



Threadneedle
Investment Funds ICVC

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Threadneedle Investment Funds

Threadneedle Investment Funds offer either Class 1 and/or Class 2 and/or Class X shares. Additionally, the Funds offer either net income or net accumulation and/or gross income and/or gross accumulation shares.

All share types and classes are covered in this Interim Report.

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Please note that the UK Cash 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. No registration application has been filed for UK Cash Fund with the Bundesanstalt für Finanzdienstleistungsaufsicht and shares in UK Cash Fund must not be publicly marketed in Germany.

Company Information

Company

Threadneedle Investment Funds ICVC
Registered Number IC000002

Registered Office

60 St Mary Axe, London EC3A 8JQ

Director

The Authorised Corporate Director ("ACD") is Threadneedle Investment Services Limited which is the sole director.

Board of Directors of the ACD

Chairman and Chief Executive

C J Henderson

Other Directors

T W Challenor (Resigned – 30/06/2009)

J Devine

T N Gillbanks

P J W Reed

N J Ring (Appointed – 02/07/2009)

Director's Report

This is the interim report and accounts for Threadneedle Investment Funds ICVC, which reviews the performance of the funds and financial markets over the six months to 7th September 2009.

The last six months have seen a dramatic improvement in the world's financial markets. Equities and corporate bonds have rallied strongly from their spring lows in the wake of successful moves to help stabilise the financial system, and increasing signs that global economies are beginning to recover. Although we expect the recovery to be slow, economic conditions should gradually improve over time.

Threadneedle's strong team and investment process mean that we should be well placed to take advantage of future investment opportunities as they arise. Indeed, in March this year the expertise of our investment team was recognised by independent analysts Lipper, who named Threadneedle the Best Overall Group in the Mixed Assets Large category. In July, Threadneedle subsequently received the prestigious Group of the Year award from Investment Week.

We hope that you find the reports informative. If you would like further information regarding any aspect of your investment, or about other Threadneedle products, please either contact us directly or speak to your financial adviser. Alternatively, you may find it helpful to visit threadneedle.com for further information about Threadneedle.

Thank you for your continued support.

A handwritten signature in black ink, appearing to read 'Crispin Henderson', with a long horizontal flourish extending to the right.

Crispin Henderson

Director

Aggregated Accounts for Threadneedle Investment Funds ICVC

STATEMENT OF TOTAL RETURN

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008* £000
Income		
Net capital gains/(losses)	3,002,872	(500,936)
Revenue	298,227	318,902
Expenses	(83,902)	(97,996)
Finance costs: Interest	(165)	(2,747)
Net revenue/(expenses) before taxation	214,160	218,159
Taxation	(11,471)	(12,920)
Net revenue/(expenses) after taxation	202,689	205,239
Total return before distributions	3,205,561	(295,696)
Finance costs: Distributions	(154,042)	(163,531)
Change in net assets attributable to shareholders from investment activities	3,051,519	(459,228)

*Restated – see note 1(1) page 6.

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008 £000
Opening net assets attributable to shareholders	10,344,203	15,290,156
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	2,511,343	1,983,983
Amounts payable on cancellation of shares	(1,464,722)	(2,650,512)
	1,046,621	(666,529)
Dilution adjustment	12,393	5,630
Stamp duty reserve tax	(1,109)	(2,590)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	3,051,519	(459,228)
Retained distribution on accumulation shares	53,063	52,877
Compensation	127	9
Undistributed revenue	(5,998)	(662)
Unclaimed distribution monies brought back into account	(2,823)	(7,573)
Closing net assets attributable to shareholders	14,497,996	14,212,090

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are as at 7th March 2009 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is as at 7th September 2008.

BALANCE SHEET

as at 7th September 2009

	2009 £000	March 2009 £000
Assets		
Investment assets	14,212,610	10,050,497
Debtors	352,750	349,649
Cash and bank balances	349,295	389,306
Total other assets	702,045	738,955
Total assets	14,914,655	10,789,452
Liabilities		
Derivative liabilities	(11,709)	(7,712)
Creditors	(313,786)	(342,894)
Bank overdrafts	(27,927)	(28,759)
Distribution payable on income shares	(63,237)	(65,884)
Total other liabilities	(404,950)	(437,537)
Total liabilities	(416,659)	(445,249)
Net assets attributable to shareholders	14,497,996	10,344,203

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

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

T N Gillbanks
Director

J Devine
Director

12th October 2009

Notes to the Aggregated Accounts for Threadneedle Investment Funds ICVC

Notes to the financial statements

For the accounting period 8th March 2009 to 7th September 2009

1 ACCOUNTING POLICIES

(1) Basis of accounting

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice (the "SORP") for Authorised Funds issued by the Investment Management Association (IMA) in November 2008.

The accounting policies applied are consistent with those of the annual financial statements for the year ended 7th March 2009 and are described in those financial statements.

In the previous interim accounts, the requirements of the Statement of Recommended Practice for Authorised Funds issued by the IMA in December 2005 had been applied.

As a result of this change certain items have been reanalysed in the Statement of Total Return as set out below. The reanalysis has been treated as a change in accounting policies and accordingly the comparative figures have been restated. The changes did not alter either the total return or net assets attributable to Shareholders in either the current or preceding period.

Other gains/(losses)

Other gains/(losses) were previously included as a separate line in the Statement of Total Return but have now been included in net capital gains/(losses).

The effect of this change has been to reduce net capital gains by £16,121,000 (2008: £13,259,000 reduction in net capital losses).

Transaction costs

Transaction costs were previously included in expenses but have now been included in net capital gains/(losses).

The effect of this change has been to reduce expenses by £228,000 (2008: £311,000) and to reduce net capital gains in 2009 and increase net capital losses in 2008 by the same amounts.

(2) Aggregation

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

(3) Notes

In accordance with the guidelines of the SORP the fund has taken advantage of the facility not to provide further notes to the financial statements.

2 ADDITIONAL INFORMATION

The Aggregated Accounts include a balance of £17,000 relating to the Global Healthcare Fund which was closed on 15th January 2008.

The balance has remained the same as the previous period.

The inclusion of the Fund in the Aggregated Accounts can be seen in the following sections:

Statement of Change in Net Assets Attributable to Shareholders

£17,000 within the Opening net assets attributable to shareholders.

£17,000 within the Closing net assets attributable to shareholders.

Balance Sheet

£17,000 within Cash and bank balances.

£17,000 within Total other assets.

£17,000 within Total assets.

£17,000 within Net assets attributable to shareholders.

UK Fund

Investment Report

Investment Objective

To achieve capital growth.

Investment Policy

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

Performance of Net Income Class 1 Shares*

Over the six months to 7th September 2009, the published share price of the Threadneedle UK Fund has risen from 49.92p to 67.61p.

Looking at performance within its peer group, the total return on the Fund for the six months ending 31st August 2009, including net reinvested income, is +27.90% as compared to a median return of +31.82% over the same period. (For information the FTSE All-Share Total Return Index returned +33.82% over the same period.)

Portfolio Activity

2009 has seen one of the most dramatic reversals of fortune for the UK stock market that has ever been witnessed. After a very difficult start to the year, which culminated in further market losses and government intervention to secure the banking sector, the market has enjoyed one of the sharpest rises on record, which began almost exactly at the start of this reporting period.

During the review period, we have seen the rate of decline in economic activity ease followed by the first signs of stability emerging. Additionally, corporate profitability has proved to be much more resilient than anticipated as managements have been adept at controlling costs. Commodity prices, including oil, have recovered very sharply giving a welcome boost to the many resource companies in the UK stock market. Balance sheet stress has been addressed with a number of rights issues, which have been surprisingly well received.

The fund began the reporting period with a defensive stance which had been beneficial when markets fell sharply, but there was

clearly value emerging. Consequently, we have moved to a less defensive position, broadening the portfolio into areas of the market that are more cyclical. Many of these new investments have been highly successful but the rate at which the shift in sentiment took place was very sudden and the fund lagged the market rise as a result.

Looking forward, there will be many challenges for the companies in which we invest. It seems likely that we will see the return of some economic growth over the next few quarters in response to the huge stimulus and quantitative easing that has been employed. However, whether this growth can be maintained in the coming years remains to be seen as some of these measures will have to be reversed. The outlook for the UK is clouded by prospective tax rises and public spending cuts which will slow any economic recovery. The rise in share prices has happened very quickly and to some extent indiscriminately, but it is encouraging that we continue to identify good value investment opportunities across a broad spectrum of the stock market.

STATEMENT OF TOTAL RETURN

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008* £000
Income		
Net capital gains/(losses)	257,173	(93,504)
Revenue	20,713	23,301
Expenses	(6,115)	(7,971)
Finance costs: Interest	(7)	(84)
Net revenue/(expenses) before taxation	14,591	15,246
Taxation	(27)	(28)
Net revenue/(expenses) after taxation	14,564	15,218
Total return before distributions	271,737	(78,286)
Finance costs: Distributions	(14,564)	(15,218)
Change in net assets attributable to shareholders from investment activities	257,173	(93,504)

*Restated – see note 1 page 8.

BALANCE SHEET

as at 7th September 2009

	2009 £000	March 2009 £000
Assets		
Investment assets	996,225	735,282
Debtors	23,447	8,218
Cash and bank balances	807	367
Total other assets	24,254	8,585
Total assets	1,020,479	743,867
Liabilities		
Creditors	(10,846)	(5,486)
Distribution payable on income shares	(14,500)	(7,600)
Total liabilities	(25,346)	(13,086)
Net assets attributable to shareholders	995,133	730,781

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008 £000
Opening net assets attributable to shareholders	730,781	1,192,299
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	32,287	72,359
Amounts payable on cancellation of shares	(24,983)	(96,121)
	7,304	(23,762)
Stamp duty reserve tax	(129)	(238)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	257,173	(93,504)
Unclaimed distributions	4	–
Closing net assets attributable to shareholders	995,133	1,074,795

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7th March 2009 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7th September 2008.

*In pound Sterling and against UK peer group.
Please refer to pages 172-182 for comparative tables.

DISTRIBUTION TABLE

for the accounting period 8th March 2009 to 7th September 2009

Dividend distribution in pence per share

Class 1 Shares

Distribution Period	Gross Revenue	Tax Credit	Net Revenue	Equalisation	Distribution Payable 2009	Distribution Paid 2008
Group 1						
08/03/09 to 07/09/09	0.9749	0.0975	0.8774	–	0.8774	0.8604
Group 2						
08/03/09 to 07/09/09	0.6690	0.0669	0.6021	0.2753	0.8774	0.8604
Total distributions in the period					0.8774	0.8604

Class 2 Shares

Distribution Period	Gross Revenue	Tax Credit	Net Revenue	Equalisation	Distribution Payable 2009	Distribution Paid 2008
Group 1						
08/03/09 to 07/09/09	1.1887	0.1189	1.0698	–	1.0698	1.1063
Group 2						
08/03/09 to 07/09/09	0.7144	0.0714	0.6430	0.4268	1.0698	1.1063
Total distributions in the period					1.0698	1.1063

Group 2: shares purchased during a distribution period

UK Fund

Notes to the financial statements

for the accounting period 8th March 2009 to 7th September 2009

1 ACCOUNTING POLICIES

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

The impact of adoption of the new SORP has had the following impact on the accounts:

Transaction costs

Transaction costs were previously included in expenses but have now been included in net capital gains/(losses).

The effect of this change has been to reduce expenses by £6,000 (2008: £7,000) and to reduce net capital gains in 2009 and increase net capital losses in 2008 by the same amounts.

UK Select Fund

Investment Report

Investment Objective

To achieve above average capital growth.

Investment Policy

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

Performance of Net Income Class 1 Shares*

Over the six months to 7th September

2009, the published share price of the Threadneedle UK Select Fund has risen from 50.51p to 66.56p.

Looking at performance within its peer group, the total return on the Fund for the six months ending 31st August 2009, including net reinvested income, is +25.94% as compared to a median return of +31.82% over the same period. (For information the FTSE All-Share Total Return Index returned +33.82% over the same period.)

Portfolio Activity

Over the reporting period, the fund switched its defensive positioning to a more balanced stance as the outlook for the global economy has brightened in recent months. Thus, the fund has continued to build positions in companies which have good recovery potential. While the UK is likely to see continued high unemployment and large public and

private indebtedness, we feel the stock market has taken this into account and is unlikely to revisit the lows of March this year.

Both the US and UK housing markets appear to have stabilised, which should enable confidence in the financial sector to return and therefore stimulate lending to both households and businesses. For this reason, we have bought several financial companies over the period such as Barclays, 3i Group and British Land. We also expect merger and acquisition activity to pick up in the months ahead, and have several holdings in the fund that are attractive takeover targets such as oil firms Tullow Oil and Premier Oil, and technology companies Aveva, Laird and CSR.

STATEMENT OF TOTAL RETURN

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008* £000
Income		
Net capital gains/(losses)	65,321	(23,574)
Revenue	5,077	6,027
Expenses	(1,931)	(2,700)
Finance costs: Interest	(1)	(20)
Net revenue/(expenses) before taxation	3,145	3,307
Taxation	–	(7)
Net revenue/(expenses) after taxation	3,145	3,300
Total return before distributions	68,466	(20,274)
Finance costs: Distributions	(3,145)	(3,299)
Change in net assets attributable to shareholders from investment activities	65,321	(23,573)

*Restated – see note 1 page 10.

BALANCE SHEET

as at 7th September 2009

	2009 £000	March 2009 £000
Assets		
Investment assets	234,155	238,225
Debtors	33,811	3,597
Cash and bank balances	2,427	927
Total other assets	36,238	4,524
Total assets	270,393	242,749
Liabilities		
Creditors	(38,904)	(7,952)
Distribution payable on income shares	(2,678)	(2,281)
Total liabilities	(41,582)	(10,233)
Net assets attributable to shareholders	228,811	232,516

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008 £000
Opening net assets attributable to shareholders	232,516	328,417
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	10,859	96,244
Amounts payable on cancellation of shares	(79,950)	(30,505)
	(69,091)	65,739
Dilution adjustment	162	638
Stamp duty reserve tax	(99)	(66)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	65,321	(23,573)
Unclaimed distributions	2	–
Closing net assets attributable to shareholders	228,811	371,155

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7th March 2009 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7th September 2008.

*In pound Sterling and against UK peer group.
Please refer to pages 172-182 for comparative tables.

DISTRIBUTION TABLE

for the accounting period 8th March 2009 to 7th September 2009

Dividend distribution in pence per share

Class 1 Shares

Net Income

Distribution Period	Gross Revenue	Tax Credit	Net Revenue	Equalisation	Distribution Payable 2009	Distribution Paid 2008
Group 1						
08/03/09 to 07/09/09	0.8047	0.0805	0.7242	–	0.7242	0.6652
Group 2						
08/03/09 to 07/09/09	0.6390	0.0639	0.5751	0.1491	0.7242	0.6652
Total distributions in the period					0.7242	0.6652

Class 2 Shares

Net Income

Distribution Period	Gross Revenue	Tax Credit	Net Revenue	Equalisation	Distribution Payable 2009	Distribution Paid 2008
Group 1						
08/03/09 to 07/09/09	1.0203	0.1020	0.9183	–	0.9183	0.9130
Group 2						
08/03/09 to 07/09/09	0.4319	0.0432	0.3887	0.5296	0.9183	0.9130
Total distributions in the period					0.9183	0.9130

Group 2: shares purchased during a distribution period

UK Select Fund

Notes to the financial statements

for the accounting period 8th March 2009 to 7th September 2009

1 ACCOUNTING POLICIES

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

The impact of adoption of the new SORP has had the following impact on the accounts:

Transaction costs

Transaction costs were previously included in expenses but have now been included in net capital gains/(losses).

The effect of this change has been to reduce expenses by £4,000 (2008: £8,000) and to reduce net capital gains in 2009 and increase net capital losses in 2008 by the same amounts.

UK Smaller Companies Fund

Investment Report

Investment Objective

To achieve capital growth.

Investment Policy

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

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

Performance of Net Income Class 1 Shares*

Over the six months to 7th September 2009, the published share price of the Threadneedle UK Smaller Companies Fund has risen from 64.70p to 95.80p.

Looking at performance within its peer group, the total return on the Fund for the six months ending 31st August 2009, including net reinvested income, is +44.32% as compared to a median return of +40.70% over the same period. (For information the Hoare Govett Smaller

Companies (ex InvestmentTrusts) Index returned +56.88% over the same period.)

Portfolio Activity

The period under review has seen a strong rally in the stock market, with UK smaller companies rebounding particularly well after the severe weakness in the previous six months. With the banking crisis easing, interest rates low, and fiscal and monetary stimulus packages taking effect, the worst of the global recession seems to be behind us, and stock markets are hopeful of a sustained economic recovery in 2010.

The fund rose strongly but failed to match the gains of the Hoare Govett Index benchmark. This was primarily due to the fund's bias towards high quality, profitable companies with robust balance sheets. These positions proved defensive in the 2008 sell-off but have lagged the recovery of more cyclical, higher risk stocks in 2009.

The best performing holding was retailer Topps Tiles, which has more than quadrupled from its lows in early March when its financial viability and earnings recovery potential were being doubted. In an extraordinary period, more than ten of the fund's 110 holdings were up at least 100% and over 40 holdings were up at least 50%.

At a sector level, the fund benefited from its exposure to the oil & gas producers, mining stocks, general retailers, real estate companies and technology stocks. All of these sectors saw several very strong stock performances.

The fund bought only one new issue – Critical Information Group (a start-up with an experienced management team which aims to buy distressed media sector assets). In addition, in a busy period for the fund, over 20 new holdings were added and nearly as many were cut. Notable examples include the additions of Heritage Oil, Aquarius Platinum, Pace, Carpetright, LSL Property, Charter, Dunelm and Michael Page, and the disposals of Hiscox, John Menzies and Spice. The fund had two stocks taken over (both were meaningful positions) at material share price premiums, namely professional training provider BPP and oil & gas producer Venture Production.

The fund participated in over ten rights issues and share placings as companies strengthened their balance sheets to enable them to take full advantage of the anticipated recovery in their end markets. Key examples were Premier Oil, Intermediate Capital Group, real estate stocks Shaftesbury and Hansteen and housebuilders Bovis and Bellway.

STATEMENT OF TOTAL RETURN

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008* £000
Income		
Net capital gains/(losses)	36,957	(8,566)
Revenue	1,951	2,164
Expenses	(697)	(900)
Finance costs: Interest	–	(2)
Net revenue/(expenses) before taxation	1,254	1,262
Taxation	(14)	(8)
Net revenue/(expenses) after taxation	1,240	1,254
Total return before distributions	38,197	(7,312)
Finance costs: Distributions	(1,240)	(1,254)
Change in net assets attributable to shareholders from investment activities	36,957	(8,566)

*Restated – see note 1 page 12.

BALANCE SHEET

as at 7th September 2009

	2009 £000	March 2009 £000
Assets		
Investment assets	113,577	77,031
Debtors	1,503	345
Cash and bank balances	3,466	1,047
Total other assets	4,969	1,392
Total assets	118,546	78,423
Liabilities		
Creditors	(1,293)	(892)
Distribution payable on income shares	(1,266)	(701)
Total liabilities	(2,559)	(1,593)
Net assets attributable to shareholders	115,987	76,830

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008 £000
Opening net assets attributable to shareholders	76,830	133,619
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	4,210	886
Amounts payable on cancellation of shares	(2,000)	(4,107)
	2,210	(3,221)
Stamp duty reserve tax	(10)	(9)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	36,957	(8,566)
Closing net assets attributable to shareholders	115,987	121,823

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7th March 2009 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7th September 2008.

DISTRIBUTION TABLE

for the accounting period 8th March 2009 to 7th September 2009

Dividend distribution in pence per share

Class 1 Shares

Net Income

Distribution Period	Gross Revenue	Tax Credit	Net Revenue	Equalisation	Distribution Payable 2009	Distribution Paid 2008
Group 1						
08/03/09 to 07/09/09	0.9996	0.1000	0.8996	–	0.8996	0.8571
Group 2						
08/03/09 to 07/09/09	0.2386	0.0239	0.2147	0.6849	0.8996	0.8571
Total distributions in the period	0.8996				0.8996	0.8571

Class 2 Shares

Net Income

Distribution Period	Gross Revenue	Tax Credit	Net Revenue	Equalisation	Distribution Payable 2009	Distribution Paid 2008
Group 1						
08/03/09 to 07/09/09	1.2990	0.1299	1.1691	–	1.1691	1.2011
Group 2						
08/03/09 to 07/09/09	0.3518	0.0352	0.3166	0.8525	1.1691	1.2011
Total distributions in the period	1.1691				1.1691	1.2011

Group 2: shares purchased during a distribution period

*In pound Sterling and against UK peer group.
Please refer to pages 172-182 for comparative tables.

UK Smaller Companies Fund

Notes to the financial statements

for the accounting period 8th March 2009 to 7th September 2009

1 ACCOUNTING POLICIES

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

The impact of adoption of the new SORP has had the following impact on the accounts:

Transaction costs

Transaction costs were previously included in expenses but have now been included in net capital gains/(losses).

The effect of this change has been to reduce expenses by £4,000 (2008: £5,000) and to reduce net capital gains in 2009 and increase net capital losses in 2008 by the same amounts.

UK Growth & Income Fund

Investment Report

Investment Objective

To provide long term capital growth with a reasonable and growing income.

Investment Policy

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

Performance of Net Income Class 1 Shares*

Over the six months to 7th September 2009, the published share price of the Threadneedle UK Growth & Income Fund has risen from 38.76p to 51.14p.

Looking at performance within its peer group, the total return on the Fund for the six months ending 31st August 2009, including net reinvested income, is +26.20% as compared to a median return of +31.82% over the same period. (For information the FTSE All-Share Total Return Index returned

+33.82% over the same period.)

Portfolio Activity

After a very strong period of performance relative to the fund's peer group in 2007 and 2008, the current year has proved more challenging. The UK stock market bottomed in early March and has since rallied strongly from its lows, reflecting optimism about the stabilisation of the financial system, the recovery in the global economy and the combination of huge monetary stimulus by central banks and fiscal stimulus by governments.

Having started the period with a defensive portfolio, we have moved a significant part of the fund into more cyclical areas, such as industrials and financials, as investors began to believe that the worst of the recession was over. The fund bought stocks such as Barclays, Daily Mail & General Trust and Laird to gain exposure to companies that should perform well during the recovery phase, but also bought high quality growth companies like Cobham, 3i and IG Group. These new investments have been

funded by reducing sectors such as utilities, tobacco and telecoms.

These changes have not prevented a difficult period of relative performance for the fund, as it tends to be the most risky companies in terms of operational and financial leverage that perform best during the initial stages of recovery. However, with the rally broadening out, the fund's performance improved towards the end of the period.

The fund is well balanced, holding a combination of defensive and cyclical stocks, as we expect to see continued evidence of recovery in the short term. However, as the deleveraging process continues, the UK economy potentially faces a long period of sub-trend growth which will prove a challenge, particularly for sectors that are exposed to government or consumer spending. Nevertheless, there continue to be many favourable opportunities and we believe the outlook for equities looks attractive compared to bonds and cash.

STATEMENT OF TOTAL RETURN

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008* £000
Income		
Net capital gains/(losses)	59,685	(14,372)
Revenue	5,558	6,427
Expenses	(1,416)	(1,789)
Finance costs: Interest	(1)	(38)
Net revenue/(expenses) before taxation	4,141	4,600
Taxation	(20)	(10)
Net revenue/(expenses) after taxation	4,121	4,590
Total return before distributions	63,806	(9,782)
Finance costs: Distributions	(5,447)	(6,260)
Change in net assets attributable to shareholders from investment activities	58,359	(16,042)

*Restated – see note 1 page 14.

BALANCE SHEET

as at 7th September 2009

	2009 £000	March 2009 £000
Assets		
Investment assets	241,537	174,070
Debtors	2,559	9,005
Cash and bank balances	5,329	776
Total other assets	7,888	9,781
Total assets	249,425	183,851
Liabilities		
Derivative liabilities		
Creditors	(2,870)	(1,466)
Distribution payable on income shares	(5,464)	(4,161)
Total other liabilities	(8,334)	(5,627)
Total liabilities	(8,334)	(5,656)
Net assets attributable to shareholders	241,091	178,195

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008 £000
Opening net assets attributable to shareholders	178,195	284,712
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	9,165	5,151
Amounts payable on cancellation of shares	(4,613)	(22,869)
	4,552	(17,718)
Stamp duty reserve tax	(21)	(50)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	58,359	(16,042)
Unclaimed distributions	6	–
Closing net assets attributable to shareholders	241,091	250,902

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7th March 2009 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7th September 2008.

*In pound Sterling and against UK peer group.
Please refer to pages 172-182 for comparative tables.

DISTRIBUTION TABLE

for the accounting period 8th March 2009 to 7th September 2009

Dividend distribution in pence per share

Class 1 Shares

Distribution Period	Gross Revenue	Tax Credit	Net Revenue	Equalisation	Distribution Payable 2009	Distribution Paid 2008
Group 1						
08/03/09 to 07/09/09	1.2486	0.1249	1.1237	–	1.1237	1.3233
Group 2						
08/03/09 to 07/09/09	0.6336	0.0634	0.5702	0.5535	1.1237	1.3233
Total distributions in the period					1.1237	1.3233

Class 2 Shares

Distribution Period	Gross Revenue	Tax Credit	Net Revenue	Equalisation	Distribution Payable 2009	Distribution Paid 2008
Group 1						
08/03/09 to 07/09/09	1.3446	0.1345	1.2101	–	1.2101	1.4211
Group 2						
08/03/09 to 07/09/09	0.9213	0.0921	0.8292	0.3809	1.2101	1.4211
Total distributions in the period					1.2101	1.4211

Group 2: shares purchased during a distribution period

UK Growth & Income Fund

Notes to the financial statements

for the accounting period 8th March 2009 to 7th September 2009

1 ACCOUNTING POLICIES

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

The impact of adoption of the new SORP has had the following impact on the accounts:

Other gains/(losses)

Other gains/(losses) were previously included as a separate line in the Statement of Total Return but have now been included in net capital gains/(losses).

The effect of this change has been to reduce net capital gains by £11,000 (2008: £1,000 reduction in net capital losses).

Transaction costs

Transaction costs were previously included in expenses but have now been included in net capital gains/(losses).

The effect of this change has been to reduce expenses by £3,000 (2008: £4,000) and to reduce net capital gains in 2009 and increase net capital losses in 2008 by the same amounts.

UK Equity Income Fund

Investment Report

Investment Objective

To achieve an above average rate of income combined with sound prospects for capital growth.

Investment Policy

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

Performance of Net Income Class 1 Shares*

Over the six months to 7th September 2009, the published share price of the Threadneedle UK Equity Income Fund has risen from 45.90p to 56.79p.

Looking at performance within its peer group, the total return on the Fund for the six months ending 31st August 2009, including net reinvested income, is +22.63% as compared to a median return of +27.71% over the same period. (For information the FTSE All-Share Total Return Index returned +33.82% over the same period.)

Portfolio Activity

The period under review has seen one of the most dramatic reversals of market performance for a long time. At the start of the period, there was a widespread expectation amongst investors that a major dislocation in economic activity was likely as a consequence of the bankruptcy of Lehman Brothers and the seizing up of global credit markets. The response from governments and central banks was a series of extraordinary policy measures designed to avoid a 1930's-style slump. A market recovery began as investors became convinced that this was going to be avoided.

By the end of the review period, the UK market had risen over 40% from its lows, with some of the more distressed stocks rising several hundred per cent as fears of imminent bankruptcy receded. Many companies took the opportunity to raise money to rebuild their financial strength, adding to their already positive upward momentum. Consequently, the performance

differential between the big, well-financed businesses that had done so well in the last two years, and the heavily indebted or smaller companies has been extreme.

In response to this huge shift and the development of our own strategic thinking, the fund has been significantly repositioned to increase the exposure to a recovering economy and the lowly valued cyclical and growth stocks. The ability to do this has been somewhat constrained by our desire to maintain the yield and income distribution of the fund but, nevertheless, the shape of the portfolio has changed significantly over the period. The FTSE100 content of the fund has fallen from around 80% towards 60%, with equivalent increases in the small and medium-sized companies held. At the same time, the holdings in stable, high yielding stocks in the utility and tobacco sectors, for example, have been reduced to increase the exposure to recovering sectors such as banks, industrials and support services.

STATEMENT OF TOTAL RETURN

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008* £000
Income		
Net capital gains/(losses)	112,337	(28,255)
Revenue	15,660	11,685
Expenses	(3,518)	(3,138)
Finance costs: Interest	(4)	(165)
Net revenue/(expenses) before taxation	12,138	8,382
Taxation	(11)	(18)
Net revenue/(expenses) after taxation	12,127	8,364
Total return before distributions	124,464	(19,891)
Finance costs: Distributions	(9,814)	(6,547)
Change in net assets attributable to shareholders from investment activities	114,650	(26,438)

*Restated – see note 1 page 6.

BALANCE SHEET

as at 7th September 2009

	2009 £000	March 2009 £000
Assets		
Investment assets	549,669	363,241
Debtors	18,543	14,079
Cash and bank balances	27,827	32,089
Total other assets	46,370	46,168
Total assets	596,039	409,409
Liabilities		
Creditors	(7,244)	(8,565)
Distribution payable on income shares	(11,038)	(17,160)
Total liabilities	(18,282)	(25,725)
Net assets attributable to shareholders	577,757	383,684

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008 £000
Opening net assets attributable to shareholders	383,684	393,160
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	88,069	109,207
Amounts payable on cancellation of shares	(3,178)	(20,124)
	84,891	89,083
Dilution adjustment	233	535
Stamp duty reserve tax	(148)	(112)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	114,650	(26,438)
Undistributed revenue	(5,564)	(4,736)
Retained distribution on accumulation shares	2	–
Unclaimed distributions	9	–
Closing net assets attributable to shareholders	577,757	451,492

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7th March 2009 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7th September 2008.

*In pound Sterling and against UK peer group.
Please refer to pages 172-182 for comparative tables.

DISTRIBUTION TABLE

for the accounting period 8th March 2009 to 7th September 2009

Dividend distribution in pence per share

Class 1 Shares

Distribution Period	Gross Revenue	Tax Credit	Net Revenue	Equalisation	Distribution Payable 2009	Distribution Paid 2008
Group 1						
08/03/09 to 07/09/09	1.2000	0.1200	1.0800	–	1.0800	1.0800
Group 2						
08/03/09 to 07/09/09	0.4439	0.0444	0.3995	0.6805	1.0800	1.0800
Total distributions in the period					1.0800	1.0800

Class 1 Shares

Distribution Period	Gross Revenue	Tax Credit	Net Revenue	Equalisation	Net Revenue Accumulated 2009
Group 1					
05/08/09 to 07/09/09	1.0788	0.1079	0.9709	–	0.9709
Group 2					
05/08/09 to 07/09/09	0.5062	0.0506	0.4556	0.5153	0.9709
Total distributions in the period					0.9709

UK Equity Income Fund

DISTRIBUTION TABLE

(continued)

Class 2 Shares

Net Income Distribution Period	Gross Revenue	Tax Credit	Net Revenue	Equalisation	Distribution Payable 2009	Distribution Paid 2008
Group 1						
08/03/09 to 07/09/09	1.2000	0.1200	1.0800	—	1.0800	1.0800
Group 2						
08/03/09 to 07/09/09	0.3326	0.0333	0.2993	0.7807	1.0800	1.0800
Total distributions in the period					1.0800	1.0800

Group 2: shares purchased during a distribution period

*Class 1 Net Accumulation shares launched on 5th August 2009

Notes to the financial statements

for the accounting period 8th March 2009 to 7th September 2009

1 ACCOUNTING POLICIES

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

The impact of adoption of the new SORP has had the following impact on the accounts:

Other gains/(losses)

Other gains/(losses) were previously included as a separate line in the Statement of Total Return but have now been included in net capital gains/(losses).

The effect of this change has been to reduce net capital losses by £nil (2008: £80,000).

Transaction costs

Transaction costs were previously included in expenses but have now been included in net capital gains/(losses).

The effect of this change has been to reduce expenses by £4,000 (2008: £6,000) and to reduce net capital gains in 2009 and increase net capital losses in 2008 by the same amounts.

UK Monthly Income Fund

Investment Report

Investment Objective

To achieve an above average income combined with sound prospects for capital growth. Income will be paid monthly.

Investment Policy

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

Performance of Net Income Class 1 Shares*

Over the six months to 7th September 2009, the published share price of the Threadneedle UK Monthly Income Fund has risen from 39.42p to 48.51p.

Looking at performance within its peer group, the total return on the Fund for the six months ending 31st August 2009, including net reinvested income, is +20.04% as compared to a median return of +27.71% over the same period. (For information the FTSE All-Share Total Return Index returned +33.82% over the same period.)

Portfolio Activity

The UK stock market rose strongly over the reporting period. This contrasted with the previous period, which saw the collapse of US investment bank Lehman Brothers last autumn lead to fears of systemic financial collapse and economic depression, resulting in 2008 being the second-worst year ever for the UK equity market. However, aggressive monetary policy (with UK interest rates cut to a record low of 0.5% and quantitative easing), together with sterling's collapse, progressively stabilised the situation as the reporting period progressed. Nevertheless, the medium-term challenge of deleveraging across the economy remains intense and will probably result in sub-trend GDP growth for a number of years.

Having proved relatively resilient during the previous two years of market weakness, the fund struggled to keep up with the resurgent market. Despite investing its cash in March and adopting a much more balanced approach by increasing the exposure to economically sensitive mid caps, investors'

dash for poorer quality stocks and the outperformance of smaller companies caused the fund to lag the recovery. Stocks purchased included Daily Mail & General Trust, Lloyds Banking Group, Aviva, Hammerson, Fenner and BBA. These purchases were funded by reducing the exposure to defensive sectors such as utilities and telecoms.

The fund aims to increase its dividend consistently at a prudent rate. This has resulted in ten consecutive years of rising dividends, at an average growth rate of 4.5% per annum. The fund has maintained its dividend for the first six months of the year and intends to do so over the remaining six months. However, the number of dividend cuts in the market continues to increase as companies seek to re-direct their cash flows to reducing debt. From peak (2007) to trough (2010), dividend cuts per share of almost 33% now look likely within the overall market. Against this unprecedented backdrop, it should be noted that this year's level of fund distribution could inevitably prove difficult to sustain in the medium term.

STATEMENT OF TOTAL RETURN

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008* £000
Income		
Net capital gains/(losses)	92,355	(38,457)
Revenue	15,212	15,807
Expenses	(3,600)	(4,925)
Finance costs: Interest	(1)	(104)
Net revenue/(expenses) before taxation	11,611	10,778
Taxation	(13)	(6)
Net revenue/(expenses) after taxation	11,598	10,772
Total return before distributions	103,953	(27,685)
Finance costs: Distributions	(11,956)	(12,489)
Change in net assets attributable to shareholders from investment activities	91,997	(40,174)

*Restated – see note 1 page 18.

BALANCE SHEET

as at 7th September 2009

	2009 £000	March 2009 £000
Assets		
Investment assets	473,799	372,639
Debtors	5,087	3,388
Cash and bank balances	6,243	25,204
Total other assets	11,330	28,592
Total assets	485,129	401,231
Liabilities		
Creditors	(8,604)	(7,204)
Distribution payable on income shares	(1,979)	(3,563)
Total liabilities	(10,583)	(10,767)
Net assets attributable to shareholders	474,546	390,464

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008 £000
Opening net assets attributable to shareholders	390,464	617,913
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	6,245	6,945
Amounts payable on cancellation of shares	(11,234)	(23,422)
	(4,989)	(16,477)
Stamp duty reserve tax	(59)	(80)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	91,997	(40,174)
Unclaimed distributions	(2,867)	(2,837)
Closing net assets attributable to shareholders	474,546	558,345

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7th March 2009 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7th September 2008.

*In pound Sterling and against UK peer group.
Please refer to pages 172-182 for comparative tables.

DISTRIBUTION TABLE

for the accounting period 8th March 2009 to 7th September 2009

Dividend distribution in pence per share

Class 1 Shares

Distribution Period	Gross Revenue	Tax Credit	Net Revenue	Equalisation	Distribution Paid/Payable 2009	Distribution Paid 2008
Net Income						
Group 1						
08/03/09 to 07/04/09	0.2222	0.0222	0.2000	–	0.2000	0.2000
08/04/09 to 07/05/09	0.2222	0.0222	0.2000	–	0.2000	0.2000
08/05/09 to 07/06/09	0.2222	0.0222	0.2000	–	0.2000	0.2000
08/06/09 to 07/07/09	0.2222	0.0222	0.2000	–	0.2000	0.2000
08/07/09 to 07/08/09	0.2222	0.0222	0.2000	–	0.2000	0.2000
08/08/09 to 07/09/09	0.2222	0.0222	0.2000	–	0.2000	0.2000
Group 2						
08/03/09 to 07/04/09	–	–	–	0.2000	0.2000	0.2000
08/04/09 to 07/05/09	–	–	–	0.2000	0.2000	0.2000
08/05/09 to 07/06/09	–	–	–	0.2000	0.2000	0.2000
08/06/09 to 07/07/09	–	–	–	0.2000	0.2000	0.2000
08/07/09 to 07/08/09	0.0686	0.0069	0.0617	0.1383	0.2000	0.2000
08/08/09 to 07/09/09	–	–	–	0.2000	0.2000	0.2000
Total distributions in the period					1.2000	1.2000

Group 2: shares purchased during a distribution period

UK Monthly Income Fund

Notes to the financial statements

for the accounting period 8th March 2009 to 7th September 2009

1 ACCOUNTING POLICIES

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

The impact of adoption of the new SORP has had the following impact on the accounts:

Transaction costs

Transaction costs were previously included in expenses but have now been included in net capital gains/(losses).

The effect of this change has been to reduce expenses by £5,000 (2008: £4,000) and to reduce net capital gains in 2009 and increase net capital losses in 2008 by the same amounts.

Monthly Extra Income Fund

Investment Report

Investment Objective

To achieve a high level of income with prospects of capital growth. Income will be paid monthly.

Investment Policy

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

Performance of Net Income Class 1 Shares*

Over the six months to 7th September 2009, the published share price of the Threadneedle Monthly Extra Income Fund has risen from 39.01p to 48.67p.

Looking at performance within its peer group, the total return on the Fund for the six months ending 31st August 2009, including net reinvested income, is +23.34% as compared to a median return of +22.64% over the same period. In view of the nature of the Fund, and its investment remit, there is no directly comparable market index.

Portfolio Activity

The UK equity market bottomed in early March and has since rallied strongly from its lows, reflecting optimism about the stabilisation of the financial system, the recovery in the global economy and the combination of huge monetary stimulus by central banks and fiscal stimulus by governments.

Having begun the period with a defensive portfolio, we have moved a significant part of the fund into more cyclical areas, such as industrials and financials, as investors started to believe that the worst of the recession was over. The fund bought stocks such as Barclays, Daily Mail & General Trust and Laird to gain exposure to companies that should perform well during the recovery phase, but also bought high quality growth companies like Cobham, 3i and IG Group. These new investments have been funded by reducing the exposure to sectors such as utilities, tobacco and telecoms.

These changes within the equity portfolio have not prevented a difficult period of relative performance, as it tends to be the most risky companies in terms of operational and financial leverage that perform best during the initial

stages of recovery. Additionally, the pressure on capital caused by the credit crunch has led to many companies issuing further capital and cutting dividends. This affects the level of income that is received by the fund and may force a reduction in the final monthly payment of the year. This issue will be faced by all equity income funds during the financial year.

The equity portfolio is well balanced, holding a combination of defensive and cyclical stocks, as we expect to see continued evidence of recovery in the short term. However, as the deleveraging process continues, the UK economy potentially faces a long period of sub-trend growth which will prove a challenge, particularly for sectors that are exposed to government or consumer spending. Nevertheless, there continue to be many favourable opportunities and we believe the outlook for equities looks attractive compared to bonds and cash.

With regard to the bond portfolio, the period under review has seen extraordinarily strong returns from the corporate bond market. A sharp compression in yield spreads and an increase in market liquidity are the chief reasons for this performance.

STATEMENT OF TOTAL RETURN

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008* £000
Income		
Net capital gains/(losses)	20,291	(3,895)
Revenue	3,035	3,210
Expenses	(625)	(767)
Finance costs: Interest	(1)	(13)
Net revenue/(expenses) before taxation	2,409	2,430
Taxation	(62)	(11)
Net revenue/(expenses) after taxation	2,347	2,419
Total return before distributions	22,638	(1,476)
Finance costs: Distributions	(2,358)	(2,307)
Change in net assets attributable to shareholders from investment activities	20,280	(3,783)

*Restated – see note 1 page 20.

BALANCE SHEET

as at 7th September 2009

	2009 £000	March 2009 £000
Assets		
Investment assets	97,997	74,485
Debtors	1,445	1,898
Cash and bank balances	871	507
Total other assets	2,316	2,405
Total assets	100,313	76,890
Liabilities		
Derivative liabilities	(20)	(398)
Creditors	(1,327)	(822)
Bank overdrafts	–	(54)
Distribution payable on income shares	(400)	(1,036)
Total other liabilities	(1,727)	(1,912)
Total liabilities	(1,747)	(2,310)
Net assets attributable to shareholders	98,566	74,580

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008 £000
Opening net assets attributable to shareholders	74,580	109,663
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	4,835	1,391
Amounts payable on cancellation of shares	(691)	(1,829)
	4,144	(438)
Stamp duty reserve tax	(5)	(6)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	20,280	(3,783)
Undistributed revenue	(434)	(662)
Unclaimed distributions	1	–
Closing net assets attributable to shareholders	98,566	104,774

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7th March 2009 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7th September 2008.

*In pound Sterling and against UK peer group.
Please refer to pages 172-182 for comparative tables.

DISTRIBUTION TABLE

for the accounting period 8th March 2009 to 7th September 2009

Dividend distribution in pence per share

Class 1 Shares

Distribution Period	Gross Revenue	Tax Credit	Net Revenue	Equalisation	Distribution Paid/ Payable 2009	Distribution Paid 2008
Net Income						
Group 1						
08/03/09 to 07/04/09	0.2167	0.0217	0.1950	–	0.1950	0.1950
08/04/09 to 07/05/09	0.2167	0.0217	0.1950	–	0.1950	0.1950
08/05/09 to 07/06/09	0.2167	0.0217	0.1950	–	0.1950	0.1950
08/06/09 to 07/07/09	0.2167	0.0217	0.1950	–	0.1950	0.1950
08/07/09 to 07/08/09	0.2167	0.0217	0.1950	–	0.1950	0.1950
08/08/09 to 07/09/09	0.2167	0.0217	0.1950	–	0.1950	0.1950
Group 2						
08/03/09 to 07/04/09	0.0362	0.0036	0.0326	0.1624	0.1950	0.1950
08/04/09 to 07/05/09	–	–	–	0.1950	0.1950	0.1950
08/05/09 to 07/06/09	–	–	–	0.1950	0.1950	0.1950
08/06/09 to 07/07/09	–	–	–	0.1950	0.1950	0.1950
08/07/09 to 07/08/09	0.2152	0.0215	0.1937	0.0013	0.1950	0.1950
08/08/09 to 07/09/09	–	–	–	0.1950	0.1950	0.1950
Total distributions in the period					1.1700	1.1700

Group 2: shares purchased during a distribution period

Monthly Extra Income Fund

Notes to the financial statements

for the accounting period 8th March 2009 to 7th September 2009

1 ACCOUNTING POLICIES

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

The impact of adoption of the new SORP has had the following impact on the accounts:

Other gains/(losses)

Other gains/(losses) were previously included as a separate line in the Statement of Total Return but have now been included in net capital gains/(losses).

The effect of this change has been to reduce net capital gains by £123,000 (2008: £276,000 reduction in net capital losses).

Transaction costs

Transaction costs were previously included in expenses but have now been included in net capital gains/(losses).

The effect of this change has been to reduce expenses by £3,000 (2008: £4,000) and to reduce net capital gains in 2009 and increase net capital losses in 2008 by the same amounts.

UK Corporate Bond Fund

Investment Report

Investment Objective

To achieve a high level of income.

Investment Policy

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

Performance of Net Income Class 1 Shares*

Over the six months to 7th September 2009, the published share price of the Threadneedle UK Corporate Bond Fund has risen from 43.40p to 49.62p.

Looking at performance within its peer group, the total return on the Fund for the six months ending 31st August 2009, including net reinvested income, is +15.88% as compared to a median return of +15.94% over the same period. The Fund return equates approximately to +17.12% gross of tax and charges. (For

information the IBOXX £ Non-Gilts (Linked with UBS Warburg All Stocks Investment Grade Index pre 30/06/2003) gave a total return of +12.53% for the same period.)

Portfolio Activity

The period under review has seen extraordinarily strong returns from the corporate bond market. A sharp compression in yield spreads and an increase in market liquidity are the chief reasons for this performance.

It is increasingly likely that the worst of the credit crunch is behind us. The combination of extraordinary stimulus packages embarked on globally and signs of inventory restocking in various areas of the economy are helping to improve sentiment and markets. Likewise, second quarter corporate earnings proved better than expected, though this profitability seems to have come largely from cost cutting rather than revenue expansion.

Current market levels, with corporate bond yield spreads at around 250 basis points more than gilts, suggest the market anticipates corporate defaults over the coming years that are multiples of historic precedent. This value, combined with still high levels of liquidity premiums, make us bullish of the market relative to gilts. It is, however, worth noting that the market has outperformed gilts by a very large margin in the last few months; hence our bullishness is not as aggressive as it has been.

The fund is invested in a very diverse range and large number of corporate bonds. In general, we remain underweight in lower yielding, higher credit quality areas such as sovereign and supranational bonds and overweight in telecoms, utilities, banks, energy and basic materials.

STATEMENT OF TOTAL RETURN

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008* £000
Income		
Net capital gains/(losses)	78,538	(14,767)
Revenue	18,900	17,712
Expenses	(1,790)	(1,710)
Finance costs: Interest	(18)	(220)
Net revenue/(expenses) before taxation	17,092	15,782
Taxation	–	–
Net revenue/(expenses) after taxation	17,092	15,782
Total return before distributions	95,630	1,015
Finance costs: Distributions	(17,092)	(15,781)
Change in net assets attributable to shareholders from investment activities	78,538	(14,766)

*Restated – see note 1 page 22.

BALANCE SHEET

as at 7th September 2009

	2009 £000	March 2009 £000
Assets		
Investment assets	610,609	494,241
Debtors	19,093	21,695
Cash and bank balances	15,293	9,127
Total other assets	34,386	30,822
Total assets	644,995	525,063
Liabilities		
Derivative liabilities	(805)	(150)
Creditors	(5,394)	(9,885)
Distribution payable on income shares	(3,876)	(3,766)
Total other liabilities	(9,270)	(13,651)
Total liabilities	(10,075)	(13,801)
Net assets attributable to shareholders	634,920	511,262

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008 £000
Opening net assets attributable to shareholders	511,262	525,724
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	55,340	47,168
Amounts payable on cancellation of shares	(18,427)	(31,389)
	36,913	15,779
Dilution adjustment	142	139
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	78,538	(14,766)
Retained distribution on accumulation shares	8,054	7,011
Unclaimed distributions	11	–
Closing net assets attributable to shareholders	634,920	533,887

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7th March 2009 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7th September 2008.

*In pound Sterling and against UK peer group.
Please refer to pages 172-182 for comparative tables.

DISTRIBUTION TABLE

for the accounting period 8th March 2009 to 7th September 2009

Interest distribution in pence per share

Class 1 Shares

Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution Paid/Payable 2009	Distribution Paid 2008
Group 1						
08/03/09 to 07/06/09	0.6569	0.1314	0.5255	–	0.5255	0.5513
08/06/09 to 07/09/09	0.6554	0.1311	0.5243	–	0.5243	0.5607
Group 2						
08/03/09 to 07/06/09	0.3104	0.0621	0.2483	0.2772	0.5255	0.5513
08/06/09 to 07/09/09	0.3289	0.0658	0.2631	0.2612	0.5243	0.5607
Total distributions in the period					1.0498	1.1120

UK Corporate Bond Fund

DISTRIBUTION TABLE

(continued)

Class 2 Shares

Net Income

Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution Paid/Payable 2009	Distribution Paid 2008
Group 1						
08/03/09 to 07/06/09	0.6999	0.1400	0.5599	–	0.5599	0.5920
08/06/09 to 07/09/09	0.7040	0.1408	0.5632	–	0.5632	0.6007
Group 2						
08/03/09 to 07/06/09	0.2759	0.0552	0.2207	0.3392	0.5599	0.5920
08/06/09 to 07/09/09	0.3385	0.0677	0.2708	0.2924	0.5632	0.6007
Total distributions in the period					1.1231	1.1927

Class 1 Shares

Gross Income

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2009	Distribution Paid 2008
Group 1				
08/03/09 to 07/06/09	0.6572	–	0.6572	0.6894
08/06/09 to 07/09/09	0.6542	–	0.6542	0.6990
Group 2				
08/03/09 to 07/06/09	0.3259	0.3313	0.6572	0.6894
08/06/09 to 07/09/09	0.2280	0.4262	0.6542	0.6990
Total distributions in the period			1.3114	1.3884

Class 2 Shares

Gross Accumulation

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2009	Gross Revenue Accumulated 2008
Group 1				
08/03/09 to 07/06/09	0.9231	–	0.9231	0.9162
08/06/09 to 07/09/09	0.9406	–	0.9406	0.9410
Group 2				
08/03/09 to 07/06/09	0.4373	0.4858	0.9231	0.9162
08/06/09 to 07/09/09	0.3977	0.5429	0.9406	0.9410
Total distributions in the period			1.8637	1.8572

Group 2: shares purchased during a distribution period

Notes to the financial statements

for the accounting period 8th March 2009 to 7th September 2009

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed in the aggregate accounts on page 6.

The impact of adoption of the new SORP has had the following impact on the accounts:

Other gains/(losses)

Other gains/(losses) were previously included as a separate line in the Statement of Total Return but have now been included in net capital gains/(losses).

The effect of this change has been to reduce net capital gains by £237,000 (2008: £93,000 reduction in net capital losses).

Transaction costs

Transaction costs were previously included in expenses but have now been included in net capital gains/(losses).

The effect of this change has been to reduce expenses by £5,000 (2008: £9,000) and to reduce net capital gains in 2009 and increase net capital losses in 2008 by the same amounts.

High Yield Bond Fund

Investment Report

Investment Objective

To achieve a higher level of income. Income will be paid monthly.

Investment Policy

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

Performance of Net Income Class 1 Shares*

Over the six months to 7th September 2009, the published share price of the Threadneedle High Yield Bond Fund has risen from 30.08p to 39.67p.

The total return on the Fund for the six months ending 31st August 2009, including net reinvested income, is +31.91%, which equates approximately to 34.12% gross of tax and charges. (For information the Merrill Lynch European High Yield 3% constrained (100% UK Sterling Hedged) Index gave a total return of +42.93% for the same period.)

Portfolio Activity

High yield bonds enjoyed an exceptionally good six months following the extremely difficult conditions of the previous year. The rally began in mid-March amid a recovery in risk appetite, prompted by optimism over government moves to deal with the bad debt situation and growing investor optimism about the prospects for an economic recovery.

The fund achieved a robust gain in absolute terms, although its performance lagged that of the benchmark for much of the six-month review period. One of the factors behind this was the fund's focus on higher quality and more defensive issues of companies likely to outperform in the longer term. The fund's underweight positioning in the banking sector was an area that detracted from performance, especially earlier in the review period. Over most of the interval, poorer quality securities led the market gains, particularly earlier in the period, as signs that companies previously seen as likely to default would instead probably survive

drove investor demand for their very cheap issues.

Our aim remains to achieve consistently strong performance in the longer term and our emphasis continues to be on well managed companies with solid balance sheets, and good cash flow. At the ratings level, we favour single B paper over CCC issues.

Economic indicators continue to improve, and technical factors remain favourable, which has served to underpin high yield issues. There has been little in the way of unpleasant earnings surprises, while default rates have also subsided and have possibly bottomed. If so, the level of defaults may prove not to be as bad as many had initially feared. So while yield spreads have become the narrowest since Q3 2008, the market could remain resilient, underpinned by these factors. However, high yield could prove vulnerable in the face of unexpectedly negative economic or industry news.

STATEMENT OF TOTAL RETURN

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008* £000
Income		
Net capital gains/(losses)	121,993	1,175
Revenue	21,555	19,894
Expenses	(2,913)	(2,770)
Finance costs: Interest	(9)	(37)
Net revenue/(expenses) before taxation	18,633	17,087
Taxation	(5)	–
Net revenue/(expenses) after taxation	18,628	17,087
Total return before distributions	140,621	18,262
Finance costs: Distributions	(21,052)	(19,467)
Change in net assets attributable to shareholders from investment activities	119,569	(1,205)

*Restated – see note 1 page 24.

BALANCE SHEET

as at 7th September 2009

	2009 £000	March 2009 £000
Assets		
Investment assets	501,689	321,945
Debtors	17,274	14,908
Cash and bank balances	20,877	9,963
Total other assets	38,151	24,871
Total assets	539,840	346,816
Liabilities		
Derivative liabilities	(5,622)	(1,446)
Creditors	(9,507)	(5,231)
Distribution payable on income shares	(2,669)	(2,015)
Total other liabilities	(12,176)	(7,246)
Total liabilities	(17,798)	(8,692)
Net assets attributable to shareholders	522,042	338,124

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008 £000
Opening net assets attributable to shareholders	338,124	391,101
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	94,748	81,101
Amounts payable on cancellation of shares	(35,374)	(13,336)
	59,374	67,765
Dilution adjustment	694	288
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	119,569	(1,205)
Retained distribution on accumulation shares	4,274	3,961
Unclaimed distributions	7	–
Closing net assets attributable to shareholders	522,042	461,910

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7th March 2009 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7th September 2008.

DISTRIBUTION TABLE

for the accounting period 8th March 2009 to 7th September 2009

Interest distribution in pence per share

Class 1 Shares

Net Income

Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution Paid/Payable 2009	Distribution Paid 2008
Group 1						
08/03/09 to 07/04/09	0.3454	0.0691	0.2763	–	0.2763	0.2613
08/04/09 to 07/05/09	0.2730	0.0546	0.2184	–	0.2184	0.2152
08/05/09 to 07/06/09	0.2286	0.0457	0.1829	–	0.1829	0.2523
08/06/09 to 07/07/09	0.2675	0.0535	0.2140	–	0.2140	0.2421
08/07/09 to 07/08/09	0.2524	0.0505	0.2019	–	0.2019	0.2243
08/08/09 to 07/09/09	0.3065	0.0613	0.2452	–	0.2452	0.3105
Group 2						
08/03/09 to 07/04/09	0.1439	0.0288	0.1151	0.1612	0.2763	0.2613
08/04/09 to 07/05/09	0.0721	0.0144	0.0577	0.1607	0.2184	0.2152
08/05/09 to 07/06/09	0.0939	0.0188	0.0751	0.1078	0.1829	0.2523
08/06/09 to 07/07/09	0.1245	0.0249	0.0996	0.1144	0.2140	0.2421
08/07/09 to 07/08/09	0.1601	0.0320	0.1281	0.0738	0.2019	0.2243
08/08/09 to 07/09/09	0.1250	0.0250	0.1000	0.1452	0.2452	0.3105
Total distributions in the period					1.3387	1.5057

*In pound Sterling and against UK peer group.
Please refer to pages 172-182 for comparative tables.

