(10.98)	19.66	3.42
Distributions (p)	(1.22)	(2.26)	(2.26)	(1.46)	(2.70)	(2.64)
Retained distributions on accumulation shares (p)	–	–	–	1.46	2.70	2.64
Closing net asset value per share (p)	109.63	119.87	105.55	133.92	144.90	125.24
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	(7.52)	15.71	2.80	(7.58)	15.70	2.81
Other information						
Closing net asset value (£000)	1,147	366	263	2,168	884	113
Closing number of shares	1,046,237	305,729	249,599	1,618,997	609,932	89,859
Operating charges (%)**	0.63	0.63	0.63	0.63	0.63	0.63
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	127.04	126.59	111.53	153.55	150.19	130.88
Lowest share price (p)	108.90	105.15	101.95	132.45	124.76	118.42

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

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

[§]*Only available to eligible investors.*

Threadneedle Global Bond Fund

Notes to the financial statements

for the accounting period 8 March 2020 to 7 March 2021

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 5 and 6.

2 NET CAPITAL (LOSSES)/GAINS

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

	2021 £000	2020 £000
Non-derivative securities	(44,479)	59,987
Derivative contracts	(8)	(267)
Forward currency contracts	(1,370)	(1,886)
Other (losses)/gains	(1,753)	897
Transaction costs	(2)	(1)
Net capital (losses)/gains	(47,612)	58,730

3 REVENUE

	2021 £000	2020 £000
Interest on debt securities	6,074	9,337
Interest on short term investments	–	30
Bank interest	33	130
Total revenue	6,107	9,497

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	(1,202)	(2,190)
Registration fees	(245)	(252)
	(1,447)	(2,442)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(65)	(54)
Safe custody fees	(27)	(25)
	(92)	(79)
Other expenses:		
Regulatory fees	(6)	(7)
Audit fees	(11)	(11)
	(17)	(18)
Total expenses*	(1,556)	(2,539)

**Including irrecoverable VAT where applicable.*

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2021 £000	2020 £000
Interest payable	(15)	(19)
Derivative expense	–	(1)
Total interest payable and similar charges	(15)	(20)

6 TAXATION

	2021 £000	Restated 2020* £000
a) Analysis of charge in period		
Overseas taxes	(5)	(5)
Total current tax (note 6b)	(5)	(5)
Total tax charge for the period	(5)	(5)
b) Factors affecting taxation charge for period		
Net revenue before taxation	4,536	6,938
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(907)	(1,388)
Effects of:		
Overseas taxes	(5)	(5)
Overseas tax expensed	1	1
Excess expenses	906	1,000
Distributions treated as tax deductible*	–	398
Conversion transfer from capital*	–	(11)
Current tax charge for period (note 6a)	(5)	(5)

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

The fund has not recognised a deferred tax asset of £3,533,120 (2020: £4,439,802) 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.

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	3,514	5,490
Final	2,577	4,109
	6,091	9,599
Add: Revenue deducted on the cancellation of shares*	552	496
Deduct: Revenue received on the creation of shares*	(910)	(918)
Net distribution for the period	5,733	9,177
Net revenue after taxation	4,531	6,933
Annual management charge to capital	1,202	2,190
Equalisation on conversion*	–	54
Total distributions	5,733	9,177

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

Details of the distribution per share are set out in the table on pages 228 to 229.

8 DEBTORS

	2021 £000	2020 £000
Amounts receivable for the issue of shares	4,235	20,052
Sales awaiting settlement	–	15,917
Accrued revenue	1,924	1,963
Total debtors	6,159	37,932

9 CASH AND BANK BALANCES

	2021 £000	2020 £000
Amounts held at futures clearing houses and brokers	906	962
Cash and bank balances	4,458	11,078
	5,364	12,040
Bank overdrafts	(820)	(615)
Cash overdrafts at broker	(384)	(1,039)
Total cash and bank balances	4,160	10,386

10 OTHER CREDITORS

	2021 £000	2020 £000
Amounts payable for the cancellation of shares	(138)	(12,587)
Purchases awaiting settlement	(1,989)	(37,526)
Accrued expenses	(17)	(16)
Amounts payable to ACD	(126)	(126)
Total other creditors	(2,270)	(50,255)

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.

Threadneedle Global Bond Fund

Notes to the financial statements

(continued)

13 SHAREHOLDER FUNDS

Threadneedle Global Bond 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	1.00%
Class 2 shares	0.75%
Class X shares	N/A*
Class Z shares	0.50%
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 230 to 232. The distribution per share class is given in the distribution table on pages 228 to 229.
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	3,437,869
Shares issued	1,551,204
Shares redeemed	(1,461,066)
Net conversions	(255,401)
Closing shares	3,272,606
Class 1 – Accumulation shares	
Opening shares	3,453,192
Shares issued	3,746,907
Shares redeemed	(2,817,108)
Net conversions	(81,111)
Closing shares	4,301,880
Class 1 – Gross income shares	
Opening shares	32,165
Shares issued	13
Shares redeemed	(27,624)
Net conversions	–
Closing shares	4,554
Class 1 – Gross accumulation shares	
Opening shares	21,049,695
Shares issued	6,419,167
Shares redeemed	(5,204,930)
Net conversions	–
Closing shares	22,263,932
Class 2 – Income shares	
Opening shares	340,401
Shares issued	23,962
Shares redeemed	(4,189)
Net conversions	–
Closing shares	360,174
Class 2 – Gross accumulation shares	
Opening shares	82,574,940
Shares issued	81,007,634
Shares redeemed	(101,370,610)
Net conversions	–
Closing shares	62,211,964
Class X – Gross accumulation shares	
Opening shares	249,536,544
Shares issued	116,391,387
Shares redeemed	(26,465,594)
Net conversions	–
Closing shares	339,462,337
Class Z – Income shares	
Opening shares	10,428,908
Shares issued	37,332,349
Shares redeemed	(15,493,925)
Net conversions	–
Closing shares	32,267,332
Class Z – Gross income shares	
Opening shares	305,729
Shares issued	2,125,238
Shares redeemed	(1,531,875)
Net conversions	147,145
Closing shares	1,046,237
Class Z – Gross accumulation shares	
Opening shares	609,932
Shares issued	1,139,400
Shares redeemed	(168,968)
Net conversions	38,633
Closing shares	1,618,997

14 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 6 to 7.

Market price risk sensitivity

The sensitivity figures provided are forecasts. A 1.00% interest rate decrease applied to the fund would result in an estimated increase on the net asset value of the fund by 9.70% and vice versa (2020: 10.57%).

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	10,373
Canadian Dollar	9,904
Euro	134,323
Japanese Yen	106,530
Mexican Peso	(5)
New Zealand Dollar	80
Polish Zloty	142
Swedish Krona	1,392
US Dollar	248,296
Currency 2020	**£000**
Australian Dollar	6,475
Canadian Dollar	5,646
Euro	124,338
Japanese Yen	105,341
Mexican Peso	953
New Zealand Dollar	76
Polish Zloty	153
Swedish Krona	998
US Dollar	183,391

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).

Threadneedle Global Bond Fund

Notes to the financial statements

(continued)

	Currency movement	Fund movement
Currency 2021	**%**	**%**
Euro	1.08	0.27
Japanese Yen	9.21	1.79
US Dollar	6.22	2.82

	Currency movement	Fund movement
Currency 2020	**%**	**%**
Euro	1.19	0.31
Japanese Yen	6.66	1.50
US Dollar	0.97	0.38

Credit/Counterparty exposure

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

2021	Forward Foreign Exchange Contracts Exposure	Collateral Pledged
Counterparty	**£000**	**£000**
Barclays	–	369
J.P. Morgan	84	152
Lloyds	37	9
UBS	61	–

2020	Forward Foreign Exchange Contracts Exposure	Collateral Pledged
Counterparty	**£000**	**£000**
Bank of Scotland	13	–
Barclays	496	346
Citigroup	2,056	1,170
HSBC	1,034	1,137
Lloyds	314	18
UBS	2,182	1,314

The fund held £101,000 (2020: £4,072,000) 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	78,920	14.64	18,685	3.97
Aaa	184,373	34.21	212,731	45.21
AA+	21,887	4.06	18,783	3.99
AA	14,650	2.72	6,375	1.35
Aa2	18,423	3.42	4,450	0.95
Aa2u	2,409	0.45	49,657	10.55
AA-	5,306	0.98	9,126	1.94
Aa3	2,538	0.47	–	–
Aa3u	1,856	0.34	–	–
A+	22,990	4.27	15,819	3.36
A1	34,303	6.37	46,718	9.93
A	9,650	1.79	2,853	0.61
A-	8,015	1.49	4,031	0.86
A3	1,986	0.37	2,019	0.43
BBB+	6,116	1.13	6,071	1.29
Baa1	14,974	2.78	12,096	2.57
Baa3u	14,782	2.74	9,724	2.07
BBB	5,642	1.05	2,576	0.55
BBB-	–	–	3,960	0.84
Not Rated*	73,059	13.56	26,630	5.66
Liquidity Funds	18,835	3.50	12,134	2.58
Derivatives**	(1,821)	(0.34)	6,095	1.29
	538,893	100.00	470,533	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 7 March was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2021	**£000**	**£000**	**£000**	**£000**
Australian Dollar	163	7,459	2,751	10,373
Canadian Dollar	278	6,238	3,388	9,904
Euro	2,406	88,795	46,348	137,549
Japanese Yen	109	45,513	61,980	107,602
Mexican Peso	39	–	–	39
New Zealand Dollar	80	–	–	80
Polish Zloty	142	–	–	142
Swedish Krona	34	–	1,358	1,392
UK Sterling	2,113	37,170	32,140	71,423
US Dollar	42,894	312,645	38,901	394,440
Currency 2020	**£000**	**£000**	**£000**	**£000**
Australian Dollar	77	6,908	97	7,082
Canadian Dollar	92	4,365	1,509	5,966
Euro	–	69,483	79,886	149,369
Japanese Yen	456	46,718	67,243	114,417
Mexican Peso	43	–	22,688	22,731
New Zealand Dollar	76	–	–	76
Polish Zloty	153	–	–	153
Swedish Krona	33	–	965	998
UK Sterling	2,190	32,451	44,633	79,274
US Dollar	11,148	302,284	74,025	387,457

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2021	**£000**	**£000**	**£000**	**£000**
Euro	(225)	–	(3,001)	(3,226)
Japanese Yen	–	–	(1,072)	(1,072)
Mexican Peso	–	–	(44)	(44)
UK Sterling	–	–	(35,687)	(35,687)
US Dollar	(979)	–	(145,165)	(146,144)
Currency 2020	**£000**	**£000**	**£000**	**£000**
Australian Dollar	–	–	(607)	(607)
Canadian Dollar	–	–	(320)	(320)
Euro	(938)	–	(24,093)	(25,031)
Japanese Yen	–	–	(9,076)	(9,076)
Mexican Peso	–	–	(21,778)	(21,778)
UK Sterling	–	–	(38,182)	(38,182)
US Dollar	(716)	–	(203,350)	(204,066)

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). Any impact to the rate of the underlying securities is considered in market price risk section.

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.

At 7 March 2021, the fund had outstanding forward foreign exchange contracts with an asset value of £296,000 (2020: £7,538,000) and a liability value of £2,117,000 (2020: £1,443,000).

Threadneedle Global Bond 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.

	2021		2020	
	Assets	Liabilities	Assets	Liabilities
Valuation technique	**£000**	**£000**	**£000**	**£000**
Level 1*	382,166	–	343,521	–
Level 2	158,844	(2,117)	128,455	(1,443)
	541,010	(2,117)	471,976	(1,443)

Included within Level 1, are debt securities of £382,166,000 (2020: £343,521,000). 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 £903,236,556 (2020: £885,011,552) and £789,202,457 (2020: £864,872,340) respectively. Collective investment schemes purchases and sales amounted to £225,364,057 (2020: £126,931,588) and £217,128,982 (2020: £115,482,471) 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 £Nil (2020: £112).

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 0.12% (7 March 2020: 0.12%), 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:

STATEMENT OF TOTAL RETURN	Previously reported 2020	Adjustments	Restated 2020
	£000	£000	£000
Distributions	(9,122)	(55)	(9,177)
Net impact		(55)	

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	463,059	(306,081)	156,978
Amounts payable on the cancellation of shares	(438,628)	306,136	(132,492)
	24,431	55	24,486
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	56,541	(55)	56,486
Impact on net assets attributable to shareholders		–	

	Previously reported 2020	Adjustments	Restated 2020
	£000	£000	£000
Note 6 TAXATION			
Distributions treated as tax deductible	387	11	398
Conversion transfer from capital	–	(11)	(11)
Net impact		–	

	Previously reported 2020	Adjustments	Restated 2020
	£000	£000	£000
Note 7 DISTRIBUTIONS			
Add: Revenue deducted on the cancellation of shares	2,438	(1,942)	496
Deduct: Revenue received on the creation of shares	(2,915)	1,997	(918)
Net impact		55	
Equalisation on conversion	–	54	54
Undistributed revenue carried forward	(1)	1	–
Net impact		55	

19 POST BALANCE SHEET EVENT

The table below shows net redemptions between the year-ended 7 March 2021 and 21 June 2021 as a percentage of the closing NAV for share classes with significant movements. The net redemptions of shares were reviewed again on 28 June with no material movements noted since 21 June. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

Share class	% Movement
Class 1 – Income shares	(25.28)
Class 1 – Accumulation shares	(16.56)
Class Z – Income shares	(49.90)
Class Z – Gross income shares	(19.31)

Threadneedle UK Institutional Fund

Investment Report

Investment Objective and Policy

The Fund aims to achieve 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 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 are 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 the 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. It provides a suitable target benchmark against which Fund performance will be measured and evaluated over time.

The Fund typically invests in fewer than 130 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 Net Accumulation Class 1 Shares*

Over the twelve months to 7 March 2021, the published share price of the Threadneedle UK Institutional Fund has risen from150.25p to 163.13p.

Looking at performance within its peer group, the total return on the fund for the twelve months ending 28 February 2021, including net reinvested income, is +3.60% as compared to a median return of +5.58% over the same period. (For information the FTSE All-Share Total Return Index returned +3.50% over the same period).

Market Overview and Portfolio Activity

The year under review was a volatile, but ultimately positive period for UK equities. Gains were led by small caps, which posted double-digit returns and were well ahead of the broader FTSE All-Share .

Global markets sold off sharply at the start of the period, as COVID-19 reached pandemic status and much of the world was placed in lockdown.

To mitigate the economic impact, central banks and governments unleashed a flood of unprecedented stimulus measures. These fuelled a rally in equities from late March until September, as did declining virus incidences and easing lockdown restrictions. After some shocking data released in April, subsequent economic news tended to reinforce this sentiment, and although weak was generally better than expected. Meanwhile, UK companies launched fund-raisings to strengthen their positions.

The equity rally weakened in the autumn amid concerns about a second wave of the pandemic and uncertainty ahead of the US presidential election. But the mood turned positive again in November, and remained largely so over the remainder of 2020. Markets were encouraged by Joe Biden's election victory, landmark results in coronavirus vaccine trials, and the subsequent approval of the first vaccines for use in the UK, Europe and the US. The resulting optimism around a return to more 'normalised' economic activity prompted a rotation towards value stocks, to which the UK equity market is heavily geared. Sentiment was also bolstered by the last-minute Brexit trade agreement with the EU, and hopes of increased fiscal stimulus in the US. The increased clarity around Brexit and the resulting strength in the pound was particularly beneficial for UK small caps.

However, expectations of higher government spending and a rebound in growth also led investors to anticipate higher future inflation, which triggered some market volatility in 2021. Stocks were also hurt by concerns about new strains of the virus and sluggish vaccine rollouts in some countries. The UK led the way in vaccinating its population, which fostered hopes of a swifter economic rebound. This proved particularly beneficial for small caps.

In terms of activity, within large caps, we initiated a position in BHP following the steep sell-off in March, as we wanted to increase exposure to potential beneficiaries of fiscal and monetary stimulus measures.

Other new holdings included BP and Electrocomponents. Both companies' shares were attractively valued. Electrocomponents' trading has recovered well from the impact of the pandemic. The company also benefits from a highly competent management team, strong cash conversion and consistent market-share gains.

We topped up some existing positions such as Unilever. In some cases, we took advantage of the aforementioned refinancing measures. For instance, we added to Whitbread via a rights issue.

London Stock Exchange was sold, given the rise in valuations. In our view, there are some risks associated with the Refinitiv deal. We reduced the position in British American Tobacco; we feel that over the long term, return on capital is likely to be constrained unless the company cuts dividends or deleverages.

Within small and mid-caps, new positions included Hilton Food Group, Watches of Switzerland and CLS Holdings.

We believe Hilton Food Group to be a quality defensive name. Additionally, the company has significant opportunities that are not recognised in the share price.

Luxury retailer Watches of Switzerland was impacted by lockdown-induced store closures, but sales have held up well, helped by the US business and an acceleration of the e-commerce division, which we believe is sustainable post-COVID.

Commercial real-estate business CLS invests in the non-prime office space, primarily in the UK and Germany. The business benefits from strong management with a long track record. The stock was trading at a 30% discount to net asset value, which presents an opportunity for a post-COVID recovery.

Looking ahead, the announcement of a number of vaccines has buoyed hopes of a swifter economic recovery. Markets have responded by reverting towards value, especially given the prospect of increased fiscal stimulus in the US under the new administration. This rotation has benefited the UK stock market, and is likely to accelerate.

UK equities remain deeply discounted relative to global equities. We feel that this discount should start to narrow, as the global economy recovers and the Brexit-related overhang fades. Against this backdrop, a lot of the short positions against UK equities are likely to be closed.

Meanwhile, UK businesses are attractive targets for private-equity names and US corporates seeking to capitalise on the valuation discount. Consequently, the next year or two should be exciting, particularly given the polarised valuations, which have opened up many favourable opportunities in distressed stocks.

We believe there are several positive drivers for small caps. High-quality businesses are likely to emerge from the crisis even stronger. We also see attractive prospects for businesses perceived to have too much debt at a headline level, but which have strong liquidity and the ability to cut costs. Finally, we feel that the share prices of certain companies seem to be discounting significant future equity raising.

Overall, we will continue to focus on company fundamentals and use volatile markets to top up and buy favoured stocks in order to deliver solid, risk-adjusted returns.

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2020 to 7 March 2021

	Notes	2021 £000	Restated 2020** £000
Income			
Net capital gains/(losses)	2	58,931	(97,533)
Revenue	3	25,679	45,625
Expenses	4	(7,709)	(10,106)
Net revenue before taxation		17,970	35,519
Taxation	5	–	–
Net revenue after taxation		17,970	35,519
Total return before distributions		76,901	(62,014)
Distributions**	6	(17,970)	(35,466)
Change in net assets attributable to shareholders from investment activities		58,931	(97,480)

BALANCE SHEET

as at 7 March 2021

	Notes	2021 £000	2020 £000
Assets:			
Fixed assets:			
Investments		984,286	1,080,563
Current assets:			
Debtors	7	9,682	12,908
Cash and bank balances		10,976	1
Cash equivalents***		3,003	15,526
Total assets		1,007,947	1,108,998
Liabilities:			
Creditors:			
Bank overdrafts		–	(4,967)
Other creditors	8	(18,789)	(2,669)
Total liabilities		(18,789)	(7,636)
Net assets attributable to shareholders		989,158	1,101,362

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2020 to 7 March 2021

	2021 £000	Restated 2020** £000
Opening net assets attributable to shareholders	1,101,362	1,169,405
Amounts receivable on the issue of shares**	143,029	123,696
Amounts payable on the cancellation of shares**	(331,619)	(129,726)
	(188,590)	(6,030)
Dilution adjustment	226	–
Change in net assets attributable to shareholders from investment activities (see statement of total return above)**	58,931	(97,480)
Retained distribution on accumulation shares	17,229	35,467
Closing net assets attributable to shareholders	989,158	1,101,362

DISTRIBUTION TABLE

for the accounting period 8 March 2020 to 7 March 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				
08/03/20 to 07/09/20	0.9038	–	0.9038	2.3582
08/09/20 to 07/03/21	0.6633	–	0.6633	1.0218
Group 2				
08/03/20 to 07/09/20	0.6392	0.2646	0.9038	2.3582
08/09/20 to 07/03/21	0.5287	0.1346	0.6633	1.0218
Total distributions in the period			**1.5671**	**3.3800**

**In pound Sterling and against UK peer group (See Performance summary on pages 330 to 331).*

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

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

Threadneedle UK Institutional Fund

DISTRIBUTION TABLE

(continued)

Class 2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/09/20	1.7048	–	1.7048	3.4425
08/09/20 to 07/03/21	1.3419	–	1.3419	1.9506
Group 2				
08/03/20 to 07/09/20	1.0878	0.6170	1.7048	3.4425
08/09/20 to 07/03/21	0.9659	0.3760	1.3419	1.9506
Total distributions in the period			**3.0467**	**5.3931**

Class X – Gross accumulation shares*

Distribution Period	Revenue	Equalisation	Gross Revenue Accumulated 2020/2021	Gross Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/09/20	1.2609	–	1.2609	1.4553
08/09/20 to 07/03/21	1.1190	–	1.1190	1.4670
Group 2				
08/03/20 to 07/09/20	1.2609	–	1.2609	1.4553
08/09/20 to 07/03/21	1.1190	–	1.1190	1.4670
Total distributions in the period			**2.3799**	**2.9223**

Group 2: shares purchased during a distribution period.

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

Threadneedle UK Institutional Fund

Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 2 – Accumulation shares		
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share						
Opening net asset value per share (p)	149.80	159.50	157.79	171.28	180.88	177.49
Return before operating charges (p)	14.37	(7.01)	4.38	16.61	(8.08)	4.88
Operating charges (p)	(2.21)	(2.69)	(2.67)	(1.29)	(1.52)	(1.49)
Return after operating charges (p)*	12.16	(9.70)	1.71	15.32	(9.60)	3.39
Distributions (p)	(1.57)	(3.38)	(3.51)	(3.05)	(5.39)	(5.48)
Retained distributions on accumulation shares (p)	1.57	3.38	3.51	3.05	5.39	5.48
Closing net asset value per share (p)	161.96	149.80	159.50	186.60	171.28	180.88
*after direct transaction costs of (p)	0.03	0.16	–	0.03	0.18	–
Performance						
Return after charges (%)	8.12	(6.08)	1.08	8.94	(5.31)	1.91
Other information						
Closing net asset value (£000)	16,649	18,431	40,772	972,508	1,073,709	1,128,633
Closing number of shares	10,279,794	12,303,689	25,561,786	521,181,657	626,860,113	623,973,751
Operating charges (%)**	1.54	1.64	1.63	0.80	0.81	0.81
Direct transaction costs (%)***	0.12	0.09	0.13	0.12	0.09	0.13
Prices						
Highest share price (p)	163.14	177.28	173.78	187.96	202.38	196.16
Lowest share price (p)	110.54	150.25	145.20	126.42	171.79	164.40

	Class X – Gross accumulation shares[§]	
	07/03/2021	07/03/2020[1]
Change in net assets per share		
Opening net asset value per share (p)	94.43	100.00
Return before operating charges (p)	9.30	(5.52)
Operating charges (p)	(0.05)	(0.05)
Return after operating charges (p)*	9.25	(5.57)
Distributions (p)	(2.38)	(2.92)
Retained distributions on accumulation shares (p)	2.38	2.92
Closing net asset value per share (p)	103.68	94.43
*after direct transaction costs of (p)	0.02	0.10
Performance		
Return after charges (%)	9.80	(5.57)
Other information		
Closing net asset value (£000)	1	9,222
Closing number of shares	1,000	9,765,765
Operating charges (%)**	0.06	0.06[†]
Direct transaction costs (%)***	0.12	0.09
Prices		
Highest share price (p)	104.43	111.41
Lowest share price (p)	69.72	94.71

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

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

[§]Only available to eligible investors.

[1]Commenced 9 May 2019.

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

Threadneedle UK Institutional Fund

Notes to the financial statements

for the accounting period 8 March 2020 to 7 March 2021

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 5 and 6.

2 NET CAPITAL GAINS/(LOSSES)

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

	2021 £000	2020 £000
Non-derivative securities	59,086	(97,545)
Other (losses)/gains	(142)	17
Transaction costs	(13)	(5)
Net capital gains/(losses)	58,931	(97,533)

3 REVENUE

	2021 £000	2020 £000
UK dividends	25,641	45,493
Overseas dividends	–	41
Interest on short term investments	–	30
Bank interest	17	45
Underwriting commission	21	16
Total revenue	25,679	45,625

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	(7,234)	(9,452)
Registration fees	(319)	(456)
	(7,553)	(9,908)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(115)	(149)
Safe custody fees	(28)	(35)
	(143)	(184)
Other expenses:		
Regulatory fees	(6)	(6)
Audit fees	(7)	(8)
	(13)	(14)
Total expenses*	(7,709)	(10,106)

**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	17,970	35,519
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(3,594)	(7,104)
Effects of:		
Revenue not subject to taxation	5,071	9,038
Excess expenses	(1,477)	(1,934)
Current tax charge for period (note 5a)	–	–

The fund has not recognised a deferred tax asset of £62,450,819 (2020: £60,973,921) 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	10,167	22,970
Final	7,062	12,497
	17,229	35,467
Add: Revenue deducted on the cancellation of shares*	1,174	855
Deduct: Revenue received on the creation of shares*	(433)	(856)
Net distribution for the period	17,970	35,466
Net revenue after taxation	17,970	35,519
Equalisation on conversion*	–	(53)
Total distributions	17,970	35,466

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

Details of the distribution per share are set out in the table on pages 237 to 238.

7 DEBTORS

	2021 £000	2020 £000
Amounts receivable for the issue of shares	–	7,110
Sales awaiting settlement	5,000	49
Accrued revenue	4,682	5,749
Total debtors	9,682	12,908

8 OTHER CREDITORS

	2021 £000	2020 £000
Amounts payable for the cancellation of shares	(16,938)	(1,594)
Purchases awaiting settlement	(1,075)	(84)
Accrued expenses	(20)	(23)
Amounts payable to ACD	(756)	(968)
Total other creditors	(18,789)	(2,669)

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 Institutional 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	1.35%
Class 2 shares	0.75%
Class X shares	N/A*
Registration fees	
Class 1 shares	0.110%
Class 2 shares	0.030%
Class X shares	0.030%

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 239. The distribution per share class is given in the distribution table on pages 237 to 238.

All classes have the same rights on winding up.

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

Threadneedle UK Institutional Fund

Notes to the financial statements

(continued)

Reconciliation of shares

	2021
Class 1 – Accumulation shares	
Opening shares	12,303,689
Shares issued	20,604,075
Shares redeemed	(22,597,038)
Net conversions	(30,932)
Closing shares	10,279,794
Class 2 – Accumulation shares	
Opening shares	626,860,113
Shares issued	73,039,554
Shares redeemed	(178,744,988)
Net conversions	26,978
Closing shares	521,181,657
Class X – Gross accumulation shares	
Opening shares	9,765,765
Shares issued	–
Shares redeemed	(9,764,765)
Net conversions	–
Closing shares	1,000

12 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 6 to 7.

Market price risk sensitivity

The sensitivity figures provided are forecasts. A 5% market increase applied to the fund would result in an estimated increase in net asset value of the fund by 5.15% and vice versa (2020: 4.98%).

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
US Dollar	1,764
Currency 2020	**£000**
Euro	1
US Dollar	2,053

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 7 March was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2021	**£000**	**£000**	**£000**	**£000**
Euro	1	–	–	1
UK Sterling	10,975	3,003	992,204	1,006,182
US Dollar	–	–	1,764	1,764
Currency 2020	**£000**	**£000**	**£000**	**£000**
Euro	1	–	–	1
UK Sterling	–	15,526	1,091,418	1,106,944
US Dollar	–	–	2,053	2,053

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2021	**£000**	**£000**	**£000**	**£000**
UK Sterling	–	–	(18,789)	(18,789)
Currency 2020	**£000**	**£000**	**£000**	**£000**
UK Sterling	(4,967)	–	(2,669)	(7,636)

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). Any impact to the rate of the underlying securities is considered in market price risk section.

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*	987,289	–	1,096,089	–
	987,289	–	1,096,089	–

**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

7 March 2021

	Value	Commissions		Taxes	
Purchases	**£000**	**£000**	**%**	**£000**	**%**
Equities	213,622	95	0.04	985	0.46
Collective investment schemes	141,516	–	–	–	–
Corporate actions	3,862	–	–	–	–
Total	359,000	95		985	
Gross purchases total:	360,080				

	Value	Commissions		Taxes	
Sales	**£000**	**£000**	**%**	**£000**	**%**
Equities	369,447	104	0.03	2	–
Collective investment schemes	154,040	–	–	–	–
Corporate actions	4,584	–	–	–	–
Total	528,071	104		2	
Total sales net of transaction costs:	527,965				

Transaction costs as a percentage of average Net Assets	
Commissions:	0.02%
Taxes:	0.10%

Threadneedle UK Institutional Fund

Notes to the financial statements

(continued)

7 March 2020

Purchases	Value £000	Commissions £000	%	Taxes £000	%
Equities	214,616	101	0.05	1,033	0.48
Collective investment schemes	57,526	–	–	–	–
Corporate actions	2,048	–	–	–	–
Total	274,190	101		1,033	
Gross purchases total:	275,324				

Sales	Value £000	Commissions £000	%	Taxes £000	%
Equities	191,973	77	0.04	1	–
Collective investment schemes	42,000	–	–	–	–
Corporate actions	5,120	–	–	–	–
Total	239,093	77		1	
Total sales net of transaction costs:	239,015				

Transaction costs as a percentage of average Net Assets

Commissions:	0.01%
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 0.13% (7 March 2020: 0.16%), 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 7 March 2020:

STATEMENT OF TOTAL RETURN	Previously reported 2020 £000	Adjustments £000	Restated 2020 £000
Distributions	(35,519)	53	(35,466)
Net impact		53	

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	138,162	(14,466)	123,696
Amounts payable on the cancellation of shares	(144,139)	14,413	(129,726)
	(5,977)	(53)	(6,030)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(97,533)	53	(97,480)
Impact on net assets attributable to shareholders		–	

Note 7 DISTRIBUTIONS	Previously reported 2020 £000	Adjustments £000	Restated 2020 £000
Add: Revenue deducted on the cancellation of shares	978	(123)	855
Deduct: Revenue received on the creation of shares	(926)	70	(856)
Net impact		(53)	
Equalisation on conversion	–	(53)	(53)

Threadneedle UK Equity Opportunities Fund

Investment Report

Investment Objective and Policy

The Fund aims to achieve 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 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 are considered to provide good opportunities for share price growth, from any industry or economic sector, and whilst there is no restriction on size, investment tends to focus on the 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. It provides a helpful benchmark against which the performance of the Fund can be measured and evaluated over time.

The Fund is relatively concentrated, and typically invests in fewer than 55 companies, which may include the 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 Net Income Class 2 Shares*

Over the twelve months to 7 March 2021, the published share price of the Threadneedle UK Equity Opportunities Fund has risen from 110.23p to 116.45p.

Looking at performance within its peer group, the total return on the fund for the twelve months ending 28 February 2021, including net reinvested income, is +1.60% as compared to a median return of +5.58% over the same period. (For information the FTSE All-Share Total Return Index returned +3.50% over the same period).

Market Overview and Portfolio Activity

The year under review was a volatile, but ultimately positive period for UK equities. Global markets sold off sharply at the start of the period, as COVID-19 reached pandemic status and much of the world was placed in lockdown.

To mitigate the economic impact, central banks and governments unleashed a flood of unprecedented stimulus measures. These fuelled a rally in equities from late March until September, as did declining virus incidences and easing lockdown restrictions. After some shocking data released in April, subsequent economic news tended to reinforce this sentiment, and although weak was generally better than expected. Meanwhile, UK companies launched fund-raisings to strengthen their positions.

The equity rally weakened in the autumn amid concerns about a second wave of the pandemic and uncertainty ahead of the US presidential election. But the mood turned positive again in November, and remained largely so over the remainder of 2020. Markets were encouraged by Joe Biden's election victory, landmark results in coronavirus vaccine trials, and the subsequent approval of the first vaccines for use in the UK, Europe and the US. The resulting optimism around a return to more 'normalised' economic activity prompted a rotation towards value stocks, to which the UK equity market is heavily geared. Sentiment was also bolstered by the last-minute Brexit trade agreement with the EU, and hopes of increased fiscal stimulus in the US.

However, expectations of higher government spending and a rebound in growth also led investors to anticipate higher future inflation, which triggered some market volatility in 2021. Stocks were also hurt by concerns about new strains of the virus and sluggish vaccine rollouts in some countries. The UK led the way in vaccinating its population. Such has been the success of this programme that the government recently announced a roadmap out of the lockdown, which fostered hopes of a swifter economic rebound. Together with the increased clarity around Brexit, this reignited takeover interest in UK companies. Many UK firms have recently paid out dividends and re-issued guidance that was withdrawn at the onset of the pandemic.

In terms of activity, we initiated new positions in insurer Hiscox and defence manufacturer BAE Systems.

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.

BAE's growth prospects appear to be improving in several key areas, notably in the electronic and US land segments. Government spending on defence is expected to hold up well, particularly in the US, which accounts for nearly half of BAE's revenues. We expect free cashflow to improve, which should pave the way for dividends to go up and for net debt to come down.

Over the review period, we also topped up some existing holdings such as 3i. In some cases, we took advantage of the aforementioned refinancing measures. For instance, we added to Whitbread via a rights issue and to Rank via a placing.

We profitably closed our position in RSA Insurance ahead of the company's takeover. Other sales included Legal & General and Compass.

The UK equity market is trading at very attractive valuations relative to global peers, partly as a result of the high levels of consensus thinking in markets.

We feel that this discount should start to narrow, owing to the increased clarity around Brexit and the improved prospect of a global economic recovery once vaccines are rolled out. Against this backdrop, a lot of the short positions against UK equities are likely to be closed.

Meanwhile, UK businesses are attractive targets for private-equity names and US corporates seeking to capitalise on the valuation discount. Consequently, the next year or two should be exciting, particularly given the polarised valuations within the market as a result of the narrowly led rally since the lows of March. We feel there are many favourable opportunities in distressed stocks, which should rebound strongly when a shift in momentum finally occurs.

Our focus remains on company fundamentals to target strong, risk-adjusted returns.

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2020 to 7 March 2021

	Notes	2021 £000	2020 £000
Income			
Net capital gains/(losses)	2	3,230	(9,651)
Revenue	3	1,701	3,665
Expenses	4	(1,002)	(1,467)
Net revenue before taxation		699	2,198
Taxation	5	–	–
Net revenue after taxation		699	2,198
Total return before distributions		3,929	(7,453)
Distributions	6	(707)	(2,198)
Change in net assets attributable to shareholders from investment activities		3,222	(9,651)

BALANCE SHEET

as at 7 March 2021

	Notes	2021 £000	2020 £000
Assets:			
Fixed assets:			
Investments		72,518	77,760
Current assets:			
Debtors	7	418	3,255
Cash and bank balances		665	–
Total assets		73,601	81,015
Liabilities:			
Creditors:			
Bank overdrafts		–	(288)
Distribution payable		(223)	(653)
Other creditors	8	(415)	(2,443)
Total liabilities		(638)	(3,384)
Net assets attributable to shareholders		72,963	77,631

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2020 to 7 March 2021

	2021 £000	2020 £000
Opening net assets attributable to shareholders	77,631	97,855
Amounts receivable on the issue of shares	2,517	3,165
Amounts payable on the cancellation of shares	(10,410)	(13,743)
	(7,893)	(10,578)
Dilution adjustment	3	3
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	3,222	(9,651)
Unclaimed distributions	–	2
Closing net assets attributable to shareholders	72,963	77,631

DISTRIBUTION TABLE

for the accounting period 8 March 2020 to 7 March 2021

Dividend distribution in pence per share

Class 2 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
08/03/20 to 07/09/20	0.6505	–	0.6505	1.9115
08/09/20 to 07/03/21	0.3057	–	0.3057	0.9121
Group 2				
08/03/20 to 07/09/20	0.3987	0.2518	0.6505	1.9115
08/09/20 to 07/03/21	0.2397	0.0660	0.3057	0.9121
Total distributions in the period			**0.9562**	**2.8236**

Class 2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
08/03/20 to 07/09/20	0.6166	–	0.6166	1.6934
08/09/20 to 07/03/21	0.2771	–	0.2771	0.8246
Group 2				
08/03/20 to 07/09/20	0.6166	–	0.6166	1.6934
08/09/20 to 07/03/21	0.2771	–	0.2771	0.8246
Total distributions in the period			**0.8937**	**2.5180**

**In pound Sterling and against UK peer group (See Performance summary on pages 330 to 331).*

Threadneedle UK Equity Opportunities Fund

DISTRIBUTION TABLE

(continued)

Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
08/03/20 to 07/09/20	0.9737	–	0.9737	2.3327
08/09/20 to 07/03/21	0.6565	–	0.6565	1.3370
Group 2				
08/03/20 to 07/09/20	0.6677	0.3060	0.9737	2.3327
08/09/20 to 07/03/21	0.4432	0.2133	0.6565	1.3370
Total distributions in the period			**1.6302**	**3.6697**

Group 2: shares purchased during a distribution period.

Threadneedle UK Equity Opportunities Fund

Comparative Table Disclosure

	Class 2 – Income shares			Class 2 – Accumulation shares		
	07/03/2021	07/03/2020	07/03/2019	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share						
Opening net asset value per share (p)	109.06	122.98	123.29	98.08	107.98	105.94
Return before operating charges (p)	8.66	(9.13)	4.39	7.88	(8.18)	3.70
Operating charges (p)	(1.58)	(1.97)	(2.01)	(1.43)	(1.72)	(1.66)
Return after operating charges (p)*	7.08	(11.10)	2.38	6.45	(9.90)	2.04
Distributions (p)	(0.96)	(2.82)	(2.69)	(0.89)	(2.61)	(2.38)
Retained distributions on accumulation shares (p)	–	–	–	0.89	2.61	2.38
Closing net asset value per share (p)	115.18	109.06	122.98	104.53	98.08	107.98
*after direct transaction costs of (p)	0.04	0.09	0.08	0.03	0.08	0.07
Performance						
Return after charges (%)	6.49	(9.03)	1.93	6.58	(9.17)	1.93
Other information						
Closing net asset value (£000)	63,196	76,629	92,626	26	12	3
Closing number of shares	54,866,141	70,260,257	75,318,113	25,334	12,138	3,001
Operating charges (%)**	1.59	1.58	1.58	1.58	1.56	1.51
Direct transaction costs (%)***	0.04	0.07	0.06	0.04	0.07	0.06
Prices						
Highest share price (p)	116.45	133.69	137.49	105.40	119.23	118.16
Lowest share price (p)	78.22	110.23	113.67	70.46	98.31	98.99

	Class Z – Income shares		
	07/03/2021	07/03/2020	07/03/2019
Change in net assets per share			
Opening net asset value per share (p)	108.90	122.86	123.18
Return before operating charges (p)	8.70	(9.17)	4.37
Operating charges (p)	(0.92)	(1.12)	(1.14)
Return after operating charges (p)*	7.78	(10.29)	3.23
Distributions (p)	(1.63)	(3.77)	(3.55)
Retained distributions on accumulation shares (p)	–	–	–
Closing net asset value per share (p)	115.05	108.90	122.86
*after direct transaction costs of (p)	0.04	0.09	0.08
Performance			
Return after charges (%)	7.14	(8.38)	2.62
Other information			
Closing net asset value (£000)	9,741	990	5,226
Closing number of shares	8,466,337	908,841	4,253,130
Operating charges (%)**	0.91	0.90	0.90
Direct transaction costs (%)***	0.04	0.07	0.06
Prices			
Highest share price (p)	116.66	133.83	137.57
Lowest share price (p)	78.13	110.49	113.79

**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 Equity Opportunities Fund

Notes to the financial statements

for the accounting period 8 March 2020 to 7 March 2021

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 5 and 6.

2 NET CAPITAL GAINS/(LOSSES)

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

	2021 £000	2020 £000
Non-derivative securities	3,238	(9,652)
Other (losses)/gains	(7)	2
Transaction costs	(1)	(1)
Net capital gains/(losses)	3,230	(9,651)

3 REVENUE

	2021 £000	2020 £000
UK dividends	1,699	3,659
Bank interest	–	3
Underwriting commission	2	3
Total revenue	1,701	3,665

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	(943)	(1,397)
Registration fees	(29)	(36)
	(972)	(1,433)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(8)	(11)
Safe custody fees	(10)	(11)
	(18)	(22)
Other expenses:		
Regulatory fees	(4)	(3)
Audit fees	(8)	(9)
	(12)	(12)
Total expenses*	(1,002)	(1,467)

**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	699	2,198
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(140)	(440)
Effects of:		
Revenue not subject to taxation	339	733
Excess expenses	(197)	(293)
Conversion transfer from capital	(2)	–
Current tax charge for period (note 5a)	–	–

The fund has not recognised a deferred tax asset of £11,418,406 (2020: £11,221,193) 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	459	1,484
Final	223	653
	682	2,137
Add: Revenue deducted on the cancellation of shares	30	73
Deduct: Revenue received on the creation of shares	(5)	(12)
Net distribution for the period	707	2,198
Net revenue after taxation	699	2,198
Equalisation on conversion	8	–
Total distributions	707	2,198

Details of the distribution per share are set out in the table on pages 243 to 244.

7 DEBTORS

	2021 £000	2020 £000
Amounts receivable for the issue of shares	156	–
Sales awaiting settlement	–	2,817
Accrued revenue	262	438
Total debtors	418	3,255

8 OTHER CREDITORS

	2021 £000	2020 £000
Amounts payable for the cancellation of shares	(308)	(63)
Purchases awaiting settlement	–	(2,239)
Accrued expenses	(8)	(8)
Amounts payable to ACD	(99)	(133)
Total other creditors	(415)	(2,443)

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 Opportunities Fund currently has two share classes; Class 2 and Class Z shares. The charges on each share class are as follows:

Annual management charge	
Class 2 shares	1.50%
Class Z shares	0.75%
Registration fees	
Class 2 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 245. The distribution per share class is given in the distribution table on pages 243 to 244.

All classes have the same rights on winding up.

Threadneedle UK Equity Opportunities Fund

Notes to the financial statements

(continued)

Reconciliation of shares

	2021
Class 2 – Income shares	
Opening shares	70,260,257
Shares issued	1,760,769
Shares redeemed	(9,371,076)
Net conversions	(7,783,809)
Closing shares	54,866,141
Class 2 – Accumulation shares	
Opening shares	12,138
Shares issued	13,196
Shares redeemed	–
Net conversions	–
Closing shares	25,334
Class Z – Income shares	
Opening shares	908,841
Shares issued	195,209
Shares redeemed	(423,776)
Net conversions	7,786,063
Closing shares	8,466,337

12 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 6 to 7.

Market price risk sensitivity

The sensitivity figures provided are forecasts. A 5% market increase applied to the fund would result in an estimated increase in net asset value of the fund by 5.16% and vice versa (2020: 5.17%).

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	37
Currency 2020	**£000**
US Dollar	95

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 7 March was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2021	**£000**	**£000**	**£000**	**£000**
UK Sterling	665	–	72,899	73,564
US Dollar	–	–	37	37
Currency 2020	**£000**	**£000**	**£000**	**£000**
UK Sterling	–	–	80,920	80,920
US Dollar	–	–	95	95

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2021	**£000**	**£000**	**£000**	**£000**
UK Sterling	–	–	(638)	(638)
Currency 2020	**£000**	**£000**	**£000**	**£000**
UK Sterling	(288)	–	(3,096)	(3,384)

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). Any impact to the rate of the underlying securities is considered in market price risk section.

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	72,518	–	77,760	–
	72,518	–	77,760	–

14 CONTINGENT LIABILITIES AND COMMITMENTS

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

15 PORTFOLIO TRANSACTION COSTS

7 March 2021

	Value	Commissions		Taxes	
Purchases	**£000**	**£000**	**%**	**£000**	**%**
Equities	6,137	2	0.03	18	0.29
Corporate actions	273	–	–	–	–
Total	6,410	2		18	
Gross purchases total:	6,430				

	Value	Commissions		Taxes	
Sales	**£000**	**£000**	**%**	**£000**	**%**
Equities	14,533	5	0.03	–	–
Corporate actions	382	–	–	–	–
Total	14,915	5		–	
Total sales net of transaction costs:	14,910				

Transaction costs as a percentage of average Net Assets	
Commissions:	0.01%
Taxes:	0.03%

7 March 2020

	Value	Commissions		Taxes	
Purchases	**£000**	**£000**	**%**	**£000**	**%**
Equities	10,614	5	0.05	53	0.50
Corporate actions	329	–	–	–	–
Total	10,943	5		53	
Gross purchases total:	11,001				

Threadneedle UK Equity Opportunities Fund

Notes to the financial statements

(continued)

	Value	Commissions		Taxes	
Sales	**£000**	**£000**	**%**	**£000**	**%**
Equities	20,696	9	0.04	–	–
Corporate actions	135	–	–	–	–
Total	20,831	9		–	
Total sales net of transaction costs:	20,822				
Transaction costs as a percentage of average Net Assets					
Commissions:	0.01%				
Taxes:	0.06%				

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 0.14% (7 March 2020: 0.15%), being the difference between the respective buying and selling prices for the fund's investments.

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 Investment Funds ICVC (the Company) for the Period ended 7 March 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' 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

30 June 2021

Independent auditors' report to the Shareholders of Threadneedle Investment Funds ICVC

Report on the audit of the financial statements

Opinion

In our opinion, the financial statements of Threadneedle 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 7 March 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 Investment Funds ICVC is an Open Ended Investment Company ('OEIC') with 28 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 07 March 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 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 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.

Independent auditors' report to the Shareholders of Threadneedle Investment Funds ICVC

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.

PricewaterhouseCoopers LLP
Chartered Accountants and
Statutory Auditors

Edinburgh
30 June 2021

Threadneedle UK Fund

Portfolio Statement

as at 7 March 2021

Holding	Investment	Value £000	% of Net Asset Value
OIL & GAS 3.00% (4.85%)			
	Oil & Gas Producers 1.62% (3.27%)		
1,995,654	Royal Dutch Shell 'B' Shares	29,679	1.62
	Oil Equipment, Services & Distribution 1.38% (1.58%)		
3,220,875	Hunting	9,276	0.50
5,027,045	John Wood Group	16,162	0.88
	Total Oil & Gas	**55,117**	**3.00**
BASIC MATERIALS 11.24% (5.85%)			
	Chemicals 3.13% (2.23%)		
5,864,299	Elementis	7,682	0.42
1,573,781	Johnson Matthey	49,826	2.71
	Mining 8.11% (3.62%)		
2,772,466	BHP Group	60,842	3.31
1,505,852	Rio Tinto	88,137	4.80
	Total Basic Materials	**206,487**	**11.24**
INDUSTRIALS 17.23% (15.29%)			
	Construction & Materials 3.83% (3.21%)		
28,891,713	†Breedon Aggregates	27,274	1.49
1,306,461	CRH (London Listing)	42,969	2.34
	Aerospace & Defence 0.72% (0.77%)		
2,749,304	BAE Systems	13,290	0.72
	General Industrials 3.17% (2.62%)		
6,709,031	DS Smith	26,695	1.45
2,097,601	Smiths Group	31,569	1.72
	Electronic & Electrical Equipment 0.94% (0.56%)		
560,622	Spectris	17,323	0.94
	Industrial Engineering 3.08% (2.79%)		
5,581,590	Rotork	20,384	1.11
2,024,511	Weir Group	36,229	1.97
	Industrial Transportation 0.00% (0.40%)		
	Support Services 5.49% (4.94%)		
2,018,340	Aggreko	18,064	0.98
424,944	Ferguson	35,585	1.94
3,550,348	Howden Joinery Group	24,433	1.33
4,708,878	Rentokil Initial	22,716	1.24
	Total Industrials	**316,531**	**17.23**
CONSUMER GOODS 20.07% (20.79%)			
	Beverages 4.28% (3.67%)		
2,673,110	Diageo	78,616	4.28
	Food Producers 2.49% (1.91%)		
1,939,021	Associated British Foods	45,664	2.49
	Household Goods & Home Construction 5.84% (5.34%)		
478,359	Berkeley Group Holdings	20,589	1.12
3,578,485	Crest Nicholson Holdings	13,384	0.73
1,168,411	Reckitt Benckiser Group	73,259	3.99
	Personal Goods 6.11% (4.04%)		
1,091,354	Burberry Group	20,354	1.11
2,361,557	Unilever	91,865	5.00
	Tobacco 1.35% (5.83%)		
1,781,364	Imperial Brands	24,797	1.35
	Total Consumer Goods	**368,528**	**20.07**
HEALTH CARE 5.16% (7.05%)			
	Health Care Equipment & Services 1.71% (1.78%)		
2,327,283	Smith & Nephew	31,442	1.71
	Pharmaceuticals & Biotechnology 3.45% (5.27%)		
5,101,959	GlaxoSmithKline	63,417	3.45
	Total Health Care	**94,859**	**5.16**
CONSUMER SERVICES 17.24% (18.73%)			
	Food & Drug Retailers 1.74% (2.47%)		
14,266,997	Tesco	31,944	1.74
	General Retailers 0.89% (0.78%)		
2,262,251	Inchcape	16,379	0.89
	Media 6.36% (6.69%)		
6,059,999	Informa	33,621	1.83
25,973,522	ITV	30,298	1.65
3,118,297	RELX (London Listing)	52,949	2.88
	Travel & Leisure 8.25% (8.79%)		
2,502,293	Compass Group	38,698	2.11
2,218,421	easyJet	21,643	1.18
576,533	Intercontinental Hotels Group	27,910	1.52
5,435,102	SSP Group	18,795	1.02
1,305,299	Whitbread	44,432	2.42
	Total Consumer Services	**316,669**	**17.24**
TELECOMMUNICATIONS 2.35% (2.02%)			
	Fixed Line Telecommunications 2.35% (2.02%)		
30,496,521	BT Group	43,137	2.35
	Total Telecommunications	**43,137**	**2.35**
FINANCIALS 20.89% (22.22%)			
	Banks 3.39% (3.54%)		
20,742,352	Barclays	35,586	1.94
5,339,328	Standard Chartered	26,654	1.45
	Nonlife Insurance 0.00% (0.91%)		
	Life Insurance 5.89% (6.91%)		
12,491,066	Legal & General Group	34,825	1.90
4,984,483	Prudential	73,297	3.99
	Real Estate Investment & Services 1.45% (1.68%)		
9,847,413	Grainger	26,588	1.45
	Real Estate Investment Trusts 0.87% (1.89%)		
483,276	Derwent London	16,054	0.87
	Financial Services 9.29% (7.29%)		
2,202,446	Intermediate Capital Group	39,886	2.17
526,348	London Stock Exchange Group	42,760	2.33
16,972,909	Melrose Industries	29,533	1.61
864,881	Schroders Non-voting	20,757	1.13
3,112,888	St James's Place	37,650	2.05
	Total Financials	**383,590**	**20.89**

Threadneedle UK Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value
TECHNOLOGY 2.68% (2.69%)				
		Software & Computer Services 2.68% (2.69%)		
	1,447,613	FDM Group Holdings IPO	15,229	0.83
	5,746,241	Sage Group	33,926	1.85
		Total Technology	**49,155**	**2.68**
COLLECTIVE INVESTMENT SCHEMES 0.58% (0.48%)				
		Liquidity Funds 0.58% (0.48%)[1]		
GBP	10,067,607	BlackRock Institutional Cash Series Sterling Liquidity Platinum	10,068	0.55
GBP	552,408	Insight Liquidity Funds - ILF GBP Liquidity Class 3	552	0.03
		Total Collective Investment Schemes	**10,620**	**0.58**
Total value of investments[2]			**1,844,693**	**100.44**
Net other (liabilities)/assets (0.03%)			**(8,138)**	**(0.44)**
Net assets			**1,836,555**	**100.00**

March 2020 comparatives in brackets.

[1] *Alternative Investment Market.*

[1] *Cash equivalents.*

[2] *Includes Cash equivalents.*

Threadneedle UK Select Fund

Portfolio Statement

as at 7 March 2021

Holding	Investment	Value £000	% of Net Asset Value
OIL & GAS 0.00% (5.55%)			
	Oil & Gas Producers 0.00% (5.55%)		
	Total Oil & Gas	–	–
BASIC MATERIALS 10.71% (3.29%)			
	Chemicals 1.69% (0.00%)		
154,896	Johnson Matthey	4,904	1.69
	Mining 9.02% (3.29%)		
629,278	BHP Group	13,810	4.75
212,007	Rio Tinto	12,409	4.27
	Total Basic Materials	**31,123**	**10.71**
INDUSTRIALS 9.90% (4.88%)			
	Aerospace & Defence 2.07% (0.00%)		
1,242,403	BAE Systems	6,006	2.07
	Construction & Materials 3.39% (3.36%)		
10,445,892	†Breedon Aggregates	9,861	3.39
	General Industrials 1.04% (0.00%)		
1,732,102	Melrose Industries	3,014	1.04
	Industrial Engineering 3.40% (1.52%)		
552,746	Weir Group	9,891	3.40
	Total Industrials	**28,772**	**9.90**
CONSUMER GOODS 19.26% (18.35%)			
	Beverages 4.06% (3.33%)		
400,958	Diageo	11,792	4.06
	Food Producers 0.00% (2.01%)		
	Household Goods & Home Construction 4.81% (3.13%)		
98,769	Berkeley Group Holdings	4,251	1.46
154,938	Reckitt Benckiser Group	9,715	3.35
	Personal Goods 8.12% (3.07%)		
339,665	Burberry Group	6,335	2.18
443,452	Unilever	17,250	5.94
	Tobacco 2.27% (6.81%)		
473,856	Imperial Brands	6,596	2.27
	Total Consumer Goods	**55,939**	**19.26**
HEALTH CARE 10.75% (12.88%)			
	Health Care Equipment & Services 2.04% (0.00%)		
437,990	Smith & Nephew	5,917	2.04
	Pharmaceuticals & Biotechnology 8.71% (12.88%)		
204,378	AstraZeneca	14,014	4.82
909,000	GlaxoSmithKline	11,299	3.89
	Total Health Care	**31,230**	**10.75**
CONSUMER SERVICES 19.54% (16.33%)			
	Food & Drug Retailers 1.79% (6.23%)		
2,326,576	Tesco	5,209	1.79
	Media 8.33% (5.31%)		
1,109,844	Informa	6,157	2.12
495,698	RELX (London Listing)	8,417	2.90
1,082,985	WPP	9,617	3.31
	Travel & Leisure 9.42% (4.79%)		
473,345	Compass Group	7,320	2.52
434,756	easyJet	4,241	1.46
1,874,065	Restaurant Group	1,958	0.67
406,746	Whitbread	13,846	4.77
	Total Consumer Services	**56,765**	**19.54**
TELECOMMUNICATIONS 1.98% (6.94%)			
	Fixed Line Telecommunications 1.98% (3.15%)		
4,064,447	BT Group	5,749	1.98
	Mobile Telecommunications 0.00% (3.79%)		
	Total Telecommunications	**5,749**	**1.98**
FINANCIALS 24.66% (27.53%)			
	Life Insurance 5.53% (10.17%)		
2,382,897	Legal & General Group	6,644	2.29
639,756	Prudential	9,408	3.24
	Real Estate Investment Trusts 3.19% (3.29%)		
279,319	Derwent London	9,279	3.19
	Financial Services 15.94% (14.07%)		
757,662	Intermediate Capital Group	13,721	4.72
113,624	London Stock Exchange Group	9,231	3.18
546,707	Schroders Non-voting	13,121	4.51
847,144	St James's Place	10,246	3.53
	Total Financials	**71,650**	**24.66**
TECHNOLOGY 1.98% (0.00%)			
	Software & Computer Services 1.98% (0.00%)		
976,321	Sage Group	5,764	1.98
	Total Technology	**5,764**	**1.98**
COLLECTIVE INVESTMENT SCHEMES 1.38% (3.31%)			
	Liquidity Funds 1.38% (3.31%)[1]		
4,001,972	BlackRock Institutional Cash Series Sterling Liquidity Platinum	4,002	1.38
1,954	Insight Liquidity Funds - ILF GBP Liquidity Class 3	2	–
	Total Collective Investment Schemes	**4,004**	**1.38**
Total value of investments[2]		**290,996**	**100.16**
Net other (liabilities)/assets (0.94%)		**(472)**	**(0.16)**
Net assets		**290,524**	**100.00**

March 2020 comparatives in brackets.