High Yield Bond Fund

DISTRIBUTION TABLE

(continued)

Class 2 Shares

Net Income

Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution Paid/Payable 2009	Distribution Paid 2008
Group 1						
08/03/09 to 07/04/09	0.4816	0.0963	0.3853	–	0.3853	0.3638
08/04/09 to 07/05/09	0.3824	0.0765	0.3059	–	0.3059	0.3027
08/05/09 to 07/06/09	0.3214	0.0643	0.2571	–	0.2571	0.3516
08/06/09 to 07/07/09	0.3759	0.0752	0.3007	–	0.3007	0.3377
08/07/09 to 07/08/09	0.3555	0.0711	0.2844	–	0.2844	0.3110
08/08/09 to 07/09/09	0.4305	0.0861	0.3444	–	0.3444	0.4291
Group 2						
08/03/09 to 07/04/09	0.2226	0.0445	0.1781	0.2072	0.3853	0.3638
08/04/09 to 07/05/09	0.2470	0.0494	0.1976	0.1083	0.3059	0.3027
08/05/09 to 07/06/09	0.1773	0.0355	0.1418	0.1153	0.2571	0.3516
08/06/09 to 07/07/09	0.1984	0.0397	0.1587	0.1420	0.3007	0.3377
08/07/09 to 07/08/09	0.1601	0.0320	0.1281	0.1563	0.2844	0.3110
08/08/09 to 07/09/09	0.2435	0.0487	0.1948	0.1496	0.3444	0.4291
Total distributions in the period					1.8778	2.0959

Class 1 Shares

Gross Income

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2009	Distribution Paid 2008
Group 1				
08/03/09 to 07/04/09	0.3458	–	0.3458	0.3264
08/04/09 to 07/05/09	0.2745	–	0.2745	0.2688
08/05/09 to 07/06/09	0.2288	–	0.2288	0.3146
08/06/09 to 07/07/09	0.2672	–	0.2672	0.3014
08/07/09 to 07/08/09	0.2521	–	0.2521	0.2788
08/08/09 to 07/09/09	0.3055	–	0.3055	0.3853
Group 2				
08/03/09 to 07/04/09	0.1826	0.1632	0.3458	0.3264
08/04/09 to 07/05/09	0.0926	0.1819	0.2745	0.2688
08/05/09 to 07/06/09	0.0830	0.1458	0.2288	0.3146
08/06/09 to 07/07/09	0.1716	0.0956	0.2672	0.3014
08/07/09 to 07/08/09	0.1137	0.1384	0.2521	0.2788
08/08/09 to 07/09/09	0.0961	0.2094	0.3055	0.3853
Total distributions in the period			1.6739	1.8753

Class 2 Shares

Gross Income

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2009	Distribution Paid 2008
Group 1				
08/03/09 to 07/04/09	0.4148	–	0.4148	–
08/04/09 to 07/05/09	0.3317	–	0.3317	–
08/05/09 to 07/06/09	0.2761	–	0.2761	–
08/06/09 to 07/07/09	0.3231	–	0.3231	0.3101
08/07/09 to 07/08/09	0.3052	–	0.3052	0.3359
08/08/09 to 07/09/09	0.3691	–	0.3691	0.4621
Group 2				
08/03/09 to 07/04/09	0.0769	0.3379	0.4148	–
08/04/09 to 07/05/09	0.2512	0.0805	0.3317	–
08/05/09 to 07/06/09	0.0913	0.1848	0.2761	–
08/06/09 to 07/07/09	0.1913	0.1318	0.3231	0.3101
08/07/09 to 07/08/09	0.1273	0.1779	0.3052	0.3359
08/08/09 to 07/09/09	0.1369	0.2322	0.3691	0.4621
Total distributions in the period			2.0200	1.1081

Class 2 Shares

Gross Accumulation

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2009	Gross Revenue Accumulated 2008
Group 1				
08/03/09 to 07/04/09	0.7465	–	0.7465	0.6286
08/04/09 to 07/05/09	0.5995	–	0.5995	0.5255
08/05/09 to 07/06/09	0.5074	–	0.5074	0.6183
08/06/09 to 07/07/09	0.5965	–	0.5965	0.5975
08/07/09 to 07/08/09	0.5680	–	0.5680	0.5577
08/08/09 to 07/09/09	0.6911	–	0.6911	0.7730
Group 2				
08/03/09 to 07/04/09	0.1609	0.5856	0.7465	0.6286
08/04/09 to 07/05/09	0.1109	0.4886	0.5995	0.5255
08/05/09 to 07/06/09	0.2380	0.2694	0.5074	0.6183
08/06/09 to 07/07/09	0.3448	0.2517	0.5965	0.5975
08/07/09 to 07/08/09	0.2895	0.2785	0.5680	0.5577
08/08/09 to 07/09/09	0.2488	0.4423	0.6911	0.7730
Total distributions in the period			3.7090	3.7006

Group 2: shares purchased during a distribution period

Notes to the financial statements

for the accounting period 8th March 2009 to 7th September 2009

1 ACCOUNTING POLICIES

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

The impact of adoption of the new SORP has had the following impact on the accounts:

Other gains/(losses)

Other gains/(losses) were previously included as a separate line in the Statement of Total Return but have now been included in net capital gains/(losses).

The effect of this change has been to reduce net capital gains by £120,000 (2008: £325,000 increase in net capital gains).

Transaction costs

Transaction costs were previously included in expenses but have now been included in net capital gains/(losses).

The effect of this change has been to reduce expenses by £8,000 (2008: £9,000) and to reduce net capital gains by the same amounts.

Strategic Bond Fund

Investment Report

Investment Objective

To achieve total return principally by way of income. Income will be paid monthly.

Investment Policy

The ACD's investment policy is to invest the assets of the Fund in a managed portfolio of primarily UK and European fixed interest securities. The portfolio will include investment grade as well as below investment grade fixed interest securities. From time to time, it may also invest in securities issued by sovereign and Supranational borrowers.

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

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

Note:

The strategic investment approach means that the ACD provides strategic overlay to the Fund's investments switching between high yield, corporate debt and Government debt as it feels appropriate.

Performance of Net Income Class 1 Shares*

Over the six months to 7th September 2009, the published share price of the Threadneedle Strategic Bond Fund has risen from 36.87p to 44.54p.

The total return on the Fund for the six months ending 31st August 2009, including net reinvested income, is +22.71%, which equates approximately to +24.54% gross of tax and charges. This compares against a return of +25.16% for a composite index of 60% IBOXX £ Non Gilts Index and 40% Merrill Lynch European Currency HighYield Index ex CCC 3% constrained (100% hedged to £).

Portfolio Activity

Both investment grade and high yield corporate bonds enjoyed exceedingly strong returns over the six-month review period, outperforming government debt. A sharp compression in yield spreads and an increase in market liquidity were the chief factors behind this performance.

In general, corporate bonds benefited from a steady improvement in investor sentiment about the prospects for a recovery. Later in the period, they received a lift from better-than-expected second quarter earnings, though the source of this came largely from cost cutting rather than higher revenues. Growing signs that the global

economy might be coming out of recession provided a further boost to corporate bonds.

The investment grade portion of the fund produced a very strong return over the review period. This part of the portfolio is invested in a diverse range of corporate bonds. We remained underweight in lower yielding, higher credit quality areas, such as sovereign and supranational bonds, and overweight in telecoms, utilities, banks, energy and basic materials.

The high yield part of the fund also enjoyed a robust gain in absolute terms, although its relative performance was restrained by the focus on higher quality and more defensive issues of companies likely to outperform in the longer term. An underweight position in the banking sector was an area that detracted from performance, especially earlier in the period. Over most of the interval, poorer quality securities led the market gains, as signs that companies previously seen as likely to default would indeed probably survive drove strong investor demand for their very cheap issues.

Despite the strong gains in both investment grade and high yield bonds over the reporting period, there appears to be room for further gains. Yield spreads still price in levels of corporate defaults much higher than is likely to take place and makes credit attractive relative to gilts.

STATEMENT OF TOTAL RETURN

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008* £000
Income		
Net capital gains/(losses)	71,750	(7,405)
Revenue	14,191	16,251
Expenses	(2,154)	(2,557)
Finance costs: Interest	(19)	(226)
Net revenue/(expenses) before taxation	12,018	13,468
Taxation	–	–
Net revenue/(expenses) after taxation	12,018	13,468
Total return before distributions	83,768	6,063
Finance costs: Distributions	(13,918)	(15,735)
Change in net assets attributable to shareholders from investment activities	69,850	(9,672)

*Restated – see note 1 page 26.

BALANCE SHEET

as at 7th September 2009

	2009 £000	March 2009 £000
Assets		
Investment assets	383,007	316,649
Debtors	14,755	15,411
Cash and bank balances	4,242	3,263
Total other assets	18,997	18,674
Total assets	402,004	335,323
Liabilities		
Derivative liabilities	(1,994)	(263)
Creditors	(3,860)	(5,546)
Bank overdrafts	(3,384)	–
Distribution payable on income shares	(1,244)	(1,279)
Total other liabilities	(8,488)	(6,825)
Total liabilities	(10,482)	(7,088)
Net assets attributable to shareholders	391,522	328,235

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008 £000
Opening net assets attributable to shareholders	328,235	423,902
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	8,593	30,069
Amounts payable on cancellation of shares	(20,083)	(27,546)
	(11,490)	2,523
Dilution adjustment	–	130
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	69,850	(9,672)
Retained distribution on accumulation shares	4,922	5,504
Unclaimed distributions	5	–
Closing net assets attributable to shareholders	391,522	422,387

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7th March 2009 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7th September 2008.

*In pound Sterling and against UK peer group.
Please refer to pages 172-182 for comparative tables.

DISTRIBUTION TABLE

for the accounting period 8th March 2009 to 7th September 2009

Interest distribution in pence per share

Class 1 Shares

Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution Paid/Payable 2009	Distribution Paid 2008
Group 1						
08/03/09 to 07/04/09	0.2949	0.0590	0.2359	–	0.2359	0.2201
08/04/09 to 07/05/09	0.2514	0.0503	0.2011	–	0.2011	0.2109
08/05/09 to 07/06/09	0.2178	0.0436	0.0850	–	0.1742	0.2086
08/06/09 to 07/07/09	0.2634	0.0527	0.2107	–	0.2107	0.2233
08/07/09 to 07/08/09	0.2564	0.0513	0.2051	–	0.2051	0.2067
08/08/09 to 07/09/09	0.2598	0.0520	0.2078	–	0.2078	0.2509
Group 2						
08/03/09 to 07/04/09	0.0441	0.0088	0.0353	0.2006	0.2359	0.2201
08/04/09 to 07/05/09	0.0570	0.0114	0.0456	0.1555	0.2011	0.2109
08/05/09 to 07/06/09	0.1063	0.0213	0.0850	0.0892	0.1742	0.2086
08/06/09 to 07/07/09	0.1025	0.0205	0.0820	0.1287	0.2107	0.2233
08/07/09 to 07/08/09	0.0888	0.0178	0.0710	0.1341	0.2051	0.2067
08/08/09 to 07/09/09	0.1621	0.0324	0.1297	0.0781	0.2078	0.2509
Total distributions in the period					1.2348	1.3205

Strategic Bond Fund

DISTRIBUTION TABLE

(continued)

Class 2 Shares

Net Income

Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution Paid/Payable 2009	Distribution Paid 2008
Group 1						
08/03/09 to 07/04/09	0.3105	0.0621	0.2484	—	0.2484	0.2318
08/04/09 to 07/05/09	0.2653	0.0531	0.2122	—	0.2122	0.2222
08/05/09 to 07/06/09	0.2306	0.0461	0.1845	—	0.1845	0.2199
08/06/09 to 07/07/09	0.2788	0.0558	0.2230	—	0.2230	0.2353
08/07/09 to 07/08/09	0.2716	0.0543	0.2173	—	0.2173	0.2181
08/08/09 to 07/09/09	0.2755	0.0551	0.2204	—	0.2204	0.2637

Group 2

08/03/09 to 07/04/09	0.1089	0.0218	0.0871	0.1613	0.2484	0.2318
08/04/09 to 07/05/09	0.1075	0.0215	0.0860	0.1262	0.2122	0.2222
08/05/09 to 07/06/09	0.1178	0.0236	0.0942	0.0903	0.1845	0.2199
08/06/09 to 07/07/09	0.1663	0.0333	0.1330	0.0900	0.2230	0.2353
08/07/09 to 07/08/09	0.1271	0.0254	0.1017	0.1156	0.2173	0.2181
08/08/09 to 07/09/09	0.0970	0.0194	0.0776	0.1428	0.2204	0.2637
Total distributions in the period					1.3058	1.3910

Class 1 Shares

Gross Income

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2009	Distribution Paid 2008
Group 1				
08/03/09 to 07/04/09	0.2954	—	0.2954	0.2789
08/04/09 to 07/05/09	0.2520	—	0.2520	0.2638
08/05/09 to 07/06/09	0.2180	—	0.2180	0.2606
08/06/09 to 07/07/09	0.2634	—	0.2634	0.2787
08/07/09 to 07/08/09	0.2560	—	0.2560	0.2576
08/08/09 to 07/09/09	0.2591	—	0.2591	0.3122

Group 2

08/03/09 to 07/04/09	0.1641	0.1313	0.2954	0.2789
08/04/09 to 07/05/09	0.1089	0.1431	0.2520	0.2638
08/05/09 to 07/06/09	0.0843	0.1337	0.2180	0.2606
08/06/09 to 07/07/09	0.1952	0.0682	0.2634	0.2787
08/07/09 to 07/08/09	0.0490	0.2070	0.2560	0.2576
08/08/09 to 07/09/09	0.2081	0.0510	0.2591	0.3122
Total distributions in the period			1.5439	1.6518

Class 2 Shares

Gross Income

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2009	Distribution Paid 2008
Group 1				
08/03/09 to 07/04/09	0.3280	—	0.3280	
08/04/09 to 07/05/09	0.2804	—	0.2804	
08/05/09 to 07/06/09	0.2434	—	0.2434	
08/06/09 to 07/07/09	0.2938	—	0.2938	0.2577
08/07/09 to 07/08/09	0.2660	—	0.2660	0.2863
08/08/09 to 07/09/09	0.2898	—	0.2898	0.3459

Group 2

08/03/09 to 07/04/09	0.3280	—	0.3280	
08/04/09 to 07/05/09	0.2804	—	0.2804	
08/05/09 to 07/06/09	0.0748	0.1686	0.2434	
08/06/09 to 07/07/09	0.2938	—	0.2938	0.2577
08/07/09 to 07/08/09	0.0360	0.2500	0.2860	0.2863
08/08/09 to 07/09/09	0.2898	—	0.2898	0.3459
Total distributions in the period			1.7014	0.8899

Class 2 Shares

Gross Accumulation

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2009	Gross Revenue Accumulated 2008
Group 1				
08/03/09 to 07/04/09	0.4420	—	0.4420	0.3786
08/04/09 to 07/05/09	0.3812	—	0.3812	0.3661
08/05/09 to 07/06/09	0.3329	—	0.3329	0.3642
08/06/09 to 07/07/09	0.4043	—	0.4043	0.3911
08/07/09 to 07/08/09	0.3960	—	0.3960	0.3646
08/08/09 to 07/09/09	0.4036	—	0.4036	0.4428
Group 2				
08/03/09 to 07/04/09	0.0620	0.3800	0.4420	0.3786
08/04/09 to 07/05/09	0.3812	—	0.3812	0.3661
08/05/09 to 07/06/09	0.1729	0.1600	0.3329	0.3642
08/06/09 to 07/07/09	0.1543	0.2500	0.4043	0.3911
08/07/09 to 07/08/09	0.1240	0.2720	0.3960	0.3646
08/08/09 to 07/09/09	0.2566	0.1470	0.4036	0.4428
Total distributions in the period			2.3600	2.3074

Group 2: shares purchased during a distribution period

Notes to the financial statements

for the accounting period 8th March 2009 to 7th September 2009

1 ACCOUNTING POLICIES

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

The impact of adoption of the new SORP has had the following impact on the accounts:

Other gains/(losses)

Other gains/(losses) were previously included as a separate line in the Statement of Total Return but have now been included in net capital gains/(losses).

The effect of this change has been to increase net capital gains by £44,000 (2008: £23,000 reduction in net capital losses).

Transaction costs

Transaction costs were previously included in expenses but have now been included in net capital gains/(losses).

The effect of this change has been to reduce expenses by £9,000 (2008: £10,000) and to reduce net capital gains in 2009 and increase net capital losses in 2008 by the same amounts.

Sterling Bond Fund

Investment Report

Investment Objective

To achieve total return primarily by way of income with some capital growth.

Investment Policy

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

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

Performance of Net Income Class 1 Shares*

Over the six months to 7th September 2009, the published share price of the

Threadneedle Sterling Bond Fund has fallen from 48.34p to 47.46p.

Looking at performance within its peer group, the total return on the Fund for the six months ending 31st August 2009, including net reinvested income, is +2.99% as compared to a median return of +3.12% over the same period. The Fund return equates approximately to +4.02% gross of tax and charges. (For information the FTSE All Stocks Index gave a total return of +4.05% for the same period.)

Portfolio Activity

The start of the period under review came almost immediately after the announcement of quantitative easing by the Bank of England. This was an event which forced gilt yields down dramatically, both in terms of speed and magnitude.

Subsequently, the market struggled to maintain such low yields – those on ten year maturity bonds had fallen from 3.65% to just 3% in a few days. The threat of

substantial amounts of new gilts being sold by the government to fund its budget deficit, and later in the period the expectation of the end of quantitative easing, put considerable upward pressure on yields. Investors became more positive on other asset classes such as corporate bonds, which left them net sellers of gilts.

In August, the market was surprised when the Bank of England extended quantitative easing which again involves the Bank buying meaningful quantities of gilts.

As a result of the impact of quantitative easing, in total return terms the fund lost a lot of ground in the early part of the period but recovered to its early March valuation following the market's strength in August.

The fund reduced its exposure to long-dated gilts in late August, as the speed and scale of the market's performance left gilts looking vulnerable to a correction.

STATEMENT OF TOTAL RETURN

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008* £000
Income		
Net capital gains/(losses)	(6,717)	877
Revenue	6,254	8,316
Expenses	(2,007)	(2,207)
Finance costs: Interest	(3)	(58)
Net revenue/(expenses) before taxation	4,244	6,051
Taxation	–	–
Net revenue/(expenses) after taxation	4,244	6,051
Total return before distributions	(2,473)	6,928
Finance costs: Distributions	(5,892)	(7,872)
Change in net assets attributable to shareholders from investment activities	(8,365)	(944)

*Restated – see note 1 page 28.

BALANCE SHEET

as at 7th September 2009

	2009 £000	March 2009 £000
Assets		
Investment assets	260,492	383,293
Debtors	955	53,376
Cash and bank balances	10,676	6,397
Total other assets	11,631	59,773
Total assets	272,123	443,066
Liabilities		
Derivative liabilities	–	(428)
Creditors	(2,070)	(57,605)
Distribution payable on income shares	(3,344)	(5,525)
Total other liabilities	(5,414)	(63,130)
Total liabilities	(5,414)	(63,558)
Net assets attributable to shareholders	266,709	379,508

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008 £000
Opening net assets attributable to shareholders	379,508	419,454
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	6,917	10,893
Amounts payable on cancellation of shares	(111,969)	(76,894)
	(105,052)	(66,001)
Dilution adjustment	41	19
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(8,365)	(944)
Retained distribution on accumulation shares	577	764
Closing net assets attributable to shareholders	266,709	353,292

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7th March 2009 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7th September 2008.

*In pound Sterling and against UK peer group.
Please refer to pages 172-182 for comparative tables.

DISTRIBUTION TABLE

for the accounting period 8th March 2009 to 7th September 2009

Interest distribution in pence per share

Class 1 Shares

Net Income

Distribution Period	Gross Revenue	Tax Credit	Net Revenue	Equalisation	Distribution Payable 2009	Distribution Paid 2008
Group 1						
08/03/09 to 07/09/09	0.8364	0.1673	0.6691	–	0.6691	0.7761
Group 2						
08/03/09 to 07/09/09	0.5895	0.1179	0.4716	0.1975	0.6691	0.7761
Total distributions in the period					0.6691	0.7761

Class 1 Shares

Gross Accumulation

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2009	Gross Revenue Accumulated 2008
Group 1				
08/03/09 to 07/09/09	1.5073	–	1.5073	1.6791
Group 2				
08/03/09 to 07/09/09	0.7618	0.7455	1.5073	1.6791
Total distributions in the period			1.5073	1.6791

Group 2: shares purchased during a distribution period

Sterling Bond Fund

Notes to the financial statements

for the accounting period 8th March 2009 to 7th September 2009

1 ACCOUNTING POLICIES

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

The impact of adoption of the new SORP has had the following impact on the accounts:

Other gains/(losses)

Other gains/(losses) were previously included as a separate line in the Statement of Total Return but have now been included in net capital gains/(losses).

The effect of this change has been to reduce net capital losses by £48,000 (2008: £66,000 reduction in net capital gains).

Transaction costs

Transaction costs were previously included in expenses but have now been included in net capital gains/(losses).

The effect of this change has been to reduce expenses by £2,000 (2008: £3,000) and to increase net capital losses in 2009 and reduce net capital gains in 2008 by the same amounts.

UK Money Securities Fund

Investment Report

Investment Objective

To achieve a high level of security together with a competitive wholesale money market rate of return.

Investment Policy

The ACD's investment policy is to invest the assets of the Fund primarily in UK money market securities and overseas money market securities hedged into Sterling.

Performance of Net Income Class 1 Shares*

Over the six months to 7th September 2009, the published share price of the Threadneedle UK Money Securities Fund has fallen from 36.08p to 34.17p.

Looking at performance within its peer group, the total return on the Fund for the six months ending 31st August 2009, including net reinvested income, is -3.28% as compared to a median return of +0.26% over the same period.

Portfolio Activity

UK base rates were cut to a historic low of 0.5% at the beginning of March as UK economic

fundamentals continued to weaken. The Bank of England's response was to announce a range of additional measures aimed at increasing bank lending and consumer credit. These included purchasing UK gilts via the asset purchase facility as well as investment grade corporate bonds.

The result has been a gradual easing of conditions in the money markets as 1 month Libor fell from 1.395% at the start of March to 0.53% at the beginning of September.

During the period, we have seen conflicting data within the UK. By May, we had the first signs that UK house prices were stabilising and possibly on the increase. However, unemployment has continued to rise and in the absence of renewed signs of inflation, official base rates will remain low for the foreseeable future and the policy of quantitative easing is likely to continue.

Over the review period, we have seen a continued trend of redemptions from the fund. We have therefore taken steps to increase the liquidity of the fund by actively reducing the exposure to asset-backed floating rate notes. By the end of August, the fund's exposure to

these instruments was down to less than 1%.

The fund maintained a high weighting in overnight deposits and also in bank issued certificates of deposits with maturities of less than 91 days.

During the review period, the fund was being operated with a fair value pricing adjustment which was included in the dealing price of the fund. This adjustment could fluctuate daily and was being applied to reflect the less liquid nature of the asset-backed and mortgage-backed securities under the current market conditions. The amount and circumstances in which we applied the fair value pricing adjustment was kept under continuous review. However, in September we disposed of the final holdings of these securities, at which point the fair value pricing adjustment was removed.

On 11th September 2009 the shareholders of the fund voted in favour of a resolution for fund closure, and accordingly the fund will be closed on 14th December 2009. Any investors remaining in the fund at the closure date will receive a cheque for the proceeds of their investment.

STATEMENT OF TOTAL RETURN

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008* £000
Income		
Net capital gains/(losses)	(11,152)	(8,288)
Revenue	904	12,365
Expenses	(457)	(1,256)
Finance costs: Interest	(2)	(137)
Net revenue/(expenses) before taxation	445	10,972
Taxation	–	–
Net revenue/(expenses) after taxation	445	10,972
Total return before distributions	(10,707)	2,684
Finance costs: Distributions	(445)	(10,973)
Change in net assets attributable to shareholders from investment activities	(11,152)	(8,289)

*Restated – see note 1 page 30.

BALANCE SHEET

as at 7th September 2009

	2009 £000	March 2009 £000
Assets		
Investment assets	98,200	123,387
Debtors	15,112	384
Cash and bank balances	27,259	56,595
Total other assets	42,371	56,979
Total assets	140,571	180,366
Liabilities		
Creditors	(15,275)	(10,288)
Distribution payable on income shares	(357)	(3,724)
Total liabilities	(15,632)	(14,012)
Net assets attributable to shareholders	124,939	166,354

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008 £000
Opening net assets attributable to shareholders	166,354	444,489
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	5,371	21,307
Amounts payable on cancellation of shares	(36,186)	(111,623)
	(30,815)	(90,316)
Dilution adjustment	534	–
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(11,152)	(8,289)
Retained distribution on accumulation shares	18	388
Compensation	–	1
Closing net assets attributable to shareholders	124,939	346,273

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7th March 2009 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7th September 2008.

*In pound Sterling and against UK peer group.
Please refer to pages 172-182 for comparative tables.

DISTRIBUTION TABLE

for the accounting period 8th March 2009 to 7th September 2009

Interest distribution in pence per share

Class 1 Shares

Net Income

Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution Payable 2009	Distribution Paid 2008
Group 1						
08/03/09 to 07/09/09	0.1045	0.0209	0.0836	–	0.0836	0.9984
Group 2						
08/03/09 to 07/09/09	0.0438	0.0088	0.0350	0.0486	0.0836	0.9984
Total distributions in the period					0.0836	0.9984

Class 1 Shares

Gross Income

Distribution Period	Gross Revenue	Equalisation	Distribution Payable 2009	Distribution Paid 2008
Group 1				
08/03/09 to 07/09/09	0.1386	–	0.1386	1.6598
Group 2				
08/03/09 to 07/09/09	0.0521	0.0865	0.1386	1.6598
Total distributions in the period			0.1386	1.6598

UK Money Securities Fund

DISTRIBUTION TABLE

(continued)

Class 1 Shares Gross Accumulation

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2009	Gross Revenue Accumulated 2008
Group 1 08/03/09 to 07/09/09	0.1785	—	0.1785	2.0266
Group 2 08/03/09 to 07/09/09	0.0938	0.0847	0.1785	2.0266
Total distributions in the period			0.1785	2.0266

Group 2: shares purchased during a distribution period

Notes to the financial statements

for the accounting period 8th March 2009 to 7th September 2009

1 ACCOUNTING POLICIES

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

The impact of adoption of the new SORP has had the following impact on the accounts:

Transaction costs

Transaction costs were previously included in expenses but have now been included in net capital gains/(losses).

The effect of this change has been to reduce expenses by £6,000 (2008: £7,000) and to increase net capital losses by the same amounts.

UK Cash Fund**

Investment Report

Investment Objective

To achieve a high level of capital security and provide income.

Investment Policy

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

- i) Bank deposits shall be held with and certificates of deposit shall be issued by a deposit taking institution with a minimum long term credit rating of either (a) Standard & Poor's: AA-, or (b) Moody's AA3;

- ii) Commercial paper issued by institutions with a minimum short term credit rating either (a) Standard & Poor's: A1, or (b) Moody's P1, and with a maximum term to maturity of 184 days.

There will be no initial offer period.

Performance of Net Income Class 1 Shares*

Over the six months to 7th September 2009, the published share price of the Threadneedle UK Cash Fund has fallen from 98.75p to 95.69p.

The total return on the Fund for the six months ending 31st August 2009, including net reinvested income, is -2.47%. (Source: Threadneedle, Bid-Bid, Net income reinvested.)

Portfolio Activity

The Threadneedle Cash Fund represents a useful addition to the Threadneedle range, but is currently in the process of being established.

The fund is invested in five cash deposits which are rolled monthly, but with the option to invest in high-quality euro commercial paper (ECP) and bank certificates of deposit (CDs) as it increases in size.

The financial strength of individual banks and financial institutions is taken into account when selecting suitable investments. The portfolio will comprise very short-dated instruments with a view to achieving a competitive rate of interest.

STATEMENT OF TOTAL RETURN

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008 £000
Income		
Revenue	1	—
Expenses	(1)	—
Finance costs: Interest	—	—
Net revenue/(expenses) before taxation	—	—
Taxation	—	—
Net revenue/(expenses) after taxation	—	—
Total return before distributions	—	—
Change in net assets attributable to shareholders from investment activities	—	—

BALANCE SHEET

as at 7th September 2009

	2009 £000	March 2009 £000
Assets		
Investment assets	—	—
Debtors	1	2
Cash and bank balances	13	12
Total assets	14	14
Liabilities		
Creditors	(1)	(1)
Total liabilities	(1)	(1)
Net assets attributable to shareholders	13	13

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008 £000
Opening net assets attributable to shareholders	13	14
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	—	—
Amounts payable on cancellation of shares	—	(1)
	—	(1)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	—	—
Closing net assets attributable to shareholders	13	13

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7th March 2009 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7th September 2008.

**Please note that the UK Cash Fund is currently registered for the public offer in the UK only and it is not intended to be registered outside the UK unless otherwise decided by the ACD. No registration application has been filed for UK Cash Fund with the Bundesanstalt für Finanzdienstleistungsaufsicht and shares in UK Cash Fund must not be publicly marketed in Germany.

*In pound Sterling.

Please refer to pages 172-182 for comparative tables.

UK Cash Fund

Notes to the financial statements

for the accounting period 8th March 2009 to 7th September 2009

1 ACCOUNTING POLICIES

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

European Fund

Investment Report

Investment Objective

To achieve capital growth.

Investment Policy

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

Performance of Net Accumulation Class 1 Shares*

Over the six months to 7th September 2009, the published share price of the Threadneedle European Fund has risen from 79.97p to 111.41p.

Looking at the sterling performance within its peer group, the total return on the Fund for the six months ending 31st

August 2009, including net reinvested income, is +34.85% as compared to a median return of +37.16% over the same period. (For information the FTSE World Europe ex UK (GBP) Index returned +43.16% over the same period.)

Portfolio Activity

The period under review saw a sharp rally in European equity markets after two years of almost constant declines. Initially, the overall positioning of the portfolio was still defensive, although the fund had been increasing its risk profile for some months and this continued successfully in the period between March and May. For example, we bought stocks in the financial and industrial sectors, which had greater sensitivity to the improving economic conditions.

Thus, within the financial sector we built new positions in companies such as Fortis and UBS, which are both recovering after suffering particularly badly during the credit crisis. The fund

also bought Daimler, having started the period with no exposure to the auto sector.

From May, although there had been signs of potential improvements in the economic environment, this appeared to have been factored into equity valuations, as some stock prices had virtually doubled in the space of a few weeks. We therefore took profits in stocks which had rallied particularly strongly, notably in industrial holdings such as Atlas Copco. We also reduced the positions in Fortis and UBS.

The decision to purchase more cyclical, economically sensitive stocks was broadly successful in terms of the fund's relative performance. However, the reversal of this policy after May was less helpful, as the upturn in equity markets proved stronger and more prolonged than we expected.

STATEMENT OF TOTAL RETURN

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008* £000
Income		
Net capital gains/(losses)	149,000	(28,421)
Revenue	13,325	17,859
Expenses	(3,295)	(4,594)
Finance costs: Interest	(13)	(176)
Net revenue/(expenses) before taxation	10,017	13,089
Taxation	(1,888)	(2,248)
Net revenue/(expenses) after taxation	8,129	10,841
Total return before distributions	157,129	(17,580)
Change in net assets attributable to shareholders from investment activities	157,129	(17,580)

*Restated – see note 1 page 34.

BALANCE SHEET

as at 7th September 2009

	2009 £000	March 2009 £000
Assets		
Investment assets	555,216	390,293
Debtors	2,999	17,080
Cash and bank balances	10,474	1,714
Total other assets	13,473	18,794
Total assets	568,689	409,087
Liabilities		
Creditors	(8,773)	(14,924)
Bank overdrafts	–	(15)
Total liabilities	(8,773)	(14,939)
Net assets attributable to shareholders	559,916	394,148

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008 £000
Opening net assets attributable to shareholders	394,148	713,092
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	58,897	82,259
Amounts payable on cancellation of shares	(50,258)	(144,429)
	8,639	(62,170)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	157,129	(17,580)
Closing net assets attributable to shareholders	559,916	633,342

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7th March 2009 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7th September 2008.

*In pound Sterling and against UK peer group.
Please refer to pages 172-182 for comparative tables.

European Fund

Notes to the financial statements

for the accounting period 8th March 2009 to 7th September 2009

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed in the aggregate accounts on page 6.

The impact of adoption of the new SORP has had the following impact on the accounts:

Other gains/(losses)

Other gains/(losses) were previously included as a separate line in the Statement of Total Return but have now been included in net capital gains/(losses).

The effect of this change has been to increase net capital gains by £16,000 (2008: £41,000 increase in net capital losses.)

Transaction costs

Transaction costs were previously included in expenses but have now been included in net capital gains/(losses).

The effect of this change has been to reduce expenses by £10,000 (2008: £14,000) and to reduce net capital gains in 2009 and increase net capital losses in 2008 by the same amounts.

European Select Fund

Investment Report

Investment Objective

To achieve above average capital growth.

Investment Policy

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

Performance of Net Accumulation

Class 1 Shares*

Over the six months to 7th September 2009, the published share price of the Threadneedle European Select Fund has risen from 84.91p to 105.68p.

Looking at the sterling performance within its peer group, the total return on the Fund for the six months ending 31st August 2009, including net reinvested income, is +23.18% as compared to a median return of +37.06% over the same period. (For information the FTSE World Europe ex UK (GBP) Index returned +43.16% over the same period.)

Portfolio Activity

European equity markets rallied sharply over the period under review following two years of almost constant declines. The overall positioning of the fund at the start of the period was predominantly defensive, concentrating on holdings in companies that were likely to weather the economic downturn and thrive at the expense of weaker, poorer quality competitors. This stance did not favour the fund in terms of its relative performance as the market was focused on poorer quality companies that could benefit more immediately from an economic upturn.

The fund's defensive stance was mitigated somewhat in the early part of the review period. For example, we bought stocks such as BNP and Credit Suisse in the banking sector. However, we believed that the rally in financials and poorer quality companies had gone too far and the fund's defensive bias was reinforced by purchases of lagging defensive stocks such as Swedish Match and Syngenta.

There has been little change to many of the larger positions in the fund such as Nestlé and Colruyt. However, we took advantage of price strength to sell Linde, one of the fund's larger holdings.

This switch back to more defensive companies did not aid the fund's relative performance as the upturn in markets was longer and greater than we had expected. Consequently, relative performance has suffered due to the fund's more defensive bias in recent months. However, this followed a prolonged period of stronger relative returns during the bear market.

STATEMENT OF TOTAL RETURN

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008* £000
Income		
Net capital gains/(losses)	125,193	(38,569)
Revenue	17,332	21,033
Expenses	(5,274)	(6,598)
Finance costs: Interest	(13)	(235)
Net revenue/(expenses) before taxation	12,045	14,200
Taxation	(2,738)	(2,915)
Net revenue/(expenses) after taxation	9,307	11,285
Total return before distributions	134,500	(27,284)
Change in net assets attributable to shareholders from investment activities	134,500	(27,284)

*Restated – see note 1 page 36.

BALANCE SHEET

as at 7th September 2009

	2009 £000	March 2009 £000
Assets		
Investment assets	648,844	520,396
Debtors	3,379	10,157
Cash and bank balances	20,541	14,973
Total other assets	23,920	25,130
Total assets	672,764	545,526
Liabilities		
Creditors	(3,032)	(10,419)
Bank overdrafts	–	(3,084)
Total liabilities	(3,032)	(13,503)
Net assets attributable to shareholders	669,732	532,023

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008 £000
Opening net assets attributable to shareholders	532,023	854,869
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	64,501	38,521
Amounts payable on cancellation of shares	(61,463)	(138,297)
	3,038	(99,776)
Dilution adjustment	187	–
Stamp duty reserve tax	(16)	(2)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	134,500	(27,284)
Closing net assets attributable to shareholders	669,732	727,807

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7th March 2009 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7th September 2008.

*In pound Sterling and against UK peer group.
Please refer to pages 172-182 for comparative tables.

European Select Fund

Notes to the financial statements

for the accounting period 8th March 2009 to 7th September 2009

1 ACCOUNTING POLICIES

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

The impact of adoption of the new SORP has had the following impact on the accounts:

Other gains/(losses)

Other gains/(losses) were previously included as a separate line in the Statement of Total Return but have now been included in net capital gains/(losses).

The effect of this change has been to reduce net capital gains by £281,000 (2008: £1,106,000 increase in net capital losses).

Transaction costs

Transaction costs were previously included in expenses but have now been included in net capital gains/(losses).

The effect of this change has been to reduce expenses by £15,000 (2008: £23,000) and to reduce net capital gains in 2009 and increase net capital losses in 2008 by the same amounts.

European Smaller Companies Fund

Investment Report

Investment Objective

To achieve capital growth.

Investment Policy

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

Performance of Net Accumulation Class 1 Shares*

Over the six months to 7th September 2009, the published share price of the Threadneedle European Smaller Companies Fund has risen from 170.87p to 235.15p.

Looking at the sterling performance within its peer group, the total return on the Fund for the six months ending 31st

August 2009, including net reinvested income, is +31.79% as compared to a median return of +40.57% over the same period. (For information the HSBC European Smaller Cos Ex UK Index returned +57.12% over the same period.)

Portfolio Activity

The period under review saw a sharp rally in European equity markets after two years of almost constant declines. Smaller companies outperformed their larger counterparts, having underperformed in the previous reporting period. At the start of the review period, the overall positioning of the portfolio was predominantly defensive, concentrating on companies likely to weather the economic downturn and thrive at the expense of weaker, poorer quality competitors. An example of the fund's defensive positioning was the high exposure to the healthcare sector. This stance had previously helped the fund to outperform strongly in the bear market.

However, during the review period it hindered the fund's relative performance, as the market was focused on poorer quality companies which could benefit more immediately from an economic upturn.

Much of the portfolio activity was driven by individual stock considerations rather than macroeconomic issues. Major purchases included companies such as Wacker Chemie, a beneficiary of the growth in solar energy; Eutelsat, which has an attractive cash flow profile; and Software AG, which is winning market share and likely to benefit from the acquisition of IDS Scheer. We sold stocks such as Umicore (precious metals), Jeronimo Martins (Portuguese/Polish food retailer) and Aryzta (prepared convenience foods). Many of the sales resulted from the recent sharp appreciation in share prices and the desirability of taking profits.

STATEMENT OF TOTAL RETURN

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008* £000
Income		
Net capital gains/(losses)	172,633	(12,015)
Revenue	13,497	16,678
Expenses	(4,326)	(5,674)
Finance costs: Interest	(9)	(125)
Net revenue/(expenses) before taxation	9,162	10,879
Taxation	(1,857)	(2,251)
Net revenue/(expenses) after taxation	7,305	8,628
Total return before distributions	179,938	(3,387)
Change in net assets attributable to shareholders from investment activities	179,938	(3,387)

*Restated – see note 1 page 38.

BALANCE SHEET

as at 7th September 2009

	2009 £000	March 2009 £000
Assets		
Investment assets	694,093	453,020
Debtors	22,369	12,348
Cash and bank balances	16,800	14,464
Total other assets	39,169	26,812
Total assets	733,262	479,832
Liabilities		
Creditors	(9,061)	(13,262)
Bank overdrafts	(631)	(2,592)
Total liabilities	(9,692)	(15,854)
Net assets attributable to shareholders	723,570	463,978

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008 £000
Opening net assets attributable to shareholders	463,978	743,022
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	147,660	76,002
Amounts payable on cancellation of shares	(68,337)	(105,696)
	79,323	(29,694)
Dilution adjustment	331	84
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	179,938	(3,387)
Closing net assets attributable to shareholders	723,570	710,025

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7th March 2009 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7th September 2008.

*In pound Sterling and against UK peer group.
Please refer to pages 172-182 for comparative tables.

European Smaller Companies Fund

Notes to the financial statements

for the accounting period 8th March 2009 to 7th September 2009

1 ACCOUNTING POLICIES

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

The impact of adoption of the new SORP has had the following impact on the accounts:

Other gains/(losses)

Other gains/(losses) were previously included as a separate line in the Statement of Total Return but have now been included in net capital gains/(losses).

The effect of this change has been to reduce net capital gains by £1,037,000 (2008: £1,427,000 reduction in net capital losses).

Transaction costs

Transaction costs were previously included in expenses but have now been included in net capital gains/(losses).

The effect of this change has been to reduce expenses by £29,000 (2008: £42,000) and to reduce net capital gains in 2009 and to increase net capital losses in 2008 by the same amounts.

Pan European Smaller Companies Fund

Investment Report

Investment Objective

To achieve capital growth.

Investment Policy

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

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

Performance of Net Accumulation Class 1 Shares*

Over the six months to 7th September 2009, the published share price of the Threadneedle Pan European Smaller Companies Fund has risen from 53.91p to 71.20p.

The total return on the Fund for the six months ending 31st August 2009,

including net reinvested income, is +26.73% as compared to a median return of +40.57% over the same period. (For information the HSBC Pan European Smaller Companies Index gave a total return of +56.12% for the same period.)

Portfolio Activity

The period was marked by a sharp rally in Pan European equity markets after two years of almost constant declines. Smaller companies outperformed their larger counterparts, having underperformed in the previous reporting period.

At the start of the review period, the overall positioning of the fund was predominantly defensive, concentrating on companies that were likely to weather the economic downturn and thrive at the expense of weaker, poorer quality competitors. An example of this was the high exposure to the healthcare sector. This stance had previously helped the fund to outperform strongly in the bear

market. However, during the review period it hindered the fund's relative performance, as the market focused on poorer quality companies which could benefit more immediately from an economic upturn.

Much of the portfolio activity was driven by individual stock considerations rather than economic issues. Major purchases included Software AG, which is winning market share and is likely to benefit from the acquisition of IDS Scheer. The fund also bought Wacker Chemie, a beneficiary of the growth in solar energy, and Eutelsat, which has an attractive cash flow profile. We sold stocks such as Vacon (manufacturer of AC drives), Jeronimo Martins (Portuguese/Polish food retailer) and Ultra Electronics (electronic systems for defence and aerospace). Many of the sales resulted from the recent sharp appreciation in share prices and the desirability of taking profits.

STATEMENT OF TOTAL RETURN

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008* £000
Income		
Net capital gains/(losses)	27,885	(4,360)
Revenue	1,991	1,757
Expenses	(745)	(756)
Finance costs: Interest	(1)	(7)
Net revenue/(expenses) before taxation	1,245	994
Taxation	(224)	(176)
Net revenue/(expenses) after taxation	1,021	818
Total return before distributions	28,906	(3,542)
Finance costs: Equalisation	323	(25)
Change in net assets attributable to shareholders from investment activities	29,229	(3,567)

*Restated – see note 1 page 39.

BALANCE SHEET

as at 7th September 2009

	2009 £000	March 2009 £000
Assets		
Investment assets	141,798	62,636
Debtors	5,852	2,108
Cash and bank balances	3,814	4,693
Total other assets	9,666	6,801
Total assets	151,464	69,437
Liabilities		
Creditors	(7,106)	(421)
Bank overdrafts	(1,984)	–
Total liabilities	(9,090)	(421)
Net assets attributable to shareholders	142,374	69,016

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008 £000
Opening net assets attributable to shareholders	69,016	105,895
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	64,796	23,867
Amounts payable on cancellation of shares	(21,060)	(22,588)
	43,736	1,279
Dilution adjustment	415	149
Stamp duty reserve tax	(22)	(33)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	29,229	(3,567)
Closing net assets attributable to shareholders	142,374	103,723

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7th March 2009 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7th September 2008.

*In pound Sterling and against UK peer group.
Please refer to pages 172-182 for comparative tables.

Pan European Smaller Companies Fund

Notes to the financial statements

for the accounting period 8th March 2009 to 7th September 2009

1 ACCOUNTING POLICIES

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

The impact of adoption of the new SORP has had the following impact on the accounts:

Other gains/(losses)

Other gains/(losses) were previously included as a separate line in the Statement of Total Return but have now been included in net capital gains/(losses).

The effect of this change has been to increase net capital gains by £361,000 (2008: £368,000 reduction in net capital losses).

Transaction costs

Transaction costs were previously included in expenses but have now been included in net capital gains/(losses).

The effect of this change has been to reduce expenses by £10,000 (2008: £25,000) and to reduce net capital gains in 2009 and increase net capital losses in 2008 by the same amounts.

Pan European Fund

Investment Report

Investment Objective

To achieve capital growth.

Investment Policy

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

Performance of Net Accumulation Class 1 Shares*

Over the six months to 7th September 2009, the published share price of the Threadneedle Pan European Fund has risen from 55.89p to 74.47p.

Looking at the sterling performance within its peer group, the total return on the Fund for the six months ending 31st August 2009, including net reinvested income, is +28.42% as compared to a median return of +33.07%

over the same period. (For information the FTSE World Europe Inc. UK Index returned +39.78% over the same period.)

Portfolio Activity

The period was marked by a sharp rally in Pan European equity markets after two years of almost constant declines. Initially, the overall positioning of the fund was still defensive, which had boosted its relative performance during the earlier bear market. However, the fund had already been increasing its risk profile for some months and this continued successfully in the period between March and May. For example, we bought stocks in the financial and industrial sectors which had greater sensitivity to the improving economic conditions.

We purchased Barclays and HSBC in the financial sector, as well as ING and Axa, which are recovering after suffering during the credit crisis. The fund also

bought Daimler, having started the period with no exposure to the auto sector.

However after May, although there had been signs of potential improvements in the economic environment, this appeared to have been factored into valuations, as some stock prices had virtually doubled in the space of a few weeks. We therefore took profits in stocks that had rallied particularly strongly, including industrial holdings such as Siemens. We also sold UBS and Axa and reduced the exposure to RSA.

The decision to purchase more cyclical, economically sensitive stocks was broadly successful in terms of the fund's relative performance. However, the reversal of this policy after May was less helpful, as the upturn in equity markets proved stronger and more prolonged than we had expected.

STATEMENT OF TOTAL RETURN

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008* £000
Income		
Net capital gains/(losses)	16,932	(2,387)
Revenue	1,752	1,145
Expenses	(438)	(396)
Finance costs: Interest	(2)	(9)
Net revenue/(expenses) before taxation	1,312	740
Taxation	(183)	(108)
Net revenue/(expenses) after taxation	1,129	632
Total return before distributions	18,061	(1,755)
Change in net assets attributable to shareholders from investment activities	18,061	(1,755)

*Restated – see note 1 page 42.

BALANCE SHEET

as at 7th September 2009

	2009 £000	March 2009 £000
Assets		
Investment assets	79,137	48,347
Debtors	5,473	967
Cash and bank balances	2,948	1,010
Total other assets	8,421	1,977
Total assets	87,558	50,324
Liabilities		
Creditors	(5,039)	(1,108)
Bank overdrafts	–	(43)
Total liabilities	(5,039)	(1,151)
Net assets attributable to shareholders	82,519	49,173

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008 £000
Opening net assets attributable to shareholders	49,173	61,725
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	34,978	4,023
Amounts payable on cancellation of shares	(19,915)	(4,470)
	15,063	(447)
Dilution adjustment	128	–
Stamp duty reserve tax	(17)	(6)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	18,061	(1,755)
Compensation	111	4
Closing net assets attributable to shareholders	82,519	59,521

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7th March 2009 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7th September 2008.

*In pound Sterling and against UK peer group.
Please refer to pages 172-182 for comparative tables.

Pan European Fund

Notes to the financial statements

for the accounting period 8th March 2009 to 7th September 2009

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed in the aggregate accounts on page 6.

The impact of adoption of the new SORP has had the following impact on the accounts:

Other gains/(losses)

Other gains/(losses) were previously included as a separate line in the Statement of Total Return but have now been included in net capital gains/(losses).

The effect of this change has been to reduce net capital gains by £245,000 (2008: £25,000 increase in net capital losses).

Transaction costs

Transaction costs were previously included in expenses but have now been included in net capital gains/(losses).

The effect of this change has been to reduce expenses by £6,000 (2008: £8,000) and to reduce net capital gains in 2009 and increase net capital losses in 2008 by the same amounts.

European Bond Fund

Investment Report

Investment Objective

To achieve total return primarily by way of income with some capital growth.

Investment Policy

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

Performance of Net Income Class 1 Shares*

Over the six months to 7th September 2009, the published share price of the Threadneedle European Bond Fund has risen from 64.19p to 65.89p.

The sterling total return on the Fund for the six months ending 31st August 2009, including net reinvested income, is +5.69%,

which equates approximately to +6.76% gross of tax and charges. For information the ML Pan Euro Large Cap. Index returned +4.91% over the same period.

Portfolio Activity

Risk markets performed strongly over the review period, as sentiment recovered from the rock bottom levels reached in early March, and economic activity began to improve. Early in the period, government bond yields broadly increased, as worries over heavy supply forced investors to seek higher returns. This trend reversed in June and bond yields moved lower. The fund performed well over the review period, strongly outperforming the benchmark.

The underlying trend in fund activity was to increase the exposure to corporate bonds, gradually moving to a higher weighting versus the benchmark. This was largely achieved via the new issue market where many companies sold bonds with higher yields than their existing debt. This added to the fund's performance as corporate bonds

benefited from the broad rally in risk assets.

With respect to interest rates, the fund was broadly positioned for lower yields early in the period, which detracted from performance, although the use of derivatives and cash to hedge these positions mitigated some of the underperformance. As yields came back down, the fund was positioned to benefit from this, with holdings focused towards the longer end of the maturity spectrum.

The fund preferred UK gilts early in the period, which added to performance as the Bank of England began purchasing government bonds. The fund then moved to a preference for core European bonds, such as German government bonds, in April. Through June and July, the fund increased its holdings of Italian bonds to take advantage of the greater appetite for risk. Towards the end of July, the fund then moved into Dutch bonds, following the strong outperformance of Italian issues.

STATEMENT OF TOTAL RETURN

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008* £000
Income		
Net capital gains/(losses)	4,682	5,789
Revenue	3,254	2,482
Expenses	(915)	(766)
Finance costs: Interest	(4)	(22)
Net revenue/(expenses) before taxation	2,335	1,694
Taxation	–	–
Net revenue/(expenses) after taxation	2,335	1,694
Total return before distributions	7,017	7,483
Finance costs: Distributions	(3,084)	(2,328)
Change in net assets attributable to shareholders from investment activities	3,933	5,155

*Restated – see note 1 page 44.

BALANCE SHEET

as at 7th September 2009

	2009 £000	2009 £000
Assets		
Investment assets	146,792	149,131
Debtors	10,522	15,591
Cash and bank balances	4,599	7,675
Total other assets	15,121	23,266
Total assets	161,913	172,397
Liabilities		
Derivative liabilities	(220)	(541)
Creditors	(7,867)	(12,552)
Bank overdrafts	(4,310)	(8,874)
Distribution payable on income shares	(1,106)	(1,271)
Total other liabilities	(13,283)	(22,697)
Total liabilities	(13,503)	(23,238)
Net assets attributable to shareholders	148,410	149,159

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008 £000
Opening net assets attributable to shareholders	149,159	117,694
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	4,708	31,849
Amounts payable on cancellation of shares	(11,025)	(5,053)
	(6,317)	26,796
Dilution adjustment	–	29
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	3,933	5,155
Retained distribution on accumulation shares	1,635	1,269
Compensation	–	1
Closing net assets attributable to shareholders	148,410	150,944

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7th March 2009 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7th September 2008.

*In pound Sterling and against UK peer group. Please refer to pages 172-182 for comparative tables.

DISTRIBUTION TABLE

for the accounting period 8th March 2009 to 7th September 2009

Interest distribution in pence per share

Class 1 Shares

Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution Payable 2009	Distribution Paid 2008
Group 1						
08/03/09 to 07/09/09	1.3310	0.2662	1.0648	–	1.0648	0.8524
Group 2						
08/03/09 to 07/09/09	0.7640	0.1528	0.6112	0.4536	1.0648	0.8524
Total distributions in the period					1.0648	0.8524

Class 1 Shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2009	Gross Revenue Accumulated 2008
Group 1				
08/03/09 to 07/09/09	2.1459	–	2.1459	1.6512
Group 2				
08/03/09 to 07/09/09	0.9335	1.2124	2.1459	1.6512
Total distributions in the period			2.1459	1.6512

Group 2: shares purchased during a distribution period

European Bond Fund

Notes to the financial statements

for the accounting period 8th March 2009 to 7th September 2009

1 ACCOUNTING POLICIES

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

The impact of adoption of the new SORP has had the following impact on the accounts:

Other gains/(losses)

Other gains/(losses) were previously included as a separate line in the Statement of Total Return but have now been included in net capital gains/(losses).

The effect of this change has been to reduce net capital gains by £9,000 (2008: £238,000 increase in net capital gains).

Transaction costs

Transaction costs were previously included in expenses but have now been included in net capital gains/(losses).

The effect of this change has been to reduce expenses by £6,000 (2008: £6,000) and to reduce net capital gains by the same amounts.

European Corporate Bond Fund

Investment Report

Investment Objective

To achieve total return.

Investment Policy

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

Performance of Net Accumulation Class 1 Shares*

Over the six months to 7th September 2009, the published share price of the Threadneedle European Corporate Bond Fund has risen from 63.68p to 75.95p.

Looking at performance within its peer group, the total return on the Fund for the six months ending 31st August 2009, including net reinvested income, is +18.13%. The Fund return equates approximately to +19.64% gross of tax and charges. (For information the IBOXX European All Corporate Bond Index gave a total return of +11.82% for the same period.)

Portfolio Activity

The European corporate bond market performed very strongly over the review period. The market outperformed German bunds due to both improving fundamentals and technicals. Government action to address liquidity and capital concerns in the banking system, in addition to both fiscal and monetary stimulus, seems to have averted a depression-style economic outcome. Markets had arguably priced themselves for such an event, and the slowing pace of economic decline from March 2009 proved the catalyst for a period of strong returns for all risk assets.

The technical picture was also much improved, specifically in the corporate bond market. Banks began buying back their subordinated paper in April, which had become almost universally unloved and was trading at extremely low cash prices. These buybacks, in many cases at good premiums to market levels, gathered pace through the summer. Strong inflows into the asset class, attracted by high yields in the face of very low returns on cash, further helped demand. Lately, the technicals have continued to improve as banks have become more willing to return to using their balance sheets to make firm markets in corporate bonds. Improving liquidity resulted in further spread tightening as the liquidity premium in the market fell.

At current market levels, the European investment grade corporate bond index offers spreads of around 200 basis points more than bunds, which continues to imply that the market anticipates corporate defaults over the coming years that are multiples of historic precedent. This value, combined with still high levels of liquidity

premiums, make us bullish of the market relative to bunds. It is, however, worth noting that the market has outperformed bunds by a very large margin in the last few months; hence our bullishness is not as aggressive as it has been.

Going forward, we expect an extended period of sub-trend growth as banks deleverage and consumer savings rates increase. In addition, likely future tax rises will keep consumer spending subdued. As a result, the fund's strategy has been to be overweight in financials (especially banks) and underweight in cyclical corporates. We believe banks will continue to benefit from government support, and are focused on rebuilding balance sheet strength. The fund has also been overweight in subordinated bonds, which had reached extremely oversold levels. Given our scepticism about a strong and sustainable economic recovery, the corporate exposure is biased towards non-cyclical, defensive sectors such as utilities, tobacco and supermarkets.

The fund outperformed the index, largely due to its overweight in subordinated financials, a position we retain. In general, portfolio activity has concentrated on the primary market because of poor secondary market liquidity and the high cost of dealing. In addition, market distress meant that companies had to price new issues at significant discounts to secondary levels. The fund bought new issues from, among others, RSA at 9.375%, Fiat at 9%, Verizon Wireless at 8.75%, Michelin at 8.625%, Imperial Tobacco at 8.375%, Telecom Italia at 8.25%, Reed Elsevier at 6.5%, Pfizer at 5.75% and Roche at 5.625%. In addition, the fund picked up some secondary market bonds, namely BAA at 17.0% and Punch Taverns (AAA-tranche) at 8.7%.

STATEMENT OF TOTAL RETURN

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008* £000
Income		
Net capital gains/(losses)	5,048	300
Revenue	952	780
Expenses	(238)	(199)
Finance costs: Interest	(2)	(11)
Net revenue/(expenses) before taxation	712	570
Taxation	–	–
Net revenue/(expenses) after taxation	712	570
Total return before distributions	5,760	870
Finance costs: Distributions	(712)	(569)
Change in net assets attributable to shareholders from investment activities	5,048	301

*Restated – see note 1 page 46.

BALANCE SHEET

as at 7th September 2009

	2009 £000	March 2009 £000
Assets		
Investment assets	35,652	25,698
Debtors	2,246	910
Cash and bank balances	808	54
Total other assets	3,054	964
Total assets	38,706	26,662
Liabilities		
Creditors	(1,650)	(174)
Total liabilities	(1,650)	(174)
Net assets attributable to shareholders	37,056	26,488

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008 £000
Opening net assets attributable to shareholders	26,488	26,091
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	5,464	720
Amounts payable on cancellation of shares	(565)	(232)
	4,899	488
Dilution adjustment	28	–
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	5,048	301
Retained distribution on accumulation shares	593	461
Closing net assets attributable to shareholders	37,056	27,341

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7th March 2009 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7th September 2008.

DISTRIBUTION TABLE

for the accounting period 8th March 2009 to 7th September 2009

Interest distribution in pence per share

Class 1 Shares

Net Accumulation

Distribution Period	Gross Revenue	Income Tax	Net Revenue	Net Revenue Accumulated 2009	Net Revenue Accumulated 2008
08/03/09 to 07/09/09	1.5719	0.3144	1.2575	1.2575	1.1548
Total distributions in the period			1.2575	1.2575	1.1548

Class 1 Shares

Gross Accumulation

Distribution Period	Gross Revenue	Gross Revenue Accumulated 2009	Gross Revenue Accumulated 2008
08/03/09 to 07/09/09	1.0947	1.0947	1.2265
Total distributions in the period		1.0947	1.2265

*In pound Sterling and against UK peer group.
Please refer to pages 172-182 for comparative tables.