[1]Cash equivalents.

[2]Includes Cash equivalents.

†Alternative Investment Market.

Threadneedle UK Smaller Companies Fund

Portfolio Statement

as at 7 March 2021

Holding	Investment	Value £000	% of Net Asset Value
OIL & GAS 0.68% (1.07%)			
	Oil Equipment, Services & Distribution 0.68% (1.07%)		
2,008,642	†Enteq Upstream	321	0.12
2,076,646	†Tekmar Group	1,454	0.56
	Total Oil & Gas	**1,775**	**0.68**
BASIC MATERIALS 4.44% (0.00%)			
	Chemicals 2.70% (0.00%)		
1,549,966	Synthomer	7,003	2.70
	Industrial Metals & Mining 1.74% (0.00%)		
610,476	Bodycote	4,502	1.74
	Total Basic Materials	**11,505**	**4.44**
INDUSTRIALS 27.36% (28.55%)			
	Construction & Materials 4.57% (4.31%)		
6,309,689	†Breedon Aggregates	5,956	2.30
1,620,480	Eurocell Group	3,306	1.27
1,894,550	Galliford Try	2,600	1.00
	Aerospace & Defence 4.40% (3.79%)		
106,882	Avon Rubber	2,998	1.16
1,861,376	Chemring Group	4,812	1.86
3,257,725	Senior	3,567	1.38
	General Industrials 0.00% (0.74%)		
	Electronic & Electrical Equipment 4.32% (4.55%)		
604,848	Discoverie Group	3,992	1.54
229,259	Oxford Instruments	4,145	1.60
1,496,295	TT electronics	3,052	1.18
	Industrial Engineering 2.01% (1.60%)		
1,049,793	†Avingtrans	2,939	1.13
1,631,606	Xaar	2,292	0.88
	Support Services 10.48% (13.56%)		
1,500,088	Essentra	4,488	1.73
1,814,485	†Knights Group Holdings	7,947	3.07
1,068,768	†Marlowe	7,332	2.83
777,104	PayPoint	4,616	1.78
4,228,793	Speedy Hire	2,774	1.07
	Industrial Transportation 1.58% (0.00%)		
359,139	James Fisher & Sons	4,109	1.58
	Total Industrials	**70,925**	**27.36**
CONSUMER GOODS 12.90% (11.32%)			
	Beverages 1.78% (2.06%)		
1,676,816	Stock Spirits Group	4,611	1.78
	Food Producers 2.38% (1.20%)		
332,450	Hilton Food Group	3,624	1.40
634,321	†Hotel Chocolat Group	2,537	0.98
	Household Goods & Home Construction 3.04% (2.13%)		
984,936	†Victoria	7,879	3.04
	Leisure Goods 3.03% (5.68%)		
37,081	Games Workshop Group	3,615	1.39
600,164	†Team17 Group	4,261	1.64
	Personal Goods 2.67% (0.25%)		
411,557	†Inspecs Group	1,375	0.53
1,206,998	Ted Baker	1,466	0.56
648,670	Watches of Switzerland Group	4,087	1.58
	Total Consumer Goods	**33,455**	**12.90**
HEALTH CARE 6.77% (6.41%)			
	Health Care Equipment & Services 1.26% (0.71%)		
10,170,856	†Totally (Suspended)	3,255	1.26
	Pharmaceuticals & Biotechnology 5.51% (5.70%)		
491,546	†Clinigen Group	3,421	1.32
66,672	Genus	3,306	1.27
290,899	Oxford Biomedica	2,903	1.12
4,047,428	Vectura Group	4,655	1.80
	Total Health Care	**17,540**	**6.77**
CONSUMER SERVICES 27.94% (22.18%)			
	Food & Drug Retailers 0.00% (0.00%)		
1,975,582	Conviviality Retail (Delisted)	–	–
	General Retailers 5.56% (2.59%)		
225,000	Auction Technology Group	1,738	0.67
1,313,044	Halfords Group	4,130	1.59
1,246,712	†Joules Group	2,444	0.94
835,976	Moonpig Group	3,453	1.33
4,053,967	N Brown Group	2,672	1.03
	Media 12.05% (12.52%)		
996,859	Ascential	3,649	1.41
515,929	Future	9,049	3.49
246,126	†GlobalData	2,954	1.14
2,230,272	Hyve Group	3,006	1.16
7,384,757	†Mirriad Advertising	3,692	1.43
1,288,993	S4 Capital	5,452	2.10
341,472	†YouGov	3,415	1.32
	Travel & Leisure 10.33% (7.07%)		
4,764,994	Cineworld Group	4,984	1.92
462,147	Gamesys Group	6,498	2.51
1,837,155	Gym Group	4,391	1.69
1,383,554	Hollywood Bowl Group	3,127	1.21
364,804	†Jet2	4,928	1.90
76,214	Pphe Hotel Group	1,086	0.42
1,696,604	Restaurant Group	1,773	0.68
	Total Consumer Services	**72,441**	**27.94**
FINANCIALS 5.79% (8.79%)			
	Life Insurance 0.00% (1.80%)		
	Financial Services 5.79% (6.99%)		
2,074,188	†Argentex Group	2,427	0.94
5,513,553	†Fairfx Group	2,084	0.80
674,550	JTC	4,371	1.69
920,539	†Manolete Partners	2,209	0.85
889,276	Osb Group	3,911	1.51
	Total Financials	**15,002**	**5.79**

Threadneedle UK Smaller Companies Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
TECHNOLOGY 13.03% (16.88%)			
	Software & Computer Services 11.69% (14.58%)		
21,505,598	†1Spatial	7,097	2.74
1,861,294	†Blancco Technology	5,100	1.97
464,036	†Blue Prism Group	5,814	2.24
151,563	†First Derivatives	4,085	1.57
270,368	†Instem	1,446	0.56
4,608,526	†IQGEO Group	4,424	1.71
1,387,891	Tinybuild	2,346	0.90
	Technology Hardware & Equipment 1.34% (2.30%)		
1,424,898	Spirent Communications	3,470	1.34
	Total Technology	**33,782**	**13.03**
COLLECTIVE INVESTMENT SCHEMES 1.55% (2.33%)			
	Liquidity Funds 1.55% (2.33%)[1]		
4,009,013	BlackRock Institutional Cash Series Sterling Liquidity Platinum	4,009	1.55
	Total Collective Investment Schemes	**4,009**	**1.55**
DERIVATIVES 0.00% (0.00%)			
	Forward Foreign Exchange Contracts 0.00% (0.00%)		
	Sell GBP 1,260 Buy CHF 1,585 J.P. Morgan[2]	–	–
	Sell GBP 32 Buy CHF 41 J.P. Morgan[2]	–	–
	Total Derivatives	**–**	**–**
Total value of investments[3]		**260,434**	**100.46**
Net other (liabilities)/assets (2.47%)		**(1,188)**	**(0.46)**
Net assets		**259,246**	**100.00**

March 2020 comparatives in brackets.

†Alternative Investment Market.

[1]Cash equivalents.

[2]Less than £500, rounded to nil.

[3]Includes Cash equivalents.

Threadneedle UK Growth & Income Fund

Portfolio Statement

as at 7 March 2021

Holding	Investment	Value £000	% of Net Asset Value
OIL & GAS 2.15% (2.62%)			
	Oil & Gas Producers 2.15% (2.62%)		
327,832	Royal Dutch Shell 'B' Shares	4,875	2.15
	Total Oil & Gas	**4,875**	**2.15**
BASIC MATERIALS 2.57% (1.88%)			
	Chemicals 2.57% (1.88%)		
184,308	Johnson Matthey	5,835	2.57
	Total Basic Materials	**5,835**	**2.57**
INDUSTRIALS 27.88% (25.33%)			
	Aerospace & Defence 2.58% (3.31%)		
810,471	BAE Systems	3,918	1.73
1,778,147	Rolls-Royce Holdings	1,930	0.85
	General Industrials 4.32% (4.25%)		
1,194,944	DS Smith	4,755	2.10
334,530	Smiths Group	5,035	2.22
	Electronic & Electrical Equipment 0.93% (0.70%)		
653,257	Morgan Advanced Materials	2,097	0.93
	Industrial Engineering 1.15% (0.88%)		
202,555	IMI	2,605	1.15
	Industrial Transportation 2.70% (1.83%)		
1,771,646	Wincanton	6,112	2.70
	Support Services 16.20% (14.36%)		
1,572,912	Electrocomponents	15,037	6.63
84,816	Ferguson	7,102	3.13
2,280,669	Hays	3,569	1.57
2,287,996	Rentokil Initial	11,037	4.87
	Total Industrials	**63,197**	**27.88**
CONSUMER GOODS 8.70% (8.85%)			
	Food Producers 2.61% (2.03%)		
788,062	Tate & Lyle	5,926	2.61
	Personal Goods 3.18% (4.02%)		
185,050	Unilever	7,198	3.18
	Tobacco 2.91% (2.80%)		
474,107	Imperial Brands	6,600	2.91
	Total Consumer Goods	**19,724**	**8.70**
HEALTH CARE 10.78% (13.58%)			
	Pharmaceuticals & Biotechnology 10.78% (13.58%)		
231,018	AstraZeneca	15,841	6.99
690,196	GlaxoSmithKline	8,579	3.79
	Total Health Care	**24,420**	**10.78**
CONSUMER SERVICES 26.16% (25.56%)			
	Food & Drug Retailers 4.83% (6.22%)		
1,780,628	Tesco	3,987	1.76
3,956,580	WM Morrison Supermarkets	6,954	3.07
	General Retailers 1.53% (1.80%)		
2,382,435	Marks & Spencer Group	3,465	1.53
	Media 7.35% (6.80%)		
3,648,326	ITV	4,256	1.88
897,239	Pearson	6,819	3.01
329,154	RELX (London Listing)	5,589	2.46
	Travel & Leisure 12.45% (10.74%)		
314,773	Compass Group	4,868	2.15
4,073,022	Firstgroup	3,664	1.62
525,356	J D Wetherspoon	6,572	2.90
3,006,896	Rank Group	5,382	2.37
6,109,347	Restaurant Group	6,384	2.82
1,432,541	Stagecoach Group	1,347	0.59
	Total Consumer Services	**59,287**	**26.16**
TELECOMMUNICATIONS 1.50% (1.52%)			
	Fixed Line Telecommunications 1.50% (1.52%)		
2,395,620	BT Group	3,389	1.50
	Total Telecommunications	**3,389**	**1.50**
UTILITIES 3.16% (3.61%)			
	Gas, Water & Multiutilities 3.16% (3.61%)		
4,866,931	Centrica	2,528	1.12
262,904	Pennon Group	2,511	1.11
235,792	United Utilities Group	2,118	0.93
	Total Utilities	**7,157**	**3.16**
FINANCIALS 11.78% (13.38%)			
	Banks 0.77% (0.96%)		
186,244	Secure Trust Bank	1,751	0.77
	Nonlife Insurance 2.26% (4.01%)		
565,217	Hiscox	5,122	2.26
	Life Insurance 2.36% (2.24%)		
1,919,427	Legal & General Group	5,351	2.36
	Financial Services 6.39% (6.17%)		
742,929	3i Group	8,436	3.72
2,394,046	Melrose Industries	4,166	1.84
3,776,727	Sherborne Investors Guernsey	1,873	0.83
	Total Financials	**26,699**	**11.78**
TECHNOLOGY 4.69% (4.13%)			
	Technology Hardware & Equipment 4.69% (4.13%)		
4,367,460	Spirent Communications	10,635	4.69
	Total Technology	**10,635**	**4.69**
COLLECTIVE INVESTMENT SCHEMES 5.30% (0.40%)			
	Liquidity Funds 5.30% (0.40%)[1]		
12,014,838	BlackRock Institutional Cash Series Sterling Liquidity Platinum	12,015	5.30
	Total Collective Investment Schemes	**12,015**	**5.30**
Total value of investments[2]		**237,233**	**104.67**
Net other liabilities (-0.86%)		**(10,590)**	**(4.67)**
Net assets		**226,643**	**100.00**

March 2020 comparatives in brackets.

[1] *Cash equivalents.*

[2] *Includes Cash equivalents.*

Threadneedle UK Equity Income Fund

Portfolio Statement

as at 7 March 2021

Holding	Investment	Value £000	% of Net Asset Value
OIL & GAS 2.30% (2.64%)			
	Oil & Gas Producers 2.30% (2.64%)		
5,379,757	Royal Dutch Shell 'B' Shares	80,008	2.30
	Total Oil & Gas	**80,008**	**2.30**
BASIC MATERIALS 2.72% (2.01%)			
	Chemicals 2.72% (2.01%)		
18,199,669	Elementis	23,842	0.69
2,229,623	Johnson Matthey	70,590	2.03
	Total Basic Materials	**94,432**	**2.72**
INDUSTRIALS 30.26% (25.16%)			
	Construction & Materials 1.35% (1.15%)		
2,607,158	Morgan Sindall Group	46,929	1.35
	Aerospace & Defence 2.32% (2.92%)		
16,676,265	BAE Systems	80,613	2.32
	General Industrials 4.31% (3.86%)		
19,403,619	DS Smith	77,207	2.23
4,795,057	Smiths Group	72,166	2.08
	Electronic & Electrical Equipment 3.05% (2.12%)		
8,271,406	Morgan Advanced Materials	26,551	0.77
4,384,472	Oxford Instruments	79,271	2.28
	Industrial Engineering 1.13% (0.83%)		
3,050,477	IMI	39,229	1.13
	Industrial Transportation 1.48% (0.97%)		
14,879,737	Wincanton	51,335	1.48
	Support Services 16.62% (13.31%)		
25,902,548	Electrocomponents	247,628	7.13
1,078,960	Ferguson	90,352	2.60
45,422,350	Hays	71,086	2.05
34,861,190	Rentokil Initial	168,170	4.84
	Total Industrials	**1,050,537**	**30.26**
CONSUMER GOODS 10.75% (10.81%)			
	Food Producers 2.63% (2.24%)		
12,149,700	Tate & Lyle	91,366	2.63
	Personal Goods 3.21% (3.78%)		
2,866,857	Unilever	111,521	3.21
	Tobacco 4.91% (4.79%)		
12,250,381	Imperial Brands	170,525	4.91
	Total Consumer Goods	**373,412**	**10.75**
HEALTH CARE 12.10% (16.51%)			
	Pharmaceuticals & Biotechnology 12.10% (16.51%)		
3,635,826	AstraZeneca	249,309	7.18
13,749,643	GlaxoSmithKline	170,908	4.92
	Total Health Care	**420,217**	**12.10**
CONSUMER SERVICES 20.53% (20.28%)			
	Food & Drug Retailers 4.73% (5.53%)		
20,623,604	Tesco	46,176	1.33
67,128,359	WM Morrison Supermarkets	117,978	3.40
	General Retailers 1.77% (1.90%)		
42,245,641	Marks & Spencer Group	61,446	1.77
	Media 7.19% (6.46%)		
59,282,292	ITV	69,153	1.99
12,801,761	Pearson	97,293	2.80
4,919,803	RELX (London Listing)	83,538	2.40
	Travel & Leisure 6.84% (6.39%)		
5,248,896	Compass Group	81,174	2.34
2,067,377	Go-Ahead Group	26,359	0.76
5,135,892	J D Wetherspoon	64,250	1.85
23,417,722	Rank Group	41,918	1.21
25,133,926	Stagecoach Group	23,626	0.68
	Total Consumer Services	**712,911**	**20.53**
TELECOMMUNICATIONS 2.14% (2.03%)			
	Fixed Line Telecommunications 2.14% (2.03%)		
52,607,853	BT Group	74,414	2.14
	Total Telecommunications	**74,414**	**2.14**
UTILITIES 3.31% (3.82%)			
	Gas, Water & Multiutilities 3.31% (3.82%)		
74,870,087	Centrica	38,888	1.12
4,387,345	Pennon Group	41,899	1.21
3,801,392	United Utilities Group	34,144	0.98
	Total Utilities	**114,931**	**3.31**
FINANCIALS 16.09% (16.32%)			
	Nonlife Insurance 2.09% (4.10%)		
22,637,227	Direct Line Insurance Group	72,530	2.09
	Life Insurance 8.29% (7.07%)		
11,087,757	Chesnara	30,380	0.88
35,158,646	Legal & General Group	98,022	2.82
21,903,018	Phoenix Group Holdings	159,235	4.59
	Financial Services 5.71% (5.15%)		
11,454,624	3i Group	130,067	3.75
26,437,218	Melrose Industries	46,001	1.32
40,820,625	Sherborne Investors Guernsey	20,247	0.58
41,037,796	Sherborne Investors Guernsey B	2,052	0.06
	Total Financials	**558,534**	**16.09**
COLLECTIVE INVESTMENT SCHEMES 1.14% (0.26%)			
	Liquidity Funds 1.14% (0.26%)[1]		
39,508,299	BlackRock Institutional Cash Series Sterling Liquidity Platinum	39,508	1.14
3,714	Insight Liquidity Funds – ILF GBP Liquidity Class 3	4	–
	Total Collective Investment Schemes	**39,512**	**1.14**
Total value of investments[2]		**3,518,908**	**101.34**
Net other (liabilities)/assets (0.16%)		**(46,653)**	**(1.34)**
Net assets		**3,472,255**	**100.00**

March 2020 comparatives in brackets.

[1] *Cash equivalents.*

[2] *Includes Cash equivalents.*

Threadneedle UK Monthly Income Fund

Portfolio Statement

as at 7 March 2021

Holding	Investment	Value £000	% of Net Asset Value
OIL & GAS 2.10% (4.06%)			
	Oil & Gas Producers 2.10% (4.06%)		
125,000	BP	399	0.11
490,000	Royal Dutch Shell 'B' Shares	7,287	1.99
	Total Oil & Gas	**7,686**	**2.10**
BASIC MATERIALS 8.52% (4.68%)			
	Chemicals 2.78% (2.04%)		
145,000	Johnson Matthey	4,591	1.25
1,235,000	Synthomer	5,580	1.53
	Mining 5.74% (2.64%)		
957,500	BHP Group	21,012	5.74
	Total Basic Materials	**31,183**	**8.52**
INDUSTRIALS 16.69% (10.36%)			
	Construction & Materials 0.67% (0.00%)		
920,000	Forterra	2,456	0.67
	Aerospace & Defence 1.67% (2.42%)		
1,265,000	BAE Systems	6,115	1.67
	General Industrials 2.73% (0.94%)		
1,660,000	DS Smith	6,605	1.80
1,955,000	Melrose Industries	3,402	0.93
	Electronic & Electrical Equipment 3.11% (2.50%)		
160,000	Halma	3,571	0.98
175,000	Oxford Instruments	3,164	0.86
150,000	Spectris	4,635	1.27
	Industrial Engineering 1.90% (1.79%)		
9,185,000	Severfield	6,944	1.90
	Industrial Transportation 0.63% (0.47%)		
200,000	James Fisher & Sons	2,288	0.63
	Support Services 5.98% (2.24%)		
1,175,000	Electrocomponents	11,233	3.07
600,000	Essentra	1,795	0.49
90,000	Ferguson	7,537	2.06
2,000,000	Speedy Hire	1,312	0.36
	Total Industrials	**61,057**	**16.69**
CONSUMER GOODS 14.39% (14.82%)			
	Beverages 3.08% (2.09%)		
225,000	Diageo	6,617	1.81
1,685,000	Stock Spirits Group	4,634	1.27
	Household Goods & Home Construction 2.41% (1.98%)		
1,770,000	Crest Nicholson Holdings	6,620	1.81
35,000	Reckitt Benckiser Group	2,195	0.60
	Personal Goods 3.38% (3.04%)		
195,000	Burberry Group	3,637	0.99
225,000	Unilever	8,753	2.39
	Tobacco 5.52% (7.71%)		
235,000	British American Tobacco	6,137	1.68
1,010,000	Imperial Brands	14,059	3.84
	Total Consumer Goods	**52,652**	**14.39**
HEALTH CARE 9.05% (12.84%)			
	Pharmaceuticals & Biotechnology 9.05% (12.84%)		
205,000	AstraZeneca	14,057	3.84
1,535,000	GlaxoSmithKline	19,080	5.21
	Total Health Care	**33,137**	**9.05**
CONSUMER SERVICES 14.39% (12.25%)			
	Food & Drug Retailers 1.42% (0.00%)		
2,255,000	J Sainsbury	5,180	1.42
	General Retailers 1.07% (1.09%)		
1,475,000	Marks & Spencer Group	2,145	0.59
845,000	ScS Group	1,749	0.48
	Media 6.45% (5.04%)		
5,990,000	ITV	6,987	1.91
585,000	RELX (London Listing)	9,933	2.71
755,000	WPP	6,704	1.83
	Travel & Leisure 5.45% (6.12%)		
175,000	Compass Group	2,706	0.74
360,000	Fuller Smith & Turner	3,074	0.84
275,000	Go-Ahead Group	3,506	0.96
3,117,400	Rank Group	5,580	1.52
3,415,000	Stagecoach Group	3,210	0.88
55,000	Whitbread	1,872	0.51
	Total Consumer Services	**52,646**	**14.39**
TELECOMMUNICATIONS 1.84% (1.72%)			
	Fixed Line Telecommunications 1.84% (1.72%)		
4,750,000	BT Group	6,719	1.84
	Total Telecommunications	**6,719**	**1.84**
UTILITIES 5.04% (7.39%)			
	Electricity 2.29% (2.99%)		
640,000	SSE	8,384	2.29
	Gas, Water & Multiutilities 2.75% (4.40%)		
2,100,000	Centrica	1,091	0.30
645,000	Pennon Group	6,160	1.68
125,000	Severn Trent	2,794	0.77
	Total Utilities	**18,429**	**5.04**
FINANCIALS 27.59% (31.11%)			
	Banks 2.53% (8.23%)		
285,000	Close Brothers Group	4,648	1.27
2,450,000	NatWest Group	4,606	1.26
	Nonlife Insurance 0.56% (0.98%)		
315,000	Lancashire Holdings	2,041	0.56
	Life Insurance 12.76% (11.59%)		
565,000	Aviva	2,205	0.60
3,147,128	Chesnara	8,623	2.36
6,300,000	Legal & General Group	17,565	4.80
1,775,000	Phoenix Group Holdings	12,904	3.53
365,000	Prudential	5,367	1.47
	Real Estate Investment & Services 1.03% (0.94%)		
1,400,000	Grainger	3,780	1.03

Threadneedle UK Monthly Income Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
FINANCIALS 27.59% (31.11%) (continued)			
	Real Estate Investment Trusts 4.88% (6.02%)		
860,000	Capital & Counties Properties	1,489	0.41
160,000	Derwent London	5,315	1.45
3,765,000	Empiric Student Property REIT	2,715	0.74
2,880,000	Londonmetric Property REIT	6,071	1.66
1,835,000	†Warehouse REIT	2,276	0.62
	Financial Services 5.60% (3.35%)		
770,000	3i Group	8,743	2.39
975,000	AJ Bell	3,973	1.08
885,000	M&G Prudential	1,769	0.48
4,302,702	Sherborne Investors Guernsey	2,134	0.58
4,275,000	Sherborne Investors Guernsey B	214	0.06
305,000	St James's Place	3,689	1.01
	Equity Investment Instruments 0.23% (0.00%)		
510,000	HICL Infrastructure	836	0.23
	Total Financials	**100,963**	**27.59**
COLLECTIVE INVESTMENT SCHEMES 0.55% (0.00%)			
	Liquidity Funds 0.55% (0.00%)[1]		
2,012,252	BlackRock Institutional Cash Series Sterling Liquidity Platinum	2,012	0.55
	Total Collective Investment Schemes	**2,012**	**0.55**
Total value of investments[2]		**366,484**	**100.16**
Net other (liabilities)/assets (0.77%)		**(577)**	**(0.16)**
Net assets		**365,907**	**100.00**

March 2020 comparatives in brackets.

†Alternative Investment Market.

[1]Cash equivalents.

[2]Includes Cash equivalents.

Threadneedle Monthly Extra Income Fund

Portfolio Statement

as at 7 March 2021

	Holding	Investment	Value £000	% of Net Asset Value
AUSTRALIA 0.79% (0.80%)				
		Corporate Bonds 0.79% (0.80%)		
GBP	400,000	APT Pipelines 3.125% 18/07/2031	434	0.19
GBP	395,000	Asciano Finance 5% 19/09/2023	427	0.19
EUR	100,000	*Ausnet Services Holdings Variable 11/03/2081	87	0.04
GBP	472,000	*BHP Billiton Finance 6.5% 22/10/2077	509	0.23
USD	400,000	SGSP Australia Assets 3.25% 29/07/2026	313	0.14
		Total Australia	**1,770**	**0.79**
BELGIUM 0.17% (0.00%)				
		Corporate Bonds 0.17% (0.00%)		
GBP	350,000	Anheuser-Busch InBev 2.85% 25/05/2037	374	0.17
		Total Belgium	**374**	**0.17**
BERMUDA 1.70% (1.56%)				
		Corporate Bonds 0.20% (0.18%)		
USD	550,000	Bacardi 4.7% 15/05/2028	459	0.20
		Nonlife Insurance 1.50% (1.38%)		
	374,073	Hiscox	3,380	1.50
		Total Bermuda	**3,839**	**1.70**
BRITISH VIRGIN ISLANDS 0.00% (0.19%)				
		Corporate Bonds 0.00% (0.19%)		
		Total British Virgin Islands	**–**	**–**
CAYMAN ISLANDS 0.40% (0.38%)				
		Corporate Bonds 0.40% (0.38%)		
	195,000	Phoenix Group Holdings 5.625% 28/04/2031	230	0.10
	550,000	Southern Water Services 3% 28/05/2037	586	0.26
	100,000	*Trafford Centre Finance FRN 28/07/2035 A3	84	0.04
		Oil & Gas Producers 0.00% (0.00%)		
	146	Noble Corp New Shares	3	–
	597	Noble Holding International-Wt1 Warrant (Tranche 1)[1]	–	–
	597	Noble Holding International-Wt2 Warrant (Tranche 2)[1]	–	–
		Total Cayman Islands	**903**	**0.40**
DENMARK 0.04% (0.00%)				
		Corporate Bonds 0.04% (0.00%)		
GBP	100,000	*Danske Bank Variable 14/01/2028	103	0.04
		Total Denmark	**103**	**0.04**
FRANCE 1.25% (1.72%)				
		Corporate Bonds 1.25% (1.72%)		
GBP	400,000	Banque Fed Cred Mutuel 0.875% 07/12/2027	391	0.17
GBP	200,000	BNP Paribas 1.875% 14/12/2027	205	0.09
GBP	200,000	BPCE 5.25% 16/04/2029	247	0.11
GBP	100,000	Credit Agricole 1.25% 02/10/2024	102	0.04
GBP	300,000	Electricite de France 5.125% 22/09/2050	443	0.20
GBP	400,000	Electricite de France 5.5% 17/10/2041	578	0.26
GBP	400,000	LVMH Moet Hennessy Vuitton 1.125% 11/02/2027	399	0.18
GBP	300,000	Orange 3.25% 15/01/2032	341	0.15
GBP	70,000	Orange 8.125% 20/11/2028	104	0.05
		Total France	**2,810**	**1.25**
GERMANY 0.17% (0.13%)				
		Corporate Bonds 0.17% (0.13%)		
EUR	200,000	ADLER Real Estate 3% 27/04/2026	180	0.08
GBP	200,000	*Deutsche Bank Variable 22/12/2028	197	0.09
		Total Germany	**377**	**0.17**
GUERNSEY 0.52% (0.52%)				
		Financial Services 0.52% (0.52%)		
	2,252,188	Sherborne Investors Guernsey	1,068	0.47
	2,074,094	Sherborne Investors Guernsey B	104	0.05
		Total Guernsey	**1,172**	**0.52**
ITALY 0.04% (0.00%)				
		Corporate Bonds 0.04% (0.00%)		
GBP	100,000	Intesa Sanpaolo 2.625% 11/03/2036	100	0.04
		Total Italy	**100**	**0.04**
JERSEY 2.59% (0.53%)				
		Corporate Bonds 0.56% (0.53%)		
GBP	125,000	Gatwick Funding 2.625% 07/10/2046	114	0.05
GBP	134,000	Glencore Finance Europe 3.125% 26/03/2026	143	0.06
GBP	160,000	Hastings Group Finance 3% 24/05/2025	170	0.08
GBP	100,000	Heathrow Funding 2.75% 13/10/2029	103	0.05
GBP	170,000	Heathrow Funding 2.75% 09/08/2049	165	0.07
GBP	185,000	Heathrow Funding 4.625% 31/10/2046	236	0.11
GBP	90,000	Heathrow Funding 6.45% 10/12/2031	123	0.05
GBP	175,000	Porterbrook Rail Finance 4.625% 04/04/2029	205	0.09
		Support Services 2.03% (0.00%)		
	53,621	Ferguson	4,577	2.03
		Total Jersey	**5,836**	**2.59**
LUXEMBOURG 0.40% (0.26%)				
		Corporate Bonds 0.40% (0.26%)		
GBP	399,000	Aroundtown 3% 16/10/2029	422	0.19
GBP	275,000	Aroundtown 3.25% 18/07/2027	297	0.13
EUR	100,000	Becton Dickinson Euro Finance 1.213% 12/02/2036	87	0.04
GBP	100,000	CPI Property Group 2.75% 22/01/2028	101	0.04
		Total Luxembourg	**907**	**0.40**
MEXICO 0.21% (0.27%)				
		Corporate Bonds 0.11% (0.19%)		
GBP	248,000	Petroleos Mexicanos 3.75% 16/11/2025	242	0.11
		Government Bonds 0.10% (0.08%)		
GBP	202,000	United Mexican States 5.625% 19/03/2114	223	0.10
		Total Mexico	**465**	**0.21**

Threadneedle Monthly Extra Income Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value
NETHERLANDS 1.42% (1.39%)				
		Corporate Bonds 1.42% (1.39%)		
GBP	200,000	ABN AMRO Bank 1.375% 16/01/2025	204	0.09
GBP	300,000	Co-operative Rabobank 4.625% 23/05/2029	358	0.16
GBP	225,000	E.ON International Finance 6.375% 07/06/2032	321	0.14
GBP	600,000	*ING Groep Variable 07/12/2028	585	0.26
GBP	750,000	Innogy Finance 6.25% 03/06/2030	1,025	0.45
GBP	120,000	Shell International Finance 1.75% 10/09/2052	102	0.05
EUR	300,000	*Telefonica Europe Variable 14/03/2168	280	0.12
GBP	300,000	Volkswagen International Finance 3.375% 16/11/2026	329	0.15
		Total Netherlands	**3,204**	**1.42**
NORWAY 0.00% (0.14%)				
		Corporate Bonds 0.00% (0.14%)		
		Total Norway	–	–
REPUBLIC OF IRELAND 0.29% (0.48%)				
		Corporate Bonds 0.29% (0.48%)		
GBP	490,000	GE Capital UK Funding 5.875% 18/01/2033	657	0.29
		Total Republic Of Ireland	**657**	**0.29**
SWEDEN 0.31% (0.27%)				
		Corporate Bonds 0.31% (0.27%)		
GBP	430,000	Akelius Residential 2.375% 15/08/2025	450	0.20
EUR	280,000	Sagax 1.125% 30/01/2027	246	0.11
		Total Sweden	**696**	**0.31**
SWITZERLAND 0.29% (0.22%)				
		Corporate Bonds 0.29% (0.22%)		
GBP	285,000	*Credit Suisse Group Variable 09/06/2028	295	0.13
USD	425,000	*UBS Group 7% 29/12/2049	352	0.16
		Total Switzerland	**647**	**0.29**
UNITED KINGDOM 85.45% (84.27%)				
		Corporate Bonds 9.40% (10.76%)		
GBP	180,000	Anglian Water Services Financing 2.625% 15/06/2027	188	0.08
GBP	150,000	Anglian Water Services Financing 2.75% 26/10/2029	165	0.07
GBP	118,000	Aster Treasury 1.405% 27/01/2036	112	0.05
GBP	281,000	*Aviva 4.375% 12/09/2049	315	0.14
GBP	100,000	*Aviva 5.125% 04/06/2050	118	0.05
GBP	203,000	Barclays Bank 5.75% 14/09/2026	245	0.11
GBP	100,000	*Barclays Variable 03/11/2026	101	0.05
GBP	552,000	BAT International Finance 2.25% 26/06/2028	558	0.25
GBP	100,000	BAT International Finance 6% 24/11/2034	133	0.06
GBP	100,000	Blend Funding 2.922% 05/04/2056	111	0.05
GBP	285,000	*BP Capital Markets Variable 22/06/2169 GBP	301	0.13
GBP	280,000	British Telecommunications 3.125% 21/11/2031	304	0.14
GBP	220,000	Broadgate Finance 5.098% 05/04/2033	227	0.10
GBP	276,000	Bunzl Finance 1.5% 30/10/2030	269	0.12
GBP	360,000	Bunzl Finance 2.25% 11/06/2025	378	0.17
GBP	200,000	Bupa Finance 5% 08/12/2026	230	0.10
GBP	200,000	Cadent Finance 2.25% 10/10/2035	199	0.09
GBP	100,000	Cadent Finance 2.625% 22/09/2038	104	0.05
GBP	260,000	Cadent Finance 2.75% 22/09/2046	269	0.12
GBP	138,000	Catalyst Housing 3.125% 31/10/2047	161	0.07
GBP	188,000	DS Smith 0.875% 12/09/2026	166	0.07
GBP	140,000	DS Smith 2.875% 26/07/2029	148	0.07
GBP	115,000	Dwr Cymru Financing 6.015% 31/03/2028	152	0.07
GBP	150,000	Eastern Power Networks 1.875% 01/06/2035	148	0.07
GBP	124,000	Eversholt Funding 2.742% 30/06/2040	127	0.06
GBP	150,000	Eversholt Funding 3.529% 07/08/2042	165	0.07
GBP	100,000	Experian Finance 3.25% 07/04/2032	114	0.05
GBP	480,000	First Hydro Finance 9% 31/07/2021	495	0.22
GBP	355,000	G4S International Finance 1.5% 02/06/2024	306	0.14
GBP	195,000	G4S International Finance 1.875% 24/05/2025	168	0.07
GBP	105,000	GKN Holdings 4.625% 15/05/2032	109	0.05
GBP	200,000	GKN Holdings 5.375% 19/09/2022	211	0.09
GBP	233,000	GlaxoSmithkline Capital 1.25% 12/10/2028	232	0.10
GBP	188,000	GlaxoSmithkline Capital 1.625% 12/05/2035	181	0.08
GBP	100,000	Home Group 3.125% 27/03/2043	113	0.05
GBP	90,000	HSBC Bank 4.75% 24/03/2046	123	0.05
GBP	600,000	HSBC Bank 5.375% 22/08/2033	796	0.35
GBP	100,000	Imperial Brands Finance 4.875% 07/06/2032	120	0.05
GBP	275,000	Imperial Brands Finance 5.5% 28/09/2026	330	0.15
GBP	175,000	Imperial Brands Finance 8.125% 15/03/2024	211	0.09
GBP	375,000	Land Securities Capital Markets 2.375% 29/03/2029	393	0.17
GBP	225,000	*Legal & General Group 5.5% 27/06/2064	274	0.12
GBP	278,000	*Legal & General Group Variable 14/11/2048	321	0.14
GBP	285,000	Lloyds Bank 6.5% 17/09/2040	495	0.22
GBP	230,000	Lloyds Bank 7.625% 22/04/2025	287	0.13
GBP	275,000	*M&G Variable 20/10/2051	319	0.14
GBP	212,000	Marks & Spencer 6% 12/06/2025	238	0.11
GBP	104,000	*Marstons Issuer 5.1576% 15/10/2027	88	0.04
GBP	272,000	Mitchells & Butlers Finance 5.574% 15/12/2030	109	0.05
GBP	260,000	Motability Operations Group 1.5% 20/01/2041	241	0.11
GBP	175,000	National Grid Electricity Transmission 1.125% 07/07/2028	171	0.08
GBP	200,000	*Natwest Group 5.125% 12/11/2067	210	0.09
GBP	400,000	Newriver REIT 3.5% 07/03/2028	371	0.16
GBP	600,000	*NGG Finance 5.625% 18/06/2073	671	0.30
GBP	170,000	NIE Finance 2.5% 27/10/2025 (London Listing)	181	0.08
GBP	132,000	Northern Powergrid 1.875% 16/06/2062	125	0.06
GBP	100,000	Northern Powergrid 5.125% 04/05/35	136	0.06
GBP	250,000	Northumbrian Water Finance 2.375% 05/10/2027	265	0.12
GBP	100,000	Optivo Finance 2.857% 07/10/2035	110	0.05

Threadneedle Monthly Extra Income Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value
UNITED KINGDOM 85.45% (84.27%) (continued)				
GBP	110,000	Orbit Capital 2% 24/11/2038	107	0.05
GBP	282,000	Pension Insurance 5.625% 20/09/2030	338	0.15
GBP	173,000	Reckitt Benckiser 1.75% 19/05/2032	174	0.08
GBP	100,000	RHP Finance 3.25% 05/02/2048	118	0.05
GBP	100,000	*Royal Bank of Scotland 2.875% 19/09/2026	106	0.05
GBP	175,000	*Royal Bank of Scotland Group Variable 28/03/2027	189	0.08
GBP	100,000	*Royal Bank of Scotland Group Variable 14/08/2030	107	0.05
GBP	130,000	Santander UK 10.0625% 06/04/2169	209	0.09
GBP	200,000	Scottish Hydro Electric 2.25% 27/09/2035	208	0.09
GBP	100,000	Severn Trent Utilities Finance 2% 02/06/2040	98	0.04
GBP	577,000	Severn Trent Utilities Finance 3.625% 16/01/2026	648	0.29
GBP	624,000	*Telereal Securitisation 4.0902% 10/12/2033	640	0.28
GBP	287,000	Telereal Securitisation 4.9741% 10/09/2027	177	0.08
GBP	123,000	*Telereal Securitisation Variable 10/12/2033	123	0.05
GBP	170,000	Tesco Property Finance 5.5% 13/10/2041	219	0.10
GBP	390,000	Tesco Property Finance 6 5.4111% 13/07/2044	473	0.21
GBP	325,000	Thames Water Utilities 2.375% 03/05/2023	329	0.15
GBP	500,000	Thames Water Utilities Cayman Finance 2.625% 24/01/2032	527	0.23
GBP	162,000	Thames Water Utilities Finance 2.375% 22/04/2040	161	0.07
GBP	320,000	*TSB Banking Group 5.75% 06/05/2026	322	0.14
GBP	150,000	Unite Group 3.5% 15/10/2028	164	0.07
GBP	253,000	United Utilities Water Finance 1.875% 03/06/2042	244	0.11
GBP	100,000	University of Oxford 2.544% 08/12/2117 (London Listing)	123	0.05
GBP	155,000	*Virgin Money UK Variable 22/06/2025	162	0.07
GBP	100,000	*Virgin Money UK Variable 11/12/2030	110	0.05
GBP	250,000	Vodafone Group 3% 12/08/2056	256	0.11
GBP	200,000	Western Power Distribution 1.625% 07/10/2035	188	0.08
GBP	200,000	Western Power Distribution 1.75% 09/09/2031	200	0.09
GBP	250,000	Western Power Distribution 3.5% 16/10/2026	273	0.12
GBP	300,000	Yorkshire Water Finance 1.75% 26/11/2026	307	0.14
		Government Bonds 0.91% (0.18%)		
GBP	250,000	United Kingdom Gilt 0.25% 31/07/2031	235	0.10
GBP	240,000	United Kingdom Gilt 1.25% 22/10/2041	239	0.11
GBP	435,000	United Kingdom Gilt 1.625% 22/10/2028	468	0.21
GBP	45,000	United Kingdom Gilt 1.75% 07/09/2037	49	0.02
GBP	175,000	United Kingdom Gilt 1.75% 22/01/2049	194	0.09
GBP	705,000	United Kingdom Gilt 3.75% 07/09/2021	718	0.32
GBP	105,000	United Kingdom Gilt 4.25% 07/06/2032	143	0.06
		Oil & Gas Producers 1.63% (1.78%)		
	245,792	Royal Dutch Shell 'B' Shares	3,676	1.63
		Chemicals 1.25% (0.95%)		
	87,516	Johnson Matthey	2,810	1.25
		Aerospace & Defence 1.56% (1.91%)		
	720,293	BAE Systems	3,519	1.56
		General Industrials 3.99% (2.63%)		
	897,232	DS Smith	3,656	1.62
	1,182,923	Melrose Industries	2,117	0.94
	213,185	Smiths Group	3,224	1.43
		Electronic & Electrical Equipment 0.50% (0.39%)		
	337,056	Morgan Advanced Materials	1,121	0.50
		Industrial Engineering 1.22% (0.87%)		
	212,161	IMI	2,750	1.22
		Industrial Transportation 0.89% (0.62%)		
	570,942	Wincanton	1,998	0.89
		Support Services 9.93% (9.20%)		
	1,163,581	Electrocomponents	11,380	5.05
	2,049,224	Hays	3,256	1.45
	1,601,339	Rentokil Initial	7,720	3.43
		Food Producers 1.95% (1.45%)		
	582,439	Tate & Lyle	4,394	1.95
		Personal Goods 2.40% (2.74%)		
	140,585	Unilever	5,396	2.40
		Tobacco 3.36% (3.13%)		
	547,805	Imperial Brands	7,560	3.36
		Pharmaceuticals & Biotechnology 9.44% (11.89%)		
	192,894	AstraZeneca	13,244	5.88
	657,042	GlaxoSmithKline	8,020	3.56
		Food & Drug Retailers 3.34% (3.73%)		
	977,827	Tesco	2,160	0.96
	3,081,359	WM Morrison Supermarkets	5,357	2.38
		General Retailers 1.13% (1.15%)		
	1,718,068	Marks & Spencer Group	2,542	1.13
		Media 5.83% (4.53%)		
	2,570,261	ITV	3,056	1.36
	758,011	Pearson	5,793	2.57
	252,451	RELX (London Listing)	4,290	1.90
		Travel & Leisure 5.36% (5.05%)		
	232,653	Compass Group	3,668	1.63
	2,423,885	Firstgroup	2,289	1.02
	207,775	J D Wetherspoon	2,664	1.18
	959,713	Rank Group	1,798	0.80
	1,692,630	Stagecoach Group	1,645	0.73
		Fixed Line Telecommunications 1.32% (1.24%)		
	2,138,554	BT Group	2,962	1.32
		Gas, Water & Multiutilities 2.85% (3.22%)		
	3,371,781	Centrica	1,792	0.80
	312,615	Pennon Group	2,918	1.30
	192,832	United Utilities Group	1,697	0.75

Threadneedle Monthly Extra Income Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value
UNITED KINGDOM 85.45% (84.27%) (continued)				
		Banks 0.68% (0.93%)		
	162,425	Secure Trust Bank	1,530	0.68
		Nonlife Insurance 1.50% (2.26%)		
	1,044,219	Direct Line Insurance Group	3,384	1.50
		Life Insurance 6.81% (5.50%)		
	707,475	Chesnara	1,931	0.86
	1,561,819	Legal & General Group	4,447	1.97
	1,216,051	Phoenix Group Holdings	8,975	3.98
		Real Estate Investment Trusts 1.59% (1.32%)		
	1,674,637	Londonmetric Property REIT	3,584	1.59
		Financial Services 2.97% 3.34%)		
	586,338	3i Group	6,681	2.97
		Technology Hardware & Equipment 3.64% (3.50%)		
	3,353,091	Spirent Communications	8,198	3.64
		Total United Kingdom	**192,456**	**85.45**
UNITED STATES OF AMERICA 3.65% (5.31%)				
		Corporate Bonds 3.65% (5.31%)		
USD	180,000	AbbVie 4.25% 21/11/2049	145	0.06
EUR	100,000	Ardagh Metal Packaging 2% 01/09/2028	86	0.04
GBP	635,000	AT&T 4.25% 01/06/2043	756	0.33
GBP	150,000	AT&T 5.5% 15/03/2027	183	0.08
GBP	150,000	Bank of America 7% 31/07/2028	209	0.09
GBP	675,000	Becton Dickinson 3.02% 24/05/2025	721	0.32
GBP	151,000	Berkshire Hathaway Finance 2.625% 19/06/2059	175	0.08
GBP	249,000	Citigroup 1.75% 23/10/2026	256	0.11
GBP	211,000	Digital Stout Holding 3.75% 17/10/2030	242	0.11
EUR	120,000	Equinix 2.875% 01/02/2026	53	0.02
GBP	325,000	Fidelity National Information Services 3.36% 21/05/2031	363	0.16
GBP	325,000	Fiserv 3% 01/07/2031	353	0.16
GBP	212,000	Ford Motor Credit 4.535% 06/03/2025	227	0.10
EUR	141,000	Iqvia 1.75% 15/03/2026	123	0.05
EUR	430,000	IQVIA 3.25% 15/03/2025	375	0.17
GBP	100,000	McDonald's 2.95% 15/03/2034	112	0.05
GBP	217,000	Met Life Global Funding 0.625% 08/12/2027	209	0.09
GBP	285,000	Metropolitan Life Global Funding 1.625% 21/09/2029	290	0.13
GBP	230,000	New York Life Global Funding 1.25% 17/12/2026	233	0.10
USD	116,000	Plains All American Pipeline 3.55% 15/12/2029	85	0.04
USD	188,000	Plains All American Pipeline 4.65% 15/10/2025	150	0.07
GBP	750,000	The Kraft Heinz 4.125% 01/07/2027	836	0.37
GBP	125,000	Time Warner Cable 5.25% 15/07/2042	162	0.07
GBP	100,000	Time Warner Cable 5.75% 02/06/2031	126	0.06
GBP	375,000	Verizon Communications 1.875% 03/11/2038	351	0.16
GBP	175,000	Verizon Communications 1.875% 19/09/2030	176	0.08
GBP	150,000	Wells Fargo 2% 28/07/2025	156	0.07
GBP	215,000	Wells Fargo 2.125% 24/09/2031	220	0.10
GBP	375,000	Wells Fargo 2.5% 02/05/2029	398	0.18
GBP	375,000	Welltower 4.8% 20/11/2028	443	0.20
		Total United States Of America	**8,214**	**3.65**
DERIVATIVES 0.00% (0.00%)				
		Forward Foreign Exchange Contracts 0.00% (0.00%)		
		Sell GBP 9,963 Buy EUR 11,505 J.P. Morgan[1]	–	–
		Sell GBP 10,183 Buy EUR 11,758 J.P. Morgan[1]	–	–
		Sell GBP 2,222,347 Buy EUR 2,566,132 J.P. Morgan	(5)	–
		Sell EUR 2,285,663 Buy GBP 1,981,527 Barclays	7	–
		Sell EUR 141,000 Buy GBP 122,126 Lloyds[1]	–	–
		Sell USD 2,857,962 Buy GBP 2,052,385 Barclays	(16)	–
		Sell EUR 43,319 Buy GBP 37,516 J.P. Morgan[1]	–	–
		Sell EUR 687 Buy GBP 593 J.P. Morgan[1]	–	–
		Sell EUR 7,552 Buy GBP 6,528 J.P. Morgan[1]	–	–
		Sell EUR 8,947 Buy GBP 7,733 J.P. Morgan[1]	–	–
		Sell USD 12,658 Buy GBP 9,054 Citigroup[1]	–	–
		Sell GBP 15,230 Buy USD 21,174 Bank of Scotland[1]	–	–
		Sell GBP 17,807 Buy USD 25,077 Barclays[1]	–	–
		Sell GBP 451,410 Buy USD 628,830 Citigroup	4	–
		Total Derivatives	**(10)**	**–**
Total value of investments			**224,520**	**99.69**
Net other assets (1.56%)			**699**	**0.31**
Net assets			**225,219**	**100.00**

March 2020 comparatives in brackets.

**Variable rate bonds.*

[1]Less than £500, rounded to nil.