European Corporate Bond Fund

Notes to the financial statements

for the accounting period 8th March 2009 to 7th September 2009

1 ACCOUNTING POLICIES

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

The impact of adoption of the new SORP has had the following impact on the accounts:

Other gains/(losses)

Other gains/(losses) were previously included as a separate line in the Statement of Total Return but have now been included in net capital gains/(losses).

The effect of this change has been to increase net capital gains by £6,000 (2008: £68,000).

Transaction costs

Transaction costs were previously included in expenses but have now been included in net capital gains/(losses).

The effect of this change has been to reduce expenses by £2,000 (2008: £2,000) and to reduce net capital gains by the same amounts.

European High Yield Bond Fund

Investment Report

Investment Objective

To achieve total return. Over time this will be predominantly by way of income.

Investment Policy

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

Performance of Net Accumulation Class 1 Shares*

Over the six months to 7th September 2009, the published share price of the Threadneedle European High Yield Bond Fund has risen from 69.57p to 94.95p.

The sterling total return on the Fund for the six

months ending 31st August 2009, including net reinvested income, is +32.41%, which equates approximately to +34.42% gross of tax and charges and compares against a return of 41.87% for the Merrill Lynch European Currency High Yield Index 3% constrained (100% hedged to euros). The gross returns equate to approximately +36.03% for the Fund and +43.57% for the index when quoted in euros.

Portfolio Activity

High yield bonds enjoyed an exceptionally good six months following the extremely difficult conditions of the previous year. The rally began in mid-March amid a recovery in risk appetite, prompted by optimism over government moves to deal with the bad debt situation and growing investor optimism about the prospects for an economic recovery.

The fund achieved a robust gain in absolute terms, although its performance lagged that of the benchmark for much of the six-month review period. One of the factors behind this was the fund's focus on higher quality and more defensive issues of companies likely to outperform in the longer term. The fund's underweight positioning in the banking sector was an area that detracted from performance,

especially earlier in the review period. Over most of the interval, poorer quality securities led the market gains, particularly earlier in the period, as signs that companies previously seen as likely to default would instead probably survive drove investor demand for their very cheap issues.

Our aim remains to achieve consistently strong performance in the longer term and our emphasis continues to be on well managed companies with solid balance sheets, and good cash flow. At the ratings level, we favour single B paper over CCC issues.

Economic indicators continue to improve, and technical factors remain favourable, which has served to underpin high yield issues. There has been little in the way of unpleasant earnings surprises, while default rates have also subsided and have possibly bottomed. If so, the level of defaults may prove not to be as bad as many had initially feared. So while yield spreads have become the narrowest since Q3 2008, the market could remain resilient, underpinned by these factors. However, high yield could prove vulnerable in the face of unexpectedly negative economic or industry news.

STATEMENT OF TOTAL RETURN

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008* £000
Income		
Net capital gains/(losses)	95,391	13,562
Revenue	19,957	11,932
Expenses	(2,411)	(1,829)
Finance costs: Interest	(13)	(189)
Net revenue/(expenses) before taxation	17,533	9,914
Taxation	(341)	(159)
Net revenue/(expenses) after taxation	17,192	9,755
Total return before distributions	112,583	23,317
Change in net assets attributable to shareholders from investment activities	112,583	23,317

*Restated – see note 1 page 48.

BALANCE SHEET

as at 7th September 2009

	2009 £000	March 2009 £000
Assets		
Investment assets	403,318	271,476
Debtors	35,117	12,617
Cash and bank balances	30,690	44,819
Total other assets	65,807	57,436
Total assets	469,125	328,912
Liabilities		
Derivative liabilities	(169)	(1,305)
Creditors	(14,089)	(9,624)
Bank overdrafts	(13,053)	–
Total other liabilities	(27,142)	(9,624)
Total liabilities	(27,311)	(10,929)
Net assets attributable to shareholders	441,814	317,983

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008 £000
Opening net assets attributable to shareholders	317,983	236,407
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	276,009	84,196
Amounts payable on cancellation of shares	(269,495)	(55,182)
	6,514	29,014
Dilution adjustment	4,734	232
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	112,583	23,317
Closing net assets attributable to shareholders	441,814	288,970

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7th March 2009 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7th September 2008.

*In pound Sterling and against UK peer group.
Please refer to pages 172-182 for comparative tables.

European High Yield Bond Fund

Notes to the financial statements

for the accounting period 8th March 2009 to 7th September 2009

1 ACCOUNTING POLICIES

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

The impact of adoption of the new SORP has had the following impact on the accounts:

Other gains/(losses)

Other gains/(losses) were previously included as a separate line in the Statement of Total Return but have now been included in net capital gains/(losses).

The effect of this change has been to increase net capital gains by £261,000 (2008: £1,419,000).

Transaction costs

Transaction costs were previously included in expenses but have now been included in net capital gains/(losses).

The effect of this change has been to reduce expenses by £8,000 (2008: £6,000) and to reduce net capital gains by the same amount.

American Fund

Investment Report

Investment Objective

To achieve capital growth.

Investment Policy

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

Performance of Net Accumulation Class 1 Shares*

Over the six months to 7th September 2009, the published share price of the Threadneedle American Fund has risen from 63.15p to 79.39p.

Looking at the sterling performance within its peer group, the total return on the Fund for the six months ending 31st August 2009, including net reinvested income, is +18.45% as compared to a median return of +20.52% over the same period. (For information the S&P 500 Composite

Index returned +22.89% over the same period.)

Portfolio Activity

Over the reporting period, the US equity market performed strongly on the back of mounting evidence that government and central bank policy was effective in staving off a prolonged slump, as well as better corporate results than initially feared. Although the fund's positioning was defensively biased going into the reporting period, we gradually increased the exposure to more cyclically exposed businesses given the improving economic outlook as well as attractive valuations.

Notable purchases included Ingersoll-Rand, a diversified industrial company that is attractively valued despite positioning itself well for any improved demand for its products. The fund also bought Commscope, a well managed manufacturer of cable products which was attractively valued as the market became overly concerned regarding its sizeable, but manageable, debt position. Other purchases included Dell, the computer company which is undergoing a restructuring that should significantly improve profitability and Western

Union, the money transfer company which has benefited competitively during the downturn and continues to generate a substantial amount of free cash flow.

Several positions were sold during the period, largely for valuation reasons and to make way for more attractive new investment opportunities. Notable sales included Juniper Networks, the provider of internet infrastructure solutions; Amphenol, the manufacturer of electronic cables; and BMC Software, the software solutions company.

The recent rally has made the overall stock market less obviously cheap than it was six months ago. However, whilst economic conditions are still difficult, the outlook for corporate profitability has significantly improved and we feel the rally has largely been justified. Importantly, at a stock level we continue to find very attractive investment opportunities and we believe our fundamental stock picking approach to portfolio construction is well suited to the current market.

STATEMENT OF TOTAL RETURN

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008* £000
Income		
Net capital gains/(losses)	160,541	49,083
Revenue	6,024	5,724
Expenses	(4,789)	(5,341)
Finance costs: Interest	(1)	(24)
Net revenue/(expenses) before taxation	1,234	359
Taxation	(812)	(780)
Net revenue/(expenses) after taxation	422	(421)
Total return before distributions	160,963	48,662
Change in net assets attributable to shareholders from investment activities	160,963	48,662

*Restated – see note 1 page 50.

BALANCE SHEET

as at 7th September 2009

	2009 £000	March 2009 £000
Assets		
Investment assets	823,883	572,919
Debtors	8,406	10,733
Cash and bank balances	7,970	23,984
Total other assets	16,376	34,717
Total assets	840,259	607,636
Liabilities		
Creditors	(15,159)	(19,187)
Bank overdrafts	–	(11)
Total liabilities	(15,159)	(19,198)
Net assets attributable to shareholders	825,100	588,438

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008 £000
Opening net assets attributable to shareholders	588,438	815,925
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	133,426	151,817
Amounts payable on cancellation of shares	(57,727)	(216,464)
	75,699	(64,647)
Dilution adjustment	–	173
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	160,963	48,662
Closing net assets attributable to shareholders	825,100	800,113

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7th March 2009 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7th September 2008.

*In pound Sterling and against UK peer group.
Please refer to pages 172-182 for comparative tables.

American Fund

Notes to the financial statements

for the accounting period 8th March 2009 to 7th September 2009

1 ACCOUNTING POLICIES

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

The impact of adoption of the new SORP has had the following impact on the accounts:

Other gains/(losses)

Other gains/(losses) were previously included as a separate line in the Statement of Total Return but have now been included in net capital gains/(losses).

The effect of this change has been to reduce net capital gains by £57,000 (2008: £385,000).

Transaction costs

Transaction costs were previously included in expenses but have now been included in net capital gains/(losses).

The effect of this change has been to reduce expenses by £3,000 (2008: £6,000) and to reduce net capital gains by the same amounts.

American Select Fund

Investment Report

Investment Objective

To achieve above average capital growth.

Investment Policy

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

Performance of Net Accumulation

Class 1 Shares*

Over the six months to 7th September 2009, the published share price of the Threadneedle American Select Fund has risen from 71.70p to 92.63p.

Looking at the sterling performance within its peer group, the total return on the Fund for the

six months ending 31st August 2009, including net reinvested income, is +22.61% as compared to a median return of +20.52% over the same period. (For information the S&P 500 Composite Index returned +22.89% over the same period, and the NASDAQ Composite Index returned a capital change of +27.52%.)

Portfolio Activity

The US equity market rallied sharply over the review period on the back of mounting evidence that government and central bank policy was effective in staving off a prolonged slump, as well as better corporate results than initially feared. Although the fund was positioned with a defensive bias going into the reporting period, we gradually increased the exposure to more cyclically exposed businesses given the improving economic outlook as well as attractive valuations.

Notable purchases included Fifth Third Bancorp, a regional bank which has benefited from the resolution of the government stress-tests; Ingersoll-Rand, a diversified industrial company that is attractively valued despite positioning itself well for any improved demand for its products; Dell, the computer

company which is undergoing a restructuring that should significantly improve profitability; and CSX, the railroad operator which is yet to see volume increases but has positioned itself well for an eventual recovery in volumes by taking out costs and exerting price discipline.

Several positions were sold over the period, largely for valuation reasons and to make way for more attractive new investment opportunities. Notable sales included International Game Technology, the computerised casino systems manufacturer; Navistar, the truck company; and insurer Renaissance Re.

The recent rally has made the overall stock market less obviously cheap than it was six months ago. However, whilst economic conditions are still difficult, the outlook for corporate profitability has significantly improved and we feel the rally has largely been justified. Importantly, at a stock level we continue to find very attractive investment opportunities and we believe our fundamental stock picking approach to portfolio construction is well suited to the current market.

STATEMENT OF TOTAL RETURN

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008* £000
Income		
Net capital gains/(losses)	217,886	59,209
Revenue	6,457	6,060
Expenses	(7,174)	(7,734)
Finance costs: Interest	(2)	(119)
Net revenue/(expenses) before taxation	(719)	(1,793)
Taxation	(864)	(777)
Net revenue/(expenses) after taxation	(1,583)	(2,570)
Total return before distributions	216,303	56,639
Change in net assets attributable to shareholders from investment activities	216,303	56,639

*Restated – see note 1 page 52.

BALANCE SHEET

as at 7th September 2009

	2009 £000	March 2009 £000
Assets		
Investment assets	1,096,407	671,664
Debtors	4,744	18,901
Cash and bank balances	16,255	26,714
Total other assets	20,999	45,615
Total assets	1,117,406	717,279
Liabilities		
Creditors	(9,997)	(29,770)
Bank overdrafts	(1,990)	(1,301)
Total liabilities	(11,987)	(31,071)
Net assets attributable to shareholders	1,105,419	686,208

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008 £000
Opening net assets attributable to shareholders	686,208	917,257
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	314,711	260,187
Amounts payable on cancellation of shares	(112,206)	(288,080)
	202,505	(27,893)
Dilution adjustment	403	680
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	216,303	56,639
Closing net assets attributable to shareholders	1,105,419	946,683

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7th March 2009 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7th September 2008.

*In pound Sterling and against UK peer group.
Please refer to pages 172-182 for comparative tables.

American Select Fund

Notes to the financial statements

for the accounting period 8th March 2009 to 7th September 2009

1 ACCOUNTING POLICIES

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

The impact of adoption of the new SORP has had the following impact on the accounts:

Other gains/(losses)

Other gains/(losses) were previously included as a separate line in the Statement of Total Return but have now been included in net capital gains/(losses).

The effect of this change has been to reduce net capital gains by £819,000 (2008: £3,328,000 increase in net capital gains).

Transaction costs

Transaction costs were previously included in expenses but have now been included in net capital gains/(losses).

The effect of this change has been to reduce expenses by £4,000 (2008: £6,000) and to reduce net capital gains by the same amounts.

American Smaller Companies Fund (US)

Investment Report

Investment Objective

To achieve capital growth.

Investment Policy

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

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

Performance of Net Accumulation

Class 1 Shares*

Over the six months to 7th September 2009, the published share price of the Threadneedle American Smaller Companies Fund (US) has risen from 65.13p to 87.46p.

Looking at the sterling performance within its peer group, the total return on the Fund for the six months ending 31st August 2009,

including net reinvested income, is +26.97% as compared to a median return of +26.10% over the same period. (For information the Russell 2000TR Index returned +29.66% over the same period.)

Portfolio Activity

The US equity market performed strongly over the review period on the back of mounting evidence that government and central bank policy was effective in staving off a prolonged slump, as well as better corporate results than initially feared. Although the fund was positioned with a defensive bias going into the reporting period, we gradually increased the exposure to more cyclically exposed companies given the improving economic outlook as well as attractive valuations.

Notable purchases included Fifth Third Bancorp, a regional bank which has benefited from the resolution of the government stress-tests; Idex, the manufacturer of pump products; Nabors, the land drilling contractor services company; and Foster Wheeler, the

engineering services business, all of which are more cyclical companies.

Several positions were sold during the period, largely for valuation reasons and to make way for more attractive new investment opportunities. Notable sales included Jabil Circuit, the electronics manufacturing provider; Arrow Electronics, the distributor of electronic components; and j2 Global Communications, the internet messaging provider.

The recent rally has made the overall stock market less obviously cheap than it was six months ago. However, whilst economic conditions are still difficult, the outlook for corporate profitability has significantly improved and we feel the rally has largely been justified. Importantly, at a stock level we continue to find very attractive investment opportunities and we believe our fundamental stock picking approach to portfolio construction is well suited to the current market.

STATEMENT OF TOTAL RETURN

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008* £000
Income		
Net capital gains/(losses)	22,586	9,681
Revenue	300	320
Expenses	(473)	(457)
Finance costs: Interest	(1)	(49)
Net revenue/(expenses) before taxation	(174)	(186)
Taxation	(37)	(31)
Net revenue/(expenses) after taxation	(211)	(217)
Total return before distributions	22,375	9,464
Change in net assets attributable to shareholders from investment activities	22,375	9,464

*Restated – see note 1 page 54.

BALANCE SHEET

as at 7th September 2009

	2009 £000	March 2009 £000
Assets		
Investment assets	91,002	61,604
Debtors	261	222
Cash and bank balances	800	3,479
Total other assets	1,061	3,701
Total assets	92,063	65,305
Liabilities		
Creditors	(153)	(1,494)
Total liabilities	(153)	(1,494)
Net assets attributable to shareholders	91,910	63,811

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008 £000
Opening net assets attributable to shareholders	63,811	74,496
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	10,651	688
Amounts payable on cancellation of shares	(4,953)	(2,520)
	5,698	(1,832)
Dilution adjustment	26	–
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	22,375	9,464
Closing net assets attributable to shareholders	91,910	82,128

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7th March 2009 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7th September 2008.

*In pound Sterling and against UK peer group.
Please refer to pages 172-182 for comparative tables.

American Smaller Companies Fund (US)

Notes to the financial statements

for the accounting period 8th March 2009 to 7th September 2009

1 ACCOUNTING POLICIES

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

The impact of adoption of the new SORP has had the following impact on the accounts:

Other gains/(losses)

Other gains/(losses) were previously included as a separate line in the Statement of Total Return but have now been included in net capital gains/(losses).

The effect of this change has been to reduce net capital gains by £57,000 (2008: £723,000 increase in net capital gains).

Transaction costs

Transaction costs were previously included in expenses but have now been included in net capital gains/(losses).

The effect of this change has been to reduce expenses by £2,000 (2008: £2,000) and to reduce net capital gains by the same amounts.

Dollar Bond Fund

Investment Report

Investment Objective

To achieve total return primarily by way of income with some capital growth.

Investment Policy

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

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

Performance of Net Income

Class 1 Shares*

Over the six months to 7th September 2009, the published share price of the Threadneedle Dollar Bond Fund has risen from 46.11p to 46.55p.

The sterling total return on the Fund for the

six months ending 31st August 2009, including gross reinvested income, is +4.78% gross of tax and charges. (For information the MSCI Custom Index from 28/02/02 linked with JPM Dollar Bond gave a total return of -8.30% in sterling terms for the same period.)

Portfolio Activity

Returns from dollar bonds were strong over the last six months, but more so for corporate bonds than their government counterparts.

The US Treasury market started to find some stability in the last month after a rise in yields over the first seven months of the year. Paradoxically, this comes in spite of increasing signs that the worst of the credit crunch is behind us, and with many economic statistics showing signs of improvement. Yields on the benchmark 10-year Treasury have risen from around 2% at the start of the year to nearly 4%, so there is certainly more value in the market than had previously been the case.

The very steep shape of the US yield curve and scant signs of any inflationary pressure have reassured investors. The likelihood

remains, however, that longer-term economic performance will be soured by the desire to deleverage the US economy.

Over the last two months, the Dollar Bond Fund has been gently increasing its exposure to US Treasury bonds, and longer-dated bonds in particular, from the previous very low level. Hence, nearly 40% of the fund is now invested in cash and US government debt. The duration of the fund is around a year longer than the benchmark. We still prefer corporate bonds but the degree of preference has been reduced from the extreme levels seen between the fourth quarter of 2008 and the first quarter of this year.

Around 60% of the fund is currently invested in non-government securities. This part of the market is still factoring in too much pessimism about corporate defaults and the liquidity premium is still too high. Hence, we anticipate remaining overweight in corporate bonds through the coming weeks and will use attractively priced new issues as a means of adding value and exposure where appropriate.

STATEMENT OF TOTAL RETURN

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008* £000
Income		
Net capital gains/(losses)	1,340	5,251
Revenue	1,113	1,496
Expenses	(283)	(308)
Finance costs: Interest	–	(6)
Net revenue/(expenses) before taxation	830	1,182
Taxation	–	–
Net revenue/(expenses) after taxation	830	1,182
Total return before distributions	2,170	6,433
Finance costs: Distributions	(1,055)	(1,431)
Change in net assets attributable to shareholders from investment activities	1,115	5,002

*Restated – see note 1 page 56.

BALANCE SHEET

as at 7th September 2009

	2009 £000	March 2009 £000
Assets		
Investment assets	44,110	42,535
Debtors	737	2,271
Cash and bank balances	1,886	1,511
Total other assets	2,623	3,782
Total assets	46,733	46,317
Liabilities		
Creditors	(253)	(847)
Distribution payable on income shares	(689)	(1,050)
Total liabilities	(942)	(1,897)
Net assets attributable to shareholders	45,791	44,420

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008 £000
Opening net assets attributable to shareholders	44,420	52,201
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	7,273	6,121
Amounts payable on cancellation of shares	(7,306)	(10,202)
	(33)	(4,081)
Dilution adjustment	79	26
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	1,115	5,002
Retained distribution on accumulation shares	210	243
Closing net assets attributable to shareholders	45,791	53,391

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7th March 2009 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7th September 2008.

DISTRIBUTION TABLE

for the accounting period 8th March 2009 to 7th September 2009

Interest distribution in pence per share

Class 1 Shares						
Net Income						
Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution Payable 2009	Distribution Paid 2008
Group 1						
08/03/09 to 07/09/09	1.0718	0.2144	0.8574	–	0.8574	0.9198
Group 2						
08/03/09 to 07/09/09	0.4251	0.0850	0.3401	0.5173	0.8574	0.9198
Total distributions in the period					0.8574	0.9198
Class 1 Shares						
Gross Accumulation						
Distribution Period	Gross Revenue			Equalisation	Gross Revenue Accumulated 2009	Gross Revenue Accumulated 2008
Group 1						
08/03/09 to 07/09/09	1.8503			–	1.8503	1.8700
Group 2						
08/03/09 to 07/09/09	1.0512			0.7991	1.8503	1.8700
Total distributions in the period					1.8503	1.8700

Group 2: shares purchased during a distribution period

*In pound Sterling and against UK peer group.
Please refer to pages 172-182 for comparative tables.

Dollar Bond Fund

Notes to the financial statements

for the accounting period 8th March 2009 to 7th September 2009

1 ACCOUNTING POLICIES

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

The impact of adoption of the new SORP has had the following impact on the accounts:

Other gains/(losses)

Other gains/(losses) were previously included as a separate line in the Statement of Total Return but have now been included in net capital gains/(losses).

The effect of this change has been to reduce net capital gains by £145,000 (2008: £152,000 increase in net capital gains).

Transaction costs

Transaction costs were previously included in expenses but have now been included in net capital gains/(losses).

The effect of this change has been to reduce expenses by £3,000 (2008: £4,000) and to reduce net capital gains by the same amounts.

Japan Fund

Investment Report

Investment Objective

To achieve capital growth.

Investment Policy

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

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

Performance of Net Accumulation Class 1 Shares*

Over the six months to 7th September 2009, the published share price of the Threadneedle Japan Fund has risen from 27.75p to 32.14p.

Looking at the sterling performance within its peer group, the total return on the Fund

for the six months ending 31st August 2009, including net reinvested income, is +11.61% as compared to a median return of +19.92% over the same period. (For information the TOPIX returned +19.05% over the same period.)

Portfolio Activity

The Japanese equity market has risen strongly over the last six months. This performance reflects the extraordinary volatility in equity markets over the past 12 months. Over the reporting period, the rally in sterling versus the yen has reduced the returns for UK investors.

Japan remains a deeply cyclical industrial economy. Excess debt is found in the public rather than private sector. As a result, while first quarter GDP data showed a virtual collapse in economic activity, this was a function of global inventory adjustments and very weak final demand, rather than any particular financial problems or excessive leverage in the Japanese economy. Japan's vulnerability to the global financial crisis has therefore been primarily through the export sector. As a consequence, the extremely

aggressive fiscal and monetary stimulus seen globally, accompanied by the very low level of inventories, has resulted in a sharp pick up in the Japanese economy in the second quarter. Given that this has been accompanied by aggressive cost cutting, the result is a much needed boost to corporate operational gearing, and hence the prospect of a strong profits recovery. In addition, with 50% of exports going to Asia, of which 20% goes directly to China, Japan is very well positioned to benefit from growth which is, to some extent, secular in nature.

Against this background, we were clearly too slow to reposition the fund towards a more "pro-cyclical" strategy. This has been addressed, with the fund now overweight in some areas of technology, autos and materials whilst being underweight in retail, food and utilities. Nevertheless, after such a powerful rally some caution is warranted. Structural issues remain in western economies, while the degree of fiscal stimulus is unsustainable. The fund is therefore quite neutrally positioned at a sector level, with a heavy emphasis on stock selection.

STATEMENT OF TOTAL RETURN

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008* £000
Income		
Net capital gains/(losses)	20,922	7,671
Revenue	1,440	1,895
Expenses	(929)	(1,065)
Finance costs: Interest	(1)	(10)
Net revenue/(expenses) before taxation	510	820
Taxation	(108)	(136)
Net revenue/(expenses) after taxation	402	684
Total return before distributions	21,324	8,355
Change in net assets attributable to shareholders from investment activities	21,324	8,355

*Restated – see note 1 page 58.

BALANCE SHEET

as at 7th September 2009

	2009 £000	March 2009 £000
Assets		
Investment assets	150,170	124,907
Debtors	5,849	10,951
Cash and bank balances	872	3,040
Total other assets	6,721	13,991
Total assets	156,891	138,898
Liabilities		
Creditors	(4,305)	(9,291)
Total liabilities	(4,305)	(9,291)
Net assets attributable to shareholders	152,586	129,607

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008 £000
Opening net assets attributable to shareholders	129,606	166,562
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	18,573	5,427
Amounts payable on cancellation of shares	(16,942)	(13,287)
	1,631	(7,860)
Dilution adjustment	25	–
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	21,324	8,355
Closing net assets attributable to shareholders	152,586	167,057

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7th March 2009 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7th September 2008.

*In pound Sterling and against UK peer group.
Please refer to pages 172-182 for comparative tables.

Japan Fund

Notes to the financial statements

for the accounting period 8th March 2009 to 7th September 2009

1 ACCOUNTING POLICIES

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

The impact of adoption of the new SORP has had the following impact on the accounts:

Other gains/(losses)

Other gains/(losses) were previously included as a separate line in the Statement of Total Return but have now been included in the net capital gains/(losses).

The effect of this change has been to reduce net capital gains by £528,000 (2008: £644,000 increase in net capital gains)

Transaction costs

Transaction costs were previously included in expenses but have now been included in net capital gains/(losses).

The effect of this change has been to reduce expenses by £11,000 (2008: £9,000) and to reduce net capital gains by the same amounts.

Japan Smaller Companies Fund

Investment Report

Investment Objective

To achieve capital growth.

Investment Policy

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

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

Performance of Net Accumulation Class 1 Shares*

Over the six months to 7th September 2009, the published share price of the Threadneedle Japan Smaller Companies Fund has risen from 57.85p to 72.51p.

Looking at the sterling performance within its peer group, the total return on the Fund for the six months ending 31st August 2009, including net reinvested income, is +28.99% as compared to a median return of +31.14%

over the same period. (For information the capital change for the TOPIX Small Cap Index was +19.70% over the same period.)

Portfolio Activity

The Japanese Topix Index rose strongly over the period under review. Small stocks included in the Topix Index performed slightly less well than larger companies. The six-month period almost perfectly captured the entire market rally from the low point for the Topix Small Index on 12th March 2009. Since that date, the market has made steady progress with only short periods of correction or sideways movement.

There are two main reasons for the improvement in sentiment across the entire Japanese market since March. The first is the continuous stream of announcements relating to proactive policy measures from governments around the world in their attempts to mitigate the impact of the global credit crisis. The second, and probably far more significant for Japanese smaller companies, is the growing evidence that dramatic cuts to industrial production levels had the desired impact on inventories, and that the environment is no longer

deteriorating for Japan's manufacturers and exporters. This justified significant bargain hunting among small cap manufacturing stocks as valuations had become particularly attractive, with many companies trading on a discount to the book value of their assets.

The better performing stocks in this environment represented a complete reversal of the pattern seen in the prior period of market weakness. The financial sector, which includes real estate, was very strong as credit conditions improved dramatically (Kyokuto Securities, Century Tokyo Leasing). In addition, manufacturing stocks across an extremely wide range of product areas more than kept up with the market's strength (Arisawa Manufacturing, Ohara), as did domestic companies sensitive to the economy (Accordia Golf). Sectors traditionally seen as defensive such as telecoms and utilities lagged the market rally. Fund activity continues to focus on finding, or adding to, high quality small manufacturers (Nissan Chemical, Yushin Precision) and we have also added to selected financials (Jafco). These purchases have been funded by reducing some information and communication sector positions (eAccess, Zenrin).

STATEMENT OF TOTAL RETURN

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008* £000
Income		
Net capital gains/(losses)	17,853	(988)
Revenue	826	769
Expenses	(454)	(320)
Finance costs: Interest	(1)	(6)
Net revenue/(expenses) before taxation	371	443
Taxation	(62)	(55)
Net revenue/(expenses) after taxation	309	388
Total return before distributions	18,162	(600)
Change in net assets attributable to shareholders from investment activities	18,162	(600)

*Restated – see note 1 page 60.

BALANCE SHEET

as at 7th September 2009

	2009 £000	March 2009 £000
Assets		
Investment assets	96,553	56,398
Debtors	130	5,124
Cash and bank balances	599	1,550
Total other assets	729	6,674
Total assets	97,282	63,072
Liabilities		
Creditors	(95)	(5,111)
Total liabilities	(95)	(5,111)
Net assets attributable to shareholders	97,187	57,961

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008 £000
Opening net assets attributable to shareholders	57,961	60,064
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	21,478	249
Amounts payable on cancellation of shares	(516)	(4,838)
	20,962	(4,589)
Dilution adjustment	102	15
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	18,162	(600)
Closing net assets attributable to shareholders	97,187	54,890

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7th March 2009 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7th September 2008.

*In pound Sterling and against UK peer group.
Please refer to pages 172-182 for comparative tables.

Japan Smaller Companies Fund

Notes to the financial statements

for the accounting period 8th March 2009 to 7th September 2009

1 ACCOUNTING POLICIES

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

The impact of adoption of the new SORP has had the following impact on the accounts:

Other gains/(losses)

Other gains/(losses) were previously included as a separate line in the Statement of Total Return but have now been included in the net capital gains/(losses).

The effect of this change has been to reduce net capital gains by £40,000 (2008: £19,000 reduction in net capital losses)

Transaction costs

Transaction costs were previously included in expenses but have now been included in net capital gains/(losses).

The effect of this change has been to reduce expenses by £11,000 (2008: £7,000) and to reduce net capital gains in 2009 and increase net capital losses in 2008 by the same amount.

Asia Fund

Investment Report

Investment Objective

To achieve capital growth.

Investment Policy

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

Performance of Net Accumulation Class 1 Shares*

Over the six months to 7th September 2009, the published share price of the Threadneedle Asia Fund has risen from 66.87p to 100.52p.

Looking at the sterling performance within its peer group, the total return on the Fund for the six months ending 31st August 2009, including net reinvested income, is

+44.56% as compared to a median return of +44.12% over the same period. (For information the MSCI AC Asia Pacific Free Ex Japan Index returned +49.93% over the same period.)

Portfolio Activity

Asian stock markets have rebounded strongly during the period under review as investors globally have become less risk averse. Abundant domestic liquidity, courtesy of low domestic interest rates, combined with hefty foreign fund inflows has been a key contributor to this strength. Sentiment has been buoyed by evidence that Asian economies troughed in the first quarter of 2009, helped by huge fiscal and monetary stimulus across the region. Corporate earnings growth forecasts for this year have also been revised up in response to better-than-expected first half results, particularly in the banking and technology sectors.

Fund inflows were directed towards raising the cyclical tilt of the portfolio, which has

resulted in an increased exposure to the technology, consumer discretionary and banking sectors at the expense of the more traditionally defensive sectors of telecommunications and consumer staples. Geographically, this has meant increased weightings in the more economically sensitive markets of Korea and Taiwan, while exposure to the markets of Australia and Malaysia, which are less geared to economic recovery, has been lowered. The fund has also increased its weighting in the Indonesian market, where domestic demand has been boosted by falling interest rates.

The fund's current investment strategy is to focus on those companies that benefit from strong consumption growth and rising infrastructure spending across the region, together with beneficiaries of asset reflation. The fund is also looking to invest in quality cyclical companies that are leveraged to a recovery in demand.

STATEMENT OF TOTAL RETURN

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008* £000
Income		
Net capital gains/(losses)	304,395	(107,247)
Revenue	13,917	12,031
Expenses	(6,054)	(5,209)
Finance costs: Interest	(7)	(48)
Net revenue/(expenses) before taxation	7,856	6,774
Taxation	(753)	(1,122)
Net revenue/(expenses) after taxation	7,103	5,652
Total return before distributions	311,498	(101,595)
Change in net assets attributable to shareholders from investment activities	311,498	(101,595)

*Restated – see note 1 page 62.

BALANCE SHEET

as at 7th September 2009

	2009 £000	March 2009 £000
Assets		
Investment assets	1,104,254	498,726
Debtors	44,754	5,998
Cash and bank balances	31,970	31,968
Total other assets	76,724	37,966
Total assets	1,180,978	536,692
Liabilities		
Creditors	(69,894)	(7,451)
Bank overdrafts	(1,216)	(1,826)
Total liabilities	(71,110)	(9,277)
Net assets attributable to shareholders	1,109,868	527,415

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008 £000
Opening net assets attributable to shareholders	527,415	682,885
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	363,672	183,937
Amounts payable on cancellation of shares	(93,800)	(91,141)
	269,872	92,796
Dilution adjustment	1,098	762
Stamp duty reserve tax	(15)	(27)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	311,498	(101,595)
Retained distribution on accumulation shares	–	–
Closing net assets attributable to shareholders	1,109,868	674,821

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7th March 2009 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7th September 2008.

*In pound Sterling and against UK peer group.
Please refer to pages 172-182 for comparative tables.

Asia Fund

Notes to the financial statements

for the accounting period 8th March 2009 to 7th September 2009

1 ACCOUNTING POLICIES

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

The impact of adoption of the new SORP has had the following impact on the accounts:

Other gains/(losses)

Other gains/(losses) were previously included as a separate line in the Statement of Total Return but have now been included in net capital gains/(losses).

The effect of this change has been to reduce net capital gains by £4,214,000 (2008: £3,281,000 reduction in net capital losses).

Transaction costs

Transaction costs were previously included in expenses but have now been included in net capital gains/(losses).

The effect of this change has been to reduce expenses by £9,000 (2008: £10,000) and to reduce net capital gains in 2009 and increase net capital losses in 2008 by the same amounts.

Latin America Fund

Investment Report

Investment Objective

To achieve capital growth.

Investment Policy

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

Performance of Net Accumulation Class 1 Shares*

Over the six months to 7th September 2009, the published share price of the Threadneedle Latin America Fund has risen from 134.18p to 210.90p.

Looking at the sterling performance within its peer group, the total return on the Fund for the six months ending 31st August 2009, including net reinvested

income, is +53.37%. (For information the MSCI Latin America Index returned +53.07% over the same period.)

Portfolio Activity

Latin American markets have performed very strongly over the last six months. The recovery in the Chinese economy has had a positive effect on commodity prices, which in turn has boosted Latin American exports and allowed confidence in the region's currencies to recover from very depressed levels. Interest rates have fallen across the region, providing a further stimulus for economic activity, which now appears to be picking up. As well as commodity related areas, the consumer and industrial sectors have performed well.

The fund has maintained a relatively high exposure to Brazil, which appears best positioned for recovery with interest rates now down to single digit levels for the first time in 40 years. Mexico continues to

be the fund's second highest exposure geographically and should recover along with the US economy.

In terms of sectors, the fund has increased its exposure to the consumer discretionary sector in economically sensitive areas such as retailing, and property. At the same time, the fund has reduced its holdings in the utility sector. In particular, the fund has increased its position in Lojas Renner, a Brazilian clothing retailer, and added a holding in BR Malls, a Brazilian mall operator. The fund has reduced its position in Redecard, a transaction processor for Mastercard which is facing regulatory issues. In Mexico, the fund has established a holding in the Mexican Stock Exchange and added to Walmart, the country's dominant food retailer.

STATEMENT OF TOTAL RETURN

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008* £000
Income		
Net capital gains/(losses)	263,154	(71,141)
Revenue	10,655	12,294
Expenses	(4,234)	(6,249)
Finance costs: Interest	(9)	(153)
Net revenue/(expenses) before taxation	6,412	5,892
Taxation	(579)	(1,174)
Net revenue/(expenses) after taxation	5,833	4,718
Total return before distributions	268,987	(66,423)
Change in net assets attributable to shareholders from investment activities	268,987	(66,423)

*Restated – see note 1 page 64.

BALANCE SHEET

as at 7th September 2009

	2009 £000	March 2009 £000
Assets		
Investment assets	736,669	439,042
Debtors	3,039	7,991
Cash and bank balances	4,616	28,969
Total other assets	7,655	36,960
Total assets	744,324	476,002
Liabilities		
Creditors	(3,402)	(14,632)
Total liabilities	(3,402)	(14,632)
Net assets attributable to shareholders	740,922	461,370

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008 £000
Opening net assets attributable to shareholders	461,370	961,566
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	69,339	102,684
Amounts payable on cancellation of shares	(58,772)	(233,941)
	10,567	(131,257)
Dilution adjustment	–	518
Stamp duty reserve tax	(2)	(7)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	268,987	(66,423)
Compensation	–	2
Closing net assets attributable to shareholders	740,922	764,399

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7th March 2009 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7th September 2008.

*In pound Sterling.

Please refer to pages 172-182 for comparative tables.

Latin America Fund

Notes to the financial statements

for the accounting period 8th March 2009 to 7th September 2009

1 ACCOUNTING POLICIES

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

The impact of adoption of the new SORP has had the following impact on the accounts:

Other gains/(losses)

Other gains/(losses) were previously included as a separate line in the Statement of Total Return but have now been included in net capital gains/(losses).

The effect of this change has been to reduce net capital gains by £935,000 (2008: £162,000 reduction in net capital losses).

Transaction costs

Transaction costs were previously included in expenses but have now been included in net capital gains/(losses).

The effect of this change has been to reduce expenses by £7,000 (2008: £22,000) and to reduce net capital gains in 2009 increase net capital losses in 2008 by the same amounts.

Emerging Market Bond Fund

Investment Report

Investment Objective

To achieve a total return primarily by way of income with some capital growth.

Investment Policy

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

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

Performance of Net Income Class 1 Shares*

Over the six months to 7th September 2009, the published share price of the Threadneedle Emerging Market Bond Fund has risen from 54.29p to 55.68p.

The sterling total return on the Fund for the six months ending 31st August 2009, including net reinvested income, is +4.57%. The Fund return equates approximately to +6.44% gross of tax and charges. (For information the JP Morgan Emerging Markets Global Index gave a total return of +5.61% for the same period.)

Portfolio Activity

Emerging bond markets performed strongly over the reporting period as confidence in the various stimulus packages and signs of economic improvement led to a dramatic increase in risk appetite. Hard currency emerging bond markets benefited from this change in sentiment, with the spread over US Treasuries tightening from 712 basis points to 384 basis points according to JP Morgan indices. Local currency bond markets experienced a more dramatic turnaround.

The fund benefited from strong investor demand throughout the period and, as such, a significant amount of portfolio activity was focused on putting inflows to work. Early in the period, we focused on investing in those countries most likely to benefit from the increase in demand for emerging market debt. In particular, capital was allocated to government debt issued by Russia, Brazil, Venezuela and Mexico. However, we maintained our preference for better quality and more liquid issuers, which limited performance due to the underweight positions in Ecuador, the Ukraine and Pakistan.

Towards the end of the period, we started to reduce the exposure to the more volatile (and profitable) issuers in Latin America and to increase the exposure to the underperforming Asian markets. The fund's overweight position in Russia was also reduced. Furthermore, the fund's exposure to local currency debt was increased to take advantage of attractive relative value opportunities within this segment of the market.

STATEMENT OF TOTAL RETURN

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008* £000
Income		
Net capital gains/(losses)	7,735	13,344
Revenue	10,664	4,629
Expenses	(2,320)	(1,000)
Finance costs: Interest	(3)	(53)
Net revenue/(expenses) before taxation	8,341	3,576
Taxation	(7)	(17)
Net revenue/(expenses) after taxation	8,334	3,559
Total return before distributions	16,069	16,903
Finance costs: Distributions	(10,373)	(4,436)
Change in net assets attributable to shareholders from investment activities	5,696	12,467

*Restated – see note 1 page 66.

BALANCE SHEET

as at 7th September 2009

	2009 £000	March 2009 £000
Assets		
Investment assets	423,010	195,377
Debtors	10,572	17,279
Cash and bank balances	53,699	3,575
Total other assets	64,271	20,854
Total assets	487,281	216,231
Liabilities		
Derivative liabilities	(162)	(759)
Creditors	(1,274)	(14,219)
Bank overdrafts	(627)	(943)
Distribution payable on income shares	(7,691)	(5,984)
Total other liabilities	(9,592)	(21,146)
Total liabilities	(9,754)	(21,905)
Net assets attributable to shareholders	477,527	194,326

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008 £000
Opening net assets attributable to shareholders	194,326	111,256
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	312,427	5,788
Amounts payable on cancellation of shares	(42,631)	(2,929)
	269,796	2,859
Dilution adjustment	1,879	–
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	5,696	12,467
Retained distribution on accumulation shares	5,830	489
Compensation	–	3
Closing net assets attributable to shareholders	477,527	127,074

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7th March 2009 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7th September 2008.

*In pound Sterling and against UK peer group.
Please refer to pages 172-182 for comparative tables.

DISTRIBUTION TABLE

for the accounting period 8th March 2009 to 7th September 2009

Interest distribution in pence per share

Class 1 Shares

Net Income						
Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution Payable 2009	Distribution Paid 2008
Group 1						
08/03/09 to 07/09/09	1.7368	0.3474	1.3894	–	1.3894	1.4225
Group 2						
08/03/09 to 07/09/09	0.8074	0.1615	0.6459	0.7435	1.3894	1.4225
Total distributions in the period					1.3894	1.4225
Class 1 Shares						
Gross Income						
Distribution Period	Gross Revenue			Equalisation	Distribution Payable 2009	Distribution Paid 2008
Group 1						
08/03/09 to 07/09/09	2.9415			–	2.9415	3.0184
Group 2						
08/03/09 to 07/09/09	1.9853			0.9562	2.9415	3.0184
Total distributions in the period					2.9415	3.0184

Emerging Market Bond Fund

DISTRIBUTION TABLE

(continued)

Class 1 Shares

Gross Accumulation

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2009	Gross Revenue Accumulated 2008
Group 1 08/03/09 to 07/09/09	4.3546	—	4.3546	4.1330
Group 2 08/03/09 to 07/09/09	1.1774	3.1772	4.3546	4.1330
Total distributions in the period			4.3546	4.1330

Class 2 Shares

Gross Accumulation

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2009	Gross Revenue Accumulated 2008
Group 1 08/03/09 to 07/09/09	4.2704	—	4.2704	4.0053
Group 2 08/03/09 to 07/09/09	2.5971	1.6733	4.2704	4.0053
Total distributions in the period			4.2704	4.0053

Class X Shares

Gross Accumulation

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2009	Gross Revenue Accumulated 2008
Group 1 08/03/09 to 07/09/09	1.3524	—	1.3524	—
Group 2 08/03/09 to 07/09/09	0.6160	0.7364	1.3524	—
Total distributions in the period			1.3524	0.0000

Group 2: shares purchased during a distribution period

Notes to the financial statements

for the accounting period 8th March 2009 to 7th September 2009

1 ACCOUNTING POLICIES

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

The impact of adoption of the new SORP has had the following impact on the accounts:

Other gains/(losses)

Other gains/(losses) were previously included as a separate line in the Statement of Total Return but have now been included in net capital gains/(losses).

The effect of this change has been to reduce net capital gains by £7,871,000 (2008: £2,589,000 increase in net capital gains).

Transaction costs

Transaction costs were previously included in expenses but have now been included in net capital gains/(losses).

The effect of this change has been to reduce expenses by £4,000 (2008: £5,000) and to reduce net capital gains by the same amounts.

Global Select Fund

Investment Report

Investment Objective

To achieve above average capital growth.

Investment Policy

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

Performance of Net Accumulation Class 1 Shares*

Over the six months to 7th September 2009, the published share price of the Threadneedle Global Select Fund has risen from 61.01p to 79.61p.

Looking at the sterling performance within its peer group, the total return on the Fund for the six months ending 31st August 2009, including net reinvested income, is +23.14% as compared to the MSCI AC World Free Index which returned +30.88% over the same period. (For information the median returned +26.41% over the same period.)

Portfolio Activity

Global equity markets have recovered strongly from their March lows. The early phase of the equity market recovery was led by lower quality, highly cyclical areas – especially stocks that had previously been priced for failure. This initially hindered the fund's relative performance, as it did not hold a number of highly leveraged companies that rallied sharply. Additionally, the fund's sector strategy, although much less defensive than at the start of 2009, was not focused on the most economically sensitive areas that led the rally. Later in the review period, however, the fund benefited as market performance began to broaden out, and there is currently increased rotation within, rather than between, sectors. As a result, we expect sector strategy to be a diminishing influence on performance over the coming months and for stock selection within sectors to play an increasingly key role.

Over the past few months, we have sought to identify new stock ideas to ensure that the portfolio remains optimally positioned for the changing economic and market environment. New positions have been established in a range of sectors, including industrials (Lockheed Martin, whose involvement in the F35 programme is under-appreciated), IT hardware (Dell, a good example of

cost cutting providing attractive operational gearing into an economic recovery) and financials (under-researched stock Fortis is mis-valued in our opinion). We have also added to the fund's emerging market exposure via new holdings in Visanet (Brazilian credit card processor and a beneficiary of growing emerging market consumption), mobile telecom provider Millicom (another consumption theme beneficiary) and Bank Rakyat, an Indonesian micro-lender with strong growth potential and high barriers to entry.

In comparison with the benchmark, the fund is currently overweight in financials, technology, telecoms and healthcare, and underweight in consumer discretionary, consumer staples, energy, industrials, utilities and materials. Geographically, the portfolio has an above benchmark position in emerging markets, Europe and the UK, a neutral exposure to the US and is underweight in Japan and developed Asia.

Looking ahead, recent data suggests that the global economy is now on the road to recovery although this could prove to be both slow and difficult. Nevertheless, equity markets are forward-looking and have responded very positively to the prospect of a recovery in growth and company earnings.

STATEMENT OF TOTAL RETURN

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008* £000
Income		
Net capital gains/(losses)	113,145	(9,062)
Revenue	6,841	8,132
Expenses	(3,906)	(4,741)
Finance costs: Interest	(3)	(34)
Net revenue/(expenses) before taxation	2,932	3,357
Taxation	(799)	(772)
Net revenue/(expenses) after taxation	2,133	2,585
Total return before distributions	115,278	(6,477)
Change in net assets attributable to shareholders from investment activities	115,278	(6,477)

*Restated – see note 1 page 68.

BALANCE SHEET

as at 7th September 2009

	2009 £000	March 2009 £000
Assets		
Investment assets	510,558	351,203
Debtors	6,032	3,441
Cash and bank balances	3,977	17,695
Total other assets	10,009	21,136
Total assets	520,567	372,339
Liabilities		
Creditors	(6,917)	(8,788)
Bank overdrafts	(710)	(1,141)
Total liabilities	(7,627)	(9,929)
Net assets attributable to shareholders	512,940	362,410

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008 £000
Opening net assets attributable to shareholders	362,410	538,935
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	51,449	49,676
Amounts payable on cancellation of shares	(16,186)	(63,676)
	35,263	(14,000)
Dilution adjustment	–	39
Stamp duty reserve tax	(11)	(43)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	115,278	(6,477)
Closing net assets attributable to shareholders	512,940	518,454

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7th March 2009 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7th September 2008.

*In pound Sterling and against UK peer group.
Please refer to pages 172-182 for comparative tables.

Global Select Fund

Notes to the financial statements

for the accounting period 8th March 2009 to 7th September 2009

1 ACCOUNTING POLICIES

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

The impact of adoption of the new SORP has had the following impact on the accounts:

Other gains/(losses)

Other gains/(losses) were previously included as a separate line in the Statement of Total Return but have now been included in net capital gains/(losses).

The effect of this change has been to reduce net capital gains by £263,000 (2008: £563,000 reduction to net capital losses).

Transaction costs

Transaction costs were previously included in expenses but have now been included in net capital gains/(losses).

The effect of this change has been to reduce expenses by £6,000 (2008: £12,000) and to reduce net capital gains in 2009 and increase net capital losses in 2008 by the same amounts.

Global Bond Fund

Investment Report

Investment Objective

To achieve a total return comprising primarily income with some capital growth.

Investment Policy

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

Performance of Net Income

Class 1 Shares*

Over the six months to 7th September 2009, the published share price of the Threadneedle Global Bond Fund has fallen from 64.10p to 59.48p.

Looking at the sterling performance within its peer group, the total return on the Fund for the six months ending 31st August 2009, including net reinvested income, is -5.00% as compared to a median return of +3.94% over the same

period. The Fund return equates approximately to -3.98% gross of tax and charges. (For information the JPM Global Bond ex Japan Index gave a total return of -3.10% for the same period.)

Portfolio Activity

Risk markets performed strongly over the reporting period, as sentiment recovered from the rock bottom levels reached in early March, and economic activity began to improve. Early in the period, government bond yields broadly increased as worries over heavy supply forced investors to seek higher returns. This trend reversed in June and bond yields moved lower.

The fund was initially positioned for falling yields in March and April, which detracted from performance. These positions were reduced in late April via cash sales and the use of derivatives. Towards the end of the period, the fund was positioned to benefit from falling

yields at the longer end of the term structure in Germany, and this worked well in August.

The fund broadly maintained a preference for European bonds versus US bonds which added to performance generally as European bonds fared better. Through June and July, the fund increased its holdings of Italian bonds versus German bonds to take advantage of the increased appetite for risk. Towards the end of July, the fund then moved into Dutch bonds, following the strong outperformance of Italian issues.

In terms of its currency positioning, the fund broadly maintained a short position in the euro throughout the period. This was held against the US dollar, which detracted from performance, as well as currencies such as the Norwegian krone and Australian dollar later in the quarter, which added value.

STATEMENT OF TOTAL RETURN

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008* £000
Income		
Net capital gains/(losses)	(23,085)	13,339
Revenue	6,075	4,540
Expenses	(2,066)	(1,568)
Finance costs: Interest	(4)	(55)
Net revenue/(expenses) before taxation	4,005	2,917
Taxation	—	—
Net revenue/(expenses) after taxation	4,005	2,917
Total return before distributions	(19,080)	16,256
Finance costs: Distributions	(5,805)	(4,277)
Change in net assets attributable to shareholders from investment activities	(24,885)	11,979

*Restated – see note 1 page 70.

BALANCE SHEET

as at 7th September 2009

	2009 £000	March 2009 £000
Assets		
Investment assets	310,226	354,567
Debtors	8,094	20,043
Cash and bank balances	1,615	5,800
Total other assets	9,709	25,843
Total assets	319,935	380,410
Liabilities		
Derivative liabilities	(2,717)	(2,379)
Creditors	(8,424)	(19,279)
Bank overdrafts	(22)	(8,875)
Distribution payable on income shares	(3,185)	(3,557)
Total other liabilities	(11,631)	(31,711)
Total liabilities	(14,348)	(34,090)
Net assets attributable to shareholders	305,587	346,320

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008 £000
Opening net assets attributable to shareholders	346,320	238,166
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	14,356	27,378
Amounts payable on cancellation of shares	(32,506)	(33,559)
	(18,150)	(6,181)
Dilution adjustment	—	17
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(24,885)	11,979
Retained distribution on accumulation shares	2,286	1,523
Compensation	16	(2)
Closing net assets attributable to shareholders	305,587	245,502

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7th March 2009 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7th September 2008.

*In pound Sterling and against UK peer group.
Please refer to pages 172-182 for comparative tables.

DISTRIBUTION TABLE

for the accounting period 8th March 2009 to 7th September 2009

Interest distribution in pence per share

Class 1 Shares

Net Income

Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution Payable 2009	Distribution Paid 2008
Group 1						
08/03/09 to 07/09/09	1.0731	0.2146	0.8585	—	0.8585	0.7117
Group 2						
08/03/09 to 07/09/09	0.7423	0.1485	0.5938	0.2647	0.8585	0.7117
Total distributions in the period					0.8585	0.7117

Class 1 Shares

Net Accumulation*

Distribution Period	Gross Revenue 2009	Income Tax	Net Revenue	Equalisation	Net Revenue Accumulated
Group 1					
08/05/09 to 07/09/09	0.5271	0.1054	0.4217	—	0.4217
Group 2					
08/05/09 to 07/09/09	0.1275	0.0255	0.1020	0.3197	0.4217
Total distributions in the period					0.4217

Global Bond Fund

DISTRIBUTION TABLE

(continued)

Class 2 Shares

Net Income

Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution Payable 2009	Distribution Paid 2008
Group 1 08/03/09 to 07/09/09	1.1868	0.2374	0.9494	–	0.9494	0.7821
Group 2 08/03/09 to 07/09/09	0.5670	0.1134	0.4536	0.4958	0.9494	0.7821
Total distributions in the period					0.9494	0.7821

Class 1 Shares

Gross Income

Distribution Period	Gross Revenue	Equalisation	Distribution Payable 2009	Distribution Paid 2008
Group 1 08/03/09 to 07/09/09	1.4657	–	1.4657	1.2163
Group 2 08/03/09 to 07/09/09	1.0712	0.3945	1.4657	1.2163
Total distributions in the period			1.4657	1.2163

Class 1 Shares

Gross Accumulation

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2009	Gross Revenue Accumulated 2008
Group 1 08/03/09 to 07/09/09	1.7912	–	1.7912	1.4347
Group 2 08/03/09 to 07/09/09	0.7479	1.0433	1.7912	1.4347
Total distributions in the period			1.7912	1.4347

Class 2 Shares

Gross Accumulation

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2009	Gross Revenue Accumulated 2008
Group 1 08/03/09 to 07/09/09	1.4413	–	1.4413	1.1509
Group 2 08/03/09 to 07/09/09	0.8085	0.6328	1.4413	1.1509
Total distributions in the period			1.4413	1.1509

Group 2: shares purchased during a distribution period

*Class 1 Net Accumulation shares launched on 8th May 2009

Notes to the financial statements

for the accounting period 8th March 2009 to 7th September 2009

1 ACCOUNTING POLICIES

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

The impact of adoption of the new SORP has had the following impact on the accounts:

Other gains/(losses)

Other gains/(losses) were previously included as a separate line in the Statement of Total Return but have now been included in net capital gains/(losses).

The effect of this change has been to reduce net capital losses by £140,000 (2008: £713,000 reduction in net capital gains).

Transaction costs

Transaction costs were previously included in expenses but have now been included in net capital gains/(losses).

The effect of this change has been to reduce expenses by £14,000 (2008: £11,000) and to increase net capital losses in 2009 and to reduce net capital gains in 2008 by the same amounts.

UK Institutional Fund

Investment Report

Investment Objective

To achieve long term capital growth.

Investment Policy

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

Performance of Net Accumulation Class 1 Shares*

Over the six months to 7th September 2009, the published share price of the Threadneedle UK Institutional Fund has risen from 55.67p to 76.95p.

Looking at performance within its peer group, the total return on the Fund for the six months ending 31st August 2009, including net reinvested income, is +29.70% as compared to a median return of +31.82% over the same period. (For information the FTSE All-Share Total Return Index returned +33.82% over the same period.)

Portfolio Activity

The start of the review period coincided with the trough for the UK stock market and the six months since then have seen the FTSE All-Share Index rise by over 40% from its lows. We have gone from a market that was pricing in a worst case scenario to one that is now expecting a near normal economic recovery.

Since 2007, the portfolio had been cautiously positioned in anticipation of the market decline that subsequently occurred, and our task in the last six months was to reposition the fund to take advantage of a rising market. Back in March, we were very cautious on the banking sector and the fund's performance suffered as this sector bounced aggressively from what can now be described as oversold levels. However, at the time valuations were considered fair for a sector that was potentially going to suffer from further multi-billion pound loan losses and even selective nationalisation. We increased the holdings in the financial sector, but initially preferred to do this via purchases of non-banking financials such as British Land, Hammerson and investment

group, 3i, all of which have rallied strongly.

The market rally broadened out during April and we have since added to stocks that stand to benefit from more favourable economic conditions, although it should be noted that we do not necessarily believe we will see the rapid return to GDP growth that some market commentators are expecting. Our caution stems from the high level of indebtedness of both the public and private sectors, and we remain concerned that unemployment will be higher than expected with the associated knock-on effects. To date, the upgrades to company earnings forecasts that have come through are largely the result of cost control by company managements. While this is to be applauded, we need to see revenue growth follow through to drive markets forward from this point. The low level of interest rates is clearly positive for the consumer and companies alike, but the focus going forward is likely to be on debt repayment rather than new investment, and this leads us to favour those stocks that have better than average visibility and earnings prospects.

STATEMENT OF TOTAL RETURN

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008* £000
Income		
Net capital gains/(losses)	374,546	(157,628)
Revenue	30,334	41,139
Expenses	(5,604)	(9,458)
Finance costs: Interest	(10)	(311)
Net revenue/(expenses) before taxation	24,720	31,370
Taxation	(58)	(106)
Net revenue/(expenses) after taxation	24,662	31,264
Total return before distributions	399,208	(126,364)
Finance costs: Distributions	(24,662)	(31,264)
Change in net assets attributable to shareholders from investment activities	374,546	(157,628)

*Restated – see note 1 page 72.

BALANCE SHEET

as at 7th September 2009

	2009 £000	March 2009 £000
Assets		
Investment assets	1,456,427	1,004,872
Debtors	17,476	27,415
Cash and bank balances	6,602	3,653
Total other assets	24,078	31,068
Total assets	1,480,505	1,035,940
Liabilities		
Creditors	(28,822)	(28,476)
Total liabilities	(28,822)	(28,476)
Net assets attributable to shareholders	1,451,683	1,007,464

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008 £000
Opening net assets attributable to shareholders	1,007,464	2,411,961
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	208,847	364,719
Amounts payable on cancellation of shares	(164,438)	(746,488)
	44,409	(381,769)
Dilution adjustment	1,152	1,157
Stamp duty reserve tax	(550)	(1,903)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	374,546	(157,628)
Retained distribution on accumulation shares	24,662	31,264
Closing net assets attributable to shareholders	1,451,683	1,903,082

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7th March 2009 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7th September 2008.

*In pound Sterling and against UK peer group.
Please refer to pages 172-182 for comparative tables.

DISTRIBUTION TABLE

for the accounting period 8th March 2009 to 7th September 2009

Dividend distribution in pence per share

Class 1 Shares

Distribution Period	Gross Revenue	Tax Credit	Net Revenue	Net Revenue Accumulated 2009	Net Revenue Accumulated 2008
08/03/09 to 07/09/09	1.1826	0.1183	1.0643	1.0643	1.0248
Total distributions in the period				1.0643	1.0248

Class 2 Shares

Distribution Period	Gross Revenue	Tax Credit	Net Revenue	Net Revenue Accumulated 2009	Net Revenue Accumulated 2008
08/03/09 to 07/09/09	1.5433	0.1543	1.3890	1.3890	1.3838
Total distributions in the period				1.3890	1.3838

UK Institutional Fund

Notes to the financial statements

for the accounting period 8th March 2009 to 7th September 2009

1 ACCOUNTING POLICIES

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

The impact of adoption of the new SORP has had the following impact on the accounts:

Other gains/(losses)

Other gains/(losses) were previously included as a separate line in the Statement of Total Return but have now been included in net capital gains/(losses).

The effect of this change has been to reduce net capital gains by Nil (2008: £1,000 reduction in net capital losses)

Transaction costs

Transaction costs were previously included in expenses but have now been included in net capital gains/(losses).

The effect of this change has been to reduce expenses by £6,000 (2008: £11,000) and to reduce net capital gains in 2009 and increase net capital losses in 2008 by the same amounts.

UK Overseas Earnings Fund

Investment Report

Investment Objective

To achieve capital growth.

Investment Policy

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

Performance of Net Income Class 2 Shares*

Over the six months to 7th September 2009, the published share price of the Threadneedle UK Overseas Earnings Fund has risen from 45.69p to 60.96p.

Looking at performance within its peer group, the total return on the Fund for the six months ending 31st August 2009, including net reinvested income, is +29.70% as compared to a median return of +31.82% over the same period. (For information the FTSE All-Share Total Return Index returned +33.82% over the same period.)

Portfolio Activity

After a very strong period of performance relative to the peer group in 2007 and 2008, the current year has proved more challenging for the fund. The UK stock market bottomed in early March and has since rallied strongly from its lows, reflecting optimism about the stabilisation of the financial system, the recovery in the global economy and the combination of huge monetary stimulus by central banks and fiscal stimulus by governments.

Having started the period with a defensive portfolio, we have moved a significant part of the fund into more cyclical areas, such as industrials and financials, as investors began to believe that the worst of the recession was over. The fund bought stocks such as Barclays, Daily Mail & General Trust and Laird to gain exposure to companies that should perform well during the recovery phase, but also bought high quality growth companies like Cobham, 3i and IG Group. These new investments have been funded by reducing sectors such as

utilities, tobacco and telecoms.

These changes have not prevented a difficult period of relative performance for the fund, as it tends to be the most risky companies in terms of operational and financial leverage that perform best during the initial stages of recovery. However, with the rally broadening out, the fund's performance improved towards the end of the period.

The portfolio is well balanced, holding a combination of defensive and cyclical stocks, as we expect to see continued evidence of recovery in the short term. However, as the deleveraging process continues, the UK economy potentially faces a long period of sub-trend growth which will prove a challenge, particularly for sectors that are exposed to government or consumer spending. Nevertheless, there continue to be many favourable opportunities and we believe the outlook for equities looks attractive compared to bonds and cash.

STATEMENT OF TOTAL RETURN

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008* £000
Income	26,559	(7,316)
Net capital gains/(losses)		
Revenue	2,510	3,046
Expenses	(750)	(1,041)
Finance costs: Interest	–	(1)
Net revenue/(expenses) before taxation	1,760	2,004
Taxation	(9)	(5)
Net revenue/(expenses) after taxation	1,751	1,999
Total return before distributions	28,310	(5,317)
Finance costs: Distributions	(1,751)	(1,999)
Change in net assets attributable to shareholders from investment activities	26,559	(7,316)

*Restated – see note 1 page 74.

BALANCE SHEET

as at 7th September 2009

	2009 £000	March 2009 £000
Assets		
Investment assets	103,535	81,198
Debtors	1,114	1,196
Cash and bank balances	2,413	1,675
Total other assets	3,527	2,871
Total assets	107,062	84,069
Liabilities		
Derivative liabilities	–	(14)
Creditors	(1,279)	(922)
Distribution payable on income shares	(1,751)	(1,211)
Total other liabilities	(3,030)	(2,133)
Total liabilities	(3,030)	(2,147)
Net assets attributable to shareholders	104,032	81,922

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008 £000
Opening net assets attributable to shareholders	81,922	135,604
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	1,489	1,154
Amounts payable on cancellation of shares	(5,933)	(7,675)
	(4,444)	(6,521)
Stamp duty reserve tax	(5)	(8)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	26,559	(7,316)
Closing net assets attributable to shareholders	104,032	121,759

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7th March 2009 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7th September 2008.

*In pound Sterling and against UK peer group.
Please refer to pages 172-182 for comparative tables.

DISTRIBUTION TABLE

for the accounting period 8th March 2009 to 7th September 2009

Dividend distribution in pence per share

Class 2 Shares				Distribution	
Net Income				Payable	Paid
Distribution Period	Gross Revenue	Tax Credit	Net Revenue	2009	2008
08/03/09 to 07/09/09	1.1200	0.1120	1.0080	1.0080	1.0647
Total distributions in the period				1.0080	1.0647

UK Overseas Earnings Fund

Notes to the financial statements

for the accounting period 8th March 2009 to 7th September 2009

1 ACCOUNTING POLICIES

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

The impact of adoption of the new SORP has had the following impact on the accounts:

Other gains/(losses)

Other gains/(losses) were previously included as a separate line in the Statement of Total Return but have now been included in net capital gains/(losses).

The effect of this change has been to reduce net capital gains by £5,000 (2008: £1,000 reduction in net capital losses).

Transaction costs

Transaction costs were previously included in expenses but have now been included in net capital gains/(losses).

The effect of this change has been to reduce expenses by £3,000 (2008: £3,000) and to reduce net capital gains in 2009 and increase net capital losses in 2008 by the same amounts.

UK Fund

Portfolio statement

as at 7th September 2009

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
BASIC INDUSTRIES (1.59%, March 2009 – 1.97%)				Life Assurance – 1.51% (March 2009 – 0.95%)			
	Chemicals – 0.00% (March 2009 – 0.50%)			6,021,087	Friends Provident Group	4,919	0.49
				1,854,549	Prudential	10,163	1.02
	Construction & Building Materials – 1.59% (March 2009 – 1.47%)			Real Estate – 2.34% (March 2009 – 0.00%)			
4,866,672	Carillion	14,581	1.46	2,289,076	Hammerson	9,410	0.95
909,050	SIG	1,268	0.13	13,021,961	Regus	13,803	1.39
	Total Basic Industries	15,849	1.59	Speciality & Other Finance – 3.11% (March 2009 – 0.14%)			
COLLECTIVE INVESTMENT SCHEMES (0.91%, March 2009 – 1.30%)				3,489,095	Hargreaves Lansdown	9,431	0.95
8,818,725	Threadneedle Sterling Liquid Assets Fund	9,004	0.91	4,089,967	IG Group Holdings	14,695	1.48
	Total Collective Investment Schemes	9,004	0.91	2,366,703	Intermediate Capital	6,792	0.68
CYCLICAL SERVICES (11.09%, March 2009 – 13.79%)				GENERAL INDUSTRIALS (7.00%, March 2009 – 7.13%)			
	General Retailers – 2.13% (March 2009 – 1.87%)			Aerospace & Defence – 4.75% (March 2009 – 5.81%)			
2,462,471	Burberry Group	12,307	1.24	7,021,167	BAE Systems	22,861	2.30
4,089,891	Kingfisher	8,855	0.89	4,150,061	Meggitt	8,952	0.90
	Media & Photography – 2.66% (March 2009 – 4.18%)			959,756	Smiths Group	8,057	0.81
1,998,058	Pearson	14,826	1.49	1,366,153	VT Group	7,384	0.74
1,185,967	Reed Elsevier	5,339	0.54	Engineering & Machinery – 2.25% (March 2009 – 1.32%)			
1,220,761	WPP	6,281	0.63	7,303,605	Melrose	11,700	1.17
	Support Services – 4.40% (March 2009 – 5.06%)			1,680,916	Weir Group	10,749	1.08
961,497	Aggreko	6,404	0.64	Total General Industrials			
1,698,627	De La Rue	15,491	1.56			69,703	7.00
1,378,716	Experian Group	6,949	0.70	INFORMATION TECHNOLOGY (1.18%, March 2009 – 1.21%)			
13,220,281	Rentokil Initial	14,979	1.50	Software & Computer Services – 1.18% (March 2009 – 1.21%)			
	Transport – 1.90% (March 2009 – 2.68%)			699,513	Autonomy	9,290	0.93
9,675,718	British Airways	18,877	1.90	1,357,408	Misys	2,438	0.25
	Total Cyclical Services	110,308	11.09	Total Information Technology			
FINANCIALS (20.65%, March 2009 – 7.41%)						11,728	1.18
	Banks – 10.92% (March 2009 – 3.36%)			NON-CYCLICAL CONSUMER GOODS (16.03%, March 2009 – 22.00%)			
6,360,482	Barclays	22,856	2.30	Food Producers & Processors – 0.15% (March 2009 – 0.83%)			
7,906,818	HSBC	52,225	5.25	349,774	Tate & Lyle	1,464	0.15
9,834,779	Lloyds TSB Group	10,403	1.04	Health – 0.00% (March 2009 – 0.74%)			
16,507,336	Royal Bank of Scotland	9,343	0.94	Personal Care & Household Products – 0.77% (March 2009 – 2.03%)			
1,014,367	Standard Chartered	13,887	1.39	260,603	Reckitt Benckiser	7,662	0.77
	Insurance – 0.00% (March 2009 – 2.08%)			Pharmaceuticals & Biotechnology – 11.88% (March 2009 – 11.60%)			
	Investment Companies – 2.77% (March 2009 – 0.88%)			1,346,675	AstraZeneca	37,491	3.77
7,807,875	3i Group	23,861	2.40	4,864,138	GlaxoSmithKline	57,859	5.81
4,054,602	Resolution	3,680	0.37	2,208,482	Shire	22,902	2.30

UK Fund

Portfolio statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
	Tobacco – 3.23% (March 2009 – 6.80%)		
1,657,180	British American Tobacco	32,166	3.23
	Total Non-Cyclical Consumer Goods	159,544	16.03
NON-CYCLICAL SERVICES (9.84%, March 2009 – 14.91%)			
	Food & Drug Retailers – 4.04% (March 2009 – 5.48%)		
7,825,591	Morrison Supermarkets	22,452	2.26
4,707,863	Tesco	17,749	1.78
	Telecommunication Services – 5.80% (March 2009 – 9.43%)		
42,961,477	Vodafone Group	57,740	5.80
	Total Non-Cyclical Services	97,941	9.84
RESOURCES (30.06%, March 2009 – 25.05%)			
	Mining – 10.44% (March 2009 – 4.59%)		
7,978,728	Centamin Egypt	7,679	0.77
1,607,674	Fresnillo	10,876	1.09
724,923	Lonmin	12,012	1.21
1,479,418	Rio Tinto	36,157	3.63
3,277,479	Talvivaara Mining	12,504	1.26
2,903,361	Xstrata	24,664	2.48
	Oil & Gas – 19.62% (March 2009 – 20.46%)		
4,692,782	BG Group	48,101	4.83
10,923,628	BP	58,775	5.91
1,754,763	Heritage Oil	9,177	0.92
1,440,038	Premier Oil	18,029	1.81
1,787,390	Royal Dutch Shell 'B' Shares	29,492	2.96
2,742,590	Tullow Oil	29,949	3.01
327,234	Wellstream Holdings	1,742	0.18
	Total Resources	299,157	30.06
UTILITIES (1.76%, March 2009 – 5.85%)			
	Electricity – 0.48% (March 2009 – 3.94%)		
421,635	Scottish & Southern Energy	4,752	0.48
	Water – 1.28% (March 2009 – 1.91%)		
2,733,595	Pennon Group	12,771	1.28
	Total Utilities	17,523	1.76
Total Value of Investments		996,225	100.11
Net Other Liabilities (March 2009 – (0.62%))		(1,092)	(0.11)
Net Assets		995,133	100.00

The calculation of the % Net Asset Value may not add up due to rounding.

UK Select Fund

Portfolio statement

as at 7th September 2009

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
BASIC INDUSTRIES (2.93%, March 2009 – 2.99%)				Real Estate – 1.98% (March 2009 – 0.00%)			
	Chemicals – 0.00% (March 2009 – 1.03%)			707,190	British Land	3,433	1.50
				1,043,916	Regus	1,107	0.48
	Construction & Building Materials – 2.93% (March 2009 – 1.96%)			Total Financials		39,005	17.05
563,142	Persimmon	2,778	1.22	GENERAL INDUSTRIALS (6.51%, March 2009 – 16.93%)			
2,808,164	SIG	3,917	1.71	Aerospace & Defense – 0.00% (March 2009 – 9.38%)			
	Total Basic Industries	6,695	2.93	Diversified Industrials – 1.05% (March 2009 – 0.00%)			
COLLECTIVE INVESTMENT SCHEMES (2.82%, March 2009 – 3.05%)				625,094	New Britain Palm Oil	2,407	1.05
6,328,334	Threadneedle Sterling Liquid Assets Fund	6,461	2.82	Electronic & Electrical Equipment – 3.08% (March 2009 – 4.29%)			
	Total Collective Investment Schemes	6,461	2.82	1,186,518	Invensys	3,468	1.52
CYCLICAL SERVICES (12.57%, March 2009 – 10.56%)				2,124,045	Laird Group	3,579	1.56
	General Retailers – 2.21% (March 2009 – 2.51%)			Engineering & Machinery – 2.38% (March 2009 – 3.26%)			
309,610	Carpentright	2,530	1.11	1,081,118	Hamworthy	3,027	1.32
8,619,225	Inchcape	2,522	1.10	377,329	Weir Group	2,413	1.06
	Leisure Entertainment & Hotels – 2.44% (March 2009 – 1.41%)			Total General Industrials		14,894	6.51
512,023	J.D. Wetherspoon	2,505	1.09	INFORMATION TECHNOLOGY (4.71%, March 2009 – 1.69%)			
1,255,214	PartyGaming	3,092	1.35	Information Technology Hardware – 1.06% (March 2009 – 0.00%)			
	Media & Photography – 1.55% (March 2009 – 1.32%)			512,321	Cambridge Silicon Radio	2,434	1.06
660,969	British Sky Broadcasting Group	3,549	1.55	Software & Computer Services – 3.65% (March 2009 – 1.69%)			
	Support Services – 3.46% (March 2009 – 5.32%)			285,564	Aveva Group	2,443	1.07
584,246	Babcock International Group	3,032	1.33	1,876,225	Misys	3,370	1.47
4,301,656	Rentokil Initial	4,874	2.13	1,595,559	RM	2,529	1.11
	Transport – 2.91% (March 2009 – 0.00%)			Total Information Technology		10,776	4.71
2,052,708	BBA Aviation	3,163	1.38	NON-CYCLICAL CONSUMER GOODS (14.82%, March 2009 – 21.34%)			
1,789,914	British Airways	3,492	1.53	Food Producers & Processors – 1.25% (March 2009 – 0.00%)			
	Total Cyclical Services	28,759	12.57	337,596	Associated British Foods	2,868	1.25
FINANCIALS (17.05%, March 2009 – 7.86%)				Personal Care & Household Products – 1.60% (March 2009 – 4.29%)			
	Banks – 13.70% (March 2009 – 3.91%)			534,288	PZ Cussons	1,168	0.51
2,569,907	Barclays	9,235	4.04	85,133	Reckitt Benckiser	2,503	1.09
2,958,628	HSBC	19,542	8.54	Pharmaceuticals & Biotechnology – 8.64% (March 2009 – 12.39%)			
4,531,297	Royal Bank of Scotland	2,565	1.12	275,333	AstraZeneca	7,665	3.35
	Insurance – 0.00% (March 2009 – 3.95%)			1,016,793	GlaxoSmithKline	12,095	5.29
	Investment Companies – 1.37% (March 2009 – 0.00%)			Tobacco – 3.33% (March 2009 – 4.66%)			
1,021,998	3i Group	3,123	1.37	392,255	British American Tobacco	7,614	3.33
				Total Non-Cyclical Consumer Goods		33,913	14.82

UK Select Fund

Portfolio statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
NON-CYCLICAL SERVICES (12.90%, March 2009 – 14.37%)			
Food & Drug Retailers – 7.10%			
(March 2009 – 3.79%)			
6,900,227	Booker Group	2,467	1.08
1,376,259	Morrison Supermarkets	3,948	1.73
2,600,832	Tesco	9,805	4.29
Telecommunication Services – 5.80%			
(March 2009 – 10.58%)			
3,505,863	BT Group	4,677	2.04
6,405,828	Vodafone Group	8,609	3.76
Total Non-Cyclical Services		29,506	12.90
RESOURCES (28.03%, March 2009 – 20.58%)			
Mining – 10.33%			
(March 2009 – 2.63%)			
1,294,024	Centamin Egypt	1,245	0.54
1,286,499	Hochschild Mining	3,710	1.62
407,102	Rio Tinto	9,950	4.35
1,027,965	Xstrata	8,733	3.82
Oil & Gas – 17.70%			
(March 2009 – 17.95%)			
540,842	BG Group	5,544	2.42
2,617,313	BP	14,082	6.15
372,981	Premier Oil	4,670	2.04
462,996	Royal Dutch Shell 'B' Shares	7,639	3.34
785,095	Tullow Oil	8,573	3.75
Total Resources		64,146	28.03
UTILITIES (0.00%, March 2009 – 3.09%)			
Gas Distribution – 0.00%			
(March 2009 – 2.07%)			
Water – 0.00%			
(March 2009 – 1.02%)			
Total Utilities		–	–
Total Value of Investments		234,155	102.34
Net Other Liabilities (March 2009 – (2.46%))		(5,344)	(2.34)
Net Assets		228,811	100.00

The calculation of the % Net Asset Value may not add up due to rounding.

UK Smaller Companies Fund

Portfolio statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
	Speciality & Other Finance – 6.01% (March 2009 – 5.62%)				NON-CYCLICAL CONSUMER GOODS (2.68%, March 2009 – 4.19%)		
916,000	Aberdeen Asset Management	1,241	1.07		Food Producers & Processors – 0.23% (March 2009 – 0.50%)		
410,000	Bluebay Asset Management	1,128	0.97	600,000	Premier Foods	270	0.23
760,000	Intermediate Capital	2,181	1.88		Health – 2.45% (March 2009 – 3.69%)		
138,000	Rathbone Brothers	1,185	1.02	210,000	Care UK	536	0.46
1,375,000	Record	1,238	1.07	420,000	CVS Group	563	0.49
	Total Financials	22,504	19.40	260,000	Dechra Pharmaceuticals	1,103	0.95
				120,000	Synergy Healthcare	641	0.55
					Total Non-Cyclical Consumer Goods	3,113	2.68
	GENERAL INDUSTRIALS (16.67%, March 2009 – 19.45%)				RESOURCES (12.04%, March 2009 – 9.94%)		
	Aerospace & Defence – 4.56% (March 2009 – 6.71%)				Mining – 4.50% (March 2009 – 2.97%)		
94,000	Chemring Group	2,069	1.78	300,000	Aquarius Platinum	831	0.72
165,000	Ultra Electronics Holdings	2,170	1.87	111,000	Gem Diamonds	291	0.25
195,000	VT Group	1,054	0.91	437,000	Kirkland Lake Gold	2,513	2.17
	Diversified Industrials – 0.96% (March 2009 – 1.12%)			415,000	Talvivaara Mining	1,583	1.36
290,000	New Britain Palm Oil	1,116	0.96		Oil & Gas – 7.54% (March 2009 – 6.97%)		
	Electronic & Electrical Equipment – 5.31% (March 2009 – 5.42%)			108,000	Dana Petroleum	1,483	1.28
1,100,000	Chloride Group	1,628	1.40	223,000	Heritage Oil	1,166	1.00
562,000	Laird Group	947	0.82	288,000	Hunting	1,443	1.24
265,000	Oxford Instruments	464	0.40	222,000	Premier Oil	2,779	2.40
880,000	PV Crystalox Solar	664	0.57	510,000	Salamander Energy	1,006	0.87
226,727	Renishaw	1,170	1.01	164,000	Wellstream Holdings	873	0.75
187,000	Spectris	1,282	1.11		Total Resources	13,968	12.04
	Engineering & Machinery – 5.84% (March 2009 – 6.20%)				Total Value of Investments	113,577	97.92
141,000	Charter International	849	0.73		Net Other Assets/(Liabilities) (March 2009 – (0.26%))	2,410	2.08
61,000	Cookson Group	247	0.21		Net Assets	115,987	100.00
495,000	Fenner	666	0.58				
700,000	Halma	1,408	1.21				
157,000	Rotork	1,529	1.32				
243,000	Severfield-Rowen	447	0.39				
168,000	Spirax Sarco Engineering	1,627	1.40				
	Total General Industrials	19,337	16.67				
	INFORMATION TECHNOLOGY (7.96%, March 2009 – 6.88%)						
	Information Technology Hardware – 2.70% (March 2009 – 1.72%)						
145,000	Cambridge Silicon Radio	689	0.60				
1,090,000	Spirent Communications	894	0.77				
317,000	Telecity Group	1,099	0.95				
310,000	Wolfson Microelectronics	443	0.38				
	Software & Computer Services – 5.26% (March 2009 – 5.16%)						
136,000	Aveva Group	1,163	1.00				
170,000	Fidessa Group	1,918	1.65				
276,000	Micro Focus International	1,052	0.91				
440,000	Misys	790	0.68				
745,000	RM	1,181	1.02				
	Total Information Technology	9,229	7.96				

The calculation of the % Net Asset Value may not add up due to rounding.

UK Growth & Income Fund

Portfolio statement

as at 7th September 2009

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
BASIC INDUSTRIES (0.48%, March 2009 – 0.18%)				Investment Companies – 2.00% (March 2009 – 0.20%)			
	Construction & Building Materials – 0.48% (March 2009 – 0.00%)			1,575,993	3i Group	4,816	2.00
229,719	Bovis Homes Group	1,164	0.48				
	Forestry & Paper – 0.00% (March 2009 – 0.18%)			3,493,688	Legal & General	2,563	1.06
	Total Basic Industries	1,164	0.48	270,000	Prudential	1,480	0.61
COLLECTIVE INVESTMENT SCHEMES (2.07%, March 2009 – 3.94%)					Real Estate – 0.48% (March 2009 – 0.76%)		
4,899,079	Threadneedle Sterling Liquid Assets Fund	5,002	2.07	911,377	London & Stamford	1,144	0.48
	Total Collective Investment Schemes	5,002	2.07		Speciality & Other Finance – 1.75% (March 2009 – 0.00%)		
				1,170,000	IG Group Holdings	4,204	1.75
					Total Financials	40,112	16.64
CYCLICAL SERVICES (18.45%, March 2009 – 11.56%)				GENERAL INDUSTRIALS (14.54%, March 2009 – 8.83%)			
	General Retailers – 2.84% (March 2009 – 0.18%)				Aerospace & Defence – 7.19% (March 2009 – 5.53%)		
1,770,000	Kesa Electricals	2,623	1.09	1,825,000	BAE Systems	5,942	2.47
247,500	Next	4,208	1.75	2,675,000	Cobham	5,623	2.33
	Media & Photography – 5.27% (March 2009 – 6.52%)			524,171	Smiths Group	4,400	1.83
750,000	Daily Mail & General Trust	2,965	1.23	250,000	VT Group	1,351	0.56
2,935,000	Johnston Press	1,115	0.46		Electronic & Electrical Equipment – 0.82% (March 2009 – 0.26%)		
450,000	Pearson	3,339	1.38	1,180,000	Laird Group	1,988	0.82
764,402	Reed Elsevier	3,441	1.43		Engineering & Machinery – 6.53% (March 2009 – 3.04%)		
399,469	United Business Media	1,865	0.77	380,000	Amec	2,837	1.18
	Support Services – 8.40% (March 2009 – 3.91%)			217,271	IMI	998	0.41
210,000	Aggreko	1,399	0.58	3,538,920	Melrose	5,669	2.35
595,838	Babcock International Group	3,092	1.28	2,030,000	Morgan Crucible	3,122	1.29
136,922	De La Rue	1,249	0.52	490,000	Weir Group	3,134	1.30
1,210,000	Diploma	1,833	0.76		Total General Industrials	35,064	14.54
225,000	Experian Group	1,134	0.47				
2,819,008	Filtrona	4,626	1.92		INFORMATION TECHNOLOGY (1.03%, March 2009 – 0.83%)		
1,060,911	John Menzies	3,586	1.49		Software & Computer Services – 1.03% (March 2009 – 0.83%)		
1,800,000	Rentokil Initial	2,039	0.85	126,388	Autonomy	1,678	0.69
600,000	RPS Group	1,268	0.53	90,000	Aveva Group	770	0.32
	Transport – 1.94% (March 2009 – 0.95%)			260,791	Blinkx	38	0.02
175,000	Go Ahead Group	2,469	1.02		Total Information Technology	2,486	1.03
1,000,500	Wincanton	2,221	0.92				
	Total Cyclical Services	44,472	18.45				
FINANCIALS (16.64%, March 2009 – 8.23%)				NON-CYCLICAL CONSUMER GOODS (16.90%, March 2009 – 22.16%)			
	Banks – 9.30% (March 2009 – 3.36%)				Food Producers & Processors – 1.00% (March 2009 – 2.61%)		
2,315,000	Barclays	8,319	3.45	145,000	Unilever	2,420	1.00
1,607,205	HSBC	10,616	4.40				
1,300,000	Lloyds TSB Group	1,375	0.57				
155,288	Standard Chartered	2,126	0.88				
	Insurance – 1.44% (March 2009 – 2.46%)						
2,755,000	Royal & Sun Alliance	3,469	1.44				

UK Growth & Income Fund

Portfolio statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
	Pharmaceuticals & Biotechnology – 11.13% (March 2009 – 12.60%)				DERIVATIVES (0.00%, March 2009 – (0.02%))		
374,000	AstraZeneca	10,412	4.32		Forward Foreign Exchange Contracts – 0.00% (March 2009 – (0.02%))		
1,058,151	GlaxoSmithKline	12,587	5.22		Total Derivatives	–	–
370,000	Shire	3,837	1.59		Total Value of Investments	241,537	100.18
	Tobacco – 4.77% (March 2009 – 6.95%)				Net Other (Liabilities)/Assets (March 2009 – 2.33%)	(446)	(0.18)
319,933	British American Tobacco	6,210	2.58		Net Assets	241,091	100.00
302,733	Imperial Tobacco Group	5,274	2.19				
	Total Non-Cyclical Consumer Goods	40,740	16.90				
	NON-CYCLICAL SERVICES (8.12%, March 2009 – 12.54%)						
	Food & Drug Retailers – 3.17% (March 2009 – 4.59%)						
2,030,000	Tesco	7,653	3.17				
	Telecommunication Services – 4.95% (March 2009 – 7.95%)						
8,879,169	Vodafone Group	11,934	4.95				
	Total Non-Cyclical Services	19,587	8.12				
	RESOURCES (19.96%, March 2009 – 20.77%)						
	Mining – 6.78% (March 2009 – 1.94%)						
280,000	Hochschild Mining	808	0.34				
100,000	Lonmin	1,657	0.69				
304,588	Rio Tinto	7,444	3.09				
754,000	Xstrata	6,405	2.66				
	Oil & Gas – 13.18% (March 2009 – 18.83%)						
922,400	BG Group	9,455	3.92				
1,875,000	BP	10,088	4.18				
536,622	Royal Dutch Shell 'B' Shares	8,854	3.67				
312,011	Tullow Oil	3,407	1.41				
	Total Resources	48,118	19.96				
	UTILITIES (1.99%, March 2009 – 8.65%)						
	Electricity – 1.02% (March 2009 – 6.52%)						
218,000	Scottish & Southern Energy	2,457	1.02				
	Gas Distribution – 0.00% (March 2009 – 1.02%)						
	Water – 0.97% (March 2009 – 1.11%)						
499,880	Pennon Group	2,335	0.97				
	Total Utilities	4,792	1.99				

The calculation of the % Net Asset Value may not add up due to rounding.

UK Equity Income Fund

Portfolio statement

as at 7th September 2009

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
BASIC INDUSTRIES (2.26%, March 2009 – 0.70%)				Life Assurance – 4.00% (March 2009 – 1.42%)			
	Construction & Building Materials – 2.26% (March 2009 – 0.70%)			4,307,693	Aviva	17,567	3.04
661,901	Bellway	5,735	0.99	3,327,021	Chesnara	5,539	0.96
1,325,604	Carillion	3,971	0.69				
288,203	Kier Group	3,369	0.58				
	Total Basic Industries	13,075	2.26				
CYCLICAL SERVICES (19.02%, March 2009 – 12.96%)					Real Estate – 2.55% (March 2009 – 1.20%)		
	General Retailers – 3.96% (March 2009 – 3.15%)			1,663,055	Hammerson	6,837	1.18
998,990	Burberry Group	4,993	0.86	5,418,748	London & Stamford	6,801	1.18
1,516,600	Halfords Group	5,015	0.87	2,103,500	Public Services Properties	1,073	0.19
5,000,000	HMV Group	5,740	0.99				
24,551,341	Inchcape	7,184	1.24				
					Speciality & Other Finance – 1.42% (March 2009 – 0.18%)		
	Leisure Entertainment & Hotels – 0.79% (March 2009 – 0.00%)			1,484,444	Man Group	3,983	0.69
1,878,810	TUI Travel	4,534	0.79	479,006	Provident Financial	4,198	0.73
					Total Financials	113,356	19.62
	Media & Photography – 3.21% (March 2009 – 1.97%)			GENERAL INDUSTRIALS (7.73%, March 2009 – 5.94%)			
1,795,104	Daily Mail & General Trust	7,096	1.23		Aerospace & Defence – 2.82% (March 2009 – 3.65%)		
1,545,367	Pearson	11,467	1.98	2,161,744	BAE Systems	7,039	1.22
				1,100,000	Smiths Group	9,234	1.60
	Support Services – 8.43% (March 2009 – 6.86%)						
8,486,993	Ashtead Group	6,942	1.20		Electronic & Electrical Equipment – 1.35% (March 2009 – 0.53%)		
711,737	Babcock International Group	3,694	0.64	1,835,342	Laird Group	3,093	0.53
2,256,034	Compass Group	7,675	1.33	2,700,000	Oxford Instruments	4,725	0.82
4,892,115	Filtrona	8,028	1.39				
5,883,991	Hays	5,881	1.02		Engineering & Machinery – 3.56% (March 2009 – 1.76%)		
916,636	John Menzies	3,098	0.54	3,679,165	Halma	7,399	1.28
4,303,769	Premier Farnell	6,908	1.20	4,900,000	Melrose	7,850	1.36
5,676,806	Rentokil Initial	6,432	1.11	3,450,000	Morgan Crucible	5,306	0.92
					Total General Industrials	44,646	7.73
	Transport – 2.63% (March 2009 – 0.98%)			NON-CYCLICAL CONSUMER GOODS (15.57%, March 2009 – 19.91%)			
4,159,368	BBA Aviation	6,410	1.11		Food Producers & Processors – 1.71% (March 2009 – 1.98%)		
559,993	Go Ahead Group	7,901	1.37	2,153,220	Northern Foods	1,422	0.25
400,000	Wincanton	888	0.15	725,671	Tate & Lyle	3,037	0.52
	Total Cyclical Services	109,886	19.02	326,146	Unilever	5,443	0.94
FINANCIALS (19.62%, March 2009 – 11.08%)							
	Banks – 6.47% (March 2009 – 2.31%)				Personal Care & Household Products – 0.00% (March 2009 – 0.89%)		
3,500,000	Barclays	12,577	2.18				
2,659,380	HSBC	17,565	3.04		Pharmaceuticals & Biotechnology – 8.95% (March 2009 – 11.48%)		
529,388	Standard Chartered	7,247	1.25	806,621	AstraZeneca	22,456	3.89
				2,457,714	GlaxoSmithKline	29,234	5.06
	Insurance – 3.78% (March 2009 – 5.97%)						
900,000	Amlin	3,528	0.61		Tobacco – 4.91% (March 2009 – 5.56%)		
4,357,000	Omega Insurance Holdings	5,272	0.91	1,462,333	British American Tobacco	28,384	4.91
10,369,195	Royal & Sun Alliance	13,055	2.26		Total Non-Cyclical Consumer Goods	89,976	15.57
	Investment Companies – 1.40% (March 2009 – 0.00%)						
2,654,971	3i Group	8,114	1.40				

UK Equity Income Fund

Portfolio statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
NON-CYCLICAL SERVICES (8.30%, March 2009 – 13.34%)			
Food & Drug Retailers – 3.63%			
(March 2009 – 4.56%)			
15,879,228	Booker Group	5,677	0.98
3,159,932	Tesco	11,913	2.06
3,489,401	Thorntons	3,385	0.59
Telecommunication Services – 4.67%			
(March 2009 – 8.78%)			
6,972,085	BT Group	9,301	1.61
13,160,751	Vodafone Group	17,688	3.06
Total Non-Cyclical Services		47,964	8.30
RESOURCES (16.10%, March 2009 – 17.12%)			
Mining – 3.70%			
(March 2009 – 2.16%)			
649,898	Rio Tinto	15,883	2.75
644,940	Xstrata	5,479	0.95
Oil & Gas – 12.40%			
(March 2009 – 14.96%)			
1,120,033	BG Group	11,480	1.99
6,267,153	BP	33,720	5.83
1,602,958	Royal Dutch Shell 'B' Shares	26,449	4.58
Total Resources		93,011	16.10
UTILITIES (6.54%, March 2009 – 13.62%)			
Electricity – 3.05%			
(March 2009 – 7.62%)			
1,000,000	National Grid	5,935	1.03
1,033,770	Scottish & Southern Energy	11,651	2.02
Gas Distribution – 2.25%			
(March 2009 – 2.42%)			
5,036,733	Centrica	12,980	2.25
Water – 1.24%			
(March 2009 – 3.58%)			
1,538,764	Pennon Group	7,189	1.24
Total Utilities		37,755	6.54
Total Value of Investments		549,669	95.14
Net Other Assets (March 2009 – 5.33%)		28,088	4.86
Net Assets		577,757	100.00

The calculation of the % Net Asset Value may not add up due to rounding.

UK Monthly Income Fund

Portfolio statement

as at 7th September 2009

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
BASIC INDUSTRIES (1.21%, March 2009 – 0.94%)				Life Assurance – 5.26% (March 2009 – 1.93%)			
	Chemicals – 0.56% (March 2009 – 0.50%)			2,665,000	Aviva	10,868	2.29
415,000	Croda International	2,646	0.56	4,320,000	Chesnara	7,193	1.52
	Construction & Building Materials – 0.65% (March 2009 – 0.44%)			1,775,000	Friends Provident Group	1,450	0.30
610,553	Bovis Homes Group	3,092	0.65	7,425,000	Legal & General	5,446	1.15
	Total Basic Industries	5,738	1.21		Real Estate – 2.50% (March 2009 – 0.04%)		
CYCLICAL SERVICES (18.62%, March 2009 – 11.73%)				425,000	Derwent Valley Holdings	4,956	1.04
	General Retailers – 5.14% (March 2009 – 2.81%)			1,200,000	Hammerson	4,933	1.04
540,000	Burberry Group	2,699	0.57	575,000	Segro	2,011	0.42
345,000	Halfords Group	1,141	0.24		Speciality & Other Finance – 1.68% (March 2009 – 0.18%)		
3,015,000	HMV Group	3,461	0.73	1,175,000	Man Group	3,153	0.66
11,250,000	Inchcape	3,292	0.69	550,000	Provident Financial	4,821	1.02
470,000	Next	7,990	1.68		Total Financials	95,021	20.02
1,315,000	WH Smith	5,856	1.23		GENERAL INDUSTRIALS (8.01%, March 2009 – 5.09%)		
	Leisure Entertainment & Hotels – 1.01% (March 2009 – 0.61%)				Aerospace & Defence – 2.14% (March 2009 – 3.38%)		
610,000	Fuller Smith & Turner	2,916	0.61	1,825,000	BAE Systems	5,942	1.25
785,000	TUI Travel	1,894	0.40	503,356	Smiths Group	4,226	0.89
	Media & Photography – 2.33% (March 2009 – 2.21%)				Electronic & Electrical Equipment – 1.53% (March 2009 – 0.60%)		
1,525,000	Daily Mail & General Trust	6,028	1.27	1,515,000	Chloride Group	2,242	0.47
680,000	Pearson	5,046	1.06	1,345,896	Laird Group	2,268	0.48
	Support Services – 8.74% (March 2009 – 5.64%)			400,000	Spectris	2,742	0.58
5,910,000	Ashtead Group	4,834	1.02		Engineering & Machinery – 4.34% (March 2009 – 1.11%)		
745,000	Babcock International Group	3,867	0.82	285,000	Amec	2,128	0.45
1,100,000	Compass Group	3,742	0.79	4,200,000	Fenner	5,649	1.19
495,000	De La Rue	4,514	0.95	900,000	Halma	1,810	0.38
3,150,000	Filtrona	5,169	1.09	270,000	IMI	1,240	0.26
4,095,000	Hays	4,093	0.86	3,250,000	Melrose	5,206	1.10
484,529	John Menzies	1,638	0.35	178,104	Severfield-Rowen	328	0.07
3,430,000	Premier Farnell	5,505	1.16	660,000	Weir Group	4,221	0.89
5,150,000	Rentokil Initial	5,835	1.23		Total General Industrials	38,002	8.01
1,055,000	RPS Group	2,230	0.47		NON-CYCLICAL CONSUMER GOODS (18.66%, March 2009 – 25.23%)		
	Transport – 1.40% (March 2009 – 0.46%)				Food Producers & Processors – 2.68% (March 2009 – 2.35%)		
2,465,000	BBA Aviation	3,799	0.80	175,000	Associated British Foods	1,487	0.31
200,000	Go Ahead Group	2,822	0.60	5,291,129	Premier Foods	2,381	0.50
	Total Cyclical Services	88,371	18.62	560,000	Tate & Lyle	2,344	0.50
FINANCIALS (20.02%, March 2009 – 9.71%)				390,000	Unilever	6,509	1.37
	Banks – 7.81% (March 2009 – 3.34%)				Personal Care & Household Products – 1.48% (March 2009 – 2.58%)		
1,925,000	Barclays	6,917	1.46	187,500	Reckitt Benckiser	5,512	1.16
2,595,000	HSBC	17,140	3.61	265,000	SSL International	1,522	0.32
7,585,000	Lloyds TSB Group	8,023	1.69		Pharmaceuticals & Biotechnology – 9.08% (March 2009 – 11.78%)		
365,000	Standard Chartered	4,997	1.05	710,000	AstraZeneca	19,766	4.17
	Insurance – 2.77% (March 2009 – 4.22%)			1,960,000	GlaxoSmithKline	23,314	4.91
1,195,000	Amlin	4,684	0.99				
6,695,000	Royal & Sun Alliance	8,429	1.78				

UK Monthly Income Fund

Portfolio statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
	Tobacco – 5.42% (March 2009 – 8.52%)		
1,235,000	British American Tobacco	23,971	5.05
100,000	Imperial Tobacco Group	1,742	0.37
	Total Non-Cyclical Consumer Goods	88,548	18.66
NON-CYCLICAL SERVICES (9.31%, March 2009 – 13.29%)			
	Food & Drug Retailers – 3.84% (March 2009 – 4.92%)		
760,000	J Sainsbury	2,491	0.53
1,935,000	Morrison Supermarkets	5,552	1.17
2,690,000	Tesco	10,141	2.14
	Telecommunication Services – 5.47% (March 2009 – 8.37%)		
1,400,000	BT Group	1,868	0.39
17,950,000	Vodafone Group	24,125	5.08
	Total Non-Cyclical Services	44,177	9.31
RESOURCES (18.40%, March 2009 – 16.61%)			
	Mining – 4.03% (March 2009 – 1.15%)		
260,000	BHP Billiton	4,206	0.88
450,000	Rio Tinto	10,998	2.32
685,000	UK Coal	803	0.17
370,000	Xstrata	3,143	0.66
	Oil & Gas – 14.37% (March 2009 – 15.46%)		
990,000	BG Group	10,147	2.14
5,375,000	BP	28,920	6.09
1,765,000	Royal Dutch Shell 'B' Shares	29,122	6.14
	Total Resources	87,339	18.40
UTILITIES (5.61%, March 2009 – 12.83%)			
	Electricity – 3.27% (March 2009 – 6.87%)		
640,000	National Grid	3,798	0.80
1,040,000	Scottish & Southern Energy	11,721	2.47
	Gas Distribution – 0.00% (March 2009 – 1.96%)		
	Water – 2.34% (March 2009 – 4.00%)		
2,375,000	Northumbrian Water Group	5,664	1.20
1,160,000	Pennon Group	5,420	1.14
	Total Utilities	26,603	5.61
Total Value of Investments		473,799	99.84
Net Other Assets (March 2009 – 4.57%)		747	0.16
Net Assets		474,546	100.00

The calculation of the % Net Asset Value may not add up due to rounding.

Monthly Extra Income Fund

Portfolio statement

as at 7th September 2009

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
AUSTRALIA (0.58%, March 2009 – 0.34%)				LUXEMBOURG (1.30%, March 2009 – 1.44%)			
	Corporate Bonds – 0.58%				Corporate Bonds – 1.30%		
	(March 2009 – 0.34%)				(March 2009 – 1.44%)		
200,000	Commonwealth Bank of Australia 5.5% 06/08/2019	180	0.18	600,000	Gaz Capital (Gazprom) 6.51% 07/03/2022	300	0.30
244,000	Commonwealth Bank of Australia 6% 18/03/2011	258	0.26	850,000	Glencore Finance Europe 6.5% 27/02/2019	735	0.75
130,000	National Australia Bank 5.375% 08/12/2014	138	0.14	375,000	Telecom Italia Capital 6.2% 18/07/2011	243	0.25
	Total Australia	576	0.58		Total Luxembourg	1,278	1.30
CAYMAN ISLANDS (0.76%, March 2009 – 0.90%)				MEXICO (0.82%, March 2009 – 0.97%)			
	Corporate Bonds – 0.76%				Government Bonds – 0.82%		
	(March 2009 – 0.90%)				(March 2009 – 0.97%)		
200,000	SMFG Preferred Capital 10.231% 25/01/2049	212	0.21	870,000	United Mexican States 6.75% 06/02/2024	805	0.82
538,000	South East Water Finance 5.6577% 30/09/2019	540	0.55		Total Mexico	805	0.82
	Total Cayman Islands	752	0.76	NETHERLANDS (1.43%, March 2009 – 2.47%)			
DUBAI (0.16%, March 2009 – 0.00%)					Corporate Bonds – 1.43%		
	Government Bonds – 0.16%				(March 2009 – 2.47%)		
	(March 2009 – 0.00%)			200,000	E.On International Finance BV 6.75% 27/01/2039	243	0.25
235,000	Emirate of Abu Dhabi 6.75% 08/04/2019	157	0.16	800,000	Linde Finance 8.125% 14/07/2066	772	0.78
	Total Dubai	157	0.16	365,000	TNT NV 7.5% 14/08/2018	391	0.40
FRANCE (2.10%, March 2009 – 2.61%)					Total Netherlands	1,406	1.43
	Corporate Bonds – 2.10%			NORWAY (0.21%, March 2009 – 0.26%)			
	(March 2009 – 2.61%)				Corporate Bonds – 0.21%		
300,000	AXA 4.5% 23/01/2015	272	0.28		(March 2009 – 0.26%)		
700,000	BNP Paribas 5.945% 19/04/2049	493	0.50	200,000	DnB NORBank 7.25% 23/06/2020	209	0.21
400,000	BNP Paribas 6.125% 27/05/2011	426	0.43		Total Norway	209	0.21
250,000	Electricite De France 6.125% 02/06/2034	283	0.29	PORTUGAL (0.33%, March 2009 – 0.40%)			
174,000	France Telecom 5.5% 24/05/2012	184	0.19		Corporate Bonds – 0.33%		
250,000	France Telecom 8% 20/12/2017	306	0.31		(March 2009 – 0.40%)		
100,000	Veolia Environnement 6.125% 29/10/2037	104	0.10	250,000	Energias de Portugal Finance 8.625% 04/01/2024	321	0.33
	Total France	2,068	2.10		Total Portugal	321	0.33
INDIA (0.44%, March 2009 – 0.80%)				REPUBLIC OF IRELAND (1.41%, March 2009 – 1.75%)			
	Corporate Bonds – 0.44%				Corporate Bonds – 1.41%		
	(March 2009 – 0.80%)				(March 2009 – 1.75%)		
940,000	ICICI Bank 7.25% 30/04/2049	432	0.44	473,000	Allied Irish Banks 7.875% 05/07/2023	338	0.34
	Total India	432	0.44	381,000	Argon Capital 8.162% 30/09/2049	137	0.14
ITALY (1.34%, March 2009 – 1.79%)				750,000	GE Capital UK Funding 5.125% 03/03/2015	732	0.74
	Corporate Bonds – 1.34%			790,000	Saphir Finance 0% 04/07/2049	47	0.05
	(March 2009 – 1.79%)			407,000	Saphir Finance 6.369% 25/02/2049	141	0.14
1,000,000	Acquedotto Pugliese 6.92% 29/06/2018	1,072	1.09		Total Republic of Ireland	1,395	1.41
250,000	Enel Societa per Azioni 5.75% 22/06/2037	251	0.25				
	Total Italy	1,323	1.34				

Monthly Extra Income Fund

Portfolio statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
SPAIN (0.05%, March 2009 – 0.00%)							
Corporate Bonds – 0.05% (March 2009 – 0.00%)							
50,000	Santander Issuances Preferred Uniperson 7.3% 29/07/2019	53	0.05	500,000	HSBC Capital Funding LP 8.208% 30/06/2049	500	0.51
	Total Spain	53	0.05	250,000	HSBC Holdings 6.5% 20/05/2024	283	0.29
				180,000	Imperial Tobacco Finance 8.125% 15/03/2024	201	0.20
				250,000	Imperial Tobacco Finance 9% 17/02/2022	300	0.30
				317,658	Integrated Accommodation Service 6.48% 31/03/2029	331	0.34
SWEDEN (0.59%, March 2009 – 0.00%)				250,000	Legal and General Group 10% 23/07/2041	279	0.28
Corporate Bonds – 0.59% (March 2009 – 0.00%)				500,000	Lloyds TSB Bank 6.35% 29/10/2049	249	0.25
290,000	Svenska Handelsbanken 5.5% 26/05/2016	301	0.31	185,000	National Grid Electricity Transmission 7.375% 13/01/2031	233	0.24
255,000	Vattenfall AB 6.125% 16/12/2019	277	0.28	375,000	Pearson Funding One 6% 15/12/2015	399	0.40
	Total Sweden	578	0.59	130,000	Rolls-Royce 6.75% 30/04/2019	142	0.14
				138,000	Royal Bank of Scotland 6.375% 29/04/2014	147	0.15
UNITED KINGDOM (84.59%, March 2009 – 82.42%)				400,000	RSA Insurance Group 9.375% 20/05/2039	465	0.47
Aerospace & Defence – 4.37% (March 2009 – 3.33%)				100,000	Severn Trent Water Utilities 6% 22/01/2018	107	0.11
435,000	BAE Systems	1,416	1.44	350,000	Southern Electric Power Distribution 4.625% 20/02/2037	308	0.31
720,000	Cobham	1,513	1.54	250,000	Standard Chartered Bank 8.103% 11/05/2049	250	0.25
163,071	Smiths Group	1,369	1.39	450,000	Tesco 5.875% 12/09/2016	435	0.44
				260,000	Tesco 6.125% 24/02/2022	278	0.28
Banks – 5.46% (March 2009 – 2.26%)				903,231	Tube Lines Finance 8.6801% 31/03/2010	881	0.89
467,500	Barclays	1,680	1.70	225,000	Vodafone Group 8.125% 26/11/2018	275	0.28
394,362	HSBC	2,605	2.64	Electricity – 2.12% (March 2009 – 6.52%)			
500,000	Lloyds TSB Group	529	0.54	120,000	National Grid	712	0.72
41,430	Standard Chartered	567	0.58	122,500	Scottish & Southern Energy	1,381	1.40
Construction & Building Materials – 0.82% (March 2009 – 0.00%)				Electronic & Electrical Equipment – 0.60% (March 2009 – 0.29%)			
50,000	Bellway	433	0.44	350,000	Laird Group	590	0.60
55,000	Morgan Sindall	379	0.38	Engineering & Machinery – 5.08% (March 2009 – 2.27%)			
Corporate Bonds – 10.02% (March 2009 – 10.91%)				100,000	Amec	746	0.76
250,000	Alliance & Leicester 9.625% 30/10/2023	288	0.29	124,154	IMI	570	0.58
100,000	BAA Funding 5.225% 15/02/2025	74	0.08	1,004,794	Melrose	1,610	1.63
250,000	Bank of Scotland 5.625% 23/05/2013	231	0.23	728,025	Morgan Crucible	1,120	1.14
264,000	Bank of Scotland 7.286% 30/05/2049	131	0.13	150,000	Weir Group	959	0.97
435,000	Barclays Bank 10% 21/05/2021	549	0.56	Food & Drug Retailers – 2.07% (March 2009 – 2.02%)			
500,000	BG Energy Capital 5.125% 07/12/2017	514	0.52	540,000	Tesco	2,036	2.07
450,000	Cattles 0% 05/07/2017	40	0.04	Food Producers & Processors – 1.46% (March 2009 – 0.94%)			
550,000	Centrica 7% 19/09/2018	629	0.64	1,070,099	Northern Foods	707	0.72
565,000	Credit Suisse Group Capital III 8.514% 15/06/2049	525	0.53	44,000	Unilever	734	0.74
250,000	Credit Suisse International 4.75% 05/08/2019	217	0.22				
270,000	First Hydro Finance 9% 31/07/2021	275	0.28				
150,000	Group 4 Securicor 7.75% 13/05/2019	170	0.17				
100,000	HBOS 6.305% 18/10/2017	90	0.09				
200,000	HBOS Capital Funding LP 9.54% 19/09/2049	107	0.11				

Monthly Extra Income Fund

Portfolio statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
	Gas Distribution – 0.00% (March 2009 – 1.41%)				Real Estate – 0.00% (March 2009 – 0.62%)		
	General Retailers – 4.40% (March 2009 – 1.78%)				Speciality & Other Finance – 1.32% (March 2009 – 0.00%)		
100,000	Halfords Group	331	0.34	362,500	IG Group Holdings	1,302	1.32
520,000	HMV Group	597	0.61		Support Services – 3.22% (March 2009 – 3.43%)		
540,000	Kesa Electricals	800	0.81		Babcock International Group	851	0.86
70,000	Next	1,190	1.21	163,960	Diploma	1,020	1.04
1,150,000	Smiths News	1,409	1.43	673,215	Filtrona	1,305	1.32
	Government Bonds – 0.59% (March 2009 – 2.07%)			795,000			
300,000	UK Treasury 4.25% 07/12/2027	309	0.31		Telecommunication Services – 4.23% (March 2009 – 6.29%)		
275,000	UK Treasury 4.25% 07/12/2055	280	0.28	3,100,000	Vodafone Group	4,166	4.23
	Household Goods & Textiles – 0.35% (March 2009 – 0.00%)				Tobacco – 4.48% (March 2009 – 5.07%)		
120,000	Headlam Group	340	0.35	168,000	British American Tobacco	3,261	3.31
	Insurance – 2.04% (March 2009 – 2.20%)			66,000	Imperial Tobacco Group	1,150	1.17
200,000	Amlin	784	0.80		Transport – 2.23% (March 2009 – 1.07%)		
970,000	Royal & Sun Alliance	1,221	1.24	150,000	Arriva	708	0.72
	Investment Companies – 1.03% (March 2009 – 0.00%)			50,000	Go Ahead Group	705	0.72
332,271	3i Group	1,015	1.03	350,000	Wincanton	777	0.79
	Life Assurance – 2.90% (March 2009 – 1.93%)				Water – 1.26% (March 2009 – 1.03%)		
220,000	Aviva	897	0.91	266,000	Pennon Group	1,243	1.26
695,000	Chesnara	1,157	1.17		Total United Kingdom	83,378	84.59
1,105,000	Legal & General	811	0.82				
	Media & Photography – 3.92% (March 2009 – 4.50%)			UNITED STATES OF AMERICA (3.26%, March 2009 – 3.72%)			
225,000	Daily Mail & General Trust	889	0.90		Corporate Bonds – 3.26% (March 2009 – 2.99%)		
151,000	Pearson	1,120	1.14	300,000	Ahold Finance 6.5% 14/03/2017	306	0.31
222,000	Reed Elsevier	999	1.01	650,000	American International Group 5.75% 15/03/2067	228	0.23
183,156	United Business Media	855	0.87	100,000	American International Group 8.625% 22/05/2038	45	0.05
	Mining – 2.73% (March 2009 – 0.51%)			200,000	McDonald's 6.375% 03/02/2020	227	0.23
74,735	Rio Tinto	1,827	1.85	650,000	Pfizer 6.5% 03/06/2038	772	0.78
102,000	Xstrata	866	0.88	400,000	Roche Holdings 5.5% 04/03/2015	430	0.44
	Oil & Gas – 9.78% (March 2009 – 12.07%)			650,000	Verizon Wireless Capital 8.875% 18/12/2018	831	0.84
175,500	BG Group	1,799	1.83	625,000	Wal Mart Stores 4.125% 01/02/2019	377	0.38
763,000	BP	4,105	4.16		Tobacco – 0.00% (March 2009 – 0.73%)		
203,000	Royal Dutch Shell 'B' Shares	3,349	3.40		Total United States of America	3,216	3.26
35,000	Tullow Oil	382	0.39				
	Pharmaceuticals & Biotechnology – 8.11% (March 2009 – 9.90%)						
135,000	AstraZeneca	3,758	3.81				
356,500	GlaxoSmithKline	4,241	4.30				

Monthly Extra Income Fund

Portfolio statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
DERIVATIVES (0.03%, March 2009 – (0.53%))			
	Forward Foreign Exchange Contracts – 0.03%		
	(March 2009 – (0.53%))		
	Sell GBP 405,480		
	Buy EUR 480,000	14	0.01
	Sell EUR 1,800,265		
	Buy GBP 1,550,957	(20)	(0.02)
	Sell EUR 610,000		
	Buy GBP 531,931	–	–
	Sell USD 3,305,000		
	Buy GBP 2,045,781	35	0.04
	Sell USD 66,000		
	Buy GBP 40,165	–	–
	Sell GBP 357,086		
	Buy USD 588,000	1	–
	Total Derivatives	30	0.03
Total Value of Investments		97,977	99.40
Net Other Assets (March 2009 – 0.66%)		589	0.60
Net Assets		98,566	100.00

ANALYSIS OF INVESTMENTS BY ASSET CLASS

Equity	72,886	74.39
Fixed Interest	23,849	24.34
Floating Rate Notes	1,212	1.24
Forward Foreign Exchange Contracts	30	0.03
Total Value of Investments	97,977	100.00

The calculation of the % Net Asset Value may not add up due to rounding.