ANALYSIS OF INVESTMENTS BY ASSET CLASS

	Value £000	% of Investment
Fixed interest	39,227	17.47
Floating rate notes	6,969	3.10
Derivatives	(10)	–
Equity	178,334	79.43
Total value of investments	**224,520**	**100.00**

Threadneedle Sterling Corporate Bond Fund

Portfolio Statement

as at 7 March 2021

	Holding	Investment	Value £000	% of Net Asset Value
FIXED INTEREST 86.92% (88.78%)				
		AAA 7.67% (1.05%)		
GBP	5,000,000	BNG Bank 0.375% 15/12/2025	4,968	0.48
GBP	10,000,000	European Investment Bank 0.75% 15/11/2024	10,144	0.97
GBP	3,000,000	European Investment Bank 4.625% 12/10/2054	5,514	0.53
GBP	26,600,000	International Bank for Reconstruction and Development 0.25% 23/09/2027	25,782	2.47
GBP	12,000,000	KFW 0.125% 30/12/2026	11,672	1.12
GBP	12,000,000	KFW 0.875% 15/09/2026	12,194	1.17
GBP	7,000,000	KFW 6% 07/12/2028	9,732	0.93
		Aaa 0.00% (0.60%)		
		AA+ 0.86% (0.75%)		
GBP	5,475,000	New York Life Global Funding 0.75% 14/12/2028	5,268	0.50
GBP	3,686,000	New York Life Global Funding 1.25% 17/12/2026	3,731	0.36
		Aa1 0.28% (0.00%)		
GBP	2,369,000	University of Oxford 2.544% 08/12/2117 (London Listing)	2,913	0.28
		AA 1.77% (2.14%)		
GBP	2,675,000	Broadgate Finance 4.999% 05/10/2031	3,044	0.29
GBP	2,069,000	Dwr Cymru Financing 6.015% 31/03/2028	2,730	0.26
GBP	6,305,000	Land Securities Capital Markets 2.375% 29/03/2029	6,609	0.63
GBP	2,508,000	Telereal Securitisation 4.9741% 10/09/2027	1,551	0.15
GBP	5,456,000	Telereal Securitisation 5.9478% 10/12/2031	4,576	0.44
		Aa2u 0.00% (4.02%)		
		AA- 0.73% (0.91%)		
GBP	4,745,000	Metropolitan Life Global Funding 0.625% 08/12/2027	4,564	0.44
GBP	2,965,000	Metropolitan Life Global Funding 1.625% 21/09/2029	3,018	0.29
		Aa3u 4.65% (0.00%)		
GBP	43,845,000	United Kingdom Gilt 1.75% 22/01/2049	48,589	4.65
		A+ 2.67% (3.36%)		
GBP	4,104,000	Aster Treasury 1.405% 27/01/2036	3,904	0.37
GBP	4,095,000	Broadgate Finance 5.098% 05/04/2033	4,234	0.41
GBP	4,065,000	Canary Wharf Finance II 6.8% 22/04/2030	2,718	0.26
GBP	1,472,000	Lloyds Bank 6.5% 17/09/2040	2,557	0.24
GBP	6,200,000	LVMH Moet Hennessy Vuitton 1.125% 11/02/2027	6,178	0.59
GBP	1,424,000	RHP Finance 3.25% 05/02/2048	1,675	0.16
GBP	2,530,000	Shell International Finance 1.75% 10/09/2052	2,145	0.21
USD	5,800,000	Tencent Holdings 3.595% 19/01/2028	4,507	0.43
		A 3.04% (3.49%)		
GBP	4,900,000	ABN AMRO Bank 1.375% 16/01/2025	4,991	0.48
GBP	5,900,000	Banque Fédérative du Crédit Mutuel 0.875% 07/12/2027	5,765	0.55
EUR	2,613,000	Honeywell International 0.75% 10/03/2032	2,316	0.22
GBP	4,960,000	Motability Operations Group 1.5% 20/01/2041	4,592	0.44
GBP	1,071,000	Northern Powergrid 1.875% 16/06/2062	1,017	0.10
GBP	3,803,000	Northern Powergrid Yorkshire 2.5% 01/04/2025	4,035	0.39
USD	1,777,000	Oracle 3.6% 01/04/2040	1,359	0.13
GBP	6,958,000	UNITE USAF II 3.921% 30/06/2025	7,576	0.73
		A2 0.37% (0.00%)		
GBP	834,000	Blend Funding 2.922% 05/04/2056	924	0.09
GBP	2,835,000	Co-operative Bank United Kingdom 4.75% 11/11/2021	2,910	0.28
		A- 2.50% (13.87%)		
GBP	843,000	Catalyst Housing 3.125% 31/10/2047	986	0.09
GBP	2,625,000	Home Group 3.125% 27/03/2043	2,965	0.28
USD	4,008,000	SGSP Australia Assets 3.25% 29/07/2026	3,137	0.30
GBP	2,571,000	Western Power Distribution 1.625% 07/10/2035	2,420	0.23
GBP	2,481,000	Western Power Distribution 1.75% 09/09/2031	2,478	0.24
GBP	1,835,000	Western Power Distribution South West 5.875% 25/03/2027	2,311	0.22
GBP	3,570,000	Western Power Distribution West Midlands 6% 09/05/2025	4,293	0.41
GBP	7,449,000	Yorkshire Water Finance 1.75% 26/11/2026	7,633	0.73
		A3 0.30% (0.31%)		
GBP	832,000	Optivo Finance 2.857% 07/10/2035	917	0.09
GBP	2,265,000	Orbit Capital 2% 24/11/2038	2,210	0.21
		BBB+ 23.93% (19.92%)		
USD	3,613,000	AbbVie 4.25% 21/11/2049	2,915	0.28
GBP	5,775,000	Anheuser-Busch InBev 2.85% 25/05/2037	6,169	0.59
EUR	2,625,000	Anheuser-Busch InBev 3.7% 02/04/2040	3,047	0.29
GBP	6,176,000	Aroundtown 3% 16/10/2029	6,530	0.63
GBP	2,081,000	Aroundtown 3.25% 18/07/2027	2,247	0.22
GBP	2,817,000	Aroundtown 3.625% 10/04/2031	3,115	0.30
USD	3,179,000	Aroundtown 5.375% 21/03/2029	2,672	0.26
GBP	2,260,000	BAT Capital 2.125% 15/08/2025	2,337	0.22
GBP	4,720,000	BAT International Finance 2.25% 26/06/2028	4,771	0.46
GBP	3,400,000	BAT International Finance 4% EMTN 04/09/2026	3,813	0.37
GBP	3,600,000	BPCE 5.25% 16/04/2029	4,453	0.43
GBP	2,867,000	Bunzl Finance 1.5% 30/10/2030	2,798	0.27
GBP	4,390,000	Cadent Finance 2.125% 22/09/2028	4,566	0.44
GBP	5,120,000	Cadent Finance 2.625% 22/09/2038	5,309	0.51
GBP	2,850,000	Cadent Finance 2.75% 22/09/2046	2,949	0.28
GBP	2,225,000	Citigroup 1.75% 23/10/2026	2,283	0.22
GBP	7,200,000	Co-operative Rabobank 4.625% 23/05/2029	8,586	0.82
GBP	1,800,000	Electricite de France 5.125% 22/09/2050	2,658	0.25
GBP	5,700,000	Electricite de France 5.5% 17/10/2041	8,244	0.79
GBP	2,200,000	Electricite de France 6% 23/01/2114	3,697	0.35

Threadneedle Sterling Corporate Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value
FIXED INTEREST 86.92% (88.78%) (continued)				
GBP	10,321,000	GE Capital UK Funding 5.875% 18/01/2033	13,846	1.33
GBP	815,000	General Electric 5.375% 18/12/2040	1,088	0.10
GBP	2,409,000	Glencore Finance Europe 3.125% 26/03/2026	2,572	0.25
EUR	1,800,000	Grand City Properties 0.125% 11/01/2028	1,506	0.14
EUR	2,100,000	Grand City Properties 1.375% 03/08/2026	1,916	0.18
GBP	3,151,000	Heathrow Funding 2.75% 13/10/2029	3,251	0.31
GBP	2,400,000	Heathrow Funding 2.75% 09/08/2049	2,329	0.22
GBP	1,480,000	Heathrow Funding 4.625% 31/10/2046	1,890	0.18
GBP	1,800,000	Heathrow Funding 6.45% 10/12/2031	2,465	0.24
GBP	4,755,000	HSBC Bank 4.75% 24/03/2046	6,524	0.63
GBP	6,990,000	HSBC Bank 5.375% 22/08/2033	9,270	0.89
GBP	1,525,000	Longstone Finance 4.896% 19/04/2031	1,759	0.17
GBP	4,169,000	Mitchells & Butlers Finance 5.574% 15/12/2030	1,671	0.16
GBP	6,186,000	National Grid Electricity Transmission 1.125% 07/07/2028	6,037	0.58
GBP	3,358,000	National Grid Electricity Transmission 2% 16/09/2038	3,308	0.32
GBP	7,829,000	Northumbrian Water Finance 1.625% 11/10/2026	8,008	0.77
GBP	1,950,000	Scotland Gas Network 3.25% 08/03/2027	2,158	0.21
GBP	2,237,000	Severn Trent Utilities Finance 2% 02/06/2040	2,196	0.21
GBP	1,127,000	Southern Gas Networks 3.1% 15/09/2036	1,269	0.12
GBP	6,812,000	Southern Water Services 2.375% 28/05/2028	7,026	0.67
GBP	12,079,000	Southern Water Services 3% 28/05/2037	12,870	1.23
GBP	1,933,000	SP Transmission 2% 13/11/2031	1,993	0.19
GBP	1,275,000	SPD Finance UK 5.875% 17/07/2026	1,583	0.15
GBP	4,338,000	Thames Water Utilities Cayman Finance 2.625% 24/01/2032	4,577	0.44
GBP	5,570,000	Thames Water Utilities Finance 2.375% 22/04/2040	5,552	0.53
EUR	1,120,000	Thermo Fisher Scientific 1.875% 01/10/2049	1,031	0.10
USD	7,472,000	UBS 5.125% 15/05/2024	5,975	0.57
GBP	2,010,000	United Utilities Water Finance 1.75% 10/02/2038	1,952	0.19
GBP	3,273,000	United Utilities Water Finance 1.875% 03/06/2042	3,163	0.30
GBP	9,442,000	Verizon Communications 1.875% 19/09/2030	9,474	0.91
GBP	4,303,000	Verizon Communications 1.875% 03/11/2038	4,025	0.39
GBP	4,700,000	Volkswagen International Finance 3.375% 16/11/2026	5,155	0.49
GBP	2,725,000	Wells Fargo 2% 28/07/2025	2,827	0.27
GBP	3,618,000	Wells Fargo 2.125% 24/09/2031	3,710	0.36
GBP	7,646,000	Wells Fargo 2.5% 02/05/2029	8,111	0.78
GBP	7,581,000	Welltower 4.8% 20/11/2028	8,955	0.86
GBP	4,920,000	Western Power Distribution 3.5% 16/10/2026	5,364	0.51
		Baa1 0.50% (1.54%)		
GBP	2,472,000	Bupa Finance 4.125% 14/06/2035	2,661	0.26
GBP	2,133,000	Bupa Finance 5% 08/12/2026	2,457	0.24
		BBB 17.30% (18.49%)		
EUR	2,442,000	Akelius Residential 1.75% 07/02/2025	2,224	0.21
GBP	6,470,000	Akelius Residential 2.375% 15/08/2025	6,766	0.65
EUR	3,385,000	Akelius Residential Property 1.125% 11/01/2029	2,985	0.29
GBP	2,688,000	Anglo American Capital 3.375% 11/03/2029	2,919	0.28
GBP	3,030,000	APT Pipelines 3.125% 18/07/2031	3,291	0.32
GBP	1,963,000	APT Pipelines 3.5% 22/03/2030	2,188	0.21
GBP	13,258,000	AT&T 4.25% 01/06/2043	15,779	1.51
GBP	2,250,000	AT&T 5.5% 15/03/2027	2,752	0.26
GBP	15,286,000	Becton Dickinson 3.02% 24/05/2025	16,330	1.56
EUR	6,335,000	Becton Dickinson Euro Finance 1.213% 12/02/2036	5,493	0.53
GBP	4,455,000	British Telecommunications 3.125% 21/11/2031	4,840	0.46
GBP	2,335,000	CPI Property Group 2.75% 22/01/2028	2,357	0.23
GBP	4,748,000	Digital Stout 3.3% 19/07/2029	5,243	0.50
GBP	5,145,000	Digital Stout Holding 3.75% 17/10/2030	5,904	0.57
GBP	7,750,000	E.ON International Finance 6.375% 07/06/2032	11,057	1.06
GBP	10,009,000	Fidelity National Information Services 3.36% 21/05/2031	11,183	1.07
GBP	820,000	Fidelity National Information Services 3.36% 21/05/2031 (Berlin Exchange)	916	0.09
GBP	7,971,000	Fiserv 3% 01/07/2031	8,655	0.83
GBP	2,645,000	Gatwick Funding 2.875% 05/07/2049	2,489	0.24
GBP	6,902,000	Global Switch Holdings 4.375% 13/12/2022	7,312	0.70
GBP	9,820,000	Imperial Brands Finance 5.5% 28/09/2026	11,796	1.13
GBP	15,065,000	Innogy Finance 6.25% 03/06/2030	20,585	1.97
GBP	2,560,000	Intesa Sanpaolo 2.625% 11/03/2036	2,555	0.24
GBP	10,304,000	Lloyds Bank 7.625% 22/04/2025	12,866	1.23
GBP	3,062,000	Petroleos Mexicanos 3.75% 16/11/2025	2,984	0.29
GBP	1,408,000	Telereal Securitisation 5.4252% 10/12/2031	1,506	0.14
GBP	2,875,000	Unite Group 3.5% 15/10/2028	3,139	0.30
GBP	1,968,000	United Mexican States 5.625% 19/03/2114	2,174	0.21
GBP	2,200,000	Vodafone Group 3% 12/08/2056	2,249	0.22
		Baa2 1.47% (1.69%)		
GBP	2,290,000	Eversholt Funding 2.742% 30/06/2040	2,349	0.23
GBP	3,485,000	Eversholt Funding 3.529% 07/08/2042	3,832	0.37
GBP	920,000	Eversholt Funding 6.697% 22/02/2035	1,189	0.11
GBP	4,408,000	Porterbrook Rail Finance 4.625% 04/04/2029	5,156	0.49
GBP	1,720,000	Santander UK 10.0625% 06/04/2169	2,769	0.27
		BBB- 7.33% (11.89%)		
GBP	1,365,000	Asciano Finance 5% 19/09/2023	1,476	0.14
USD	21,296,000	Bacardi 4.7% 15/05/2028	17,789	1.70
GBP	1,550,000	Barclays Bank 5.75% 14/09/2026	1,874	0.18
GBP	3,745,000	DS Smith 2.875% 26/07/2029	3,965	0.38
EUR	3,275,000	G4S International Finance 1.5% 02/06/2024	2,825	0.27
EUR	1,795,000	G4S International Finance 1.875% 24/05/2025	1,546	0.15
GBP	1,823,000	Intercontinental Hotel 3.375% 08/10/2028	1,928	0.18
GBP	1,362,000	Pearson 3.75% 04/06/2030	1,483	0.14

Threadneedle Sterling Corporate Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value
FIXED INTEREST 86.92% (88.78%) (continued)				
USD	2,022,000	Plains All American Pipeline 3.55% 15/12/2029	1,484	0.14
USD	1,928,000	Plains All American Pipeline 4.65% 15/10/2025	1,543	0.15
GBP	2,000,000	Telefonica Emisiones 5.445% 08/10/2029	2,544	0.24
GBP	5,830,000	Tesco Property Finance 1 7.6227% 13/07/2039	7,225	0.69
GBP	6,311,000	Tesco Property Finance 3 5.744% 13/04/2040	7,930	0.76
GBP	5,317,000	Tesco Property Finance 5.5% 13/10/2041	6,843	0.66
GBP	3,270,000	Thames Water Utilities 2.375% 03/05/2023	3,313	0.32
GBP	4,559,000	Thames Water Utilities 2.875% 03/05/2027	4,728	0.45
GBP	1,647,000	Time Warner Cable 5.25% 15/07/2042	2,128	0.20
GBP	4,825,000	Time Warner Cable 5.75% 02/06/2031	6,075	0.58
		Baa3 0.56% (0.00%)		
EUR	6,680,000	Sagax 1.125% 30/01/2027	5,878	0.56
		BB+ 4.08% (1.99%)		
EUR	3,100,000	ADLER Real Estate 3% 27/04/2026	2,791	0.27
EUR	2,383,000	Avantor Funding 2.625% 01/11/2025 (USA)	2,107	0.20
GBP	3,044,000	Ford Motor Credit 4.535% 06/03/2025	3,252	0.31
GBP	2,955,000	GKN Holdings 4.625% 15/05/2032	3,074	0.29
GBP	8,301,000	GKN Holdings 5.375% 19/09/2022	8,748	0.84
EUR	2,437,000	Ineos Finance 2.875% 01/05/2026	2,130	0.20
GBP	1,745,000	Marks & Spencer 6% 12/06/2025	1,958	0.19
EUR	2,800,000	Netflix 3.875% 15/11/2029	2,867	0.27
GBP	14,136,000	The Kraft Heinz 4.125% 01/07/2027	15,750	1.51
		BB 0.94% (0.50%)		
EUR	2,413,000	International Game Technology 3.5% 15/06/2026	2,133	0.20
EUR	3,245,000	IQVIA 1.75% 15/03/2026	2,821	0.27
EUR	5,470,000	IQVIA 3.25% 15/03/2025	4,764	0.46
GBP	670,000	Mitchells & Butlers Finance 6.013% 15/12/2023	121	0.01
		Ba2 0.20% (0.00%)		
EUR	2,474,000	Ardagh Metal Packaging 2% 01/09/2028	2,131	0.20
		BB- 0.06% (0.27%)		
GBP	661,000	Iron Mountain UK 3.875% 15/11/2025	669	0.06
		CCC+ 0.00% (0.06%)		
		Not Rated 2.86% (1.68%)		
GBP	907,000	Blend Funding 2.922% 05/04/2056	1,011	0.10
GBP	3,660,000	First Hydro Finance 9% 31/07/2021	3,773	0.36
GBP	1,985,000	Hastings Group Finance 3% 24/05/2025	2,113	0.20
GBP	100,000	Lehman Brothers 7.875% 08/05/2018 GBP (Defaulted)	2	–
GBP	5,000,000	Newriver REIT 3.5% 07/03/2028	4,636	0.44
GBP	3,526,000	Pension Insurance 5.625% 20/09/2030	4,224	0.40
GBP	2,000,000	Phoenix Group Holdings 5.625% 28/04/2031	2,360	0.23
GBP	3,200,000	United Kingdom Gilt 0.125% 31/01/2028	3,104	0.30
GBP	2,558,000	United Kingdom Gilt 0.25% 31/07/2031	2,400	0.23
GBP	6,273,000	United Kingdom Gilt 1.25% 22/10/2041	6,254	0.60
		Liquidity Funds 2.85% (0.25%)[1]		
GBP	29,581,785	BlackRock Institutional Cash Series Sterling Liquidity Platinum	29,582	2.84
GBP	58,560	Insight Liquidity Funds - ILF GBP Liquidity Class 3	59	0.01
		Total Fixed Interest	**907,278**	**86.92**
FLOATING RATE NOTES 12.70% (9.53%)				
		AA+ 0.00% (0.17%)		
		A+ 0.14% (0.00%)		
GBP	1,800,000	*Trafford Centre Finance FRN 28/07/2035 A3	1,506	0.14
		A- 1.69% (0.00%)		
USD	4,200,000	*Bank of America Variable 19/06/2041	2,884	0.28
GBP	10,300,000	*ING Groep Variable 07/12/2028	10,039	0.96
USD	6,428,000	*JPMorgan Chase Variable 22/04/2041	4,722	0.45
		BBB+ 3.09% (2.33%)		
GBP	2,463,000	*Aviva 4.375% 12/09/2049	2,760	0.26
GBP	2,855,000	*Aviva 5.125% 04/06/2050	3,376	0.32
GBP	3,370,000	*Aviva 6.125% 29/09/2049	3,610	0.35
GBP	1,534,000	*AXA FRN 16/01/2054	1,936	0.19
GBP	5,971,000	*Credit Suisse Group Variable 09/06/2028	6,189	0.59
GBP	1,059,000	*Danske Bank Variable 14/01/2028	1,088	0.10
GBP	2,250,000	*Legal & General Group 5.5% 27/06/2064	2,745	0.26
GBP	5,508,000	*Legal & General Group Variable 14/11/2048	6,356	0.61
GBP	3,100,000	*Legal & General Group Variable 26/11/2049	3,279	0.31
GBP	950,000	*Royal London Finance No 4 Variable 07/10/2049	1,035	0.10
		BBB 2.96% (3.71%)		
EUR	1,520,000	*Ausnet Services Holdings Variable 11/03/2081	1,317	0.13
GBP	2,081,000	*Barclays Variable 03/11/2026	2,112	0.20
GBP	5,984,000	*BP Capital Markets Variable 22/06/2169 GBP	6,327	0.61
GBP	933,000	*M&G Variable 20/10/2068	1,181	0.12
GBP	4,043,000	*Prudential 6.34% 19/12/2063	5,087	0.49
GBP	2,600,000	*Royal Bank of Scotland 2.875% 19/09/2026	2,766	0.26
GBP	6,499,000	*Royal Bank of Scotland Group Variable 28/03/2027	7,003	0.67
GBP	4,850,000	*Telereal Securitisation 4.0902% 10/12/2033	4,971	0.48
		BBB- 1.50% (0.00%)		
GBP	5,400,000	*Deutsche Bank Variable 22/12/2028	5,328	0.51
GBP	9,233,000	*NGG Finance 5.625% 18/06/2073	10,326	0.99
		Baa3 0.63% (0.51%)		
GBP	4,714,000	*TSB Banking Group 5.75% 06/05/2026	4,744	0.45
GBP	1,734,000	*Virgin Money UK Variable 11/12/2030	1,901	0.18
		BB+ 1.39% (1.38%)		
GBP	1,629,000	*Marstons Issuer 5.1576% 15/10/2027	1,379	0.13

Threadneedle Sterling Corporate Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value
FLOATING RATE NOTES 12.70% (9.53%) (continued)				
GBP	2,158,000	*Royal Bank of Scotland Group Variable 14/08/2030	2,311	0.22
EUR	3,417,000	*TenneT Holding Perpetual Variable	3,065	0.29
EUR	3,500,000	*TenneT Holding Variable 2.995% 01/06/2167	3,181	0.31
USD	5,591,000	*UBS Group 7% 29/12/2049	4,633	0.44
		BB 0.81% (0.14%)		
EUR	3,043,000	*AIB Group Variable 19/11/2029	2,663	0.26
EUR	2,225,000	*AIB Group Variable 30/05/2031	2,032	0.20
EUR	3,900,000	*Telefonica Europe Variable 14/03/2168	3,638	0.35
		BB- 0.00% (0.31%)		
		B+ 0.16% (0.00%)		
GBP	1,543,000	*Natwest Group 5.125% 12/11/2067	1,619	0.16
		Not Rated 0.33% (0.98%)		
GBP	1,540,000	*Credit Agricole 7.5% 31/12/2049	1,814	0.17
GBP	1,630,000	*Telereal Securitisat Sink Variable 10/12/2033	1,631	0.16
		Total Floating Rate Notes	**132,554**	**12.70**
OIL & GAS 0.00% (0.00%)				
		Oil & Gas Producers 0.00% (0.00%)		
	1,831	Noble Corp New Shares	33	–
	7,444	Noble Holding International-Wt1 Warrant (Tranche 1)	–	–
	7,444	Noble Holding International-Wt2 Warrant (Tranche 2)	–	–
		Total Equities	**33**	**–**
DERIVATIVES 0.05% (-0.80%)				
		Credit Default Swaps -0.09% (-0.08%)		
EUR	(9,866,600)	Morgan Stanley Itraxx Crossover Credit Default Swap Index Buy Protection 20/12/2025 Spread 500	(942)	(0.09)
		Futures and Options 0.10% (-0.62%)		
EUR	(117)	UBS EURO -Bobl Future Expiring June 2021	11	–
EUR	(164)	UBS EURO -Bund Future Expiring June 2021	51	(0.01)
EUR	(10)	UBS EURO -Buxl 30 Year Bnd Future Expiring June 2021	13	–
USD	(173)	UBS US 10 Year Note Future Expiring June 2021	250	0.02
USD	(156)	UBS US 10 Year Ultra Fut Future Expiring June 2021	327	0.03
USD	(29)	UBS US Long Bond Future Expiring June 2021	84	0.01
GBP	(772)	UBS Long Gilt Future Expiring June 2021	429	0.04
USD	(126)	UBS US 5 Year Note Future Expiring June 2021	88	0.01
		Forward Foreign Exchange Contracts 0.04% (-0.10%)		
		Sell GBP 125,366 Buy EUR 145,000 HSBC[2]	–	–
		Sell GBP 1,826,996 Buy EUR 2,126,150 UBS	10	–
		Sell EUR 3,245,000 Buy GBP 2,800,276 Lloyds	(3)	–
		Sell USD 460,057 Buy GBP 330,922 Bank of Scotland	(2)	–
		Sell USD 80,374,415 Buy GBP 57,958,418 Lloyds	(215)	(0.02)
		Sell EUR 76,639,620 Buy GBP 66,733,566 UBS	523	0.05
		Sell GBP 7,605,483 Buy USD 10,595,620 HSBC	63	0.01
		Sell GBP 295,496 Buy USD 418,092 Barclays	7	–
		Sell GBP 570,479 Buy USD 800,000 HSBC	9	–
		Total Derivatives	**703**	**0.05**
		Total value of investments[3]	**1,040,568**	**99.67**
		Net other assets (2.49%)	**3,410**	**0.33**
		Net assets	**1,043,978**	**100.00**

March 2020 comparatives in brackets.

[1]Cash equivalents.

[2]Less than £500, rounded to nil.

[3]Includes Cash equivalents.

**Variable rate bonds.*

ANALYSIS OF INVESTMENTS BY ASSET CLASS

	Value £000	% of Investment
Fixed interest	907,278	87.19
Floating rate notes	132,554	12.74
Derivatives	703	0.07
Equity	33	–
Total value of investments[3]	**1,040,568**	**100.00**

ANALYSIS OF UNDERLYING EXPOSURE FUTURES AND OPTIONS

UBS EURO -Bobl Future Expiring June 2021	(13,635)
UBS EURO -Bund Future Expiring June 2021	(24,252)
UBS EURO -Buxl 30 Year Bnd Future Expiring June 2021	(1,791)
UBS US 10 Year Note Future Expiring June 2021	(16,567)
UBS US 10 Year Ultra Fut Future Expiring June 2021	(16,487)
UBS US Long Bond Future Expiring June 2021	(3,294)
UBS Long Gilt Future Expiring June 2021	(99,021)
UBS US 5 Year Note Future Expiring June 2021	(11,306)
Total net exposure	**(186,353)**

Threadneedle Sterling Bond Fund

Portfolio Statement

as at 7 March 2021

	Holding	Investment	Value £000	% of Net Asset Value
FIXED INTEREST 97.19% (98.04%)				
		AAA 2.49% (3.01%)		
GBP	2,500,000	CPPIB Capital 1.125% 14/12/2029	2,499	0.44
GBP	3,265,000	European Investment Bank 1% 21/09/2026	3,335	0.59
GBP	2,550,000	International Bank for Reconstruction and Development 0.25% 23/09/2027	2,471	0.44
GBP	5,675,000	KFW 1% 15/12/2022	5,762	1.02
		Aaa 0.47% (0.88%)		
GBP	2,650,000	Royal Bank of Canada 1.125% 22/12/2021	2,670	0.47
		AA+ 1.22% (1.27%)		
GBP	2,190,000	Municipality Finance 1.25% 07/12/2022	2,231	0.40
GBP	1,235,000	Oesterreichische Kontrollbank 1.125% 15/12/2022	1,255	0.22
GBP	3,300,000	Oesterreichische Kontrollbank 1.25% 15/12/2023	3,374	0.60
		AA 0.57% (0.31%)		
GBP	2,540,000	LCR Finance 4.5% 07/12/2028	3,215	0.57
		Aa2u 0.00% (72.90%)		
		Aa3u 31.64% (0.00%)		
GBP	24,513,000	United Kingdom Gilt 1.25% 22/07/2027	25,667	4.54
GBP	8,805,000	United Kingdom Gilt 1.5% 22/07/2047	9,218	1.63
GBP	7,019,400	United Kingdom Gilt 1.625% 22/10/2071	8,388	1.48
GBP	4,838,000	United Kingdom Gilt 1.75% 22/07/2057	5,552	0.98
GBP	4,233,000	United Kingdom Gilt 2.5% 22/07/2065	6,130	1.09
GBP	1,047,000	United Kingdom Gilt 3.25% 22/01/2044	1,458	0.26
GBP	90,624,000	United Kingdom Gilt 3.75% 07/09/2021	92,328	16.34
GBP	4,471,000	United Kingdom Gilt 4% 07/03/2022	4,650	0.82
GBP	24,901,000	United Kingdom Gilt 8% 07/06/2021 (Frankfurt Exchange)	25,400	4.50
		AA- 0.00% (0.45%)		
		A+ 0.85% (0.00%)		
GBP	2,280,000	Transport for London 2.125% 24/04/2025	2,408	0.43
GBP	2,300,000	Transport for London 2.25% 09/08/2022	2,358	0.42
		Not Rated 59.52% (18.86%)		
GBP	10,297,000	United Kingdom Gilt 0.125% 31/01/2023	10,302	1.82
GBP	18,013,000	United Kingdom Gilt 0.125% 30/01/2026	17,800	3.15
GBP	24,798,000	United Kingdom Gilt 0.125% 31/01/2028	24,053	4.26
GBP	16,688,000	United Kingdom Gilt 0.25% 31/07/2031	15,658	2.77
GBP	15,160,000	United Kingdom Gilt 0.375% 22/10/2026	15,083	2.67
GBP	36,453,000	United Kingdom Gilt 0.5% 22/10/2061	28,267	5.00
GBP	66,239,000	United Kingdom Gilt 0.625% 31/07/2035	61,865	10.95
GBP	59,809,000	United Kingdom Gilt 0.625% 22/10/2050	50,011	8.85
GBP	23,151,000	United Kingdom Gilt 0.875% 31/01/2046	21,072	3.73
GBP	74,183,000	United Kingdom Gilt 1.25% 22/10/2041	73,958	13.09
GBP	16,647,000	United Kingdom Gilt 1.625% 22/10/2054	18,230	3.23
		Liquidity Funds 0.43% (0.36%)[1]		
GBP	2,422,564	BlackRock Institutional Cash Series Sterling Liquidity Platinum	2,423	0.43
		Total Fixed Interest	**549,091**	**97.19**

	Holding	Investment	Value £000	% of Net Asset Value
FLOATING RATES NOTES 1.95% (0.61%)				
		AAA 0.58% (0.61%)		
GBP	3,255,000	*Export Development Canada FRN 29/05/2024	3,265	0.58
		Aaa 1.37% (0.00%)		
GBP	7,450,000	*European Investment Bank FRN 08/09/2025	7,735	1.37
		Total Floating Rate Notes	**11,000**	**1.95**
Total value of investments[2]			**560,091**	**99.14**
Net other assets (1.35%)			**4,853**	**0.86**
Net assets			**564,944**	**100.00**

March 2020 comparatives in brackets.

**Variable rate bonds.*

[1]Cash equivalents.

[2]Includes Cash equivalents.

ANALYSIS OF INVESTMENTS BY ASSET CLASS

	Value £000	% of Investment
Fixed interest	549,091	98.04
Floating rate notes	11,000	1.96
Total value of investments[2]	**560,091**	**100.00**

Threadneedle Sterling Short-Term Money Market Fund

Portfolio Statement

as at 7 March 2021

	Holding	Investment	Value £000	% of Net Asset Value
FIXED INTEREST 80.39% (86.41%)				
		Government Bonds 4.18% (17.75%)		
GBP	15,000,000	United Kingdom Gilt 0% 29/03/2021	14,999	4.18
		Certificate of Deposit 54.04% (54.40%)		
GBP	15,000,000	Bank of America 0.03% 19/07/2021	15,000	4.19
GBP	15,000,000	Bank of Montreal 0.00% 07/04/2021	15,000	4.19
GBP	13,000,000	BNP Paribas 0.05% 18/05/2021	13,000	3.63
GBP	13,000,000	Citibank 0.07% 11/03/2021	13,000	3.63
GBP	15,000,000	Credit Agricole 0.01% 22/03/2021	15,000	4.19
GBP	10,000,000	First Abu Dhabi Bank 0.06% 24/05/2021	10,000	2.79
GBP	15,000,000	ING Bank 0.05% 10/08/2021	15,000	4.19
GBP	10,000,000	Landesbank Baden-Württemberg 0.05% 17/05/2021	10,000	2.79
GBP	14,500,000	Nordea Bank 0.01% 06/05/2021	14,500	4.05
GBP	15,000,000	Qatar National Bank 0.12% 09/08/2021	15,000	4.19
GBP	15,000,000	Royal Bank of Canada 0.03% 21/05/2021	15,000	4.19
GBP	13,000,000	Santander UK 0.05% 09/03/2021	13,000	3.63
GBP	15,000,000	Svenska Handelsbanken 0.055% 26/05/2021	15,000	4.19
GBP	15,000,000	Toronto-Dominion Bank 0.06% 20/08/2021	15,000	4.19
		Euro commercial paper 18.95% (6.27%)		
GBP	8,000,000	Agence Centrale des Organismes de Securite Sociale 0% 17/05/2021	7,999	2.23
GBP	15,000,000	Agence Centrale des Organismes de Securite Sociale 0% 19/05/2021	14,998	4.18
GBP	6,000,000	Banque Federative du Credit Mutuel 0% 06/05/2021	5,999	1.67
GBP	7,000,000	Banque Federative du Credit Mutuel 0% 07/05/2021	6,999	1.95
GBP	4,000,000	Banque Federative du Credit Mutuel 0% 11/06/2021	3,999	1.11
GBP	15,000,000	DBS Bank 0% 20/04/2021	14,999	4.18
GBP	13,000,000	Skandinaviska Enskilda 0% 11/03/2021	13,000	3.63
		Liquidity Funds 3.22% (7.99%)[1]		
GBP	4,760,766	BlackRock Institutional Cash Series Sterling Liquidity Platinum	4,761	1.33
GBP	6,766,628	Insight Liquidity Funds - ILF GBP Liquidity Class 3	6,767	1.89
		Total Fixed Interest	**288,020**	**80.39**
Total value of investments[2]			**288,020**	**80.39**
Net other assets (13.59%)			**70,250**	**19.61**
Net assets			**358,270**	**100.00**

March 2020 comparatives in brackets.

[1]*Cash equivalents.*

[2]*Includes Cash equivalents.*

Threadneedle European Fund

Portfolio Statement

as at 7 March 2021

Holding	Investment	Value £000	% of Net Asset Value
BELGIUM 2.12% (2.51%)			
	Banks 2.12% (2.51%)		
374,435	KBC Group	18,701	2.12
	Total Belgium	**18,701**	**2.12**
DENMARK 5.89% (4.86%)			
	Industrial Transportation 2.20% (1.50%)		
151,325	DSV Panalpina	19,377	2.20
	Pharmaceuticals & Biotechnology 1.93% (3.36%)		
341,729	Novo Nordisk	16,982	1.93
	Nonlife Insurance 1.76% (0.00%)		
988,495	Tryg Rights Issue	15,475	1.76
	Total Denmark	**51,834**	**5.89**
FINLAND 2.36% (4.65%)			
	Oil & Gas Producers 0.00% (0.59%)		
	Forestry & Paper 2.36% (1.27%)		
748,464	UPM	20,768	2.36
	Industrial Engineering 0.00% (0.49%)		
	Nonlife Insurance 0.00% (2.30%)		
	Total Finland	**20,768**	**2.36**
FRANCE 22.40% (27.02%)			
	Oil & Gas Producers 0.00% (2.54%)		
	Chemicals 2.26% (2.77%)		
181,605	Air Liquide	19,945	2.26
	Construction & Materials 0.62% (1.25%)		
73,450	Vinci	5,476	0.62
	Electronic & Electrical Equipment 2.71% (3.57%)		
225,827	Schneider Electric	23,839	2.71
	Support Services 4.52% (3.98%)		
91,120	Teleperformance	23,415	2.66
268,214	Worldline	16,355	1.86
	Beverages 0.00% (1.01%)		
	Leisure Goods 0.67% (1.80%)		
104,206	Ubisoft Entertainment	5,891	0.67
	Personal Goods 3.63% (2.84%)		
46,855	L'Oreal	12,468	1.42
43,126	LVMH Moet Hennessy Vuitton	19,440	2.21
	Health Care Equipment & Services 0.51% (1.35%)		
52,219	Orpea	4,482	0.51
	Pharmaceuticals & Biotechnology 0.00% (0.81%)		
	Banks 2.44% (1.54%)		
483,890	BNP Paribas	21,508	2.44
	Nonlife Insurance 2.75% (0.92%)		
1,277,269	AXA	24,214	2.75
	Financial Services 1.79% (2.10%)		
284,068	Amundi	15,789	1.79
	Software & Computer Services 0.50% (0.54%)		
30,340	Dassault Systems	4,408	0.50
	Total France	**197,230**	**22.40**
GERMANY 20.79% (11.38%)			
	Chemicals 2.12% (0.97%)		
337,567	Brenntag	18,658	2.12
	Industrial Engineering 1.34% (1.08%)		
133,628	Knorr-Bremse	11,826	1.34
	Automobiles & Parts 2.85% (0.00%)		
156,806	Daimler	9,478	1.08
93,894	Volkswagen	15,614	1.77
	Personal Goods 3.81% (1.29%)		
69,004	Adidas	16,180	1.84
239,085	Puma	17,298	1.97
	General Retailers 0.90% (0.00%)		
117,065	Auto1 Group	4,440	0.50
50,245	Zalando	3,489	0.40
	Mobile Telecommunications 1.14% (0.00%)		
777,073	Deutsche Telekom	10,044	1.14
	Nonlife Insurance 2.49% (3.17%)		
122,678	Allianz	21,946	2.49
	Financial Services 2.95% (2.19%)		
153,506	Deutsche Boerse	17,395	1.98
280,340	DWS Group	8,554	0.97
	Software & Computer Services 0.00% (1.79%)		
	Technology Hardware & Equipment 3.19% (0.89%)		
1,027,019	Infineon Technologies	28,112	3.19
	Total Germany	**183,034**	**20.79**
ITALY 5.39% (4.25%)			
	Support Services 1.51% (0.36%)		
1,075,777	Nexi	13,252	1.51
	Automobiles & Parts 0.00% (1.37%)		
	Personal Goods 1.19% (0.48%)		
245,975	Moncler	10,494	1.19
	Electricity 1.26% (0.00%)		
1,638,149	Enel	11,112	1.26
	Banks 1.43% (2.04%)		
1,638,582	Unicredit	12,602	1.43
	Total Italy	**47,460**	**5.39**
LUXEMBOURG 1.00% (0.00%)			
	Health Care Equipment & Services 1.00% (0.00%)		
138,100	Eurofins Scientific	8,806	1.00
	Total Luxembourg	**8,806**	**1.00**

Threadneedle European Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
NETHERLANDS 17.32% (10.10%)			
	Chemicals 3.52% (0.00%)		
244,064	Akzo Nobel	18,192	2.07
95,849	IMCD Group	8,693	0.99
34,099	Koninklijke DSM	4,081	0.46
	Aerospace & Defence 0.00% (1.20%)		
	Support Services 0.96% (0.00%)		
5,413	Adyen	8,461	0.96
	Health Care Equipment & Services 0.95% (0.00%)		
215,329	Koninklijke Philips	8,363	0.95
	Media 0.85% (0.55%)		
131,246	Wolters Kluwer	7,471	0.85
	Banks 3.30% (2.11%)		
3,383,702	ING Group	29,044	3.30
	Financial Services 0.32% (0.00%)		
39,813	Euronext	2,844	0.32
	Software & Computer Services 0.93% (2.53%)		
100,590	Prosus	8,221	0.93
	Technology Hardware & Equipment 6.49% (3.71%)		
16,109	ASM International	2,806	0.32
108,835	ASML	40,178	4.56
577,061	STMicroelectronics	14,157	1.61
	Total Netherlands	**152,511**	**17.32**
NORWAY 2.43% (2.12%)			
	Banks 2.43% (2.12%)		
1,450,907	DNB Bank	21,428	2.43
	Total Norway	**21,428**	**2.43**
REPUBLIC OF IRELAND 6.96% (6.34%)			
	Chemicals 1.83% (1.15%)		
91,857	Linde (USA listing)	16,092	1.83
	Construction & Materials 3.82% (3.04%)		
709,728	CRH (Dublin Listing)	23,381	2.66
183,098	Kingspan Group (EUR)	10,216	1.16
	General Industrials 0.00% (0.48%)		
	Food Producers 0.00% (0.53%)		
	Travel & Leisure 0.97% (0.00%)		
633,602	Ryanair Holdings (Dublin Listing)	8,542	0.97
	Liquidity Funds 0.34% (1.14%)[1]		
3,016,186	BlackRock Institutional Cash Series Sterling Liquidity Platinum	3,016	0.34
	Total Republic of Ireland	**61,247**	**6.96**
SPAIN 0.00% (0.53%)			
	Pharmaceuticals & Biotechnology 0.00% (0.53%)		
	Total Spain	**–**	**–**
SWEDEN 5.27% (5.43%)			
	Construction & Materials 0.00% (0.41%)		
	Industrial Engineering 5.27% (4.70%)		
488,955	Atlas Copco 'A' Shares	19,662	2.23
1,372,348	Sandvik	26,745	3.04
	Financial Services 0.00% (0.32%)		
	Total Sweden	**46,407**	**5.27**
SWITZERLAND 7.68% (16.73%)			
	Construction & Materials 2.83% (2.39%)		
129,034	Sika	24,942	2.83
	General Industrials 0.90% (0.00%)		
518,571	SIG Combibloc Group	7,917	0.90
	Food Producers 0.93% (4.94%)		
107,237	Nestle	8,212	0.93
	Pharmaceuticals & Biotechnology 1.99% (6.91%)		
142,863	Novartis	8,534	0.97
38,623	Roche	8,942	1.02
	Financial Services 1.03% (2.49%)		
10,792	Partners Group Holdings	9,081	1.03
	Total Switzerland	**67,628**	**7.68**
UNITED KINGDOM 0.00% (2.47%)			
	Oil & Gas Producers 0.00% (0.54%)		
	Media 0.00% (1.93%)		
	Total United Kingdom	**–**	**–**
DERIVATIVES 0.06% (-0.72%)			
	Forward Foreign Exchange Contracts 0.06% (-0.72%)		
	Sell GBP 1,654,278 Buy EUR 1,915,604 J.P. Morgan	1	–
	Sell GBP 170,106 Buy EUR 197,000 Lloyds[2]	–	–
	Sell GBP 19,744,606 Buy EUR 22,843,061 J.P. Morgan	(6)	–
	Sell GBP 400,641 Buy EUR 462,612 J.P. Morgan	(1)	–
	Sell GBP 7,748,126 Buy EUR 8,968,745 J.P. Morgan	2	–
	Sell EUR 289,880,441 Buy GBP 251,045,159 J.P. Morgan	554	0.06
	Sell EUR 402,924 Buy GBP 348,438 J.P. Morgan[2]	–	–
	Sell EUR 5,578,038 Buy GBP 4,822,237 J.P. Morgan	3	–
	Sell EUR 64,875 Buy GBP 55,856 J.P. Morgan[2]	–	–
	Total Derivatives	**553**	**0.06**
Total value of investments[3]		**877,607**	**99.67**
Net other assets (2.33%)		**2,894**	**0.33**
Net assets		**880,501**	**100.00**

March 2020 comparatives in brackets.

[1]*Cash equivalents.*

[2]*Less than £500, rounded to nil.*

[3]*Includes Cash equivalents.*

Threadneedle European Select Fund

Portfolio Statement

as at 7 March 2021

Holding	Investment	Value £000	% of Net Asset Value
DENMARK 7.34% (6.74%)			
	Industrial Transportation 2.07% (2.02%)		
269,742	DSV Panalpina	34,540	2.07
	Pharmaceuticals & Biotechnology 3.01% (4.72%)		
1,011,334	Novo Nordisk	50,258	3.01
	Nonlife Insurance 2.26% (0.00%)		
1,340,113	Tryg	21,026	1.26
9,380,791	Tryg Rights	5,490	0.33
712,776	Tryg Rights Issue	11,159	0.67
	Total Denmark	**122,473**	**7.34**
FINLAND 0.76% (4.75%)			
	Industrial Engineering 0.76% (1.77%)		
227,895	Kone	12,647	0.76
	Nonlife Insurance 0.00% (2.98%)		
	Total Finland	**12,647**	**0.76**
FRANCE 25.21% (27.19%)			
	Chemicals 1.33% (2.30%)		
202,172	Air Liquide	22,204	1.33
	Electronic & Electrical Equipment 3.42% (0.95%)		
261,677	Legrand	16,366	0.98
385,694	Schneider Electric	40,714	2.44
	Support Services 6.85% (6.41%)		
821,997	Bureau Veritas	16,327	0.98
1,556,904	Elis	19,655	1.18
1,285,479	Worldline	78,383	4.69
	Beverages 3.59% (4.06%)		
439,337	Pernod Ricard	59,949	3.59
	Leisure Goods 0.83% (1.09%)		
245,982	Ubisoft Entertainment	13,905	0.83
	Personal Goods 7.29% (7.20%)		
204,875	L'Oreal	54,517	3.26
149,205	LVMH Moet Hennessy Vuitton	67,257	4.03
	Health Care Equipment & Services 0.00% (1.78%)		
	Software & Computer Services 1.90% (3.40%)		
217,946	Dassault Systems	31,665	1.90
	Total France	**420,942**	**25.21**
GERMANY 17.45% (11.03%)			
	Chemicals 5.06% (3.44%)		
1,529,195	Brenntag	84,520	5.06
	Industrial Engineering 2.50% (1.75%)		
471,378	Knorr-Bremse	41,716	2.50
	Personal Goods 2.38% (2.93%)		
169,797	Adidas	39,813	2.38
	Health Care Equipment & Services 2.36% (0.00%)		
1,006,232	Siemens Healthineers	39,388	2.36
	General Retailers 1.53% (0.00%)		
366,887	Zalando	25,476	1.53
	Software & Computer Services 3.62% (2.91%)		
690,066	SAP	60,428	3.62
	Total Germany	**291,341**	**17.45**
ITALY 3.59% (4.25%)			
	Support Services 1.13% (1.14%)		
1,528,805	Nexi	18,832	1.13
	Beverages 2.46% (1.98%)		
5,030,255	Davide Campari-Milano	41,153	2.46
	Mobile Telecommunications 0.00% (1.13%)		
	Total Italy	**59,985**	**3.59**
NETHERLANDS 17.50% (12.73%)			
	Chemicals 5.60% (4.16%)		
223,268	Akzo Nobel	16,642	1.00
473,219	IMCD Group	42,919	2.57
282,424	Koninklijke DSM	33,804	2.03
	Personal Goods 0.00% (2.10%)		
	General Retailers 1.07% (0.00%)		
279,805	Takeaway.com	17,871	1.07
	Health Care Equipment & Services 3.83% (2.44%)		
1,645,180	Koninklijke Philips	63,895	3.83
	Technology Hardware & Equipment 6.27% (4.03%)		
200,440	ASML	73,995	4.43
1,253,193	STMicroelectronics	30,745	1.84
	Support Services 0.73% (0.00%)		
7,809	Adyen	12,207	0.73
	Total Netherlands	**292,078**	**17.50**
REPUBLIC OF IRELAND 0.73% (3.74%)			
	Food Producers 0.00% (1.58%)		
	Liquidity Funds 0.73% (2.16%)[1]		
143,330	BlackRock Institutional Cash Series Euro Liquidity Platinum	12,218	0.73
	Total Republic of Ireland	**12,218**	**0.73**
SPAIN 5.60% (7.14%)			
	Pharmaceuticals & Biotechnology 0.00% (1.69%)		
	General Retailers 4.23% (2.19%)		
2,959,133	Inditex	70,634	4.23
	Software & Computer Services 1.37% (3.26%)		
445,588	Amadeus IT Group	22,808	1.37
	Total Spain	**93,442**	**5.60**
SWEDEN 5.98% (5.27%)			
	Industrial Engineering 5.98% (5.27%)		
1,220,648	Atlas Copco 'A' Shares	49,085	2.94
1,217,224	Epiroc A	17,812	1.07
1,690,631	Sandvik	32,947	1.97
	Total Sweden	**99,844**	**5.98**

Threadneedle European Select Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
SWITZERLAND 15.76% (13.38%)			
	Construction & Materials 2.46% (2.28%)		
212,592	Sika	41,094	2.46
	Industrial Engineering 3.14% (2.01%)		
160,111	Schindler Holding	31,559	1.89
114,464	VAT Group	20,827	1.25
	Food Producers 4.37% (4.41%)		
952,686	Nestle	72,958	4.37
	Pharmaceuticals & Biotechnology 5.79% (4.68%)		
111,610	Lonza	46,235	2.77
217,877	Roche	50,444	3.02
	Total Switzerland	**263,117**	**15.76**
UNITED KINGDOM 0.00% (3.74%)			
	Media 0.00% (3.74%)		
	Total United Kingdom	**–**	**–**
DERIVATIVES 0.00% (-0.02%)			
	Forward Foreign Exchange Contracts 0.00% (-0.02%)		
	Sell USD 155,312		
	Buy EUR 128,947 J.P. Morgan	(1)	–
	Sell USD 104,616		
	Buy EUR 86,121 J.P. Morgan	(1)	–
	Sell EUR 35,000		
	Buy GBP 30,274 Bank of Scotland[2]	–	–
	Sell EUR 4,311,156		
	Buy USD 5,235,679 J.P. Morgan	64	–
	Total Derivatives	**62**	**–**
Total value of investments[3]		**1,668,149**	**99.92**
Net other assets (0.06%)		**1,406**	**0.08**
Net assets		**1,669,555**	**100.00**

March 2020 comparatives in brackets.

[1]Cash equivalents.

[2]Less than £500, rounded to nil.

[3]Includes Cash equivalents.

Threadneedle European Smaller Companies Fund

Portfolio Statement

as at 7 March 2021

Holding	Investment	Value £000	% of Net Asset Value
AUSTRIA 0.39% (0.81%)			
	Oil Equipment, Services & Distribution 0.00% (0.33%)		
	Travel & Leisure 0.39% (0.48%)		
30,579	Do & Co	1,781	0.39
	Total Austria	**1,781**	**0.39**
BELGIUM 4.08% (5.15%)			
	Chemicals 0.00% (1.73%)		
	Electronic & Electrical Equipment 0.49% (0.47%)		
124,511	Barco	2,248	0.49
	Health Care Equipment & Services 0.00% (0.11%)		
	Industrial Engineering 1.38% (0.00%)		
158,097	Umicore	6,410	1.38
	Technology Hardware & Equipment 2.21% (2.84%)		
148,759	Melexis	10,255	2.21
	Total Belgium	**18,913**	**4.08**
DENMARK 3.26% (3.77%)			
	Industrial Transportation 0.00% (0.00%)		
88,321	OW Bunker (Delisted)	–	–
	Nonlife Insurance 1.15% (1.34%)		
269,491	Tryg	4,228	0.91
1,886,437	Tryg Rights	1,104	0.24
	Software & Computer Services 2.11% (2.43%)		
117,770	SimCorp	9,765	2.11
	Total Denmark	**15,097**	**3.26**
FINLAND 6.08% (6.07%)			
	Construction & Materials 1.67% (0.88%)		
265,832	Tikkurila	7,743	1.67
	General Industrials 1.68% (1.92%)		
233,304	Huhtamaki	7,760	1.68
	Electronic & Electrical Equipment 0.82% (0.90%)		
134,908	Vaisala	3,807	0.82
	Health Care Equipment & Services 0.59% (0.00%)		
62,552	Revenio Group	2,722	0.59
	Industrial Engineering 1.32% (2.37%)		
73,012	Cargotec	2,681	0.58
110,997	Konecranes	3,432	0.74
	Total Finland	**28,145**	**6.08**
FRANCE 12.88% (15.00%)			
	General Industrials 1.22% (0.58%)		
220,654	Verallia	5,628	1.22
	Electronic & Electrical Equipment 0.21% (0.00%)		
8,230	Somfy	979	0.21
	Support Services 5.42% (6.24%)		
452,546	Bureau Veritas	8,989	1.94
96,388	Edenred	3,742	0.81
508,832	Elis	6,424	1.39
15,720	Teleperformance	4,040	0.87
31,184	Worldline	1,901	0.41
	Beverages 1.24% (1.16%)		
42,394	Remy Cointreau	5,739	1.24
	Household Goods & Home Construction 0.84% (1.24%)		
32,645	SEB Group	3,882	0.84
	Leisure Goods 0.67% (1.04%)		
54,818	Ubisoft Entertainment	3,099	0.67
	Health Care Equipment & Services 2.55% (3.18%)		
150,083	Korian	3,815	0.82
93,373	Orpea	8,014	1.73
	Real Estate Investment & Services 0.73% (1.56%)		
96,929	Nexity	3,383	0.73
	Total France	**59,635**	**12.88**
GERMANY 22.30% (20.54%)			
	Chemicals 2.23% (1.81%)		
187,252	Brenntag	10,350	2.23
	Electronic & Electrical Equipment 0.52% (0.42%)		
26,241	Varta	2,395	0.52
	Industrial Engineering 4.70% (6.00%)		
88,041	Knorr-Bremse	7,792	1.68
132,622	Norma Group	4,734	1.02
27,226	Sartorius	9,248	2.00
	Personal Goods 1.17% (0.20%)		
74,871	Puma	5,417	1.17
	Health Care Equipment & Services 3.67% (3.28%)		
34,116	Carl Zeiss Meditec	3,548	0.77
87,006	Gerresheimer	6,215	1.34
78,907	Stratec	7,221	1.56
	Pharmaceuticals & Biotechnology 0.55% (0.00%)		
52,742	Dermapharm Holding	2,534	0.55
	General Retailers 0.08% (0.00%)		
10,191	Auto1 Group	387	0.08
	Media 2.51% (2.15%)		
237,326	CTS Eventim	11,606	2.51
	Financial Services 1.40% (2.51%)		
57,130	Grenkeleasing	1,571	0.34
12,657	Hypoport	4,908	1.06
	Software & Computer Services 5.47% (4.17%)		
127,404	CANCOM	5,791	1.25
154,625	CompuGroup Medical	8,741	1.89
116,436	Nemetschek	5,147	1.11
156,026	TeamViewer	5,648	1.22
	Total Germany	**103,253**	**22.30**
ICELAND 1.28% (0.80%)			
	Industrial Engineering 1.28% (0.80%)		
1,215,884	Marel	5,909	1.28
	Total Iceland	**5,909**	**1.28**

Threadneedle European Smaller Companies Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
ITALY 10.91% (11.33%)			
	Chemicals 1.05% (0.00%)		
387,196	GVS	4,855	1.05
	Industrial Engineering 0.00% (0.45%)		
	Support Services 1.34% (1.17%)		
502,292	Nexi	6,187	1.34
	Automobiles & Parts 0.00% (0.48%)		
	Beverages 1.39% (0.90%)		
789,710	Davide Campari-Milano	6,461	1.39
	Health Care Equipment & Services 1.70% (2.49%)		
56,446	DiaSorin	7,860	1.70
	Food & Drug Retailers 1.21% (1.27%)		
345,152	MARR	5,621	1.21
	Mobile Telecommunications 1.68% (2.52%)		
1,100,629	Infrastrutture Wireless Italiane	7,777	1.68
	Banks 2.54% (2.05%)		
946,500	FinecoBank	11,778	2.54
	Total Italy	**50,539**	**10.91**
LUXEMBOURG 3.94% (4.06%)			
	Industrial Engineering 0.87% (1.52%)		
76,337	Stabilus	4,055	0.87
	Health Care Equipment & Services 2.29% (2.54%)		
166,370	Eurofins Scientific	10,609	2.29
	General Retailers 0.49% (0.00%)		
243,488	Global Fashion Group	2,266	0.49
	Software & Computer Services 0.29% (0.00%)		
161,394	Solutions 30	1,334	0.29
	Total Luxembourg	**18,264**	**3.94**
NETHERLANDS 7.04% (4.86%)			
	Chemicals 2.53% (2.43%)		
129,272	IMCD Group	11,724	2.53
	Food & Drug Retailers 0.76% (0.00%)		
22,766	Shop Apotheke Europe	3,519	0.76
	General Retailers 1.43% (2.43%)		
103,281	Takeaway.com	6,597	1.43
	Technology Hardware & Equipment 2.32% (0.00%)		
61,675	ASM International	10,741	2.32
	Total Netherlands	**32,581**	**7.04**
REPUBLIC OF IRELAND 4.46% (6.22%)			
	Construction & Materials 1.79% (2.80%)		
148,270	Kingspan Group (EUR)	8,273	1.79
	Travel & Leisure 2.08% (2.73%)		
889,274	Dalata Hotel Group	3,234	0.70
1,728,803	Irish Continental Group	6,391	1.38
	Liquidity Funds 0.59% (0.69%)[1]		
32,127	BlackRock Institutional Cash Series Euro Liquidity Platinum	2,739	0.59
	Total Republic of Ireland	**20,637**	**4.46**
SPAIN 2.84% (2.37%)			
	Construction & Materials 2.10% (1.18%)		
489,017	Fluidra	9,713	2.10
	Support Services 0.74% (1.19%)		
444,539	Applus Services	3,448	0.74
	Total Spain	**13,161**	**2.84**
SWEDEN 6.61% (5.61%)			
	Chemicals 0.00% (0.94%)		
	Leisure Goods 1.62% (2.17%)		
328,420	Stillfront Group	2,361	0.51
174,703	Thule Group	5,141	1.11
	Health Care Equipment & Services 1.39% (1.23%)		
692,865	Elekta 'B' Shares	6,417	1.39
	Financial Services 3.34% (1.27%)		
531,400	Avanza Bank Holding	12,335	2.66
243,552	Nordnet	3,156	0.68
	Software & Computer Services 0.26% (0.00%)		
179,206	Cint Group	1,186	0.26
	Total Sweden	**30,596**	**6.61**
SWITZERLAND 13.60% (12.75%)			
	Construction & Materials 3.99% (5.20%)		
1,763	Belimo	9,246	2.00
47,650	Sika	9,211	1.99
	General Industrials 2.44% (2.47%)		
740,554	SIG Combibloc Group	11,306	2.44
	Electronic & Electrical Equipment 1.35% (1.25%)		
4,336	LEM Holding	6,239	1.35
	Industrial Engineering 4.20% (3.83%)		
17,887	Burckhardt Compression	4,704	1.01
5,068	INFICON Holding	3,902	0.84
59,944	VAT Group	10,907	2.35
	Health Care Equipment & Services 0.80% (0.00%)		
13,143	Tecan Group	3,696	0.80
	Food & Drug Retailers 0.82% (0.00%)		
12,732	Zur Rose Group	3,784	0.82
	Total Switzerland	**62,995**	**13.60**
UNITED STATES OF AMERICA 0.00% (0.78%)			
	Automobiles & Parts 0.00% (0.78%)		
	Total United States of America	–	–

Threadneedle European Smaller Companies 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 170,603		
	Buy EUR 198,000 Bank of Scotland	1	–
	Sell EUR 122,000		
	Buy GBP 105,525 Bank of Scotland[2]	–	–
	Total Derivatives	**1**	**–**
Total value of investments[3]		**461,507**	**99.67**
Net other assets/(liabilities) (-0.12%)		**1,543**	**0.33**
Net assets		**463,050**	**100.00**

March 2020 comparatives in brackets.