UK Corporate Bond Fund

Portfolio statement

as at 7th September 2009

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
FIXED INTEREST (90.54%, March 2009 – 91.19%)				GBP	2,450,000	Santander Issuances 6.5325% 24/10/2017	2,511 0.40
AAA (5.41%, March 2009 – 13.79%)				GBP	1,280,000	Statoil Hydro ASA 6.875% 11/03/2031	1,552 0.24
GBP	2,650,000	New South Wales Treasury 5% 25/02/2039	2,677 0.42	GBP	3,040,000	Svenska Handelsbanken 5.5% 26/05/2016	3,155 0.50
GBP	5,350,000	Pfizer 6.5% 03/06/2038	6,354 1.00	AA-e (0.00%, March 2009 – 1.67%)			
GBP	2,445,000	Southern Gas Network 4.875% 21/03/2029	2,226 0.35	A+ (7.54%, March 2009 – 7.61%)			
GBP	6,400,000	UK Treasury 2.25% 07/03/2014	6,288 0.99	GBP	1,096,000	Alliance & Leicester 9.625% 30/10/2023	1,264 0.20
GBP	2,773,000	UK Treasury 4.25% 07/03/2036	2,803 0.44	GBP	1,798,000	Asif III 5.375% 14/10/2016	1,343 0.21
GBP	2,990,000	UK Treasury 4.25% 07/12/2055	3,049 0.48	EUR	2,000,000	AXA 4.5% 23/01/2015	1,816 0.29
GBP	10,250,000	UK Treasury Index Linked Gilt 4.5% 07/03/2019	10,960 1.73	GBP	1,405,000	Bank of Scotland 4.625% 28/02/2011	1,419 0.22
AAAs (0.00%, March 2009 – 0.50%)				GBP	1,150,000	Bank of Scotland 5.9% 15/10/2010	1,180 0.19
GBP	2,691,000	Aaa (0.44%, March 2009 – 0.00%) Sceptre Funding 5.253% 09/02/2027	2,791 0.44	USD	2,600,000	CBA Capital Trust 5.805% 31/12/2049	1,324 0.21
AA+ (0.82%, March 2009 – 0.00%)				GBP	2,000,000	Credit Agricole 7.375% 18/12/2023	2,312 0.36
GBP	2,723,000	GE Capital UK Funding 5.875% 18/01/2033	2,472 0.39	EUR	3,325,000	Credit Suisse International 4.75% 05/08/2019	2,888 0.45
GBP	2,675,000	GE Capital UK Funding 6% 11/04/2013	2,727 0.43	GBP	5,900,000	Electricite De France 6.125% 02/06/2034	6,689 1.05
Aa1 (0.00%, March 2009 – 0.64%)				GBP	3,360,000	HSBC Bank 5.75% 27/06/2017	3,454 0.54
AA (4.68%, March 2009 – 4.25%)				GBP	4,150,000	Intesa Sanpaolo 6.375% 12/11/2017	4,245 0.67
GBP	2,379,000	Alliance & Leicester 6.25% 27/09/2010	2,473 0.39	EUR	2,100,000	J.P. Morgan Chase 5.25% 14/01/2015	1,958 0.31
EUR	1,300,000	Allianz Finance II 4.75% 22/07/2019	1,167 0.18	GBP	120,000	Legal & General Finance 5.875% 11/12/2031	96 0.02
GBP	4,115,000	BNP Paribas 6.125% 27/05/2011	4,379 0.69	GBP	3,025,000	Lloyds TSB Bank 6.375% 15/04/2014	3,206 0.50
GBP	3,805,000	Commonwealth Bank of Australia 6% 18/03/2011	4,022 0.63	GBP	3,431,000	Royal Bank of Scotland 6.375% 29/04/2014	3,648 0.57
USD	2,130,000	Emirate of Abu Dhabi 6.75% 08/04/2019	1,419 0.22	GBP	4,300,000	Royal Bank of Scotland 6.625% 17/09/2018	4,626 0.73
GBP	2,075,000	Land Securities 4.625% 03/02/2013	2,082 0.33	GBP	4,740,000	UBS London 6.625% 11/04/2018	5,195 0.82
GBP	3,755,000	Land Securities 5.125% 07/02/2036	3,105 0.49	GBP	1,215,000	Unilever 4.75% 16/06/2017	1,264 0.20
GBP	2,110,000	National Australia Bank 5.375% 08/12/2014	2,233 0.35	A+e (0.31%, March 2009 – 0.40%)			
GBP	4,307,000	Telereal Securitisation 5.9478% 10/12/2031	3,904 0.61	GBP	1,970,000	Nationwide Building Society 5.625% 09/09/2019	1,969 0.31
GBP	4,670,000	Wal Mart Stores 5.625% 27/03/2034	5,031 0.79	Aa3 (0.62%, March 2009 – 0.00%)			
AA- (5.83%, March 2009 – 2.07%)				GBP	5,890,000	General Electric 5.5% 15/09/2066	3,937 0.62
GBP	3,190,000	Australia & New Zealand Banking Group 4.75% 07/12/2018	3,056 0.48	A (13.00%, March 2009 – 13.69%)			
GBP	6,250,000	Barclays Bank 5.75% 17/08/2021	6,334 1.00	GBP	1,300,000	AT&T 7% 30/04/2040	1,602 0.25
GBP	2,750,000	BNP Paribas 6.742% 07/09/2017	2,877 0.45	GBP	2,550,000	Bank of America 7% 31/07/2028	2,901 0.46
EUR	2,650,000	Commonwealth Bank of Australia 5.5% 06/08/2019	2,386 0.38	GBP	3,490,000	Bank Tokyo-Mit Curacao 5.5% 20/01/2017	3,452 0.54
GBP	1,800,000	East Japan Railway 4.75% 08/12/2031	1,744 0.27	GBP	3,495,000	Barclays Bank 10% 21/05/2021	4,409 0.69
GBP	4,110,000	HSBC Holdings 6.5% 20/05/2024	4,658 0.73	GBP	6,290,000	BG Energy Capital 5.125% 07/12/2017	6,469 1.02
EUR	2,600,000	Novartis Finance 4.25% 15/06/2016	2,364 0.37	GBP	3,550,000	BNP Paribas 5.945% 19/04/2049	2,501 0.39
USD	2,328,000	Rabobank Nederland 11% 29/12/2049	1,667 0.26	GBP	2,200,000	BNP Paribas 5.954% 13/07/2049	1,717 0.27
GBP	3,975,000	Roche Holdings 5.5% 04/03/2015	4,273 0.67	GBP	2,830,000	Citigroup 5.25% 14/06/2011	2,842 0.45
GBP	500,000	Santander Issuances Preferred Uniperson 7.3% 29/07/2019	529 0.08	GBP	2,695,000	Dwr Cymru Financing 6.015% 31/03/2028	2,869 0.45

UK Corporate Bond Fund

Portfolio statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
GBP	5,000,000	E.On International Finance BV 6.75% 27/01/2039	6,084	0.96	GBP	2,125,000	Scottish & Southern Energy 5.75% 05/02/2014	2,237	0.35
GBP	4,000,000	GDF Suez 6.125% 11/02/2021	4,413	0.70	GBP	3,250,000	Scottish & Southern Energy 8.375% 20/11/2028	4,393	0.69
GBP	1,619,000	HSBC Capital Funding LP 5.844% 05/11/2049	1,270	0.20	GBP	1,600,000	Severn Trent Water Utilities 6% 22/01/2018	1,716	0.27
GBP	3,200,000	HSBC Holdings 6.375% 18/10/2022	3,304	0.52	GBP	3,675,000	Southern Water Services 5% 31/03/2021	3,373	0.53
GBP	1,600,000	HSBC Holdings 6.75% 11/09/2028	1,762	0.28	GBP	3,195,000	Southern Water Services 6.192% 31/03/2029	3,391	0.53
GBP	3,000,000	HSBC Holdings 7% 07/04/2038	3,424	0.54	GBP	1,550,000	Standard Chartered Bank 7.75% 03/04/2018	1,723	0.27
GBP	4,050,000	J.P. Morgan Chase 6.125% 30/05/2017	4,094	0.64	GBP	5,115,000	Svenska Handelsbanken 5.5% 18/01/2049	4,395	0.69
GBP	1,400,000	McDonald's 6.375% 03/02/2020	1,585	0.25	EUR	3,750,000	Telefonica Emisones 5.58% 12/06/2013	3,548	0.56
EUR	3,600,000	Merrill Lynch & Co 6% 11/02/2013	3,275	0.52	EUR	3,400,000	Tesco 5.875% 12/09/2016	3,287	0.52
GBP	3,400,000	RWE Finance BV 6.125% 06/07/2039	3,825	0.60	GBP	6,000,000	Tesco 6.125% 24/02/2022	6,425	1.01
GBP	5,527,000	Standard Chartered 6.5% 28/04/2014	6,001	0.95	GBP	1,450,000	Vodafone Group 5.375% 05/12/2017	1,501	0.24
GBP	6,015,000	Unique Pub Finance 5.659% 30/06/2027	4,545	0.72	GBP	3,300,000	Vodafone Group 8.125% 26/11/2018	4,038	0.64
GBP	4,410,000	Vattenfall 6.875% 15/04/2039	5,271	0.83					
GBP	3,800,000	Verizon Wireless Capital 8.875% 18/12/2018	4,857	0.77					
		Ae (1.57%, March 2009 – 2.01%)					A-e (0.72%, March 2009 – 0.51%)		
GBP	2,312,000	Allied Irish Banks 7.875% 05/07/2023	1,651	0.26	GBP	1,950,000	DnB NORBank 7.25% 23/06/2020	2,038	0.32
GBP	5,125,000	Citigroup 7.375% 01/09/2039	5,048	0.80	GBP	2,350,000	National Grid Gas 6% 13/05/2038	2,541	0.40
GBP	3,200,000	DnB NORBank 6.17% 29/01/2018	3,213	0.51					
		A- (15.84%, March 2009 – 14.85%)					BBB+ (11.74%, March 2009 – 10.66%)		
GBP	3,225,000	Anglian Water 5.837% 30/07/2022	3,277	0.52	GBP	5,930,000	Aviva 6.125% 29/09/2049	4,297	0.68
GBP	3,370,000	Annington Finance 6.5676% 10/01/2023	3,341	0.53	GBP	2,470,000	BAT International Finance 5.75% 09/12/2013	2,642	0.42
GBP	1,273,000	BAA Funding 5.225% 15/02/2025	941	0.15	GBP	3,300,000	BAT International Finance 6% 29/06/2022	3,436	0.54
GBP	2,000,000	Banco Bilbao Vizcaya Argentaria International Uniperson 7.093% 19/01/2049	1,322	0.21	GBP	1,945,000	Den Norske Bank 6.0116% 29/12/2049	1,470	0.23
GBP	1,241,000	Centrica 5.125% 10/12/2014	1,282	0.20	GBP	3,774,000	Deutsche Telekom 6.25% 09/12/2010	3,951	0.62
GBP	1,800,000	Centrica 7% 19/09/2018	2,059	0.32	GBP	3,000,000	Deutsche Telekom International Finance 6.5% 08/04/2022	3,193	0.50
GBP	1,400,000	Centrica 7% 19/09/2033	1,621	0.26	GBP	2,500,000	Koninklijke KPN NV 5.75% 18/03/2016	2,629	0.41
GBP	2,025,000	Citigroup 5.125% 12/12/2018	1,493	0.24	GBP	3,620,000	MUFG Capital Finance 5 6.299% 25/07/2049	2,900	0.46
GBP	5,680,000	Clydesdale Bank 4.875% 17/02/2016	5,448	0.86	GBP	2,620,000	National Grid 6.125% 15/04/2014	2,788	0.44
GBP	1,130,000	Enel 6.25% 20/06/2019	1,214	0.19	GBP	2,467,000	Northern Gas Networks 4.875% 30/06/2027	2,160	0.34
GBP	2,710,000	Enel Societa per Azioni 5.75% 22/06/2037	2,726	0.43	GBP	3,825,000	Pearson Funding One 6% 15/12/2015	4,066	0.64
GBP	3,450,000	Energias de Portugal Finance 8.625% 04/01/2024	4,427	0.70	GBP	5,630,000	Pemex Project Funding Master Trust 7.5% 18/12/2013	6,021	0.95
GBP	3,100,000	France Telecom 5% 15/05/2016	3,203	0.50	GBP	2,975,000	Royal & Sun Alliance 6.701% 12/05/2049	2,514	0.40
GBP	3,461,000	France Telecom 7.5% 14/03/2011	3,716	0.59	GBP	2,900,000	RSA Insurance Group 8.5% 08/12/2049	2,820	0.44
USD	2,830,000	France Telecom 7.75% 01/03/2011	1,872	0.29	GBP	2,155,000	RSA Insurance Group 9.375% 20/05/2039	2,504	0.39
GBP	250,000	France Telecom 8.125% 20/11/2028	335	0.05	GBP	4,335,000	Siemens Finanzierungsamt 6.125% 14/09/2066	3,919	0.62
GBP	3,445,000	Hutchison Ports 6.75% 07/12/2015	3,733	0.59	GBP	1,360,000	SMFG Preferred Capital 10.231% 25/01/2049	1,439	0.23
GBP	2,750,000	Iberdrola Finanzas 7.375% 29/01/2024	3,265	0.51	GBP	2,775,000	SMFG Preferred Capital 6.164% 25/01/2049	2,113	0.33
GBP	1,500,000	Legal & General Group 6.385% 02/11/2049	964	0.15	GBP	1,633,000	Societe Generale 5.75% 29/03/2049	1,316	0.21
GBP	1,600,000	Legal and General Group 10% 23/07/2041	1,783	0.28					
GBP	3,476,000	MBNA Credit Card 6.1% 17/05/2013	2,711	0.43					
GBP	2,380,000	National Grid Electricity Transmission 7.375% 13/01/2031	2,999	0.47					
GBP	2,400,000	National Grid Gas 6% 13/05/2038	2,595	0.41					
GBP	3,200,000	Rolls-Royce 6.75% 30/04/2019	3,485	0.55					
GBP	650,000	Santander Finance Preferred Uniperson 11.3% 29/07/2049	706	0.11					

UK Corporate Bond Fund

Portfolio statement

(continued)

			Value	% of			Value	% of	
	Holding	Investment	£000	Net Asset Value		Holding	Investment	£000	Net Asset Value
GBP	1,980,000	Societe Generale 8.875% 16/06/2049	1,782	0.28	GBP	1,350,000	Xstrata Canada Finance 7.375% 27/05/2020	1,322	0.21
GBP	1,531,000	Standard Chartered Bank 8.103% 11/05/2049	1,531	0.24			Baa2 (0.00%, March 2009 – 0.11%)		
GBP	5,200,000	Thames Water Utilities Cayman 7.241% 09/04/2058	5,661	0.89			BBB– (4.56%, March 2009 – 5.30%)		
GBP	5,400,000	TNT NV 7.5% 14/08/2018	5,778	0.91	GBP	2,850,000	Ahold Finance 6.5% 14/03/2017	2,907	0.46
GBP	3,893,000	United Mexican States 6.75% 06/02/2024	3,601	0.57	GBP	3,374,000	Enterprise Inns 6.5% 06/12/2018	2,545	0.40
		Baa1 (1.31%, March 2009 – 1.01%)			GBP	4,930,000	FirstGroup 6.875% 15/04/2013	5,247	0.83
GBP	5,600,000	Reed Elsevier 5.625% 20/10/2016	5,751	0.91	GBP	4,450,000	Glencore Finance Europe 6.5% 27/02/2019	3,846	0.61
GBP	2,390,000	Wales & West Utilities Finance 6.25% 30/11/2021	2,511	0.40	GBP	1,655,000	ICICI Bank Bahrain 6.25% 18/05/2010	1,656	0.26
		BBB (11.31%, March 2009 – 8.78%)			GBP	3,898,000	Linde Finance 8.125% 14/07/2066	3,762	0.59
GBP	2,900,000	American International Group 5.75% 15/03/2067	1,017	0.16	GBP	5,862,000	Marks & Spencer 6.875% 13/12/2012	6,129	0.97
GBP	800,000	American International Group 8.625% 22/05/2038	358	0.06	GBP	1,970,000	Spirit Issuer 5.472% 28/12/2028	1,340	0.21
GBP	5,211,000	Anglian Water 7.882% 30/07/2037	5,531	0.87	GBP	1,950,000	Spirit Issuer 5.86% 28/12/2021	1,486	0.23
GBP	2,617,000	Anglo American Capital 5.125% 15/12/2010	2,678	0.42			Baa3 (0.33%, March 2009 – 0.00%)		
GBP	3,535,000	British Telecom 6.625% 23/06/2017	3,601	0.57	GBP	2,802,000	Old Mutual 5% 21/01/2016	2,075	0.33
GBP	4,838,000	Credit Suisse Group Capital III 8.514% 15/06/2049	4,499	0.71			BB+ (0.59%, March 2009 – 1.94%)		
USD	3,340,000	Gaz Capital (Gazprom) 6.51% 07/03/2022	1,671	0.26	GBP	2,950,000	Acquedotto Pugliese 6.92% 29/06/2018	3,162	0.50
GBP	4,335,000	Gaz Capital (Gazprom) 6.58% 31/10/2013	4,273	0.67	GBP	814,000	SEB 5% 09/12/2049	592	0.09
GBP	2,425,000	Group 4 Securicor 7.75% 13/05/2019	2,747	0.43			Ba1 (0.22%, March 2009 – 0.17%)		
GBP	2,120,000	Halifax 9.375% 15/05/2021	2,179	0.34	GBP	1,980,000	Irish Nationwide Building Society 13% 12/08/2016	1,386	0.22
GBP	2,685,000	Imperial Tobacco Finance 7.75% 24/06/2019	2,939	0.46			BB (0.38%, March 2009 – 0.20%)		
GBP	2,695,000	Imperial Tobacco Finance 8.125% 15/03/2024	3,016	0.48	GBP	2,740,000	Daily Mail & General Trust 7.5% 29/03/2013	2,384	0.38
GBP	2,710,000	Imperial Tobacco Finance 9% 17/02/2022	3,253	0.51			BB– (0.76%, March 2009 – 0.00%)		
GBP	1,750,000	Lloyds TSB Bank 6.9625% 29/05/2020	1,679	0.26	EUR	5,650,000	ITV 4.75% 03/10/2011	4,838	0.76
EUR	3,555,000	Royal Bank of Scotland Group 6.934% 09/04/2018	3,001	0.47			B (0.54%, March 2009 – 0.00%)		
GBP	2,081,000	South East Water Finance 5.6577% 30/09/2019	2,089	0.33	GBP	2,523,000	Lloyds Banking Group 13% 21/07/2049	2,397	0.38
GBP	1,420,000	Southern Water Services 7.869% 31/03/2014	1,521	0.24	GBP	1,100,000	Lloyds Banking Group 13% 22/07/2049	1,012	0.16
GBP	3,705,000	Talisman Energy 6.625% 05/12/2017	3,791	0.60			B– (0.37%, March 2009 – 0.00%)		
GBP	2,850,000	Telecom Italia 5.625% 29/12/2015	2,864	0.45	USD	2,400,000	HBOS 5.375% 01/11/2049	816	0.13
GBP	2,800,000	Telecom Italia 6.375% 24/06/2019	2,843	0.45	USD	1,630,000	HBOS 6.071% 30/06/2049	409	0.06
USD	2,765,000	Telecom Italia Capital 6.2% 18/07/2011	1,789	0.28	GBP	2,170,000	HBOS Capital Funding LP 9.54% 19/09/2049	1,161	0.18
GBP	5,005,000	Telereal Securitisation 7.098% 10/12/2033	5,111	0.81			CCC+ (0.50%, March 2009 – 0.00%)		
GBP	3,400,000	WPP Finance 6.375% 06/11/2020	3,116	0.49	GBP	1,867,000	Argon Capital 8.162% 30/09/2049	672	0.11
EUR	2,000,000	Xstrata Canada Finance 6.25% 27/05/2015	1,798	0.28	GBP	7,149,000	Saphir Finance 6.369% 25/02/2049	2,484	0.39
EUR	3,500,000	Xstrata Canada Finance 5.875% 27/05/2011	3,155	0.50			CCC (0.27%, March 2009 – 0.00%)		
					GBP	4,600,000	Commerzbank Capital Fund Trust 5.905% 12/04/2049	1,730	0.27

UK Corporate Bond Fund

Portfolio statement

(continued)

[illegible]

The calculation of the % Net Asset Value may not add up due to rounding.

High Yield Bond Fund

Portfolio statement

as at 7th September 2009

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
AUSTRALIA (1.98%, March 2009 – 1.69%)				CZECH REPUBLIC (0.32%, March 2009 – 0.37%)			
B+ (0.00%, March 2009 – 1.69%)				B+ (0.32%, March 2009 – 0.37%)			
USD	900,000			EUR	3,324,558		
EUR	10,674,000				Sazka 8.5% 12/07/2021	1,683	0.32
	B (1.98%, March 2009 – 0.00%)				Total Czech Republic	1,683	0.32
	FMG Finance 10% 01/09/2013	571	0.11				
	FMG Finance 9.75% 01/09/2013	9,785	1.87				
	Total Australia	10,356	1.98				
AUSTRIA (0.77%, March 2009 – 0.00%)				DENMARK (1.74%, March 2009 – 3.57%)			
BB (0.63%, March 2009 – 0.00%)				BB- (1.14%, March 2009 – 0.61%)			
EUR	3,790,000			USD	675,000		
	PE Paper Escrow 11.75% 01/08/2014	3,301	0.63		Nordic Telecom Holdings 8.875% 01/05/2016	409	0.08
	B+ (0.14%, March 2009 – 0.00%)			EUR	300,000		
USD	1,400,000				Nordic Telephone Co Holdings 8.25% 01/05/2016	267	0.05
	Sappi Papier Holding 6.75% 15/06/2012	707	0.14	EUR	3,610,000		
	Total Austria	4,008	0.77		Nordic Telephone Holdings 6.399% 01/05/2016	3,049	0.58
				EUR	2,500,000		
					TDC AS 6.5% 19/04/2012	2,248	0.43
					B+ (0.00%, March 2009 – 1.56%)		
					B (0.60%, March 2009 – 1.40%)		
				EUR	3,593,000		
					ISS Global 4.75% 18/09/2010	3,106	0.60
					Total Denmark	9,079	1.74
BERMUDA (0.15%, March 2009 – 1.35%)				FINLAND (0.29%, March 2009 – 0.00%)			
BB- (0.00%, March 2009 – 1.12%)				CCC+ (0.29%, March 2009 – 0.00%)			
USD	2,300,000			EUR	1,967,000		
	Sea Production 4.69969% 14/02/2012	770	0.15		M-Real 6.152% 15/12/2010	1,494	0.29
	Total Bermuda	770	0.15		Total Finland	1,494	0.29
CANADA (4.73%, March 2009 – 3.52%)				FRANCE (9.23%, March 2009 – 8.61%)			
BBB (1.66%, March 2009 – 1.25%)				AA-e (0.26%, March 2009 – 0.29%)			
EUR	4,371,000			EUR	1,650,000		
EUR	5,545,000				BNP Paribas 7.781% 07/02/2049	1,369	0.26
	Xstrata Canada Finance 5.25% 13/06/2017	3,644	0.70		A (0.00%, March 2009 – 0.43%)		
	Xstrata Canada Finance 5.875% 27/05/2011	4,998	0.96		BBB+ (0.43%, March 2009 – 0.00%)		
	BB+ (2.34%, March 2009 – 1.71%)			GBP	2,480,000		
EUR	7,665,000				Societe Generale 8.875% 16/06/2049	2,232	0.43
EUR	7,390,000				BBB (0.38%, March 2009 – 0.57%)		
	Bombardier Incorporation 3.998% 15/11/2013	6,056	1.16	USD	3,435,000		
	Bombardier Incorporation 7.25% 15/11/2016	6,194	1.18		Legrand 8.5% 15/02/2025	1,976	0.38
	CCC (0.73%, March 2009 – 0.56%)				BB+ (2.77%, March 2009 – 0.11%)		
EUR	1,550,000			EUR	11,275,000		
GBP	2,790,000				Crown 6.25% 01/09/2011	10,238	1.96
	GMAC Canada 6.625% 17/12/2010	2,595	0.50	EUR	2,990,000		
	Total Canada	24,698	4.73		Crown Euro Holdings 6.25% 01/09/2011	2,715	0.52
				EUR	990,000		
					Nexans 1.5% 01/01/2013	684	0.13
				EUR	1,050,000		
					Nexans 5.75% 02/05/2017	839	0.16
					BB (2.54%, March 2009 – 6.11%)		
CAYMAN ISLANDS (0.50%, March 2009 – 0.71%)				USD	3,735,000		
Not Rated (0.50%, March 2009 – 0.71%)					Cie Gen Geophysique 9.5% 15/05/2016	2,341	0.45
NOK	11,000,000			EUR	13,455,000		
GBP	2,900,000				Tereos Europe 6.375% 15/04/2014	10,925	2.09
	PetroProd 0% 26/11/2012	–	–		BB- (1.68%, March 2009 – 0.02%)		
	Sigma Finance 3.79625% 31/12/2013	2,610	0.50	EUR	4,515,000		
	Total Cayman Islands	2,610	0.50	EUR	7,035,000		
					Gecina 4.875% 25/01/2012	3,646	0.70
					Rhodia 3.746% 15/10/2013	5,144	0.98
CYPRUS (0.36%, March 2009 – 0.00%)					B+ (1.06%, March 2009 – 0.91%)		
Not Rated (0.36%, March 2009 – 0.00%)				EUR	6,325,000		
USD	3,200,000				SPCM 8.25% 15/06/2013	5,522	1.06
	Songa Offshore 9.75% 24/03/2011	1,889	0.36				
	Total Cyprus	1,889	0.36				

High Yield Bond Fund

Portfolio statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
		CCC (0.00%, March 2009 – 0.07%)					B+ (2.08%, March 2009 – 2.20%)		
		D (0.00%, March 2009 – 0.10%)			EUR	6,290,000	Beverage Packaging Holdings 8% 15/12/2016	5,464	1.05
		Not Rated (0.11%, March 2009 – 0.00%)			EUR	5,010,000	Cirsa Finance Luxembourg 8.75% 15/05/2014	3,674	0.70
EUR	1,693,333	Korreden 11% 01/08/2014	577	0.11	EUR	2,590,000	Lecta 3.498% 15/02/2014	1,730	0.33
		Total France	48,208	9.23			B (0.76%, March 2009 – 1.04%)		
		GERMANY (5.34%, March 2009 – 6.03%)			EUR	6,195,000	Codere Finance 8.25% 15/06/2015	3,975	0.76
		BBB– (0.00%, March 2009 – 0.43%)					B– (0.86%, March 2009 – 2.78%)		
		BB+ (2.52%, March 2009 – 0.00%)			EUR	5,415,000	Beverage Packaging Holdings 9.5% 15/06/2017	4,491	0.86
EUR	420,000	Gerresheimer 7.875% 01/03/2015	363	0.07			CCC– (0.00%, March 2009 – 0.05%)		
EUR	15,416,000	IESY Hessen 3.778% 15/04/2013	12,786	2.45			D (0.00%, March 2009 – 0.00%)		
		BB (0.00%, March 2009 – 3.77%)			EUR	2,000,000	Hayes Lemmerz Finance 0% 15/06/2015	9	–
		B+ (1.78%, March 2009 – 0.00%)					Not Rated (0.34%, March 2009 – 0.39%)		
USD	420,000	Unity Media 10.375% 15/02/2015	270	0.05	EUR	2,875,000	Signum Luxemburg 5.379% 18/06/2015	1,782	0.34
USD	4,575,000	Unitymedia 10.375% 15/02/2015	2,930	0.56			Total Luxembourg	57,662	11.04
EUR	1,800,000	Unitymedia 10.125% 15/02/2015	1,650	0.31			NETHERLANDS (12.59%, March 2009 – 17.56%)		
EUR	4,950,000	Unitymedia 8.75% 30/12/2014	4,473	0.86			BBB– (1.61%, March 2009 – 2.13%)		
		B (0.00%, March 2009 – 1.83%)			EUR	1,300,000	Linde Finance 7.375% 14/07/2006	1,127	0.22
		CCC+ (1.04%, March 2009 – 0.00%)			GBP	7,500,000	Linde Finance 8.125% 14/07/2006	7,238	1.39
EUR	3,350,000	Tui 2.831% 10/12/2010	2,603	0.50			BB (2.24%, March 2009 – 2.03%)		
EUR	4,315,000	Tui 5.125% 10/12/2012	2,807	0.54	EUR	7,910,000	Fresenius Finance 5.5% 31/01/2016	6,820	1.31
		Total Germany	27,882	5.34	EUR	5,845,000	OI European Group 6.875% 31/03/2017	4,848	0.93
		ITALY (2.61%, March 2009 – 2.47%)					BB– (2.29%, March 2009 – 3.10%)		
		BB (2.61%, March 2009 – 2.47%)			GBP	1,460,000	Cable & Wireless International Finance 8.625% 25/03/2019	1,460	0.28
EUR	17,145,000	Lottomatica 8.25% 31/03/2006	13,621	2.61	EUR	2,850,000	Ifco Systems NV 10% 30/06/2016	2,650	0.51
		Total Italy	13,621	2.61	USD	650,000	Impress Holdings BV 3.63438% 15/09/2013	364	0.07
		LUXEMBOURG (11.04%, March 2009 – 11.26%)			EUR	6,360,000	Impress Holdings BV 4.121% 15/09/2013	5,108	0.98
		BBB (1.13%, March 2009 – 1.28%)			GBP	2,380,000	Intergen NV 9.5% 30/06/2017	2,356	0.45
GBP	6,000,000	Gaz Capital (Gazprom) 6.58% 31/10/2013	5,914	1.13			B+ (0.08%, March 2009 – 0.00%)		
		BBB– (0.00%, March 2009 – 1.07%)			EUR	565,000	Clondalkin Acquisition 3.277% 15/12/2013	395	0.08
		BB+ (1.40%, March 2009 – 0.00%)					B (0.45%, March 2009 – 0.50%)		
EUR	3,150,000	Fiat Finance & Trade 5.625% 15/11/2011	2,757	0.53	EUR	3,390,000	New World Resources 7.375% 15/05/2015	2,338	0.45
EUR	1,660,000	Fiat Finance & Trade 6.625% 15/02/2013	1,431	0.27			B– (2.46%, March 2009 – 2.73%)		
EUR	3,390,000	Fiat Finance & Trade 9% 30/07/2012	3,117	0.60	EUR	2,250,000	Ardagh Glass Finance 8.875% 01/07/2013	1,965	0.38
		BB– (4.47%, March 2009 – 2.45%)			EUR	3,145,000	Calbecom Luxembourg 8% 01/11/2016	2,444	0.47
EUR	11,020,000	Lighthouse International 8% 30/04/2014	4,714	0.90	EUR	4,470,000	Impress Holdings BV 9.25% 15/09/2014	3,922	0.75
EUR	12,500,000	Wind Acquisition Finance 11.75% 15/07/2017	11,213	2.15	EUR	3,575,000	UPC Holding 7.75% 15/01/2014	2,934	0.56
EUR	8,320,000	Wind Acquisition Finance 9.75% 01/12/2015	7,391	1.42	EUR	500,000	UPC Holding 8.625% 15/01/2014	421	0.08
					EUR	1,400,000	UPC Holding BV 9.75% 15/04/2018	1,173	0.22

High Yield Bond Fund

Portfolio statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
		CCC+ (0.00%, March 2009 – 0.13%)					B (0.22%, March 2009 – 0.00%)		
		CCC (0.00%, March 2009 – 0.76%)			EUR	140,000	Smurfit Kappa Funding 7.75% 31/01/2015	113	0.02
		CCC- (0.65%, March 2009 – 0.00%)			USD	2,115,000	Smurfit Kappa Funding 7.75% 31/01/2015	1,042	0.20
EUR	3,115,000	Carlson Wagonlit 6.649% 01/05/2015	1,353	0.26			B- (0.93%, March 2009 – 1.00%)		
EUR	2,950,000	Magyar Telecom 10.75% 15/08/2012	2,035	0.39	EUR	6,385,000	Ardagh Glass Finance 7.125% 15/06/2017	4,850	0.93
		Not Rated (2.81%, March 2009 – 6.18%)					CCC+ (0.14%, March 2009 – 0.00%)		
EUR	4,700,000	Art Five BV No 97 3.96733% 26/05/2014	3,714	0.71	GBP	2,043,000	Argon Capital 8.162% 30/09/2049	735	0.14
EUR	5,495,000	Art Five BV No 164 9.98884% 16/06/2015	3,238	0.62			Not Rated (0.00%, March 2009 – 0.00%)		
GBP	2,464,535	Asset Repacking Trust 0% 30/09/2011	–	–	EUR	2,630	Smurfit Kappa Funding Warrants 30/09/2013	–	–
EUR	2,600,000	Asset Repacking Trust 7.17567% 26/11/2014	2,375	0.45			Total Republic of Ireland	10,235	1.96
USD	3,500,000	Bluewater Holding 3.51375% 30/07/2014	915	0.17			SINGAPORE (0.05%, March 2009 – 0.11%)		
EUR	8,341,788	Boats Investment Netherlands 11% 13/03/2017	4,297	0.82			Not Rated (0.05%, March 2009 – 0.11%)		
EUR	7,058,772	Elektrim Finance 0% 15/11/2007	185	0.03	USD	3,000,000	Nexus 1 PTE 10.5% 07/03/2012	274	0.05
EUR	4,657,000	Hollandwide Parent BV 0% 01/08/2014	61	0.01			Total Singapore	274	0.05
		Total Netherlands	65,736	12.59			SOUTH AFRICA (1.80%, March 2009 – 1.29%)		
		NORWAY (2.28%, March 2009 – 3.12%)			EUR	3,795,000	BB- (0.54%, March 2009 – 0.00%) Consol Glass 7.625% 15/04/2014	2,816	0.54
		A (0.00%, March 2009 – 0.39%)			EUR	3,080,000	B+ (0.44%, March 2009 – 0.43%) Savcio Holdings 8% 15/02/2013	2,313	0.44
GBP	1,820,000	BBB+ (0.26%, March 2009 – 0.00%) Den Norske Bank 6.0116% 29/12/2049	1,375	0.26	EUR	3,350,000	B (0.82%, March 2009 – 0.86%) Foodcorp 8.875% 15/06/2012	2,603	0.50
		Not Rated (2.02%, March 2009 – 2.73%)			EUR	2,712,626	New Reclamation Group 8.125% 01/02/2013	1,658	0.32
USD	1,800,000	DDI Holding 6.65375% 15/03/2012	931	0.18			Total South Africa	9,390	1.80
NOK	5,780,758	MPU Offshore Lift ASA 0% 23/07/2008	–	–			SWEDEN (1.74%, March 2009 – 1.80%)		
USD	3,100,000	PetroMena ASA 10.85% 19/11/2010	622	0.12	EUR	6,019,000	BB+ (1.24%, March 2009 – 0.72%) Stena 6.125% 01/02/2017	4,256	0.82
NOK	28,500,000	Sevan Drilling 7.41% 07/12/2012	2,289	0.44	EUR	3,310,000	Stena AB 5.875% 01/02/2019	2,211	0.42
USD	1,600,000	Sevan Marine 4.43% 14/05/2013	730	0.14			Not Rated (0.50%, March 2009 – 1.08%)		
USD	10,000,000	Sevan Marine 9.25% 20/12/2011	5,172	0.99	EUR	3,757,313	Corral Finans AB 2.496% 15/04/2010	2,591	0.50
NOK	4,344,250	Skeie Drilling & Production 11.25% 08/03/2013	121	0.02			Total Sweden	9,058	1.74
USD	412,800	Skeie Drilling & Production ASA 11.25% 22/02/2013	439	0.09			UNITED KINGDOM (23.46%, March 2009 – 19.75%)		
		Total Norway	11,882	2.28			AAA (0.00%, March 2009 – 3.39%)		
		REPUBLIC OF IRELAND (1.96%, March 2009 – 1.64%)			USD	4,477,000	A (0.41%, March 2009 – 0.17%) Barclays Bank 0.80125% 27/06/2016	2,150	0.41
EUR	3,520,000	BB (0.67%, March 2009 – 0.07%) Ardagh Glass Finance 9.25% 01/07/2016	3,258	0.62			A- (0.18%, March 2009 – 0.50%)		
USD	500,000	Smurfit Kappa Treasury 7.5% 20/11/2025	237	0.05	GBP	935,000	HSBC Capital Funding LP 8.208% 30/06/2049	934	0.18
		B+ (0.00%, March 2009 – 0.57%)							

High Yield Bond Fund

Portfolio statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
		BBB+ (0.87%, March 2009 – 0.00%)					CCC– (0.73%, March 2009 – 0.16%)		
EUR	2,210,000	Royal & Sun Alliance 6.875% 15/10/2019	1,891	0.36	EUR	7,405,000	Ineos Group Holdings 7.875% 15/02/2016	2,828	0.54
GBP	2,660,000	Standard Chartered Bank 8.103% 11/05/2049	2,660	0.51	GBP	1,735,000	Pipe Holding 9.75% 01/11/2013	1,006	0.19
		BBB (1.09%, March 2009 – 0.18%)					CC (0.00%, March 2009 – 0.11%)		
EUR	5,555,000	Imperial Tobacco Finance 8.375% 17/02/2016	5,688	1.09	EUR	3,515,000	Not Rated (1.82%, March 2009 – 1.66%) Avis Finance 3.528% 31/07/2013	2,593	0.50
		BBB– (0.57%, March 2009 – 0.69%)			GBP	6,750,000	First Hydro Finance 9% 31/07/2021	6,868	1.32
EUR	3,455,000	Rexam 4.375% 15/03/2013	2,951	0.57	EUR	2,150	Jazztel Warrants 15/07/2010	–	–
		BB+ (0.00%, March 2009 – 0.54%)					Total United Kingdom	122,447	23.46
		BB (2.27%, March 2009 – 1.01%)					UNITED STATES OF AMERICA (13.10%, March 2009 – 9.74%)		
GBP	2,500,000	British Airways 8.75% 23/08/2016	2,044	0.39	EUR	6,730,000	BBB (1.09%, March 2009 – 0.00%) Standard Chartered Capital Trust 8.16% 29/03/2049	5,699	1.09
GBP	690,000	Daily Mail & General Trust 10% 09/04/2021	600	0.11			BBB– (0.39%, March 2009 – 0.11%)		
GBP	2,890,000	Daily Mail & General Trust 7.5% 29/03/2013	2,514	0.48	EUR	1,440,000	Ahold Finance 5.875% 14/03/2012	1,335	0.26
USD	300,000	Inmarsat Finance II 10.375% 15/11/2012	189	0.04	GBP	681,000	Ahold Finance 6.5% 14/03/2017	695	0.13
EUR	8,880,000	Rexam 6.75% 29/06/2067	6,532	1.25	EUR	2,650,000	BB+ (0.37%, March 2009 – 0.57%) Fiat Finance North America 5.625% 12/06/2017	1,949	0.37
		BB– (2.42%, March 2009 – 2.10%)					BB (3.83%, March 2009 – 3.45%)		
GBP	4,240,000	Cable & Wireless 8.75% 06/08/2012	4,367	0.84	EUR	8,885,000	Chesapeake Energy 6.25% 15/01/2017	6,885	1.32
EUR	281,000	ITV 10% 30/06/2014	243	0.05	GBP	10,030,000	Constellation Brands 8.5% 15/11/2009	10,105	1.94
EUR	4,720,000	ITV 4.75% 03/10/2011	4,042	0.77	EUR	390,000	Fresenius Medical Capital 7.375% 15/06/2011	357	0.07
EUR	5,170,000	TVN Finance 9.5% 15/12/2013	3,972	0.76	EUR	2,115,000	Fresenius US Finance II 8.75% 15/07/2015	2,027	0.39
		B+ (1.62%, March 2009 – 1.65%)			EUR	700,000	Owens-Brockway Glass 6.75% 01/12/2014	593	0.11
EUR	9,332,000	Eco Bat Finance 10.125% 31/01/2013	8,473	1.62			BB– (0.90%, March 2009 – 1.96%)		
		B1 (0.26%, March 2009 – 0.13%)			GBP	1,670,000	AES Corporation 8.375% 01/03/2011	1,674	0.32
EUR	2,600,000	Investec Tier UK 7.075% 24/06/2049	1,339	0.26	EUR	3,455,000	Nalco 7.75% 15/11/2011	3,016	0.58
		B (4.31%, March 2009 – 0.00%)					B+ (1.44%, March 2009 – 1.03%)		
EUR	5,150,000	ISS Financing 11% 15/06/2014	4,620	0.89	EUR	850,000	Iron Mountain 6.75% 15/10/2018	701	0.13
GBP	1,855,000	Lloyds Banking Group 13% 21/07/2049	1,762	0.34	GBP	7,030,000	Iron Mountain 7.25% 15/04/2014	6,854	1.31
EUR	795,000	National Westminster Bank 6.625% 29/10/2049	590	0.11			B (1.08%, March 2009 – 1.88%)		
EUR	3,430,000	Virgin Media Finance 8.75% 15/04/2014	3,040	0.58	EUR	2,688,000	Central European Distribution 8% 25/07/2012	2,347	0.45
GBP	10,597,000	Virgin Media Finance 9.75% 15/04/2014	10,862	2.08	EUR	360,000	Nalco 9% 15/11/2013	321	0.06
EUR	1,835,000	Virgin Media Finance 9.5% 15/08/2016	1,634	0.31	EUR	3,317,000	Nalco 9% 15/11/2013 XS0195292403	2,954	0.57
		B– (6.91%, March 2009 – 7.46%)					B– (0.46%, March 2009 – 0.00%)		
EUR	6,655,000	FCE Bank 2.12% 30/09/2009	5,760	1.10	EUR	2,909,000	Johnson Diversey 9.625% 15/05/2012	2,387	0.46
EUR	10,600,000	FCE Bank 7.125% 15/01/2013	8,144	1.56			CCC+ (0.00%, March 2009 – 0.11%)		
EUR	1,750,000	FCE Bank 7.125% 16/01/2012	1,390	0.27			CCC (2.78%, March 2009 – 0.63%)		
GBP	6,650,000	FCE Bank 7.875% 15/02/2011	6,251	1.20	EUR	2,000,000	General Motors Acceptance Corporation 5.375% 06/06/2011	1,554	0.30
USD	3,890,000	Global Crossing UK Finance 10.75% 15/12/2014	2,142	0.41					
GBP	11,392,000	Global Crossing UK Finance 11.75% 15/12/2014	10,708	2.05					
GBP	2,000,000	Pipe Holding 7.75% 01/11/2011	1,660	0.32					

Strategic Bond Fund

Portfolio statement

as at 7th September 2009

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
AUSTRALIA (2.38%, March 2009 – 2.05%)					BB+ (1.04%, March 2009 – 0.69%)				
		AAA (0.31%, March 2009 – 0.00%)			EUR	1,900,000	Bombardier Incorporation 3.998%		
GBP	1,200,000	New South Wales Treasury 5%					15/11/2013	1,501	0.38
		25/02/2039	1,212	0.31	EUR	3,090,000	Bombardier Incorporation 7.25%		
							15/11/2016	2,590	0.66
		AAAe (0.00%, March 2009 – 0.35%)					Total Canada	8,978	2.29
		AA (0.74%, March 2009 – 0.61%)			CAYMAN ISLANDS (2.67%, March 2009 – 2.46%)				
GBP	1,902,000	Commonwealth Bank of Australia 6%					A (0.37%, March 2009 – 0.71%)		
		18/03/2011	2,010	0.51	GBP	1,367,000	Dwr Cymru Financing 6.015%		
GBP	830,000	National Australia Bank 5.375%					31/03/2028	1,455	0.37
		08/12/2014	878	0.23			BBB+ (1.56%, March 2009 – 1.33%)		
		AA- (0.54%, March 2009 – 0.00%)			GBP	2,165,000	MUFG Capital Finance 5 6.299%		
GBP	1,220,000	Australia & New Zealand					25/07/2049	1,734	0.44
		Banking Group 4.75% 07/12/2018	1,169	0.30	GBP	610,000	SMFG Preferred Capital 10.231%		
EUR	1,050,000	Commonwealth Bank of Australia					25/01/2049	646	0.16
		5.5% 06/08/2019	945	0.24	GBP	1,780,000	SMFG Preferred Capital 6.164%		
		A- (0.00%, March 2009 – 0.44%)					25/01/2049	1,355	0.35
		B+ (0.00%, March 2009 – 0.65%)			GBP	2,190,000	Thames Water Utilities Cayman 7.241%		
		B (0.79%, March 2009 – 0.00%)					09/04/2058	2,384	0.61
EUR	3,390,000	FMG Finance 9.75% 01/09/2013	3,108	0.79	GBP	1,166,000	BBB (0.30%, March 2009 – 0.00%)		
		Total Australia	9,322	2.38			South East Water Finance 5.6577%		
							30/09/2019	1,170	0.30
		AUSTRIA (0.31%, March 2009 – 0.00%)					Not Rated (0.44%, March 2009 – 0.42%)		
		BB (0.25%, March 2009 – 0.00%)			GBP	1,900,000	Sigma Finance 3.79625%		
EUR	1,150,000	PE Paper Escrow 11.75%					31/12/2013	1,710	0.44
		01/08/2014	1,002	0.25			Total Cayman Islands	10,454	2.67
		B+ (0.06%, March 2009 – 0.00%)			CZECH REPUBLIC (0.13%, March 2009 – 0.12%)				
USD	450,000	Sappi Papier Holding 6.75%					B+ (0.13%, March 2009 – 0.12%)		
		15/06/2012	227	0.06	EUR	1,001,256	Sazka 8.5% 12/07/2021	507	0.13
		Total Austria	1,229	0.31			Total Czech Republic	507	0.13
					DENMARK (0.71%, March 2009 – 1.08%)				
		BAHRAIN (0.17%, March 2009 – 0.47%)					BB- (0.47%, March 2009 – 0.22%)		
		BBB- (0.17%, March 2009 – 0.47%)			EUR	1,220,000	Nordic Telephone Holdings 6.399%		
GBP	655,000	ICICI Bank Bahrain 6.25% 18/05/2010	656	0.17			01/05/2016	1,031	0.26
		Total Bahrain	656	0.17	EUR	895,000	TDC AS 6.5% 19/04/2012	805	0.21
							B+ (0.00%, March 2009 – 0.71%)		
		BERMUDA (0.00%, March 2009 – 0.46%)					B (0.24%, March 2009 – 0.15%)		
		BB- (0.00%, March 2009 – 0.46%)			EUR	1,099,000	ISS Global 4.75% 18/09/2010	950	0.24
		Total Bermuda	-	-			Total Denmark	2,786	0.71
					FRANCE (8.46%, March 2009 – 7.11%)				
		CANADA (2.29%, March 2009 – 2.00%)					AA (0.51%, March 2009 – 0.61%)		
		BBB (1.25%, March 2009 – 1.31%)			GBP	1,890,000	BNP Paribas 6.125% 27/05/2011	2,011	0.51
GBP	1,500,000	Talisman Energy 6.625%					AA- (0.37%, March 2009 – 0.42%)		
		05/12/2017	1,535	0.39	GBP	1,400,000	BNP Paribas 6.742% 07/09/2017	1,465	0.37
EUR	2,850,000	Xstrata Canada Finance 5.875%							
		27/05/2011	2,569	0.66					
GBP	800,000	Xstrata Canada Finance 7.375%							
		27/05/2020	783	0.20					

Strategic Bond Fund

Portfolio statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
		A+ (1.14%, March 2009 – 0.64%)					B (0.00%, March 2009 – 0.69%)		
EUR	800,000	AXA 4.5% 23/01/2015	727	0.19					
GBP	950,000	Credit Agricole 7.375% 18/12/2023	1,098	0.28			CCC+ (0.12%, March 2009 – 0.00%)		
GBP	2,300,000	Electricite De France 6.125% 02/06/2034	2,607	0.67	EUR	340,000	Tui 2.831% 10/12/2010	264	0.07
					EUR	300,000	Tui 5.125% 10/12/2012	195	0.05
							Total Germany	7,069	1.81
		A (0.87%, March 2009 – 0.78%)					ITALY (3.12%, March 2009 – 3.13%)		
GBP	1,500,000	BNP Paribas 5.945% 19/04/2049	1,057	0.27			A+ (0.43%, March 2009 – 0.47%)		
GBP	1,050,000	BNP Paribas 5.954% 13/07/2049	819	0.21	GBP	1,650,000	Intesa Sanpaolo 6.375% 12/11/2017	1,688	0.43
GBP	1,400,000	GDF Suez 6.125% 11/02/2021	1,545	0.39			A- (0.57%, March 2009 – 0.56%)		
		A- (0.93%, March 2009 – 0.88%)			GBP	660,000	Enel 6.25% 20/06/2019	709	0.18
GBP	1,190,000	France Telecom 5% 15/05/2016	1,229	0.31	GBP	1,510,000	Enel Societa per Azioni 5.75% 22/06/2037	1,519	0.39
GBP	1,252,000	France Telecom 7.5% 14/03/2011	1,344	0.34			BBB (0.58%, March 2009 – 0.72%)		
USD	1,675,000	France Telecom 7.75% 01/03/2011	1,108	0.28	GBP	1,150,000	Telecom Italia 5.625% 29/12/2015	1,156	0.29
		BBB+ (0.29%, March 2009 – 0.00%)			GBP	1,100,000	Telecom Italia 6.375% 24/06/2019	1,117	0.29
GBP	1,240,000	Societe Generale 8.875% 16/06/2049	1,116	0.29			BBB- (0.00%, March 2009 – 0.41%)		
		BBB (0.72%, March 2009 – 0.79%)					BB+ (0.33%, March 2009 – 0.00%)		
USD	1,620,000	Legrand 8.5% 15/02/2025	932	0.24	GBP	1,200,000	Acquedotto Pugliese 6.92% 29/06/2018	1,286	0.33
GBP	2,030,000	WPP Finance 6.375% 06/11/2020	1,860	0.48			BB (1.21%, March 2009 – 0.97%)		
		BB+ (1.34%, March 2009 – 0.05%)			EUR	5,945,000	Lottomatica 8.25% 31/03/2066	4,723	1.21
EUR	5,065,000	Crown 6.25% 01/09/2011	4,599	1.18			Total Italy	12,198	3.12
EUR	380,000	Nexans 1.5% 01/01/2013	263	0.07			JAPAN (0.20%, March 2009 – 0.82%)		
EUR	450,000	Nexans 5.75% 02/05/2017	359	0.09			AA- (0.20%, March 2009 – 0.41%)		
		BB (1.05%, March 2009 – 2.51%)			GBP	800,000	East Japan Railway 4.75% 08/12/2031	775	0.20
USD	1,250,000	Cie Gen Geophysique 9.5% 15/05/2016	783	0.20			A (0.00%, March 2009 – 0.41%)		
EUR	4,105,000	Tereos Europe 6.375% 15/04/2014	3,333	0.85			Total Japan	775	0.20
		BB- (0.71%, March 2009 – 0.04%)					KAZAKHSTAN (0.29%, March 2009 – 0.28%)		
EUR	1,440,000	Gecina 4.875% 25/01/2012	1,163	0.30			Baa3 (0.29%, March 2009 – 0.28%)		
EUR	2,205,000	Rhodia 3.746% 15/10/2013	1,612	0.41	USD	1,968,702	Tengizchevroil Finance 6.124% 15/11/2014	1,139	0.29
		B+ (0.47%, March 2009 – 0.34%)					Total Kazakhstan	1,139	0.29
EUR	2,115,000	SPCM 8.25% 15/06/2013	1,847	0.47			LUXEMBOURG (5.95%, March 2009 – 6.14%)		
		D (0.00%, March 2009 – 0.05%)					AA- (0.26%, March 2009 – 0.00%)		
		Not Rated (0.06%, March 2009 – 0.00%)			EUR	1,100,000	Novartis Finance 4.25% 15/06/2016	1,000	0.26
EUR	733,333	Korreden 11% 01/08/2014	250	0.06			BBB+ (0.38%, March 2009 – 0.46%)		
		Total France	33,127	8.46	USD	2,468,737	Gazprom International 7.201% 01/02/2020	1,503	0.38
		GERMANY (1.81%, March 2009 – 2.83%)					BBB (0.78%, March 2009 – 0.87%)		
		AAA (0.00%, March 2009 – 0.49%)			USD	2,100,000	Gaz Capital (Gazprom) 6.51% 07/03/2022	1,051	0.27
		BBB- (0.00%, March 2009 – 0.17%)			GBP	1,595,000	Gaz Capital (Gazprom) 6.58% 31/10/2013	1,572	0.40
EUR	220,200	Gerresheimer 7.875% 01/03/2015	190	0.05	USD	675,000	Telecom Italia Capital 6.2% 18/07/2011	437	0.11
EUR	4,580,000	IESY Hessen 3.778% 15/04/2013	3,799	0.97					
		BB (0.00%, March 2009 – 1.48%)							
		B+ (0.67%, March 2009 – 0.00%)							
USD	3,000,000	Unitymedia 10.375% 15/02/2015	1,921	0.49					
EUR	775,000	Unitymedia 8.75% 30/12/2014	700	0.18					

Strategic Bond Fund

Portfolio statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
GBP	1,700,000	BBB- (0.38%, March 2009 – 1.08%)			GBP	1,000,000	Koninklijke KPN NV 5.75%		
		Glencore Finance Europe 6.5%					18/03/2016	1,051	0.27
		27/02/2019	1,469	0.38	GBP	2,490,000	Siemens Financierungsamt 6.125%	2,251	0.58
EUR	1,050,000	BB+ (0.67%, March 2009 – 0.00%)			GBP	2,300,000	TNT NV 7.5% 14/08/2018	2,461	0.63
		Fiat Finance & Trade 5.625% 15/11/2011	919	0.23			BBB- (1.04%, March 2009 – 1.06%)		
		Fiat Finance & Trade 6.625% 15/02/2013	799	0.20	EUR	760,000	Linde Finance 6% 29/07/2049	641	0.16
EUR	1,040,000	Fiat Finance & Trade 9% 30/07/2012	956	0.24	GBP	3,555,000	Linde Finance 8.125% 14/07/2066	3,431	0.88
EUR	3,950,000	BB- (1.84%, March 2009 – 1.21%)					BB (0.91%, March 2009 – 0.87%)		
		Lighthouse International 8%			EUR	2,100,000	Fresenius Finance 5.5% 31/01/2016	1,811	0.46
		30/04/2014	1,690	0.43	EUR	2,115,000	OI European Group 6.875%		
EUR	3,950,000	Wind Acquisition Finance 11.75%					31/03/2017	1,754	0.45
EUR	2,180,000	Wind Acquisition Finance 9.75%					BB- (0.97%, March 2009 – 1.15%)		
		01/12/2015	1,937	0.50	GBP	460,000	Cable & Wireless International Finance		
EUR	1,895,000	B+ (0.84%, March 2009 – 0.88%)					8.625% 25/03/2019	460	0.12
		Beverage Packaging Holdings 8%			EUR	610,000	Ifco Systems NV 10% 30/06/2016	567	0.14
		15/12/2016	1,646	0.42	EUR	2,400,000	Impress Holdings BV 4.121%		
EUR	1,570,000	Cirsa Finance Luxembourg 8.75%					15/09/2013	1,928	0.49
EUR	740,000	Lecta 3.498% 15/02/2014	494	0.13	GBP	885,000	Interger NV 9.5% 30/06/2017	876	0.22
EUR	1,834,000	B (0.30%, March 2009 – 0.43%)					B+ (0.05%, March 2009 – 0.00%)		
		Codere Finance 8.25% 15/06/2015	1,177	0.30	EUR	300,000	Clondalkin Acquisition 3.277%		
							15/12/2013	209	0.05
EUR	1,600,000	B- (0.34%, March 2009 – 1.07%)					B (0.20%, March 2009 – 0.23%)		
		Beverage Packaging Holdings 9.5%			EUR	1,135,000	New World Resources 7.375%		
		15/06/2017	1,327	0.34			15/05/2015	783	0.20
EUR	1,000,000	Not Rated (0.16%, March 2009 – 0.14%)			EUR	1,815,000	B- (1.22%, March 2009 – 1.19%)		
		Signum Luxembourg 5.379%					Ardagh Glass Finance 8.875%		
		18/06/2015	620	0.16	EUR	1,170,000	Impress Holdings BV 9.25%	1,585	0.40
		Total Luxembourg	23,291	5.95	EUR	2,140,000	UPC Holding 7.75% 15/01/2014	1,756	0.45
					EUR	500,000	UPC Holding BV 9.75% 15/04/2018	419	0.11
MEXICO (0.43%, March 2009 – 0.46%)							CCC+ (0.00%, March 2009 – 0.06%)		
GBP	1,825,000	BBB+ (0.43%, March 2009 – 0.46%)					CCC- (0.37%, March 2009 – 0.00%)		
		United Mexican States 6.75%			EUR	1,370,000	Carlson Wagonlit 6.649% 01/05/2015	595	0.15
		06/02/2024	1,688	0.43	EUR	1,225,000	MagyarTelecom 10.75% 15/08/2012	845	0.22
		Total Mexico	1,688	0.43			Not Rated (1.31%, March 2009 – 2.53%)		
EUR	500,000	AA (0.11%, March 2009 – 0.00%)			EUR	3,000,000	Art Five BV No 97 3.96733%		
		Allianz Finance II 4.75% 22/07/2019	449	0.11			26/05/2014	2,370	0.61
					GBP	1,643,023	Asset Repacking Trust 0% 30/09/2011	–	–
GBP	1,480,000	A (1.34%, March 2009 – 0.77%)			EUR	1,000,000	Asset Repacking Trust 7.17567%	914	0.23
GBP	1,950,000	Bank Tokyo-Mit Curacao 5.5%					26/11/2014		
GBP	1,250,000	E.On International Finance BV 6.75%			USD	1,300,000	Bluewater Holding 3.51375%		
		27/01/2039	2,373	0.61			30/07/2014	340	0.09
		RWE Finance BV 6.125% 06/07/2039	1,406	0.36	EUR	2,544,742	Boats Investment Netherlands 11%		
GBP	1,550,000	A- (0.51%, March 2009 – 0.58%)					13/03/2017	1,311	0.34
		Energias de Portugal Finance 8.625%			EUR	4,200,000	Elektrim Finance 0% 15/11/2007	110	0.03
		04/01/2024	1,989	0.51	EUR	2,017,000	Hollandwide Parent BV 0%		
GBP	1,501,000	BBB+ (2.19%, March 2009 – 1.17%)					01/08/2014	26	0.01
		Deutsche Telekom 6.25% 09/12/2010	1,571	0.40	Total Netherlands			39,997	10.22
		Deutsche Telekom International Finance							
GBP	1,150,000	6.5% 08/04/2022	1,224	0.31					

Strategic Bond Fund

Portfolio statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
NORWAY (1.70%, March 2009 – 1.99%)					B- (0.10%, March 2009 – 0.16%)				
		AA- (0.16%, March 2009 – 0.00%)			EUR	535,000	Ardagh Glass Finance 7.125% 15/06/2017	406	0.10
GBP	520,000	Statoil Hydro ASA 6.875% 11/03/2031	631	0.16					
		AA-e (0.00%, March 2009 – 0.49%)							
		A (0.00%, March 2009 – 0.18%)			GBP	709,000	CCC+ (0.38%, March 2009 – 0.00%) Argon Capital 8.162% 30/09/2049	255	0.07
GBP	1,480,000	DnB NORBank 6.17% 29/01/2018	1,486	0.38	GBP	3,449,000	Saphir Finance 6.369% 25/02/2049	1,199	0.31
		Ae (0.38%, March 2009 – 0.43%)							
GBP	1,100,000	DnB NORBank 7.25% 23/06/2020	1,150	0.29	EUR	440	Not Rated (0.00%, March 2009 – 0.00%) Smurfit Kappa Funding Warrants 30/09/2013	–	–
		A-e (0.29%, March 2009 – 0.32%)					Total Republic of Ireland	7,126	1.82
GBP	1,165,000	BBB+ (0.23%, March 2009 – 0.00%) Den Norske Bank 6.0116% 29/12/2049	880	0.23	SOUTH AFRICA (0.78%, March 2009 – 0.57%)				
		Not Rated (0.64%, March 2009 – 0.57%)			EUR	875,000	BB- (0.17%, March 2009 – 0.00%) Consol Glass 7.625% 15/04/2014	649	0.17
USD	640,000	DDI Holding 6.65375% 15/03/2012	331	0.09					
NOK	5,780,758	MPU Offshore Lift ASA 0% 23/07/2008	–	–	EUR	1,385,000	B+ (0.26%, March 2009 – 0.24%) Savcio Holdings 8% 15/02/2013	1,040	0.26
NOK	7,000,000	Sevan Drilling 7.41% 07/12/2012	562	0.14					
USD	3,100,000	Sevan Marine 9.25% 20/12/2011	1,603	0.41	EUR	1,035,000	B (0.35%, March 2009 – 0.33%) Foodcorp 8.875% 15/06/2012	804	0.20
		Total Norway	6,643	1.70	EUR	948,845	New Reclamation Group 8.125% 01/02/2013	580	0.15
PORTUGAL (0.00%, March 2009 – 0.56%)							Total South Africa	3,073	0.78
		A- (0.00%, March 2009 – 0.56%)			SPAIN (1.42%, March 2009 – 1.45%)				
		Total Portugal	–	–	GBP	200,000	AA- (0.34%, March 2009 – 0.30%) Santander Issuances Preferred Uniperson 7.3% 29/07/2019	212	0.06
REPUBLIC OF IRELAND (1.82%, March 2009 – 1.62%)					GBP	1,050,000	Santander Issuances 6.5325% 24/10/2017	1,076	0.28
		AAA (0.00%, March 2009 – 0.63%)					A+ (0.00%, March 2009 – 0.22%)		
GBP	1,303,000	AA+ (0.63%, March 2009 – 0.00%) GE Capital UK Funding 5.875% 18/01/2033	1,183	0.30	GBP	1,150,000	A- (1.08%, March 2009 – 0.93%) Banco Bilbao Vizcaya Argentaria International Uniperson 7.093% 19/01/2049	760	0.19
GBP	1,275,000	GE Capital UK Funding 6% 11/04/2013	1,300	0.33	GBP	1,000,000	Iberdrola Finanzas 7.375% 29/01/2024	1,187	0.30
		Ae (0.20%, March 2009 – 0.30%)			GBP	250,000	Santander Finance Preferred Uniperson 11.3% 29/07/2049	272	0.07
GBP	1,119,000	Allied Irish Banks 7.875% 05/07/2023	799	0.20	EUR	2,150,000	Telefonica Emisiones 5.58% 12/06/2013	2,034	0.52
		A- (0.00%, March 2009 – 0.15%)					Total Spain	5,541	1.42
GBP	880,000	Ba1 (0.16%, March 2009 – 0.12%) Irish Nationwide Building Society 13% 12/08/2016	616	0.16	SWEDEN (1.75%, March 2009 – 1.41%)				
		BB (0.25%, March 2009 – 0.04%)			GBP	1,140,000	AA- (0.30%, March 2009 – 0.00%) Svenska Handelsbanken 5.5% 26/05/2016	1,183	0.30
EUR	1,020,000	Ardagh Glass Finance 9.25% 01/07/2016	944	0.24			A (0.52%, March 2009 – 0.42%)		
USD	100,000	Smurfit Kappa Treasury 7.5% 20/11/2025	47	0.01	GBP	1,710,000	Vattenfall 6.875% 15/04/2039	2,044	0.52
		B+ (0.00%, March 2009 – 0.22%)					A- (0.37%, March 2009 – 0.00%)		
EUR	100,000	B (0.10%, March 2009 – 0.00%) Smurfit Kappa Funding 7.75% 31/01/2015	81	0.02	GBP	1,665,000	Svenska Handelsbanken 5.5% 18/01/2049	1,431	0.37
USD	600,000	Smurfit Kappa Funding 7.75% 31/01/2015	296	0.08					

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	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
		BBB+ (0.00%, March 2009 – 0.32%)					A+e (0.19%, March 2009 – 0.25%)		
		BB+ (0.56%, March 2009 – 0.26%)			GBP	730,000	Nationwide Building Society 5.625% 09/09/2019	730	0.19
GBP	386,000	SEB 5% 09/12/2049	281	0.07			A (3.73%, March 2009 – 3.04%)		
EUR	1,955,000	Stena 6.125% 01/02/2017	1,383	0.35	GBP	1,280,000	Barclays Bank 10% 21/05/2021	1,615	0.41
EUR	820,000	Stena AB 5.875% 01/02/2019	548	0.14	GBP	2,500,000	BG Energy Capital 5.125% 07/12/2017	2,571	0.66
		Not Rated (0.00%, March 2009 – 0.41%)			GBP	982,000	HSBC Capital Funding LP 5.844% 05/11/2049	770	0.20
		Total Sweden	6,870	1.75	GBP	1,600,000	HSBC Holdings 6.375% 18/10/2022	1,652	0.42
					GBP	750,000	HSBC Holdings 6.75% 11/09/2028	826	0.21
SWITZERLAND (0.32%, March 2009 – 0.00%)					GBP	1,600,000	HSBC Holdings 7% 07/04/2038	1,826	0.47
		A+ (0.32%, March 2009 – 0.00%)			GBP	644,700	Punch Taverns 5.883% 15/10/2026	538	0.14
GBP	1,180,000	UBS London 6.375% 20/07/2016	1,260	0.32	GBP	2,215,000	Standard Chartered 6.5% 28/04/2014	2,405	0.61
		Total Switzerland	1,260	0.32	GBP	3,140,000	Unique Pub Finance 5.659% 30/06/2027	2,373	0.61
							Ae (0.00%, March 2009 – 0.67%)		
UNITED ARAB EMIRATES (0.12%, March 2009 – 0.00%)							A- (7.35%, March 2009 – 5.26%)		
		AA (0.12%, March 2009 – 0.00%)			GBP	1,609,000	Anglian Water 5.837% 30/07/2022	1,635	0.42
USD	710,000	Emirate of Abu Dhabi 6.75% 08/04/2019	473	0.12	GBP	1,900,000	Annington Finance 6.5676% 10/01/2023	1,883	0.48
		Total United Arab Emirates	473	0.12	GBP	834,000	BAA Funding 5.225% 15/02/2025	617	0.16
					GBP	665,000	Centrica 5.125% 10/12/2014	687	0.18
UNITED KINGDOM (38.63%, March 2009 – 36.59%)					GBP	750,000	Centrica 7% 19/09/2018	858	0.22
		AAA (2.56%, March 2009 – 6.41%)			GBP	625,000	Centrica 7% 19/09/2033	724	0.18
GBP	2,107,814	Canary Wharf Finance II 6.455% 22/04/2030	2,181	0.56	GBP	3,060,000	Clydesdale Bank 4.875% 17/02/2016	2,935	0.75
GBP	1,288,786	Integrated Accommodation Service 6.48% 31/03/2029	1,342	0.34	GBP	1,375,000	Hutchison Ports 6.75% 07/12/2015	1,490	0.38
GBP	3,071,247	Longstone Finance 4.791% 19/04/2030	2,858	0.73	GBP	550,000	Legal & General Group 6.385% 02/11/2049	353	0.09
GBP	990,000	Southern Gas Network 4.875% 21/03/2029	901	0.23	GBP	600,000	Legal and General Group 10% 23/07/2041	668	0.17
GBP	2,400,000	UK Treasury 2.25% 07/03/2014	2,358	0.60	GBP	740,000	National Grid Electricity Transmission 7.375% 13/01/2031	932	0.24
GBP	385,000	UK Treasury 4.25% 07/12/2055	393	0.10	GBP	1,400,000	National Grid Gas 6% 13/05/2038	1,514	0.39
		Aaa (0.27%, March 2009 – 0.00%)			GBP	1,380,000	Rolls-Royce 6.75% 30/04/2019	1,503	0.38
GBP	1,026,000	Sceptre Funding 5.253% 09/02/2027	1,064	0.27	GBP	875,000	Scottish & Southern Energy 5.75% 05/02/2014	921	0.23
		AA (1.08%, March 2009 – 1.23%)			GBP	1,400,000	Scottish & Southern Energy 8.375% 20/11/2028	1,892	0.48
GBP	865,000	Land Securities 4.625% 03/02/2013	868	0.22	GBP	700,000	Severn Trent Water Utilities 6% 22/01/2018	751	0.19
GBP	1,725,000	Land Securities 5.125% 07/02/2036	1,427	0.36	GBP	1,430,000	Southern Water Services 5% 31/03/2021	1,313	0.34
GBP	2,165,000	Telereal Securitisation 5.9478% 10/12/2031	1,963	0.50	GBP	530,000	Southern Water Services 6.192% 31/03/2029	563	0.14
		AA- (1.48%, March 2009 – 0.88%)			GBP	600,000	Standard Chartered Bank 7.75% 03/04/2018	667	0.17
GBP	2,375,000	Barclays Bank 5.75% 17/08/2021	2,407	0.61	EUR	1,325,000	Tesco 5.875% 12/09/2016	1,281	0.33
GBP	1,715,339	British Broadcasting Corporation 5.0636% 10/08/2033	1,549	0.40	GBP	2,000,000	Tesco 6.125% 24/02/2022	2,142	0.55
GBP	1,625,000	HSBC Holdings 6.5% 20/05/2024	1,842	0.47	GBP	1,075,000	Tesco Property Finance 7.6227% 13/07/2039	1,222	0.31
		A+ (1.99%, March 2009 – 3.16%)			GBP	2,150,000	Vodafone Group 5.375% 05/12/2017	2,225	0.57
GBP	444,000	Alliance & Leicester 9.625% 30/10/2023	512	0.13			A-e (0.19%, March 2009 – 0.15%)		
GBP	440,000	Bank of Scotland 4.625% 28/02/2011	445	0.11	GBP	700,000	National Grid Gas 6% 13/05/2038	757	0.19
GBP	1,000,000	Bank of Scotland 5.9% 15/10/2010	1,026	0.26			BBB+ (2.94%, March 2009 – 2.97%)		
EUR	1,165,000	Credit Suisse International 4.75% 05/08/2019	1,012	0.26	GBP	2,950,000	Aviva 6.125% 29/09/2049	2,137	0.55
GBP	1,147,000	Lloyds TSB Bank 6.375% 15/04/2014	1,216	0.31	GBP	1,275,000	BAT International Finance 5.75% 09/12/2013	1,364	0.35
GBP	1,278,000	Royal Bank of Scotland 6.375% 29/04/2014	1,359	0.35					
GBP	1,650,000	Royal Bank of Scotland 6.625% 17/09/2018	1,775	0.45					
GBP	470,000	Unilever 4.75% 16/06/2017	489	0.12					

Strategic Bond Fund

Portfolio statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
GBP	1,250,000	BAT International Finance 6% 29/06/2022	1,302	0.33	GBP	1,435,000	BB (1.22%, March 2009 – 0.50%) British Airways 8.75% 23/08/2016	1,173	0.30
GBP	870,000	National Grid 6.125% 15/04/2014	926	0.24	GBP	1,300,000	Daily Mail & General Trust 7.5% 29/03/2013	1,131	0.29
GBP	458,000	Northern Gas Networks 4.875% 30/06/2027	401	0.10	USD	640,000	Inmarsal Finance II 10.375% 15/11/2012	404	0.10
GBP	1,475,000	Pearson Funding One 6% 15/12/2015	1,568	0.40	EUR	2,820,000	Rexam 6.75% 29/06/2067	2,074	0.53
GBP	895,000	Punch Taverns 8.374% 15/07/2029	653	0.17			BB- (1.24%, March 2009 – 0.95%)		
GBP	1,397,000	Royal & Sun Alliance 6.701% 12/05/2049	1,181	0.30	GBP	1,780,000	Cable & Wireless 8.75% 06/08/2012	1,833	0.47
GBP	1,005,000	RSA Insurance Group 8.5% 08/12/2049	977	0.25	EUR	1,990,000	ITV 4.75% 03/10/2011	1,704	0.43
GBP	974,000	Standard Chartered Bank 8.103% 11/05/2049	974	0.25	EUR	1,715,000	TVN Finance 9.5% 15/12/2013	1,318	0.34
		Baa1 (0.64%, March 2009 – 0.44%)			EUR	2,960,000	B+ (0.69%, March 2009 – 0.64%) Eco Bat Finance 10.125% 31/01/2013	2,688	0.69
GBP	1,550,000	Reed Elsevier 5.625% 20/10/2016	1,592	0.41			B1 (0.25%, March 2009 – 0.10%)		
GBP	850,000	Wales & West Utilities Finance 6.25% 30/11/2021	893	0.23	EUR	1,895,000	Investec Tier UK 7.075% 24/06/2049	976	0.25
		BBB (4.58%, March 2009 – 2.07%)			EUR	1,450,000	B (2.06%, March 2009 – 0.00%) ISS Financing 11% 15/06/2014	1,301	0.33
GBP	2,065,000	Anglian Water 7.882% 30/07/2037	2,192	0.56	GBP	936,000	Lloyds Banking Group 13% 21/07/2049	889	0.23
GBP	1,237,000	Anglo American Capital 5.125% 15/12/2010	1,266	0.32	GBP	1,000,000	Lloyds Banking Group 13% 22/07/2049	920	0.23
GBP	1,755,000	British Telecom 6.625% 23/06/2017	1,788	0.46	EUR	2,005,000	Virgin Media Finance 8.75% 15/04/2014	1,777	0.45
USD	485,000	British Telecom 9.125% 15/12/2010	312	0.08	GBP	2,585,000	Virgin Media Finance 9.75% 15/04/2014	2,650	0.68
GBP	2,244,000	Credit Suisse Group Capital III 8.514% 15/06/2049	2,087	0.53	EUR	600,000	Virgin Media Finance 9.5% 15/08/2016	534	0.14
GBP	925,000	Group 4 Securicor 7.75% 13/05/2019	1,048	0.27			B- (2.95%, March 2009 – 3.57%)		
GBP	770,000	Halifax 9.375% 15/05/2021	791	0.20	EUR	2,450,000	FCE Bank 2.12% 30/09/2009	2,120	0.54
GBP	1,050,000	Imperial Tobacco Finance 7.75% 24/06/2019	1,149	0.29	EUR	3,000,000	FCE Bank 7.125% 15/01/2013	2,305	0.59
GBP	1,000,000	Imperial Tobacco Finance 8.125% 15/03/2024	1,119	0.29	GBP	2,250,000	FCE Bank 7.875% 15/02/2011	2,115	0.54
EUR	270,000	Imperial Tobacco Finance 8.375% 17/02/2016	276	0.07	USD	3,598,000	Global Crossing UK Finance 10.75% 15/12/2014	1,981	0.51
GBP	950,000	Imperial Tobacco Finance 9% 17/02/2022	1,140	0.29	GBP	2,086,000	Global Crossing UK Finance 11.75% 15/12/2014	1,961	0.50
GBP	1,050,000	Lloyds TSB Bank 6.9625% 29/05/2020	1,007	0.26	GBP	862,000	HBOS Capital Funding LP 9.54% 19/09/2049	461	0.12
EUR	1,815,000	Royal Bank of Scotland Group 6.934% 09/04/2018	1,532	0.39	GBP	720,000	Pipe Holding 7.75% 01/11/2011	598	0.15
GBP	190,000	Southern Water Services 7.869% 31/03/2014	204	0.05			CC (0.00%, March 2009 – 0.04%)		
GBP	1,990,000	Telereal Securitisation 7.098% 10/12/2033	2,032	0.52			Not Rated (0.85%, March 2009 – 0.77%)		
		Baa2 (0.00%, March 2009 – 0.09%)			EUR	1,190,000	Avis Finance 3.528% 31/07/2013	878	0.22
		BBB- (2.16%, March 2009 – 2.35%)			GBP	2,293,000	Cattles 0% 17/01/2014	222	0.06
GBP	1,644,000	Enterprise Inns 6.5% 06/12/2018	1,240	0.32	GBP	2,180,000	First Hydro Finance 9% 31/07/2021	2,218	0.57
GBP	1,995,000	FirstGroup 6.875% 15/04/2013	2,123	0.54			Total United Kingdom	151,232	38.63
GBP	3,138,000	Marks & Spencer 6.875% 13/12/2012	3,281	0.84			UNITED STATES OF AMERICA (12.11%, March 2009 – 11.38%)		
EUR	1,500,000	Rexam 4.375% 15/03/2013	1,281	0.33			AAA (0.64%, March 2009 – 0.00%)		
GBP	740,000	Spirit Issuer 5.472% 28/12/2028	503	0.13	GBP	2,100,000	Pfizer 6.5% 03/06/2038	2,494	0.64
		Baa3 (0.21%, March 2009 – 0.00%)					Aa1 (0.00%, March 2009 – 0.50%)		
GBP	1,128,000	Old Mutual 5% 21/01/2016	836	0.21			AA (0.49%, March 2009 – 0.00%)		
		BB+ (0.00%, March 2009 – 1.05%)			GBP	1,800,000	Wal Mart Stores 5.625% 27/03/2034	1,939	0.49
							AA- (0.43%, March 2009 – 0.00%)		
					GBP	1,575,000	Roche Holdings 5.5% 04/03/2015	1,693	0.43

Strategic Bond Fund

Portfolio statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
		AA-e (0.00%, March 2009 – 0.58%)					BB- (0.36%, March 2009 – 1.20%)		
		Aa3 (0.51%, March 2009 – 0.00%)					AES Corporation 8.375% 01/03/2011	501	0.13
GBP	2,975,000	General Electric 5.5% 15/09/2066	1,988	0.51	EUR	1,040,000	Nalco 7.75% 15/11/2011	908	0.23
		A+ (0.33%, March 2009 – 0.23%)					B+ (0.65%, March 2009 – 0.57%)		
USD	1,000,000	CBA Capital Trust 5.805% 31/12/2049	509	0.13	GBP	2,600,000	Iron Mountain 7.25% 15/04/2014	2,535	0.65
EUR	850,000	J.P. Morgan Chase 5.25% 14/01/2015	792	0.20			B (0.57%, March 2009 – 0.99%)		
		A (2.53%, March 2009 – 2.85%)			EUR	992,000	Central European Distribution 8% 25/07/2012	866	0.22
GBP	500,000	AT&T 7% 30/04/2040	616	0.16	EUR	250,000	Nalco 9% 15/11/2013	223	0.06
GBP	1,700,000	Bank of America 7% 31/07/2028	1,934	0.49	EUR	1,261,000	Nalco 9% 15/11/2013		
GBP	1,040,000	Citigroup 5.25% 14/06/2011	1,044	0.27			XS0195292403	1,123	0.29
GBP	1,650,000	J.P. Morgan Chase 6.125% 30/05/2017	1,668	0.43			B- (0.19%, March 2009 – 0.00%)		
GBP	600,000	McDonald's 6.375% 03/02/2020	680	0.17	EUR	900,000	Johnson Diversey 9.625% 15/05/2012	739	0.19
EUR	2,100,000	Merrill Lynch & Co 6% 11/02/2013	1,911	0.49			CCC (0.39%, March 2009 – 0.00%)		
GBP	1,580,000	Verizon Wireless Capital 8.875% 18/12/2018	2,020	0.52	GBP	2,150,000	Commerzbank Capital Fund Trust 5.905% 12/04/2049	808	0.21
		Ae (0.48%, March 2009 – 0.00%)			EUR	830,000	General Motors Acceptance Corporation 4.75% 14/09/2009	719	0.18
GBP	1,910,000	Citigroup 7.375% 01/09/2039	1,881	0.48			Not Rated (0.00%, March 2009 – 0.00%)		
		A- (0.32%, March 2009 – 0.18%)			USD	110	Preferred Blocker	2	–
GBP	902,000	Citigroup 5.125% 12/12/2018	665	0.17			Total United States of America	47,407	12.11
GBP	747,000	MBNA Credit Card 6.1% 17/05/2013	583	0.15					
		BBB+ (0.75%, March 2009 – 1.43%)					DERIVATIVES ((0.47%), March 2009 – 1.80%)		
GBP	2,754,000	Pemex Project Funding Master 7.5% 18/12/2013	2,945	0.75			Credit Default Swaps – 0.02% (March 2009 – 0.06%)		
		BBB (0.80%, March 2009 – 0.53%)			EUR	2,000,000	British Airways 3.8% 20/06/2013	135	0.04
GBP	1,450,000	American International Group 5.75% 15/03/2067	509	0.13	EUR	1,000,000	ISS Global A/S 8.1% 20/12/2009	16	–
GBP	500,000	American International Group 8.625% 22/05/2038	224	0.06	GBP	2,300,000	TNT N.V. Transport Services 1.22% 20/03/2019	(79)	(0.02)
GBP	950,000	Capital One Multi-Asset 6.625% 17/06/2014	728	0.18			Forward Foreign Exchange Contracts – (0.49%) (March 2009 – 1.74%)		
USD	261,695	Petroleum Export/Cayman 5.265% 15/06/2011	148	0.04			Sell EUR 7,800,000		
EUR	1,800,000	Standard Chartered Capital Trust 8.16% 29/03/2049	1,524	0.39			Buy GBP 6,662,526	(145)	(0.04)
		BBB- (0.63%, March 2009 – 0.00%)					Sell EUR 2,500,000	(32)	(0.01)
EUR	970,000	Ahold Finance 5.875% 14/03/2012	899	0.23			Buy GBP 2,150,425		
GBP	1,520,000	Ahold Finance 6.5% 14/03/2017	1,550	0.40			Sell EUR 133,994,809	(1,702)	(0.43)
		BB+ (0.15%, March 2009 – 0.62%)					Buy GBP 115,258,315		
EUR	800,000	Fiat Finance North America 5.625% 12/06/2017	588	0.15			Sell NOK 5,555,000	(35)	(0.01)
		BB (1.89%, March 2009 – 1.70%)					Buy GBP 529,117		
EUR	3,250,000	Chesapeake Energy 6.25% 15/01/2017	2,518	0.64			Sell NOK 260,000	(1)	–
GBP	3,460,000	Constellation Brands 8.5% 15/11/2009	3,486	0.89			Buy GBP 25,059		
EUR	620,000	Fresenius Medical Capital 7.375% 15/06/2011	567	0.14			Sell USD 25,397,372	16	–
EUR	830,000	Fresenius US Finance II 8.75% 15/07/2015	795	0.20			Buy GBP 15,465,974		
EUR	100,000	Owens-Brockway Glass 6.75% 01/12/2014	85	0.02			Sell USD 415,000	(1)	–
							Buy GBP 253,128		
							Sell USD 620,000		
							Buy GBP 376,711		
							Total Derivatives	(1,828)	(0.47)
							Total Value of Investments	381,013	97.32
							Net Other Assets (March 2009 – 3.61%)	10,509	2.68
							Net Assets	391,522	100.00

Strategic Bond Fund

Portfolio statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
ANALYSIS OF INVESTMENTS BY ASSET CLASS			
Fixed Interest		344,135	90.32
Floating Rate Notes		38,704	10.16
Equity		2	—
Derivatives		(1,828)	(0.48)
Total Value of Investments		381,013	100.00

ANALYSIS OF INVESTMENTS BY CREDIT RATINGS

	Value £000
AAA	13,739
Aaa	1,064
AA+	2,483
AA	12,018
AA-	15,947
Aa3	1,988
A+	16,515
A+e	730
A	36,612
Ae	4,166
A-	43,606
A-e	1,907
BBB+	34,292
Baa1	2,485
BBB	35,258
BBB-	17,074
Baa3	1,975
BB+	20,061
Ba1	616
BB	26,630
BB-	22,525
B+	14,965
B1	976
B	18,062
B-	18,800
CCC+	1,913
CCC	1,527
CCC-	1,440
Not Rated	13,467
Total Bonds	382,841
Derivatives	(1,828)
Total Value of Investments	381,013

The calculation of the % Net Asset Value may not add up due to rounding.

At 7th September 2009, there were investments totalling £8,118,657 (2.07% of the NAV of the fund) which were valued using a quote from a single broker. These investments trade in a limited market and may not be able to be immediately liquidated at these estimated fair values.

Sterling Bond Fund

Portfolio statement

as at 7th September 2009

Holding	Investment	Value £000	% of Net Asset Value
FIXED INTEREST (97.63%, March 2009 – 100.99%)			
AAA (96.07%, March 2009 – 97.38%)			
GBP 35,635,000	UK Treasury 2.25% 07/03/2014	35,011	13.13
GBP 18,500,000	UK Treasury 4.25% 07/03/2011	19,425	7.28
GBP 16,000,000	UK Treasury 4.25% 07/03/2036	16,173	6.06
GBP 9,815,000	UK Treasury 4.25% 07/06/2032	10,050	3.77
GBP 2,000,000	UK Treasury 4.25% 07/12/2055	2,040	0.77
GBP 9,800,000	UK Treasury 4.5% 07/09/2034	10,348	3.88
GBP 15,650,000	UK Treasury 4.75% 07/12/2038	17,174	6.44
GBP 21,860,000	UK Treasury 5% 07/03/2012	23,598	8.85
GBP 2,620,000	UK Treasury 5% 07/03/2025	2,919	1.10
GBP 11,770,000	UK Treasury 6% 07/12/2028	14,917	5.59
GBP 14,850,000	UK Treasury 8% 07/06/2021	20,892	7.83
GBP 7,664,234	UK Treasury 8.75% 25/08/2017	10,571	3.96
GBP 47,470,000	UK Treasury Index Linked Gilt 4.5% 07/03/2019	50,760	19.03
GBP 16,105,000	UK Treasury 4.25% 07/09/2039	16,276	6.10
USD 10,000,000	US Treasury 4.25% 15/05/2039	6,066	2.28
AA+ (1.56%, March 2009 – 0.00%)			
GBP 4,119,000	Dexia Credit Local 2.5% 27/10/2011	4,159	1.56
BBB+ (0.00%, March 2009 – 0.46%)			
BBB (0.00%, March 2009 – 2.32%)			
BBB- (0.00%, March 2009 – 0.83%)			
Total Fixed Interest		260,379	97.63
DERIVATIVES (0.04%, March 2009 – (0.11%))			
Forward Foreign Exchange Contracts – 0.04% (March 2009 – (0.11%))			
	Sell USD 10,220,000		
	Buy GBP 6,330,482	113	0.04
Total Derivatives		113	0.04
Total Value of Investments		260,492	97.67
Net Other Assets/(Liabilities) (March 2009 – (0.88%))		6,217	2.33
Net Assets		266,709	100.00

ANALYSIS OF INVESTMENTS BY CREDIT RATINGS

	Value £000
AAA	256,220
AA+	4,159
Total Bonds	260,379
Derivatives	113
Total Value of Investments	260,492

The calculation of the % Net Asset Value may not add up due to rounding.

UK Money Securities Fund

Portfolio statement

as at 7th September 2009

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
FIXED INTEREST (78.60%, March 2009 – 44.22%)				Straight (FRN) – 0.00% (March 2009 – 6.62%)			
Certificate of Deposit – 78.60% (March 2009 – 42.98%)				GBP	7,500,000	Links Float 0% 15/09/2009	–
GBP	6,000,000	Australia & New Zealand Banking		GBP	2,000,000	Sedna Finance 0% 31/05/2011	–
		0.32% 11/09/2009 CD	6,000	Total Floating Rate Notes			
GBP	5,000,000	Bank of America 0.38%		Total Value of Investments			
		05/10/2009 CD	5,000			98,200	78.60
GBP	5,200,000	Banco Bilbao Vizcaya Argentari		Net Other Assets (March 2009 – 25.83%)			
		0.35% 24/09/2009 CD	5,200			26,739	21.40
GBP	5,000,000	Bank of Nova Scotia 0.3%		Net Assets			
		21/09/2009 CD	5,000			124,939	100.00
GBP	5,000,000	Barclays Bank 0.45% 24/09/2009 CD	5,000	ANALYSIS OF INVESTMENTS BY CREDIT RATINGS			
GBP	5,000,000	BNP Paribas 0.37% 21/09/2009 CD	5,000			Value	
GBP	5,000,000	Calyon 0.4% 05/10/2009 CD	5,000			£000	
GBP	5,000,000	Danske Bank 0.3% 07/10/2009 CD	5,000	A-1		52,000	
GBP	5,000,000	Dexia Bank Belgium 0.47%		A-1+		46,200	
		21/09/2009 CD	5,000	Total Value of Investments			
GBP	5,000,000	Intesa San Paolo 0.36%				98,200	
		07/10/2009 CD	5,000	<i>The calculation of the % Net Asset Value may not add up due to rounding.</i>			
GBP	5,000,000	Lloyds TSB Bank 0.48%		The ACD applied fair value adjustments of £483,425 to the broker priced			
		28/09/2009 CD	5,000	security valuations to reflect a reasonable bid valuation for these			
GBP	6,000,000	Nationwide Building Society 0.41%		securities. As these investments trade in a limited market and may not be			
		28/09/2009 CD	6,000	able to be immediately liquidated they have been written down to zero.			
GBP	5,000,000	Nordea 0.33% 30/09/2009 CD	5,000				
GBP	5,000,000	Rabobank London 0.25%					
		24/09/2009 CD	5,000				
GBP	5,000,000	Royal Bank of Scotland 0.4%					
		30/09/2009 CD	5,000				
GBP	5,000,000	Societe Generale 0.33%					
		07/10/2009 CD	5,000				
GBP	5,000,000	Standard Chartered Bank 0.3%					
		10/09/2009 CD	5,000				
GBP	6,000,000	Sumitomo Mitsui Banking 0.42%					
		28/09/2009 CD	6,000				
GBP	5,000,000	Unicredit Italiano 0.4%					
		01/10/2009 CD	5,000				
Corporate Bonds – 0.00% (March 2009 – 1.24%)							
GBP	730,000	Barion Funding 0.26% 20/12/2056	–				
GBP	2,102,000	Barion Funding 0.63% 20/12/2056	–				
GBP	800,000	Malachite Funding 0.54% 21/12/2056	–				
GBP	4,200,000	Malachite Funding 1.29% 21/12/2056	–				
GBP	922,000	Mazarin Funding 0.26% 20/09/2068	–				
GBP	6,242,000	Mazarin Funding 0.63% 20/09/2068	–				
Total Fixed Interest		98,200	78.60				
FLOATING RATE NOTES (0.00%, March 2009 – 29.95%)							
Asset Backed Securities (FRN) – 0.00% (March 2009 – 1.13%)							
Collateralised Loan Obligations (FRN) – 0.00% (March 2009 – 2.27%)							
Commercial Mortgage Backed Securities – 0.00% (March 2009 – 4.25%)							
Credit Linked Notes (FRN) – 0.00% (March 2009 – 0.00%)							
GBP	5,000,000	Granite Finance 0% 20/06/2012	–				
Residential Mortgage Backed Securities – 0.00% (March 2009 – 15.68%)							

UK Cash Fund

Portfolio statement

as at 7th September 2009

Holding	Investment	Value £000	% of Net Asset Value
Total Value of Investments		–	–
Net Other Assets (March 2009 – 100%)		13	100.00
Net Assets		13	100.00

European Fund

Portfolio statement

as at 7th September 2009

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
BELGIUM (2.87%, March 2009 – 4.52%)				Household Goods & Textiles – 0.51% (March 2009 – 0.00%)			
	Banks – 1.18% (March 2009 – 0.00%)			49,132	LVMH Moet Hennessy Louis Vuitton	2,870	0.51
2,431,623	Fortis NPV	6,598	1.18		Insurance – 0.74% (March 2009 – 0.00%)		
	Chemicals – 0.00% (March 2009 – 1.88%)			301,592	AXA	4,166	0.74
	Food & Drug Retailers – 1.69% (March 2009 – 2.64%)				Media & Photography – 1.46% (March 2009 – 2.63%)		
67,635	Colruyt NV	9,483	1.69	467,994	Vivendi	8,172	1.46
	Total Belgium	16,081	2.87		Oil & Gas – 4.01% (March 2009 – 2.96%)		
DENMARK (2.41%, March 2009 – 1.74%)				639,060	Total	22,435	4.01
	Pharmaceuticals & Biotechnology – 2.41% (March 2009 – 1.74%)				Pharmaceuticals & Biotechnology – 3.36% (March 2009 – 2.07%)		
145,531	Novo Nordisk	5,401	0.96	456,129	Sanofi Aventis	18,806	3.36
152,573	Novozymes	8,096	1.45		Telecommunication Services – 0.00% (March 2009 – 2.16%)		
	Total Denmark	13,497	2.41		Total France	139,142	24.85
FINLAND (1.21%, March 2009 – 1.30%)				GERMANY (19.57%, March 2009 – 16.84%)			
	Engineering & Machinery – 0.69% (March 2009 – 0.70%)				Automobiles & Parts – 0.50% (March 2009 – 0.00%)		
184,663	Kone	3,876	0.69	98,089	DaimlerChrysler Registered	2,778	0.50
	Insurance – 0.52% (March 2009 – 0.60%)				Chemicals – 2.88% (March 2009 – 4.19%)		
204,251	Sampo Oyj	2,916	0.52	173,088	K+S	5,703	1.02
	Total Finland	6,792	1.21	171,035	Linde	10,411	1.86
FRANCE (24.85%, March 2009 – 22.94%)					Electricity – 2.57% (March 2009 – 0.00%)		
	Automobiles & Parts – 0.74% (March 2009 – 0.00%)			229,376	E.On	5,775	1.03
90,997	Michelin	4,166	0.74	158,522	RWE NPV	8,647	1.54
	Banks – 7.18% (March 2009 – 3.84%)				Electronic & Electrical Equipment – 1.35% (March 2009 – 1.55%)		
447,044	BNP Paribas	21,665	3.87	212,321	Wincor Nixdorf	7,557	1.35
402,912	Societe Generale	18,549	3.31		Engineering & Machinery – 0.76% (March 2009 – 0.00%)		
	Chemicals – 2.20% (March 2009 – 3.53%)			90,639	MAN	4,273	0.76
191,462	Air Liquide	12,296	2.20		Health – 2.94% (March 2009 – 2.71%)		
	Electronic & Electrical Equipment – 1.34% (March 2009 – 2.82%)			264,519	Fresenius Medical Care	7,155	1.28
173,660	Alstom	7,501	1.34	674,457	Rhoen-Klinikum	9,268	1.66
	Food Producers & Processors – 1.51% (March 2009 – 1.08%)				Insurance – 4.24% (March 2009 – 4.92%)		
248,457	Danone	8,468	1.51	133,490	Allianz	9,059	1.62
	Health – 1.80% (March 2009 – 1.85%)			161,557	Münchener Rückversicherung Registered	14,692	2.62
309,645	Essilor International	10,048	1.80		Software & Computer Services – 2.63% (March 2009 – 1.09%)		
				497,940	SAP	14,696	2.63

European Fund

Portfolio statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
	Speciality & Other Finance – 1.70% (March 2009 – 1.37%)				Telecommunication Services – 1.44% (March 2009 – 2.01%)		
196,460	Deutsche Börse Registered	9,540	1.70	865,905	Koninklijke KPN NV	8,055	1.44
	Telecommunication Services – 0.00% (March 2009 – 1.01%)				Total Netherlands	58,464	10.44
	Total Germany	109,554	19.57				
GREECE (1.83%, March 2009 – 0.00%)				PORTUGAL (2.33%, March 2009 – 1.54%)			
	Banks – 1.83% (March 2009 – 0.00%)				Food & Drug Retailers – 1.08% (March 2009 – 0.93%)		
519,369	National Bank of Greece	10,221	1.83	1,255,363	Jeronimo Martins	6,057	1.08
	Total Greece	10,221	1.83		Oil & Gas – 1.25% (March 2009 – 0.61%)		
				773,419	Galp Energia SGPS	7,019	1.25
					Total Portugal	13,076	2.33
ITALY (0.52%, March 2009 – 0.00%)				REPUBLIC OF IRELAND (6.65%, March 2009 – 4.76%)			
	Banks – 0.52% (March 2009 – 0.00%)				Banks – 0.97% (March 2009 – 0.12%)		
1,300,345	Unicredito Italian	2,926	0.52	2,631,502	Bank of Ireland	5,424	0.97
	Total Italy	2,926	0.52		Beverages – 1.26% (March 2009 – 0.00%)		
				2,968,488	C&C Group	7,049	1.26
LUXEMBOURG (0.00%, March 2009 – 2.04%)					Construction & Building Materials – 0.71% (March 2009 – 1.80%)		
	Steel & Other Metals – 0.00% (March 2009 – 2.04%)			261,458	CRH	4,002	0.71
	Total Luxembourg	–	–		Food Producers & Processors – 0.51% (March 2009 – 0.00%)		
				170,260	Kerry Group	2,854	0.51
NETHERLANDS (10.44%, March 2009 – 10.85%)					Leisure Entertainment & Hotels – 1.46% (March 2009 – 1.89%)		
	Beverages – 1.94% (March 2009 – 1.60%)			2,920,626	Ryanair Holdings	8,160	1.46
416,971	Heineken NV	10,841	1.94		Life Assurance – 1.08% (March 2009 – 0.24%)		
	Chemicals – 1.54% (March 2009 – 2.01%)			1,394,561	Irish Life & Permanent	6,069	1.08
250,710	Akzo Nobel	8,614	1.54		Support Services – 0.66% (March 2009 – 0.62%)		
	Food & Drug Retailers – 2.53% (March 2009 – 2.91%)			1,152,389	Grafton	3,672	0.66
1,946,168	Koninklijke Ahold NV	14,181	2.53		Transport – 0.00% (March 2009 – 0.09%)		
	Health – 0.00% (March 2009 – 1.24%)				Total Republic of Ireland	37,230	6.65
	Insurance – 1.10% (March 2009 – 0.00%)						
648,508	ING Groep NV	6,157	1.10				
	Life Assurance – 1.40% (March 2009 – 0.00%)			SPAIN (3.91%, March 2009 – 4.08%)			
1,748,344	Aegon	7,849	1.40		Banks – 1.52% (March 2009 – 0.00%)		
	Media & Photography – 0.49% (March 2009 – 1.08%)			325,323	Banco Bilbao Vizcaya Argentaria	3,509	0.62
419,523	Reed Elsevier NV	2,767	0.49	534,177	Banco Santander	5,039	0.90
					General Retailers – 0.98% (March 2009 – 1.20%)		
				168,705	Inditex	5,475	0.98

European Fund

Portfolio statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
	Investment Companies – 0.00% (March 2009 – 0.79%)			UNITED STATES OF AMERICA (0.00%, March 2009 – 0.95%)			
	Telecommunication Services – 1.41% (March 2009 – 2.09%)			Health – 0.00% (March 2009 – 0.95%)			
				Total United States of America			
509,353	Telefonica	7,889	1.41				
	Total Spain	21,912	3.91	Total Value of Investments		555,216	99.16
				Net Other Assets (March 2009 – 0.98%)		4,700	0.84
				Net Assets		559,916	100.00
SWEDEN (0.96%, March 2009 – 1.61%)				<i>The calculation of the % Net Asset Value may not add up due to rounding.</i>			
	Engineering & Machinery – 0.00% (March 2009 – 1.61%)						
	Tobacco – 0.96% (March 2009 – 0.00%)						
461,913	Swedish Match AB	5,351	0.96				
	Total Sweden	5,351	0.96				
SWITZERLAND (21.61%, March 2009 – 25.85%)							
	Banks – 2.72% (March 2009 – 3.24%)						
497,214	Credit Suisse Group Registered	15,216	2.72				
	Chemicals – 2.26% (March 2009 – 3.54%)						
88,171	Syngenta Registered	12,660	2.26				
	Diversified Industrials – 1.69% (March 2009 – 1.75%)						
7,090	Sika	5,620	1.00				
84,662	Sulzer	3,862	0.69				
	Engineering & Machinery – 0.00% (March 2009 – 1.19%)						
	Food & Drug Retailers – 1.05% (March 2009 – 1.11%)						
259,130	Aryzta	5,878	1.05				
	Food Producers & Processors – 6.43% (March 2009 – 7.29%)						
1,429,399	Nestle Registered	35,998	6.43				
	Household Goods & Textiles – 0.65% (March 2009 – 0.52%)						
27,004	Swatch Group	3,633	0.65				
	Pharmaceuticals & Biotechnology – 6.30% (March 2009 – 6.45%)						
134,005	Actelion	4,803	0.86				
259,740	Novartis	7,345	1.31				
241,952	Roche Holding	23,104	4.13				
	Speciality & Other Finance – 0.51% (March 2009 – 0.00%)						
258,678	UBS Registered	2,851	0.51				
	Support Services – 0.00% (March 2009 – 0.76%)						
	Total Switzerland	120,970	21.61				

European Select Fund

Portfolio statement

as at 7th September 2009

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
BELGIUM (7.20%, March 2009 – 6.26%)				Food Producers & Processors – 0.00% (March 2009 – 2.03%)			
	Banks – 2.01% (March 2009 – 0.00%)						
4,954,205	Fortis NPV	13,443	2.01				
	Chemicals – 0.00% (March 2009 – 1.26%)			587,494	Essilor International	19,065	2.84
	Food & Drug Retailers – 5.19% (March 2009 – 5.00%)			277,828	Neopost	14,110	2.11
247,791	Colruyt NV	34,744	5.19		Personal Care & Household Products – 0.00% (March 2009 – 1.07%)		
	Total Belgium	48,187	7.20		Pharmaceuticals & Biotechnology – 0.52% (March 2009 – 0.00%)		
CZECH REPUBLIC (0.00%, March 2009 – 0.99%)				63,998	Virbac	3,466	0.52
	Electronic & Electrical Equipment – 0.00% (March 2009 – 0.99%)				Total France	105,312	15.72
	Total Czech Republic	–	–				
DENMARK (3.35%, March 2009 – 1.89%)				GERMANY (14.67%, March 2009 – 14.01%)			
	Insurance – 1.02% (March 2009 – 0.00%)				Chemicals – 0.00% (March 2009 – 5.01%)		
176,546	TrygVesta	6,842	1.02		Electronic & Electrical Equipment – 0.00% (March 2009 – 0.47%)		
	Pharmaceuticals & Biotechnology – 2.33% (March 2009 – 1.89%)				General Retailers – 0.78% (March 2009 – 0.88%)		
285,846	Novo Nordisk	10,609	1.59	132,113	Fielmann	5,228	0.78
93,459	Novozymes	4,959	0.74		Health – 5.16% (March 2009 – 5.26%)		
	Total Denmark	22,410	3.35	922,502	Fresenius Medical Care	24,951	3.73
FINLAND (4.03%, March 2009 – 3.22%)				699,490	Rhoen-Klinikum	9,612	1.43
	Engineering & Machinery – 3.00% (March 2009 – 3.22%)				Insurance – 3.99% (March 2009 – 0.91%)		
957,848	Kone	20,104	3.00	194,399	Allianz	13,192	1.97
	Insurance – 1.03% (March 2009 – 0.00%)			148,670	Münchener Rückversicherung Registered	13,520	2.02
482,611	Sampo Oyj	6,889	1.03		Software & Computer Services – 3.66% (March 2009 – 0.56%)		
	Total Finland	26,993	4.03	830,980	SAP	24,525	3.66
FRANCE (15.72%, March 2009 – 13.29%)					Speciality & Other Finance – 1.08% (March 2009 – 0.92%)		
	Banks – 2.97% (March 2009 – 0.00%)			148,712	Deutsche Börse Registered	7,221	1.08
411,342	BNP Paribas	19,935	2.97		Total Germany	98,249	14.67
	Beverages – 0.00% (March 2009 – 0.49%)			ITALY (0.49%, March 2009 – 0.52%)			
	Chemicals – 5.16% (March 2009 – 5.57%)				Health – 0.49% (March 2009 – 0.52%)		
538,152	Air Liquide	34,561	5.16	172,619	DiaSorin	3,314	0.49
	Electronic & Electrical Equipment – 1.59% (March 2009 – 0.59%)				Total Italy	3,314	0.49
246,019	Alstom	10,627	1.59	LUXEMBOURG (0.63%, March 2009 – 0.71%)			
	Engineering & Machinery – 0.53% (March 2009 – 0.00%)				Telecommunication Services – 0.63% (March 2009 – 0.71%)		
37,914	Vallourec	3,548	0.53	348,092	SES	4,209	0.63
					Total Luxembourg	4,209	0.63

European Select Fund

Portfolio statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
NETHERLANDS (9.86%, March 2009 – 16.41%)				Engineering & Machinery – 0.00% (March 2009 – 1.28%)			
	Beverages – 0.00% (March 2009 – 1.03%)						
	Chemicals – 1.42% (March 2009 – 1.83%)				Tobacco – 5.17% (March 2009 – 0.00%)		
276,301	Akzo Nobel	9,493	1.42	2,988,463	Swedish Match AB	34,620	5.17
	Food & Drug Retailers – 0.00% (March 2009 – 2.06%)				Total Sweden	41,193	6.15
	Food Producers & Processors – 1.95% (March 2009 – 1.98%)			SWITZERLAND (24.11%, March 2009 – 26.90%)			
752,850	Sligro Food Group	13,054	1.95	268,293	Syngenta Registered	38,522	5.75
	Health – 0.00% (March 2009 – 1.28%)				Construction & Building Materials – 0.00% (March 2009 – 0.11%)		
	Insurance – 2.07% (March 2009 – 0.00%)				Diversified Industrials – 1.05% (March 2009 – 1.37%)		
1,458,380	ING Groep NV	13,847	2.07	8,852	Sika	7,017	1.05
	Life Assurance – 0.92% (March 2009 – 0.00%)				Engineering & Machinery – 2.02% (March 2009 – 2.24%)		
1,381,867	Aegon	6,204	0.92	347,209	Schindler Holdings	13,562	2.02
	Media & Photography – 0.00% (March 2009 – 2.33%)				Food Producers & Processors – 8.50% (March 2009 – 9.42%)		
	Telecommunication Services – 1.39% (March 2009 – 3.87%)			2,260,150	Nestle Registered	56,920	8.50
998,237	Koninklijke KPN NV	9,286	1.39		Health – 0.00% (March 2009 – 0.56%)		
	Transport – 2.11% (March 2009 – 2.03%)				Household Goods & Textiles – 0.00% (March 2009 – 1.06%)		
358,409	Koninklijke Vopak NV	14,129	2.11		Pharmaceuticals & Biotechnology – 4.19% (March 2009 – 5.70%)		
	Total Netherlands	66,013	9.86	98,226	Actelion	3,520	0.53
				256,649	Roche Holding	24,507	3.66
SPAIN (3.07%, March 2009 – 2.70%)					Support Services – 2.05% (March 2009 – 2.70%)		
	Banks – 1.35% (March 2009 – 0.00%)			18,242	SGS	13,715	2.05
958,468	Banco Santander	9,042	1.35		Transport – 0.55% (March 2009 – 0.00%)		
	General Retailers – 0.00% (March 2009 – 0.46%)			77,680	Kuehne & Nagel International Registered	3,720	0.55
	Pharmaceuticals & Biotechnology – 1.00% (March 2009 – 0.91%)				Total Switzerland	161,483	24.11
631,849	Grifols	6,667	1.00				
	Software & Computer Services – 0.72% (March 2009 – 1.33%)			UNITED KINGDOM (7.60%, March 2009 – 7.15%)			
338,168	Indra Sistemas	4,851	0.72		Food & Drug Retailers – 4.96% (March 2009 – 4.77%)		
	Total Spain	20,560	3.07	8,814,238	Tesco	33,230	4.96
					Oil & Gas – 2.64% (March 2009 – 2.38%)		
SWEDEN (6.15%, March 2009 – 2.21%)				1,754,439	Tullow Oil	17,691	2.64
	Banks – 0.98% (March 2009 – 0.93%)				Total United Kingdom	50,921	7.60
421,665	Svenska Handelsbanken A	6,573	0.98				

European Select Fund

Portfolio statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
UNITED STATES OF AMERICA (0.00%, March 2009 – 1.55%)			
	Health – 0.00%		
	(March 2009 – 1.55%)		
	Total United States of America	–	–
Total Value of Investments		648,844	96.88
Net Other Assets (March 2009 – 2.19%)		20,888	3.12
Net Assets		669,732	100.00

The calculation of the % Net Asset Value may not add up due to rounding.