[1]*Cash equivalents.*

[2]*Less than £500, rounded to nil.*

[3]*Includes Cash equivalents.*

Threadneedle European Bond Fund

Portfolio Statement

as at 7 March 2021

	Holding	Investment	Value £000	% of Net Asset Value
AUSTRALIA 1.10% (1.32%)				
		A- 0.12% (0.64%)		
EUR	186,000	AusNet Services Holdings 0.625% 25/08/2030	163	0.12
		BBB+ 0.48% (0.29%)		
EUR	333,000	Aurizon Network 3.125% 01/06/2026	326	0.23
EUR	225,000	*Australia and New Zealand Banking Group Variable 05/05/2031	194	0.14
EUR	164,000	Goodman Australia Finance 1.375% 27/09/2025	149	0.11
		BBB 0.50% (0.39%)		
EUR	195,000	APT Pipelines 2% 22/03/2027	186	0.13
EUR	469,000	Ausgrid Finance 1.25% 30/07/2025	424	0.31
EUR	100,000	*Ausnet Services Holdings Variable 11/03/2081	87	0.06
		Total Australia	**1,529**	**1.10**
AUSTRIA 0.42% (0.00%)				
		AA+ 0.42% (0.00%)		
EUR	685,000	Republic of Austria 0.85% 30/06/2120	586	0.42
		Total Austria	**586**	**0.42**
BELGIUM 0.97% (1.47%)				
		A- 0.31% (0.27%)		
EUR	300,000	Belfius Bank 0% 28/08/2026	258	0.19
EUR	200,000	Belfius Bank 0.125% 08/02/2028	171	0.12
		BBB+ 0.47% (0.00%)		
EUR	492,000	Anheuser-Busch InBev 3.7% 02/04/2040	571	0.41
EUR	100,000	Elia Transmission Belgium 0.875% 28/04/2030	89	0.06
		BBB 0.19% (0.00%)		
EUR	300,000	Argenta Spaarbank 1% 13/10/2026	266	0.19
		Not Rated 0.00% (1.20%)		
		Total Belgium	**1,355**	**0.97**
BERMUDA 0.22% (0.24%)				
		BBB- 0.22% (0.24%)		
EUR	343,000	Bacardi 2.75% 03/07/2023	312	0.22
		Total Bermuda	**312**	**0.22**
CAYMAN ISLANDS 0.27% (0.00%)				
		BBB+ 0.27% (0.00%)		
GBP	300,000	Southern Water Services Finance 6.64% 31/03/2026	372	0.27
		Total Cayman Islands	**372**	**0.27**
CHILE 1.65% (1.74%)				
		A+ 1.65% (1.74%)		
EUR	2,500,000	Chile Government International Bond 1.625% 30/01/2025	2,292	1.65
		Total Chile	**2,292**	**1.65**
DENMARK 0.67% (0.21%)				
		A 0.39% (0.21%)		
EUR	621,000	Danske Bank 0.625% 26/05/2025	549	0.39
		BBB+ 0.22% (0.00%)		
EUR	173,000	Nykredit Realkredit 0.375% 17/01/2028	147	0.11
EUR	170,000	Nykredit Realkredit A 0.75% 20/01/2027	149	0.11
		BBB 0.06% (0.00%)		
EUR	100,000	*Danske Bank Variable 15/05/2031	86	0.06
		Total Denmark	**931**	**0.67**
FINLAND 0.85% (0.00%)				
		AA- 0.69% (0.00%)		
EUR	625,000	Nordea Bank 0.5% 14/05/2027	554	0.40
EUR	477,000	OP Corporate Bank 0.1% 16/11/2027	411	0.29
		A- 0.10% (0.00%)		
EUR	150,000	*OP Corporate Bank 1.625% 09/06/2030	135	0.10
		BBB+ 0.06% (0.00%)		
EUR	100,000	*Sampo Variable 03/09/2052	91	0.06
		Total Finland	**1,191**	**0.85**
FRANCE 18.88% (12.34%)				
		AA 0.86% (0.68%)		
EUR	800,000	Agence Française de Développement 0.5% 31/10/2025	715	0.51
EUR	600,000	Ville de Paris 0.45% 20/10/2045	482	0.35
		Aa2 4.06% (0.65%)		
EUR	1,100,000	SNCF Reseau 2.25% 20/12/2047	1,226	0.88
EUR	1,100,000	Societe du Grand Paris 0.7% 15/10/2060	854	0.61
EUR	2,700,000	UNEDIC 0.25% 25/11/2029	2,383	1.71
EUR	1,400,000	UNEDIC 0.25% 16/07/2035	1,197	0.86
		Aa2u 1.49% (9.30%)		
EUR	120,000	France Government Bond 0.75% 25/05/2052	103	0.07
EUR	2,000,000	France Government Bond 1.25% 25/05/2036	1,977	1.42
		AA- 0.56% (0.07%)		
EUR	900,000	Societe Nationale SNCF 1% 25/05/2040	785	0.56
		Aa3 0.20% (0.21%)		
EUR	300,000	Crédit Mutuel Arkéa 1.125% 23/05/2029	275	0.20
		A+ 0.20% (0.48%)		
EUR	300,000	Credit Agricole 1% 03/07/2029	274	0.20
		A 0.77% (0.34%)		
EUR	800,000	Banque Fédérative du Crédit Mutuel 0.75% 08/06/2026	715	0.51
EUR	200,000	Réseau de Transport d'Électricité 0.625% 08/07/2032	175	0.13
EUR	200,000	Réseau de Transport d'Électricité 1.125% 08/07/2040	180	0.13
		A- 0.00% (0.24%)		
		BBB+ 0.39% (0.14%)		
EUR	100,000	*Credit Agricole Variable 05/06/2030	90	0.07
EUR	300,000	Electricite de France 2% 09/12/2049	281	0.20

Threadneedle European Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value
FRANCE 18.88% (12.34%) (continued)				
EUR	200,000	*Total Variable 25/01/2170	172	0.12
		BBB 0.18% (0.09%)		
EUR	176,000	RCI Banque 2% 11/07/2024	160	0.12
EUR	100,000	*Societe Generale Variable 12/06/2029	85	0.06
		BBB- 0.46% (0.14%)		
EUR	100,000	*Engie Variable 30/11/2169	87	0.06
EUR	600,000	Sanef 1.875% 16/03/2026	554	0.40
		B 0.09% (0.00%)		
EUR	130,000	Altice France 5.875% 01/02/2027	120	0.09
		Not Rated 9.62% (0.00%)		
EUR	13,500,000	France Government Bond 0% 25/03/2025	11,924	8.56
EUR	1,705,000	France Government Bond 0.5% 25/05/2040	1,481	1.06
		Total France	**26,295**	**18.88**
GERMANY 3.14% (5.28%)				
		AAA 0.09% (0.00%)		
EUR	140,000	KFW 0% 15/09/2028	123	0.09
		Aaau 0.22% (0.47%)		
EUR	271,000	Bundesrepublik Deutschland 1.25% 15/08/2048	301	0.22
		A2 0.07% (0.00%)		
EUR	100,000	*Munich Rueckversicherungs Variable 26/05/2049	100	0.07
		A- 0.00% (0.48%)		
		BBB+ 1.14% (0.24%)		
EUR	300,000	Alstria Office REIT 0.5% 26/09/2025	261	0.19
EUR	253,000	Commerzbank 0.375% 01/09/2027	218	0.16
EUR	587,000	Commerzbank 1% 04/03/2026	528	0.38
EUR	630,000	*Deutsche Bank Variable 10/06/2026	573	0.41
		Baa1u 0.20% (0.21%)		
EUR	300,000	Eurogrid 1.875% 10/06/2025	279	0.20
		BBB 0.32% (0.44%)		
EUR	200,000	Bayer 1.125% 06/01/2030	178	0.13
EUR	300,000	Bayer 1.125% 06/01/2030 (Frankfurt Exchange)	266	0.19
		BBB- 0.06% (0.00%)		
EUR	100,000	*Deutsche Bank Variable 19/11/2030	90	0.06
		BB+ 0.13% (0.07%)		
EUR	200,000	*Commerzbank Variable 05/12/2030	188	0.13
		Not Rated 0.91% (3.37%)		
EUR	1,255,000	Bundesrepublik Deutschland 0% 15/05/2035	1,097	0.79
EUR	200,000	Hamburg Commercial Bank 0.375% 09/03/2026	172	0.12
		Total Germany	**4,374**	**3.14**
HUNGARY 0.38% (0.00%)				
		Baa3 0.38% (0.00%)		
EUR	583,000	Hungarian Development Bank 1.375% 24/06/2025	524	0.38
		Total Hungary	**524**	**0.38**
INDONESIA 1.65% (1.79%)				
		BBB 1.65% (1.79%)		
EUR	2,650,000	Indonesia Government International Bond 2.875% 08/07/2021	2,305	1.65
		Total Indonesia	**2,305**	**1.65**
ITALY 10.66% (14.36%)				
		BBB+ 0.19% (0.00%)		
EUR	309,000	Snam 0% 15/08/2025	267	0.19
		BBB 1.53% (0.27%)		
EUR	1,700,000	Cassa Depositi e Prestiti 1.5% 20/04/2023	1,519	1.09
EUR	100,000	*ENI Variable 13/10/2169	91	0.06
EUR	495,000	FCA Capital Ireland 0.5% 13/09/2024	433	0.31
EUR	100,000	Intesa Sanpaolo 1.75% 04/07/2029	92	0.07
		Baa3 0.12% (0.15%)		
EUR	160,000	*Assicurazioni 5% 08/06/2048	164	0.12
		Baa3u 3.91% (10.59%)		
EUR	3,235,000	Buoni Poliennali Del Tesoro 0.05% 15/01/2023	2,814	2.02
EUR	2,585,000	Buoni Poliennali Del Tesoro 2.45% 01/09/2050	2,631	1.89
		BB+ 0.22% (0.17%)		
EUR	351,000	Aeroporti Di Roma 1.625% 08/06/2027	306	0.22
		BB- 0.07% (0.07%)		
EUR	105,000	Autostrade per l'Italia 1.75% EMTN 01/02/2027	92	0.07
		Not Rated 4.62% (3.11%)		
EUR	3,326,000	Buoni Poliennali Del Tesoro 0.95% 01/08/2030	2,948	2.12
EUR	3,061,000	Buoni Poliennali Del Tesoro 1.8% 01/03/2041 (Italy listing)	2,811	2.02
EUR	788,000	Italian Government Bond 1.5% 30/04/2045	677	0.48
		Total Italy	**14,845**	**10.66**
JAPAN 0.39% (0.00%)				
		Aaa 0.39% (0.00%)		
EUR	632,000	Sumitomo Mitsui Banking 0.01% 10/09/2025	550	0.39
		Total Japan	**550**	**0.39**
JERSEY 0.58% (0.65%)				
		A- 0.00% (0.65%)		
		BBB+ 0.58% (0.00%)		
EUR	325,000	Heathrow Funding 1.875% 14/03/2034	292	0.21
GBP	400,000	Heathrow Funding 4.625% 31/10/2046	511	0.37
		Total Jersey	**803**	**0.58**

Threadneedle European Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value
LUXEMBOURG 3.31% (1.17%)				
		AA 0.94% (0.00%)		
EUR	1,200,000	European Financial Stability Facility 1.7% 13/02/2043	1,310	0.94
		AA- 0.22% (0.00%)		
EUR	354,000	Novartis Finance 0% 23/09/2028	302	0.22
		A 0.24% (0.00%)		
EUR	381,000	Medtronic Global Holdings 1.375% 15/10/2040	337	0.24
		A- 0.29% (0.18%)		
EUR	429,000	Prologis International Funding 1.625% 17/06/2032	407	0.29
		BBB+ 0.78% (0.20%)		
EUR	100,000	Aroundtown 0% 16/07/2026	84	0.06
EUR	300,000	Aroundtown 1.45% 09/07/2028	271	0.19
EUR	500,000	Aroundtown 1.625% 31/01/2028	457	0.33
EUR	323,000	DH Europe Finance 0.75% 18/09/2031	282	0.20
		BBB 0.55% (0.68%)		
EUR	601,000	Becton Dickinson Euro Finance 1.208% 04/06/2026	545	0.39
EUR	100,000	Becton Dickinson Euro Finance 1.213% 12/02/2036	87	0.06
EUR	150,000	CPI Property Group 1.625% 23/04/2027	133	0.10
		Baa2 0.11% (0.11%)		
EUR	167,000	SELP Finance 1.25% 25/10/2023	148	0.11
		BBB- 0.18% (0.00%)		
EUR	300,000	*Grand City Properties Variable 09/06/2169	252	0.18
		Total Luxembourg	**4,615**	**3.31**
NETHERLANDS 8.75% (4.75%)				
		AAA 1.08% (0.00%)		
EUR	1,600,000	BNG Bank 0.875% 24/10/2036	1,498	1.08
		AA 0.00% (0.13%)		
		Aa3 0.36% (0.18%)		
EUR	185,000	Enexis Holding 0.625% 17/06/2032	164	0.12
EUR	368,000	Enexis Holding 0.75% 02/07/2031	331	0.24
		A+ 0.52% (0.67%)		
EUR	632,000	Co-operative Rabobank 1.375% 03/02/2027	590	0.42
EUR	140,000	Shell International Finance 1.875% 07/04/2032	138	0.10
		A 0.14% (0.23%)		
EUR	100,000	Airbus 2.375% 07/04/2032	99	0.07
EUR	100,000	Airbus 2.375% 09/06/2040	96	0.07
		A- 0.43% (0.31%)		
EUR	400,000	*ING Groep Variable 01/02/2030	335	0.24
EUR	301,000	Stedin Holding 0.5% 14/11/2029	264	0.19
		BBB+ 0.36% (0.87%)		
EUR	163,000	Achmea 1.5% 26/05/2027	151	0.11
EUR	300,000	Volkswagen International Finance 4.125% 16/11/2038	353	0.25
		BBB 1.62% (0.83%)		
EUR	100,000	ABN AMRO Bank 0.6% 15/01/2027	88	0.06
EUR	160,000	Akelius Residential 0.75% 22/02/2030	135	0.10
EUR	188,000	Akelius Residential Property 1.125% 11/01/2029	166	0.12
EUR	100,000	Digital Dutch Finco 1.5% 15/03/2030	91	0.06
EUR	537,000	*Eneco Holding 3.25% 29/12/2049	472	0.34
EUR	500,000	*ING Groep Variable 26/05/2031	458	0.33
GBP	450,000	Innogy Finance 6.125% 06/07/2039	694	0.50
EUR	173,000	NE Property 1.875% 09/10/2026	150	0.11
		BBB- 0.20% (0.13%)		
EUR	110,000	Fiat Chrysler Automobiles 4.5% 07/07/2028 (Frankfurt Exchange)	118	0.08
EUR	200,000	*Iberdrola International Variable 09/02/2170	171	0.12
		BB+ 0.32% (0.31%)		
EUR	338,000	*TenneT Holding Perpetual Variable	303	0.22
EUR	153,000	*TenneT Holding Variable 2.995% 01/06/2167	139	0.10
		BB 0.40% (0.00%)		
EUR	600,000	*Telefonica Europe Variable 14/03/2168	560	0.40
		Not Rated 3.32% (1.09%)		
EUR	3,925,000	Netherlands Government Bond 0% 15/07/2030	3,469	2.49
EUR	815,000	Netherlands Government Bond 2.75% 15/01/2047	1,158	0.83
		Total Netherlands	**12,191**	**8.75**
NORWAY 0.56% (1.83%)				
		AAA 0.00% (1.60%)		
		AA- 0.56% (0.23%)		
EUR	892,000	DNB Bank 0.25% 09/04/2024	780	0.56
		Total Norway	**780**	**0.56**
PORTUGAL 0.03% (0.05%)				
		Not Rated 0.03% (0.05%)		
EUR	300,000	Banco Espirito Santo 4% 21/01/2019 (Defaulted)	36	0.03
		Total Portugal	**36**	**0.03**
REPUBLIC OF IRELAND 0.95% (6.62%)				
		AA- 0.00% (2.31%)		
		A+ 0.22% (0.14%)		
EUR	318,000	Zurich Finance Ireland 1.625% 17/06/2039	305	0.22
		A- 0.29% (0.00%)		
EUR	468,000	Eaton Capital Unlimited 0.577% 08/03/2030	404	0.29
		BBB+ 0.08% (0.00%)		
EUR	130,000	Glencore Capital Finance 1.125% 10/03/2028	115	0.08
		BB 0.36% (0.18%)		
EUR	404,000	*AIB Group Variable 19/11/2029	354	0.25
EUR	168,000	*Bank of Ireland Group Variable 14/10/2029	149	0.11

Threadneedle European Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value
REPUBLIC OF IRELAND 0.95% (6.62%) (continued)				
		Liquidity Funds 0.00% (3.99%)[1]		
EUR	44	BlackRock Institutional Cash Series Euro Liquidity Platinum	4	–
		Total Republic of Ireland	**1,331**	**0.95**
SLOVENIA 1.81% (1.60%)				
		AA- 1.81% (1.60%)		
EUR	2,641,000	Republika Slovenija 1.1875% 14/03/2029	2,519	1.81
		Total Slovenia	**2,519**	**1.81**
SPAIN 14.44% (7.88%)				
		A 1.63% (0.00%)		
EUR	2,600,000	FADE FTA 0.01% 17/09/2025	2,265	1.63
		A3 0.35% (0.37%)		
EUR	525,000	Basque Government 1.125% 30/04/2029	485	0.35
		BBB+ 0.56% (0.39%)		
EUR	800,000	Caixabank 0.375% 03/02/2025	696	0.50
EUR	100,000	CaixaBank 1.125% 17/05/2024	89	0.06
		Baa1 5.75% (3.28%)		
EUR	7,350,000	Spain Government Bond 0.35% 30/07/2023	6,469	4.64
EUR	410,000	Spain Government Bond 2.7% 31/10/2048	478	0.34
EUR	735,000	Spain Government Bond 4.7% 30/07/2041	1,072	0.77
		Baa2 4.58% (2.88%)		
EUR	7,200,000	Adif Alta Velocidad 0.8% 05/07/2023	6,374	4.58
		BBB- 0.14% (0.34%)		
EUR	100,000	Abertis Infraestructuras 3% 27/03/2031	100	0.07
EUR	100,000	Nortegas Energia 2.065% 28/09/2027	95	0.07
		Not Rated 1.43% (0.62%)		
EUR	1,963,000	Spain Government Bond 1% 31/10/2050	1,586	1.14
EUR	503,000	Spain Government Bond 1.45% 31/10/2071	401	0.29
		Total Spain	**20,110**	**14.44**
SUPRANATIONAL 1.55% (3.10%)				
		AAA 1.37% (1.47%)		
EUR	785,000	Euro Stability Mechanism 1.85% 01/12/2055	966	0.70
EUR	689,000	European Investment Bank 0.05% 13/10/2034	588	0.42
EUR	470,000	International Bank for Reconstruction and Development 0.2% 21/01/2061	349	0.25
		Aa1 0.00% (0.69%)		
		AA 0.18% (0.94%)		
EUR	310,000	European Union 0.1% 04/10/2040	254	0.18
		Total Supranational	**2,157**	**1.55**
SWEDEN 0.76% (0.78%)				
		Aa3 0.00% (0.15%)		
		BBB 0.45% (0.37%)		
EUR	690,000	Akelius Residential 1.75% 07/02/2025	628	0.45
		Baa3 0.31% (0.26%)		
EUR	165,000	Sagax 1.125% 30/01/2027	145	0.10
EUR	319,000	Sagax 2% 17/01/2024	288	0.21
		Total Sweden	**1,061**	**0.76**
SWITZERLAND 0.73% (0.00%)				
		A+ 0.25% (0.00%)		
EUR	391,000	Credit Suisse London 0.45% 19/05/2025	345	0.25
		A- 0.30% (0.00%)		
EUR	200,000	UBS Group 0.625% 24/02/2033	170	0.12
EUR	290,000	*UBS Group Variable 05/11/2028	248	0.18
		BBB+ 0.18% (0.00%)		
EUR	300,000	Credit Suisse Group 0.625% 18/01/2033	251	0.18
		Total Switzerland	**1,014**	**0.73**
UNITED KINGDOM 18.28% (22.47%)				
		Aa2u 0.00% (13.78%)		
		Aa3u 0.17% (0.00%)		
GBP	200,000	United Kingdom Gilt 1.625% 22/10/2071	239	0.17
		A 0.43% (0.28%)		
EUR	132,000	Motability Operations 0.125% 20/07/2028	113	0.08
EUR	567,000	Nationwide Building Society 0.25% 22/07/2025	494	0.35
		A- 1.75% (1.91%)		
EUR	710,000	BP Capital Markets 0.831% 08/11/2027	632	0.45
EUR	494,000	NatWest Markets 1% 28/05/2024	440	0.32
EUR	125,000	*NatWest Markets FRN 27/09/2021	108	0.08
GBP	900,000	Western Power Distribution West Midlands 5.75% 16/04/2032	1,249	0.90
		BBB+ 1.70% (0.55%)		
EUR	682,000	BAT International Finance 2.75% 25/03/2025	647	0.46
EUR	877,000	Cadent Finance 0.625% 22/09/2024	777	0.56
EUR	483,000	Cadent Finance 0.75% 11/03/2032	419	0.30
EUR	492,000	National Grid Electricity Transmission 0.19% 20/01/2025	428	0.31
EUR	104,000	National Grid Electricity Transmission 0.823% 07/07/2032	91	0.07
		BBB 1.01% (0.75%)		
EUR	352,000	*BP Capital Markets Variable 22/06/2169 EUR	322	0.23
EUR	100,000	British Telecommunications 1.5% 23/06/2027	92	0.07
EUR	696,000	Imperial Brands Finance 1.125% 14/08/2023	615	0.44
EUR	190,000	Imperial Brand Finance 3.375% 26/02/2026	187	0.13
EUR	216,000	*Natwest Group Variable 26/02/2030	188	0.14

Threadneedle European Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value
UNITED KINGDOM 18.28% (22.47%) (continued)				
		Baa2 0.00% (0.07%)		
		BBB- 1.32% (1.24%)		
GBP	270,000	Delamare Finance 5.5457% 29/02/2029	234	0.17
EUR	1,046,000	DS Smith 0.875% 12/09/2026	925	0.66
EUR	338,000	G4S International Finance 1.5% 02/06/2024	292	0.21
EUR	448,000	*NGG Finance Variable 05/09/2082	390	0.28
		BB+ 0.30% (0.00%)		
GBP	127,000	GKN Holdings 5.375% 19/09/2022	134	0.10
EUR	308,000	*Vodafone Group Variable 27/08/2080 (London Listing)	272	0.20
		Not Rated 11.60% (3.89%)		
GBP	120,000	First Hydro Finance 9% 31/07/2021	124	0.09
GBP	170,000	*Telereal Securitisat Sink Variable 10/12/2033	170	0.12
GBP	2,960,000	United Kingdom Gilt 0.125% 30/01/2026	2,925	2.10
GBP	1,688,000	United Kingdom Gilt 0.375% 22/10/2030	1,622	1.16
GBP	1,906,510	United Kingdom Gilt 0.5% 22/10/2061	1,478	1.06
GBP	2,597,130	United Kingdom Gilt 0.625% 31/07/2035	2,426	1.74
GBP	4,038,720	United Kingdom Gilt 0.625% 22/10/2050	3,377	2.42
GBP	4,061,030	United Kingdom Gilt 1.25% 22/10/2041	4,049	2.91
		Total United Kingdom	**25,459**	**18.28**
UNITED STATES OF AMERICA 4.63% (3.26%)				
		AA+ 0.10% (0.10%)		
EUR	154,000	New York Life Global Funding 0.25% 23/01/2027	134	0.10
		AA 0.12% (0.13%)		
EUR	185,000	Berkshire Hathaway 1.125% 16/03/2027	169	0.12
		AA- 0.19% (0.11%)		
EUR	303,000	Exxon Mobil 0.524% 26/06/2028	264	0.19
		A 0.12% (0.21%)		
EUR	187,000	Honeywell International 0.75% 10/03/2032	166	0.12
		A- 0.20% (0.11%)		
EUR	319,000	*JPMorgan Chase Variable 17/02/2033	272	0.20
		BBB+ 1.51% (0.74%)		
EUR	404,000	AbbVie 0.75% 18/11/2027	358	0.26
EUR	146,000	American International Group 1.875% 21/06/2027	137	0.10
EUR	100,000	BAT Capital 1.125% 16/11/2023	89	0.06
EUR	100,000	Danaher Corporation 2.5% 30/03/2030	101	0.07
EUR	343,000	General Electric 0.875% 17/05/2025	313	0.23
EUR	200,000	*Morgan Stanley Variable 07/02/2031	170	0.12
EUR	302,000	Thermo Fisher Scientific 1.875% 01/10/2049	278	0.20
EUR	191,000	Verizon Communications 0.875% 08/04/2027	171	0.12
EUR	521,000	*Wells Fargo Variable 04/05/2030	488	0.35
		BBB 1.63% (1.24%)		
EUR	25,000	AT&T 1.8% 14/09/2039	21	0.02
EUR	111,000	AT&T 1.8% 14/09/2039 (Frankfurt Exchange)	95	0.07
EUR	454,000	AT&T 3.15% 04/09/2036	466	0.33
EUR	175,000	Becton Dickson 1.9% 15/12/2026	165	0.12
EUR	221,000	Digital Euro Finco 2.5% 16/01/2026	210	0.15
EUR	224,000	Digital Euro Finco 2.5% 16/01/2026 (Frankfurt Exchange)	213	0.15
EUR	157,000	Fidelity National Information Services 1.5% 21/05/2027	144	0.10
EUR	232,000	Fidelity National Information Services 2% 21/05/2030	221	0.16
GBP	300,000	Fidelity National Information Services 3.36% 21/05/2031 (Berlin Exchange)	335	0.24
EUR	100,000	Fiserv 1.125% 01/07/2027	90	0.07
EUR	169,000	Fiserv 1.625% 01/07/2030	157	0.11
EUR	175,000	General Motors Financial Company 0.6% 20/05/2027	150	0.11
		BBB- 0.13% (0.22%)		
EUR	166,000	American Tower 1% 15/01/2032	144	0.10
EUR	100,000	Equinix 2.875% 01/02/2026	44	0.03
		BB+ 0.37% (0.20%)		
EUR	412,000	Kraft Heinz Foods 2.25% 25/05/2028	391	0.28
EUR	139,000	Netflix 3% 15/06/2025	130	0.09
		BB 0.26% (0.20%)		
EUR	100,000	IQVIA 2.875% 15/09/2025	87	0.06
EUR	313,000	IQVIA 3.25% 15/03/2025	273	0.20
		Total United States of America	**6,446**	**4.63**
DERIVATIVES -0.73% (-0.71%)				
		Credit Default Swaps -0.78% (-0.96%)		
EUR	(7,399,950)	Morgan Stanley Itraxx Crossover Credit Default Swap Index Buy Protection 20/12/2025 Spread 500	(706)	(0.51)
EUR	2,959,980	Morgan Stanley Itraxx Crossover Credit Default Swap Index Sell Protection 20/12/2025 Spread 500	282	0.20
EUR	(40,000,000)	Morgan Stanley Itraxx-European Credit Default Swap Index Buy Protection 20/12/2025 Spread 100	(857)	(0.62)
EUR	10,000,000	Morgan Stanley Itraxx-European Credit Default Swap Index Sell Protection 20/12/2025 Spread 100	214	0.15
		Futures and Options 0.02% (0.00%)		
EUR	(16)	UBS EURO -Bobl Future Expiring June 2021[2]	–	–
EUR	(52)	UBS EURO -Bond Future Expiring June 2021	10	0.01
EUR	(16)	UBS EURO -Buxl 30 Year Bnd Future Expiring June 2021	19	0.01
GBP	(1)	UBS Long Gilt Future Expiring June 2021	(1)	–
		Forward Foreign Exchange Contracts 0.03% (0.25%)		
		Sell GBP 118,647 Buy EUR 137,008 Barclays[2]	–	–
		Sell GBP 155,112 Buy EUR 179,175 UBS[2]	–	–
		Sell GBP 2,705,761 Buy EUR 3,128,590 Lloyds	(2)	–
		Sell GBP 406,469 Buy EUR 471,737 UBS	1	–

Threadneedle European Bond Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
DERIVATIVES -0.73% (-0.71%) (continued)			
	Sell GBP 63,624		
	Buy EUR 73,444 Bank of Scotland[2]	–	–
	Sell EUR 2,144,109		
	Buy GBP 1,862,731 Lloyds	10	0.01
	Sell EUR 41,000		
	Buy GBP 35,463 Bank of Scotland[2]	–	–
	Sell EUR 4,852,541		
	Buy GBP 4,222,516 Barclays	28	0.02
	Sell EUR 90,991		
	Buy GBP 78,612 UBS[2]	–	–
	Total Derivatives	**(1,002)**	**(0.73)**
Total value of investments[3]		**134,981**	**96.90**
Net other assets (7.80%)		**4,314**	**3.10**
Net assets		**139,295**	**100.00**

March 2020 comparatives in brackets.

**Variable rate bonds.*

[1]Cash equivalents.

[2]Less than £500, rounded to nil.

[3]Includes Cash equivalents.

ANALYSIS OF INVESTMENTS BY ASSET CLASS

	Value £000	% of Investment
Fixed interest	127,929	94.77
Floating rate notes	8,054	5.97
Derivatives	(1,002)	(0.74)
Total value of investments[3]	**134,981**	**100.00**

ANALYSIS OF UNDERLYING EXPOSURE FUTURES AND OPTIONS

	Value £000
UBS EURO -Bobl Future Expiring June 2021	(1,865)
UBS EURO -Bond Future Expiring June 2021	(7,690)
UBS EURO -Buxl 30 Year Bnd Future Expiring June 2021	(2,866)
UBS Long Gilt Future Expiring June 2021	(128)
Total net exposure	**(12,549)**

Threadneedle Strategic Bond Fund

Portfolio Statement

as at 7 March 2021

	Holding	Investment	Value £000	% of Net Asset Value
AUSTRALIA 1.86% (1.68%)				
		A- 0.24% (0.66%)		
USD	689,000	SGSP Australia Assets 3.25% 29/07/2026	539	0.24
		BBB+ 0.54% (0.00%)		
USD	1,570,000	Woodside Finance 4.5% 04/03/2029	1,247	0.54
		BBB 1.08% (1.02%)		
GBP	950,000	APT Pipelines 3.125% 18/07/2031	1,032	0.45
USD	1,452,000	APT Pipelines 4.2% 23/03/2025 (Berlin Exchange)	1,152	0.50
EUR	336,000	*Ausnet Services Holdings Variable 11/03/2081	291	0.13
		Total Australia	**4,261**	**1.86**
BELGIUM 0.91% (0.40%)				
		BBB+ 0.61% (0.00%)		
GBP	1,125,000	Anheuser-Busch InBev 2.85% 25/05/2037	1,202	0.52
EUR	177,000	Anheuser-Busch InBev 3.7% 02/04/2040	205	0.09
		BB+ 0.16% (0.15%)		
EUR	400,000	*KBC Group Variable 24/10/2166	360	0.16
		B+ 0.00% (0.25%)		
		B 0.14% (0.00%)		
EUR	358,000	The House of Finance 4.375% 15/07/2026	312	0.14
		Total Belgium	**2,079**	**0.91**
BERMUDA 0.29% (3.21%)				
		BBB- 0.29% (3.21%)		
USD	814,000	Bacardi 4.45% 15/05/2025	659	0.29
		Total Bermuda	**659**	**0.29**
BRITISH VIRGIN ISLANDS 0.66% (0.54%)				
		BB+ 0.66% (0.54%)		
USD	1,735,000	Gold Fields Orogen Holdings 6.125% 15/05/2029	1,509	0.66
		Total British Virgin Islands	**1,509**	**0.66**
CANADA 0.32% (0.37%)				
		B 0.32% (0.37%)		
EUR	841,000	Primo Water 3.875% 31/10/2028	744	0.32
		Total Canada	**744**	**0.32**
CAYMAN ISLANDS 3.27% (1.65%)				
		AA+ 0.00% (0.16%)		
		A+ 1.05% (0.58%)		
USD	1,251,000	Alibaba Group 4% 06/12/2037	998	0.44
USD	383,000	Tencent Holdings 3.24% 03/06/2050	259	0.11
USD	1,020,000	Tencent Holdings 3.595% 19/01/2028	793	0.35
GBP	400,000	*Trafford Centre Finance FRN 28/07/2035 A3	335	0.15
		BBB+ 0.97% (0.00%)		
GBP	2,091,000	Southern Water Services 3% 28/05/2037	2,228	0.97
		BBB- 0.86% (0.85%)		
GBP	753,000	Thames Water Utilities 2.375% 03/05/2023	763	0.33
GBP	1,175,000	Thames Water Utilities 2.875% 03/05/2027	1,218	0.53
		Ba2 0.30% (0.00%)		
USD	900,000	Energuate Trust 5.875% 03/05/2027	692	0.30
		CCC+ 0.00% (0.06%)		
		Not Rated 0.09% (0.00%)		
GBP	180,000	Phoenix Group Holdings 5.625% 28/04/2031	212	0.09
		Oil & Gas Producers 0.00% (0.00%)		
	431	Noble Corp New Shares	8	–
	1,754	Noble Holding International-Wt1 Warrant (Tranche 1)[2]	–	–
	1,754	Noble Holding International-Wt2 Warrant (Tranche 2)[2]	–	–
		Total Cayman Islands	**7,506**	**3.27**
DENMARK 0.30% (0.00%)				
		BBB+ 0.10% (0.00%)		
GBP	225,000	*Danske Bank Variable 14/01/2028	231	0.10
		BBB 0.20% (0.00%)		
EUR	536,000	*Danske Bank Variable 15/05/2031	460	0.20
		Total Denmark	**691**	**0.30**
DOMINICAN REPUBLIC 0.74% (1.13%)				
		BB- 0.74% (1.13%)		
USD	614,000	Dominican Republic International Bond 5.875% 30/01/2060	423	0.18
USD	1,580,000	Dominican Republic International Bond 5.95% 25/01/2027	1,281	0.56
		Total Dominican Republic	**1,704**	**0.74**
EGYPT 0.25% (0.41%)				
		B 0.25% (0.41%)		
EUR	650,000	Arab Republic of Egypt 5.625% 16/04/2030	567	0.25
		Total Egypt	**567**	**0.25**
FRANCE 4.12% (6.22%)				
		Aa2u 0.00% (1.78%)		
		A+ 0.31% (0.78%)		
USD	950,000	BPCE 2.7% 01/10/2029	707	0.31
		A 0.00% (0.47%)		
		A- 0.00% (0.78%)		
		BBB+ 0.29% (0.00%)		
EUR	700,000	Electricite de France 2% 09/12/2049	655	0.29
		BB+ 0.00% (0.40%)		
		BB 0.14% (0.00%)		
EUR	376,000	Faurecia 2.375% 15/06/2027 (Germany listing)	328	0.14

Threadneedle Strategic Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value
FRANCE 4.12% (6.22%) (continued)				
		BB- 0.71% (0.13%)		
EUR	800,000	*Electricite de France Variable 15/09/2169	714	0.31
EUR	1,030,000	Getlink 3.5% 30/10/2025	923	0.40
		B+ 0.29% (0.09%)		
EUR	511,000	Louvre Bidco SAS 4.25% 30/09/2024	438	0.19
EUR	266,000	Louvre Bidco SAS 6.5% 30/09/2024	236	0.10
		B 1.50% (1.26%)		
EUR	160,000	Altice France 2.5% 15/01/2025	135	0.06
EUR	853,000	Altice France 5.875% 01/02/2027	788	0.35
EUR	400,000	Casino Guichard 4.498% 07/03/2024	349	0.15
EUR	605,000	Casino Guichard 6.625% 15/01/2026	542	0.24
EUR	805,000	CMA CGM 7.5% 15/01/2026	757	0.33
EUR	243,000	Kapla Holding 3.375% 15/12/2026 (Germany listing)	208	0.09
EUR	740,000	Paprec Holding 4% 31/03/2025	645	0.28
		B- 0.26% (0.00%)		
EUR	695,000	Cab 3.375% 01/02/2028	601	0.26
		CCC+ 0.13% (0.17%)		
EUR	345,000	Banijay Group 6.5% 01/03/2026	293	0.13
		CCC 0.12% (0.00%)		
EUR	304,000	Laboratoire Eimer Selarl 5% 01/02/2029	267	0.12
		Not Rated 0.37% (0.36%)		
GBP	720,000	*Credit Agricole 7.5% 31/12/2049	848	0.37
		Total France	**9,434**	**4.12**
GERMANY 9.40% (2.20%)				
		AAA 4.93% (0.00%)		
GBP	6,700,000	KFW 0.875% 15/03/2022	6,749	2.94
GBP	4,500,000	KFW 1% 15/12/2022	4,569	1.99
		BBB 0.39% (0.00%)		
EUR	1,000,000	Bayer 1.125% 06/01/2030 (Frankfurt Exchange)	888	0.39
		BBB- 0.56% (0.00%)		
GBP	1,300,000	*Deutsche Bank Variable 22/12/2028	1,283	0.56
		BB+ 1.04% (1.08%)		
EUR	800,000	ADLER Real Estate 3% 27/04/2026	720	0.31
EUR	600,000	*Commerzbank Variable 05/12/2030	564	0.25
EUR	404,000	*Lanxess Finance 4.5% 06/12/2076	373	0.16
EUR	400,000	Schaeffler 2.75% 12/10/2025	367	0.16
EUR	393,000	Schaeffler Holding Finance 2.875% 26/03/2027	363	0.16
		BB- 0.93% (0.14%)		
EUR	700,000	Deutsche Lufthansa 2.875% 11/02/2025	601	0.26
EUR	400,000	Deutsche Lufthansa 3% 29/05/2026	340	0.15
EUR	963,000	Peach Property Finance 4.375% 15/11/2025	863	0.38
EUR	368,000	Wepa Hygieneprodukte 2.875% 15/12/2027	321	0.14
		B+ 0.13% (0.13%)		
EUR	343,000	Techem Verwaltungsgesellschaft 2% 15/07/2025	291	0.13
		B 0.59% (0.23%)		
EUR	1,135,000	Cheplapharm Arzneimittel 3.5% 11/02/2027	979	0.43
EUR	424,000	Cheplapharm Arzneimittel 4.375% 15/01/2028	378	0.16
		B- 0.70% (0.45%)		
EUR	1,145,000	Blitz 6% 30/07/2026	1,026	0.45
EUR	672,000	SGL Carbon 4.625% 30/09/2024	581	0.25
		CCC+ 0.13% (0.00%)		
EUR	355,000	Safari Holdings 5.375% 30/11/2022	295	0.13
		CCC 0.00% (0.17%)		
		Total Germany	**21,551**	**9.40**
HONG KONG 0.00% (0.78%)				
		A3 0.00% (0.78%)		
		Total Hong Kong	**–**	**–**
INDIA 1.63% (2.07%)				
		BBB- 0.66% (0.69%)		
USD	1,953,000	Adani Ports and Special Economic Zone 4.375% 03/07/2029	1,505	0.66
		BB+ 0.00% (1.38%)		
		BB- 0.97% (0.00%)		
USD	2,549,000	GMR Hyderabad 4.25% 27/10/2027	1,790	0.78
USD	600,000	GMR Hyderabad International 5.375% 10/04/2024	448	0.19
		Total India	**3,743**	**1.63**
ITALY 4.89% (2.04%)				
		BBB 0.45% (0.00%)		
EUR	502,000	*ENI Variable 13/10/2169	455	0.20
GBP	570,000	Intesa Sanpaolo 2.625% 11/03/2036	569	0.25
		BBB- 0.36% (0.37%)		
GBP	810,000	*Enel 6.625% 15/09/2076	834	0.36
		BB+ 1.63% (0.00%)		
EUR	406,000	Infrastrutture Wireless Italiane 1.625% 21/10/2028	355	0.16
EUR	544,000	Infrastrutture Wireless Italiane 1.875% 08/07/2026	489	0.21
EUR	813,000	Romulus Finance 1.625% 02/02/2029	701	0.31
EUR	1,933,000	Telecom Italia 1.625% 18/01/2029	1,640	0.72
EUR	586,000	Telecom Italia 2.875% 28/01/2026	536	0.23
		Baa3 0.30% (0.29%)		
EUR	665,000	*Assicurazioni 5% 08/06/2048	681	0.30
		Ba2 0.21% (0.64%)		
EUR	555,000	Banco BPM 1.75% 24/04/2023	492	0.21
		BB- 1.27% (0.53%)		
EUR	485,000	Atlantia 1.875% 12/02/2028	412	0.18

Threadneedle Strategic Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value
ITALY 4.89% (2.04%) (continued)				
EUR	900,000	Autostrade 5.875% 09/06/2024	889	0.39
EUR	830,000	Autostrade per l'Italia 1.875% 26/09/2029	723	0.32
EUR	242,000	Autostrade per l'Italia 2% 04/12/2028	214	0.09
EUR	764,000	Nexi 1.75% 31/10/2024	670	0.29
		B 0.19% (0.21%)		
EUR	495,000	International Design Group 6.5% 15/11/2025	444	0.19
		(P)B 0.12% (0.00%)		
EUR	314,000	Sofima Holding 3.75% 15/01/2028	272	0.12
		Caa1 0.36% (0.00%)		
EUR	941,000	Banca Monte dei Paschi di Siena 1.875% 09/01/2026	823	0.36
		Total Italy	**11,199**	**4.89**
IVORY COAST 0.36% (0.34%)				
		Ba3 0.36% (0.34%)		
EUR	900,000	Ivory Coast 5.25% 22/03/2030	817	0.36
		Total Ivory Coast	**817**	**0.36**
JERSEY 2.27% (1.47%)				
		Aa2 0.98% (0.00%)		
USD	2,133,000	Galaxy Pipeline Assets 2.16% 31/03/2034	1,517	0.66
USD	1,034,000	Galaxy Pipeline Assets 2.625% 31/03/2036	729	0.32
		BBB+ 0.28% (0.21%)		
GBP	592,000	Glencore Finance Europe 3.125% 26/03/2026	632	0.28
		Baa2 0.42% (0.43%)		
GBP	824,000	Porterbrook Rail Finance 4.625% 04/04/2029	964	0.42
		Ba2 0.41% (0.41%)		
EUR	1,085,000	LHC Three PIK 4.125% 15/08/2024	947	0.41
		B 0.18% (0.25%)		
EUR	480,000	Adient Global Holdings 3.5% 15/08/2024	421	0.18
		Not Rated 0.00% (0.17%)		
		Total Jersey	**5,210**	**2.27**
LUXEMBOURG 5.42% (3.78%)				
		BBB+ 0.65% (0.65%)		
GBP	1,417,000	Aroundtown 3% 16/10/2029	1,498	0.65
		BBB 0.69% (0.15%)		
EUR	1,395,000	Becton Dickinson Euro Finance 1.213% 12/02/2036	1,210	0.53
GBP	352,000	CPI Property Group 2.75% 22/01/2028	355	0.16
		BBB- 0.29% (0.00%)		
EUR	800,000	*Grand City Properties Variable 09/06/2169	673	0.29
		BB+ 0.46% (0.00%)		
EUR	400,000	ADLER Group 2.75% 13/11/2026	349	0.15
EUR	800,000	Ado Properties 3.25% 05/08/2025	719	0.31
		Ba2 0.33% (0.37%)		
USD	1,020,000	Millicom International Cellular 6.25% 25/03/2029	745	0.33
		BB- 0.26% (0.12%)		
GBP	320,000	B&M European Value Retail 3.625% 15/07/2025	331	0.14
EUR	300,000	Telenet Finance VI Luxembourg 3.5% 01/03/2028	268	0.12
		B+ 0.62% (0.57%)		
EUR	445,000	Garfunkelux 6.75% 01/11/2025	395	0.17
GBP	659,000	Garfunkelux 7.75% 01/11/2025	678	0.30
EUR	400,000	Matterhorn Telecom 3.125% 15/09/2026	340	0.15
		B 0.78% (0.89%)		
EUR	205,000	Altice Financing 2.25% 15/01/2025	171	0.07
EUR	1,289,000	Altice Financing 3% 15/01/2028	1,056	0.46
EUR	666,000	Kleopatra Finco 4.25% 01/03/2026 (Guernsey Listing)	572	0.25
		B- 0.32% (0.00%)		
EUR	840,000	Cirsa Finance International 6.25% 20/12/2023	728	0.32
		CCC+ 1.02% (1.03%)		
EUR	2,073,000	Altice France 8% 15/05/2027	1,950	0.85
EUR	450,000	*Group Ecore Holdings SAS FRN 15/11/2023	387	0.17
		Total Luxembourg	**12,425**	**5.42**
MEXICO 0.57% (0.48%)				
		BBB+ 0.00% (0.48%)		
		BBB 0.57% (0.00%)		
GBP	886,000	Petroleos Mexicanos 3.75% 16/11/2025	863	0.38
EUR	525,000	Petroleos Mexicanos 3.75% 16/04/2026	445	0.19
		Total Mexico	**1,308**	**0.57**
NETHERLANDS 10.29% (9.69%)				
		A- 0.81% (0.00%)		
GBP	1,900,000	*ING Groep Variable 07/12/2028	1,852	0.81
		BBB+ 0.56% (1.43%)		
USD	1,654,000	Vonovia Finance 5% 02/10/2023	1,286	0.56
		BBB 2.13% (2.24%)		
USD	942,000	*Aegon Variable 11/04/2048	772	0.34
GBP	3,005,000	Innogy Finance 6.25% 03/06/2030	4,106	1.79
		BBB- 1.05% (1.24%)		
EUR	880,000	Fiat Chrysler Automobiles 3.875% 05/01/2026	875	0.38
EUR	100,000	Fiat Chrysler Automobiles 4.5% 07/07/2028 (Frankfurt Exchange)	107	0.05
EUR	1,100,000	*Iberdrola International Variable 09/02/2170	942	0.41
USD	608,000	Syngenta Finance 4.892% 24/04/2025	473	0.21

Threadneedle Strategic Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value
NETHERLANDS 10.29% (9.69%) (continued)				
		BB+ 2.11% (1.89%)		
USD	990,000	Braskem Netherlands Finance 4.5% 10/01/2028	737	0.32
EUR	1,195,000	Darling Global Finance 3.625% 15/05/2026	1,051	0.46
EUR	894,000	PPF Telecom Group 3.5% 20/05/2024	820	0.36
EUR	2,470,000	*TenneT Holding Perpetual Variable	2,216	0.97
		BB 1.61% (0.00%)		
EUR	619,000	OCI 3.625% 15/10/2025	557	0.24
EUR	3,000,000	*Telefonica Europe Variable 14/03/2168	2,799	1.22
EUR	400,000	*Telefonica Europe Variable 12/05/2169	333	0.15
		BB- 0.42% (0.79%)		
EUR	324,000	Q-Park Holding 1.5% 01/03/2025	268	0.12
EUR	851,000	Q-Park Holding 2% 01/03/2027	694	0.30
		Ba3 0.37% (0.40%)		
USD	1,166,000	Mong Duong Finance Holdings 5.125% 07/05/2029	857	0.37
		B+ 0.00% (0.57%)		
		B 0.57% (0.68%)		
EUR	464,000	Trivium Packaging Finance 3.75% 15/08/2026	409	0.18
EUR	935,000	United Group 3.125% 15/02/2026	779	0.34
EUR	133,000	United Group 4.875% GTD 01/07/2024	117	0.05
		B- 0.66% (0.27%)		
EUR	943,000	Diebold Nixdorf 9% 15/07/2025	900	0.39
EUR	690,000	*Summer BidCo 9% PIK 16/11/2025	625	0.27
		Not Rated 0.00% (0.18%)		
		Total Netherlands	**23,575**	**10.29**
OMAN 0.00% (0.71%)				
		Ba2 0.00% (0.71%)		
		Total Oman	–	–
PANAMA 0.14% (0.00%)				
		B+ 0.14% (0.00%)		
EUR	340,000	Carnival 7.625% 01/03/2026	315	0.14
		Total Panama	**315**	**0.14**
PORTUGAL 0.15% (0.27%)				
		Not Rated 0.15% (0.27%)		
EUR	300,000	Banco Espirito 2.625% 08/05/2017 (Defaulted)	36	0.02
EUR	1,800,000	Banco Espirito Santo 4% 21/01/2019 (Defaulted)	218	0.09
EUR	800,000	Banco Espirito Santo 4.75% 15/01/2018 (Defaulted)	97	0.04
		Total Portugal	**351**	**0.15**
REPUBLIC OF IRELAND 6.12% (3.03%)				
		A+ 0.00% (0.29%)		
		A- 0.88% (0.00%)		
EUR	2,333,000	Eaton Capital Unlimited 0.577% 08/03/2030	2,014	0.88
		BBB+ 0.67% (0.72%)		
GBP	1,145,000	GE Capital UK Funding 5.875% 18/01/2033	1,536	0.67
		BB+ 0.00% (0.18%)		
		BB 1.17% (0.54%)		
EUR	2,302,000	*AIB Group Variable 19/11/2029	2,014	0.88
EUR	734,000	*Bank of Ireland Group Variable 14/10/2029	651	0.29
		BB- 0.00% (0.37%)		
		B+ 0.84% (0.74%)		
EUR	241,000	*AIB Group Variable 23/12/2168	230	0.10
EUR	650,000	Eircom Finance 2.625% 15/02/2027	551	0.24
EUR	1,317,000	Eircom Finance 3.5% 15/05/2026	1,155	0.50
		B 0.37% (0.18%)		
GBP	832,000	Virgin Media 4.875% 15/07/2028	853	0.37
		Liquidity Funds 2.19% (0.01%)[1]		
GBP	5,017,007	BlackRock Institutional Cash Series Sterling Liquidity Platinum	5,017	2.19
		Total Republic of Ireland	**14,021**	**6.12**
SENEGAL 0.22% (0.35%)				
		B+ 0.22% (0.35%)		
EUR	560,000	Senegal Government International Bond 4.75% 13/03/2028	504	0.22
		Total Senegal	**504**	**0.22**
SINGAPORE 0.26% (0.20%)				
		B- 0.00% (0.20%)		
		CCC 0.26% (0.00%)		
USD	1,010,000	Geo Coal International 8% 04/10/2022	600	0.26
		Total Singapore	**600**	**0.26**
SPAIN 0.37% (0.00%)				
		BB+ 0.37% (0.00%)		
EUR	500,000	Cellnex Finance 1.25% 15/01/2029	422	0.19
EUR	500,000	Cellnex Finance 2% 15/02/2033	422	0.18
		Total Spain	**844**	**0.37**
SWEDEN 2.73% (1.36%)				
		BBB 0.69% (0.88%)		
GBP	1,505,000	Akelius Residential 2.375% 15/08/2025	1,574	0.69
		Baa3 0.66% (0.48%)		
EUR	1,718,000	Sagax 1.125% 30/01/2027	1,512	0.66
		BB+ 0.68% (0.00%)		
EUR	500,000	*Akelius Residential Variable 17/05/2081	426	0.19
EUR	190,000	*Heimstaden Bostad Variable 19/02/2169	168	0.07
EUR	710,000	*Heimstaden Bostad Variable 15/04/2169	627	0.27
EUR	381,000	Volvo Car 2.5% 07/10/2027	352	0.15