European Smaller Companies Fund

Portfolio statement

as at 7th September 2009

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
AUSTRIA (3.87%, March 2009 – 2.77%)				FRANCE (17.54%, March 2009 – 17.68%)			
	Engineering & Machinery – 1.98% (March 2009 – 1.79%)				Beverages – 0.38% (March 2009 – 0.41%)		
520,448	Andritz	14,354	1.98	61,542	Laurent-Perrier	2,743	0.38
	Oil & Gas – 1.14% (March 2009 – 0.98%)				Electronic & Electrical Equipment – 2.10% (March 2009 – 2.68%)		
298,042	Schoeller Bleckmann Oilfield	8,204	1.14	1,011,452	Ingenico	15,228	2.10
	Support Services – 0.75% (March 2009 – 0.00%)				Health – 4.10% (March 2009 – 4.66%)		
88,597	Mayr-Melnhof Karton	5,412	0.75	216,988	bioMerieux	13,430	1.86
	Total Austria	27,970	3.87	16,680	Guerbet	1,478	0.20
				499,985	Orpea	14,735	2.04
BELGIUM (3.18%, March 2009 – 5.27%)					Household Goods & Textiles – 2.16% (March 2009 – 2.02%)		
	Chemicals – 0.00% (March 2009 – 2.04%)			308,189	Neopost	15,652	2.16
	Electronic & Electrical Equipment – 0.35% (March 2009 – 0.45%)				Insurance – 1.73% (March 2009 – 0.97%)		
64,157	EVS Broadcast Equipment	2,535	0.35	528,835	April Group	12,512	1.73
	Food & Drug Retailers – 2.83% (March 2009 – 2.78%)				Media & Photography – 1.45% (March 2009 – 1.99%)		
145,951	Colruyt NV	20,464	2.83	212,252	Ipsos SA	3,956	0.55
	Total Belgium	22,999	3.18	313,858	SeLogger.com	6,475	0.90
					Pharmaceuticals & Biotechnology – 2.00% (March 2009 – 2.14%)		
DENMARK (2.01%, March 2009 – 1.96%)				266,890	Virbac	14,456	2.00
	Insurance – 2.01% (March 2009 – 1.96%)				Software & Computer Services – 0.00% (March 2009 – 0.03%)		
375,335	TrygVesta	14,546	2.01		Support Services – 1.53% (March 2009 – 2.78%)		
	Total Denmark	14,546	2.01	218,227	Audika	3,927	0.54
				246,174	Eurofins Scientific	7,138	0.99
EUROPE (0.48%, March 2009 – 1.31%)					Telecommunication Services – 2.09% (March 2009 – 0.00%)		
	Collective Investment Schemes – 0.48% (March 2009 – 0.76%)			907,133	Eutelsat Communications	15,154	2.09
3,835,348	Threadneedle Euro Liquid Assets Fund	3,461	0.48		Total France	126,884	17.54
	Transport – 0.00% (March 2009 – 0.55%)						
	Total Europe	3,461	0.48				
FINLAND (7.15%, March 2009 – 6.58%)				GERMANY (21.12%, March 2009 – 21.61%)			
	Electronic & Electrical Equipment – 1.67% (March 2009 – 2.26%)				Chemicals – 1.93% (March 2009 – 1.93%)		
541,802	Vacon	12,109	1.67	185,966	Wacker Chemie	13,968	1.93
	Engineering & Machinery – 3.15% (March 2009 – 2.76%)				Electronic & Electrical Equipment – 2.40% (March 2009 – 2.86%)		
776,379	Kone	16,295	2.25	55,486	Pfeiffer Vacuum Technology	2,565	0.35
366,000	Konecranes	6,519	0.90	417,222	Wincor Nixdorf	14,851	2.05
	Software & Computer Services – 2.33% (March 2009 – 1.56%)				Engineering & Machinery – 3.04% (March 2009 – 3.78%)		
2,548,464	F Secure Oyj	5,696	0.79	18,487	KSB	6,245	0.86
2,240,346	Tekla Oyj	11,149	1.54	16,827	Rational	1,331	0.18
	Total Finland	51,768	7.15	199,283	Vossloh	14,456	2.00

European Smaller Companies Fund

Portfolio statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
	General Retailers – 2.08% (March 2009 – 1.97%)				NETHERLANDS (8.40%, March 2009 – 7.27%)		
379,894	Fielmann	15,035	2.08	859,723	Food Producers & Processors – 2.06% (March 2009 – 2.21%)	14,907	2.06
	Health – 2.78% (March 2009 – 2.19%)				Health – 0.00% (March 2009 – 2.00%)		
1,463,838	Rhoen-Klinikum	20,116	2.78		Information Technology Hardware – 1.83% (March 2009 – 0.97%)		
	Information Technology Hardware – 2.05% (March 2009 – 1.75%)			505,904	Gemalto NV	13,288	1.83
917,076	Stratec Biomedical Systems	14,820	2.05		Leisure Entertainment & Hotels – 0.55% (March 2009 – 0.00%)		
	Leisure Entertainment & Hotels – 0.00% (March 2009 – 0.49%)			136,424	Accell Group	3,969	0.55
	Oil & Gas – 1.91% (March 2009 – 0.72%)				Speciality & Other Finance – 1.74% (March 2009 – 0.00%)		
309,532	Fuchs Petrolub	13,809	1.91	1,286,747	BinckBank NV	12,576	1.74
	Packaging – 0.00% (March 2009 – 1.96%)				Transport – 2.22% (March 2009 – 2.09%)		
	Software & Computer Services – 1.50% (March 2009 – 0.00%)			407,306	Koninklijke Vopak NV	16,057	2.22
219,469	Software	10,847	1.50		Total Netherlands	60,797	8.40
	Speciality & Other Finance – 1.79% (March 2009 – 2.00%)				NORWAY (1.15%, March 2009 – 2.71%)		
581,619	Grenkeleasing	12,913	1.79		Aerospace & Defence – 0.16% (March 2009 – 1.00%)		
	Support Services – 1.64% (March 2009 – 1.96%)			168,032	Kongsberg Gruppen ASA	1,162	0.16
1,654,379	Takkt	11,873	1.64		Oil & Gas – 0.00% (March 2009 – 0.15%)		
	Total Germany	152,829	21.12		Pharmaceuticals & Biotechnology – 0.00% (March 2009 – 0.61%)		
	ISRAEL (0.05%, March 2009 – 0.00%)				Support Services – 0.00% (March 2009 – 0.45%)		
	Software & Computer Services – 0.05% (March 2009 – 0.00%)				Telecommunication Services – 0.99% (March 2009 – 0.50%)		
185,631	Vizrt	335	0.05	574,100	Tandberg	7,197	0.99
	Total Israel	335	0.05		Total Norway	8,359	1.15
	ITALY (4.64%, March 2009 – 6.13%)				PORTUGAL (0.00%, March 2009 – 2.00%)		
	Engineering & Machinery – 0.00% (March 2009 – 2.19%)				Food & Drug Retailers – 0.00% (March 2009 – 2.00%)		
	Health – 2.08% (March 2009 – 2.30%)				Total Portugal	–	–
783,835	DiaSorin	15,048	2.08		REPUBLIC OF IRELAND (5.28%, March 2009 – 1.68%)		
	Speciality & Other Finance – 0.57% (March 2009 – 0.32%)				Food Producers & Processors – 2.46% (March 2009 – 0.00%)		
8,626,676	Alerion Industries	4,135	0.57	959,257	Kerry Group	16,082	2.23
	Transport – 1.99% (March 2009 – 1.32%)			4,924,419	Total Produce	1,677	0.23
1,195,321	Ansaldo STS	14,422	1.99		Life Assurance – 0.82% (March 2009 – 0.00%)		
	Total Italy	33,605	4.64	1,367,263	Irish Life & Permanent	5,951	0.82

European Smaller Companies Fund

Portfolio statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
	Pharmaceuticals & Biotechnology – 2.00% (March 2009 – 1.50%)				Engineering & Machinery – 0.47% (March 2009 – 0.83%)		
7,061,927	United Drug	14,489	2.00	5,824	Belimo Holdings	3,380	0.47
	Support Services – 0.00% (March 2009 – 0.18%)				Food & Drug Retailers – 0.08% (March 2009 – 1.65%)		
	Total Republic of Ireland	38,199	5.28	27,235	Aryzta	618	0.08
SPAIN (6.29%, March 2009 – 4.05%)					Food Producers & Processors – 0.00% (March 2009 – 0.77%)		
	Construction & Building Materials – 1.83% (March 2009 – 0.00%)				General Retailers – 0.31% (March 2009 – 0.00%)		
375,326	Tecnicas Reunidas	13,264	1.83	17,200	Valora Holding	2,229	0.31
	Food Producers & Processors – 0.51% (March 2009 – 0.00%)				Health – 2.33% (March 2009 – 3.64%)		
268,087	Viscofan S.A.	3,696	0.51	49,307	Coltene Holding	1,417	0.20
	Pharmaceuticals & Biotechnology – 1.98% (March 2009 – 1.90%)			266,585	Sonova Holding Registered	15,412	2.13
1,355,083	Grifols	14,297	1.98		Investment Companies – 0.00% (March 2009 – 0.40%)		
	Software & Computer Services – 1.97% (March 2009 – 2.15%)				Pharmaceuticals & Biotechnology – 0.33% (March 2009 – 0.49%)		
992,983	Indra Sistemas	14,244	1.97	44,820	Basilea Pharmaceutica Registered	2,359	0.33
	Total Spain	45,501	6.29		Speciality & Other Finance – 2.05% (March 2009 – 0.41%)		
SWEDEN (3.08%, March 2009 – 1.65%)				475,793	Swissquote Group Holding Registered	14,821	2.05
	Automobiles & Parts – 0.35% (March 2009 – 0.00%)				Total Switzerland	84,572	11.69
237,113	Mekonomen	2,529	0.35		Total Value of Investments	694,093	95.93
	Health – 0.61% (March 2009 – 0.42%)				Net Other Assets (March 2009 – 2.36%)	29,477	4.07
403,723	Elektro	4,374	0.61		Net Assets	723,570	100.00
	Tobacco – 2.12% (March 2009 – 1.23%)				<i>The calculation of the % Net Asset Value may not add up due to rounding.</i>		
1,326,344	Swedish Match AB	15,365	2.12				
	Total Sweden	22,268	3.08				
SWITZERLAND (11.69%, March 2009 – 14.97%)							
	Construction & Building Materials – 0.00% (March 2009 – 1.66%)						
	Distributors – 0.81% (March 2009 – 0.85%)						
5,720	Vetropack Holding	5,887	0.81				
	Diversified Industrials – 3.29% (March 2009 – 1.98%)						
18,054	Sika	14,311	1.98				
207,435	Sulzer	9,462	1.31				
	Electronic & Electrical Equipment – 2.02% (March 2009 – 2.29%)						
9,345	Carlo Gavazzi Holding	678	0.09				
87,769	LEM Holding Registered	13,998	1.93				

Pan European Smaller Companies Fund

Portfolio statement

as at 7th September 2009

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
AUSTRIA (3.14%, March 2009 – 1.51%)				Media & Photography – 1.00% (March 2009 – 3.18%)			
	Engineering & Machinery – 2.04% (March 2009 – 1.13%)			332,087	Havas SA	746	0.52
105,240	Andritz	2,902	2.04	33,288	SeLogger.com	687	0.48
	Oil & Gas – 0.58% (March 2009 – 0.38%)			Pharmaceuticals & Biotechnology – 2.04% (March 2009 – 2.15%)			
30,140	Schoeller Bleckmann Oilfield	830	0.58	53,505	Virbac	2,898	2.04
	Support Services – 0.52% (March 2009 – 0.00%)			Software & Computer Services – 1.49% (March 2009 – 0.64%)			
12,007	Mayr-Melnhof Karton	733	0.52	21,032	Iliad	1,308	0.92
	Total Austria	4,465	3.14	41,243	Meetic	811	0.57
BELGIUM (2.69%, March 2009 – 3.98%)				Support Services – 0.46% (March 2009 – 0.57%)			
	Chemicals – 0.00% (March 2009 – 0.92%)			36,466	Audika	656	0.46
	Electronic & Electrical Equipment – 0.77% (March 2009 – 0.86%)			Telecommunication Services – 1.55% (March 2009 – 0.00%)			
27,587	EVS Broadcast Equipment	1,090	0.77	131,944	Eutelsat Communications	2,204	1.55
	Food & Drug Retailers – 1.92% (March 2009 – 2.20%)				Total France	15,741	11.06
19,532	Colruyt NV	2,739	1.92	GERMANY (16.29%, March 2009 – 15.50%)			
	Total Belgium	3,829	2.69		Chemicals – 1.97% (March 2009 – 0.51%)		
DENMARK (1.92%, March 2009 – 0.90%)				37,297	Wacker Chemie	2,801	1.97
	Insurance – 1.92% (March 2009 – 0.90%)			Electronic & Electrical Equipment – 1.01% (March 2009 – 1.27%)			
70,437	TrygVesta	2,730	1.92	40,397	Wincor Nixdorf	1,438	1.01
	Total Denmark	2,730	1.92	Engineering & Machinery – 1.86% (March 2009 – 2.30%)			
EUROPE (0.00%, March 2009 – 1.20%)				8,172	Rational	647	0.46
	Transport – 0.00% (March 2009 – 1.20%)			27,474	Vossloh	1,993	1.40
	Total Europe	–	–	General Retailers – 2.00% (March 2009 – 2.00%)			
FINLAND (1.16%, March 2009 – 2.20%)				71,987	Fielmann	2,849	2.00
	Electronic & Electrical Equipment – 0.00% (March 2009 – 1.84%)			Health – 2.27% (March 2009 – 1.98%)			
	Software & Computer Services – 1.16% (March 2009 – 0.36%)			235,132	Rhoen-Klinikum	3,231	2.27
681,757	F Secure Oyj	1,524	1.07	Information Technology Hardware – 1.99% (March 2009 – 1.27%)			
25,592	Tekla Oyj	127	0.09	175,578	Stratec Biomedical Systems	2,837	1.99
	Total Finland	1,651	1.16	Leisure Entertainment & Hotels – 0.85% (March 2009 – 1.41%)			
FRANCE (11.06%, March 2009 – 10.74%)				47,536	CTS Eventim	1,212	0.85
	Electronic & Electrical Equipment – 2.03% (March 2009 – 1.70%)			Packaging – 0.00% (March 2009 – 1.56%)			
191,570	Ingenico	2,884	2.03	Oil & Gas – 1.06% (March 2009 – 0.00%)			
	Health – 1.42% (March 2009 – 2.00%)			33,882	Fuchs Petrolub	1,512	1.06
68,716	Orpea	2,025	1.42	Software & Computer Services – 2.10% (March 2009 – 0.00%)			
	Household Goods & Textiles – 1.07% (March 2009 – 0.50%)			60,529	Software	2,992	2.10
29,964	Neopost	1,522	1.07				

Pan European Smaller Companies Fund

Portfolio statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
	Speciality & Other Finance – 1.18% (March 2009 – 1.84%)				Speciality & Other Finance – 2.16% (March 2009 – 1.39%)		
75,630	Grenkeleasing	1,679	1.18	314,190	BinckBank NV	3,071	2.16
	Support Services – 0.00% (March 2009 – 1.36%)				Transport – 2.36% (March 2009 – 1.47%)		
	Total Germany	23,191	16.29	85,328	Koninklijke Vopak NV	3,364	2.36
					Total Netherlands	14,539	10.21
GREECE (1.11%, March 2009 – 0.00%)				NORWAY (3.00%, March 2009 – 2.82%)			
	Speciality & Other Finance – 1.11% (March 2009 – 0.00%)				Construction & Building Materials – 0.54% (March 2009 – 0.00%)		
222,649	Hellenic Exchanges Holding	1,578	1.11	174,500	Veidekke	763	0.54
	Total Greece	1,578	1.11		Pharmaceuticals & Biotechnology – 0.00% (March 2009 – 0.83%)		
ITALY (5.31%, March 2009 – 3.63%)					Oil & Gas – 1.07% (March 2009 – 0.00%)		
	Engineering & Machinery – 0.00% (March 2009 – 0.61%)			180,000	TGS-NOPEC Geophysical	1,524	1.07
	Health – 2.32% (March 2009 – 2.51%)				Support Services – 0.00% (March 2009 – 1.99%)		
172,243	DiaSorin	3,307	2.32		Telecommunication Services – 1.39% (March 2009 – 0.00%)		
	Speciality & Other Finance – 1.01% (March 2009 – 0.00%)			158,400	Tandberg	1,986	1.39
2,999,193	Alerion Industries	1,438	1.01		Total Norway	4,273	3.00
	Transport – 1.98% (March 2009 – 0.51%)			PORTUGAL (0.00%, March 2009 – 1.16%)			
233,211	Ansaldo STS	2,814	1.98		Food & Drug Retailers – 0.00% (March 2009 – 1.16%)		
	Total Italy	7,559	5.31		Total Portugal	–	–
LUXEMBOURG (0.36%, March 2009 – 0.00%)				REPUBLIC OF IRELAND (1.98%, March 2009 – 0.00%)			
	Personal Care & Household Products – 0.36% (March 2009 – 0.00%)				Beverages – 0.80% (March 2009 – 0.00%)		
16,579	Oriflame Cosmetics SDR	507	0.36	478,039	C&C Group	1,135	0.80
	Total Luxembourg	507	0.36		Leisure Entertainment & Hotels – 0.50% (March 2009 – 0.00%)		
NETHERLANDS (10.21%, March 2009 – 7.67%)				256,409	Ryanair Holdings	716	0.50
	Food Producers & Processors – 2.09% (March 2009 – 1.86%)				Life Assurance – 0.68% (March 2009 – 0.00%)		
171,916	Sligro Food Group	2,981	2.09	221,227	Irish Life & Permanent	963	0.68
	Health – 0.00% (March 2009 – 1.43%)				Total Republic of Ireland	2,814	1.98
	Information Technology Hardware – 1.95% (March 2009 – 1.52%)			SPAIN (5.94%, March 2009 – 5.36%)			
105,647	Gemalto NV	2,775	1.95		Construction & Building Materials – 1.75% (March 2009 – 1.08%)		
	Leisure Entertainment & Hotels – 0.58% (March 2009 – 0.00%)			70,416	Tecnicas Reunidas	2,489	1.75
28,184	Accell Group	820	0.58		Food Producers & Processors – 1.47% (March 2009 – 1.55%)		
	Oil & Gas – 1.07% (March 2009 – 0.00%)			151,919	Viscofan SA	2,094	1.47
46,114	Fugro NV	1,528	1.07		Pharmaceuticals & Biotechnology – 1.81% (March 2009 – 1.69%)		
				244,672	Grifols	2,581	1.81

Pan European Smaller Companies Fund

Portfolio statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
	Software & Computer Services – 0.91% (March 2009 – 1.04%)				Electronic & Electrical Equipment – 1.42% (March 2009 – 0.76%)		
89,879	Indra Sistemas	1,289	0.91	862,352	Chloride Group	1,276	0.90
	Total Spain	8,453	5.94	108,768	Spectris	746	0.52
					Engineering & Machinery – 3.03% (March 2009 – 0.00%)		
SWEDEN (2.96%, March 2009 – 1.94%)	Health – 0.87% (March 2009 – 0.00%)			185,348	Charter International	1,116	0.78
113,984	Elekta	1,235	0.87	145,367	Rotork	1,416	0.99
	Tobacco – 2.09% (March 2009 – 1.94%)			280,408	Weir Group	1,793	1.26
257,449	Swedish Match AB	2,982	2.09		General Retailers – 6.05% (March 2009 – 5.27%)		
	Total Sweden	4,217	2.96	726,531	Connaught	2,809	1.97
				429,499	Dignity	2,609	1.83
				912,827	Domino's Pizza	2,269	1.59
SWITZERLAND (7.47%, March 2009 – 8.74%)	Distributors – 1.12% (March 2009 – 1.07%)			540,315	Game Group	936	0.66
1,554	Vetropack Holding	1,599	1.12		Health – 2.67% (March 2009 – 3.93%)		
	Diversified Industrials – 0.95% (March 2009 – 0.79%)			501,419	CareTech Holdings	1,834	1.29
1,712	Sika	1,357	0.95	293,164	Dechra Pharmaceuticals	1,244	0.87
	Electronic & Electrical Equipment – 1.33% (March 2009 – 1.57%)			134,561	Synergy Healthcare	719	0.51
11,895	LEM Holding Registered	1,897	1.33		Oil & Gas – 0.00% (March 2009 – 0.39%)		
	Food & Drug Retailers – 1.11% (March 2009 – 1.58%)				Personal Care & Household Products – 1.52% (March 2009 – 0.00%)		
69,489	Aryzta	1,576	1.11	377,603	SSL International	2,169	1.52
	Health – 1.94% (March 2009 – 2.34%)				Pharmaceuticals & Biotechnology – 0.37% (March 2009 – 0.60%)		
65,570	Nobel Biocare Holding	1,209	0.85	118,093	Hikma Pharmaceuticals	531	0.37
26,756	Sonova Holding Registered	1,547	1.09		Software & Computer Services – 2.00% (March 2009 – 2.58%)		
	Investment Companies – 0.00% (March 2009 – 1.00%)			528,500	Micro Focus International	2,014	1.41
	Pharmaceuticals & Biotechnology – 0.00% (March 2009 – 0.39%)			514,331	Velti	833	0.59
	Software & Computer Services – 1.02% (March 2009 – 0.00%)				Support Services – 3.99% (March 2009 – 4.67%)		
118,668	Temenos Group	1,454	1.02	330,534	Aggreko	2,201	1.55
	Total Switzerland	10,639	7.47	392,685	Asos	1,250	0.88
				854,728	Mitie Group	2,225	1.56
					Total United Kingdom	35,612	25.00
UNITED KINGDOM (25.00%, March 2009 – 23.41%)	Aerospace & Defence – 2.86% (March 2009 – 4.14%)			Total Value of Investments	141,798	99.60	
113,029	Chemring Group	2,488	1.75	Net Other Assets (March 2009 – 9.24%)	576	0.40	
754,316	Cobham	1,586	1.11	Net Assets	142,374	100.00	
	Chemicals – 1.09% (March 2009 – 1.07%)						
242,880	Croda International	1,548	1.09				

The calculation of the % Net Asset Value may not add up due to rounding.

Pan European Fund

Portfolio statement

as at 7th September 2009

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
BELGIUM (2.28%, March 2009 – 2.60%)				GERMANY (9.79%, March 2009 – 10.34%)			
	Banks – 1.14% (March 2009 – 0.00%)				Automobiles & Parts – 2.33% (March 2009 – 0.00%)		
346,240	Fortis NPV	939	1.14	32,464	BMW	906	1.10
				35,758	DaimlerChrysler Registered	1,013	1.23
	Food & Drug Retailers – 1.14% (March 2009 – 2.60%)				Banks – 0.87% (March 2009 – 0.00%)		
6,705	Colruyt NV	940	1.14	16,866	Deutsche Bank	716	0.87
	Total Belgium	1,879	2.28		Chemicals – 0.85% (March 2009 – 2.57%)		
BERMUDA (0.00%, March 2009 – 0.53%)				11,575	Linde	705	0.85
	Insurance – 0.00% (March 2009 – 0.53%)				Health – 2.66% (March 2009 – 3.22%)		
	Total Bermuda	–	–	64,301	Fresenius Medical Care	1,739	2.11
FINLAND (0.57%, March 2009 – 0.00%)				33,367	Rhoen-Klinikum	459	0.55
	Mining – 0.57% (March 2009 – 0.00%)				Insurance – 0.00% (March 2009 – 3.40%)		
123,597	Talvivaara Mining	472	0.57		Software & Computer Services – 1.41% (March 2009 – 1.15%)		
	Total Finland	472	0.57	39,441	SAP	1,164	1.41
FRANCE (10.85%, March 2009 – 16.32%)					Steel & Other Metals – 0.93% (March 2009 – 0.00%)		
	Banks – 3.06% (March 2009 – 0.74%)			37,414	ThyssenKrupp	772	0.93
35,012	BNP Paribas	1,697	2.06		Support Services – 0.74% (March 2009 – 0.00%)		
17,937	Societe Generale	826	1.00	58,409	Deutsche Post	608	0.74
	Beverages – 0.00% (March 2009 – 1.62%)				Total Germany	8,082	9.79
	Chemicals – 1.58% (March 2009 – 1.52%)			GREECE (0.93%, March 2009 – 0.00%)			
20,290	Air Liquide	1,303	1.58		Banks – 0.93% (March 2009 – 0.00%)		
	Electronic & Electrical Equipment – 1.35% (March 2009 – 2.08%)			39,251	National Bank of Greece	772	0.93
25,738	Alstom	1,112	1.35		Total Greece	772	0.93
	Health – 1.00% (March 2009 – 1.28%)			NETHERLANDS (10.77%, March 2009 – 7.52%)			
25,457	Essilor International	826	1.00		Beverages – 0.96% (March 2009 – 0.85%)		
	Household Goods & Textiles – 1.39% (March 2009 – 0.00%)			20,225	Heineken Holding NV	446	0.54
19,728	LVMH Moet Hennessy Louis Vuitton	1,152	1.39	13,247	Heineken NV	344	0.42
	Media & Photography – 0.00% (March 2009 – 1.52%)				Chemicals – 1.18% (March 2009 – 0.80%)		
	Oil & Gas – 0.00% (March 2009 – 3.69%)			28,373	Akzo Nobel	975	1.18
	Pharmaceuticals & Biotechnology – 2.47% (March 2009 – 2.12%)			107,301	Koninklijke Ahold NV	782	0.95
49,403	Sanofi Aventis	2,037	2.47		Food Producers & Processors – 1.48% (March 2009 – 0.00%)		
	Telecommunication Services – 0.00% (March 2009 – 1.75%)			72,310	Unilever NV	1,219	1.48
	Total France	8,953	10.85		Insurance – 2.20% (March 2009 – 0.00%)		
				190,926	ING Groep NV	1,813	2.20

Pan European Fund

Portfolio statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
199,397	Life Assurance – 1.08% (March 2009 – 0.00%) Aegon	895	1.08	940	Diversified Industrials – 0.90% (March 2009 – 0.70%) Sika	745	0.90
182,039	Telecommunication Services – 2.05% (March 2009 – 2.63%) Koninklijke KPN NV	1,693	2.05	118,979	Food Producers & Processors – 3.63% (March 2009 – 5.10%) Nestle Registered	2,996	3.63
18,267	Transport – 0.87% (March 2009 – 0.66%) Koninklijke Vopak NV	720	0.87		Health – 0.00% (March 2009 – 1.85%)		
	Total Netherlands	8,887	10.77		Pharmaceuticals & Biotechnology – 5.54% (March 2009 – 4.45%)		
	REPUBLIC OF IRELAND (1.83%, March 2009 – 1.02%)			55,150	Novartis	1,560	1.89
398,189	Beverages – 1.15% (March 2009 – 0.00%) C&C Group	946	1.15	31,567	Roche Holding	3,014	3.65
	Construction & Building Materials – 0.00% (March 2009 – 0.73%)				Support Services – 0.00% (March 2009 – 0.81%)		
128,909	Life Assurance – 0.68% (March 2009 – 0.00%) Irish Life & Permanent	561	0.68		Total Switzerland	11,348	13.75
	Transport – 0.00% (March 2009 – 0.29%)				TURKEY (0.56%, March 2009 – 0.00%)		
	Total Republic of Ireland	1,507	1.83		Food Producers & Processors – 0.56% (March 2009 – 0.00%)		
	SPAIN (7.69%, March 2009 – 3.74%)			20,547	BIM Birlesik Magazalar	461	0.56
122,096	Banks – 4.67% (March 2009 – 1.52%) Banco Bilbao Vizcaya Argentaria	1,317	1.60		Total Turkey	461	0.56
268,470	Banco Santander	2,533	3.07		UNITED KINGDOM (35.83%, March 2009 – 37.81%)		
23,495	General Retailers – 0.92% (March 2009 – 0.62%) Inditex	762	0.92		Aerospace & Defense – 0.00% (March 2009 – 1.14%)		
111,808	Telecommunication Services – 2.10% (March 2009 – 1.60%) Telefonica	1,732	2.10		Banks – 6.69% (March 2009 – 1.13%)		
	Total Spain	6,344	7.69	489,498	Barclays	1,759	2.13
	SWEDEN (1.05%, March 2009 – 0.75%)			363,913	HSBC	2,404	2.91
113,555	Engineering & Machinery – 1.05% (March 2009 – 0.75%) Atlas Copco AB A	868	1.05	99,366	Standard Chartered	1,360	1.65
	Total Sweden	868	1.05		Beverages – 1.10% (March 2009 – 1.83%)		
	SWITZERLAND (13.75%, March 2009 – 17.69%)			92,949	Diageo	905	1.10
54,876	Banks – 2.04% (March 2009 – 1.50%) Credit Suisse Group Registered	1,679	2.04		Construction & Building Materials – 0.00% (March 2009 – 0.87%)		
9,429	Chemicals – 1.64% (March 2009 – 3.28%) Syngenta Registered	1,354	1.64		Food & Drug Retailers – 2.43% (March 2009 – 2.57%)		
				532,051	Tesco	2,006	2.43
					Gas Distribution – 0.00% (March 2009 – 1.07%)		
					General Retailers – 2.94% (March 2009 – 0.80%)		
				185,732	Burberry Group	928	1.12
				2,250,784	DSG International	667	0.81
				383,515	Kingfisher	830	1.01
					Insurance – 1.84% (March 2009 – 3.18%)		
				106,460	Admiral Group	1,122	1.36
				316,661	Royal & Sun Alliance	399	0.48

Pan European Fund

Portfolio statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
	Leisure Entertainment & Hotels – 0.73% (March 2009 – 0.98%)		
126,692	Greene King	600	0.73
	Life Assurance – 0.00% (March 2009 – 0.76%)		
	Media & Photography – 0.00% (March 2009 – 0.96%)		
	Mining – 3.74% (March 2009 – 1.61%)		
81,781	Rio Tinto	1,999	2.42
128,274	Xstrata	1,090	1.32
	Oil & Gas – 7.89% (March 2009 – 6.49%)		
262,838	BG Group	2,694	3.27
369,180	BP	1,986	2.41
166,991	Tullow Oil	1,824	2.21
	Personal Care & Household Products – 2.67% (March 2009 – 2.71%)		
74,965	Reckitt Benckiser	2,204	2.67
	Pharmaceuticals & Biotechnology – 0.83% (March 2009 – 3.05%)		
24,701	AstraZeneca	688	0.83
	Real Estate – 0.94% (March 2009 – 0.00%)		
188,343	Hammerson	774	0.94
	Support Services – 0.91% (March 2009 – 1.92%)		
112,730	Aggreko	751	0.91
	Telecommunication Services – 0.00% (March 2009 – 3.56%)		
	Tobacco – 3.12% (March 2009 – 3.18%)		
132,630	British American Tobacco	2,574	3.12
Total United Kingdom		29,564	35.83
Total Value of Investments		79,137	95.90
Net Other Assets (March 2009 – 1.68%)		3,382	4.10
Net Assets		82,519	100.00

The calculation of the % Net Asset Value may not add up due to rounding.

European Bond Fund

Portfolio statement

as at 7th September 2009

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
AUSTRALIA (0.24%, March 2009 – 2.71%)					A (0.00%, March 2009 – 0.10%)				
AAA (0.00%, March 2009 – 2.71%)					A– (0.65%, March 2009 – 0.61%)				
EUR	400,000	AA– (0.24%, March 2009 – 0.00%) Commonwealth Bank of Australia 5.5% 06/08/2019	360	0.24	EUR	1,000,000	France Telecom 5.625% 22/05/2018	968	0.65
Total Australia					EUR	700,000	BBB+ (0.28%, March 2009 – 0.00%) Societe Generale 4.196% 26/01/2049	419	0.28
AUSTRIA (4.56%, March 2009 – 9.10%)					EUR	600,000	BBB– (0.38%, March 2009 – 0.36%) Casino Guichard-Perrachon 6.375% 04/04/2013	565	0.38
AAA (0.00%, March 2009 – 3.70%)					Total France				
EUR	7,500,000	Aaa (4.56%, March 2009 – 4.59%) Kommunalkredit Austria 4% 24/01/2012	6,770	4.56	GERMANY (21.22%, March 2009 – 2.96%)				
Aa3 (0.00%, March 2009 – 0.81%)					AAA (21.22%, March 2009 – 2.96%)				
Total Austria					EUR	32,250,000	Bundesrepublik Deutschland 4.75% 04/07/2040	31,486	21.22
CANADA (0.77%, March 2009 – 0.41%)					Total Germany				
EUR	650,000	AA– (0.41%, March 2009 – 0.41%) Royal Bank of Canada 5.75% 25/07/2011	607	0.41	HUNGARY (0.53%, March 2009 – 0.38%)				
BBB (0.36%, March 2009 – 0.00%)					EUR	1,150,000	BB+ (0.53%, March 2009 – 0.38%) MOL Magyar Olaj Gazipari 3.875% 05/10/2015	781	0.53
EUR	600,000	Xstrata Canada Finance 6.25% 27/05/2015	540	0.36	Total Hungary				
Total Canada					ITALY (5.23%, March 2009 – 0.70%)				
CAYMAN ISLANDS (0.41%, March 2009 – 0.40%)					EUR	6,500,000	A+ (3.91%, March 2009 – 0.00%) Buoni Poliennali Del Tes 3.5% 01/06/2014	5,800	3.91
EUR	650,000	BBB+ (0.41%, March 2009 – 0.40%) Thames Water Utilities Cayman 6.125% 04/02/2013	609	0.41	A (0.00%, March 2009 – 0.04%)				
Total Cayman Islands					EUR	650,000	A– (0.62%, March 2009 – 0.00%) Atlantia 5.625% 06/05/2016	615	0.41
DENMARK (0.37%, March 2009 – 0.00%)					EUR	400,000	Intesa Sanpaola 8.047% 20/06/2049	309	0.21
EUR	700,000	BBB– (0.37%, March 2009 – 0.00%) Dong Energy 5.5% 29/06/2015	555	0.37	BBB+ (0.00%, March 2009 – 0.48%)				
Total Denmark					BBB (0.70%, March 2009 – 0.18%)				
FINLAND (4.10%, March 2009 – 0.00%)					EUR	1,000,000	Telecom Italia 8.25% 21/03/2016	1,044	0.70
EUR	6,500,000	AAA (4.10%, March 2009 – 0.00%) Finnish Government 4.25% 04/07/2015	6,083	4.10	Total Italy				
Total Finland					LUXEMBOURG (1.79%, March 2009 – 2.89%)				
FRANCE (2.84%, March 2009 – 21.05%)					AAA (0.00%, March 2009 – 1.64%)				
AAA (0.00%, March 2009 – 19.45%)					EUR	1,000,000	BBB (1.06%, March 2009 – 0.92%) Gaz Capital (Gazprom) 5.03% 25/02/2014	830	0.56
AA (0.00%, March 2009 – 0.31%)					EUR	875,000	VTB Capital 4.25% 15/02/2016	741	0.50
EUR	325,000	AA– (0.20%, March 2009 – 0.00%) Sanofi Aventis 4.5% 18/05/2016	299	0.20	BBB– (0.58%, March 2009 – 0.33%)				
EUR	750,000	A+ (1.33%, March 2009 – 0.22%) AXA 4.5% 23/01/2015	681	0.46	EUR	1,000,000	Glencore Finance Europe 7.125% 23/04/2015	857	0.58
EUR	1,000,000	Credit Agricole 5.875% 11/06/2019	950	0.64	BB+ (0.15%, March 2009 – 0.00%)				
EUR	350,000	Electricite De France 5.125% 23/01/2015	330	0.23	EUR	240,000	Fiat Finance & Trade 9% 30/07/2012	221	0.15
					Total Luxembourg				

European Bond Fund

Portfolio statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
MEXICO (0.16%, March 2009 – 0.14%)					SLOVAKIA (5.58%, March 2009 – 0.00%)				
		BBB+ (0.16%, March 2009 – 0.14%)					A+ (5.58%, March 2009 – 0.00%)		
GBP	250,000	United Mexican States 6.75% 06/02/2024	231	0.16	EUR	9,200,000	Slovak Republic 4.375% 21/01/2015	8,280	5.58
		Total Mexico	231	0.16			Total Slovakia	8,280	5.58
NETHERLANDS (15.57%, March 2009 – 18.04%)					SLOVENIA (1.17%, March 2009 – 0.00%)				
		AAA (0.00%, March 2009 – 0.80%)					AAe (1.17%, March 2009 – 0.00%)		
EUR	22,000,000	Aaa (13.32%, March 2009 – 15.85%) Netherlands Government 4% 15/07/2019	19,764	13.32	EUR	2,000,000	Republica Slovenija 4.625% 09/09/2024	1,740	1.17
		AA (0.41%, March 2009 – 0.00%)					Total Slovenia	1,740	1.17
EUR	650,000	Allianz Finance II 5% 22/07/2019	604	0.41	SPAIN (1.67%, March 2009 – 0.45%)				
		AA- (0.41%, March 2009 – 0.00%)					AA (0.61%, March 2009 – 0.00%)		
EUR	650,000	Nederlandse Gasunie NV 5.125% 31/03/2017	615	0.41	EUR	1,000,000	BBVA Senior Finance 3.625% 14/05/2012	895	0.61
		A (0.16%, March 2009 – 0.30%)					AA- (0.60%, March 2009 – 0.00%)		
EUR	260,000	Münchener Rückversicherung Finance BV 6.75% 21/06/2023	238	0.16	EUR	1,000,000	Santander Issuances 5.435% 24/10/2017	894	0.60
		A- (0.52%, March 2009 – 0.41%)					A- (0.46%, March 2009 – 0.45%)		
EUR	850,000	EDP Finance BV 4.75% 26/09/2016	774	0.52	EUR	750,000	Telefonica Emisiones 4.674% 07/02/2014	686	0.46
		BBB+ (0.33%, March 2009 – 0.31%)					Total Spain	2,475	1.67
EUR	500,000	Koninklijke KPN NV 6.25% 16/09/2013	484	0.33	SWEDEN (1.22%, March 2009 – 6.44%)				
		BBB- (0.42%, March 2009 – 0.37%)					Aaa (0.00%, March 2009 – 5.87%)		
GBP	650,000	Linde Finance 8.125% 14/07/2066	627	0.42			AA- (0.61%, March 2009 – 0.00%)		
		Total Netherlands	23,106	15.57	EUR	1,000,000	Nordea Bank AB 4.5% 12/05/2014	909	0.61
NORWAY (1.42%, March 2009 – 1.42%)							A+ (0.61%, March 2009 – 0.57%)		
		AAA (0.00%, March 2009 – 0.63%)			EUR	1,000,000	Nordea Bank 6.25% 10/09/2018	907	0.61
EUR	1,300,000	AA- (0.79%, March 2009 – 0.79%) DnB NORBank 4.75% 28/03/2011	1,180	0.79			Total Sweden	1,816	1.22
		BBB+ (0.63%, March 2009 – 0.00%)			SWITZERLAND (0.65%, March 2009 – 0.00%)				
EUR	1,000,000	Statkraft 5.5% 02/04/2015	933	0.63			BBB+ (0.65%, March 2009 – 0.00%)		
		Total Norway	2,113	1.42	EUR	1,000,000	Elsevier Finance 6.5% 02/04/2013	961	0.65
POLAND (0.00%, March 2009 – 2.44%)							Total Switzerland	961	0.65
		A (0.00%, March 2009 – 1.43%)			UNITED KINGDOM (26.19%, March 2009 – 20.52%)				
		A- (0.00%, March 2009 – 1.01%)					AAA (16.82%, March 2009 – 15.19%)		
		Total Poland	-	-	EUR	650,000	Nationwide Building Society 4.125% 27/02/2012	580	0.39
REPUBLIC OF IRELAND (0.00%, March 2009 – 6.99%)					GBP	250,000	Punch Taverns Financial 7.274% NTS 15/04/2022	250	0.17
		AAA (0.00%, March 2009 – 6.99%)			GBP	9,000,000	UK Treasury 2.25% 07/03/2014	8,842	5.96
		Total Republic of Ireland	-	-	GBP	14,000,000	UK Treasury 4.25% 07/12/2030	15,281	10.30
							AA- (0.00%, March 2009 – 0.60%)		
							A+ (1.60%, March 2009 – 0.00%)		
					EUR	1,000,000	Bank of Scotland 5.625% 23/05/2013	924	0.62
					EUR	700,000	Credit Suisse International 4.75% 05/08/2019	608	0.41
					EUR	900,000	Lloyds TSB Bank 6.375% 17/06/2016	849	0.57

European Bond Fund

Portfolio statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
		A (0.90%, March 2009 – 1.63%)					UNITED STATES OF AMERICA (3.22%, March 2009 – 2.40%)		
EUR	750,000	Barclays Bank 6% 23/01/2018	667	0.45			AAA (0.43%, March 2009 – 0.00%)		
GBP	650,000	BG Energy Capital 5.125% 07/12/2017	669	0.45	EUR	650,000	Pfizer 5.75% 03/06/2021	636	0.43
		A- (3.07%, March 2009 – 1.01%)					AA Ae (0.00%, March 2009 – 0.69%)		
EUR	275,000	BAA Funding 4.6% 30/09/2016	205	0.14			AA- (0.59%, March 2009 – 0.00%)		
EUR	850,000	National Grid Gas 5.125% 14/05/2013	791	0.53	EUR	900,000	Roche Holdings 5.625% 04/03/2016	873	0.59
EUR	1,000,000	Scottish & Southern Energy 6.125% 29/07/2013	952	0.64			AA-e (0.00%, March 2009 – 0.43%)		
EUR	1,250,000	SL Finance 6.375% 12/07/2022	996	0.67			A+ (0.41%, March 2009 – 0.55%)		
EUR	1,000,000	Standard Chartered Bank 5.875% 26/09/2017	892	0.60	EUR	650,000	J.P. Morgan Chase 5.25% 08/05/2013	604	0.41
EUR	750,000	Tesco 5.875% 12/09/2016	725	0.49			A (1.54%, March 2009 – 0.67%)		
		BBB+ (0.83%, March 2009 – 0.00%)			EUR	500,000	BNP Paribas Capital Trust 6.342% 29/01/2049	393	0.26
EUR	350,000	Royal & Sun Alliance 6.875% 15/10/2019	299	0.20	EUR	450,000	Goldman Sachs Group 5.125% 24/04/2013	409	0.28
GBP	610,000	RSA Insurance Group 9.375% 20/05/2039	709	0.48	EUR	450,000	Morgan Stanley 3.375% 20/07/2012	386	0.26
EUR	250,000	SABMiller 4.5% 20/01/2015	223	0.15	EUR	1,000,000	Verizon Wireless Capital 8.75% 18/12/2015	1,096	0.74
		BBB (1.18%, March 2009 – 0.85%)					BBB (0.25%, March 2009 – 0.06%)		
EUR	500,000	Imperial Tobacco Finance 7.25% 15/09/2014	486	0.33	EUR	1,000,000	American International Group 8% 22/05/2038	378	0.25
EUR	750,000	Imperial Tobacco Finance 8.375% 17/02/2016	768	0.52			Total United States of America	4,775	3.22
EUR	650,000	Royal Bank of Scotland 4.5% 28/01/2016	494	0.33			DERIVATIVES ((0.15%), March 2009 – 0.18%)		
		Baa2 (0.00%, March 2009 – 0.41%)					Forward Foreign Exchange Contracts – (0.15%)		
		BBB- (0.46%, March 2009 – 0.43%)					(March 2009 – 0.18%)		
GBP	645,000	FirstGroup 6.875% 15/04/2013	686	0.46			Sell GBP 24,000,000		
		Ba1 (0.38%, March 2009 – 0.00%)					Buy EUR 27,244,214	(220)	(0.15)
GBP	700,000	Investec Finance 7.75% 01/03/2016	561	0.38			Total Derivatives	(220)	(0.15)
		BB (0.00%, March 2009 – 0.03%)					Total Value of Investments	146,572	98.76
		BB- (0.19%, March 2009 – 0.00%)					Net Other Assets (March 2009 – 0.38%)	1,838	1.24
EUR	725,000	EFG Hellas Funding 4.565% 02/11/2049	282	0.19			Net Assets	148,410	100.00
		B (0.28%, March 2009 – 0.00%)					<i>The calculation of the % Net Asset Value may not add up due to rounding.</i>		
EUR	850,000	Lloyds TSB Bank 6.35% 29/10/2049	423	0.28					
		CCC+ (0.08%, March 2009 – 0.00%)							
EUR	350,000	Royal Bank of Scotland Group 7.0916% 30/09/2049	116	0.08					
		Not Rated (0.40%, March 2009 – 0.37%)							
GBP	295,000	Cattles 0% 05/07/2017	27	0.02					
GBP	560,000	First Hydro Finance 9% 31/07/2021	570	0.38					
		Total United Kingdom	38,875	26.19					

European Bond Fund

Portfolio statement

(continued)

	Value £000
ANALYSIS OF INVESTMENTS BY CREDIT RATINGS	
Aaa	89,692
AA	1,499
AAe	1,740
AA-	5,737
A+	19,933
A	3,858
A-	7,913
BBB+	4,868
BBB	5,281
BBB-	3,290
BB+	1,002
Ba1	561
BB-	282
B	423
CCC+	116
Not Rated	597
Total Bonds	146,792
Derivatives	(220)
Total Value of Investments	146,572

European Corporate Bond Fund

Portfolio statement

as at 7th September 2009

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
AUSTRALIA (3.01%, March 2009 – 3.87%)				A+ (3.14%, March 2009 – 1.18%)			
	AA (0.00%, March 2009 – 1.75%)			EUR	500,000	AXA 4.5% 23/01/2015	454 1.23
				EUR	500,000	Credit Agricole 5.875% 11/06/2019	475 1.28
	AA- (3.01%, March 2009 – 2.12%)			EUR	250,000	Electricite De France 5.125% 23/01/2015	235 0.63
EUR	450,000	Commonwealth Bank of Australia 5.5% 06/08/2019	405 1.09				
EUR	800,000	National Australia Bank 6.75% 26/06/2023	710 1.92	EUR	650,000	A (1.15%, March 2009 – 0.57%) Credit Logement 4.604% 29/03/2049	426 1.15
	Total Australia	1,115	3.01				
CANADA (1.86%, March 2009 – 1.71%)				EUR	300,000	A- (0.76%, March 2009 – 1.05%) France Telecom 5% 22/01/2014	282 0.76
	AA- (0.89%, March 2009 – 1.23%)						
EUR	350,000	Royal Bank of Canada 5.75% 25/07/2011	327 0.89	EUR	700,000	BBB+ (1.95%, March 2009 – 1.06%) Societe Generale 4.196% 26/01/2049	419 1.13
				EUR	350,000	Veolia Environnement 4.375% 16/01/2017	305 0.82
EUR	400,000	BBB (0.97%, March 2009 – 0.48%) Xstrata Canada Finance 6.25% 27/05/2015	360 0.97	EUR	400,000	BBB- (0.96%, March 2009 – 1.24%) Casino Guichard-Perrachon 4.875% 10/04/2014	356 0.96
	Total Canada	687	1.86			Total France	3,113 8.40
CAYMAN ISLANDS (4.62%, March 2009 – 6.89%)				GERMANY (2.22%, March 2009 – 5.55%)			
	A (0.00%, March 2009 – 0.86%)						
EUR	650,000	A- (1.62%, March 2009 – 2.11%) Hutchison Whampoa 5.875% 08/07/2013	602 1.62	EUR	250,000	AAA (2.22%, March 2009 – 4.33%) Bundesobligation 2.25% 11/04/2014	218 0.59
				EUR	670,000	Bundesrepublik Deutschland 3.25% 04/07/2015	605 1.63
EUR	280,000	BBB+ (1.42%, March 2009 – 3.92%) MUFG Capital Finance 2 4.85% 25/07/2049	197 0.53			A+ (0.00%, March 2009 – 1.22%)	
EUR	350,000	Thames Water Utilities Cayman 6.125% 04/02/2013	328 0.89			Total Germany	823 2.22
EUR	500,000	BBB (1.58%, March 2009 – 0.00%) BES Finance 4.5% 29/12/2049	339 0.92	HUNGARY (1.50%, March 2009 – 1.17%)			
GBP	245,000	South East Water Finance 5.6577% 30/09/2019	246 0.66				
	Total Cayman Islands	1,712	4.62	EUR	535,000	Baa2 (0.68%, March 2009 – 0.00%) OTP Bank 5.875% 07/11/2049	251 0.68
CZECH REPUBLIC (1.24%, March 2009 – 1.68%)				EUR	450,000	BB+ (0.82%, March 2009 – 0.84%) MOL Magyar Olaj Gazipari 3.875% 05/10/2015	306 0.82
	A- (1.24%, March 2009 – 1.68%)					Total Hungary	557 1.50
EUR	500,000	CEZ 5.125% 12/10/2012	460 1.24	ITALY (4.07%, March 2009 – 4.22%)			
	Total Czech Republic	460	1.24				
DENMARK (2.51%, March 2009 – 2.76%)							
	A- (1.55%, March 2009 – 1.81%)			EUR	350,000	A- (1.94%, March 2009 – 0.00%) Atlantia 5.625% 06/05/2016	331 0.90
EUR	700,000	Danske Bank 6% 20/03/2016	574 1.55	EUR	500,000	Intesa Sanpaola 8.047% 20/06/2049	386 1.04
EUR	450,000	BBB- (0.96%, March 2009 – 0.95%) Dong Energy 5.5% 29/06/2015	357 0.96			BBB+ (0.00%, March 2009 – 0.49%)	
	Total Denmark	931	2.51	EUR	500,000	BBB (1.41%, March 2009 – 1.67%) Telecom Italia 8.25% 21/03/2016	522 1.41
FRANCE (8.40%, March 2009 – 5.98%)				EUR	500,000	BB+ (0.72%, March 2009 – 0.00%) Banca Popolare Novara 6.156% 21/06/2049	268 0.72
	AA (0.00%, March 2009 – 0.88%)					Total Italy	1,507 4.07
EUR	175,000	AA- (0.44%, March 2009 – 0.00%) Sanofi Aventis 4.5% 18/05/2016	161 0.44				

European Corporate Bond Fund

Portfolio statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
LUXEMBOURG (4.96%, March 2009 – 5.80%)					REPUBLIC OF IRELAND (0.86%, March 2009 – 2.02%)				
		BBB (3.32%, March 2009 – 3.61%)					A (0.86%, March 2009 – 2.02%)		
EUR	750,000	Gaz Capital (Gazprom) 5.03%			EUR	650,000	Freshwater Finance 6.576%		
		25/02/2014	623	1.68			18/05/2049	318	0.86
EUR	185,000	Michelin Finance Luxemburg 8.625%					Total Republic of Ireland	318	0.86
		24/04/2014	187	0.50					
EUR	500,000	VTB Capital 4.25% 15/02/2016	423	1.14					
		BBB– (0.99%, March 2009 – 1.10%)			SPAIN (4.13%, March 2009 – 3.68%)				
EUR	450,000	Glencore Finance Europe 5.25%					AA (1.21%, March 2009 – 0.00%)		
		11/10/2013	366	0.99	EUR	500,000	BBVA Senior Finance 3.625%		
		BB+ (0.65%, March 2009 – 0.00%)					14/05/2012	448	1.21
EUR	260,000	Fiat Finance & Trade 9% 30/07/2012	239	0.65	EUR	700,000	Santander Issuances 5.435%		
		B– (0.00%, March 2009 – 1.09%)					24/10/2017	626	1.69
		Total Luxembourg	1,838	4.96	EUR	500,000	A– (1.23%, March 2009 – 1.69%)		
							Telefonica Emisiones 4.674%		
							07/02/2014	457	1.23
							Total Spain	1,531	4.13
MEXICO (0.25%, March 2009 – 0.31%)									
		BBB+ (0.25%, March 2009 – 0.31%)			SWEDEN (2.45%, March 2009 – 3.22%)				
GBP	100,000	United Mexican States 6.75%					AA– (1.23%, March 2009 – 0.00%)		
		06/02/2024	92	0.25	EUR	500,000	Nordea Bank AB 4.5% 12/05/2014	455	1.23
		Total Mexico	92	0.25			A+ (1.22%, March 2009 – 1.62%)		
					EUR	500,000	Nordea Bank 6.25% 10/09/2018	453	1.22
							A– (0.00%, March 2009 – 1.60%)		
NETHERLANDS (7.29%, March 2009 – 4.68%)							Total Sweden	908	2.45
		AA (1.25%, March 2009 – 0.00%)			SWITZERLAND (2.44%, March 2009 – 1.49%)				
EUR	500,000	Allianz Finance II 5% 22/07/2019	464	1.25			A+ (1.15%, March 2009 – 1.49%)		
		AA– (0.89%, March 2009 – 0.00%)			EUR	450,000	UBS London 6.25% 03/09/2013	425	1.15
EUR	350,000	Nederlandse Gasunie NV 5.125%					BBB+ (1.29%, March 2009 – 0.00%)		
		31/03/2017	331	0.89	EUR	500,000	Elsevier Finance 6.5% 02/04/2013	480	1.29
EUR	190,000	Muenchener Rueckver Finance BV 6.75% 21/06/2023	174	0.47			Total Switzerland	905	2.44
EUR	650,000	EDP Finance BV 4.75% 26/09/2016	592	1.60					
		BBB+ (1.31%, March 2009 – 1.77%)			UNITED KINGDOM (30.52%, March 2009 – 26.72%)				
EUR	500,000	Koninklijke KPN NV 6.25% 16/09/2013	483	1.31			AAA (1.47%, March 2009 – 0.15%)		
		BBB (0.95%, March 2009 – 1.04%)			EUR	500,000	Nationwide Building Society 4.125%		
EUR	400,000	Repsol International Finance 4.75%					27/02/2012	446	1.20
		16/02/2017	353	0.95	GBP	100,000	Punch Taverns Financial 7.274% NTS 15/04/2022	100	0.27
EUR	350,000	Linde Finance 7.375% 14/07/2066	304	0.82			AA– (0.00%, March 2009 – 2.73%)		
		Total Netherlands	2,701	7.29			A+ (4.63%, March 2009 – 1.61%)		
					EUR	700,000	Bank of Scotland 5.625% 23/05/2013	647	1.75
NORWAY (3.24%, March 2009 – 4.40%)					EUR	575,000	Credit Suisse International 4.75%		
		AA– (1.72%, March 2009 – 2.40%)					05/08/2019	499	1.35
EUR	700,000	DnB NORBank 4.75% 28/03/2011	636	1.72	EUR	600,000	Lloyds TSB Bank 6.375% 17/06/2016	566	1.53
		BBB+ (1.52%, March 2009 – 2.00%)					A (4.97%, March 2009 – 6.59%)		
EUR	650,000	Statkraft 4.625% 22/09/2017	563	1.52	EUR	600,000	Barclays Bank 6% 23/01/2018	534	1.44
		Total Norway	1,199	3.24	GBP	350,000	BG Energy Capital 5.125% 07/12/2017	360	0.97
					EUR	500,000	HSBC Holdings 6.25% 19/03/2018	472	1.27
					EUR	525,000	Royal Bank of Scotland Group 5.25% 15/05/2013	477	1.29

European Corporate Bond Fund

Portfolio statement

(continued)

				% of					% of
	Holding	Investment	Value £000	Net Asset Value		Holding	Investment	Value £000	Net Asset Value
		A– (9.52%, March 2009 – 9.86%)					UNITED STATES OF AMERICA (10.52%, March 2009 – 10.75%)		
EUR	500,000	Anglian Water Service Finance 6.25% 27/06/2016	485	1.31	EUR	350,000	Pfizer 5.75% 03/06/2021	343	0.92
EUR	200,000	BAA Funding 4.6% 30/09/2016	149	0.40					
EUR	600,000	National Grid Electricity Transmission 6.625% 28/01/2014	591	1.60	EUR	600,000	Roche Holdings 5.625% 04/03/2016	582	1.57
EUR	500,000	Scottish & Southern Energy 6.125% 29/07/2013	476	1.28			AA– (1.57%, March 2009 – 0.24%)		
EUR	600,000	SL Finance 6.375% 12/07/2022	478	1.29			AA-e (0.00%, March 2009 – 1.04%)		
EUR	700,000	Standard Chartered Bank 5.875% 26/09/2017	624	1.68	EUR	325,000	General Electric Capital 5.5% 15/09/2067	190	0.51
GBP	500,000	Tesco 5% 24/02/2014	519	1.40			A+ (1.39%, March 2009 – 3.94%)		
EUR	215,000	Tesco 5.875% 12/09/2016	208	0.56	EUR	350,000	J.P. Morgan Chase 5.25% 08/05/2013	325	0.88
		BBB+ (2.72%, March 2009 – 0.00%)					A (5.21%, March 2009 – 4.28%)		
EUR	700,000	Aviva 4.7291% 29/11/2049	383	1.03	EUR	350,000	Bank of America 5.125% 26/09/2014	310	0.84
EUR	150,000	Royal & Sun Alliance 6.875% 15/10/2019	128	0.35	EUR	500,000	BNP Paribas Capital Trust 6.342% 29/01/2049	393	1.06
GBP	235,000	RSA Insurance Group 9.375% 20/05/2039	273	0.74	EUR	200,000	Citigroup 7.375% 04/09/2019	180	0.49
EUR	250,000	SABMiller 4.5% 20/01/2015	223	0.60	EUR	250,000	Goldman Sachs Group 5.125% 24/04/2013	227	0.61
		BBB (3.27%, March 2009 – 2.89%)			EUR	250,000	Morgan Stanley 3.375% 20/07/2012	214	0.58
GBP	300,000	British Telecom 8% 07/12/2016	340	0.92	EUR	550,000	Verizon Wireless Capital 8.75% 18/12/2015	603	1.63
EUR	250,000	Imperial Tobacco Finance 7.25% 15/09/2014	243	0.66			BBB+ (0.92%, March 2009 – 1.07%)		
EUR	350,000	Imperial Tobacco Finance 8.375% 17/02/2016	358	0.97	EUR	370,000	Pemex Project Funding Master 6.375% 05/08/2016	343	0.92
EUR	350,000	Royal Bank of Scotland 4.5% 28/01/2016	266	0.72			BBB (0.51%, March 2009 – 0.18%)		
		BBB– (1.00%, March 2009 – 0.95%)			EUR	500,000	American International Group 8% 22/05/2038	189	0.51
GBP	350,000	FirstGroup 6.875% 15/04/2013	372	1.00			Total United States of America	3,899	10.52
		BB+ (0.00%, March 2009 – 1.70%)					DERIVATIVES (0.12%, March 2009 – 0.12%)		
		BB (0.00%, March 2009 – 0.09%)					Forward Foreign Exchange Contracts – 0.12% (March 2009 – 0.12%)		
		BB– (2.02%, March 2009 – 0.00%)					Sell GBP 160,000		
EUR	500,000	EFG Hellas Funding 4.565% 02/11/2049	194	0.52			Buy EUR 184,531	1	–
EUR	650,000	ITV 4.75% 03/10/2011	557	1.50			Sell GBP 340,000		
		B (0.67%, March 2009 – 0.00%)					Buy EUR 396,022	6	0.02
EUR	500,000	LloydsTSB Bank 6.35% 29/10/2049	249	0.67			Sell GBP 1,806,397		
							Buy EUR 2,113,420	39	0.10
							Total Derivatives	46	0.12
							Total Value of Investments	35,652	96.21
EUR	200,000	CCC+ (0.18%, March 2009 – 0.00%) Royal Bank of Scotland Group 7.0916% 30/09/2049	66	0.18			Net Other Assets (March 2009 – 2.98%)	1,404	3.79
							Net Assets	37,056	100.00
		Not Rated (0.07%, March 2009 – 0.15%)							
GBP	300,000	Cattles 0% 05/07/2017	27	0.07					
EUR	350,000	Lehman Bros Capital Fund 0% 22/02/2049	–	–					
		Total United Kingdom	11,310	30.52					

European Corporate Bond Fund

Portfolio statement

(continued)

	Value £000
ANALYSIS OF INVESTMENTS BY CREDIT RATINGS	
AAA	1,712
AA	912
AA-	4,233
A+	4,269
A	4,688
A-	7,214
BBB+	4,217
BBB	4,449
Baa2	251
BBB-	1,755
BB+	813
BB-	751
B	249
CCC+	66
Not Rated	27
Total Bonds	35,606
Derivatives	46
Total Value of Investments	35,652

The calculation of the % Net Asset Value may not add up due to rounding.