Threadneedle Strategic Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value
SWEDEN 2.73% (1.36%) (continued)				
		B 0.33% (0.00%)		
EUR	867,000	Verisure Holding 3.25% 15/02/2027 (Luxembourg listing)	756	0.33
		CCC+ 0.37% (0.00%)		
EUR	943,000	Verisure Midholding 5.25% 15/02/2029 (Germany listing)	839	0.37
		Total Sweden	**6,254**	**2.73**
SWITZERLAND 1.73% (1.20%)				
		BBB+ 1.01% (0.45%)		
GBP	1,260,000	*Credit Suisse Group Variable 09/06/2028	1,306	0.57
USD	1,258,000	UBS 5.125% 15/05/2024	1,006	0.44
		BB+ 0.39% (0.41%)		
USD	1,100,000	*UBS Group 7% 29/12/2049	911	0.39
		BB 0.33% (0.34%)		
USD	940,000	*Credit Suisse 7.5% 11/12/2049	752	0.33
		Total Switzerland	**3,975**	**1.73**
UNITED KINGDOM 24.50% (30.84%)				
		Aaa 0.00% (0.19%)		
		AA 0.42% (0.67%)		
GBP	1,137,000	Telereal Securitisation 5.9478% 10/12/2031	954	0.42
		A- 0.00% (1.47%)		
		BBB+ 3.12% (5.06%)		
GBP	611,000	*Aviva 5.125% 04/06/2050	722	0.32
GBP	989,000	BAT International Finance 2.25% 26/06/2028	1,000	0.44
GBP	110,000	HSBC Bank 4.75% 24/03/2046	151	0.07
GBP	691,000	HSBC Bank 5.375% 22/08/2033	916	0.40
GBP	838,000	*Legal & General Group Variable 14/11/2048	967	0.42
GBP	478,000	*Legal & General Group Variable 26/11/2049	506	0.22
GBP	281,000	*Legal & General Group Variable 01/11/2050	312	0.14
GBP	540,000	Longstone Finance 4.896% 19/04/2031	623	0.27
GBP	150,000	*Royal London Finance No 4 Variable 07/10/2049	163	0.07
GBP	1,610,000	Western Power Distribution 3.5% 16/10/2026	1,755	0.77
		Baa1 0.91% (1.52%)		
GBP	375,000	Bupa Finance 4.125% 14/06/2035	404	0.18
GBP	1,447,000	Bupa Finance 5% 08/12/2026	1,667	0.73
		BBB 3.97% (6.92%)		
GBP	550,000	Anglian Water Services Financing 2.625% 15/06/2027	574	0.25
GBP	1,263,000	*BP Capital Markets Variable 22/06/2169 GBP	1,335	0.58
GBP	1,616,000	Imperial Brands Finance 5.5% 28/09/2026	1,941	0.85
GBP	1,421,000	Lloyds Bank 7.625% 22/04/2025	1,774	0.77
GBP	262,000	*M&G Variable 20/10/2068	332	0.14
GBP	250,000	*Prudential 6.34% 19/12/2063	315	0.14
GBP	1,603,000	*Royal Bank of Scotland Group Variable 28/03/2027	1,727	0.75
GBP	1,100,000	*Telereal Securitisation 4.0902% 10/12/2033	1,127	0.49
		Baa2 1.39% (1.66%)		
GBP	581,000	Eversholt Funding 2.742% 30/06/2040	596	0.26
GBP	810,000	Eversholt Funding 3.529% 07/08/2042	891	0.39
GBP	780,000	Eversholt Funding 6.359% 02/12/2025	962	0.42
GBP	450,000	Santander UK 10.0625% 06/04/2169	725	0.32
		BBB- 4.62% (5.62%)		
GBP	570,000	Barclays Bank 5.75% 14/09/2026	689	0.30
EUR	1,216,000	DS Smith 0.875% 12/09/2026	1,075	0.47
EUR	1,013,000	G4S International Finance 1.875% 24/05/2025	873	0.38
GBP	377,000	Intercontinental Hotel 3.375% 08/10/2028	399	0.17
GBP	3,100,000	*NGG Finance 5.625% 18/06/2073	3,467	1.51
GBP	281,000	Pearson 3.75% 04/06/2030	306	0.13
GBP	1,000,000	*SSE Variable 14/04/2169	1,055	0.46
GBP	612,000	Tesco Property Finance 1 7.6227% 13/07/2039	758	0.33
GBP	1,390,000	Tesco Property Finance 5.5% 13/10/2041	1,789	0.78
GBP	170,000	Tesco Property Finance 6 5.4111% 13/07/2044	206	0.09
		Baa3 0.67% (0.68%)		
GBP	1,535,000	*TSB Banking Group 5.75% 06/05/2026	1,545	0.67
		BB+ 2.12% (0.87%)		
GBP	740,000	GKN Holdings 4.625% 15/05/2032	770	0.34
EUR	920,000	Ineos Finance 3.375% 31/03/2026	818	0.36
GBP	412,000	*Marstons Issuer 5.1576% 15/10/2027	349	0.15
GBP	452,000	*Royal Bank of Scotland Group Variable 14/08/2030	484	0.21
GBP	873,000	Travis Perkins 3.75% 17/02/2026	923	0.40
EUR	507,000	*Vodafone Group Variable 4.2% 03/10/2078	492	0.21
USD	1,307,000	*Vodafone Group Variable 6.25% 03/10/2078	1,039	0.45
		BB 1.28% (0.83%)		
EUR	893,000	Canpack Eastern Land 2.375% 01/11/2027	788	0.34
EUR	160,000	Ineos Quattro Finance 2 2.5% 15/01/2026 (Germany listing)	138	0.06
EUR	576,000	Ineos Quattro Finance 2 2.5% 15/01/2026 (Luxembourg listing)	498	0.22
GBP	320,000	Mitchells & Butlers Finance 6.013% 15/12/2023	58	0.03
GBP	298,000	Pinewood 3.25% 30/09/2025	304	0.13
GBP	798,000	Pinewood 3.25% 30/09/2025 (Guernsey listing)	816	0.36
EUR	361,000	Synthomer 3.875% 01/07/2025	324	0.14
		Ba2 0.25% (0.00%)		
GBP	574,000	Bellis Acquisition 3.25% 16/02/2026	577	0.25
		BB- 1.77% (1.10%)		
EUR	381,000	Ardagh Packaging Finance 2.125% 15/08/2026	329	0.14
GBP	535,000	Arrow Global Finance 5.125% 15/09/2024 Callable	539	0.24

Threadneedle Strategic Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value
UNITED KINGDOM 24.50% (30.84%) (continued)				
GBP	1,277,000	Iron Mountain UK 3.875% 15/11/2025	1,293	0.56
EUR	550,000	Victoria 3.625% 26/08/2026	479	0.21
GBP	448,000	Virgin Media Secured Finance 4.25% 15/01/2030	451	0.20
GBP	361,000	Virgin Media Secured Finance 5.25% 15/05/2029	385	0.17
EUR	400,000	Vmed O2 UK Financing I 3.25% 31/01/2031	347	0.15
GBP	230,000	Vmed O2 UK Financing I 4% 31/01/2029	231	0.10
		Ba3 0.00% (0.15%)		
		B+ 0.14% (0.16%)		
GBP	310,000	*NatWest Group 5.125% 12/11/2067	325	0.14
		B1 0.16% (0.00%)		
GBP	355,000	Heathrow Finance 4.375% 01/09/2029	358	0.16
		B 0.00% (0.51%)		
		B2 0.00% (0.28%)		
		B- 0.40% (0.62%)		
GBP	910,000	Boparan Finance 7.625% 30/11/2025	914	0.40
		B3 0.58% (0.21%)		
EUR	506,000	Pinnacle Bidco 5.5% 15/02/2025	443	0.19
GBP	881,000	Pinnacle Bidco 6.375% 15/02/2025	893	0.39
		CCC+ 0.28% (0.06%)		
USD	1,039,031	EnQuest PIK 7% 15/04/2022	642	0.28
		CC 0.12% (0.00%)		
EUR	337,000	EC Finance 2.375% 15/11/2022 (Lux)	281	0.12
		Not Rated 2.30% (2.26%)		
GBP	1,390,000	First Hydro Finance 9% 31/07/2021	1,433	0.63
GBP	750,000	Newriver REIT 3.5% 07/03/2028	695	0.30
GBP	633,000	Pension Insurance 5.625% 20/09/2030	758	0.33
GBP	369,000	*Telereal Securitisat Sink Variable 10/12/2033	369	0.16
GBP	722,000	United Kingdom Gilt 0.5% 22/10/2061	560	0.24
GBP	1,195,000	United Kingdom Gilt 0.625% 22/10/2050	999	0.44
GBP	457,000	United Kingdom Gilt 1.25% 22/10/2041	456	0.20
		Total United Kingdom	**56,159**	**24.50**
UNITED STATES OF AMERICA 16.53% (20.91%)				
		AA 0.00% (0.21%)		
		A 0.26% (0.25%)		
EUR	667,000	Honeywell International 0.75% 10/03/2032	591	0.26
		A- 0.75% (2.31%)		
USD	880,000	*Bank of America Variable 19/06/2041	604	0.26
USD	1,527,000	*JPMorgan Chase Variable 22/04/2041	1,122	0.49
		BBB+ 2.24% (2.35%)		
USD	606,000	AbbVie 4.25% 21/11/2049	489	0.21
USD	250,000	AbbVie 4.875% 14/11/2048	220	0.10
EUR	358,000	Thermo Fisher Scientific 1.875% 01/10/2049	330	0.14
GBP	1,200,000	Verizon Communications 1.125% 03/11/2028	1,158	0.51
GBP	845,000	Wells Fargo 2.125% 24/09/2031	866	0.38
GBP	1,740,000	Welltower 4.8% 20/11/2028	2,055	0.90
		BBB 4.51% (6.59%)		
USD	600,000	AT&T 3.5% 01/06/2041	425	0.19
GBP	680,000	AT&T 4.25% 01/06/2043	809	0.35
GBP	3,256,000	Becton Dickinson 3.02% 24/05/2025	3,478	1.52
USD	1,425,000	Carrier Global 2.722% 15/02/2030	1,048	0.46
GBP	541,000	Digital Stout 3.3% 19/07/2029	597	0.26
GBP	1,300,000	Fidelity National Information Services 2.25% 03/12/2029	1,342	0.59
GBP	1,285,000	Fidelity National Information Services 3.36% 21/05/2031	1,436	0.63
GBP	500,000	Fidelity National Information Services 3.36% 21/05/2031 (Berlin Exchange)	559	0.24
GBP	569,000	Fiserv 3% 01/07/2031	618	0.27
		BBB- 1.35% (2.34%)		
USD	357,000	Boeing 5.93% 01/05/2060	329	0.14
USD	751,000	Broadcom 5% 15/04/2030	626	0.27
EUR	348,000	Equinix 2.875% 01/02/2026	152	0.07
USD	290,000	Equinix 5.375% 15/05/2027	226	0.10
GBP	207,000	MPT Operating Partnership 2.55% 05/12/2023	210	0.09
USD	265,000	Plains All American Pipeline 3.55% 15/12/2029	194	0.08
GBP	1,100,000	Time Warner Cable 5.75% 02/06/2031	1,385	0.60
		BB+ 3.99% (1.86%)		
EUR	939,000	Avantor Funding 2.625% 01/11/2025 (USA)	830	0.36
GBP	329,000	Ford Motor Credit 2.748% 14/06/2024	332	0.14
EUR	648,000	Ford Motor Credit 3.25% 15/09/2025	593	0.26
EUR	1,642,000	Netflix 3.625% 15/05/2027	1,621	0.71
EUR	680,000	Netflix 3.625% 15/06/2030	684	0.30
EUR	652,000	Netflix 3.875% 15/11/2029	668	0.29
GBP	3,975,000	The Kraft Heinz 4.125% 01/07/2027	4,429	1.93
		BB 2.08% (1.74%)		
EUR	249,000	IQVIA 1.75% 15/03/2026	216	0.09
EUR	1,460,000	IQVIA 2.25% 15/01/2028	1,263	0.55
EUR	616,000	IQVIA 2.25% 15/03/2029	531	0.23
EUR	2,332,000	IQVIA 3.25% 15/03/2025	2,031	0.89
EUR	350,000	Silgan Holdings 2.25% 01/06/2028	306	0.13
EUR	500,000	Silgan Holdings 3.25% 15/03/2025	435	0.19
		Ba2 0.21% (0.00%)		
EUR	549,000	Ardagh Metal Packaging 2% 01/09/2028	473	0.21
		BB- 0.52% (1.63%)		
EUR	340,000	Avantor Funding 3.875% 15/07/2028	310	0.14
EUR	1,019,000	Catalent Pharma Solutions 2.375% 01/03/2028	882	0.38
		B+ 0.19% (1.33%)		
EUR	498,000	Ardagh Metal Packaging 3% 01/09/2029	428	0.19
		B 0.43% (0.30%)		
EUR	1,125,000	Spectrum Brands 4% 01/10/2026	997	0.43
		Total United States of America	**37,898**	**16.53**

Threadneedle Strategic Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value
DERIVATIVES -1.27% (-3.28%)				
		Credit Default Swaps -1.41% (-0.99%)		
EUR	(2,800,000)	Barclays Banca Popolare di Milano Credit Default Swap Buy Protection 20/06/2022 Spread 500	(108)	(0.05)
EUR	(1,075,000)	Barclays Metro Group Credit Default Swap Buy Protection 20/06/2021 Spread 100	(2)	–
EUR	(850,000)	Citigroup Lloyds Banking Group Credit Default Swap Buy Protection 20/12/2025 Spread 100	(7)	–
EUR	(3,155,000)	Citigroup Metro Group Credit Default Swap Buy Protection 20/06/2021 Spread 100	(5)	–
EUR	(2,400,000)	Citigroup SSE Credit Default Swap Buy Protection 20/12/2025 Spread 100	(57)	(0.03)
EUR	(1,400,000)	Goldman Sachs Banco Bilbao Credit Default Swap Buy Protection 20/12/2025 Spread 100	(16)	(0.01)
EUR	(3,700,000)	Goldman Sachs Tesco Credit Default Swap Buy Protection 20/06/2021 Spread 100	(8)	–
EUR	(1,600,000)	Goldman Sachs Vattenfall Credit Default Swap Buy Protection 20/06/2021 Spread 100	(4)	–
EUR	1,300,000	J.P. Morgan Airbus Credit Default Swap Sell Protection 20/06/2025 Spread 100	22	0.01
EUR	(3,420,000)	J.P. Morgan Barclays Credit Default Swap Buy Protection 20/12/2025 Spread 100	(8)	–
EUR	(2,720,000)	J.P. Morgan BCO Comercial Portugues Credit Default Swap Buy Protection 20/06/2022 Spread 500	(62)	(0.03)
EUR	(930,000)	J.P. Morgan Daimler AG Credit Default Swap Buy Protection 20/12/2025 Spread 100	(19)	(0.01)
EUR	(3,700,000)	J.P. Morgan Électricité de France Credit Default Swap Buy Protection 20/12/2025 Spread 100	(76)	(0.03)
EUR	(1,800,000)	J.P. Morgan Fortum Credit Default Swap Buy Protection 20/12/2025 Spread 100	(37)	(0.02)
USD	(2,700,000)	J.P. Morgan General Motors Credit Default Swap Buy Protection 20/06/2023 Spread 500	(191)	(0.08)
EUR	(2,250,000)	J.P. Morgan Metro Group Credit Default Swap Buy Protection 20/06/2021 Spread 100	(4)	–
EUR	(2,700,000)	J.P. Morgan Standard Chartered Credit Default Swap Buy Protection 20/12/2025 Spread 100	(64)	(0.03)
EUR	(2,600,000)	J.P. Morgan Swedbank Credit Default Swap Buy Protection 20/06/2025 Spread 100	(71)	(0.03)
EUR	(2,700,000)	J.P. Morgan Telia Company Credit Default Swap Buy Protection 20/12/2025 Spread 100	(82)	(0.04)
EUR	(2,600,000)	J.P. Morgan Veolia Environnement Credit Default Swap Buy Protection 20/12/2025 Spread 100	(68)	(0.03)
USD	(4,900,000)	J.P. Morgan Westpac Banking Credit Default Swap Buy Protection 20/12/2025 Spread 100	(129)	(0.06)
USD	(28,270,000)	Morgan Stanley CDX-NAIGS33V1-5Y Credit Default Swap Index Buy Protection 20/12/2025 Spread 100	(418)	(0.18)
EUR	(9,471,936)	Morgan Stanley Itraxx Crossover Credit Default Swap Index Buy Protection 20/12/2025 Spread 500	(904)	(0.39)
EUR	(39,050,000)	Morgan Stanley Itraxx-European Credit Default Swap Index Buy Protection 20/12/2025 Spread 100	(836)	(0.37)
EUR	(8,550,000)	Morgan Stanley Itraxx-Finance Credit Default Swap Index Buy Protection 20/06/2021 Spread 100	(20)	(0.01)
EUR	(8,000,000)	Morgan Stanley Itraxx-Finance Credit Default Swap Index Buy Protection 20/12/2021 Spread 100	(43)	(0.02)
		Interest Rate Swaps 0.00% (-0.30%)		
		Futures and Options 0.11% (-0.75%)		
EUR	(311)	UBS EURO -Bobl Future Expiring June 2021	5	–
EUR	(36)	UBS EURO -Bond Future Expiring June 2021	3	–
EUR	(4)	UBS EURO -Buxl 30 Year Bond Future Expiring June 2021	4	–
EUR	48	UBS EURO -Oat Future Expiring June 2021	(14)	(0.01)
JPY	3	UBS Japan 10 Year Bond Future Expiring March 2021	(9)	–
GBP	(214)	UBS Long Gilt Future Expiring June 2021	174	0.08
USD	85	UBS US 5 Year Note Future Expiring June 2021	(59)	(0.03)
USD	(26)	UBS US 10 Year Note Future Expiring June 2021	38	0.02
USD	(56)	UBS US 10 Year Ultra Future Expiring June 2021	123	0.05
USD	(18)	UBS US Long Bond Future Expiring June 2021	58	0.03
USD	18	UBS US Ultra Bond Cbt Future Expiring June 2021	(80)	(0.03)
		Forward Foreign Exchange Contracts 0.03% (-1.24%)		
		Sell GBP 299,051		
		Buy EUR 346,526 Lloyds	1	–
		Sell GBP 1,169,583		
		Buy EUR 1,361,020 UBS	6	–
		Sell AUD 422,974		
		Buy GBP 236,079 Barclays	1	–
		Sell EUR 350,000		
		Buy GBP 301,937 HSBC	(1)	–
		Sell EUR 552,180		
		Buy GBP 477,378 Barclays[2]	–	–
		Sell EUR 1,600,000		
		Buy GBP 1,382,624 UBS[2]	–	–
		Sell USD 46,510,901		
		Buy GBP 33,400,824 Barclays	(262)	(0.11)
		Sell EUR 96,539,540		
		Buy GBP 83,693,747 Barclays	287	0.12
		Sell GBP 111,734		
		Buy USD 158,232 Barclays	3	–
		Sell GBP 114,143		
		Buy USD 160,746 Barclays	2	–
		Sell GBP 117,838		

Threadneedle Strategic Bond Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
DERIVATIVES -1.27% (-3.28%) (continued)			
	Buy USD 165,269 UBS	2	–
	Sell GBP 855,709		
	Buy USD 1,200,000 HSBC	13	0.01
	Sell GBP 1,461,579		
	Buy USD 2,036,230 HSBC	12	0.01
	Total Derivatives	**(2,910)**	**(1.27)**
Total value of investments[3]		**226,993**	**99.03**
Net other assets (5.95%)		**2,223**	**0.97**
Net assets		**229,216**	**100.00**

March 2020 comparatives in brackets.
**Variable rate bonds*
(P) refers to provisional rating.
[1]Cash equivalents.
[2]Less than £500, rounded to nil.
[3]Includes Cash equivalents.

ANALYSIS OF INVESTMENTS BY ASSET CLASS

	Value £000	% of Investment
Fixed interest	186,425	82.13
Floating rate notes	43,470	19.15
Derivatives	(2,910)	(1.28)
Equity	8	–
Total value of investments[3]	**226,993**	**100.00**

ANALYSIS OF UNDERLYING EXPOSURE FUTURES AND OPTIONS

	Value £000
UBS EURO -Bobl Future Expiring June 2021	(36,242)
UBS EURO -Bond Future Expiring June 2021	(5,324)
UBS EURO -Buxl 30 Year Bond Future Expiring June 2021	(717)
UBS EURO -Oat Future Expiring June 2021	6,710
UBS Japan 10 Year Bond Future Expiring March 2021	3,033
UBS Long Gilt Future Expiring June 2021	(27,449)
UBS US 5 Year Note Future Expiring June 2021	7,627
UBS US 10 Year Note Future Expiring June 2021	(2,490)
UBS US 10 Year Ultra Future Expiring June 2021	(5,918)
UBS US Long Bond Future Expiring June 2021	(2,045)
UBS US Ultra Bond Cbt Future Expiring June 2021	2,417
Total net exposure	**(60,398)**

Threadneedle American Fund

Portfolio Statement

as at 7 March 2021

Holding	Investment	Value £000	% of Net Asset Value
OIL & GAS 1.65% (2.78%)			
	Alternative Energy 0.52% (0.00%)		
260,460	Renewable Energy Group	14,340	0.52
	Oil & Gas Producers 1.13% (2.78%)		
546,432	Valero Energy	31,248	1.13
	Total Oil & Gas	**45,588**	**1.65**
BASIC MATERIALS 3.23% (1.28%)			
	Chemicals 3.23% (1.28%)		
306,734	Albemarle	31,916	1.16
559,495	DuPont de Nemours	29,963	1.08
368,364	FMC	27,366	0.99
	Total Basic Materials	**89,245**	**3.23**
INDUSTRIALS 11.95% (8.68%)			
	Aerospace & Defence 0.57% (0.60%)		
717,875	Howmet Aerospace	15,770	0.57
	Electronic & Electrical Equipment 2.30% (0.00%)		
379,569	TE Connectivity	35,696	1.29
547,383	Trimble Navigation	27,987	1.01
	General Industrials 1.98% (0.00%)		
551,076	Eaton	54,769	1.98
	Industrial Engineering 2.09% (4.14%)		
165,871	Caterpillar	26,421	0.96
872,476	Ingersoll-Rand	31,237	1.13
	Industrial Transportation 2.00% (2.11%)		
365,513	Union Pacific	55,411	2.00
	Support Services 3.01% (1.83%)		
163,490	Bill.Com Holdings	17,609	0.64
364,844	Fidelity National Information Services	37,250	1.35
411,195	Republic Services	28,099	1.02
	Total Industrials	**330,249**	**11.95**
CONSUMER GOODS 6.22% (9.82%)			
	Automobiles & Parts 1.21% (0.00%)		
861,078	General Motors	33,490	1.21
	Beverages 3.32% (2.24%)		
1,431,362	Coca-Cola	52,594	1.90
408,616	PepsiCo	39,333	1.42
	Food Producers 0.00% (2.00%)		
	Household Goods & Home Construction 0.00% (3.02%)		
	Leisure Goods 0.90% (1.55%)		
201,307	Take-Two Interactive	24,863	0.90
	Personal Goods 0.79% (1.01%)		
1,329,364	Under Armour	21,787	0.79
	Total Consumer Goods	**172,067**	**6.22**
HEALTH CARE 12.92% (16.66%)			
	Health Care Equipment & Services 5.33% (5.67%)		
1,202,264	Centene	52,588	1.90
519,873	Medtronic	44,464	1.61
155,919	Thermo Fisher Scientific	50,375	1.82
	Pharmaceuticals & Biotechnology 7.59% (10.99%)		
598,724	Abbott Laboratories	50,762	1.84
1,037,812	Bristol-Myrs Squibb	45,372	1.64
225,442	Charles River Laboratories	44,594	1.61
346,305	Eli Lilly and Company	51,848	1.88
136,240	Novavax	17,221	0.62
	Total Health Care	**357,224**	**12.92**
CONSUMER SERVICES 16.00% (10.55%)			
	Food & Drug Retailers 0.99% (0.00%)		
532,724	CVS Health	27,214	0.99
	General Retailers 12.74% (8.20%)		
74,425	Amazon.com	161,476	5.84
263,735	Home Depot	48,363	1.75
1,116,544	Lyft	51,804	1.87
518,245	Target Corporation	64,728	2.34
571,721	TJX Companies	25,943	0.94
	Media 2.27% (2.35%)		
1,574,959	Comcast Corporation	62,725	2.27
	Total Consumer Services	**442,253**	**16.00**
UTILITIES 1.62% (1.89%)			
	Electricity 1.62% (1.89%)		
875,632	Array Technologies	21,656	0.78
451,338	FPL Group	23,080	0.84
	Total Utilities	**44,736**	**1.62**
FINANCIALS 16.42% (15.70%)			
	Banks 0.00% (5.73%)		
	Nonlife Insurance 1.35% (1.84%)		
462,840	Allstate	37,382	1.35
	Real Estate Investment Trusts 0.00% (1.06%)		
	Financial Services 15.07% (7.07%)		
106,147	Blackrock	53,925	1.95
773,192	InterContinental Exchange	64,306	2.33
327,401	MasterCard Class A	85,442	3.09
1,893,030	Morgan Stanley	110,760	4.01
500,512	State Street Corporation	28,760	1.04
407,988	Virtu Financial	7,956	0.29
1,451,981	Voya Financial	65,392	2.36
	Total Financials	**453,923**	**16.42**
TECHNOLOGY 28.38% (31.17%)			
	Software & Computer Services 17.10% (17.42%)		
156,718	Adobe Systems	49,971	1.81
104,093	Alphabet Class A	157,824	5.71
99,326	Facebook	18,993	0.69
460,571	Match Group	48,690	1.76
1,175,460	Microsoft	196,970	7.13
	Technology Hardware & Equipment 11.28% (13.75%)		
234,548	Broadcom	76,345	2.76
2,251,319	Cisco Systems	75,294	2.72
105,412	Lam Research	41,756	1.51
405,098	Microchip Technology	42,629	1.54
210,697	Nvidia	75,961	2.75
	Total Technology	**784,433**	**28.38**

Threadneedle American Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
TELECOMMUNICATIONS 1.01% (0.00%)			
	Mobile Telecommunications 1.01% (0.00%)		
309,356	T-Mobile US	27,909	1.01
	Total Telecommunications	**27,909**	**1.01**
COLLECTIVE INVESTMENT SCHEMES 1.31% (0.96%)			
	Liquidity Funds 1.31% (0.96%)[1]		
50,095,765	BlackRock Institutional Cash Series US Dollar Liquidity Platinum	36,249	1.31
	Total Collective Investment Schemes	**36,249**	**1.31**
DERIVATIVES -0.16% (0.07%)			
	Forward Foreign Exchange Contracts -0.16% (0.07%)		
	Sell USD 2,185,095 Buy GBP 1,545,670 J.P. Morgan	(36)	–
	Sell USD 171,626 Buy GBP 123,008 J.P. Morgan	(1)	–
	Sell USD 3,427,000 Buy GBP 2,462,518 Barclays	(18)	–
	Sell USD 437,531,714 Buy GBP 312,000,052 J.P. Morgan	(4,653)	(0.17)
	Sell USD 1,013,200 Buy GBP 726,715 J.P. Morgan	(6)	–
	Sell USD 1,046,741 Buy GBP 751,570 J.P. Morgan	(6)	–
	Sell GBP 156,031 Buy USD 220,584 J.P. Morgan	4	–
	Sell GBP 2,475,995 Buy USD 3,459,000 Barclays	28	–
	Sell GBP 484,970 Buy USD 680,090 J.P. Morgan	7	–
	Sell GBP 6,007,658 Buy USD 8,375,432 J.P. Morgan	54	–
	Sell GBP 6,956,683 Buy USD 9,774,436 J.P. Morgan	117	0.01
	Total Derivatives	**(4,510)**	**(0.16)**
Total value of investments[2]		**2,779,366**	**100.55**
Net other (liabilities)/assets (0.44%)		**(15,214)**	**(0.55)**
Net assets		**2,764,152**	**100.00**

March 2020 comparatives in brackets.

[1] *Cash equivalents.*

[2] *Includes Cash equivalents.*

Threadneedle American Select Fund

Portfolio Statement

as at 7 March 2021

Holding	Investment	Value £000	% of Net Asset Value
OIL & GAS 0.00% (1.94%)			
	Oil & Gas Producers 0.00% (1.94%)		
	Total Oil & Gas	–	–
INDUSTRIALS 8.62% (2.26%)			
	Aerospace & Defence 0.13% (0.51%)		
15,333	Heico Corporation	1,367	0.13
	Electronic & Electrical Equipment 0.60% (0.00%)		
70,091	TE Connectivity	6,592	0.60
	Industrial Engineering 0.43% (0.00%)		
257,545	Bloom Energy	4,771	0.43
	Industrial Transportation 2.89% (1.75%)		
171,851	Norfolk Southern	31,826	2.89
	Support Services 4.57% (0.00%)		
195,843	Fiserv	16,960	1.54
130,523	PayPal Holdings	22,576	2.05
68,644	Square	10,750	0.98
	Total Industrials	**94,842**	**8.62**
CONSUMER GOODS 1.85% (3.83%)			
	Beverages 0.91% (1.43%)		
103,445	PepsiCo	9,957	0.91
	Food Producers 0.00% (1.65%)		
	Personal Goods 0.94% (0.75%)		
107,560	NIKE	10,375	0.94
	Total Consumer Goods	**20,332**	**1.85**
HEALTH CARE 9.77% (8.71%)			
	Health Care Equipment & Services 6.02% (3.88%)		
245,956	Centene	10,758	0.98
373,678	Edwards Lifesciences	22,091	2.01
33,431	Thermo Fisher Scientific	10,801	0.98
89,788	UnitedHealth Group	22,529	2.05
	Pharmaceuticals & Biotechnology 3.75% (4.83%)		
365,477	Biomarin Pharmaceutical	20,524	1.86
135,616	Vertex Pharmaceuticals	20,790	1.89
	Total Health Care	**107,493**	**9.77**
CONSUMER SERVICES 17.00% (18.18%)			
	Food & Drug Retailers 0.98% (0.00%)		
211,489	CVS Health	10,804	0.98
	General Retailers 8.55% (9.15%)		
32,500	Amazon.com	70,514	6.41
586,292	Uber Technologies	23,549	2.14
	Media 4.79% (5.68%)		
22,322	Charter Communications	10,079	0.91
836,651	Comcast Corporation	33,321	3.03
68,583	Walt Disney	9,420	0.85
	Travel & Leisure 2.68% (3.35%)		
11,588	Booking Holdings	19,345	1.76
223,318	Las Vegas Sands	10,083	0.92
	Total Consumer Services	**187,115**	**17.00**
FINANCIALS 18.01% (24.31%)			
	Banks 4.25% (7.74%)		
904,798	Bank of America	24,172	2.20
206,351	JPMorgan Chase	22,542	2.05
	Nonlife Insurance 7.06% (8.51%)		
424,282	Berkshire Hathaway	77,691	7.06
	Financial Services 6.70% (8.06%)		
163,725	MasterCard Class A	42,727	3.88
199,284	Visa 'A' Shares	31,042	2.82
	Total Financials	**198,174**	**18.01**
TECHNOLOGY 43.25% (40.36%)			
	Software & Computer Services 33.77% (29.52%)		
146,488	Adobe Systems	46,709	4.24
70,689	Alphabet Class A	107,177	9.74
79,748	ANSYS	17,757	1.61
65,315	Autodesk	12,625	1.15
297,897	Facebook	56,965	5.18
83,881	Intuit	23,190	2.11
584,534	Microsoft	97,950	8.90
470,063	Nutanix	9,272	0.84
	Technology Hardware & Equipment 9.48% (10.84%)		
125,507	Analog Devices	13,516	1.23
380,404	Apple	33,410	3.03
55,742	Lam Research	22,081	2.01
93,245	Marvell Technology Group	2,565	0.23
194,294	Microchip Technology	20,446	1.86
34,178	Nvidia	12,322	1.12
	Total Technology	**475,985**	**43.25**
UTILITIES 0.83% (0.00%)			
	Electricity 0.83% (0.00%)		
178,925	FPL Group	9,149	0.83
	Total Utilities	**9,149**	**0.83**
DERIVATIVES 0.00% (0.00%)			
	Forward Foreign Exchange Contracts 0.00% (0.00%)		
	Sell USD 33,780		
	Buy CHF 30,308 J.P. Morgan	(1)	–
	Sell USD 868		
	Buy CHF 794 J.P. Morgan[1]	–	–
	Sell USD 2,001,000		
	Buy GBP 1,437,846 Barclays	(10)	–
	Sell USD 16,994		
	Buy GBP 12,195 J.P. Morgan[1]	–	–
	Sell USD 65		
	Buy GBP 47 J.P. Morgan[1]	–	–
	Sell USD 660,613		
	Buy GBP 471,077 J.P. Morgan	(7)	–
	Sell USD 81		
	Buy GBP 58 J.P. Morgan[1]	–	–
	Sell USD 108,000		
	Buy GBP 77,364 Bank of Scotland	(1)	–
	Sell GBP 90		
	Buy USD 127 J.P. Morgan[1]	–	–
	Sell GBP 11,185		
	Buy USD 15,716 J.P. Morgan[1]	–	–
	Sell GBP 11,290		

Threadneedle American Select Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
DERIVATIVES 0.00% (0.00%) (continued)			
	Buy USD 15,783 J.P. Morgan[1] Sell GBP 12,564	–	–
	Buy USD 17,557 J.P. Morgan[1] Sell GBP 5,271	–	–
	Buy USD 7,451 J.P. Morgan[1] Sell GBP 535,428	–	–
	Buy USD 748,000 Barclays Sell CHF 724	6	–
	Buy USD 801 J.P. Morgan[1] Sell CHF 722	–	–
	Buy USD 806 J.P. Morgan[1] Sell CHF 826	–	–
	Buy USD 894 J.P. Morgan[1]	–	–
	Total Derivatives	**(13)**	**–**
Total value of investments		**1,093,077**	**99.33**
Net other assets (0.41%)		**7,361**	**0.67**
Net assets		**1,100,438**	**100.00**

March 2020 comparatives in brackets.

[1]*Less than £500, rounded to nil.*

Threadneedle American Smaller Companies Fund (US)

Portfolio Statement

as at 7 March 2021

Holding	Investment	Value £000	% of Net Asset Value
OIL & GAS 6.68% (1.32%)			
	Oil & Gas Producers 0.00% (0.19%)		
	Oil Equipment, Services & Distribution 4.09% (1.13%)		
6,555,771	Newpark Resources	18,738	4.09
	Alternative Energy 2.59% (0.00%)		
66,060	Renewable Energy Group	3,637	0.79
370,652	Sunpower	8,226	1.80
	Total Oil & Gas	**30,601**	**6.68**
BASIC MATERIALS 3.99% (5.33%)			
	Chemicals 0.92% (3.22%)		
201,412	Axalta Coating Systems	4,203	0.92
	Industrial Metals & Mining 3.07% (2.11%)		
500,460	Schnitzer Steel Industries Class A	14,094	3.07
	Total Basic Materials	**18,297**	**3.99**
INDUSTRIALS 18.15% (18.70%)			
	Construction & Materials 5.80% (4.28%)		
367,002	KBR	8,232	1.80
100,003	Masonite International	7,999	1.75
414,635	Quanex Building Products	7,513	1.64
19,854	TopBuild	2,794	0.61
	Aerospace & Defence 0.63% (1.64%)		
33,944	Curtiss-Wright Corporation	2,906	0.63
	General Industrials 1.06% (0.00%)		
76,996	ITT	4,848	1.06
	Electronic & Electrical Equipment 2.56% (4.63%)		
589,428	Livent	7,114	1.55
275,131	Vishay Intertechnology	4,647	1.01
	Industrial Engineering 3.36% (2.33%)		
64,963	AGCO Corporation	6,271	1.37
162,269	Bloom Energy	3,006	0.66
52,921	MSA Safety	6,118	1.33
	Industrial Transportation 0.00% (3.86%)		
	Support Services 4.74% (1.96%)		
33,452	Bill.Com Holdings	3,603	0.79
572,902	EVO Payments	10,973	2.40
45,185	FTI Consulting	3,964	0.86
49,912	ICF International	3,147	0.69
	Total Industrials	**83,135**	**18.15**
CONSUMER GOODS 8.77% (7.64%)			
	Food Producers 1.76% (2.12%)		
352,954	Bellring Brands	5,968	1.30
20,853	Beyond Meat	2,087	0.46
	Leisure Goods 0.77% (0.00%)		
119,128	Acushnet Holdings	3,532	0.77
	Personal Goods 6.24% (5.52%)		
167,378	Canada Goose Holdings	5,459	1.19
349,777	ELF Beauty	6,522	1.43
217,364	Gildan Activewear	4,637	1.01
195,221	Kontoor Brands	7,160	1.56
292,165	Under Armour	4,788	1.05
	Total Consumer Goods	**40,153**	**8.77**
HEALTH CARE 15.74% (13.53%)			
	Health Care Equipment & Services 5.21% (0.00%)		
139,008	CONMED Corporation	12,443	2.72
111,323	Integer Holdings	7,536	1.64
212,005	Natus Medical	3,889	0.85
	Pharmaceuticals & Biotechnology 10.53% (13.53%)		
153,147	Dynavax Technologies	911	0.20
157,315	Elanco Animal Health	3,544	0.77
76,172	Insmed	2,096	0.46
1,296,369	Kindred Biosciences	4,474	0.98
311,078	Luminex	7,250	1.58
94,423	Medpace Holdings	10,747	2.35
29,093	Mirati Therapeutics	3,996	0.87
37,406	Novavax	4,728	1.03
82,557	Quanterix	4,017	0.88
116,477	Sage Therapeutics	6,467	1.41
	Total Health Care	**72,098**	**15.74**
CONSUMER SERVICES 17.40% (11.24%)			
	General Retailers 10.59% (5.12%)		
489,954	Carriage Services	12,068	2.63
20,223	Lithia Motors	5,494	1.20
103,532	Lyft	4,803	1.05
365,864	Matthews International	10,444	2.28
255,164	Regis Corporation	2,145	0.47
100,175	Ritchie Bros Auctioneers	3,937	0.86
510,323	WillScot Mobile Mini Holdings	9,623	2.10
	Media 3.18% (2.12%)		
507,265	Qurate Retail	4,254	0.93
13,814	Qurate Retail 8.0% Cum Red Preference Share	995	0.22
165,909	Techtarget	9,304	2.03
	Travel & Leisure 3.63% (4.00%)		
450,519	OneSpaWorld Holdings	3,605	0.79
272,998	Wendy's	3,884	0.85
105,054	Wingstop	9,145	1.99
	Total Consumer Services	**79,701**	**17.40**
UTILITIES 3.98% (3.66%)			
	Electricity 1.07% (3.66%)		
197,884	Array Technologies	4,894	1.07
	Gas, Water & Multiutilities 2.91% (0.00%)		
429,055	Avista	13,322	2.91
	Total Utilities	**18,216**	**3.98**

Threadneedle American Smaller Companies Fund (US)

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
FINANCIALS 15.85% (26.16%)			
	Banks 3.03% (8.13%)		
295,145	Houlihan Lokey	13,890	3.03
	Nonlife Insurance 1.72% (0.00%)		
258,237	Essent Group	7,897	1.72
	Real Estate Investment Trusts 3.94% (11.18%)		
190,860	Life Storage	11,349	2.48
156,397	QTS Realty Trust	6,676	1.46
	Financial Services 7.16% (6.85%)		
328,089	Moelis & Company	12,632	2.76
722,802	Virtu Financial	14,095	3.07
135,022	Voya Financial	6,081	1.33
	Total Financials	**72,620**	**15.85**
TECHNOLOGY 8.47% (11.56%)			
	Software & Computer Services 3.90% (6.63%)		
388,323	Avaya Holdings	8,075	1.76
74,852	Envestnet	3,857	0.84
199,849	Teradata Corporation	5,966	1.30
	Technology Hardware & Equipment 4.57% (4.93%)		
218,981	COHU	6,354	1.39
284,584	Impinj	11,342	2.48
46,171	SiTime	3,202	0.70
	Total Technology	**38,796**	**8.47**
COLLECTIVE INVESTMENT SCHEMES 0.95% (0.82%)			
	Liquidity Funds 0.95% (0.82%)[1]		
6,007,613	BlackRock Institutional Cash Series US Dollar Liquidity Platinum	4,347	0.95
	Total Collective Investment Schemes	**4,347**	**0.95**
DERIVATIVES 0.00% (0.00%)			
	Forward Foreign Exchange Contracts 0.00% (0.00%)		
	Sell USD 658,000 Buy GBP 472,815 Barclays	(3)	–
	Total Derivatives	**(3)**	**–**
Total value of investments[2]		**457,961**	**99.98**
Net other assets (0.04%)		**78**	**0.02**
Net assets		**458,039**	**100.00**

March 2020 comparatives in brackets.

[1] *Cash equivalents.*

[2] *Includes Cash equivalents.*

Threadneedle Dollar Bond Fund

Portfolio Statement

as at 7 March 2021

	Holding	Investment	Value £000	% of Net Asset Value
FIXED INTEREST 91.67% (97.34%)				
		AAA 12.66% (1.54%)		
USD	1,000,000	BNG Bank 1.5% 16/10/2024	748	1.15
USD	640,000	European Investment Bank 2.5% 15/10/2024	495	0.76
USD	1,000,000	International Bank for Reconstruction and Development 3.125% 20/11/2025 (Germany listing)	800	1.23
USD	1,000,000	International Bank for Reconstruction and Development 3.125% 20/11/2025 (Luxembourg listing)	800	1.23
USD	1,000,000	International Finance Corporation 2% 24/10/2022	745	1.15
USD	135,000	Johnson & Johnson 2.1% 01/09/2040	89	0.14
USD	200,000	Johnson & Johnson 2.1% 01/09/2040	132	0.20
USD	1,175,000	KFW 0.75% 30/09/2030	784	1.22
USD	2,000,000	KFW 2% 29/09/2022	1,488	2.29
USD	1,900,000	KFW 2% 30/11/2021	1,393	2.15
USD	540,000	Microsoft 2.875% 06/02/2024	417	0.64
USD	371,000	Microsoft 4.1% 06/02/2037	325	0.50
		Aaa 29.36% (49.91%)		
USD	1,478,000	United States Treasury Note/Bond 0.25% 31/08/2025	1,049	1.62
USD	2,825,900	United States Treasury Note/Bond 0.375% 31/07/2027	1,952	3.01
USD	5,313,000	United States Treasury Note/Bond 0.625% 15/08/2030	3,543	5.46
USD	360,000	United States Treasury Note/Bond 1.125% 15/05/2040	218	0.34
USD	1,010,000	United States Treasury Note/Bond 1.375% 15/08/2050	583	0.90
USD	1,669,000	United States Treasury Note/Bond 1.875% 30/04/2022	1,233	1.90
USD	1,060,000	United States Treasury Note/Bond 2% 31/05/2024	807	1.24
USD	3,570,000	United States Treasury Note/Bond 2.375% 15/08/2024	2,757	4.25
USD	3,160,000	United States Treasury Note/Bond 2.75% 15/08/2047	2,508	3.87
USD	1,900,000	United States Treasury Note/Bond 4.25% 15/05/2039	1,843	2.84
USD	2,615,000	United States Treasury Note/Bond 4.5% 15/02/2036	2,548	3.93
		AA+ 1.60% (1.38%)		
USD	240,000	Apple 2.65% 11/05/2050	158	0.24
USD	54,000	Apple 4.5% 23/02/2036	49	0.07
USD	750,000	New York Life Global Funding 1.1% 05/05/2023	551	0.85
USD	400,000	Northwestern 0.8% 14/01/2026	285	0.44
		AA 1.19% (0.23%)		
USD	600,000	Abu Dhabi Government International 2.5% 30/09/2029	448	0.69
USD	130,000	Berkshire Hathaway Finance 4.25% 15/01/2049	111	0.17
USD	300,000	Korea Development Bank 0.4% 19/06/2024	215	0.33
		Aa2 0.74% (0.00%)		
USD	259,000	Galaxy Pipeline Assets 2.625% 31/03/2036	182	0.28
USD	425,000	Galaxy Pipeline Assets 2.94% 30/09/2040	299	0.46
		AA- 2.80% (0.98%)		
USD	253,000	Amazon.Com 2.7% 03/06/2060	162	0.25
USD	464,000	Met Life Global Funding I 1.55% 07/01/2031	317	0.49
USD	150,000	Metropolitan Life Global Funding I 2.95% 09/04/2030	115	0.18
USD	80,000	New York Life Insurance 4.45% 04/04/2069	69	0.11
USD	160,000	Northwestern 3.85% 30/09/2047	125	0.19
USD	1,000,000	Qatar Government International Bond 3.25% 02/06/2026	789	1.22
USD	263,000	Teachers Insurance & Annuity Association of America 4.9% 15/09/2044	234	0.36
		A+ 3.39% (3.75%)		
USD	550,000	BPCE 2.7% 01/10/2029	409	0.63
USD	60,000	Burlingtn Northern Santa Fe 4.375% 01/09/2042	52	0.08
USD	400,000	Connecticut Light & Power 3.2% 15/03/2027	317	0.49
USD	135,000	Intel 4.75% 25/03/2050	123	0.19
USD	400,000	Oncor Electric Delivery 0.55% 01/10/2025	283	0.44
USD	143,000	Oncor Electric Delivery 3.7% 15/11/2028	116	0.18
USD	113,000	Pfizer 2.625% 01/04/2030	85	0.13
USD	160,000	Port Authority of New York & New Jersey 4.458% 01/10/2062	143	0.22
USD	250,000	Siemens Financieringsma 1.7% 11/03/2028	179	0.28
USD	250,000	Siemens Financieringsmaatschappij 3.125% 16/03/2024	194	0.30
USD	200,000	Tencent Holdings 3.24% 03/06/2050	136	0.21
USD	200,000	Tencent Holdings 3.595% 19/01/2028	155	0.24
		A1 0.26% (0.00%)		
USD	230,000	Saudi Arabian Oil 1.625% 24/11/2025	168	0.26
		A 3.94% (3.51%)		
USD	181,000	Atlantic City Electric 2.3% 15/03/2031	130	0.20
USD	200,000	Banque Fédérative du Crédit Mutuel 2.375% 21/11/2024	153	0.24
USD	80,000	Consumers Energy 2.5% 01/05/2060	49	0.08
USD	500,000	Danske Bank 1.226% 22/06/2024	366	0.56
USD	260,000	Duke Energy Carolinas 3.2% 15/08/2049	186	0.29
USD	635,000	Five Corners Funding Trust 4.419% 15/11/2023	506	0.78
USD	152,000	International Business Machines 1.95% 15/05/2030	107	0.17
USD	317,000	Oracle 2.95% 01/04/2030	242	0.37
USD	240,000	Oracle 3.6% 01/04/2040	183	0.28
USD	150,000	PPL Electric Utilities 4.15% 15/06/2048	125	0.19
USD	100,000	San Diego Gas & Electric 4.15% 15/05/2048	83	0.13
USD	255,000	Santander UK 2.875% 18/06/2024	197	0.30
USD	177,000	Southwestern Public Service 3.15% 01/05/2050	126	0.19
USD	150,000	Total Capital International 2.986% 29/06/2041	107	0.16
		A- 3.30% (5.74%)		
USD	200,000	Amgen 3.15% 21/02/2040	145	0.22

Threadneedle Dollar Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value
FIXED INTEREST 91.67% (97.34%) (continued)				
USD	185,000	Berkshire Hathaway Energy 2.85% 15/05/2051	121	0.19
USD	130,000	Cigna 4.9% 15/12/2048	115	0.18
USD	390,000	Cigna Corporation 2.375% 15/03/2031	280	0.43
USD	220,000	Comcast Corporation 4.6% 15/10/2038	194	0.30
USD	50,000	Consolidated Edison 3.95% 01/04/2050	39	0.06
USD	100,000	Georgia Power 3.7% 30/01/2050	76	0.12
USD	200,000	HSBC Holdings 4.95% 31/03/2030	171	0.26
USD	275,000	Indiana Michigan Power 3.75% 01/07/2047	215	0.33
USD	300,000	SGSP Australia Assets 3.3% 09/04/2023	228	0.35
USD	475,000	SGSP Australia Assets 3.5% 07/07/2027	376	0.58
USD	50,000	Southern California Edison 3.65% 01/02/2050	36	0.06
USD	185,000	Southern California Edison 4.125% 01/03/2048	142	0.22
		A3 0.00% (0.52%)		
		BBB+ 9.26% (7.97%)		
USD	327,000	AbbVie 4.25% 21/11/2049	264	0.41
USD	135,000	AbbVie 4.875% 14/11/2048	119	0.18
USD	100,000	American International Group 3.4% 30/06/2030	78	0.12
USD	100,000	Anheuser-Busch InBev 4.35% 01/06/2040	82	0.13
USD	420,000	Anheuser-Busch InBev 4.7% 01/02/2036	357	0.55
USD	100,000	Anheuser-Busch InBev 5.45% 23/01/2039	91	0.14
USD	668,000	Aroundtown 5.375% 21/03/2029	561	0.87
USD	309,000	BAT Capital 4.7% 02/04/2027	254	0.39
USD	124,000	CSX 3.8% 15/04/2050	97	0.15
USD	90,000	Electricite de France 4.875% 22/01/2044	78	0.12
USD	155,000	Enterprise Products Operating 4.45% 15/02/2043	124	0.19
USD	80,000	Eversource Energy 3.45% 15/01/2050 (Germany listing)	59	0.09
USD	150,000	Eversource Energy 3.45% 15/01/2050 (USA listing)	110	0.17
USD	439,000	GE Capital International Funding Company 4.418% 15/11/2035	355	0.55
USD	340,000	Goodman US Finance 3.7% 15/03/2028	265	0.41
USD	234,000	NiSource Finance 4.8% 15/02/2044	199	0.31
USD	150,000	Piedmont Natural Gas 3.35% 01/06/2050	107	0.17
USD	105,000	Southern Copper 4.4% 01/07/2046	85	0.13
USD	150,000	Sydney Airport 3.625% 28/04/2026	118	0.18
USD	50,000	Tyson Foods 4.55% 02/06/2047	43	0.07
USD	200,000	UBS 5.125% 15/05/2024	160	0.25
USD	145,000	Verizon Communications 2.65% 20/11/2040	95	0.15
USD	380,000	Verizon Communications 4.4% 01/11/2034	319	0.49
USD	170,000	Virginia Electric and Power Company 4.6% 01/12/2048	152	0.23
USD	361,000	Volkswagen Group America 3.35% 13/05/2025	282	0.43
USD	960,000	Vonovia Finance 5% 02/10/2023	746	1.15
USD	530,000	Voya Financial 3.125% 15/07/2024	412	0.63
USD	490,000	Woodside Finance 4.5% 04/03/2029	389	0.60
		BBB 9.39% (9.03%)		
USD	62,000	Altria Group 4% 04/02/2061	41	0.06
USD	200,000	Anglo American Capital 3.95% 10/09/2050	151	0.23
USD	155,000	APT Pipelines 4.2% 23/03/2025	123	0.19
USD	40,000	APT Pipelines 4.25% 15/07/2027	33	0.05
USD	230,000	APT Pipelines 5% 23/03/2035	200	0.31
USD	187,000	AT&T 2.3% 01/06/2027	139	0.21
USD	137,000	AT&T 2.55% 01/12/2033	94	0.15
USD	101,000	AT&T 3.1% 01/02/2043	67	0.10
USD	161,000	AT&T 3.5% 15/09/2053	104	0.16
USD	449,000	AT&T 4.9% 15/08/2037	380	0.59
USD	605,000	Ausgrid Finance 3.85% 01/05/2023	461	0.71
USD	375,000	Ausgrid Finance 4.35% 01/08/2028	304	0.47
USD	315,000	BAE Systems 3.4% 15/04/2030	246	0.38
USD	325,000	Bayer US Finance II 4.25% 15/12/2025	264	0.41
USD	840,000	Becton Dickinson 2.823% 20/05/2030	631	0.97
USD	226,000	Becton Dickinson 3.7% 06/06/2027	183	0.28
USD	447,000	Carrier Global 2.722% 15/02/2030	329	0.51
USD	175,000	CVS Health 5.05% 25/03/2048	154	0.24
USD	110,000	Dte Energy Co 2.95% 01/03/2030	83	0.13
USD	120,000	E.ON International Finance 6.65% 30/04/2038	124	0.19
USD	700,000	Fiserv 2.25% 01/06/2027	523	0.81
USD	289,000	HKT Capital No. 5 3.25% 30/09/2029	218	0.34
USD	200,000	Imperial Brands Finance 3.5% 26/07/2026	155	0.24
USD	500,000	Imperial Tobacco Finance 3.5% 11/02/2023	378	0.58
USD	230,000	Kinder Morgan Energy Partners 5% 01/03/2043	185	0.29
USD	400,000	Petroleos Mexicanos 6.5% 13/03/2027	304	0.47
USD	170,000	Transcont Gas Pipe Line 3.25% 15/05/2030	130	0.20
USD	97,000	Williams Partners 4.85% 01/03/2048	79	0.12
		BBB- 5.75% (6.08%)		
USD	222,000	Adani Ports and Special Economic Zone 4.375% 03/07/2029	171	0.26
USD	727,000	Bacardi 4.45% 15/05/2025	589	0.91
USD	120,000	Bacardi 4.7% 15/05/2028	100	0.15
USD	250,000	Bacardi 5.3% 15/05/2048	226	0.35
USD	310,000	Bank of Ireland Group 4.5% 25/11/2023	245	0.38
USD	75,000	Boeing 3.95% 01/08/2059	51	0.08
USD	108,000	Boeing 5.93% 01/05/2060	99	0.15
USD	200,000	Broadcom 4.15% 15/11/2030	159	0.24
USD	221,000	Broadcom 5% 15/04/2030	184	0.28
USD	360,000	Canadian Natural Resources 2.95% 15/07/2030	263	0.41
USD	110,000	Charter Communications Operating 3.7% 01/04/2051	73	0.11
USD	380,000	Charter Communications Operating 4.5% 01/02/2024	301	0.46
USD	125,000	Charter Communications Operating 4.8% 01/03/2050	97	0.15
USD	329,000	Discovery Communication 3.625% 15/05/2030	259	0.40
USD	100,000	Emera US Finance 4.75% 15/06/2046	83	0.13
USD	250,000	Equinix 5.375% 15/05/2027	195	0.30
USD	345,000	Pacific National Finance 4.75% 22/03/2028	264	0.41
USD	168,000	Plains All American Pipeline 3.55% 15/12/2029	123	0.19

Threadneedle Dollar Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value
FIXED INTEREST 91.67% (97.34%) (continued)				
USD	112,000	Plains All American Pipeline 4.7% 15/06/2044	77	0.12
USD	228,000	Syngenta Finance 4.892% 24/04/2025	177	0.27
		BB+ 1.01% (1.18%)		
USD	350,000	Braskem Netherlands Finance 4.5% 10/01/2028	260	0.40
USD	317,000	Kraft Heinz Foods 4.375% 01/06/2046	244	0.38
USD	100,000	Kraft Heinz Foods 4.875% 01/10/2049	83	0.13
USD	83,000	Metropolitan Edison 4.3% 15/01/2029	67	0.10
		Ba2 0.47% (0.29%)		
USD	200,000	Energuate Trust 5.875% 03/05/2027	154	0.24
USD	200,000	Millicom International Cellular 6.25% 25/03/2029	146	0.23
		BB- 0.88% (0.51%)		
USD	150,000	Dominican Republic International Bond 6.4% 05/06/2049	114	0.18
USD	150,000	Dominican Republic International Bond 6.85% 27/01/2045	119	0.18
USD	270,000	GMR Hyderabad 4.25% 27/10/2027	190	0.29
USD	200,000	GMR Hyderabad International 5.375% 10/04/2024	149	0.23
		B 0.46% (0.00%)		
USD	400,000	Altice France 7.375% 01/05/2026	300	0.46
		CCC+ 0.00% (0.03%)		
		Not Rated 1.46% (0.00%)		
USD	1,390,000	United States Treasury Note/Bond 2% 15/02/2050	945	1.46
		Liquidity Funds 3.75% (4.69%)[1]		
USD	3,357,251	BlackRock Institutional Cash Series US Dollar Liquidity Platinum	2,430	3.75
		Total Fixed Interest	**59,445**	**91.67**
FLOATING RATE NOTES 7.00% (2.28%)				
		A 0.99% (0.00%)		
USD	900,000	*DNB Bank Variable 16/09/2026	645	0.99
		A- 2.00% (0.91%)		
USD	350,000	*Bank of America Variable 07/23/2030	269	0.41
USD	329,000	*Bank of America Variable 13/02/2031	240	0.37
USD	85,000	*Bank of America Variable 29/04/2031	62	0.10
USD	280,000	*HSBC Holdings Variable 24/05/2027	202	0.31
USD	287,000	*JPMorgan Chase Variable 22/04/2041	211	0.33
USD	390,000	*JPMorgan Chase Variable 3.882% 24/07/2038	312	0.48
		BBB+ 1.68% (0.00%)		
USD	345,000	*Australia and New Zealand Banking Group 2.57% 25/11/2035	239	0.37
USD	250,000	*Credit Suisse 4.194% 01/04/2031	203	0.31
USD	500,000	*Danske Bank Variable 11/09/2026	361	0.56
USD	200,000	*Legal & General Group Variable 21/03/2047	160	0.25
USD	175,000	*Westpac Banking Variable 15/11/2035	123	0.19
		BBB 1.20% (0.48%)		
USD	200,000	*Aegon Variable 11/04/2048	164	0.25
USD	250,000	*Ausnet Services Holdings Variable 17/03/2076	184	0.28
USD	360,000	*BP Capital Markets Variable 22/09/2168	275	0.42
USD	200,000	*Royal Bank of Scotland Group Variable 08/05/2030	164	0.25
		BBB- 0.62% (0.29%)		
USD	200,000	*Credit Agricole Variable 23/03/2167	160	0.25
USD	320,000	*Deutsche Bank Variable 18/09/2024	238	0.37
		BB 0.24% (0.28%)		
USD	200,000	*UBS Group Funding Switzerland Variable 31/07/2169	158	0.24
		BB- 0.27% (0.32%)		
USD	215,000	*Credit Suisse Group Variable 12/03/2167	175	0.27
		Total Floating Rate Notes	**4,545**	**7.00**
EQUITIES 0.00% (0.00%)				
		Cayman Islands 0.00% (0.00%)		
	54	Noble Corp New Shares	1	–
	220	Noble Holding International-Wt1 Warrant (Tranche 1)	–	–
	220	Noble Holding International-Wt2 Warrant (Tranche 2)	–	–
		Total Equities	**1**	**–**
DERIVATIVES -0.03% (-1.17%)				
		Credit Default Swaps -0.45% (-0.03%)		
USD	(32,900,000)	Morgan Stanley CDX-NAIGS33V1-5Y Credit Default Swap Index Buy Protection 20/12/2025 Spread 100	(486)	(0.75)
USD	13,000,000	Morgan Stanley CDX-NAIGS33V1-5Y Credit Default Swap Index Sell Protection 20/12/2025 Spread 100	192	0.30
		Futures and Options 0.42% (-1.14%)		
USD	(16)	UBS US 10 Year Note Future Expiring June 2021	22	0.03
USD	(43)	UBS US 10 Year Ultra Future Expiring June 2021	88	0.14
USD	(56)	UBS US Long Bond Future Expiring June 2021	162	0.25
USD	1	UBS US Ultra Bond Future Expiring June 2021	(4)	(0.01)
USD	(8)	UBS US 5 Year Note Future Expiring June 2021	6	0.01
		Forward Foreign Exchange Contracts 0.00% (0.00%)		
		Sell USD 29,000 Buy GBP 20,774 Bank of Scotland[2]	–	–
		Total Derivatives	**(20)**	**(0.03)**
Total value of investments[3]			**63,971**	**98.64**
Net other assets (1.55%)			**885**	**1.36**
Net assets			**64,856**	**100.00**

March 2020 comparatives in brackets.

**Variable rate bond.*

[1]Cash equivalents.

[2]Less than £500, rounded to nil.

[3]Includes Cash equivalents.

Threadneedle Dollar Bond Fund

Portfolio Statement

(continued)

ANALYSIS OF INVESTMENTS BY ASSET CLASS

	Value £000	% of Investment
Fixed interest	59,445	92.93
Floating rate notes	4,545	7.10
Derivatives	(20)	(0.03)
Equity	1	–
Total value of investments[3]	**63,971**	**100.00**

ANALYSIS OF UNDERLYING EXPOSURE FUTURES AND OPTIONS

	Value £000
UBS US 10 Year Note Future Expiring June 2021	(1,532)
UBS US 10 Year Ultra Future Expiring June 2021	(4,544)
UBS US Long Bond Future Expiring June 2021	(6,361)
UBS US Ultra Bond Future Expiring June 2021	134
UBS US 5 Year Note Future Expiring June 2021	(718)
Total net exposure	**(13,021)**

Threadneedle Japan Fund

Portfolio Statement

as at 7 March 2021

Holding	Investment	Value £000	% of Net Asset Value
BASIC MATERIALS 4.55% (4.40%)			
	Chemicals 4.55% (4.40%)		
120,800	JCU	2,923	0.33
317,700	Shin-Etsu Chemical	37,081	4.22
	Total Basic Materials	**40,004**	**4.55**
INDUSTRIALS 33.66% (29.34%)			
	Construction & Materials 6.78% (8.83%)		
256,400	Daikin Industries	37,251	4.24
1,456,800	Takuma	22,318	2.54
	General Industrials 6.72% (4.92%)		
51,600	Daiwabo Holdings	2,787	0.32
2,533,500	Itochu	56,265	6.40
	Electronic & Electrical Equipment 8.46% (9.74%)		
147,400	Keyence	50,603	5.75
385,600	Murata Manufacturing	23,840	2.71
	Industrial Engineering 5.03% (0.00%)		
133,400	Fanuc	22,916	2.61
1,097,600	Takeuchi Manufacturing Company	21,284	2.42
	Industrial Transportation 0.78% (0.00%)		
206,200	Japan Airport Terminal	6,896	0.78
	Support Services 5.89% (5.85%)		
1,322,100	Mitsui & Company	20,157	2.29
964,600	Recruit Holdings	31,705	3.60
	Total Industrials	**296,022**	**33.66**
CONSUMER GOODS 18.08% (21.42%)			
	Automobiles & Parts 6.87% (5.75%)		
582,400	Koito Manufacturing	29,974	3.41
572,300	Toyota Motor	30,390	3.46
	Household Goods & Home Construction 1.84% (1.05%)		
559,900	Shoei	16,220	1.84
	Leisure Goods 7.10% (8.63%)		
118,500	Bandai Namco Holdings	6,376	0.72
38,300	Nintendo	15,841	1.80
538,300	Sony	40,244	4.58
	Personal Goods 2.27% (5.99%)		
408,600	Kao	19,932	2.27
	Total Consumer Goods	**158,977**	**18.08**
HEALTH CARE 8.34% (10.13%)			
	Health Care Equipment & Services 5.47% (4.14%)		
417,400	Hoya	33,086	3.76
281,900	M3	15,022	1.71
	Pharmaceuticals & Biotechnology 2.87% (5.99%)		
269,600	Chugai Pharmaceutical	8,104	0.92
831,300	Daiichi Sankyo	17,158	1.95
	Total Health Care	**73,370**	**8.34**
CONSUMER SERVICES 3.47% (1.96%)			
	General Retailers 3.34% (0.87%)		
1,130,600	Don Quijote Holdings	20,445	2.33
66,600	Nitori Holdings	8,900	1.01
	Media 0.13% (1.09%)		
61,300	ValueCommerce	1,168	0.13
	Total Consumer Services	**30,513**	**3.47**
TELECOMMUNICATIONS 5.00% (5.87%)			
	Fixed Line Telecommunications 0.00% (4.23%)		
	Mobile Telecommunications 5.00% (1.64%)		
655,800	SoftBank Group	43,951	5.00
	Total Telecommunications	**43,951**	**5.00**
FINANCIALS 12.74% (10.73%)			
	Banks 0.00% (1.46%)		
	Nonlife Insurance 0.00% (2.26%)		
	Life Insurance 4.11% (1.95%)		
2,874,400	Dai-ichi Life Insurance	36,168	4.11
	Real Estate Investment & Services 1.19% (0.00%)		
364,200	Open House	10,442	1.19
	Real Estate Investment Trusts 0.00% (0.93%)		
	Financial Services 7.44% (4.13%)		
247,300	Nihon M&A Center	9,475	1.08
3,727,800	Orix	45,176	5.14
409,700	Plaid	10,775	1.22
	Total Financials	**112,036**	**12.74**
TECHNOLOGY 11.13% (10.94%)			
	Software & Computer Services 3.25% (4.44%)		
71,100	BayCurrent Consulting	10,327	1.17
91,000	Freee KK	6,469	0.74
228,700	Technopro Holdings	11,801	1.34
	Technology Hardware & Equipment 7.88% (6.50%)		
600,000	Elecom	18,524	2.11
370,400	Rohm	26,085	2.97
150,100	Shinko Electric Industries	2,767	0.31
79,000	Tokyo Electron	21,874	2.49
	Total Technology	**97,847**	**11.13**
DERIVATIVES 0.32% (-1.11%)			
	Forward Foreign Exchange Contracts 0.32% (-1.11%)		
	Sell JPY 20,232,076		
	Buy GBP 134,847 J.P. Morgan[1]	–	–
	Sell JPY 20,358,013		
	Buy GBP 136,393 J.P. Morgan[1]	–	–
	Sell JPY 35,522,494,864		
	Buy GBP 240,018,601 J.P. Morgan	2,860	0.32
	Sell JPY 4,569,930		
	Buy GBP 30,550 J.P. Morgan[1]	–	–
	Sell JPY 111,900,554		
	Buy GBP 751,570 J.P. Morgan	5	–
	Sell GBP 7,492,962		
	Buy JPY 1,121,164,881 J.P. Morgan	(8)	–
	Sell GBP 863,415		
	Buy JPY 129,201,700 J.P. Morgan	(1)	–
	Sell GBP 1,001,990		
	Buy JPY 149,692,000 Lloyds	(3)	–

Threadneedle Japan Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
DERIVATIVES 0.32% (-1.11%) (continued)			
	Sell GBP 1,192,421		
	Buy JPY 177,284,000 Citigroup	(9)	–
	Sell GBP 177,151		
	Buy JPY 26,218,071 J.P. Morgan	(2)	–
	Sell GBP 451,190		
	Buy JPY 67,106,882 J.P. Morgan	(3)	–
	Sell GBP 54,661		
	Buy JPY 8,204,000 Bank of Scotland[1]	–	–
	Total Derivatives	**2,839**	**0.32**
Total value of investments		**855,559**	**97.29**
Net other assets (6.32%)		**23,865**	**2.71**
Net assets		**879,424**	**100.00**

March 2020 comparatives in brackets.

[1]*Less than £500, rounded to nil.*

Threadneedle Asia Fund

Portfolio Statement

as at 7 March 2021

Holding	Investment	Value £000	% of Net Asset Value
AUSTRALIA 10.81% (12.86%)			
	Mining 3.41% (2.38%)		
1,052,303	BHP Group (AUD)	28,157	3.41
	Construction & Materials 0.64% (1.50%)		
714,552	Lend Lease Group	5,304	0.64
	General Industrials 0.00% (0.85%)		
	Pharmaceuticals & Biotechnology 0.94% (2.38%)		
56,526	CSL	7,792	0.94
	Travel & Leisure 1.24% (1.36%)		
596,782	Aristocrat Leisure	10,270	1.24
	Banks 2.55% (1.48%)		
1,318,748	Australia & New Zealand Banking Group	21,047	2.55
	Financial Services 2.03% (1.95%)		
210,837	Macquarie Group	16,802	2.03
	Total Australia	**89,372**	**10.81**
CAYMAN ISLANDS 26.51% (17.99%)			
	Automobiles & Parts 0.38% (0.00%)		
148,740	XPeng	3,162	0.38
	Food Producers 1.05% (0.00%)		
2,289,000	China Mengniu Dairy	8,696	1.05
	General Retailers 11.20% (7.53%)		
315,117	Alibaba Group ADR	52,472	6.35
264,085	JD.com ADR	17,351	2.10
420,724	Meituan Dianping-Class B	13,211	1.60
74,160	New Oriental Education & Technology Group ADR	9,487	1.15
	Pharmaceuticals & Biotechnology 0.74% (0.00%)		
731,500	WuXi Biologics (Cayman)	6,100	0.74
	Media 0.27% (0.00%)		
84,850	Kuaishou Technology	2,253	0.27
	Travel & Leisure 1.53% (1.54%)		
3,657,600	Sands China	12,651	1.53
	Real Estate Investment & Services 1.15% (1.62%)		
2,781,184	China Resources Land	9,490	1.15
	Software & Computer Services 8.99% (6.48%)		
55,494	Sea ADR	9,225	1.12
1,027,780	Tencent Holdings	65,063	7.87
	Technology Hardware & Equipment 1.20% (0.82%)		
1,094,100	Asm Pacific Technology	9,889	1.20
	Total Cayman Islands	**219,050**	**26.51**
CHINA 7.11% (12.19%)			
	Construction & Materials 0.70% (1.38%)		
1,240,500	Anhui Conch Cement	5,742	0.70
	Industrial Engineering 0.00% (0.71%)		
	Industrial Transportation 0.00% (0.81%)		
	Beverages 1.06% (1.58%)		
295,530	Wuliangye Yibin	8,764	1.06
	Household Goods & Home Construction 0.73% (0.00%)		
929,290	Gree Electric Appliances	6,011	0.73
	General Retailers 0.00% (1.34%)		
	Banks 2.23% (3.44%)		
3,217,000	China Merchants Bank	18,431	2.23
	Life Insurance 2.39% (2.84%)		
2,190,272	Ping An Insurance Group	19,726	2.39
	Total China	**58,674**	**7.11**
HONG KONG 10.67% (13.90%)			
	Oil & Gas Producers 0.00% (1.54%)		
	Household Goods & Home Construction 1.26% (1.03%)		
952,012	Techtronic Industries	10,438	1.26
	Pharmaceuticals & Biotechnology 0.00% (1.09%)		
	Travel & Leisure 1.91% (1.66%)		
2,302,000	Galaxy Entertainment Group	15,785	1.91
	Mobile Telecommunications 0.00% (0.81%)		
	Life Insurance 3.24% (3.97%)		
2,930,516	AIA Group	26,803	3.24
	Real Estate Investment & Services 1.22% (1.90%)		
906,000	Sun Hung Kai Properties	10,069	1.22
	Financial Services 2.31% (1.90%)		
426,111	Hong Kong Exchanges and Clearing	19,053	2.31
	Technology Hardware & Equipment 0.73% (0.00%)		
1,465,000	Hua Hong Semiconductor	6,023	0.73
	Total Hong Kong	**88,171**	**10.67**
INDIA 7.02% (6.68%)			
	Oil & Gas Producers 2.29% (0.83%)		
879,694	Reliance Industries	18,959	2.29
	Personal Goods 0.34% (0.72%)		
414,736	Godrej Consumer Products	2,839	0.34
	Mobile Telecommunications 0.75% (1.03%)		
1,176,366	Bharti Airtel	6,222	0.75
	Gas, Water & Multiutilities 0.53% (1.01%)		
1,762,726	Petronet LNG	4,405	0.53
	Banks 2.07% (3.09%)		
1,126,261	HDFC Bank	17,116	2.07
	Software & Computer Services 1.04% (0.00%)		
902,707	Tech Mahindra	8,604	1.04
	Total India	**58,145**	**7.02**

Threadneedle Asia Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
INDONESIA 1.62% (2.72%)			
	Construction & Materials 0.40% (0.00%)		
4,925,000	Indocement Tunggal Prakarsa	3,309	0.40
	Fixed Line Telecommunications 0.00% (1.26%)		
	Banks 1.22% (1.46%)		
41,821,000	Bank Rakyat Indonesia	10,076	1.22
	Total Indonesia	**13,385**	**1.62**
JERSEY 0.70% (0.00%)			
	General Industrials 0.70% (0.00%)		
712,208	Amcor	5,757	0.70
	Total Jersey	**5,757**	**0.70**
PHILIPPINES 0.92% (3.54%)			
	Banks 0.40% (0.91%)		
4,526,493	Metropolitan Bank & Trust	3,295	0.40
	Real Estate Investment & Services 0.52% (1.07%)		
7,470,960	Ayala Land	4,287	0.52
	Total Philippines	**7,582**	**0.92**
REPUBLIC OF IRELAND 0.83% (1.77%)			
	Liquidity Funds 0.83% (1.77%)[1]		
9,518,503	BlackRock Institutional Cash Series US Dollar Liquidity Platinum	6,890	0.83
	Total Republic of Ireland	**6,890**	**0.83**
SINGAPORE 1.84% (2.84%)			
	Banks 1.84% (1.28%)		
1,107,200	United Overseas Bank	15,200	1.84
	Total Singapore	**15,200**	**1.84**
SOUTH KOREA 17.84% (12.96%)			
	Chemicals 1.31% (0.00%)		
18,665	LG Chemicals	10,846	1.31
	Industrial Metals & Mining 1.28% (0.00%)		
52,425	POSCO	10,598	1.28
	Automobiles & Parts 2.30% (0.00%)		
741,067	Hanon Systems	8,217	0.99
207,204	Kia Motors	10,788	1.31
	Electronic & Electrical Equipment 3.09% (3.37%)		
111,206	Samsung Elec Mech Krw5000	13,939	1.69
26,796	Samsung SDI	11,558	1.40
	Banks 0.00% (0.78%)		
	Software & Computer Services 1.34% (0.95%)		
36,675	Kakao	11,092	1.34
	Technology Hardware & Equipment 8.52% (7.86%)		
1,036,661	Samsung Electronics	54,709	6.62
174,806	SK Hynix	15,731	1.90
	Total South Korea	**147,478**	**17.84**
TAIWAN 14.22% (13.13%)			
	Electronic & Electrical Equipment 3.85% (2.02%)		
1,756,000	Chroma Ate	8,932	1.08
1,384,000	Delta Electronic	9,878	1.20
4,358,000	Hon Hai Precision Industry	13,007	1.57
	Leisure Goods 0.00% (0.91%)		
	Banks 0.00% (1.50%)		
	Technology Hardware & Equipment 10.37% (8.70%)		
703,000	MediaTek	16,110	1.95
4,469,408	Taiwan Semiconductor Manufacturing	69,596	8.42
	Total Taiwan	**117,523**	**14.22**
DERIVATIVES 0.00% (-0.01%)			
	Forward Foreign Exchange Contracts 0.00% (-0.01%)		
	Sell GBP 168,932 Buy USD 236,000 Barclays	2	–
	Total Derivatives	**2**	**–**
Total value of investments[2]		**827,229**	**100.09**
Net other liabilities/(assets) (0.99%)		**(728)**	**(0.09)**
Net assets		**826,501**	**100.00**

March 2020 comparatives in brackets.

[1] *Cash equivalents.*

[2] *Includes Cash equivalents.*

Threadneedle Latin America Fund

Portfolio Statement

as at 7 March 2021

Holding	Investment	Value £000	% of Net Asset Value
BERMUDA 2.36% (2.82%)			
	Banks 2.36% (2.82%)		
63,464	Credicorp	7,141	2.36
	Total Bermuda	**7,141**	**2.36**
BRAZIL 63.76% (59.39%)			
	Oil & Gas Producers 4.41% (7.39%)		
2,867,843	Petrol Brasileiros Preference share	8,179	2.71
1,821,342	Petroleo Brasileiro	5,118	1.70
	Forestry & Paper 3.09% (0.89%)		
963,372	Suzano Papel e Celulose	9,338	3.09
	Industrial Metals & Mining 7.81% (4.10%)		
1,848,512	Vale	23,586	7.81
	Industrial Transportation 1.44% (2.30%)		
1,683,597	Rumo	4,356	1.44
	Support Services 1.63% (1.12%)		
88,768	StoneCo	4,924	1.63
	Personal Goods 4.13% (3.74%)		
516,821	Arezzo Industria E Comercio	5,163	1.71
1,134,160	Natura & Company Holding	7,296	2.42
	Health Care Equipment & Services 6.74% (3.94%)		
346,753	Afya Class A	5,615	1.86
3,059,215	Hapvida Participacoes E Investimentos	6,094	2.02
790,952	Notredame Intermedica	8,647	2.86
	Food & Drug Retailers 0.00% (0.97%)		
	General Retailers 12.20% (10.85%)		
210,112	Arco Platform 'A' Shares	5,084	1.68
157,077	B2W Digital	1,430	0.47
954,304	Localiza Rent a Car	7,378	2.44
699,396	Lojas Americanas	1,974	0.65
981,667	Lojas Renner	4,947	1.64
3,283,254	Magazine Luiza	10,505	3.48
494,570	Mobly	1,436	0.48
1,685,189	MPM Corporeos	4,096	1.36
	Travel & Leisure 1.55% (1.12%)		
963,817	Azul	4,680	1.55
	Mobile Telecommunications 0.00% (1.64%)		
	Banks 0.97% (7.06%)		
152,545	Banco Inter SA-Units	2,939	0.97
	Nonlife Insurance 1.05% (2.45%)		
739,355	Sul America	3,159	1.05
	Real Estate Investment & Services 1.32% (0.00%)		
1,254,531	Cyrela Brazil Realty	3,973	1.32
	Financial Services 8.55% (10.00%)		
429,703	B3 SA Brasil Bolsa Balcao	3,092	1.02
898,119	Bradespar	7,642	2.53
8,341,491	Itausa - Investimentos Itau	11,018	3.65
137,565	XP Inc - Class A	4,062	1.35
	Nonequity Investment Instruments 3.39% (0.00%)		
830,070	Banco BTG Pactual	10,238	3.39
	Software & Computer Services 5.48% (1.82%)		
2,209,261	Locaweb Serviços de Internet	7,246	2.40
397,281	Meliuz	1,331	0.44
2,076,008	Totvs	7,965	2.64
	Total Brazil	**192,511**	**63.76**
BRITISH VIRGIN ISLANDS 0.97% (0.77%)			
	Travel & Leisure 0.97% (0.77%)		
315,903	Despegar.Com	2,935	0.97
	Total British Virgin Islands	**2,935**	**0.97**
CANADA 1.45% (0.56%)			
	Oil & Gas Producers 1.45% (0.56%)		
325,480	Parex Resources	4,388	1.45
	Total Canada	**4,388**	**1.45**
CAYMAN ISLANDS 2.80% (1.33%)			
	Support Services 2.16% (1.33%)		
170,056	PagSeguro Digital	6,519	2.16
	General Retailers 0.64% (0.00%)		
196,251	Vasta Platform	1,931	0.64
	Total Cayman Islands	**8,450**	**2.80**
CHILE 1.14% (2.83%)			
	Beverages 1.14% (1.17%)		
1,773,074	Embotelladora Andina	3,438	1.14
	Real Estate Investment & Services 0.00% (1.66%)		
	Total Chile	**3,438**	**1.14**
COLOMBIA 1.75% (1.21%)			
	Banks 1.75% (1.21%)		
218,416	Bancolombia ADR	5,280	1.75
	Total Colombia	**5,280**	**1.75**
ISRAEL 0.72% (0.83%)			
	Technology Hardware & Equipment 0.72% (0.83%)		
141,974	Ituran Location and Control	2,187	0.72
	Total Israel	**2,187**	**0.72**
LUXEMBOURG 4.73% (3.16%)			
	Industrial Metals & Mining 1.04% (0.66%)		
129,789	Ternium S.A. Sponsored	3,133	1.04
	General Retailers 1.29% (0.00%)		
417,403	Global Fashion Group	3,885	1.29
	Software & Computer Services 2.40% (2.50%)		
49,989	Globant	7,256	2.40
	Total Luxembourg	**14,274**	**4.73**
MEXICO 17.05% (17.68%)			
	Industrial Metals & Mining 4.50% (2.21%)		
3,993,145	Grupo Mexico	13,573	4.50

Threadneedle Latin America Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
MEXICO 17.05% (17.68%) (continued)			
	Beverages 3.15% (4.70%)		
178,384	Fomento Economico Mexicano ADR	9,508	3.15
	General Retailers 4.74% (3.82%)		
6,643,753	Wal-Mart de Mexico	14,304	4.74
	Travel & Leisure 0.00% (0.72%)		
	Mobile Telecommunications 2.56% (2.39%)		
814,571	America Movil ADR	7,739	2.56
	Banks 1.58% (3.84%)		
1,331,295	Grupo Financiero Banorte	4,778	1.58
	Real Estate Investment Trusts 0.52% (0.00%)		
1,559,595	PLA Administradora Industrial	1,580	0.52
	Total Mexico	**51,482**	**17.05**
PANAMA 0.00% (0.49%)			
	Travel & Leisure 0.00% (0.49%)		
	Total Panama	–	–
REPUBLIC OF IRELAND 2.16% (6.05%)			
	Liquidity Funds 2.16% (6.05%)[1]		
9,030,366	BlackRock Institutional Cash Series US Dollar Liquidity Platinum	6,534	2.16
	Total Republic of Ireland	**6,534**	**2.16**
UNITED STATES OF AMERICA 1.65% (1.48%)			
	General Retailers 1.65% (1.48%)		
4,678	Mercadolibre	4,977	1.65
	Total United States of America	**4,977**	**1.65**
DERIVATIVES 0.00% (0.00%)			
	Forward Foreign Exchange Contracts 0.00% (0.00%)		
	Sell USD 260,000 Buy GBP 186,827 Barclays	(1)	–
	Total Derivatives	**(1)**	**–**
Total value of investments[2]		**303,596**	**100.54**
Net other (liabilities)/assets (1.40%)		**(1,643)**	**(0.54)**
Net assets		**301,953**	**100.00**

March 2020 comparatives in brackets.

[1] *Cash equivalents.*

[2] *Includes Cash equivalents.*

Threadneedle Emerging Market Bond Fund

Portfolio Statement

as at 7 March 2021

	Holding	Investment	Value £000	% of Net Asset Value
ANGOLA 1.90% (1.69%)				
		B- 0.00% (0.79%)		
		B3 0.00% (0.90%)		
		CCC+ 0.80% (0.00%)		
USD	1,803,000	Republic of Angola 8% 26/11/2029	1,291	0.80
		Caa1 1.10% (0.00%)		
USD	2,500,000	Republic of Angola 9.375% 08/05/2048	1,790	1.10
		Total Angola	**3,081**	**1.90**
ARGENTINA 1.09% (1.04%)				
		CCC- 0.00% (1.04%)		
		CCC+ 1.09% (0.00%)		
USD	7,573,757	Republic of Argentina 0.125% 09/07/2035	1,689	1.04
USD	400,000	Republic of Argentina 0.125% 09/07/2046	90	0.05
		Total Argentina	**1,779**	**1.09**
BAHRAIN 0.00% (0.79%)				
		B+ 0.00% (0.79%)		
		Total Bahrain	–	–
BELARUS 0.39% (0.43%)				
		B 0.39% (0.43%)		
USD	920,000	Republic of Belarus 6.2% 28/02/2030	638	0.39
		Total Belarus	**638**	**0.39**
BRAZIL 2.46% (3.77%)				
		BB- 2.46% (3.77%)		
USD	3,300,000	Brazil Government International Bond 3.875% 12/06/2030	2,351	1.45
USD	2,000,000	Brazil Government International Bond 5% 27/01/2045	1,386	0.85
USD	350,000	Brazil Government International Bond 5.625% 21/02/2047	260	0.16
		Total Brazil	**3,997**	**2.46**
BRITISH VIRGIN ISLANDS 4.32% (5.11%)				
		A+ 1.54% (4.51%)		
USD	750,000	Sinopec Group Overseas Development (2018) 2.95% 12/11/2029	557	0.34
USD	800,000	Sinopec Group Overseas Development (2018) 4.125% 12/09/2025	643	0.40
USD	800,000	Sinopec Group Overseas Development 3.25% 13/09/2027	626	0.38
USD	1,000,000	State Grid Overseas 1.625% 05/08/2030	676	0.42
		BB+ 0.62% (0.60%)		
USD	1,150,000	Gold Fields Orogen Holdings 6.125% 15/05/2029	1,000	0.62
		Not Rated 2.16% (0.00%)		
USD	4,539,000	JG Summit 4.125% 09/07/2030	3,517	2.16
		Total British Virgin Islands	**7,019**	**4.32**
CANADA 0.42% (0.00%)				
		BBB 0.42% (0.00%)		
USD	861,000	Meglobal Canada 5% 18/05/2025	690	0.42
		Total Canada	**690**	**0.42**
CAYMAN ISLANDS 2.08% (2.28%)				
		A1 0.44% (0.00%)		
USD	950,000	KSA Sukuk 2.969% 29/10/2029	722	0.44
		A 0.93% (0.90%)		
USD	2,000,000	QNB Finance 2.75% 12/02/2027	1,513	0.93
		BBB- 0.00% (0.74%)		
		Baa3 0.25% (0.00%)		
USD	500,000	DP World Crescent 4.848% 26/09/2028	408	0.25
		Ba2 0.46% (0.32%)		
USD	970,000	Energuate Trust 5.875% 03/05/2027	746	0.46
		Not rated 0.00% (0.32%)		
		Total Cayman Islands	**3,389**	**2.08**
CHILE 0.81% (1.23%)				
		A+ 0.48% (1.23%)		
USD	1,100,000	Chile Government International Bond 3.5% 25/01/2050	789	0.48
		A 0.33% (0.00%)		
USD	710,000	Codelco 3% 30/09/2029	536	0.33
		Total Chile	**1,325**	**0.81**
CHINA 0.28% (0.28%)				
		Not Rated 0.28% (0.28%)		
USD	606,000	China Government International Bond 1.95% 03/12/2024	462	0.28
		Total China	**462**	**0.28**
COLOMBIA 4.99% (2.22%)				
		BBB- 4.99% (2.22%)		
USD	6,600,000	Colombia Government International Bond 3% 30/01/2030	4,745	2.92
USD	4,000,000	Colombia Government International Bond 3.125% 15/04/2031	2,858	1.76
USD	650,000	Colombia Government International Bond 3.875% 25/04/2027	507	0.31
		Total Colombia	**8,110**	**4.99**
CROATIA 0.25% (1.30%)				
		BBB- 0.25% (1.30%)		
USD	480,000	Croatia Government International Bond 6% 26/01/2024	399	0.25
		Total Croatia	**399**	**0.25**
DOMINICAN REPUBLIC 3.53% (4.46%)				
		BB- 2.70% (3.53%)		
USD	1,226,000	Dominican Republic International Bond 4.5% 30/01/2030	894	0.55
USD	1,500,000	Dominican Republic International Bond 4.875% 23/09/2032	1,097	0.68

Threadneedle Emerging Market Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value
DOMINICAN REPUBLIC 3.53% (4.46%) (continued)				
USD	1,112,000	Dominican Republic International Bond 5.875% 30/01/2060	767	0.47
USD	868,000	Dominican Republic International Bond 6.4% 05/06/2049	658	0.40
USD	1,145,000	Dominican Republic International Bond 7.45% 30/04/2044	979	0.60
		Not Rated 0.83% (0.93%)		
DOP	93,000,000	Dominican Republic International Bond 11.25% 05/02/2027	1,342	0.83
		Total Dominican Republic	**5,737**	**3.53**
ECUADOR 0.58% (0.54%)				
		B- 0.58% (0.54%)		
USD	2,062,728	*Republic of Ecuador 0.5% 31/07/2035	628	0.39
USD	1,107,987	*Republic of Ecuador 0.5% 31/07/2040	315	0.19
		Total Ecuador	**943**	**0.58**
EGYPT 2.86% (3.77%)				
		B 2.60% (2.57%)		
EUR	880,000	Arab Republic of Egypt 5.625% 16/04/2030	767	0.47
EUR	1,000,000	Arab Republic of Egypt 6.375% 11/04/2031	893	0.55
USD	600,000	Arab Republic of Egypt 7.0529% 15/01/2032	441	0.27
USD	570,000	Arab Republic of Egypt 7.5% 16/02/2061	384	0.24
USD	1,600,000	Arab Republic of Egypt 7.625% 29/05/2032	1,217	0.75
USD	744,000	Arab Republic of Egypt 7.903% 21/02/2048	523	0.32
		B2 0.26% (0.18%)		
USD	575,000	Arab Republic of Egypt 8.5% 31/01/2047	425	0.26
		Not Rated 0.00% (1.02%)		
		Total Egypt	**4,650**	**2.86**
EL SALVADOR 1.76% (0.94%)				
		B- 1.76% (0.94%)		
USD	400,000	El Salvador Government International Bond 5.88% 30/01/2025	294	0.18
USD	2,505,000	El Salvador Government International Bond 6.375% 18/01/2027	1,847	1.14
USD	900,000	El Salvador Government International Bond 9.5% 15/07/2052	714	0.44
		Total El Salvador	**2,855**	**1.76**
GHANA 1.39% (0.57%)				
		B 0.00% (0.57%)		
		B- 1.39% (0.00%)		
USD	500,000	Republic of Ghana 6.375% 11/02/2027	372	0.23
USD	1,050,000	Republic of Ghana 7.875% 11/02/2035	748	0.46
USD	1,600,000	Republic of Ghana 8.95% 26/03/2051	1,141	0.70
		Total Ghana	**2,261**	**1.39**
GUATEMALA 0.53% (0.54%)				
		Ba1 0.00% (0.54%)		
		BB- 0.53% (0.00%)		
USD	1,000,000	Guatemala Government Bond 6.125% 01/06/2050	862	0.53
		Total Guatemala	**862**	**0.53**
HONDURAS 0.00% (0.76%)				
		BB- 0.00% (0.76%)		
		Total Honduras	–	–
HONG KONG 0.99% (0.00%)				
		Not Rated 0.99% (0.00%)		
USD	1,950,000	Lenovo Group 5.875% 24/04/2025	1,611	0.99
		Total Hong Kong	**1,611**	**0.99**
INDIA 0.94% (0.90%)				
		BBB- 0.94% (0.90%)		
USD	1,100,000	Adani Ports and Special Economic Zone 4% 30/07/2027	847	0.52
USD	950,000	Export-Import Bank of India 3.25% 15/01/2030	689	0.42
		Total India	**1,536**	**0.94**
INDONESIA 8.15% (8.70%)				
		BBB 1.78% (2.78%)		
USD	2,050,000	Indonesia Government International Bond 3.7% 30/10/2049	1,481	0.91
USD	1,000,000	Perusahaan Listrik Negara 4.875% 17/07/2049	758	0.47
USD	875,000	Perusahaan Penerbit SBSN Indonesia 2.3% 23/06/2025	653	0.40
		Baa2 4.54% (4.64%)		
USD	2,200,000	Indonesia Asahan Aluminium 5.45% 15/05/2030	1,828	1.13
USD	2,900,000	Indonesia Asahan Aluminium 6.757% 15/11/2048	2,685	1.65
USD	3,500,000	Indonesia Government International Bond 4.75% 18/07/2047	2,861	1.76
		BBB- 0.47% (0.00%)		
USD	900,000	PT. Pelabuhan Indonesia II 5.375% 05/05/2045	764	0.47
		BB 0.00% (1.28%)		
		B2 1.36% (0.00%)		
USD	3,400,000	Saka Energi Indonesia 4.45% 05/05/2024	2,218	1.36
		Total Indonesia	**13,248**	**8.15**
ISLE OF MAN 0.19% (0.00%)				
		BB+ 0.19% (0.00%)		
USD	400,000	Anglogold Holdings 3.75% 01/10/2030	302	0.19
		Total Isle of Man	**302**	**0.19**

Threadneedle Emerging Market Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value
IVORY COAST 1.71% (1.07%)				
		Ba3 1.71% (1.07%)		
EUR	2,083,000	Ivory Coast 5.875% 17/10/2031	1,925	1.19
USD	1,100,000	Ivory Coast 6.125% 15/06/2033	848	0.52
		Total Ivory Coast	**2,773**	**1.71**
JERSEY 1.11% (0.00%)				
		Aa2 1.11% (0.00%)		
USD	1,231,000	Galaxy Pipeline Assets 2.625% 31/03/2036	868	0.53
USD	1,336,000	Galaxy Pipeline Assets 2.94% 30/09/2040	940	0.58
		Total Jersey	**1,808**	**1.11**
KAZAKHSTAN 1.91% (1.84%)				
		Baa3 0.97% (1.50%)		
USD	1,830,000	KazMunayGas 5.375% 24/04/2030	1,575	0.97
		BB 0.94% (0.34%)		
USD	700,000	KazMunayGas 4.75% 19/04/2027	579	0.36
USD	1,100,000	KazMunayGas 5.75% 19/04/2047	944	0.58
		Total Kazakhstan	**3,098**	**1.91**
LUXEMBOURG 0.83% (0.43%)				
		Ba2 0.83% (0.43%)		
USD	1,000,000	Millicom International Cellular 5.125% 15/01/2028	692	0.43
USD	895,000	Millicom International Cellular 6.25% 25/03/2029	653	0.40
		Total Luxembourg	**1,345**	**0.83**
MALAYSIA 0.58% (0.00%)				
		A- 0.58% (0.00%)		
USD	855,000	Petronas Capital 3.5% 21/04/2030	674	0.41
USD	345,000	Petronas Capital 3.5% 21/04/2030 (Frankfurt Exchange)	272	0.17
		Total Malaysia	**946**	**0.58**
MAURITIUS 0.00% (0.35%)				
		BB 0.00% (0.35%)		
		Total Mauritius	–	–
MEXICO 11.69% (10.25%)				
		A- 0.00% (1.57%)		
		BBB+ 0.86% (8.16%)		
MXN	35,000,000	Mexican Bonos 8.5% 31/05/2029	1,400	0.86
		BBB 10.83% (0.00%)		
USD	1,920,000	Petroleos Mexicanos 4.5% 23/01/2026	1,371	0.84
USD	2,589,000	Petroleos Mexicanos 5.95% 28/01/2031	1,802	1.11
USD	2,400,000	Petroleos Mexicanos 6.375% 23/01/2045	1,479	0.91
USD	4,600,000	Petroleos Mexicanos 6.5% 23/01/2029	3,355	2.06
USD	1,092,000	Petroleos Mexicanos 6.625% 15/06/2035	752	0.46
USD	5,366,000	Petroleos Mexicanos 6.84% 23/01/2030	3,933	2.42
USD	1,137,000	Petroleos Mexicanos 7.69% 23/01/2050	772	0.47
USD	3,200,000	United Mexican States 3.25% 16/04/2030	2,335	1.44
USD	1,400,000	United Mexican States 4.35% 15/01/2047	1,002	0.62
USD	1,100,000	United Mexican States 4.6% 10/02/2048	810	0.50
		BB 0.00% (0.52%)		
		Total Mexico	**19,011**	**11.69**
MONGOLIA 0.00% (0.45%)				
		B 0.00% (0.45%)		
		Total Mongolia	–	–
MOROCCO 0.62% (0.67%)				
		BBB- 0.62% (0.67%)		
USD	1,150,000	OCP Group 6.875% 25/04/2044	1,012	0.62
		Total Morocco	**1,012**	**0.62**
NETHERLANDS 2.76% (4.19%)				
		Aa2 0.00% (0.85%)		
		BBB- 1.44% (2.34%)		
USD	500,000	Syngenta Finance 4.441% 24/04/2023	380	0.23
USD	1,300,000	Syngenta Finance 5.182% 24/04/2028	1,021	0.63
USD	1,250,000	Syngenta Finance 5.676% 24/04/2048	946	0.58
		BB+ 0.82% (0.00%)		
USD	1,000,000	Braskem Netherlands Finance 3.5% 10/01/2023	745	0.46
USD	800,000	Braskem Netherlands Finance 4.5% 31/01/2030	580	0.36
		Ba3 0.50% (0.51%)		
USD	1,117,000	Mong Duong Finance Holdings 5.125% 07/05/2029	821	0.50
		B 0.00% (0.49%)		
		Total Netherlands	**4,493**	**2.76**
NIGERIA 0.00% (0.47%)				
		B 0.00% (0.47%)		
		Total Nigeria	–	–
OMAN 0.84% (1.54%)				
		BB 0.00% (0.83%)		
		Ba2 0.00% (0.71%)		
		Ba3 0.84% 0.00%)		
USD	909,000	Oman Government International 6.25% 25/01/2031	696	0.43
USD	950,000	Oman Government International 6.75% 17/01/2048	666	0.41
		Total Oman	**1,362**	**0.84**
PAKISTAN 0.14% (1.05%)				
		B- 0.00% (1.05%)		
		B3 0.14% (0.00%)		
USD	279,000	Islamic Republic of Pakistan 8.25% 30/09/2025	225	0.14
		Total Pakistan	**225**	**0.14**

Threadneedle Emerging Market Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value
PANAMA 0.80% (0.00%)				
		BBB 0.80% (0.00%)		
USD	1,900,000	Panama Government International Bond 2.252% 29/09/2032	1,294	0.80
		Total Panama	**1,294**	**0.80**
PARAGUAY 0.91% (1.21%)				
		BB 0.91% (1.21%)		
USD	1,040,000	Republic of Paraguay 5.6% 13/03/2048	865	0.53
USD	700,000	Republic of Paraguay 6.1% 11/08/2044	611	0.38
		Total Paraguay	**1,476**	**0.91**
PERU 0.91% (1.84%)				
		BBB+ 0.41% (1.84%)		
USD	900,000	Peruvian Government International Bond 2.844% 20/06/2030	664	0.41
		B1 0.50% (0.00%)		
USD	1,100,000	Volcan Compania Minera 4.375% 11/02/2026	821	0.50
		Total Peru	**1,485**	**0.91**
PHILIPPINES 0.59% (1.94%)				
		BBB+ 0.00% (1.80%)		
		Not Rated 0.59% (0.14%)		
USD	1,300,000	*SMC Global Power Holdings Variable 21/07/2168	958	0.59
		Total Philippines	**958**	**0.59**
QATAR 5.46% (4.51%)				
		AA- 5.46% (4.51%)		
USD	3,876,000	Qatar Government International Bond 3.75% 16/04/2030	3,148	1.94
USD	4,098,000	Qatar Government International Bond 4% 14/03/2029	3,372	2.07
USD	678,000	Qatar Government International Bond 4.4% 16/04/2050	559	0.34
USD	2,057,000	Qatar Government International Bond 4.817% 14/03/2049	1,797	1.11
		Total Qatar	**8,876**	**5.46**
REPUBLIC OF IRELAND 4.39% (4.75%)				
		Liquidity Funds 4.39% (4.75%)[1]		
USD	9,866,626	BlackRock Institutional Cash Series US Dollar Liquidity Platinum	7,142	4.39
		Total Republic Of Ireland	**7,142**	**4.39**
ROMANIA 0.65% (0.52%)				
		BBB- 0.65% (0.52%)		
USD	1,500,000	Romania Government International Bond 4% 14/02/2051	1,059	0.65
		Total Romania	**1,059**	**0.65**
RUSSIA 4.29% (3.49%)				
		BBB 0.00% (0.73%)		
		Not Rated 4.29% (2.76%)		
USD	3,600,000	Russian Federal Bond 4.375% 21/03/2029	2,911	1.79
USD	1,200,000	Russian Federal Bond 5.1% 28/03/2035	1,018	0.63
USD	600,000	Russian Federal Bond 5.1% 28/03/2035	509	0.31
RUB	240,000,000	Russian Federal Bond 7.7% 23/03/2033	2,532	1.56
		Total Russia	**6,970**	**4.29**
SAUDI ARABIA 3.56% (2.64%)				
		A1 3.56% (2.64%)		
USD	550,000	Kingdom of Saudi Arabia 4% 04/10/2047	447	0.28
USD	2,400,000	Saudi International Bond 3.45% 02/02/2061	1,588	0.98
USD	950,000	Saudi International Bond 3.625% 04/03/2028	755	0.46
USD	4,250,000	Saudi International Bond 3.75% 21/01/2055	2,990	1.84
		Total Saudi Arabia	**5,780**	**3.56**
SENEGAL 0.00% (0.26%)				
		B+ 0.00% (0.26%)		
		Total Senegal	–	–
SINGAPORE 0.33% (0.40%)				
		B- 0.00% (0.40%)		
		CCC 0.33% (0.00%)		
USD	905,000	Geo Coal International 8% 04/10/2022	537	0.33
		Total Singapore	**537**	**0.33**
SOUTH AFRICA 2.01% (1.84%)				
		BB- 1.67% (0.00%)		
USD	1,000,000	South Africa Government Bond 4.85% 30/09/2029	731	0.45
USD	3,000,000	South Africa Government Bond 5.75% 30/09/2049	1,993	1.22
		CCC+ 0.34% (1.84%)		
USD	725,000	Eskom Holdings 7.125% 11/02/2025	551	0.34
		Total South Africa	**3,275**	**2.01**
SRI LANKA 0.31% (0.86%)				
		B 0.00% (0.86%)		
		CCC+ 0.31% (0.00%)		
USD	260,000	Republic of Sri Lanka 6.75% 18/04/2028	110	0.07
USD	950,000	Republic of Sri Lanka 7.55% 28/03/2030	402	0.24
		Total Sri Lanka	**512**	**0.31**
TURKEY 5.46% (3.65%)				
		B1 0.00% (3.65%)		
		B2 5.46% (0.00%)		
USD	700,000	Turkey Government International Bond 4.25% 14/04/2026	490	0.30
USD	6,500,000	Turkey Government International Bond 5.125% 17/02/2028	4,595	2.83
USD	900,000	Turkey Government International Bond 5.75% 22/03/2024	679	0.42
USD	2,410,000	Turkey Government International Bond 6% 25/03/2027	1,799	1.11
USD	1,000,000	Turkey Government International Bond 6% 14/01/2041	650	0.40

Threadneedle Emerging Market Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value
TURKEY 5.46% (3.65%) (continued)				
USD	900,000	Turkey Government International Bond 6.875% 17/03/2036	659	0.40
		Total Turkey	**8,872**	**5.46**
UKRAINE 0.76% (2.17%)				
		B 0.76% (2.17%)		
USD	300,000	Ukraine Government 7.253% 15/03/2033	217	0.13
USD	1,330,000	Ukraine Government 7.75% 01/09/2026	1,023	0.63
		Total Ukraine	**1,240**	**0.76**
UNITED ARAB EMIRATES 3.42% (2.10%)				
		AA 1.55% (2.10%)		
USD	3,400,000	Abu Dhabi Government International 3.125% 30/09/2049	2,340	1.44
USD	223,000	Abu Dhabi Government International 3.875% 16/04/2050	175	0.11
		Baa3 1.87% (0.00%)		
USD	3,250,000	DP World 6.85% 02/07/2037	3,042	1.87
		Total United Arab Emirates	**5,557**	**3.42**
UNITED KINGDOM 0.53% (3.38%)				
		BBB- 0.00% (2.18%)		
		B1 0.00% (0.91%)		
		B 0.00% (0.20%)		
		Not Rated 0.53% (0.09%)		
USD	1,170,000	Kondor Finance 7.625% 08/11/2026	864	0.53
		Total United Kingdom	**864**	**0.53**
UNITED STATES OF AMERICA 0.80% (0.21%)				
		BBB- 0.00% (0.21%)		
		BB+ 0.80% (0.00%)		
USD	1,600,000	Braskem America 7.125% 22/07/2041	1,295	0.80
		Total United States Of America	**1,295**	**0.80**
VENEZUELA 0.52% (0.93%)				
		D 0.37% (0.56%)		
USD	8,677,700	Venezuela Government International Bond 8.25% 13/10/2024 (Defaulted)	612	0.37
		Not Rated 0.15% (0.37%)		
USD	8,692,931	Petroleos de Venezuela 6% 15/11/2026 (Defaulted)	241	0.15
		Total Venezuela	**853**	**0.52**
DERIVATIVES 0.09% (0.11%)				
		Forward Foreign Exchange Contracts 0.09% (0.11%)		
		Sell USD 4,000		
		Buy GBP 2,865 Bank of Scotland[2]	–	–
		Sell USD 8,000		
		Buy GBP 5,749 Barclays[2]	–	–
		Sell MXN 41,430,000		
		Buy USD 2,059,040 HSBC	81	0.05
		Sell EUR 3,920,023		
		Buy USD 4,775,474 UBS	69	0.04
		Total Derivatives	**150**	**0.09**
Total value of investments[3]			**159,162**	**97.89**
Net other assets/(liabilities) (-0.44%)			**3,424**	**2.11**
Net assets			**162,586**	**100.00**

March 2020 comparatives in brackets.

**Variable rate bonds.*

[1]Cash equivalents.

[2]Less than £500, rounded to nil.

[3]Includes Cash equivalents.

ANALYSIS OF INVESTMENTS BY ASSET CLASS

	Value £000	% of Investment
Fixed interest	157,111	98.71
Floating rate notes	1,901	1.20
Derivatives	150	0.09
Total value of investments[3]	**159,162**	**100.00**

Threadneedle High Yield Bond Fund

Portfolio Statement

as at 7 March 2021

	Holding	Investment	Value £000	% of Net Asset Value
BELGIUM 0.93% (0.85%)				
		BB+ 0.38% (0.12%)		
EUR	1,000,000	*Solvay Finance Variable 04/03/2167	925	0.10
EUR	3,000,000	*Solvay Variable 02/09/2169	2,649	0.28
		B+ 0.00% (0.32%)		
		B 0.19% (0.00%)		
EUR	2,057,000	The House of Finance 4.375% 15/07/2026	1,793	0.19
		Not Rated 0.36% (0.41%)		
EUR	3,900,000	*Belfius Bank 4.609% 29/12/2168	3,335	0.36
		Total Belgium	**8,702**	**0.93**
CANADA 0.32% (0.52%)				
		B 0.32% (0.52%)		
EUR	3,389,000	Primo Water 3.875% 31/10/2028	2,997	0.32
		Total Canada	**2,997**	**0.32**
CAYMAN ISLANDS 0.21% (0.27%)				
		BB 0.00% (0.27%)		
		BB- 0.21% (0.00%)		
EUR	2,254,000	UPCB Finance VII 3.625% 15/06/2029	1,980	0.21
		Total Cayman Islands	**1,980**	**0.21**
FINLAND 0.22% (0.19%)				
		BB+ 0.22% (0.19%)		
EUR	1,627,000	Nokia 2% 11/03/2026	1,468	0.16
EUR	100,000	Nokia 2% 11/03/2026 (Frankfurt Exchange)	90	0.01
EUR	485,000	Nokia 3.125% 15/05/2028	461	0.05
		Total Finland	**2,019**	**0.22**
FRANCE 13.81% (11.48%)				
		BBB- 0.13% (0.72%)		
EUR	1,416,000	*Credit Agricole 6.5% 23/12/2049	1,241	0.13
		BB+ 2.47% (3.62%)		
EUR	1,532,000	Crown European Holdings 2.625% 30/09/2024	1,387	0.15
EUR	1,735,000	Crown European Holdings 2.875% 01/02/2026	1,600	0.17
EUR	300,000	Crown European Holdings 3.375% 15/05/2025	279	0.03
EUR	3,300,000	Renault 2% 28/09/2026	2,835	0.30
EUR	6,000,000	Renault 2.375% 25/05/2026	5,243	0.56
EUR	4,381,000	*Solvay Finance 5.869% 29/06/2049	4,253	0.46
EUR	2,115,000	SPCM 2% 01/02/2026	1,845	0.20
EUR	726,000	SPCM 2.625% 01/02/2029	641	0.07
EUR	2,700,000	Valeo 1.625% 18/03/2026	2,414	0.26
EUR	2,900,000	*Veolia Environnement Variable 20/04/2169	2,531	0.27
		BB 1.72% (0.56%)		
EUR	3,200,000	Elis 1% 03/04/2025	2,677	0.29
EUR	2,355,000	Faurecia 2.375% 15/06/2027	2,053	0.22
EUR	4,602,000	Faurecia 2.375% 15/06/2027 (Germany listing)	4,011	0.43
EUR	953,000	Faurecia 2.625% 15/06/2025 (Frankfurt Exchange)	834	0.09
EUR	1,859,000	Faurecia 3.125% 15/06/2026	1,651	0.18
EUR	3,069,000	Faurecia 3.75% 15/06/2028	2,782	0.30
EUR	2,200,000	SPIE 2.625% 18/06/2026	1,952	0.21
		Ba2 0.08% (0.46%)		
EUR	800,000	Elis 2.875% 15/02/2026	718	0.08
		BB- 3.00% (1.53%)		
EUR	6,800,000	*Electricite de France 5% 22/01/2049	6,555	0.70
EUR	4,100,000	*Electricite de France 5.375% Perpetual	3,960	0.43
GBP	3,000,000	*Electricite de France 5.875% 31/12/2049	3,363	0.36
EUR	1,400,000	*Electricite de France Variable 03/12/2168	1,239	0.13
EUR	4,600,000	*Electricite de France Variable 15/03/2169	4,042	0.43
EUR	3,400,000	*Electricite de France Variable 15/09/2169	3,034	0.33
EUR	4,301,000	Getlink 3.5% 30/10/2025	3,855	0.41
EUR	2,247,000	Rexel 2.75% 15/06/2026	1,986	0.21
		B+ 0.43% (0.18%)		
EUR	1,400,000	*Accor Variable 30/04/2169	1,249	0.13
EUR	400,000	Louvre Bidco SAS 4.25% 30/09/2024	343	0.04
EUR	2,043,000	Louvre Bidco SAS 6.5% 30/09/2024	1,815	0.19
EUR	1,316,000	*Louvre Bidco SAS FRN 30/09/2024	648	0.07
		B 4.66% (3.95%)		
EUR	3,474,000	Altice France 3.375% 15/01/2028	2,933	0.32
EUR	957,000	Altice France 4.125% 15/01/2029	828	0.09
EUR	6,019,000	Altice France 5.875% 01/02/2027	5,557	0.60
EUR	1,036,000	Banijay Entertainment 3.5% 01/03/2025	891	0.10
EUR	2,600,000	Casino Guichard 2.798% 05/08/2026	2,182	0.23
EUR	5,800,000	Casino Guichard 4.498% 07/03/2024	5,067	0.54
EUR	2,538,000	Casino Guichard 6.625% 15/01/2026	2,274	0.24
EUR	700,000	Casino Guichard-Perrachon 3.58% 07/02/2025	587	0.06
EUR	7,041,000	CMA CGM 7.5% 15/01/2026	6,622	0.71
EUR	1,075,000	Kapla Holding 3.375% 15/12/2026 (Germany listing)	920	0.10
EUR	100,000	Kapla Holding 3.375% 15/12/2026 (Luxembourg listing)	86	0.01
EUR	3,532,000	La Financiere Atalian 4% 15/05/2024	2,891	0.31
EUR	2,634,000	La Financiere Atalian 5.125% 15/05/2025	2,207	0.24
EUR	4,328,000	Loxam SAS 3.25% 14/01/2025	3,683	0.40
EUR	2,662,000	Loxam SAS 3.75% 15/07/2026	2,310	0.25
EUR	4,043,000	Paprec Holding 4% 31/03/2025	3,526	0.38
EUR	915,000	*Picard Groupe FRN 30/11/2023	789	0.08
		B- 0.85% (0.13%)		
EUR	5,450,000	Cab 3.375% 01/02/2028	4,712	0.51
EUR	3,488,000	Parts Europe 6.5% 16/07/2025	3,149	0.34
		CCC+ 0.28% (0.33%)		
EUR	1,975,000	Banijay Group 6.5% 01/03/2026	1,679	0.18
EUR	1,035,000	Loxam SAS 5.75% 15/07/2027	888	0.10
		CCC 0.19% (0.00%)		
EUR	1,997,000	Laboratoire Eimer Selarl 5% 01/02/2029	1,756	0.19
		Total France	**128,573**	**13.81**

Threadneedle High Yield Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value
GERMANY 9.07% (6.57%)				
		BB+ 2.03% (2.32%)		
EUR	2,000,000	ADLER Real Estate 1.875% 27/04/2023	1,733	0.19
EUR	965,000	ADLER Real Estate 2.125% 06/02/2024	837	0.09
EUR	2,800,000	ADLER Real Estate 3% 27/04/2026	2,521	0.27
EUR	2,700,000	Schaeffler 2.75% 12/10/2025	2,476	0.26
EUR	1,900,000	Schaeffler Holding Finance 2.75% 12/10/2025	1,742	0.19
EUR	2,569,000	Schaeffler Holding Finance 2.875% 26/03/2027	2,371	0.25
EUR	1,500,000	Schaeffler Holding Finance 3.375% 12/10/2028	1,435	0.15
EUR	2,600,000	ZF Finance 3% 21/09/2025	2,339	0.25
EUR	3,200,000	ZF Finance 3.75% 21/09/2028	2,977	0.32
EUR	600,000	ZF Finance GMBH 2.75% 25/05/2027	530	0.06
		BB 0.29% (0.00%)		
EUR	1,500,000	*Infineon Technologies Variable 01/04/2169 (Germany listing)	1,344	0.14
EUR	1,500,000	*Infineon Technologies Variable 01/04/2169 (Luxembourg listing)	1,400	0.15
		BB- 2.63% (1.93%)		
EUR	2,600,000	Deutsche Lufthansa 2.875% 11/02/2025	2,233	0.24
EUR	2,800,000	Deutsche Lufthansa 3.75% 11/02/2028	2,393	0.26
EUR	1,245,000	IHO Verwaltungs PIK 3.625% 15/05/2025	1,093	0.12
EUR	1,390,069	IHO Verwaltungs PIK 3.75% 15/09/2026	1,223	0.13
EUR	5,200,000	NV PROFIT SHARE LTD PREFERENCE SHARES	4,415	0.47
EUR	4,021,000	Peach Property Finance 4.375% 15/11/2025	3,601	0.39
EUR	3,594,000	Progroup 3% 31/03/2026	3,131	0.34
EUR	948,000	Thyssenkrupp 1.875% 06/03/2023	817	0.09
EUR	3,244,000	Thyssenkrupp 2.875% 22/02/2024	2,857	0.31
EUR	2,977,000	Wepa Hygieneprodukte 2.875% 15/12/2027	2,593	0.28
		B+ 0.50% (0.28%)		
EUR	2,300,000	Consus Real Estate 9.625% 15/05/2024	2,105	0.23
EUR	2,942,000	Techem Verwaltungsgesellschaft 2% 15/07/2025	2,498	0.27
		B 1.80% (0.92%)		
EUR	5,646,000	Cheplapharm Arzneimittel 3.5% 11/02/2027	4,868	0.52
EUR	1,779,000	Cheplapharm Arzneimittel 4.375% 15/01/2028	1,586	0.17
EUR	2,700,000	K+S 3% 20/06/2022	2,299	0.25
EUR	319,000	K+S 4.125% 06/12/2021	277	0.03
EUR	3,160,000	Nidda Healthcare Holding 3.5% 30/09/2024	2,756	0.30
EUR	5,472,000	Vertical Midco 4.375% 15/07/2027	4,956	0.53
		B3 0.16% (0.11%)		
EUR	1,700,000	Tele Columbus 3.875% 02/05/2025	1,475	0.16
		B- 0.68% (0.67%)		
EUR	3,035,000	Blitz 6% 30/07/2026	2,719	0.29
EUR	2,371,000	Platin 5.375% 15/06/2023	2,049	0.22
EUR	1,874,000	SGL Carbon 4.625% 30/09/2024	1,620	0.17
		(P)B- 0.51% (0.00%)		
EUR	4,953,000	HT Troplast 9.25% 15/07/2025	4,739	0.51
		CCC+ 0.38% (0.00%)		
EUR	1,120,000	Ceramtec Bondco 5.25% 15/12/2025	982	0.10
EUR	1,005,000	Douglas 6.25% 15/07/2022	858	0.09
EUR	2,083,000	Safari Holdings 5.375% 30/11/2022	1,733	0.19
		CCC 0.00% (0.34%)		
		CCC- 0.09% (0.00%)		
EUR	1,069,000	Kirk Beauty One 8.75% 15/07/2023	886	0.09
		Total Germany	**84,467**	**9.07**
ISLE OF MAN 0.20% (0.47%)				
		BB 0.00% (0.47%)		
		BB- 0.20% (0.00%)		
EUR	2,076,000	Playtech 4.25% 07/03/2026	1,851	0.20
		Total Isle of Man	**1,851**	**0.20**
ITALY 7.14% (5.61%)				
		BBB- 0.00% (0.49%)		
		BB+ 2.43% (3.35%)		
EUR	744,000	Infrastrutture Wireless Italiane 1.625% 21/10/2028	650	0.07
EUR	2,010,000	Leonardo 2.375% 08/01/2026	1,804	0.19
EUR	1,390,000	Leonardo 4.875% 24/03/2025	1,375	0.15
EUR	3,187,000	Telecom Italia 1.625% 18/01/2029	2,704	0.29
EUR	483,000	Telecom Italia 2.375% 12/10/2027	430	0.05
EUR	2,070,000	Telecom Italia 2.5% 19/07/2023	1,869	0.20
EUR	4,680,000	Telecom Italia 2.75% 15/04/2025	4,250	0.46
EUR	1,197,000	Telecom Italia 2.875% 28/01/2026	1,094	0.12
EUR	3,270,000	Telecom Italia 3.625% 25/05/2026	3,114	0.34
EUR	1,100,000	Telecom Italia 5.25% 17/03/2055	1,155	0.12
EUR	2,900,000	TIM 4% 11/04/2024	2,706	0.29
EUR	1,473,000	*Unione Di Banche Italian Variable 12/07/2029	1,383	0.15
		BB 0.00% (0.47%)		
		BB- 2.74% (0.95%)		
EUR	543,000	Atlantia 1.625% 03/02/2025	470	0.05
EUR	3,383,000	Atlantia 1.875% 12/02/2028	2,873	0.31
EUR	2,250,000	Atlantia 1.875% 13/07/2027	1,943	0.21
EUR	2,106,000	Autostrade 4.375% 16/09/2025	2,064	0.22
EUR	4,500,000	Autostrade 5.875% 09/06/2024	4,446	0.48
EUR	3,748,000	Autostrade per L'Italia 1.625% 12/06/2023	3,269	0.35
EUR	1,535,000	Autostrade per L'Italia 1.75% 26/06/2026	1,346	0.14
EUR	4,568,000	Autostrade per L'Italia 1.875% 04/11/2025	4,049	0.44
EUR	3,160,000	Autostrade per L'Italia 2% 04/12/2028	2,790	0.30
EUR	1,704,000	Autostrade per L'Italia 2% 15/01/2030	1,477	0.16
GBP	745,000	Autostrade per L'Italia 6.25% 09/06/2022	784	0.08
		B1 0.33% (0.00%)		
EUR	3,291,000	*Banco BPM Variable 14/09/2030	3,072	0.33

Threadneedle High Yield Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value
ITALY 7.14% (5.61%) (continued)				
		B 0.31% (0.35%)		
EUR	3,244,000	International Design Group 6.5% 15/11/2025	2,913	0.31
		(P)B 0.19% (0.00%)		
EUR	2,037,000	Sofima Holding 3.75% 15/01/2028	1,767	0.19
		Caa1 1.14% (0.00%)		
EUR	4,006,000	Banca Monte dei Paschi di Siena 1.875% 09/01/2026	3,503	0.38
EUR	5,668,000	Banca Monte dei Paschi di Siena 2.625% 28/04/2025	5,062	0.54
EUR	2,268,000	Banca Monte dei Paschi di Siena 3.625% 24/09/2024	2,087	0.22
		Total Italy	**66,449**	**7.14**
JAPAN 0.98% (1.25%)				
		BB+ 0.98% (1.25%)		
EUR	1,443,000	SoftBank Group 4% 20/04/2023	1,312	0.14
EUR	7,823,000	SoftBank Group 5% 15/04/2028 (Berlin Exchange)	7,787	0.84
		Total Japan	**9,099**	**0.98**
JERSEY 1.60% (1.49%)				
		BB 0.00% (0.51%)		
		Ba2 0.70% (0.72%)		
EUR	7,465,980	LHC Three PIK 4.125% 15/08/2024	6,513	0.70
		B 0.90% (0.26%)		
EUR	3,549,000	Adient Global Holdings 3.5% 15/08/2024	3,112	0.34
EUR	6,079,000	Avis Budget Finance 4.75% 30/01/2026	5,236	0.56
		Total Jersey	**14,861**	**1.60**
LUXEMBOURG 8.96% (9.77%)				
		BBB- 0.25% (0.45%)		
EUR	2,800,000	*Grand City Properties Variable 09/06/2169	2,355	0.25
		BB+ 2.09% (2.23%)		
EUR	2,800,000	Adler Group 1.875% 14/01/2026	2,356	0.25
EUR	3,700,000	Adler Group 2.25% 14/01/2029	3,037	0.33
EUR	1,600,000	Adler Group 2.75% 13/11/2026	1,397	0.15
EUR	3,400,000	Ado Properties 3.25% 05/08/2025	3,057	0.33
EUR	1,054,000	*CPI Property Group Variable 16/10/2167	954	0.10
EUR	2,372,000	*Holcim Finance Variable 05/07/2168	2,115	0.23
EUR	4,154,000	Lincoln Finance 3.625% 01/04/2024	3,619	0.39
EUR	2,292,000	Telecom Italia Finance 7.75% 24/01/2033	2,893	0.31
		BB 0.33% (0.79%)		
EUR	3,392,000	Hanesbrands 3.5% 15/06/2024	3,096	0.33
		BB- 0.74% (0.40%)		
GBP	4,043,000	B&M European Value Retail 3.625% 15/07/2025	4,180	0.45
EUR	3,000,000	Telenet Finance VI Luxembourg 3.5% 01/03/2028	2,679	0.29
		B+ 0.97% (1.24%)		
EUR	1,154,000	Garfunkelux 6.75% 01/11/2025	1,024	0.11
GBP	5,041,000	Garfunkelux 7.75% 01/11/2025	5,190	0.56
EUR	850,000	Matterhorn Telecom 2.625% 15/09/2024	739	0.08
EUR	2,428,000	Matterhorn Telecom 3.125% 15/09/2026	2,065	0.22
		B 1.61% (2.24%)		
EUR	1,606,000	Altice Financing 2.25% 15/01/2025	1,342	0.14
EUR	5,269,000	Altice Financing 3% 15/01/2028	4,317	0.46
EUR	2,499,000	Crystal Almond 4.25% 15/10/2024	2,209	0.24
EUR	1,657,000	Kleopatra Finco 4.25% 01/03/2026 (Germany Listing)	1,424	0.15
EUR	2,777,000	Kleopatra Finco 4.25% 01/03/2026 (Guernsey Listing)	2,386	0.26
EUR	1,212,000	PLT VII Finance 4.625% 05/01/2026	1,087	0.12
EUR	760,000	PLT VII Finance 4.625% 05/01/2026 (Frankfurt Exchange)	682	0.07
EUR	1,673,000	Rossini 6.75% 30/10/2025	1,531	0.17
		B- 1.06% (1.02%)		
EUR	4,849,980	ARD Finance 5% PIK 30/06/2027	4,321	0.46
EUR	1,401,000	Cirsa Finance International 4.75% 22/05/2025	1,157	0.12
EUR	5,149,000	Cirsa Finance International 6.25% 20/12/2023	4,463	0.48
		CCC+ 1.75% (1.23%)		
EUR	5,345,000	Altice Financing 4.75% 15/01/2028	4,416	0.48
EUR	7,835,000	Altice France 8% 15/05/2027	7,371	0.79
EUR	1,766,000	*Group Ecore Holdings SAS FRN 15/11/2023	1,517	0.16
EUR	3,238,000	Motion Finco 7% 15/05/2025	2,954	0.32
		CCC 0.16% (0.08%)		
EUR	1,275,000	Codere Finance 2 (Luxembourg) 6.75% 01/11/2021	638	0.07
EUR	1,100,000	*LHMC Finco 2 7.25% 02/10/2025	830	0.09
		Caa2 0.00% (0.09%)		
		Total Luxembourg	**83,401**	**8.96**
MEXICO 2.16% (0.29%)				
		BBB 2.00% (0.00%)		
EUR	1,532,000	Petroleos Mexicanos 2.5% 24/11/2022	1,329	0.14
EUR	5,332,000	Petroleos Mexicanos 2.75% 21/04/2027	4,181	0.45
EUR	3,285,000	Petroleos Mexicanos 3.75% 21/02/2024	2,902	0.31
EUR	3,402,000	Petroleos Mexicanos 4.75% 26/02/2029	2,854	0.31
EUR	4,729,000	Petroleos Mexicanos 4.875% 21/02/2028	4,060	0.44
EUR	3,615,000	Petroleos Mexicanos 5.125% 15/03/2023	3,285	0.35
		BB 0.16% (0.29%)		
EUR	300,000	Cemex 3.125% 19/03/2026	265	0.03
EUR	1,360,000	Cemex S.A.B. De C.V. 2.75% 05/12/2024	1,187	0.13
		Total Mexico	**20,063**	**2.16**

Threadneedle High Yield Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value
NETHERLANDS 12.23% (15.43%)				
		BBB- 0.50% (0.00%)		
EUR	4,800,000	*Volkswagen Financial Services Variable 27/06/2169	4,638	0.50
		BB+ 4.31% (6.62%)		
EUR	2,967,000	Ashland Services 2% 30/01/2028	2,544	0.27
EUR	2,986,000	Darling Global Finance 3.625% 15/05/2026	2,626	0.28
EUR	4,667,000	Intertrust Group 3.375% 15/11/2025	4,109	0.44
EUR	3,564,000	LKQ European Holdings 3.625% 01/04/2026	3,130	0.34
EUR	400,000	LKQ European Holdings 4.125% 01/04/2028	367	0.04
EUR	2,600,000	Phoenix Pib Dutch Finance 2.375% 05/08/2025	2,310	0.25
EUR	2,852,000	PPF Arena 1 2.125% 31/01/2025	2,504	0.27
EUR	2,564,000	PPF Telecom Group 3.25% 29/09/2027	2,362	0.25
EUR	1,388,000	PPF Telecom Group 3.5% 20/05/2024	1,273	0.14
EUR	2,085,000	*Repsol International Finance 4.5% 25/03/2075	1,968	0.21
EUR	867,000	*Repsol International Finance Variable 11/06/2169	799	0.09
EUR	3,044,000	*Repsol International Finance Variable 11/06/2169 (Frankfurt Exchange)	2,807	0.30
EUR	3,465,000	*Repsol International Finance Variable 11/12/2168	3,267	0.35
EUR	2,002,000	Saipem Finance International 3.375% 15/07/2026	1,799	0.19
EUR	5,153,000	*TenneT Holding Variable Perpetual	4,622	0.50
EUR	2,263,000	*TenneT Holding Variable 2.995% 01/06/2167	2,057	0.22
EUR	1,800,000	ZF Europe Finance 3% 23/10/2029	1,604	0.17
		BB 2.92% (3.53%)		
EUR	3,300,000	*Abertis Finance Variable 26/04/2169	2,771	0.30
EUR	761,000	OCI 3.125% 01/11/2024	669	0.07
EUR	2,670,000	OCI 3.625% 15/10/2025	2,404	0.26
EUR	1,100,000	*Telefonica Europe 3% 04/12/2066	978	0.11
EUR	7,400,000	*Telefonica Europe 3.875% 22/09/2066	6,798	0.73
EUR	1,900,000	*Telefonica Europe 5.875% 31/03/2049	1,834	0.20
EUR	3,300,000	*Telefonica Europe Variable 12/05/2169	2,745	0.29
EUR	7,900,000	*Telefonica Europe Variable 14/03/2168	7,370	0.79
EUR	1,800,000	*Telefonica Europe Variable 24/09/2168	1,555	0.17
		BB- 1.55% (1.69%)		
EUR	1,834,000	Q-Park Holding 1.5% 01/03/2025	1,518	0.16
EUR	4,712,000	Q-Park Holding 2% 01/03/2027	3,840	0.41
EUR	3,333,000	Teva Pharmaceutical Finance 1.125% 15/10/2024	2,713	0.29
EUR	2,797,000	Teva Pharmaceutical Finance 1.25% 31/03/2023	2,364	0.25
EUR	1,515,000	Teva Pharmaceutical Finance 1.625% 15/10/2028	1,172	0.13
EUR	1,400,000	Teva Pharmaceutical Finance 1.875% 31/03/2027	1,119	0.12
EUR	1,960,000	Teva Pharmaceutical Finance Netherlands 4.5% 01/03/2025	1,767	0.19
		B+ 0.37% (1.03%)		
EUR	1,795,000	Dufry One 2.5% 15/10/2024	1,500	0.16
EUR	1,755,000	Ziggo 2.875% 15/01/2030	1,519	0.16
EUR	661,000	Ziggo Secured Finance 4.25% 15/01/2027	474	0.05
		B 0.91% (1.50%)		
EUR	1,808,000	Trivium Packaging Finance 3.75% 15/08/2026	1,593	0.17
EUR	3,480,000	United Group 3.125% 15/02/2026	2,901	0.31
EUR	2,063,000	United Group 3.625% 15/02/2028	1,716	0.18
EUR	536,000	United Group 4.875% GTD 01/07/2024	472	0.05
EUR	2,095,000	UPC Holding 3.875% 15/06/2029	1,833	0.20
		B- 1.57% (0.76%)		
EUR	4,463,000	Diebold Nixdorf 9% 15/07/2025	4,259	0.46
EUR	2,214,132	*Summer BidCo 9% PIK 15/11/2025	2,048	0.22
EUR	2,424,195	*Summer BidCo 9% PIK 16/11/2025	2,195	0.24
EUR	7,192,000	VZ Vendor Financing 2.875% 15/01/2029	6,090	0.65
		Not Rated 0.10% (0.30%)		
EUR	1,590,000	Boats Investments Netherlands PIK 11% 31/03/2017 (Defaulted)	889	0.10
		Total Netherlands	**113,892**	**12.23**
PANAMA 0.58% (0.00%)				
		B+ 0.58% (0.00%)		
EUR	5,866,000	Carnival Corporation 7.625% 01/03/2026	5,437	0.58
		Total Panama	**5,437**	**0.58**
PORTUGAL 0.34% (0.79%)				
		BB 0.18% (0.51%)		
EUR	2,000,000	*Energias de Portugal Variable 20/07/2080	1,713	0.18
		Not Rated 0.16% (0.28%)		
EUR	1,100,000	Banco Espirito 2.625% 08/05/2017 (Defaulted)	133	0.02
EUR	8,900,000	Banco Espirito Santo 4% 21/01/2019 (Defaulted)	1,076	0.12
EUR	1,700,000	Banco Espirito Santo 4.75% 15/01/2018 (Defaulted)	206	0.02
		Total Portugal	**3,128**	**0.34**
REPUBLIC OF IRELAND 6.50% (7.29%)				
		BB+ 0.00% (0.87%)		
		BB 0.00% (0.72%)		
		BB- 0.00% (0.28%)		
		B+ 0.84% (1.17%)		
EUR	2,620,000	Eircom Finance 2.625% 15/02/2027	2,222	0.24
EUR	6,399,000	Eircom Finance 3.5% 15/05/2026	5,611	0.60
		B 0.47% (0.29%)		
GBP	4,254,000	Virgin Media 4.875% 15/07/2028	4,360	0.47
		B- 0.07% (0.00%)		
GBP	650,000	Ardagh Packaging Finance 4.75% 15/07/2027	672	0.07
		(P)B- 0.00% (0.08%)		
		Liquidity Funds 5.12% (3.88%)[1]		
EUR	151,467	BlackRock Institutional Cash Series Euro Liquidity Platinum	12,943	1.39

Threadneedle High Yield Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value
REPUBLIC OF IRELAND 6.50% (7.29%) (continued)				
GBP	33,173,909	BlackRock Institutional Cash Series Sterling Liquidity Platinum	33,174	3.57
USD	2,035,084	BlackRock Institutional Cash Series US Dollar Liquidity Platinum	1,473	0.16
GBP	15,058	Insight Liquidity Funds - ILF GBP Liquidity Class 3	15	–
		Total Republic of Ireland	**60,470**	**6.50**
ROMANIA 0.27% (0.29%)				
		BB- 0.27% (0.29%)		
EUR	2,900,000	RCS & RDS 3.25% 05/02/2028	2,519	0.27
		Total Romania	**2,519**	**0.27**
SPAIN 2.50% (2.19%)				
		BB+ 1.65% (1.42%)		
EUR	3,300,000	Cellnex Finance 1.25% 15/01/2029	2,783	0.30
EUR	3,400,000	Cellnex Finance 2% 15/02/2033	2,866	0.31
EUR	500,000	Cellnex Telecom 1% 20/04/2027	428	0.05
EUR	3,400,000	Cellnex Telecom 1.875% 26/06/2029	2,983	0.32
EUR	3,836,000	Grifols 1.625% 15/02/2025	3,311	0.36
EUR	3,361,000	Grifols 2.25% 15/11/2027	2,932	0.31
		BB 0.20% (0.00%)		
EUR	2,127,000	Gestamp Automocion 3.25% 30/04/2026	1,853	0.20
		B+ 0.26% (0.34%)		
EUR	2,825,000	Grifols 3.2% 01/05/2025	2,460	0.26
		B 0.00% (0.28%)		
		B- 0.39% (0.00%)		
EUR	1,585,000	Grupo-Antolin Irausa 3.25% 30/04/2024	1,335	0.14
EUR	2,851,000	Grupo-Antolin Irausa 3.375% 30/04/2026	2,366	0.25
		CC 0.00% (0.15%)		
		Total Spain	**23,317**	**2.50**
SWEDEN 3.20% (1.57%)				
		BB+ 1.15% (1.57%)		
EUR	1,256,000	*Akelius Residential FRN 05/10/2078	1,134	0.12
EUR	4,209,000	*Heimstaden Bostad Variable 01/05/2169	3,557	0.38
EUR	3,600,000	*Heimstaden Bostad Variable 15/04/2169	3,181	0.34
EUR	2,190,000	*Heimstaden Bostad Variable 19/02/2169	1,935	0.21
EUR	1,034,000	Volvo Car 2.5% 07/10/2027	955	0.10
		BB 0.79% (0.00%)		
EUR	4,293,000	Intrum 3.5% 15/07/2026	3,694	0.40
EUR	1,586,000	Intrum 4.875% 15/08/2025	1,422	0.15
EUR	142,000	Intrum Justitia 2.75% 15/07/2022	12	–
EUR	2,561,000	*Samhallsbyggnadsbolaget Variable 14/03/2169	2,187	0.24
		B 0.70% (0.00%)		
EUR	671,000	Verisure Holding 3.25% 15/02/2027 (Germany listing)	585	0.07
EUR	5,045,000	Verisure Holding 3.25% 15/02/2027 (Luxembourg listing)	4,397	0.47
EUR	1,700,000	Verisure Holding 3.875% 15/07/2026	1,508	0.16
		CCC+ 0.56% (0.00%)		
EUR	1,807,000	Verisure Midholding 5.25% 15/02/2029 (Germany listing)	1,608	0.17
EUR	4,032,000	Verisure Midholding 5.25% 15/02/2029 (Luxembourg listing)	3,589	0.39
		Total Sweden	**29,764**	**3.20**
SWITZERLAND 0.37% (0.95%)				
		BBB+ 0.05% (0.06%)		
USD	620,000	UBS 5.125% 15/05/2024	496	0.05
		BBB 0.13% (0.48%)		
USD	1,497,000	Credit Suisse 6.5% 08/08/2023	1,215	0.13
		BB+ 0.19% (0.41%)		
EUR	1,965,000	*UBS Group 5.75% 29/12/2049	1,758	0.19
		Total Switzerland	**3,469**	**0.37**
UNITED KINGDOM 17.95% (17.29%)				
		BBB 0.40% (0.00%)		
EUR	1,282,000	*BP Capital Markets Variable 22/06/2169	1,184	0.13
EUR	2,718,000	*BP Capital Markets Variable 22/06/2169 EUR	2,487	0.27
		Baa2 0.44% (0.49%)		
GBP	2,574,000	Santander UK 10.0625% 06/04/2169	4,144	0.44
		BBB- 0.22% (1.41%)		
EUR	263,000	FCE Bank 1.615% 11/05/2023	229	0.02
GBP	1,815,000	FCE Bank 2.727% 03/06/2022	1,838	0.20
		BB+ 3.94% (3.93%)		
GBP	1,250,000	*Centrica 5.25% 10/04/2075	1,359	0.15
EUR	1,022,000	Drax Finco 2.625% 01/11/2025	906	0.10
GBP	2,100,000	GKN Holdings 4.625% 15/05/2032	2,185	0.23
EUR	4,768,000	Ineos Finance 2.875% 01/05/2026	4,168	0.45
EUR	3,747,000	Ineos Finance 3.375% 31/03/2026	3,332	0.36
GBP	1,958,000	Marks & Spencer 3.75% 19/05/2026	2,015	0.22
GBP	4,347,000	Travis Perkins 3.75% 17/02/2026	4,598	0.49
EUR	6,474,000	*Vodafone Group Variable 03/01/2079	5,803	0.62
USD	1,691,000	*Vodafone Group Variable 04/04/2079	1,458	0.16
EUR	1,660,000	*Vodafone Group Variable 27/08/2080	1,461	0.16
EUR	1,024,000	*Vodafone Group Variable 27/08/2080 (London Listing)	905	0.10
EUR	3,192,000	*Vodafone Group Variable 4.2% 03/10/2078	3,096	0.33
GBP	1,983,000	*Vodafone Group Variable 4.875% 03/10/2078	2,144	0.23
USD	3,984,000	*Vodafone Group Variable 6.25% 03/10/2078	3,168	0.34
		BB 3.03% (2.70%)		
EUR	3,770,000	Canpack Eastern Land 2.375% 01/11/2027	3,329	0.36
GBP	1,790,000	Co-operative Group 5.125% 17/05/2024	1,916	0.21
GBP	2,101,000	Co-operative Group 6.25% 08/07/2026	2,548	0.27
EUR	1,362,000	Ineos Quattro Finance 2 2.5% 15/01/2026 (Germany listing)	1,177	0.13

Threadneedle High Yield Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value
UNITED KINGDOM 17.95% (17.29%) (continued)				
EUR	4,010,000	Ineos Quattro Finance 2 2.5% 15/01/2026 (Luxembourg listing)	3,464	0.37
EUR	3,648,000	International Game Technology 2.375% 15/04/2028	3,082	0.33
EUR	4,087,000	International Game Technology 3.5% 15/06/2026	3,612	0.39
EUR	1,346,000	International Game Technology 3.5% 15/07/2024	1,202	0.13
EUR	1,465,000	International Game Technology 4.75% 15/02/2023	1,319	0.14
GBP	1,947,000	Pinewood 3.25% 30/09/2025	1,988	0.21
GBP	3,325,000	Pinewood 3.25% 30/09/2025 (Guernsey listing)	3,400	0.36
EUR	1,328,000	Synthomer 3.875% 01/07/2025	1,190	0.13
		Ba2 1.13% (0.00%)		
GBP	10,486,000	Bellis Acquisition 3.25% 16/02/2026	10,542	1.13
		BB- 3.69% (3.17%)		
EUR	1,256,000	Ardagh Packaging Finance 2.125% 15/08/2026	1,086	0.12
EUR	113,000	Ardagh Packaging Finance 2.125% 15/08/2026 (USA)	98	0.01
GBP	2,336,000	Arrow Global Finance 5.125% 15/09/2024 Callable	2,352	0.25
GBP	5,658,000	Iron Mountain UK 3.875% 15/11/2025	5,727	0.61
GBP	2,672,000	Jerrold Finco 5.25% 15/01/2027	2,706	0.29
GBP	2,433,000	Miller Homes Group Holdings 5.5% 15/10/2024	2,489	0.27
EUR	1,978,000	Rolls-Royce 4.625% 16/02/2026	1,835	0.20
GBP	1,401,000	Rolls-Royce 5.75% 15/10/2027	1,522	0.16
EUR	2,172,000	Victoria 3.625% 26/08/2026	1,893	0.20
EUR	3,591,000	Victoria 5.25% 15/07/2024 (London Listing)	3,220	0.35
GBP	130,000	Virgin Media Secured Finance 4.125% 15/08/2030	129	0.01
GBP	1,325,000	Virgin Media Secured Finance 4.25% 15/01/2030	1,335	0.14
GBP	2,585,000	Virgin Media Secured Finance 5% 15/04/2027	2,697	0.29
GBP	1,107,000	Virgin Media Secured Finance 5.25% 15/05/2029	1,181	0.13
EUR	4,478,000	Vmed O2 UK Financing I 3.25% 31/01/2031	3,889	0.42
GBP	2,223,000	Vmed O2 UK Financing I 4% 31/01/2029	2,233	0.24
		Ba3 0.00% (0.27%)		
		B+ 0.23% (0.81%)		
GBP	2,173,000	TalkTalk Telecom Group 3.875% 20/02/2025	2,130	0.23
		B1 0.62% (0.00%)		
GBP	3,298,000	Arqiva Broadcast Finance 6.75% 30/09/2023	3,405	0.37
GBP	940,000	Heathrow Finance 3.875% 01/03/2027	950	0.10
GBP	1,370,000	Heathrow Finance 4.375% 01/09/2029	1,381	0.15
		B 0.88% (1.67%)		
EUR	130,000	Jaguar Land Rover Automotive 2.2% 15/01/2024	109	0.01
GBP	4,376,000	Jaguar Land Rover Automotive 3.875% 01/03/2023	4,391	0.47
EUR	1,522,000	Jaguar Land Rover Automotive 5.875% 15/11/2024	1,413	0.15
EUR	2,047,000	Jaguar Land Rover Automotive 6.875% 15/11/2026	1,995	0.21
EUR	431,000	Virgin Media Finance 3.75% 15/07/2030	372	0.04
		B2 0.00% (0.40%)		
		B- 1.13% (1.56%)		
EUR	3,199,000	Algeco Scotsman 6.5% 15/02/2023 (Frankfurt Exchange)	2,806	0.30
GBP	3,881,000	Boparan Finance 7.625% 30/11/2025	3,897	0.42
EUR	1,525,000	EG Global Finance 3.625% 07/02/2024	1,281	0.14
EUR	1,679,000	EG Global Finance 4.375% 07/02/2025	1,428	0.15
EUR	1,237,000	EG Global Finance 6.25% 30/10/2025	1,094	0.12
		B3 1.57% (0.66%)		
EUR	2,257,000	Pinnacle Bidco 5.5% 15/02/2025	1,975	0.21
GBP	4,742,000	Pinnacle Bidco 6.375% 15/02/2025	4,808	0.52
GBP	2,965,000	Shop Direct Funding 7.75% 15/11/2022	2,986	0.32
GBP	4,638,000	Stonegate Pub Company Financing 8.25% 31/07/2025	4,873	0.52
		CCC+ 0.29% (0.13%)		
USD	4,310,820	EnQuest PIK 7% 15/04/2022	2,664	0.29
		CC 0.38% (0.00%)		
EUR	796,000	EC Finance 2.375% 15/11/2022 (FWB)	665	0.07
EUR	3,406,000	EC Finance 2.375% 15/11/2022 (Lux)	2,844	0.31
		Not rated 0.00% (0.09%)		
USD	651	NV Profit Share Preference Share[2]	–	–
		Total United Kingdom	**167,108**	**17.95**
UNITED STATES OF AMERICA 11.18% (13.69%)				
		BBB- 0.50% (2.51%)		
GBP	867,000	MPT Operating Partnership 2.55% 05/12/2023	881	0.09
EUR	1,781,000	MPT Operating Partnership 3.325% 24/03/2025	1,662	0.18
GBP	2,005,000	MPT Operating Partnership 3.692% 05/06/2028	2,122	0.23
		BB+ 5.97% (1.50%)		
EUR	7,784,000	Avantor Funding 2.625% 01/11/2025 (USA)	6,881	0.74
EUR	4,780,000	Ball Corporation 1.5% 15/03/2027	4,213	0.45
EUR	1,388,000	Ford Motor Credit 1.355% 07/02/2025	1,181	0.13
EUR	1,500,000	Ford Motor Credit 1.744% 19/07/2024	1,296	0.14
EUR	4,813,000	Ford Motor Credit 2.33% 25/11/2025	4,238	0.45
EUR	503,000	Ford Motor Credit 2.386% 17/02/2026	443	0.05
EUR	888,000	Ford Motor Credit 2.386% 17/02/2026 (Frankfurt Exchange)	782	0.08
GBP	2,725,000	Ford Motor Credit 2.748% 14/06/2024	2,751	0.30
EUR	7,448,000	Ford Motor Credit 3.021% 06/03/2024	6,689	0.72
EUR	2,238,000	Ford Motor Credit 3.25% 15/09/2025	2,048	0.22
GBP	2,400,000	Ford Motor Credit 4.535% 06/03/2025	2,564	0.28
EUR	2,306,000	Kraft Heinz Foods 2.25% 25/05/2028	2,186	0.23
EUR	7,320,000	Netflix 3.625% 15/05/2027	7,226	0.78
EUR	4,058,000	Netflix 3.625% 15/06/2030	4,084	0.44
EUR	3,042,000	Netflix 3.875% 15/11/2029	3,115	0.33
EUR	4,350,000	Netflix 4.625% 15/05/2029	4,636	0.50

Threadneedle High Yield Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value
UNITED STATES OF AMERICA 11.18% (13.69%) (continued)				
GBP	1,116,000	The Kraft Heinz 4.125% 01/07/2027	1,243	0.13
		Ba1 0.31% (0.35%)		
EUR	3,235,000	UGI International 3.25% 01/11/2025	2,850	0.31
		BB 2.31% (2.85%)		
EUR	2,082,000	IQVIA 1.75% 15/03/2026	1,810	0.19
EUR	5,681,000	IQVIA 2.25% 15/01/2028	4,913	0.53
EUR	5,783,000	IQVIA 2.25% 15/03/2029	4,986	0.54
EUR	2,551,000	IQVIA 2.875% 15/06/2028	2,268	0.24
EUR	3,113,000	IQVIA 3.25% 15/03/2025	2,711	0.29
EUR	1,427,000	Silgan Holdings 2.25% 01/06/2028	1,246	0.13
EUR	4,205,000	Silgan Holdings 3.25% 15/03/2025	3,655	0.39
		Ba2 0.32% (0.00%)		
EUR	3,442,000	Ardagh Metal Packaging 2% 01/09/2028	2,965	0.32
		BB- 0.81% (2.85%)		
EUR	2,020,000	Avantor Funding 3.875% 15/07/2028	1,840	0.20
USD	796,000	Catalent Pharma Solution 5% 15/07/2027	606	0.06
EUR	5,891,000	Catalent Pharma Solutions 2.375% 01/03/2028	5,096	0.55
		B+ 0.56% (2.49%)		
USD	3,112,000	Adient US 9% 15/04/2025	2,504	0.27
EUR	3,114,000	Ardagh Metal Packaging 3% 01/09/2029	2,677	0.29
		B 0.40% (0.71%)		
EUR	4,183,000	Spectrum Brands 4% 01/10/2026	3,706	0.40
		B- 0.00% (0.43%)		
		Total United States of America	**104,074**	**11.18**

DERIVATIVES 0.29% (-3.75%)

Holding	Investment	Value £000	% of Net Asset Value
	Forward Foreign Exchange Contracts 0.29% (-3.75%)		
	Sell GBP 1,038,293		
	Buy EUR 1,200,000 Barclays	(2)	–
	Sell GBP 1,499,041		
	Buy EUR 1,735,260 HSBC[2]	–	–
	Sell GBP 10,046,287		
	Buy EUR 11,620,480 Barclays	(7)	–
	Sell GBP 1,718,686		
	Buy EUR 2,000,000 UBS	9	–
	Sell GBP 4,674,275		
	Buy EUR 5,416,322 Lloyds	5	–
	Sell GBP 7,078,503		
	Buy EUR 8,127,980 HSBC	(56)	(0.01)
	Sell USD 23,196,537		
	Buy GBP 16,656,430 Barclays	(132)	(0.01)
	Sell EUR 2,817,554		
	Buy GBP 2,436,119 Bank of Scotland	2	–
	Sell EUR 309,000,000		
	Buy GBP 267,839,624 Barclays	873	0.09
	Sell EUR 309,000,000		
	Buy GBP 267,851,768 J.P. Morgan	885	0.10
	Sell EUR 309,754,216		
	Buy GBP 268,503,008 UBS	884	0.10
	Sell USD 67,401		
	Buy GBP 48,509 Barclays[2]	–	–
	Sell GBP 1,140,637		
	Buy USD 1,600,000 HSBC	17	–
	Sell GBP 12,190,848		
	Buy USD 17,095,775 J.P. Morgan	182	0.02
	Sell GBP 30,466		
	Buy USD 42,476 J.P. Morgan[2]	–	–
	Sell GBP 60,416		
	Buy USD 84,399 Citigroup	1	–
	Total Derivatives	**2,661**	**0.29**
Total value of investments[3]		**940,301**	**101.01**
Net other (liabilities)/assets (5.50%)		**(9,367)**	**(1.01)**
Net assets		**930,934**	**100.00**

March 2020 comparatives in brackets.
**Variable rate bonds.*
(P) refers to provisional rating.
[1]Cash equivalents.
[2]Less than £500, rounded to nil.
[3]Includes Cash equivalents.

ANALYSIS OF INVESTMENTS BY ASSET CLASS

	Value £000	% of Investment
Fixed interest	795,875	84.64
Floating rate notes	141,765	15.07
Derivatives	2,661	0.29
Total value of investments[3]	**940,301**	**100.00**

Threadneedle Global Select Fund

Portfolio Statement

as at 7 March 2021

Holding	Investment	Value £000	% of Net Asset Value
CANADA 0.00% (0.97%)			
	Oil & Gas Producers 0.00% (0.97%)		
	Total Canada	**–**	**–**
CAYMAN ISLANDS 2.08% (3.32%)			
	General Retailers 0.00% (1.81%)		
	Software & Computer Services 2.08% (1.51%)		
23,831	Sea ADR	3,962	0.33
333,000	Tencent Holdings	21,072	1.75
	Total Cayman Islands	**25,034**	**2.08**
CHINA 1.15% (1.87%)			
	Travel & Leisure 0.00% (0.47%)		
	Life Insurance 1.15% (1.40%)		
1,545,000	Ping An Insurance Group	13,909	1.15
	Total China	**13,909**	**1.15**
DENMARK 3.45% (1.29%)			
	Pharmaceuticals & Biotechnology 1.59% (1.29%)		
385,234	Novo Nordisk	19,144	1.59
	Gas, Water & Multiutilities 1.00% (0.00%)		
115,714	Orsted	12,081	1.00
	Nonlife Insurance 0.86% (0.00%)		
666,791	Tryg Rights Issue	10,439	0.86
	Total Denmark	**41,664**	**3.45**
FINLAND 1.16% (1.12%)			
	Forestry & Paper 1.16% (1.12%)		
503,999	UPM	13,985	1.16
	Total Finland	**13,985**	**1.16**
FRANCE 3.47% (3.24%)			
	Beverages 0.80% (1.19%)		
70,637	Pernod Ricard	9,639	0.80
	Personal Goods 0.00% (0.94%)		
	Health Care Equipment & Services 1.17% (1.11%)		
123,204	Essilor International	14,163	1.17
	Electronic & Electrical Equipment 1.50% (0.00%)		
170,808	Schneider Electric	18,031	1.50
	Total France	**41,833**	**3.47**
GERMANY 1.56% (1.38%)			
	Personal Goods 1.56% (1.38%)		
80,271	Adidas	18,822	1.56
	Total Germany	**18,822**	**1.56**
HONG KONG 1.49% (0.91%)			
	Life Insurance 1.49% (0.91%)		
1,962,800	AIA Group	17,945	1.49
	Total Hong Kong	**17,945**	**1.49**
INDIA 1.61% (1.77%)			
	Banks 1.61% (1.77%)		
1,276,123	HDFC Bank	19,387	1.61
	Total India	**19,387**	**1.61**
INDONESIA 0.85% (0.00%)			
	Banks 0.85% (0.00%)		
42,490,100	Bank Rakyat Indonesia	10,234	0.85
	Total Indonesia	**10,234**	**0.85**
JAPAN 4.93% (4.77%)			
	Electronic & Electrical Equipment 1.29% (1.12%)		
45,100	Keyence	15,504	1.29
	Industrial Engineering 0.70% (0.00%)		
241,300	Yaskawa Electric	8,435	0.70
	Household Goods & Home Construction 0.51% (0.00%)		
456,200	Sekisui Chemical	6,160	0.51
	Leisure Goods 0.94% (3.00%)		
151,400	Sony	11,334	0.94
	Technology Hardware & Equipment 1.49% (0.65%)		
255,600	Rohm	18,024	1.49
	Total Japan	**59,457**	**4.93**
NETHERLANDS 0.54% (3.78%)			
	Chemicals 0.00% (1.19%)		
	Aerospace & Defence 0.54% (0.80%)		
79,834	Airbus	6,563	0.54
	Banks 0.00% (1.11%)		
	Technology Hardware & Equipment 0.00% (0.68%)		
	Total Netherlands	**6,563**	**0.54**
REPUBLIC OF IRELAND 5.41% (8.21%)			
	Construction & Materials 1.74% (1.38%)		
634,567	CRH (Dublin Listing)	20,905	1.74
	Industrial Engineering 1.11% (1.20%)		
115,116	Trane Technologies	13,357	1.11
	Liquidity Funds 0.72% (4.42%)[1]		
12,006,772	BlackRock Institutional Cash Series US Dollar Liquidity Platinum	8,688	0.72
	Health Care Equipment & Services 1.84% (1.21%)		
259,780	Medtronic	22,219	1.84
	Total Republic of Ireland	**65,169**	**5.41**
SOUTH KOREA 3.52% (2.54%)			
	Electronic & Electrical Equipment 0.72% (0.00%)		
20,175	Samsung SDI	8,699	0.72
	Technology Hardware & Equipment 2.80% (2.54%)		
638,766	Samsung Electronics	33,699	2.80
	Total South Korea	**42,398**	**3.52**

Threadneedle Global Select Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
SPAIN 0.00% (0.56%)			
	General Retailers 0.00% (0.56%)		
	Total Spain	–	–
SWITZERLAND 4.00% (0.86%)			
	Electronic & Electrical Equipment 1.57% (0.86%)		
200,922	TE Connectivity	18,896	1.57
	Food Producers 1.18% (0.00%)		
186,229	Nestle	14,262	1.18
	Pharmaceuticals & Biotechnology 1.25% (0.00%)		
65,300	Roche	15,118	1.25
	Total Switzerland	**48,276**	**4.00**
TAIWAN 1.72% (0.00%)			
	Technology Hardware & Equipment 1.72% (0.00%)		
1,330,000	Taiwan Semiconductor Manufacturing	20,704	1.72
	Total Taiwan	**20,704**	**1.72**
UNITED KINGDOM 2.89% (6.92%)			
	Support Services 0.00% (0.95%)		
	Beverages 1.20% (0.96%)		
492,604	Diageo	14,487	1.20
	Household Goods & Home Construction 1.69% (1.05%)		
323,672	Reckitt Benckiser Group	20,294	1.69
	Personal Goods 0.00% (1.39%)		
	Media 0.00% (1.47%)		
	Nonlife Insurance 0.00% (1.10%)		
	Total United Kingdom	**34,781**	**2.89**
UNITED STATES OF AMERICA 60.77% (55.99%)			
	Oil & Gas Producers 0.00% (0.74%)		
	Chemicals 1.08% (1.15%)		
86,264	ECOLAB	12,969	1.08
	Construction & Materials 0.00% (0.80%)		
	Electronic & Electrical Equipment 0.00% (0.96%)		
	Industrial Engineering 0.00% (0.25%)		
	Industrial Transportation 1.70% (1.39%)		
135,211	Union Pacific	20,498	1.70
	Automobiles & Parts 1.04% (0.00%)		
321,685	General Motors	12,511	1.04
	Support Services 2.37% (1.92%)		
200,074	Fidelity National Information Services	20,427	1.70
127,726	TransUnion	8,111	0.67
	Leisure Goods 2.81% (2.84%)		
270,817	Activision Blizzard	18,138	1.51
163,810	Electronic Arts	15,715	1.30
	Personal Goods 0.00% (0.97%)		
	Health Care Equipment & Services 6.98% (6.82%)		
427,587	Centene	18,703	1.55
39,769	Cooper Cos	11,158	0.93
198,319	Edwards Lifesciences	11,724	0.97
89,959	Stryker	15,617	1.30
28,863	Thermo Fisher Scientific	9,325	0.77
70,030	UnitedHealth Group	17,572	1.46
	Pharmaceuticals & Biotechnology 1.00% (4.63%)		
142,095	Abbott Laboratories	12,047	1.00
	General Retailers 6.39% (5.07%)		
24,346	Amazon.com	52,822	4.38
355,105	Service Corporate International	12,187	1.01
299,311	Uber Technologies	12,022	1.00
	Media 3.76% (1.45%)		
685,173	Comcast Corporation	27,288	2.26
131,650	Walt Disney	18,082	1.50
	Electricity 1.34% (0.86%)		
314,787	FPL Group	16,097	1.34
	Banks 1.84% (2.13%)		
203,103	JPMorgan Chase	22,187	1.84
	Real Estate Investment Trusts 2.08% (1.57%)		
73,532	American Tower	10,639	0.88
32,699	Equinix	14,445	1.20
	Financial Services 6.78% (7.24%)		
124,573	CME Group	19,283	1.60
111,499	MasterCard Class A	29,098	2.41
43,963	S&P Global	10,634	0.88
145,958	Visa 'A' Shares	22,735	1.89
	Software & Computer Services 16.77% (12.82%)		
67,636	Adobe Systems	21,566	1.79
44,387	Alphabet Class A	67,299	5.58
2,383	Alphabet Class C	3,634	0.30
27,866	Autodesk	5,386	0.45
140,222	Facebook	26,814	2.22
67,449	Intuit	18,647	1.55
350,851	Microsoft	58,792	4.88
	Technology Hardware & Equipment 3.01% (2.38%)		
48,120	Lam Research	19,061	1.58
47,944	Nvidia	17,285	1.43
	Mobile Telecommunications 1.82% (0.00%)		
242,878	T-Mobile US	21,912	1.82
	Total United States of America	**732,430**	**60.77**
DERIVATIVES 0.00% (0.00%)			
	Forward Foreign Exchange Contracts 0.00% (0.00%)		
	Sell USD 272,000 Buy GBP 195,449 Barclays	(1)	–
	Sell USD 370,000 Buy GBP 265,043 Bank of Scotland	(3)	–
	Sell GBP 8,590		

Threadneedle Global Select Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
DERIVATIVES 0.00% (0.00%) (continued)			
	Buy USD 12,000 Barclays[2]	–	–
	Total Derivatives	**(4)**	**–**
Total value of investments[3]		**1,212,587**	**100.60**
Net other (liabilities)/assets (0.50%)		**(7,289)**	**(0.60)**
Net assets		**1,205,298**	**100.00**

March 2020 comparatives in brackets.

[1]Cash equivalents.

[2]Less than £500, rounded to nil.

[3]Includes Cash equivalents.

Threadneedle Global Bond Fund

Portfolio Statement

as at 7 March 2021

	Holding	Investment	Value £000	% of Net Asset Value
AUSTRALIA 1.37% (1.10%)				
		Aaa 0.58% (0.48%)		
AUD	5,475,000	Australia Government Bond 2.25% 21/11/2022	3,149	0.58
		AA+ 0.52% (0.62%)		
AUD	3,550,000	Queensland Treasury 6.5% 14/03/2033	2,842	0.52
		Not Rated 0.27% (0.00%)		
AUD	3,350,000	Australia Government Bond 1.75% 21/06/2051	1,468	0.27
		Total Australia	**7,459**	**1.37**
BELGIUM 0.71% (0.74%)				
		Not Rated 0.71% (0.74%)		
EUR	3,550,000	Belgium Government Bond 1.7% 22/06/2050	3,859	0.71
		Total Belgium	**3,859**	**0.71**
BRITISH VIRGIN ISLANDS 0.40% (0.50%)				
		A+ 0.40% (0.50%)		
USD	3,000,000	Sinopec Group 2% 29/09/2021	2,187	0.40
		Total British Virgin Islands	**2,187**	**0.40**
CANADA 5.20% (3.45%)				
		AAA 2.97% (2.06%)		
USD	3,020,000	Canada Government 2.625% 25/01/2022	2,234	0.41
CAD	5,530,000	Canada Housing Trust 1.1% 15/03/2031	2,929	0.54
USD	3,000,000	CDP Financial 3.15% 24/07/2024	2,358	0.43
GBP	2,750,000	CPPIB Capital 1.125% 14/12/2029	2,749	0.50
USD	4,500,000	CPPIB Capital 2.25% 25/01/2022	3,316	0.61
USD	3,795,000	Province of British Columbia 1.3% 29/01/2031	2,624	0.48
		AA 0.27% (0.35%)		
CAD	2,700,000	City of Toronto Canada 2.6% 24/09/2039	1,500	0.27
		Aa3 0.46% (0.00%)		
USD	3,750,000	Province of Ontario Canada 1.125% 07/10/2030	2,538	0.46
		A+ 1.50% (1.04%)		
USD	10,000,000	Province of Ontario Canada 1.05% 21/05/2027	7,145	1.31
CAD	1,800,000	Province of Ontario Canada 1.85% 01/02/2027	1,047	0.19
		Total Canada	**28,440**	**5.20**
FRANCE 5.47% (6.12%)				
		AA 0.89% (0.00%)		
USD	3,800,000	SFIL 0.625% 09/02/2026	2,696	0.49
EUR	2,700,000	Ville de Paris 0.45% 20/10/2045	2,167	0.40
		Aa2 3.37% (0.95%)		
USD	7,250,000	Caisse D'Amort Dette Society 0.375% 23/09/2025	5,126	0.94
USD	3,815,000	Caisse D'Amort Dette Society 1% 21/10/2030	2,574	0.47
USD	3,060,000	Caisse D'Amort Dette Society 1.375% 20/01/2031	2,128	0.39
EUR	3,600,000	SNCF Reseau 2.25% 20/12/2047	4,012	0.73
EUR	2,600,000	Societe du Grand Paris 0.7% 15/10/2060	2,018	0.37
EUR	3,000,000	UNEDIC 0.25% 16/07/2035	2,565	0.47
		Aa2u 0.44% (5.17%)		
EUR	1,912,000	France Government Bond 0.75% 25/05/2052	1,648	0.30
EUR	770,000	France Government Bond 1.25% 25/05/2036	761	0.14
		AA- 0.77% (0.00%)		
EUR	4,800,000	Societe Nationale SNCF 1% 25/05/2040	4,184	0.77
		Total France	**29,879**	**5.47**
GERMANY 0.47% (0.00%)				
		Aaa 0.47% (0.00%)		
USD	3,155,000	Landesbank Baden-Wuerttemberg 7.625% 01/02/2023	2,574	0.47
		Total Germany	**2,574**	**0.47**
ITALY 6.66% (3.73%)				
		BBB 0.65% (0.00%)		
EUR	4,000,000	Cassa Depositi e Prestiti 1.5% 20/04/2023	3,574	0.65
		Baa3u 2.70% (2.08%)		
EUR	8,025,000	Buoni Poliennali Del Tesoro 2.45% 01/09/2050	8,167	1.49
EUR	2,315,000	Italy Government Bond 2.45% 01/09/2033	2,346	0.43
USD	5,995,000	Italy Government International Bond 1.25% 17/02/2026	4,269	0.78
		Not Rated 3.31% (1.65%)		
EUR	11,570,000	Buoni Poliennali Del Tesoro 0.95% 01/08/2030	10,255	1.88
EUR	6,026,000	Buoni Poliennali Del Tesoro 1.8% 01/03/2041 (Italy listing)	5,535	1.01
EUR	2,310,000	Italian Government Bond 1.5% 30/04/2045	1,985	0.36
EUR	334,000	Italian Government Bond 1.8% 01/03/2041	307	0.06
		Total Italy	**36,438**	**6.66**
JAPAN 9.07% (10.23%)				
		AA- 0.21% (0.26%)		
USD	1,550,000	Japan Tobacco 2% 13/04/2021	1,122	0.21
		A+ 0.23% (0.00%)		
USD	1,778,000	Development Bank of Japan 0.5% 27/08/2025	1,258	0.23
		A1 6.27% (9.97%)		
USD	715,000	Central Nippon Express 0.894% 10/12/2025	510	0.09
JPY	1,504,100,000	Japan Government 0.3% 20/12/2039	9,754	1.78
JPY	2,103,500,000	Japan Government 0.4% 20/03/2050	13,056	2.39
JPY	1,229,850,000	Japan Government 0.4% 20/03/2056	7,485	1.37
JPY	558,300,000	Japan Government 0.5% 20/03/2059	3,498	0.64
		A 0.22% (0.00%)		
USD	1,662,000	Development Bank of Japan 0.5% 04/03/2024	1,205	0.22

Threadneedle Global Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value
JAPAN 9.07% (10.23%) (continued)				
		Not Rated 2.14% (0.00%)		
JPY	1,788,800,000	Japan Government 0.6% 20/09/2050	11,720	2.14
		Total Japan	**49,608**	**9.07**
NETHERLANDS 1.35% (2.11%)				
		A+ 1.35% (1.36%)		
USD	3,850,000	Shell International Finance 3.4% 12/08/2023	2,987	0.55
USD	6,000,000	Siemens Financieringsmaatschappij 1.7% 15/09/2021	4,376	0.80
		BBB+ 0.00% (0.75%)		
		Total Netherlands	**7,363**	**1.35**
REPUBLIC OF IRELAND 3.45% (3.26%)				
		AA- 0.00% (0.67%)		
		Liquidity Funds 3.45% (2.59%)[1]		
EUR	72,092	BlackRock Institutional Cash Series Euro Liquidity Platinum	6,160	1.13
GBP	5,969	BlackRock Institutional Cash Series Sterling Liquidity Platinum	6	–
USD	17,502,958	BlackRock Institutional Cash Series US Dollar Liquidity Platinum	12,669	2.32
		Total Republic of Ireland	**18,835**	**3.45**
SINGAPORE 0.46% (0.00%)				
		AAA 0.46% (0.00%)		
USD	3,750,000	Temasek Financial 1% 06/10/2030	2,511	0.46
		Total Singapore	**2,511**	**0.46**
SOUTH KOREA 0.81% (1.01%)				
		AA 0.81% (1.01%)		
USD	6,000,000	Export-Import Bank of Korea 2.75% 25/01/2022	4,432	0.81
		Total South Korea	**4,432**	**0.81**
SPAIN 4.85% (3.01%)				
		A 0.78% (0.00%)		
EUR	4,900,000	FADE FTA 0.01% 17/09/2025	4,269	0.78
		A3 0.36% (0.43%)		
EUR	2,150,000	Basque Government 1.125% 30/04/2029	1,986	0.36
		Baa1 2.73% (2.58%)		
EUR	465,000	Spain Government Bond 0.35% 30/07/2023	409	0.07
EUR	9,965,000	Spain Government Bond 1.25% 31/10/2030	9,359	1.71
EUR	200,000	Spain Government Bond 2.7% 31/10/2048	233	0.04
EUR	3,410,000	Spain Government Bond 4.7% 30/07/2041	4,973	0.91
		Not Rated 0.98% (0.00%)		
EUR	4,700,000	Spain Government Bond 1% 31/10/2050 (Stuttgart Exchange)	3,797	0.69
EUR	1,975,000	Spain Government Bond 1.45% 31/10/2071	1,574	0.29
		Total Spain	**26,600**	**4.85**
SUPRANATIONAL 11.50% (1.87%)				
		AAA 10.64% (1.46%)		
USD	6,825,000	Asian Development Bank 1.75% 19/09/2029	5,008	0.92
USD	2,440,000	Asian Infrastructure 0.25% 29/09/2023	1,760	0.32
USD	2,380,000	European Bank for Reconstruction and Development 1.5% 13/02/2025	1,781	0.33
USD	1,190,000	European Investment Bank 0.625% 21/10/2027	825	0.15
CAD	1,400,000	European Investment Bank 1% 28/01/2028	762	0.14
USD	18,600,000	*European Investment Bank FRN 05/03/2024	13,520	2.47
USD	7,175,000	Inter-American Development Bank 0.5% 24/05/2023	5,222	0.96
USD	3,815,000	Inter-American Development Bank 1.125% 13/01/2031	2,614	0.48
EUR	1,635,000	International Bank for Reconstruction and Development 0.2% 21/01/2061	1,215	0.22
USD	5,900,000	International Bank for Reconstruction and Development 0.625% 22/04/2025	4,265	0.78
USD	3,300,000	International Bank for Reconstruction and Development 0.875% 14/05/2030	2,239	0.41
USD	22,300,000	*International Bank for Reconstruction and Development FRN 18/09/2025	16,374	2.99
USD	3,625,000	International Development Association 0.375% 23/09/2025	2,564	0.47
		AA+ 0.48% (0.00%)		
USD	3,700,000	New Development Bank 0.625% 29/09/2025	2,629	0.48
		AA 0.38% (0.00%)		
EUR	735,000	European Union 0.1% 04/10/2040	603	0.11
USD	1,999,000	Inter-American Investment Corporation 0.5% 21/07/2023	1,456	0.27
		Not Rated 0.00% (0.41%)		
		Total Supranational	**62,837**	**11.50**
SWEDEN 2.00% (0.00%)				
		AA+ 2.00% (0.00%)		
USD	15,000,000	*Swedish Export Credit FRN 25/05/2023	10,918	2.00
		Total Sweden	**10,918**	**2.00**
UNITED KINGDOM 7.53% (7.82%)				
		AA+ 0.15% (0.00%)		
EUR	975,000	Republic of Austria 0.85% 30/06/2120	834	0.15
		AA 0.33% (0.00%)		
USD	2,485,000	International Finance Facility for Immunisation 0.375% 06/11/2023	1,796	0.33
		Aa2u 0.00% (5.43%)		
		Aa3u 0.34% (0.00%)		
GBP	700,000	United Kingdom Gilt 1.625% 22/10/2071	837	0.15
GBP	1,000,000	United Kingdom Gilt 3.75% 07/09/2021	1,019	0.19
		A 0.00% (0.48%)		
		A- 0.38% (0.00%)		
USD	2,800,000	*HSBC Holdings 3.262% 13/03/2023	2,082	0.38

Threadneedle Global Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value
UNITED KINGDOM 7.53% (7.82%) (continued)				
		BBB 0.38% (0.46%)		
USD	2,688,000	Imperial Brands Finance Pl 3.125% 26/07/2024	2,068	0.38
		Not Rated 5.95% (1.45%)		
GBP	900,000	United Kingdom Gilt 0.125% 31/01/2028	873	0.16
GBP	2,928,000	United Kingdom Gilt 0.375% 22/10/2030	2,814	0.51
GBP	3,786,000	United Kingdom Gilt 0.5% 22/10/2061	2,936	0.54
GBP	6,560,000	United Kingdom Gilt 0.625% 31/07/2035	6,127	1.12
GBP	9,890,000	United Kingdom Gilt 0.625% 22/10/2050	8,270	1.51
GBP	6,200,000	United Kingdom Gilt 0.875% 31/01/2046	5,643	1.03
GBP	5,914,000	United Kingdom Gilt 1.25% 22/10/2041	5,896	1.08
		Total United Kingdom	**41,195**	**7.53**
UNITED STATES OF AMERICA 37.60% (54.19%)				
		AAA 0.37% (0.47%)		
USD	1,730,000	Microsoft 1.55% 08/08/2021	1,258	0.23
USD	1,025,000	Microsoft 2.875% 06/02/2024	792	0.14
		Aaa 32.67% (44.92%)		
USD	6,650,000	Tennessee Valley Authority 5.88% 01/04/2036	6,990	1.28
USD	100,000	United States Treasury Note/Bond 0.25% 31/10/2025	71	0.01
USD	4,615,000	United States Treasury Note/Bond 0.375% 31/07/2027	3,187	0.58
USD	11,900,000	United States Treasury Note/Bond 0.375% 30/09/2027	8,190	1.50
USD	3,620,000	United States Treasury Note/Bond 0.5% 31/10/2027	2,508	0.46
USD	3,800,000	United States Treasury Note/Bond 0.625% 31/03/2027	2,683	0.49
USD	2,500,000	United States Treasury Note/Bond 0.625% 30/11/2027	1,744	0.32
USD	15,065,000	United States Treasury Note/Bond 0.75% 31/01/2028	10,573	1.93
USD	9,745,000	United States Treasury Note/Bond 0.875% 15/11/2030	6,635	1.21
USD	56,100,000	United States Treasury Note/Bond 1.125% 30/06/2021	40,737	7.45
USD	5,620,000	United States Treasury Note/Bond 1.125% 15/02/2031	3,910	0.72
USD	4,505,000	United States Treasury Note/Bond 1.125% 15/05/2040	2,725	0.50
USD	31,785,000	United States Treasury Note/Bond 1.125% 15/08/2040	19,144	3.50
USD	7,275,000	United States Treasury Note/Bond 1.25% 15/05/2050	4,060	0.74
USD	15,975,000	United States Treasury Note/Bond 1.375% 15/08/2050	9,216	1.69
USD	13,450,000	United States Treasury Note/Bond 1.5% 15/08/2026	10,045	1.84
USD	26,515,000	United States Treasury Note/Bond 2.25% 30/04/2021	19,252	3.52
USD	26,000,000	United States Treasury Note/Bond 2.375% 15/03/2021	18,827	3.44
USD	5,635,000	United States Treasury Note/Bond 2.5% 15/05/2046	4,265	0.78
USD	2,000,000	United States Treasury Note/Bond 2.875% 15/08/2045	1,621	0.30
USD	2,690,000	United States Treasury Note/Bond 3.125% 15/08/2044	2,267	0.41
		AA+ 0.85% (3.39%)		
USD	2,100,000	Fannie Mae 5.625% 15/07/2037	2,245	0.41
USD	2,270,000	Federal Home Loan Bank 5.5% 15/07/2036	2,419	0.44
		AA- 0.00% (1.02%)		
		A+ 0.73% (0.47%)		
USD	4,475,000	Port Authority of New York & New Jersey 4.458% 01/10/2062	3,990	0.73
		A 0.76% (0.13%)		
USD	2,750,000	Oracle 2.5% 01/04/2025	2,101	0.38
USD	2,750,000	Oracle 2.625% 15/02/2023	2,075	0.38
		A- 1.09% (0.86%)		
USD	2,080,000	ERAC USA Finance 2.6% 01/12/2021	1,528	0.28
USD	3,168,000	Qualcomm 1.3% 20/05/2028	2,223	0.41
USD	2,750,000	Southern California Edison 3.7% 01/08/2025	2,182	0.40
		BBB+ 1.13% (0.55%)		
USD	800,000	Gilead Sciences 0% 01/03/2022	589	0.11
USD	3,850,000	Goldman Sachs Group 3.5% 01/04/2025	3,035	0.56
USD	3,500,000	NiSource 0.95% 15/08/2025	2,492	0.46
		BBB 0.00% (0.09%)		
		BBB- 0.00% (0.85%)		
		Not Rated 0.00% (1.44%)		
		Total United States of America	**205,579**	**37.60**
DERIVATIVES -0.34% (1.30%)				
		Forward Foreign Exchange Contracts -0.34% (1.30%)		
		Sell USD 3,337,599 Buy AUD 4,302,360 Bank of Scotland	(27)	–
		Sell USD 368,120 Buy AUD 474,899 HSBC	(3)	–
		Sell USD 3,958,137 Buy CAD 5,027,352 Barclays[2]	–	–
		Sell USD 713,703 Buy CAD 906,122 HSBC[2]	–	–
		Sell USD 333,770 Buy EUR 277,202 Lloyds	(2)	–
		Sell USD 473,799 Buy EUR 388,442 UBS	(7)	–
		Sell USD 550,627 Buy EUR 456,624 Barclays	(4)	–
		Sell USD 585,358 Buy EUR 481,141 Lloyds	(8)	–
		Sell USD 61,094,697 Buy EUR 50,590,672 Barclays	(486)	(0.09)
		Sell USD 845,508 Buy EUR 699,627 UBS	(7)	–
		Sell USD 255,783 Buy GBP 180,781 HSBC	(4)	–
		Sell USD 37,099,831 Buy GBP 26,709,224 HSBC	(139)	(0.03)
		Sell USD 1,227,216 Buy GBP 876,664 HSBC	(11)	–

Threadneedle Global Bond Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
DERIVATIVES -0.34% (1.30%) (continued)			
	Sell USD 216,905		
	Buy JPY 22,817,004 Bank of Scotland	(5)	–
	Sell USD 437,666		
	Buy JPY 46,234,778 HSBC	(8)	–
	Sell USD 452,490		
	Buy JPY 48,364,238 Barclays	(5)	–
	Sell USD 84,890,138		
	Buy JPY 8,996,259,588 Barclays	(1,367)	(0.25)
	Sell USD 1,883,692		
	Buy SEK 15,671,452 Goldman Sachs	(34)	(0.01)
	Sell GBP 897,856		
	Buy USD 1,252,733 Lloyds	9	–
	Sell GBP 918,326		
	Buy USD 1,288,079 Barclays	14	–
	Sell EUR 1,184,420		
	Buy USD 1,430,233 HSBC	11	–
	Sell GBP 1,463,551		
	Buy USD 2,062,315 Bank of Scotland	29	0.01
	Sell GBP 1,748,817		
	Buy USD 2,442,599 UBS	19	–
	Sell GBP 1,936,376		
	Buy USD 2,700,026 HSBC	18	–
	Sell JPY 27,600,094		
	Buy USD 258,483 Barclays	3	–
	Sell GBP 19,216,219		
	Buy USD 26,669,748 J.P. Morgan	84	0.02
	Sell GBP 2,796,673		
	Buy USD 3,895,573 Lloyds	22	–
	Sell JPY 41,889,850		
	Buy USD 395,361 HSBC	6	–
	Sell MXN 1,311,025		
	Buy USD 64,351 Bank of Scotland	2	–
	Sell GBP 5,541,303		
	Buy USD 7,734,562 UBS	56	0.01
	Sell JPY 92,492,605		
	Buy USD 874,957 Lloyds	16	–
	Sell GBP 716,422		
	Buy USD 999,990 Barclays	7	–
	Total Derivatives	**(1,821)**	**(0.34)**
Total value of investments[3]		**538,893**	**98.56**
Net other assets/(liabilities) (-0.44%)		**7,878**	**1.44**
Net assets		**546,771**	**100.00**

March 2020 comparatives in brackets.

**Variable rate bonds.*

[1]Cash equivalents.

[2]Less than £500, rounded to nil.

[3]Includes Cash equivalents.

ANALYSIS OF INVESTMENTS BY ASSET CLASS

	Value £000	% of Investment
Fixed interest	497,820	92.38
Floating rate notes	42,894	7.96
Derivatives	(1,821)	(0.34)
Total value of investments[3]	**538,893**	**100.00**

Threadneedle UK Institutional Fund

Portfolio Statement

as at 7 March 2021

Holding	Investment	Value £000	% of Net Asset Value
OIL & GAS 7.59% (5.52%)			
	Oil & Gas Producers 6.72% (4.44%)		
8,941,658	BP	28,506	2.88
934,707	Cairn Energy	1,912	0.19
2,899,798	EnQuest	699	0.07
1,123,402	Premier Oil	345	0.04
2,354,166	Royal Dutch Shell 'B' Shares	35,011	3.54
	Oil Equipment, Services & Distribution 0.87% (1.08%)		
2,684,351	John Wood Group	8,630	0.87
	Total Oil & Gas	**75,103**	**7.59**
BASIC MATERIALS 5.61% (2.34%)			
	Chemicals 2.90% (2.34%)		
1,295,585	Elementis	1,697	0.17
575,644	Johnson Matthey	18,225	1.84
507,027	Synthomer	2,291	0.23
301,190	Victrex	6,500	0.66
	Industrial Metals & Mining 0.13% (0.00%)		
174,121	Bodycote	1,284	0.13
	Mining 2.58% (0.00%)		
1,159,778	BHP Group	25,451	2.58
	Total Basic Materials	**55,448**	**5.61**
INDUSTRIALS 20.14% (17.78%)			
	Construction & Materials 1.47% (1.71%)		
10,025,902	†Breedon Aggregates	9,464	0.96
442,073	Eurocell Group	902	0.09
1,068,569	Galliford Try	1,467	0.15
468,685	Polypipe Group	2,653	0.27
	Aerospace & Defence 2.17% (2.65%)		
72,969	Avon Rubber	2,047	0.21
2,956,631	BAE Systems	14,292	1.44
897,875	Chemring Group	2,321	0.23
1,650,616	Senior	1,807	0.18
58,701	Ultra Electronics Holdings	1,138	0.11
	General Industrials 1.31% (1.67%)		
863,154	Smiths Group	12,990	1.31
	Electronic & Electrical Equipment 0.98% (0.89%)		
210,086	Discoverie Group	1,387	0.14
583,200	Morgan Advanced Materials	1,872	0.19
187,515	Oxford Instruments	3,390	0.34
608,028	TT electronics	1,240	0.13
35,192	XP Power	1,781	0.18
	Industrial Engineering 2.67% (2.49%)		
2,847,456	Rotork	10,399	1.05
1,312,539	Severfield	992	0.10
661,759	Trifast	860	0.09
755,014	Weir Group	13,511	1.37
422,388	Xaar	593	0.06
	Industrial Transportation 2.20% (1.15%)		
47,978	Clarkson	1,257	0.13
135,677	James Fisher & Sons	1,552	0.16
4,182,384	Royal Mail	18,942	1.91
	Support Services 9.34% (7.22%)		
1,544,629	Aggreko	13,824	1.40
166,060	DCC	9,724	0.98
1,162,912	Electrocomponents	11,117	1.12
688,652	Essentra	2,060	0.21
162,465	Ferguson	13,605	1.38
5,697,148	Hays	8,916	0.90
1,427,140	Howden Joinery Group	9,822	0.99
738,036	Mears Group	1,317	0.13
418,194	Northgate	1,148	0.12
351,997	PayPoint	2,091	0.21
2,752,464	Rentokil Initial	13,278	1.34
1,779,792	RPS Group	1,755	0.18
1,766,735	Serco Group	2,251	0.23
2,235,163	Speedy Hire	1,466	0.15
	Total Industrials	**199,231**	**20.14**
CONSUMER GOODS 16.93% (19.15%)			
	Beverages 3.31% (4.32%)		
898,622	Britvic	7,463	0.76
778,682	Diageo	22,901	2.32
838,057	Stock Spirits Group	2,305	0.23
	Food Producers 1.45% (1.09%)		
193,727	Hilton Food Group	2,112	0.21
365,862	†Hotel Chocolat Group	1,463	0.15
1,431,071	Tate & Lyle	10,762	1.09
	Household Goods & Home Construction 2.73% (3.29%)		
590,533	Crest Nicholson Holdings	2,209	0.22
396,091	Reckitt Benckiser Group	24,835	2.51
	Leisure Goods 0.14% (0.18%)		
14,248	Games Workshop Group	1,389	0.14
	Personal Goods 6.14% (4.68%)		
745,146	Burberry Group	13,897	1.41
2,838,650	Ted Baker	3,449	0.35
1,061,638	Unilever	41,298	4.18
319,034	Watches of Switzerland Group	2,010	0.20
	Tobacco 3.16% (5.59%)		
530,959	British American Tobacco	13,866	1.40
1,253,529	Imperial Brands	17,449	1.76
	Total Consumer Goods	**167,408**	**16.93**
HEALTH CARE 9.37% (12.85%)			
	Health Care Equipment & Services 1.23% (1.64%)		
903,457	Smith & Nephew	12,206	1.23
	Pharmaceuticals & Biotechnology 8.14% (11.21%)		
588,123	AstraZeneca	40,328	4.08
149,430	†Clinigen Group	1,040	0.10
27,184	Genus	1,348	0.14
2,703,711	GlaxoSmithKline	33,607	3.40
111,929	Oxford Biomedica	1,117	0.11
2,645,506	Vectura Group	3,042	0.31
	Total Health Care	**92,688**	**9.37**

Threadneedle UK Institutional Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
CONSUMER SERVICES 18.08% (18.59%)			
	Food & Drug Retailers 2.52% (3.75%)		
5,720,403	Tesco	12,808	1.29
6,918,682	WM Morrison Supermarkets	12,160	1.23
	General Retailers 1.10% (0.98%)		
428,355	Halfords Group	1,347	0.14
471,908	†Joules Group	925	0.09
5,917,364	Marks & Spencer Group	8,607	0.87
	Media 6.28% (5.90%)		
23,289	4imprint Group	575	0.06
440,469	Ascential	1,612	0.16
210,128	Euromoney Institutional Investor	2,173	0.22
259,821	Future	4,557	0.46
779,449	Hyve Group	1,051	0.11
12,545,707	ITV	14,635	1.48
1,960,358	Pearson	14,899	1.51
387,588	Reach	795	0.08
1,056,566	RELX (London Listing)	17,941	1.81
275,230	S4 Capital	1,164	0.12
515,120	STV Group	1,648	0.17
529,739	Wilmington Group	1,001	0.10
	Travel & Leisure 8.18% (7.96%)		
1,589,496	Cineworld Group	1,663	0.17
764,623	Compass Group	11,825	1.20
428,106	Domino's Pizza Group	1,319	0.13
1,192,948	easyJet	11,638	1.18
8,351,902	Firstgroup	7,513	0.76
133,671	Fuller Smith & Turner	1,142	0.11
309,803	Gamesys Group	4,356	0.44
984,586	Gym Group	2,353	0.24
919,547	Hollywood Bowl Group	2,078	0.21
468,589	J D Wetherspoon	5,862	0.59
327,080	On The Beach Group	1,439	0.15
98,273	Pphe Hotel Group	1,400	0.14
1,125,272	Rank Group	2,014	0.20
1,465,983	Restaurant Group	1,532	0.15
1,680,576	SSP Group	5,811	0.59
5,175,762	Stagecoach Group	4,865	0.49
415,005	Whitbread	14,127	1.43
	Total Consumer Services	**178,835**	**18.08**
TELECOMMUNICATIONS 1.58% (1.68%)			
	Fixed Line Telecommunications 1.58% (1.68%)		
11,065,992	BT Group	15,653	1.58
	Total Telecommunications	**15,653**	**1.58**
UTILITIES 1.36% (2.12%)			
	Gas, Water & Multiutilities 1.36% (2.12%)		
7,749,245	Centrica	4,025	0.41
985,372	Pennon Group	9,410	0.95
	Total Utilities	**13,435**	**1.36**
FINANCIALS 17.10% (16.90%)			
	Banks 6.38% (5.23%)		
9,692,854	Barclays	16,629	1.68
2,299,448	HSBC Holdings	10,062	1.02
7,811,879	NatWest Group	14,686	1.48
79,823	Secure Trust Bank	750	0.08
4,210,060	Standard Chartered	21,017	2.12
	Nonlife Insurance 1.94% (1.45%)		
1,053,326	Hiscox	9,545	0.96
1,435,511	RSA Insurance Group	9,718	0.98
	Life Insurance 3.63% (4.10%)		
3,581,151	Legal & General Group	9,984	1.01
1,764,057	Prudential	25,940	2.62
	Real Estate Investment & Services 0.31% (0.19%)		
605,318	CLS Holdings	1,326	0.13
166,233	Savills	1,789	0.18
	Real Estate Investment Trusts 0.96% (1.19%)		
222,532	Derwent London	7,393	0.75
872,601	Newriver REIT	890	0.09
151,259	Workspace Group	1,167	0.12
	Financial Services 3.88% (4.74%)		
735,438	Arrow Global Group	1,982	0.20
1,344,555	IP Group	1,568	0.16
309,910	JTC	2,008	0.20
97,552	Liontrust Asset Management	1,263	0.13
4,992,935	M&G	9,981	1.01
9,140,507	Melrose Industries	15,904	1.61
507,827	Paragon Banking Group	2,337	0.24
86,385	Rathbone Brothers	1,367	0.14
266,191	Sanne Group IPO	1,507	0.15
10,513	Schroders	353	0.04
	Total Financials	**169,166**	**17.10**
TECHNOLOGY 1.75% (1.18%)			
	Software & Computer Services 1.49% (0.83%)		
70,380	†Blue Prism Group	882	0.09
276,428	Bytes Technology Group	1,078	0.11
267,583	FDM Group Holdings IPO	2,815	0.29
32,986	†First Derivatives	889	0.09
1,115,247	†IQGEO Group	1,071	0.11
43,409	Kainos Group	533	0.05
1,264,887	Sage Group	7,468	0.75
	Technology Hardware & Equipment 0.26% (0.35%)		
1,060,728	Spirent Communications	2,583	0.26
	Total Technology	**17,319**	**1.75**
COLLECTIVE INVESTMENT SCHEMES 0.30% (1.41%)			
	Liquidity Funds 0.30% (1.41%)[1]		
3,002,703	BlackRock Institutional Cash Series Sterling Liquidity Platinum	3,003	0.30
	Total Collective Investment Schemes	**3,003**	**0.30**
Total value of investments[2]		**987,289**	**99.81**
Net other assets (0.48%)		**1,869**	**0.19**
Net assets		**989,158**	**100.00**

March 2020 comparatives in brackets.

[1]Cash equivalents.

[2]Includes Cash equivalents.

†Alternative Investment Market.

Threadneedle UK Equity Opportunities Fund

Portfolio Statement

as at 7 March 2021

Holding	Investment	Value £000	% of Net Asset Value
OIL & GAS 4.08% (4.35%)			
	Oil & Gas Producers 2.49% (2.91%)		
122,326	Royal Dutch Shell 'B' Shares	1,819	2.49
	Oil Equipment, Services & Distribution 1.59% (1.44%)		
361,597	John Wood Group	1,162	1.59
	Total Oil & Gas	**2,981**	**4.08**
BASIC MATERIALS 3.79% (3.25%)			
	Chemicals 3.79% (3.25%)		
59,755	Johnson Matthey	1,892	2.59
40,390	Victrex	872	1.20
	Total Basic Materials	**2,764**	**3.79**
INDUSTRIALS 22.10% (15.31%)			
	Aerospace & Defence 1.71% (0.94%)		
258,989	BAE Systems	1,252	1.71
	General Industrials 4.03% (2.21%)		
789,252	Melrose Industries	1,373	1.88
104,097	Smiths Group	1,567	2.15
	Industrial Engineering 2.04% (1.65%)		
407,915	Rotork	1,490	2.04
	Industrial Transportation 2.60% (0.99%)		
418,820	Royal Mail	1,897	2.60
	Support Services 11.72% (9.52%)		
167,087	Aggreko	1,495	2.05
318,857	Electrocomponents	3,048	4.18
839,151	Hays	1,313	1.80
176,337	Howden Joinery Group	1,213	1.66
306,520	Rentokil Initial	1,479	2.03
	Total Industrials	**16,127**	**22.10**
CONSUMER GOODS 13.28% (14.20%)			
	Food Producers 2.43% (2.44%)		
235,526	Tate & Lyle	1,771	2.43
	Household Goods & Home Construction 3.18% (3.26%)		
37,012	Reckitt Benckiser Group	2,321	3.18
	Personal Goods 5.26% (5.47%)		
59,774	Burberry Group	1,115	1.53
243,549	Ted Baker	296	0.40
62,434	Unilever	2,429	3.33
	Tobacco 2.41% (3.03%)		
126,410	Imperial Brands	1,760	2.41
	Total Consumer Goods	**9,692**	**13.28**
HEALTH CARE 9.90% (13.24%)			
	Pharmaceuticals & Biotechnology 9.90% (13.24%)		
63,741	AstraZeneca	4,371	5.99
229,525	GlaxoSmithKline	2,853	3.91
	Total Health Care	**7,224**	**9.90**
CONSUMER SERVICES 27.60% (29.35%)			
	Food & Drug Retailers 4.74% (6.01%)		
591,614	Tesco	1,325	1.82
1,212,016	WM Morrison Supermarkets	2,130	2.92
	General Retailers 1.77% (1.98%)		
888,895	Marks & Spencer Group	1,293	1.77
	Media 7.15% (6.53%)		
1,232,992	ITV	1,438	1.97
259,371	Pearson	1,971	2.70
106,485	RELX (London Listing)	1,808	2.48
	Travel & Leisure 13.94% (14.83%)		
157,618	easyJet	1,538	2.11
1,435,884	Firstgroup	1,292	1.77
82,928	J D Wetherspoon	1,037	1.42
1,009,345	Rank Group	1,807	2.48
1,902,143	Restaurant Group	1,988	2.73
235,764	SSP Group	815	1.12
677,330	Stagecoach Group	637	0.87
30,965	Whitbread	1,054	1.44
	Total Consumer Services	**20,133**	**27.60**
TELECOMMUNICATIONS 2.14% (2.08%)			
	Fixed Line Telecommunications 2.14% (2.08%)		
1,102,705	BT Group	1,560	2.14
	Total Telecommunications	**1,560**	**2.14**
UTILITIES 0.95% (1.41%)			
	Gas, Water & Multiutilities 0.95% (1.41%)		
1,329,441	Centrica	690	0.95
	Total Utilities	**690**	**0.95**
FINANCIALS 15.55% (16.98%)			
	Banks 4.41% (3.58%)		
796,461	NatWest Group	1,497	2.05
345,591	Standard Chartered	1,725	2.36
	Nonlife Insurance 2.16% (2.66%)		
173,609	Hiscox	1,573	2.16
	Life Insurance 3.31% (4.48%)		
164,352	Prudential	2,417	3.31
	Financial Services 5.67% (6.26%)		
185,237	3i Group	2,103	2.88
461,540	M&G	923	1.27
2,236,190	Sherborne Investors Guernsey	1,109	1.52
	Total Financials	**11,347**	**15.55**
Total value of investments		**72,518**	**99.39**
Net other assets/(liabilities) (-0.17%)		**445**	**0.61**
Net assets		**72,963**	**100.00**

March 2020 comparatives in brackets.

Performance Summary for the twelve months ended 28 February 2021

Fund Name	Sector	Index	Class 1 Net Return %	Class 2 Net Return %	Sector Median Net Return %	Index Total Return %
UNITED KINGDOM						
UK Fund	IA UK All Companies	FTSE ALL-SHARE (TR)	+3.24	+3.83	+5.58	+3.50
UK Select Fund	IA UK All Companies	FTSE ALL-SHARE (TR)	+4.64	+5.25	+5.58	+3.50
UK Smaller Companies Fund	IA UK Smaller Companies	Numis Smaller Companies Index ex Investment Companies	+22.45	+23.17	+20.43	+16.21
UK Growth & Income Fund	IA UK All Companies	FTSE ALL-SHARE (TR)	+1.78	+2.35	+5.58	+3.50
UK Equity Income Fund	IA UK Equity Income	FTSE ALL-SHARE (TR)	+4.11	+4.66	+2.63	+3.50
UK Monthly Income Fund	IA UK Equity Income	FTSE ALL-SHARE (TR)	+0.31	+0.84	+2.63	+3.50
Monthly Extra Income Fund	IA UK Equity and Bond Income	80% FTSE All Share, 20% ICE BofA Sterling Corp & Collaterized (USD Unhedged)	+2.24	–	+2.51	+3.37
Sterling Corporate Bond Fund	IA £ Corporate Bond	iBoxx GBP Non-Gilts	+2.22	+2.56	+1.80	+1.07
Strategic Bond Fund	IA £ Strategic Bond	iBoxx GBP Non-Gilts 1-10 Years (60%), ICE BofA European Currency High Yield Excluding Subordinated Financials Constrained (Hedged to Sterling) (40%)	+5.22	+5.79	+3.57	+3.62
Sterling Bond Fund	IA UK Gilts	FTSE Actuaries UK Conventional Gilts All Stocks	–5.22	–	–4.63	–4.22
UK Institutional Fund	IA UK All Companies	FTSE ALL-SHARE (TR)	+3.60	+4.40	+5.58	+3.50
UK Equity Opportunities Fund	IA UK All Companies	FTSE ALL-SHARE (TR)	–	+1.60	+5.58	+3.50
EUROPE						
European Fund	IA Europe Excluding UK	FTSE World Europe ex UK – Total Return	+16.67	+17.34	+15.43	+14.44
European Select Fund	IA Europe Excluding UK	FTSE World Europe ex UK – Total Return	+20.10	+20.76	+15.43	+14.44
European Smaller Companies Fund	Morningstar Category Europe ex-UK Small_Mid-Cap Eq	EMIX Smaller European Companies Ex UK	+30.86	+31.66	+31.56	+28.99
European Bond Fund	–	ICE BofA Pan-Europe Broad Market	+1.96	–	–	–0.06
US						
American Fund	IA North America	S&P 500	+27.65	+28.29	+22.41	+19.95
American Select Fund	IA North America	S&P 500	+25.73	+26.44	+22.41	+19.95
American Smaller Companies Fund	Morningstar Category US Mid-Cap Equity	Russell 2500	+53.35	+54.22	+27.28	+33.30
Dollar Bond Fund	Morningstar Category USD Diversified Bond	ICE BofA US Treasury Master (50%), ICE BofA Eurodollar Global (50%)	–4.65	–	–6.95	–7.85
JAPAN						
Japan Fund	IA Japan	MSCI Japan	+35.16	+35.93	+22.27	+17.72

Performance Summary for the twelve months ended 28 February 2021 (continued)

Fund Name	Sector	Index	Class 1 Net Return %	Class 2 Net Return %	Sector Median Net Return %	Index Total Return %
PACIFIC BASIN&EMERGING MARKETS, ASIA PACIFIC EXCLUDING JAPAN						
Asia Fund	IA Asia Pacific Excluding Japan	MSCI AC Asia Pacific ex Japan – Gross Return	+37.05	+37.86	+31.28	+27.61
Latin America Fund	Morningstar Category Latin American Equity	MSCI EM Latin America 10-40	–2.61	–2.01	–14.08	–14.00
Emerging Market Bond Fund[1]	Morningstar Category Global Emerging Markets Bond	J.P. Morgan Emerging Market Bond Index Global (EMBI Global)	–6.75	–6.26	–5.93	–7.73
GLOBAL						
High Yield Bond Fund	IA £ High Yield	ICE BofA European Currency High Yield Excluding Subordinated Financials Constrained (Hedged to Sterling)	+5.07	+5.62	+5.58	+5.83
Global Select Fund	IA Global	MSCI AC World Index – Gross Return	+21.49	+22.19	+20.92	+19.56
Global Bond Fund	Morningstar Category Global Bond	J.P. Morgan Government Bond Index Global (GBI Global)	–6.06	–5.64	–4.27	–6.34
CASH						
Sterling Short–Term Money Market Fund	–	1 Month GBP London Interbank Bid Rate (LIBID)	–0.01	–	–	–0.03

[1]Gross Shareclasses used

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.

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.

Risk and Reward Profiles

Fund	Share Class	SRRI*
UK Fund	Class 1 – Income shares	6
	Class 1 – Accumulation shares	6
	Class 2 – Income shares	6
	Class 2 – Accumulation shares	6
	**Class L – Gross income shares	6
	**Class L – Gross accumulation shares	6
	Class X – Income shares	6
	Class X – Accumulation shares	6
	Class Z – Income shares	6
	Class Z – Accumulation shares	6
UK Select Fund	Class 1 – Income shares	6
	Class 2 – Income shares	6
	Class D – Accumulation shares	6
	Class L – Accumulation shares	6
	Class X – Accumulation shares	6
	Class X2 – Accumulation shares	6
	Class Z – Income shares	6
	Class Z – Gross accumulation shares	6
UK Smaller Companies 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
	Class Z – Accumulation shares	6
	Class Z CHF Hedged – Gross accumulation shares	6
UK Growth & Income Fund	Class 1 – Income shares	6
	Class 2 – Income shares	6
	Class X – Gross accumulation shares	6
	Class Z – Income shares	6
	Class Z – Accumulation shares	6
UK Equity Income Fund	Class 1 – Income shares	6
	Class 1 – Accumulation shares	6
	Class 2 – Income shares	6
	Class 2 – Accumulation shares	6
	Class D – Income shares	6
	Class L – Income shares	6
	Class L – Accumulation shares	6
	Class X – Income shares	6
	Class X – Accumulation shares	6
	Class Z – Income shares	6
	Class Z – Accumulation shares	6
UK Monthly Income Fund	Class 1 – Income shares	6
	Class 2 – Income shares	6
	Class X – Gross income shares	6
	Class X – Gross accumulation shares	6
	Class Z – Income shares	6
Monthly Extra Income Fund	Class 1 – Income shares	5
	Class 1 EUR Hedged – Income shares	5
	Class 1 EUR Hedged – Accumulation shares	5
	Class X – Gross income shares	5
	Class X – Gross accumulation shares	5
	Class Z – Income shares	5
	Class Z – Accumulation shares	5
	Class Z EUR Hedged – Accumulation shares	5
Sterling Corporate Bond Fund	Class 1 – Income shares	3
	Class 1 – Accumulation shares	3
	Class 1 – Gross income shares	3
	Class 2 – Income shares	3
	Class 2 – Gross accumulation shares	3
	Class L – Income shares	3
	Class L – Accumulation shares	3
	Class L – Gross income shares	3
	Class X – Gross income shares	3
	Class X – Gross accumulation shares	3

Risk and Reward Profiles

(continued)

Fund	Share Class	SRRI*
Sterling Bond Fund	Class 1 – Income shares	4
	Class 1 – Gross accumulation shares	4
	Class X – Gross income shares	4
	Class X – Gross accumulation shares	4
	Class Z – Income shares	4
	Class Z – Gross accumulation shares	4
Sterling Short-Term Money Market Fund	Class 1 – Income shares	1
	Class 2 – Accumulation shares	1
	Class X – Gross accumulation shares	1
European Fund	Class 1 – Accumulation shares	6
	Class 2 – Accumulation shares	6
	Class D – Accumulation shares	6
	Class L – Income shares	6
	Class L – Accumulation shares	6
	Class L GBP Hedged – Income shares	6
	Class X – Accumulation shares	6
	Class X2 – Accumulation shares	6
	Class X GBP Hedged – Gross accumulation shares	6
	Class Z – Income shares	6
	Class Z – Accumulation shares	6
European Select Fund	Class 1 – Income shares	6
	Class 1 – Accumulation shares	6
	Class 2 – Income shares	6
	Class 2 – Accumulation shares	6
	Class 2 USD Hedged – Accumulation shares	6
	Class X – Accumulation shares	6
	Class Z – Income shares	6
	Class Z – Accumulation shares	6
European Smaller Companies Fund	Class 1 – Income shares	6
	Class 1 EUR – Income shares	6
	Class 1 – Accumulation shares	6
	Class 2 – Accumulation shares	6
	Class X – Gross accumulation shares	6
	Class Z – Income shares	6
	Class Z – Accumulation shares	6
European Bond Fund	Class 1 – Income shares	4
	Class 1 – Gross accumulation shares	4
	Class 2 – Gross accumulation shares	4
	Class X – Gross accumulation shares	4
	Class Z – Income shares	4
	Class Z – Gross accumulation shares	4
Strategic Bond Fund	Class 1 – Income shares	3
	Class 1 – Gross income shares	3
	Class 2 – Income shares	3
	Class 2 – Gross income shares	3
	Class 2 – Gross accumulation shares	3
	Class X – Gross accumulation shares	3
	Class Z – Income shares	3
	Class Z – Gross income shares	3
	Class Z – Gross accumulation shares	3
American Fund	Class 1 – Income shares	6
	Class 1 – Accumulation shares	6
	Class 2 – Accumulation shares	6
	Class X – Accumulation shares	6
	Class X GBP Hedged – Gross accumulation shares	6
	Class Z – Income shares	6
	Class Z – Accumulation shares	6
American Select Fund	Class 1 – Income shares	6
	Class 1 – Accumulation shares	6
	Class 2 – Accumulation shares	6
	Class X – Accumulation shares	6
	Class Z – Income shares	6
	Class Z – Accumulation shares	6
	Class Z CHF Hedged – Accumulation shares	6
	Class Z GBP Hedged – Accumulation shares	6

Risk and Reward Profiles

(continued)

Fund	Share Class	SRRI*
American Smaller Companies Fund (US)	Class 1 – Income shares	6
	Class 1 – Accumulation shares	6
	Class 1 EUR – Accumulation shares	6
	Class 2 – Accumulation shares	6
	Class X – Accumulation shares	6
	Class Z – Income shares	6
	Class Z – Accumulation shares	6
Dollar Bond Fund	Class 1 – Income shares	4
	Class 1 – Gross accumulation shares	4
	Class X – Gross accumulation shares	4
	Class Z – Income shares	4
	Class Z – Gross accumulation shares	4
Japan Fund	Class 1 – Accumulation shares	6
	Class 2 – Accumulation shares	6
	Class X – Income shares	6
	Class X – Accumulation shares	6
	Class X2 – Accumulation shares	6
	Class X GBP Hedged – Gross accumulation shares	6
	Class Z – Accumulation shares	6
Asia Fund	Class 1 – Accumulation shares	6
	Class 2 – Accumulation shares	6
	Class X – Accumulation shares	6
	Class X2 – Accumulation shares	6
	Class Z – Accumulation shares	6
Latin America Fund	Class 1 – Accumulation shares	6
	Class 2 – Accumulation shares	6
	Class X – Accumulation shares	6
	Class Z – Accumulation shares	6
Emerging Market Bond Fund	Class 1 – Income shares	5
	Class 1 – Gross income shares	5
	Class 1 – Gross accumulation shares	5
	Class 2 – Income 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
	Class Z – Gross income shares	5
	Class Z – Gross accumulation shares	5
High Yield Bond Fund	Class 1 – Income shares	4
	Class 1 – Gross income shares	4
	Class 1 USD Hedged – Gross income shares	4
	Class 1 – Gross accumulation shares	4
	Class 2 – Income shares	4
	Class 2 – Gross income shares	4
	Class 2 – Gross accumulation shares	4
	Class X – Gross income shares	4
	Class X – Gross accumulation shares	4
	Class Z – Income shares	4
	Class Z – Accumulation shares	4
	Class Z – Gross income shares	4
	Class Z – Gross accumulation shares	4
Global Select Fund	Class 1 – Accumulation shares	6
	Class 2 – Accumulation shares	6
	Class X – Accumulation shares	6
	Class Z – Income shares	6
	Class Z – Accumulation shares	6

Risk and Reward Profiles

(continued)

Fund	Share Class	SRRI*
Global Bond Fund	Class 1 – Income shares	4
	Class 1 – Accumulation shares	4
	Class 1 – Gross income shares	4
	Class 1 – Gross accumulation shares	4
	Class 2 – Income shares	4
	Class 2 – Gross accumulation shares	4
	Class X – Gross accumulation shares	4
	Class Z – Income shares	4
	Class Z – Gross income shares	4
	Class Z – Gross accumulation shares	4
UK Institutional Fund	Class 1 – Accumulation shares	6
	Class 2 – Accumulation shares	6
	Class X – Gross accumulation shares	6
UK Equity Opportunities Fund	Class 2 – Income shares	6
	Class 2 – Accumulation shares	6
	Class Z – Income shares	6

** As at 7 March 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 UK Fund changed to a 6 for all share classes on 3 July 2020.

The risk and reward profile of UK Smaller Companies Fund changed to a 6 for all share classes on 3 July 2020.

The risk and reward profile of UK Growth & Income Fund changed to a 6 for all share classes on 24 July 2020.

The risk and reward profile of Monthly Extra Income Fund changed to a 5 for all share classes on 12 June 2020.

The risk and reward profile of the European Fund changed to a 6 for all share classes on 26 June 2020.

The risk and reward profile of European Smaller Companies Fund changed to a 6 for all share classes on 26 June 2020.

The risk and reward profile of American Select Fund changed to a 6 for all share classes on 26 June 2020.

The risk and reward profile of High Yield Bond Fund changed to a 4 for all share classes on 3 July 2020.

The risk and reward profile of Global Select Fund changed to a 6 for all share classes on 31 July 2020.

The risk and reward profile of UK Institutional Fund changed to a 6 for all share classes on 24 July 2020.

The risk and reward profile of UK Equity Opportunities Fund changed to a 6 for all share classes on 3 July 2020.

The risk and reward profile of UK Select Fund changed to a 6 for all share classes on 12 February 2021.

The risk and reward profile of UK Equity Income Fund changed to a 6 for all share classes on 24 December 2020 and 8 January 2021.

The risk and reward profile of UK Monthly Income Fund changed to a 6 for all share classes on 19 February 2021.

The risk and reward profile of American Fund changed to a 6 for all share classes on 12 June 2020.

The risk and reward profile of European Select Fund changed to a 6 for all share classes on 16 February 2021.

***For launch dates, refer to the footnotes after the fund's comparative table.*

Important Information

Threadneedle Investment Funds ICVC (the Company) is an open-ended investment company with variable capital incorporated in England and Wales under regulation 14 (Authorisation) of the Open-Ended Investment Companies Regulations 2001 (as amended) and the shareholders are not liable for the debts of the Company.

The Company is structured as an umbrella company in which different sub-funds (funds) may be established from time to time by the ACD with the approval of the Financial Conduct Authority (FCA) and the agreement of the Depositary.

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 and from the paying agents and distributors in the countries where the fund is distributed.

The funds are segregated portfolios of assets and, accordingly, the assets of a fund belong exclusively to that Fund and shall not be used to discharge directly or indirectly the liabilities of, or claims against, any other person or body, including the umbrella, or any other fund, and shall not be available for any such purpose.

Each fund has 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 8 March 2020 to 7 March 2021 the following changes were made to the Prospectus of the Company:

- Change to the board directors of the ACD;
- Fee reductions to reflect Asset Management Market Study remedies;
- Updated Brexit risk wording and new COVID-19 and LIBOR Replacement risk wording;
- Updated capital gains tax exemption for 2020/21;
- Registrar name change from DST Financial Services Europe Ltd to SS&C Financial Services Europe Ltd.;
- Updated share class descriptions;
- 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;
- Updates to eligible securities markets and eligible derivatives markets;
- Updated dilution adjustment estimates;
- Updated performance figures;
- Updated share class information.

Changes to the Instrument of Incorporation

No changes were made to the instrument of incorporation of the Company during the period from 8 March 2020 to 7 March 2021.

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 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.

Important Information

(continued)

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-assessmentreport?it=Private

https://www.columbiathreadneedle.co.uk/en/value-assessmentreport?it=Intermediary

https://www.columbiathreadneedle.co.uk/en/value-assessmentreport?it=Institutional

Characteristics of Shares

The Company is structured as an umbrella company and currently consists of 28 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 USD 3,000 JPY 280,000 CHF 3,000 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 0.5 million EUR 0.75 million USD 0.8 million JPY 70 million CHF 1.2 million	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 D	GBP 2,000	All investors at the ACD's discretion
Class L	GBP 100 million	Institutional investors and retail investors at the ACD's discretion.
Class M (including Hedged Shares)	AUD 750 USD 3,000	All investors at the ACD's discretion
Class N (including Hedged Shares)	USD 1.5 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.
Class X (including Hedged Shares)	GBP 3 million EUR 5 million USD 5 million JPY 420 million AUD 5 million	Eligible Shareholders investing under a specific agreement.
Class Z (including Hedged Shares)	GBP 1 million EUR 1.5 million USD 1.5 million JPY 140 million CHF 1.5 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.

Hedged Share Classes (HSCs)

HSCs use currency hedging transactions to try to reduce the exposure to the Reference Currency and replace it with an exposure to the hedged Currency. The terms Reference Currency, Portfolio Currency and Hedged Currency are defined as follows:

- "Reference Currency" or "Reference Currencies" means (according to the context) the primary investment currency of the share class against which the currency hedging transaction will be applied in order to reduce any exchange rate fluctuation with the Hedged Currency;
- "Portfolio Currency" or "Portfolio Currencies" means (according to the context) the currency or currencies in which the underlying assets of the fund are invested in line with the investment objectives applicable to the fund;
- "Hedged Currency" is the currency in which the Hedged Share Class is denominated.

These HSCs should not be confused with other share classes that may be denominated in other currencies but will not be hedged. For full details of the HSCs available, including details of the Reference Currency or Portfolio Currency of each fund for which HSCs are available, please refer to the latest version of the Prospectus.

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.

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.

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.

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 7 March and the interim reporting period ends on 7 September.

Where there is any inconsistency between the version presented in English and any translation, the English language version takes 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 has precedent.

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.

Important Information

(continued)

Remuneration Disclosures

This disclosure is made in respect of the remuneration policy of Threadneedle Asset Management Sárl ("TAM Sárl" 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 Sárl is a sub-committee of the TAM Sárl 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.

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	No Capital Guarantee	Counterparty	Issuer	Political and Financial	Liquidity	Effect of Portfolio Concentration	Inflation	Interest Rate	Valuation	Short Selling	Investment in Derivatives	Leverage	Derivatives for EPM/ Hedging	Volatility	High Volatility	Investment in Deposits	China-Hong Kong Stock Connect	China Interbank Bond Market - Hong Kong Bond Connect
UK Fund	X	X													X	X				
UK Select Fund	X	X						X							X	X				
UK Smaller Companies Fund	X	X					X								X	X				
UK Growth & Income Fund	X	X													X	X				
UK Equity Income Fund	X	X													X	X				
UK Monthly Income Fund	X	X													X	X				
Monthly Extra Income Fund	X	X			X		X		X	X					X	X				
Sterling Corporate Bond Fund	X	X			X		X		X	X					X					
High Yield Bond Fund	X	X			X		X		X	X	X				X	X				
Strategic Bond Fund	X	X		X	X		X		X	X	X	X	X	X						
Sterling Bond Fund	X	X			X		X		X	X					X					
Sterling Short-Term Money Market Fund	X		X	X					X						X			X		
European Fund	X	X													X	X				
European Select Fund	X	X						X							X	X				
European Smaller Companies Fund	X	X					X								X	X				
European Bond Fund	X	X			X		X		X	X					X					
American Fund	X	X													X	X				
American Select Fund	X	X						X							X	X				
American Smaller Companies Fund (US)	X	X					X								X		X			
Dollar Bond Fund	X	X			X		X		X	X					X					
Japan Fund	X	X													X		X			
Asia Fund	X	X				X	X								X		X		X	
Latin America Fund	X	X				X	X								X		X			
Emerging Market Bond Fund	X	X			X	X	X		X	X					X	X				X
Global Select Fund	X	X						X							X	X				
Global Bond Fund	X	X			X		X		X	X					X					
UK Institutional Fund	X	X													X	X				
UK Equity Opportunities Fund	X	X													X	X				

Description of the Key Risks:

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

Currency Risk: Where investments are in assets that are denominated in multiple currencies, or currencies other than your own, changes in exchange rates may affect the value of the investments.

No Capital Guarantee Risk: Positive returns are not guaranteed and no form of capital protection applies.

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

Important Information

(continued)

Issuer Risk: The Fund invests in securities whose value would be significantly affected if the issuer refused, was unable to or was perceived to be unable to pay.

Political and Financial Risk: The fund invests in markets where economic and regulatory risk can be significant. These factors can affect liquidity, settlement and asset values. Any such event can have a negative effect on the value of your investment.

Liquidity Risk: The fund holds assets which could prove difficult to sell. The fund may have to lower the selling price, sell other investments or forego more appealing investment opportunities.

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

Inflation Risk: Most bond and cash funds offer limited capital growth potential and an income that is not linked to inflation. Inflation is likely to affect the value of capital and income over time.

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

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

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

Investment in Derivatives Risk: The Investment Policy of the fund allows it to invest materially in derivatives.

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

Derivatives for EPM / Hedging Risk: The investment policy of the fund allows it to invest in derivatives for the purposes of reducing risk or minimising the cost of transactions.

Volatility Risk: The fund may exhibit significant price volatility.

High Volatility Risk: The fund typically carries a risk of high volatility due to its portfolio composition or the portfolio management techniques used. This means that the fund's value is likely to fall and rise more frequently and this could be more pronounced than with other funds.

Investment in Deposits: The Investment Policy of the fund allows it to invest principally in deposits.

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.

Further risks applicable to the fund can be found in the Prospectus.

Directory

Registered Office
Cannon Place
78 Cannon Street
London EC4N 6AG

Authorised Corporate Director (ACD)
Threadneedle Investment Services Limited
Cannon Place
78 Cannon Street
London EC4N 6AG

Registrar
Threadneedle Investment Services Limited
Delegated to:
SS&C Financial Services Europe Limited*
(Authorised and regulated by the Financial Conduct Authority (FCA))
St Nicholas Lane
Basildon
Essex SS15 5FS

Investment Manager
Threadneedle Asset Management Limited
Cannon Place
78 Cannon Street
London EC4N 6AG

Depositary
Citibank Europe plc, UK Branch
(Authorised by the Prudential Regulatory Authority (PRA)
and regulated by the FCA and PRA)
Citigroup Centre
33 Canada Square
Canary Wharf
London E14 5LB

Legal Advisers
Eversheds Sutherland (International) LLP
One Wood Street
London EC2V 7WS

Independent Auditor
PricewaterhouseCoopers LLP
Atria One
144 Morrison Street
Edinburgh EH3 8EX

Authorised Corporate Director Client Services Details

UK Investors
Address: Threadneedle Investment Services Limited
PO Box 10033
Chelmsford
Essex CM99 2AL
Telephone (dealing & customer enquiries): 0800 953 0134**
Fax (dealing): 0845 113 0274
Email (enquiries): questions@service.columbiathreadneedle.co.uk

Asian Investors
Address: Threadneedle Investment Services Limited
International Financial Data Services
47, avenue JF Kennedy
L-1855 Luxembourg
Telephone (dealing & customer enquiries): +852 3667 7111**
Fax (dealing): +352 2452 9807
Email (enquiries): threadneedleenquiries@statestreet.com

All Other Investors
Address: Threadneedle Investment Services Limited
International Financial Data Services
47, avenue JF Kennedy
L-1855 Luxembourg
Telephone (dealing & customer enquiries): +352 464 010 7020**
Fax (dealing): +352 2452 9807
Email (enquiries): questions@service.columbiathreadneedle.co.uk
Website: columbiathreadneedle.com

Paying and Information Agent in Austria
Raiffeisen Zentralbank Österreich AG
Am Stadtpark 9
1030 Vienna
Austria

Paying and Information Agent in Belgium
CACEIS Belgium
Avenue du Port 86C Bte 320
1000 Brussels
Belgium

Paying and Information Agent in France
BNP Paribas Securities Services
Les Grands Moulins de Pantin
9 rue du Débarcadère
93500 Pantin
France

Paying and Information Agent in Germany
J.P. Morgan AG
Junghofstr. 14
60311 Frankfurt am Main
Germany

Paying and Information Agent in Hong Kong
HSBC Institutional Trust Services (Asia) Limited
Services Transfer Agency, Fund Services
1 Queen's Road Central
Hong Kong

Paying and Information Agent in Ireland
J.P. Morgan Bank Administration Services (Ireland) Limited
J.P. Morgan House, International Financial Services Centre
Dublin 1
Ireland

Paying and Information Agent in Italy
Allfunds Bank S.A., filiale di Milano
via Bocchetto, 6
20123 Milan
Italy

BNP Paribas Securities Services
succursale di Milano
Piazza Lina Bo Bardi, 3
20124 Milan
Italy

SGSS S.p.A.
con sede legale in Milano
via Benigno Crespi 19/A – MAC2
Italy

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

**Name changed from DST Financial Services Europe Limited to SS&C Financial Services Europe Limited on the 31 March 2020.*
***Calls will be recorded.*

Directory

(continued)

Paying and Information Agent in Luxembourg
State Street Bank Luxembourg S.A.
49 avenue J.F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

Information Agent in Spain
Threadneedle Investment Funds ICVC is duly authorised for its marketing in Spain under registered number 482 for such purposes with the Register of Foreign Collective Investment Schemes of the Comisión Nacional del Mercado de Valores (CNMV), in accordance with section 15. 2 of Law 35/2003 of 4 November 2003 on Collective Investment Schemes, as amended. A list of the appointed local distributors and Funds and share classes available for public distribution in Spain is available at the CNMV web page (www.cnmv.es).

Paying and Information Agent in Sweden
Skandinaviska Enskilda Banken AB
Kungsträdgårdsgatan
SE-10640 Stockholm
Sweden

Representative and Paying Agent in Switzerland
BNP Paribas Securities Services, Paris, succursale de Zurich
Selnaustrasse 16
8002 Zurich
Switzerland

COLUMBIA THREADNEEDLE INVESTMENTS

To find out more visit columbiathreadneedle.com

Threadneedle Investment Services Limited, ISA Manager, Authorised Corporate Director and Unit Trust Manager. Registered No. 3701768. Registered in England and Wales. Registered Office: Cannon Place, 78 Cannon Street, London EC4N 6AG. Authorised and regulated by the Financial Conduct Authority. Columbia Threadneedle Investments is the global brand name of the Columbia and Threadneedle group of companies. **columbiathreadneedle.com**

386606