European High Yield Bond Fund

Portfolio statement

as at 7th September 2009

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
AUSTRALIA (1.76%, March 2009 – 1.91%)				CZECH REPUBLIC (0.31%, March 2009 – 0.29%)			
B+ (0.00%, March 2009 – 1.91%)				B+ (0.31%, March 2009 – 0.29%)			
EUR	8,470,000			EUR	2,721,860		
	B (1.76%, March 2009 – 0.00%)				Sazka 8.5% 12/07/2021	1,378	0.31
	FMG Finance 9.75% 01/09/2013	7,765	1.76		Total Czech Republic	1,378	0.31
	Total Australia	7,765	1.76				
AUSTRIA (0.91%, March 2009 – 0.00%)				DENMARK (1.96%, March 2009 – 4.35%)			
BB (0.79%, March 2009 – 0.00%)				BB- (1.41%, March 2009 – 1.65%)			
EUR	4,020,000			EUR	75,000		
	PE Paper Escrow 11.75% 01/08/2014	3,501	0.79		Nordic Telephone Holdings 8.25% 01/05/2016	67	0.02
	B+ (0.12%, March 2009 – 0.00%)			EUR	480,000		
USD	1,020,000				Nordic Telephone Holdings 6.399% 01/05/2016	405	0.09
	Sappi Papier Holding 6.75% 15/06/2012	515	0.12	EUR	6,402,000		
	Total Austria	4,016	0.91		TDC AS 6.5% 19/04/2012	5,757	1.30
BERMUDA (0.10%, March 2009 – 1.44%)					B+ (0.00%, March 2009 – 1.19%)		
BB- (0.00%, March 2009 – 1.30%)					B (0.55%, March 2009 – 1.51%)		
Not Rated (0.10%, March 2009 – 0.14%)				EUR	2,787,000		
USD	1,300,000				ISS Global 4.75% 18/09/2010	2,409	0.55
	Sea Production 4.69969% 14/02/2012	435	0.10		Total Denmark	8,638	1.96
	Total Bermuda	435	0.10				
CANADA (4.37%, March 2009 – 3.14%)				FINLAND (0.26%, March 2009 – 0.00%)			
BBB (1.45%, March 2009 – 1.19%)				CCC+ (0.26%, March 2009 – 0.00%)			
EUR	2,415,000			EUR	1,500,000		
	Xstrata Canada Finance 5.25% 13/06/2017	2,014	0.46		M-Real 6.152% 15/12/2010	1,139	0.26
EUR	4,845,000				Total Finland	1,139	0.26
	Xstrata Canada Finance 5.875% 27/05/2011	4,367	0.99				
	BB+ (2.19%, March 2009 – 1.68%)			FRANCE (8.60%, March 2009 – 8.01%)			
EUR	6,620,000			AA-e (0.24%, March 2009 – 0.16%)			
	Bombardier Incorporation 3.998% 15/11/2013	5,230	1.18	EUR	1,300,000		
EUR	5,300,000				BNP Paribas 7.781% 07/02/2049	1,078	0.24
	Bombardier Incorporation 7.25% 15/11/2016	4,442	1.01		A (0.00%, March 2009 – 0.30%)		
	CCC (0.73%, March 2009 – 0.27%)			GBP	1,970,000		
EUR	1,235,000				Societe Generale 8.875% 16/06/2049	1,773	0.40
GBP	2,450,000				BBB (0.20%, March 2009 – 0.10%)		
	GMAC Canada 6% 23/05/2012	965	0.22	USD	1,500,000		
	GMAC Canada 6.625% 17/12/2010	2,278	0.51		Legrand 8.5% 15/02/2025	863	0.20
	Total Canada	19,296	4.37		BB+ (2.58%, March 2009 – 0.11%)		
CAYMAN ISLANDS (0.35%, March 2009 – 0.42%)				EUR	8,614,000		
Not Rated (0.35%, March 2009 – 0.42%)				EUR	2,600,000		
NOK	6,000,000				Crown 6.25% 01/09/2011	7,821	1.77
GBP	1,700,000				Crown Euro Holdings 6.25% 01/09/2011	2,361	0.53
	PetroProd 0% 26/11/2012	–	–	EUR	930,000		
	Sigma Finance 3.79625% 31/12/2013	1,530	0.35		Nexans 1.5% 01/01/2013	643	0.15
	Total Cayman Islands	1,530	0.35	EUR	700,000		
CYPRUS (0.25%, March 2009 – 0.00%)					Nexans 5.75% 02/05/2017	559	0.13
Not Rated (0.25%, March 2009 – 0.00%)					BB (2.49%, March 2009 – 5.94%)		
USD	1,900,000			EUR	11,855,000		
	Songa Offshore 9.75% 24/03/2011	1,121	0.25		Tereos Europe 6.375% 15/04/2014	9,626	2.18
	Total Cyprus	1,121	0.25	EUR	2,000,000		
					Wendel 4.875% 21/09/2015	1,362	0.31
					BB- (1.49%, March 2009 – 0.23%)		
				EUR	3,085,000		
					Gecina 4.875% 25/01/2012	2,491	0.56
				EUR	5,650,000		
					Rhodia 3.746% 15/10/2013	4,131	0.93
					B+ (1.13%, March 2009 – 1.06%)		
				EUR	5,705,000		
					SPCM 8.25% 15/06/2013	4,981	1.13

European High Yield Bond Fund

Portfolio statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
		CCC (0.00%, March 2009 – 0.05%)					B (0.69%, March 2009 – 1.63%)		
		D (0.00%, March 2009 – 0.06%)			EUR	4,710,000	Codere Finance 8.25% 15/06/2015	3,022	0.69
		Not Rated (0.07%, March 2009 – 0.00%)					B- (0.64%, March 2009 – 2.70%)		
EUR	946,667	Korreden 11% 01/08/2014	322	0.07	EUR	3,396,000	Beverage Packaging Holdings 9.5% 15/06/2017	2,817	0.64
		Total France	38,011	8.60			CCC- (0.00%, March 2009 – 0.03%)		
		GERMANY (5.10%, March 2009 – 6.07%)					D (0.00%, March 2009 – 0.00%)		
		BBB- (0.00%, March 2009 – 0.38%)			EUR	1,140,000	Hayes Lemmerz Finance 0% 15/06/2015	5	–
		BB+ (2.40%, March 2009 – 0.00%)					Not Rated (0.21%, March 2009 – 0.22%)		
EUR	12,771,000	IESY Hessen 3.778% 15/04/2013	10,592	2.40	EUR	1,500,000	Signum Luxembourg 5.379% 18/06/2015	930	0.21
		BB (0.00%, March 2009 – 3.60%)					Total Luxembourg	42,617	9.65
		B+ (1.69%, March 2009 – 0.00%)					NETHERLANDS (11.27%, March 2009 – 15.54%)		
USD	1,000,000	Unity Media 10.375% 15/02/2015	643	0.14			BBB- (1.37%, March 2009 – 1.47%)		
USD	700,000	Unitymedia 10.375% 15/02/2015	448	0.10	EUR	6,555,000	Linde Finance 7.375% 14/07/2066	5,685	1.29
EUR	600,000	Unitymedia 10.125% 15/02/2015	550	0.12	GBP	350,000	Linde Finance 8.125% 14/07/2066	338	0.08
EUR	6,503,000	Unitymedia 8.75% 30/12/2014	5,876	1.33			BB (1.30%, March 2009 – 1.25%)		
		B (0.00%, March 2009 – 2.09%)			EUR	250,000	Fresenius Finance 5% 31/01/2013	223	0.05
		CCC+ (1.01%, March 2009 – 0.00%)			EUR	2,380,000	Fresenius Finance 5.5% 31/01/2016	2,052	0.46
EUR	2,835,000	Tui 2.831% 10/12/2010	2,203	0.50	EUR	4,223,000	Ol European Group 6.875% 31/03/2017	3,503	0.79
EUR	3,445,000	Tui 5.125% 10/12/2012	2,241	0.51			BB- (2.08%, March 2009 – 3.29%)		
		Total Germany	22,553	5.10	GBP	1,620,000	Cable & Wireless International Finance 8.625% 25/03/2019	1,620	0.37
		ITALY (2.37%, March 2009 – 1.99%)			EUR	1,050,000	Ifco Systems NV 10% 30/06/2016	976	0.22
		BB (2.37%, March 2009 – 1.99%)			USD	1,050,000	Impress Holdings BV 3.63438% 15/09/2013	589	0.13
EUR	13,160,000	Lottomatica 8.25% 31/03/2066	10,455	2.37	EUR	6,500,000	Impress Holdings BV 4.121% 15/09/2013	5,221	1.18
		Total Italy	10,455	2.37	GBP	810,000	Intergen NV 9.5% 30/06/2017	802	0.18
		LUXEMBOURG (9.65%, March 2009 – 10.06%)					B+ (0.07%, March 2009 – 0.01%)		
		BBB- (0.00%, March 2009 – 0.25%)			EUR	438,000	Clondalkin Acquisition 3.277% 15/12/2013	306	0.07
		BB+ (1.01%, March 2009 – 0.00%)					B (0.40%, March 2009 – 0.50%)		
EUR	250,000	Fiat Finance & Trade 5.625% 15/11/2011	219	0.05	EUR	2,550,000	New World Resources 7.375% 15/05/2015	1,759	0.40
EUR	1,855,000	Fiat Finance & Trade 6.625% 15/02/2013	1,599	0.36			B- (2.32%, March 2009 – 2.67%)		
EUR	2,860,000	Fiat Finance & Trade 9% 30/07/2012	2,630	0.60	EUR	1,420,000	Ardagh Glass Finance 8.875% 01/07/2013	1,240	0.28
		BB- (4.82%, March 2009 – 2.71%)			EUR	2,670,000	Calbecom Luxembourg 8% 01/11/2016	2,075	0.47
EUR	9,744,000	Lighthouse International 8% 30/04/2014	4,168	0.94	EUR	3,445,000	Impress Holdings BV 9.25% 15/09/2014	3,023	0.68
EUR	13,160,000	Wind Acquisition Finance 11.75% 15/07/2017	11,805	2.67	EUR	2,105,000	UPC Holding 7.75% 15/01/2014	1,728	0.39
EUR	6,010,000	Wind Acquisition Finance 9.75% 01/12/2015	5,339	1.21	EUR	1,500,000	UPC Holding 8.625% 15/01/2014	1,264	0.29
		B+ (2.28%, March 2009 – 2.52%)			EUR	1,125,000	UPC Holding BV 9.75% 15/04/2018	943	0.21
EUR	5,925,000	Beverage Packaging Holdings 8% 15/12/2016	5,147	1.17			CCC+ (0.00%, March 2009 – 0.13%)		
EUR	1,860,000	Cirsa Capital Luxembourg 7.875% 15/07/2012	1,429	0.32			CCC (0.00%, March 2009 – 0.98%)		
EUR	2,970,000	Cirsa Finance Luxembourg 8.75% 15/05/2014	2,178	0.49					
EUR	1,990,000	Lecta 3.498% 15/02/2014	1,329	0.30					

European High Yield Bond Fund

Portfolio statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
		CCC- (0.61%, March 2009 – 0.00%)					B+ (0.00%, March 2009 – 0.57%)		
EUR	2,875,000	Carlson Wagonlit 6.649% 01/05/2015	1,249	0.28			B (0.11%, March 2009 – 0.00%)		
EUR	2,125,000	Magyar Telecom 10.75% 15/08/2012	1,466	0.33	EUR	80,000	Smurfit Kappa Funding 7.75% 31/01/2015	65	0.02
		Not Rated (3.12%, March 2009 – 5.24%)			USD	840,000	Smurfit Kappa Funding 7.75% 31/01/2015	414	0.09
EUR	5,320,000	Art Five BV No 97 3.96733% 26/05/2014	4,203	0.95			B- (0.79%, March 2009 – 0.87%)		
EUR	4,610,000	Art Five BV No 164 9.98884% 16/06/2015	2,717	0.62	EUR	4,620,000	Ardagh Glass Finance 7.125% 15/06/2017	3,509	0.79
GBP	1,344,292	Asset Repacking Trust 0% 30/09/2011	–	–			CCC+ (0.12%, March 2009 – 0.00%)		
EUR	2,500,000	Asset Repacking Trust 7.17567% 26/11/2014	2,284	0.52	GBP	1,450,000	Argon Capital 8.162% 30/09/2049	522	0.12
USD	2,000,000	Bluewater Holding 3.51375% 30/07/2014	523	0.12			Not Rated (0.00%, March 2009 – 0.00%)		
EUR	7,460,439	Boats Investment Netherlands 11% 13/03/2017	3,842	0.87	EUR	1,405	Smurfit Kappa Funding Warrants 30/09/2013	–	–
EUR	4,520,454	Elektrim Finance 0% 15/11/2010	118	0.03			Total Republic of Ireland	7,521	1.70
EUR	2,603,000	Hollandwide Parent BV 0% 01/08/2014	34	0.01			SINGAPORE (0.04%, March 2009 – 0.07%)		
		Total Netherlands	49,783	11.27			Not Rated (0.04%, March 2009 – 0.07%)		
		NORWAY (2.49%, March 2009 – 2.15%)			USD	2,000,000	Nexus 1 PTE 10.5% 07/03/2012	183	0.04
		A (0.00%, March 2009 – 0.20%)					Total Singapore	183	0.04
		BBB+ (0.38%, March 2009 – 0.00%)					SOUTH AFRICA (1.80%, March 2009 – 1.26%)		
GBP	2,235,000	Den Norske Bank 6.0116% 29/12/2049	1,689	0.38			BB- (0.46%, March 2009 – 0.00%)		
		Not Rated (2.11%, March 2009 – 1.95%)			EUR	2,725,000	Consol Glass 7.625% 15/04/2014	2,022	0.46
USD	1,400,000	DDI Holding 6.65375% 15/03/2012	724	0.16			B+ (0.44%, March 2009 – 0.52%)		
NOK	4,335,568	MPU Offshore Lift ASA 0% 23/07/2008	–	–	EUR	2,570,000	Savcio Holdings 8% 15/02/2013	1,930	0.44
USD	1,200,000	Offrig Drilling ASA 9.75% 27/04/2011	723	0.16			B (0.90%, March 2009 – 0.74%)		
NOK	1,600,000	Petrojack AS 11% 19/04/2010	41	0.01	EUR	3,095,000	Foodcorp 8.875% 15/06/2012	2,405	0.54
NOK	2,750,000	Petrojack AS 8.24% 30/05/2012	140	0.03	EUR	2,643,758	New Reclamation Group 8.125% 01/02/2013	1,616	0.36
USD	2,400,000	PetroMena ASA 10.85% 19/11/2010	482	0.11			Total South Africa	7,973	1.80
NOK	34,000,000	Sevan Drilling 7.41% 07/12/2012	2,731	0.62			SWEDEN (1.79%, March 2009 – 1.22%)		
USD	2,900,000	Sevan Marine 4.43% 14/05/2013	1,323	0.30			BB+ (1.29%, March 2009 – 0.50%)		
USD	5,000,000	Sevan Marine 9.25% 20/12/2011	2,586	0.59	EUR	6,245,000	Stena 6.125% 01/02/2017	4,416	1.00
NOK	3,322,074	Skeie Drilling & Production Skeie Drilling & Production ASA 11.25% 08/03/2013	155	0.03	EUR	1,950,000	Stena AB 5.875% 01/02/2019	1,302	0.29
USD	309,600	Skeie Drilling & Production ASA 11.25% 22/02/2013	90	0.02			Not Rated (0.50%, March 2009 – 0.72%)		
USD	1,232,000	Skeie Drilling & Production ASA 11.25% 22/02/2013	337	0.08	EUR	2,497,157	Corral Finans AB 2.496% 15/04/2010	1,722	0.39
		Total Norway	11,021	2.49	USD	1,008,847	Corral Petroleum Holding 2.00938% 15/04/2010	470	0.11
		REPUBLIC OF IRELAND (1.70%, March 2009 – 1.49%)					Total Sweden	7,910	1.79
		BB (0.68%, March 2009 – 0.05%)					UNITED KINGDOM (23.10%, March 2009 – 16.29%)		
EUR	2,776,000	Ardagh Glass Finance 9.25% 01/07/2016	2,569	0.58			A (0.37%, March 2009 – 0.19%)		
USD	935,000	Smurfit Kappa Treasury 7.5% 20/11/2025	442	0.10	USD	3,400,000	Barclays Bank 0.80125% 27/06/2016	1,633	0.37
							A- (0.22%, March 2009 – 0.29%)		
					GBP	970,000	HSBC Capital Funding LP 8.208% 30/06/2049	969	0.22

European High Yield Bond Fund

Portfolio statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
		BBB+ (0.77%, March 2009 – 0.00%)					CCC– (0.68%, March 2009 – 0.04%)		
EUR	2,260,000	Royal & Sun Alliance 6.875% 15/10/2019	1,934	0.44	EUR	7,013,000	Ineos Group Holdings 7.875% 15/02/2016	2,679	0.61
GBP	1,450,000	Standard Chartered Bank 8.103% 11/05/2049	1,450	0.33	GBP	570,000	Pipe Holding 9.75% 01/11/2013	331	0.07
		BBB (0.96%, March 2009 – 0.18%)					CC (0.00%, March 2009 – 0.07%)		
EUR	4,160,000	Imperial Tobacco Finance 8.375% 17/02/2016	4,259	0.96	EUR	2,415,000	Not Rated (1.51%, March 2009 – 1.65%) Avis Finance 3.528% 31/07/2013	1,782	0.40
		BBB– (0.91%, March 2009 – 0.83%)			GBP	4,800,000	First Hydro Finance 9% 31/07/2021	4,884	1.11
EUR	4,700,000	Rexam 4.375% 15/03/2013	4,014	0.91	EUR	850	Jazztel Warrants 15/07/2010	–	–
		BB+ (0.00%, March 2009 – 0.18%)					Total United Kingdom	102,037	23.10
		BB (1.87%, March 2009 – 1.39%)					UNITED STATES OF AMERICA (12.33%, March 2009 – 9.54%)		
GBP	800,000	British Airways 8.75% 23/08/2016	654	0.15	EUR	5,250,000	BBB (1.01%, March 2009 – 0.00%) Standard Chartered Capital Trust 8.16% 29/03/2049	4,446	1.01
GBP	590,000	Daily Mail & General Trust 10% 09/04/2021	513	0.12			BBB– (0.25%, March 2009 – 0.15%)		
GBP	2,240,000	Daily Mail & General Trust 7.5% 29/03/2013	1,949	0.44	GBP	1,089,000	Ahold Finance 6.5% 14/03/2017	1,111	0.25
USD	700,000	Inmarsat Finance II 10.375% 15/11/2012	442	0.10			BB+ (0.45%, March 2009 – 0.31%)		
EUR	6,360,000	Rexam 6.75% 29/06/2067	4,678	1.06	EUR	2,700,000	Fiat Finance North America 5.625% 12/06/2017	1,986	0.45
		BB– (2.46%, March 2009 – 2.39%)					BB (3.66%, March 2009 – 4.05%)		
GBP	3,670,000	Cable & Wireless 8.75% 06/08/2012	3,780	0.86	EUR	7,115,000	Chesapeake Energy 6.25% 15/01/2017	5,513	1.25
EUR	4,415,000	ITV 4.75% 03/10/2011	3,781	0.86	GBP	4,330,000	Constellation Brands 8.5% 15/11/2009	4,362	0.99
EUR	4,255,000	TVN Finance 9.5% 15/12/2013	3,269	0.74	EUR	1,395,000	Fresenius Medical Capital 7.375% 15/06/2011	1,276	0.29
		B+ (1.57%, March 2009 – 2.25%)			EUR	2,630,000	Fresenius US Finance II 8.75% 15/07/2015	2,520	0.57
EUR	7,624,000	Eco Bat Finance 10.125% 31/01/2013	6,922	1.57	USD	2,000,000	Fresenius US Finance II 9% 15/07/2015	1,314	0.30
		B1 (0.19%, March 2009 – 0.09%)			EUR	1,370,000	Owens-Brockway Glass 6.75% 01/12/2014	1,160	0.26
EUR	1,650,000	Investec Tier UK 7.075% 24/06/2049	850	0.19			BB– (0.81%, March 2009 – 1.58%)		
		B (4.55%, March 2009 – 0.00%)			GBP	1,335,000	AES Corporation 8.375% 01/03/2011	1,338	0.30
EUR	5,705,000	ISS Financing 11% 15/06/2014	5,118	1.16	EUR	2,565,000	Nalco 7.75% 15/11/2011	2,239	0.51
GBP	1,150,000	Lloyds Banking Group 13% 21/07/2049	1,092	0.25			B+ (1.42%, March 2009 – 0.98%)		
GBP	305,000	Lloyds TSB Bank 8% Variable	206	0.05	EUR	2,200,000	Iron Mountain 6.75% 15/10/2018	1,815	0.41
EUR	800,000	National Westminster Bank 6.625% 29/10/2049	594	0.13	GBP	4,560,000	Iron Mountain 7.25% 15/04/2014	4,446	1.01
EUR	6,560,000	Virgin Media Finance 8.75% 15/04/2014	5,813	1.32			B (1.03%, March 2009 – 1.79%)		
GBP	5,944,000	Virgin Media Finance 9.75% 15/04/2014	6,093	1.38	EUR	2,272,000	Central European Distribution 8% 25/07/2012	1,984	0.45
EUR	1,300,000	Virgin Media Finance 9.5% 15/08/2016	1,158	0.26	EUR	340,000	Nalco 9% 15/11/2013	303	0.07
		B– (7.04%, March 2009 – 6.74%)			EUR	2,540,000	Nalco 9% 15/11/2013 XS0195292403	2,262	0.51
EUR	8,590,000	FCE Bank 2.12% 30/09/2009	7,434	1.68			B– (0.46%, March 2009 – 0.00%)		
EUR	8,450,000	FCE Bank 7.125% 15/01/2013	6,492	1.47	EUR	2,465,000	Johnson Diversey 9.625% 15/05/2012	2,023	0.46
EUR	2,300,000	FCE Bank 7.125% 16/01/2012	1,827	0.41			CCC+ (0.00%, March 2009 – 0.11%)		
GBP	4,200,000	FCE Bank 7.875% 15/02/2011	3,948	0.89					
USD	4,356,000	Global Crossing UK Finance 10.75% 15/12/2014	2,399	0.54					
GBP	8,151,000	Global Crossing UK Finance 11.75% 15/12/2014	7,662	1.73					
GBP	1,720,000	Pipe Holding 7.75% 01/11/2011	1,428	0.32					

European High Yield Bond Fund

Portfolio statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value
		CCC (2.51%, March 2009 – 0.57%)		
EUR	3,400,000	GMAC 5.375% 06/06/2011	2,642	0.60
EUR	7,500,000	GMAC 4.75% 14/09/2009	6,499	1.47
USD	2,580,000	GMAC 5.375% 06/06/2011	1,401	0.32
USD	977,000	GMAC 6.625% 17/12/2010	537	0.12
		CC (0.73%, March 2009 – 0.00%)		
EUR	500,000	CIT Group 1.174% 30/11/2011	244	0.05
EUR	150,000	CIT Group 4.25% 22/09/2011	73	0.01
EUR	1,200,000	CIT Group 4.65% 19/09/2016	540	0.12
EUR	585,000	CIT Group 5% 01/12/2014	271	0.06
GBP	1,180,000	CIT Group 5.5% 01/12/2014	614	0.14
GBP	3,050,000	CIT Group 5.5% 20/12/2016	1,556	0.35
		Not Rated (0.00%, March 2009 – 0.00%)		
USD	590	Preferred Blocker – Preference shares	11	–
		Total United States of America	54,486	12.33
		DERIVATIVES (0.74%, March 2009 – (0.28%))		
		Credit Default Swaps – 0.50% (March 2009 – 0.00%)		
EUR	500,000	British Airways 3.80% 20/06/2013	34	0.01
EUR	2,500,000	ISS Global A/S 8.10% 20/12/2009	41	0.01
EUR	20,000,000	ITraxx Series 11 Cross-over 9.75% 20/06/2014	2,222	0.50
EUR	333,000	Thomson 9.75% 20/06/2014	(72)	(0.02)
		Forward Foreign Exchange Contracts – 0.24% (March 2009 – (0.28%))		
		Sell NOK 22,915,000		
		Buy EUR 2,577,276	(78)	(0.02)
		Sell NOK 3,300,000		
		Buy EUR 379,175	(4)	–
		Sell NOK 735,000		
		Buy EUR 84,657	(1)	–
		Sell NOK 1,780,000		
		Buy EUR 195,884	(10)	–
		Sell NOK 1,800,000		
		Buy EUR 205,642	(4)	–
		Sell GBP 44,715,000		
		Buy EUR 52,000,656	675	0.15
		Sell GBP 2,750,000		
		Buy EUR 3,182,137	28	0.01
		Sell GBP 2,700,000		
		Buy EUR 3,160,963	59	0.02
		Sell GBP 3,640,000		
		Buy EUR 4,226,184	49	0.01
		Sell GBP 6,960,000		
		Buy EUR 7,981,999	7	–
		Sell USD 1,000,000		
		Buy EUR 705,884	8	–
		Sell USD 33,905,000		
		Buy EUR 23,997,033	320	0.07
		Sell USD 645,000		
		Buy EUR 456,655	7	–
		Total Derivatives	3,281	0.74
		Total Value of Investments	403,149	91.25
		Net Other Assets (March 2009 – 15.04%)	38,665	8.75
		Net Assets	441,814	100.00

ANALYSIS OF INVESTMENTS BY ASSET CLASS

Holding	Investment	Value £000	% of Net Asset Value
	Fixed Interest	327,061	81.13
	Floating Rate Notes	72,641	18.02
	Equity	166	0.04
	Derivatives	3,281	0.81
	Total Value of Investments	403,149	100.00

ANALYSIS OF INVESTMENTS BY CREDIT RATINGS

Holding	Investment	Value £000	% of Net Asset Value
	AA-e	1,078	
	A	1,633	
	A–	969	
	BBB+	6,846	
	BBB	15,949	
	BBB–	11,148	
	BB+	43,800	
	BB	58,114	
	BB–	59,800	
	B+	39,893	
	B1	850	
	B	44,078	
	B–	49,812	
	CCC+	6,105	
	CCC	14,322	
	CC–	5,725	
	CC	3,298	
	D	5	
	Not Rated	36,443	
	Total Bonds	399,868	
	Derivatives	3,281	
	Total Value of Investments	403,149	

The calculation of the % Net Asset Value may not add up due to rounding.

At 7th September 2009, there were investments totalling £22,771,042 (5.15% of the NAV of the fund) which were valued using a quote from a single broker. These investments trade in a limited market and may not be able to be immediately liquidated at these estimated fair values.

American Fund

Portfolio statement

as at 7th September 2009

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
BASIC INDUSTRIES (1.44%, March 2009 – 4.37%)				Real Estate – 2.31% (March 2009 – 0.00%)			
	Chemicals – 0.63% (March 2009 – 3.91%)			410,000	Jones Lang LaSalle	11,249	1.36
100,000	CF Industries Holdings	5,222	0.63	382,227	SL Green Realty	7,805	0.95
	Forestry & Paper – 0.00% (March 2009 – 0.29%)			Speciality & Other Finance – 3.78% (March 2009 – 0.67%)			
	Steel & Other Metals – 0.81% (March 2009 – 0.17%)			150,000	Goldman Sachs Group	14,873	1.80
430,000	Cliffs Natural Resources	6,683	0.81	65,000	MasterCard (Cl A)	8,144	0.99
	Total Basic Industries	11,905	1.44	485,000	Morgan Stanley	8,154	0.99
CYCLICAL SERVICES (16.53%, March 2009 – 12.00%)				Total Financials		155,861	18.89
	General Retailers – 3.08% (March 2009 – 4.86%)			GENERAL INDUSTRIALS (10.34%, March 2009 – 9.01%)			
1,050,000	Lowe's	13,813	1.68	Aerospace & Defence – 1.00% (March 2009 – 0.89%)			
560,000	Walgreen	11,531	1.40	180,000	Lockheed Martin	8,245	1.00
	Leisure Entertainment & Hotels – 1.55% (March 2009 – 0.00%)			Diversified Industrials – 1.04% (March 2009 – 2.39%)			
700,000	International Game Technology	8,941	1.08	307,164	Philip Morris International	8,607	1.04
222,300	Starwood Hotels & Resorts Worldwide	3,863	0.47	Electronic & Electrical Equipment – 3.36% (March 2009 – 2.91%)			
	Media & Photography – 3.57% (March 2009 – 3.90%)			300,000	Cooper Industries	6,223	0.75
1,200,000	Comcast	11,917	1.45	290,000	Mettler-Toledo International	15,321	1.86
950,000	Directv Group	14,469	1.75	200,000	Waters	6,173	0.75
123,500	VistaPrint	3,059	0.37	Engineering & Machinery – 4.94% (March 2009 – 2.82%)			
	Support Services – 4.62% (March 2009 – 2.08%)			340,000	Danaher	13,593	1.65
500,000	Accenture	10,545	1.28	740,000	Ingersoll-Rand	14,067	1.71
300,381	Auto Data Process	7,043	0.85	479,242	Thermo Electron	13,035	1.58
300,000	Republic Services	4,733	0.57	Total General Industrials		85,264	10.34
430,000	Sotheby's	3,980	0.48	INFORMATION TECHNOLOGY (23.10%, March 2009 – 23.40%)			
1,075,000	Western Union	11,886	1.44	Information Technology Hardware – 10.51% (March 2009 – 8.87%)			
	Transport – 3.71% (March 2009 – 1.16%)			800,000	American Tower	16,249	1.97
350,000	CSX	9,646	1.17	255,000	Apple	26,417	3.20
310,000	Norfolk Southern	9,047	1.10	1,250,122	Cisco Systems	16,606	2.01
315,642	Union Pacific	11,912	1.44	1,980,000	Dell	18,904	2.29
	Total Cyclical Services	136,385	16.53	605,000	NetApp	8,589	1.04
FINANCIALS (18.89%, March 2009 – 8.09%)				Software & Computer Services – 12.59% (March 2009 – 14.53%)			
	Banks – 7.65% (March 2009 – 1.66%)			1,080,000	CA	14,103	1.71
2,190,000	Bank of America	22,748	2.76	45,533	Google	12,759	1.55
3,250,000	Citigroup	9,572	1.16	390,348	IBM	27,895	3.38
500,000	Fifth Third Bancorp	3,192	0.39	1,759,721	Microsoft	26,373	3.20
1,070,000	J.P. Morgan Chase	27,554	3.34	1,697,815	Oracle	22,697	2.75
	Insurance – 5.15% (March 2009 – 5.76%)			Total Information Technology		190,592	23.10
430,000	AON	10,955	1.33	NON-CYCLICAL CONSUMER GOODS (17.79%, March 2009 – 23.52%)			
200,741	Everest Re Group	10,353	1.25	Beverages – 2.10% (March 2009 – 4.32%)			
650,000	Hartford Financial Services Group	8,773	1.06	570,000	Coca-Cola	17,325	2.10
410,000	Travelers	12,489	1.51				

American Fund

Portfolio statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
	Health – 6.45% (March 2009 – 6.54%)				DERIVATIVES (0.00%, March 2009 – 0.00%)		
630,000	Covidien	15,165	1.84		Forward Foreign Exchange Contracts – 0.00% (March 2009 – 0.00%)		
331,719	Henry Schein	10,954	1.33		Sell USD 290,956		
340,000	Humana	7,812	0.95		Buy EUR 203,138	–	–
400,000	Laboratory Corporation of America Holdings	16,914	2.05		Total Derivatives	–	–
140,946	Sirona Dental Systems	2,313	0.28		Total Value of Investments	823,883	99.85
	Personal Care & Household Products – 1.26% (March 2009 – 1.78%)				Net Other Assets (March 2009 – 2.64%)	1,217	0.15
240,000	Colgate-Palmolive	10,370	1.26		Net Assets	825,100	100.00
	Pharmaceuticals & Biotechnology – 5.93% (March 2009 – 8.63%)				<i>The calculation of the % Net Asset Value may not add up due to rounding.</i>		
440,000	Biovail	3,400	0.41				
540,393	Johnson & Johnson	19,825	2.40				
660,000	Merck & Co	12,317	1.49				
1,350,000	Pfizer	13,464	1.63				
	Tobacco – 2.05% (March 2009 – 2.25%)						
1,507,164	Altria Group	16,948	2.05				
	Total Non-Cyclical Consumer Goods	146,807	17.79				
	NON-CYCLICAL SERVICES (3.03%, March 2009 – 4.20%)						
	Food & Drug Retailers – 1.29% (March 2009 – 2.52%)						
800,000	Kroger	10,690	1.29				
	Telecommunication Services – 1.74% (March 2009 – 1.68%)						
905,000	CommScope	14,329	1.74				
	Total Non-Cyclical Services	25,019	3.03				
	RESOURCES (8.73%, March 2009 – 12.29%)						
	Mining – 0.00% (March 2009 – 1.37%)						
	Oil & Gas – 8.73% (March 2009 – 10.92%)						
350,000	Concho Resources	7,017	0.85				
450,000	Ensco International	10,211	1.24				
188,680	Exxon Mobil	7,940	0.96				
130,000	InterOil	2,429	0.29				
350,000	Nexen	4,334	0.53				
380,000	Noble	8,202	0.99				
237,753	Occidental Petroleum	10,507	1.27				
355,000	Suncor Energy	6,746	0.82				
220,582	Ultra Petroleum	6,264	0.76				
675,000	Weatherford International	8,400	1.02				
	Total Resources	72,050	8.73				
	UTILITIES (0.00%, March 2009 – 0.48%)						
	Electricity – 0.00% (March 2009 – 0.48%)						
	Total Utilities	–	–				

American Select Fund

Portfolio statement

as at 7th September 2009

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
BASIC INDUSTRIES (2.58%, March 2009 – 5.40%)				Real Estate – 2.05% (March 2009 – 0.00%)			
	Chemicals – 0.96% (March 2009 – 5.40%)			439,290	Jones Lang LaSalle	12,053	1.09
202,873	CF Industries Holdings	10,594	0.96	519,383	SL Green Realty	10,606	0.96
	Construction & Building Materials – 1.62% (March 2009 – 0.00%)			Speciality & Other Finance – 5.18% (March 2009 – 3.60%)			
1,015,360	Foster Wheeler	17,930	1.62	202,921	Goldman Sachs Group	20,120	1.82
	Total Basic Industries	28,524	2.58	72,268	MasterCard (CI A)	9,055	0.82
				1,160,778	Moodys	17,220	1.56
				643,410	Morgan Stanley	10,817	0.98
					Total Financials	233,537	21.13
CYCLICAL CONSUMER GOODS (0.00%, March 2009 – 0.80%)				GENERAL INDUSTRIALS (7.31%, March 2009 – 8.17%)			
	Household Goods & Textiles – 0.00% (March 2009 – 0.80%)			Aerospace & Defence – 0.88% (March 2009 – 1.31%)			
	Total Cyclical Consumer Goods	–	–	212,943	Lockheed Martin	9,754	0.88
					Diversified Industrials – 0.00% (March 2009 – 1.90%)		
CYCLICAL SERVICES (19.38%, March 2009 – 15.99%)					Electronic & Electrical Equipment – 1.47% (March 2009 – 3.35%)		
	General Retailers – 4.30% (March 2009 – 3.03%)			368,201	Amphenol	7,922	0.72
391,405	Costco Wholesale	13,209	1.19	400,000	Cooper Industries	8,297	0.75
836,041	GameStop	12,240	1.11		Engineering & Machinery – 4.96% (March 2009 – 1.61%)		
1,071,638	Walgreen	22,067	2.00	1,764,794	Ingersoll-Rand	33,548	3.03
	Leisure Entertainment & Hotels – 3.33% (March 2009 – 0.00%)			783,889	Thermo Electron	21,322	1.93
1,004,311	International Game Technology	12,827	1.16		Total General Industrials	80,843	7.31
1,525,414	Starbucks	17,655	1.60				
361,142	Starwood Hotels & Resorts Worldwide	6,276	0.57				
	Media & Photography – 3.21% (March 2009 – 6.14%)			INFORMATION TECHNOLOGY (20.63%, March 2009 – 22.63%)			
1,538,581	Directv Group	23,434	2.12		Information Technology Hardware – 11.85% (March 2009 – 10.25%)		
486,277	VistaPrint	12,046	1.09	877,809	American Tower	17,830	1.61
	Support Services – 3.85% (March 2009 – 5.40%)			527,756	Apple	54,674	4.95
1,427,579	Accenture	30,108	2.72	3,142,205	Dell	30,000	2.71
791,389	Republic Services	12,487	1.13	964,266	NetApp	13,689	1.24
	Transport – 4.69% (March 2009 – 1.42%)			2,934,878	ON Semiconductor	14,841	1.34
1,071,656	CSX	29,533	2.67		Software & Computer Services – 8.78% (March 2009 – 12.38%)		
593,264	Union Pacific	22,389	2.02	702,563	BMC Software	15,305	1.39
	Total Cyclical Services	214,271	19.38	3,776,944	CA	49,320	4.46
				66,334	Google	18,588	1.68
				460,788	IHS	13,829	1.25
					Total Information Technology	228,076	20.63
FINANCIALS (21.13%, March 2009 – 13.64%)				NON-CYCLICAL CONSUMER GOODS (13.34%, March 2009 – 16.92%)			
	Banks – 7.89% (March 2009 – 1.12%)				Beverages – 0.00% (March 2009 – 1.73%)		
2,472,735	Bank of America	25,684	2.32		Health – 3.71% (March 2009 – 2.79%)		
5,488,765	Citigroup	16,165	1.46	409,261	Covance	13,508	1.22
1,700,775	Fifth Third Bancorp	10,856	0.98	305,025	Covidien	7,343	0.66
1,341,757	J.P. Morgan Chase	34,552	3.13	551,105	Humana	12,663	1.15
	Insurance – 6.01% (March 2009 – 8.92%)			177,635	Laboratory Corporation of America Holdings	7,511	0.68
333,861	Everest Re Group	17,219	1.56				
885,050	Hartford Financial Services Group	11,945	1.08				
1,222,698	Travelers	37,245	3.37				

American Select Fund

Portfolio statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
	Pharmaceuticals & Biotechnology – 8.31% (March 2009 – 9.04%)		
271,844	Gilead Sciences	7,629	0.69
569,744	Illumina	12,456	1.13
946,807	Johnson & Johnson	34,735	3.14
3,711,752	Pfizer	37,018	3.35
	Tobacco – 1.32% (March 2009 – 3.36%)		
1,300,344	Altria Group	14,622	1.32
	Total Non-Cyclical Consumer Goods	147,485	13.34
	NON-CYCLICAL SERVICES (4.85%, March 2009 – 3.38%)		
	Food & Drug Retailers – 3.02% (March 2009 – 3.38%)		
2,501,548	Kroger	33,427	3.02
	Telecommunication Services – 1.83% (March 2009 – 0.00%)		
1,276,336	CommScope	20,208	1.83
	Total Non-Cyclical Services	53,635	4.85
	RESOURCES (9.96%, March 2009 – 10.95%)		
	Mining – 0.67% (March 2009 – 0.00%)		
498,890	Teck Resources	7,383	0.67
	Oil & Gas – 9.29% (March 2009 – 10.95%)		
911,317	Noble	19,669	1.78
651,969	Noble Energy	24,184	2.19
819,461	Suncor Energy	15,572	1.41
431,933	Ultra Petroleum	12,266	1.11
2,488,039	Weatherford International .	30,960	2.80
	Total Resources	110,034	9.96
	DERIVATIVES (0.00%, March 2009 – 0.00%)		
	Forward Foreign Exchange Contracts – 0.00% (March 2009 – 0.00%)		
	Sell USD 1,549,162		
	Buy EUR 1,081,853	2	–
	Total Derivatives	2	–
	Total Value of Investments	1,096,407	99.18
	Net Other Assets (March 2009 – 2.12%)	9,012	0.82
	Net Assets	1,105,419	100.00

The calculation of the % Net Asset Value may not add up due to rounding.

American Smaller Companies Fund (US)

Portfolio statement

as at 7th September 2009

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
BASIC INDUSTRIES (7.50%, March 2009 – 6.09%)							
	Chemicals – 2.03% (March 2009 – 3.36%)			88,661	AmeriCredit	881	0.96
				89,037	Lazard	2,064	2.25
152,323	H.B. Fuller	1,869	2.03	94,117	Moody's	1,396	1.52
				Total Financials		14,300	15.56
	Construction & Building Materials – 3.33% (March 2009 – 1.83%)			GENERAL INDUSTRIALS (13.07%, March 2009 – 11.90%)			
99,537	Foster Wheeler	1,758	1.91		Aerospace & Defence – 0.82% (March 2009 – 1.14%)		
49,520	URS	1,308	1.42	53,104	FLIR Systems	750	0.82
	Forestry & Paper – 0.00% (March 2009 – 0.90%)				Diversified Industrials – 1.43% (March 2009 – 0.00%)		
	Steel & Other Metals – 2.14% (March 2009 – 0.00%)			78,341	IDEX	1,319	1.43
69,514	Cliffs Natural Resources	1,080	1.18		Electronic & Electrical Equipment – 9.05% (March 2009 – 9.07%)		
34,087	United States Steel	877	0.96	80,548	Amphenol	1,733	1.89
Total Basic Industries		6,892	7.50	36,039	Mettler-Toledo International	1,904	2.07
				176,090	SanDisk	1,869	2.03
CYCLICAL SERVICES (15.32%, March 2009 – 10.39%)				49,634	Trimble Navigation	770	0.84
	General Retailers – 7.43% (March 2009 – 1.07%)			66,236	Waters	2,044	2.22
123,644	Brinker International	1,132	1.23		Engineering & Machinery – 1.77% (March 2009 – 1.69%)		
97,428	GameStop	1,426	1.55	57,761	Navistar International	1,629	1.77
193,673	IAC InterActive	2,214	2.41	Total General Industrials		12,018	13.07
220,205	Limited Brands	2,058	2.24	INFORMATION TECHNOLOGY (19.34%, March 2009 – 19.76%)			
	Leisure Entertainment & Hotels – 3.27% (March 2009 – 0.11%)				Information Technology Hardware – 6.47% (March 2009 – 2.03%)		
154,527	International Game Technology	1,974	2.15	458,871	Micron Technology	2,050	2.23
168,284	Orient Express Hotels	1,026	1.12	130,830	NetApp	1,857	2.02
	Media & Photography – 2.06% (March 2009 – 2.72%)			403,419	ON Semiconductor	2,040	2.22
76,592	VistaPrint	1,897	2.06		Software & Computer Services – 12.87% (March 2009 – 17.73%)		
	Support Services – 2.56% (March 2009 – 5.61%)			129,533	Ariba	888	0.97
64,435	Interactive Data	915	0.99	44,560	Blue Nile	1,458	1.59
11,501	Strayer Education	1,440	1.57	58,732	BMC Software	1,279	1.39
	Transport – 0.00% (March 2009 – 0.88%)			155,363	Chordiant Software	373	0.40
Total Cyclical Services		14,082	15.32	68,667	IHS	2,061	2.24
				100,843	MedAssets	1,321	1.44
FINANCIALS (15.56%, March 2009 – 12.82%)				51,373	Micros Systems	897	0.97
	Banks – 3.66% (March 2009 – 3.11%)			38,520	MicroStrategy	1,522	1.66
361,472	Fifth Third Bancorp	2,307	2.51	18,268	Open Text	386	0.42
98,882	FirstMerit	1,061	1.15	100,000	Solera Holdings	1,643	1.79
	Insurance – 3.98% (March 2009 – 5.86%)			Total Information Technology		17,775	19.34
23,895	Arch Capital Group	945	1.03	NON-CYCLICAL CONSUMER GOODS (16.19%, March 2009 – 29.82%)			
52,577	Everest Re Group	2,712	2.95		Beverages – 0.00% (March 2009 – 1.57%)		
	Real Estate – 2.18% (March 2009 – 0.00%)				Food Producers & Processors – 2.07% (March 2009 – 6.92%)		
98,088	SL Green Realty	2,003	2.18	60,445	J.M. Smucker	1,900	2.07
	Speciality & Other Finance – 5.74% (March 2009 – 3.85%)						
23,456	Affiliated Managers Group	931	1.01				

American Smaller Companies Fund (US)

Portfolio statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
	Health – 8.36% (March 2009 – 7.94%)		
43,326	Covance	1,430	1.56
298,016	HealthSouth	2,731	2.97
67,715	Stericycle	2,044	2.22
506,460	Tenet Healthcare	1,482	1.61
	Personal Care & Household Products – 2.50% (March 2009 – 7.89%)		
142,846	Alberto-Culver	2,294	2.50
	Pharmaceuticals & Biotechnology – 3.26% (March 2009 – 5.50%)		
88,775	Illumina	1,941	2.11
26,259	Millipore	1,058	1.15
	Total Non-Cyclical Consumer Goods	14,880	16.19
	NON-CYCLICAL SERVICES (2.27%, March 2009 – 0.00%)		
	Telecommunication Services – 2.27% (March 2009 – 0.00%)		
131,565	CommScope	2,083	2.27
	Total Non-Cyclical Services	2,083	2.27
	RESOURCES (7.95%, March 2009 – 3.42%)		
	Oil & Gas – 7.95% (March 2009 – 3.42%)		
87,855	BJ Services	881	0.96
70,895	Cimarex Energy	1,619	1.76
186,446	Nabors Industries	2,038	2.22
48,261	Pioneer Natural Resources	848	0.92
64,266	Whiting Petroleum	1,918	2.09
	Total Resources	7,304	7.95
	UTILITIES (1.81%, March 2009 – 2.34%)		
	Electricity – 0.00% (March 2009 – 2.34%)		
	Water – 1.81% (March 2009 – 0.00%)		
160,149	Nalco Holding	1,668	1.81
	Total Utilities	1,668	1.81
	Total Value of Investments	91,002	99.01
	Net Other Assets (March 2009 – 3.46%)	908	0.99
	Net Assets	91,910	100.00

The calculation of the % Net Asset Value may not add up due to rounding.

Dollar Bond Fund

			Value	% of
Holding	Investment		£000	Net Asset Value

Portfolio statement

(continued)

Baa3 (0.94%, March 2009 – 1.71%)				
USD	742,684	Tengizchevroil Finance 6.124%		
		15/11/2014	430	0.94
Not Rated (0.00%, March 2009 – 0.87%)				
Total Floating Rate Notes			1,136	2.48

COLLECTIVE INVESTMENT SCHEMES (1.39%, March 2009 – 0.00%)

Not Rated – 1.39% (March 2009 – 0.00%)				
EUR	1,000,000	Threadneedle Focus Credit Opportunities Fund	638	1.39
Total Collective Investment Schemes			638	1.39
Total Value of Investments			44,110	96.33
Net Other Assets (March 2009 – 4.24%)			1,681	3.67
Net Assets			45,791	100.00

ANALYSIS OF INVESTMENTS BY CREDIT RATINGS

	Value £000
AAA	22,080
Aaa	1,365
AA	1,588
Aa2	297
AA–	2,913
A+	1,887
A+e	458
A	2,638
A–	3,347
BBB+	2,507
BBB	2,653
Baa3	841
BB+	492
B–	251
CCC+	155
Not Rated	638
Total Value of Investments	44,110

The calculation of the % Net Asset Value may not add up due to rounding.

At 7th September 2009, there were investments totalling £1,395,296 (3.05% of the NAV of the fund) which were valued using a quote from a single broker. These investments trade in a limited market and may not be able to be immediately liquidated at these estimated fair values.

Japan Fund

Portfolio statement

as at 7th September 2009

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
BASIC INDUSTRIES (12.99%, March 2009 – 10.44%)				Leisure Entertainment & Hotels – 0.64% (March 2009 – 0.00%)			
	Chemicals – 7.11% (March 2009 – 4.73%)			2,310	Pacific Golf Group	981	0.64
282,000	Air Water	1,947	1.28		Media & Photography – 1.44% (March 2009 – 0.82%)		
35,000	Fujimi	329	0.22	29,700	Asatsu	364	0.24
130,100	JSR	1,406	0.92	174,000	Dai Nippon Printing	1,462	0.96
88,000	Kansai Paint	439	0.29	45,000	Toppa Forms	364	0.24
99,000	Nissan Chemical Industries	866	0.57		Support Services – 0.27% (March 2009 – 1.73%)		
83,100	Shin-Etsu Chemical	3,094	2.03	57,300	Sohgo Security Services	414	0.27
1,303,000	Showa Denko	1,748	1.15		Transport – 4.13% (March 2009 – 3.09%)		
128,000	Sumitomo Chemical	351	0.23	340,000	All Nippon Airways	605	0.40
40,800	Taiyo Ink Manufacturing	634	0.42	383	Central Japan Railway	1,574	1.03
	Construction & Building Materials – 2.33% (March 2009 – 2.05%)			57,000	East Japan Railway	2,245	1.47
116,000	Daiwa House Industry	767	0.50	124,000	Mitsui O.S.K. Lines	464	0.31
330,000	Nippon Sheet Glass	710	0.46	290,000	Sumitomo Warehouse	812	0.53
198,000	Shinko Plantech	1,118	0.73	206,000	Tokyu	598	0.39
108,200	Sumitomo Forestry	518	0.34		Total Cyclical Services	11,825	7.75
56,200	Taikisha	454	0.30				
	Forestry & Paper – 0.93% (March 2009 – 0.00%)				FINANCIALS (18.79%, March 2009 – 11.87%)		
35,200	Nippon Paper Group	631	0.41		Banks – 9.11% (March 2009 – 6.77%)		
279,000	Oji Paper	792	0.52	506,000	Bank of Yokohama	1,632	1.07
	Steel & Other Metals – 2.62% (March 2009 – 3.66%)			508,000	Fukuoka Financial Group	1,373	0.90
78,300	JFE Holdings	1,665	1.09	1,093,900	Mitsubishi UFJ Financial Group	3,958	2.59
694,000	Sumitomo Metal Industries	1,035	0.68	1,412,200	Mizuho Financial Group	1,931	1.26
94,000	Sumitomo Metal Mining	919	0.60	128,000	Shizuoka Bank	759	0.50
21,700	Yamato Kogyo	388	0.25	119,500	Sumitomo Mitsui Financial Group	2,955	1.94
	Total Basic Industries	19,811	12.99	234,000	The Bank of Kyoto	1,295	0.85
					Insurance – 1.49% (March 2009 – 1.91%)		
	CYCLICAL CONSUMER GOODS (14.02%, March 2009 – 14.01%)			128,900	Tokio Marine Holdings	2,269	1.49
	Automobiles & Parts – 11.56% (March 2009 – 13.02%)				Life Assurance – 0.49% (March 2009 – 0.00%)		
56,400	Aisin Seiki	871	0.57	42,900	T & D Holdings	745	0.49
96,500	Bridgestone	1,065	0.70		Real Estate – 3.75% (March 2009 – 2.45%)		
50,800	Denso	901	0.59	201,000	Mitsubishi Estate	2,121	1.39
595,000	Fuji Heavy Industries	1,514	0.99	123,000	Mitsui Fudosan	1,437	0.94
136,600	JTEKT	1,038	0.68	73	Nippon Building Fund	389	0.25
158,000	NHK Spring	776	0.51	156,700	TOC	451	0.30
31,400	Shimano	777	0.51	371,000	Tokyo Tatemono	1,330	0.87
300,800	Toyota Motor	7,616	4.99		Speciality & Other Finance – 3.95% (March 2009 – 0.74%)		
161,100	Honda Motor	3,083	2.02	18,400	Jafco	350	0.23
	Household Goods & Textiles – 2.46% (March 2009 – 0.99%)			73,100	Japan Securities Finance	342	0.22
357,000	Gunze	972	0.64	364,300	Nomura Holdings	1,800	1.18
141,000	Mizuno	382	0.25	36,520	Orix	1,680	1.10
201,600	Panasonic	1,893	1.24	429	Osaka Securities Exchange	1,187	0.78
31,200	Sony	506	0.33	318,000	Tokai Tokyo Securities	670	0.44
	Total Cyclical Consumer Goods	21,394	14.02		Total Financials	28,674	18.79
	CYCLICAL SERVICES (7.75%, March 2009 – 6.14%)						
	General Retailers – 1.27% (March 2009 – 0.50%)						
108,000	J. Front Retailing	387	0.25				
28,300	Ryohin Keikaku	750	0.49				
20,180	Yamada Denki	805	0.53				

Japan Fund

Portfolio statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
GENERAL INDUSTRIALS (20.42%, March 2009 – 21.34%)				NON-CYCLICAL CONSUMER GOODS (6.19%, March 2009 – 11.66%)			
	Diversified Industrials – 3.64% (March 2009 – 3.51%)				Beverages – 1.17% (March 2009 – 0.25%)		
85,000	Itochu	368	0.24	170,800	Asahi Breweries	1,791	1.17
92,800	JSP	487	0.32				
155,700	Mitsubishi	1,927	1.26		Food Producers & Processors – 1.04% (March 2009 – 2.17%)		
222,300	Mitsui	1,772	1.16	70,800	Fuji Oil	607	0.40
41,200	Tamron	319	0.21	45,700	Nissin Foods Holdings	981	0.64
52,200	Teikoku Electric Manufacturing	690	0.45				
	Electronic & Electrical Equipment – 11.76% (March 2009 – 14.15%)				Health – 0.00% (March 2009 – 1.09%)		
138,600	Canon	3,210	2.10				
603,000	Dainippon Screen Manufacturing	1,231	0.81		Personal Care & Household Products – 0.56% (March 2009 – 1.25%)		
17,800	Fanuc	862	0.57	55,400	Kao	857	0.56
10,100	Hirose Electric	738	0.48				
158,200	Hoya	2,184	1.43		Pharmaceuticals & Biotechnology – 3.42% (March 2009 – 6.42%)		
31,400	Kyocera	1,637	1.07	140,300	Daiichi Sankyo	1,749	1.15
110,700	Makita	1,974	1.29	77,000	Kissei Pharmaceutical	1,103	0.72
66,200	Murata Manufacturing	1,862	1.22	39,300	Santen Pharmaceutical	807	0.53
26,800	Nidec	1,164	0.76	57,000	Shionogi	779	0.51
216,000	Nidec Sankyo	752	0.49	67,000	Taisho Pharmaceutical	772	0.51
41,800	Ohara	396	0.26				
164,000	Sharp	1,145	0.75		Tobacco – 0.00% (March 2009 – 0.48%)		
100,000	Sumitomo Electric Industries	800	0.53		Total Non-Cyclical Consumer Goods	9,446	6.19
	Engineering & Machinery – 5.02% (March 2009 – 3.68%)						
59,100	Glory	831	0.55		NON-CYCLICAL SERVICES (6.22%, March 2009 – 8.87%)		
80,700	Hitachi Construction Machinery	978	0.64		Food & Drug Retailers – 1.24% (March 2009 – 2.88%)		
856,000	Isuzu Motors	1,193	0.78	40,400	FamilyMart	722	0.47
57,900	Komatsu	646	0.42	29,800	Lawson	753	0.49
235,000	Kubota	1,162	0.76	31,800	Seven & I Holdings	433	0.28
41,700	Kurita Water Industries	821	0.54				
39,700	Misumi Group	434	0.29		Telecommunication Services – 4.98% (March 2009 – 5.99%)		
124,000	Nippon Thompson	466	0.31	478	KDDI	1,686	1.11
16,300	SMC	1,114	0.73	124,700	Nippon Telegraph & Telephone	3,443	2.26
	Total General Industrials	31,163	20.42	2,653	NTT Docomo	2,451	1.61
					Total Non-Cyclical Services	9,488	6.22
	INFORMATION TECHNOLOGY (7.74%, March 2009 – 6.01%)						
	Information Technology Hardware – 4.91% (March 2009 – 1.64%)				Oil & Gas – 1.01% (March 2009 – 0.51%)		
509,000	Fujitsu	2,005	1.31	98	Inpex Holdings	471	0.31
353,000	Mitsubishi Electric	1,568	1.03	119,500	Nippon Mining Holdings	371	0.24
32,300	Rohm	1,295	0.85	110,700	Showa Shell Sekiyu	703	0.46
115,600	Star Micronics	706	0.46		Total Resources	1,545	1.01
58,900	Tokyo Electron	1,919	1.26				
	Software & Computer Services – 2.83% (March 2009 – 4.37%)				UTILITIES (3.29%, March 2009 – 5.52%)		
7,200	Nintendo	1,149	0.75		Electricity – 1.12% (March 2009 – 3.97%)		
292	NTT Data	587	0.39	123,100	Kansai Electric Power	1,716	1.12
73,700	Sumco	1,001	0.66				
7,931	Yahoo Japan	1,572	1.03				
	Total Information Technology	11,802	7.74				

Japan Fund

Portfolio statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
	Gas Distribution – 2.17% (March 2009 – 1.55%)		
796,000	Tokyo Gas	1,891	1.24
676,000	Osaka Gas	1,415	0.93
	Total Utilities	5,022	3.29
Total Value of Investments		150,170	98.42
Net Other Assets (March 2009 – 3.63%)		2,416	1.58
Net Assets		152,586	100.00

The calculation of the % Net Asset Value may not add up due to rounding.

Japan Smaller Companies Fund

Portfolio statement

as at 7th September 2009

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
BASIC INDUSTRIES (17.81%, March 2009 – 16.03%)				Media & Photography – 2.17% (March 2009 – 0.01%)			
	Chemicals – 9.19% (March 2009 – 8.00%)			59,400	Asatsu	729	0.75
398,500	Arisawa Manufacturing	1,862	1.92	700	So net M3	1,379	1.42
130,300	Fujimi	1,223	1.26				
683	Japan Pure Chemical	1,546	1.59		Support Services – 3.84% (March 2009 – 6.10%)		
120,200	Lintec	1,449	1.49	344,200	Advan	1,435	1.48
151,000	Nissan Chemical Industries	1,321	1.36	111,200	Aeon Delight	937	0.96
98,500	Taiyo Ink Manufacturing	1,531	1.57	188,600	Sohgo Security Services	1,362	1.40
	Construction & Building Materials – 6.85% (March 2009 – 5.05%)				Transport – 2.77% (March 2009 – 0.92%)		
984,000	Krosaki Harima	1,133	1.16	130,100	Japan Airport Terminal	921	0.95
71,500	Nihon Eslead	581	0.60	408,000	Mitsui-Soko	913	0.94
793,000	Sanwa Shutter	1,681	1.73	524,000	Shinwa Kaiun Kaisha	861	0.88
305,500	Shinko Plantech	1,725	1.77		Total Cyclical Services	20,073	20.65
322,200	Sumitomo Forestry	1,543	1.59				
	Forestry & Paper – 0.92% (March 2009 – 0.74%)			FINANCIALS (14.69%, March 2009 – 13.09%)			
1,078,000	Mitsubishi Paper Mills	896	0.92		Investment Companies – 1.39% (March 2009 – 0.40%)		
	Steel & Other Metals – 0.85% (March 2009 – 2.24%)			325,900	Ichiyoshi Securities	1,354	1.39
321,000	Yodogawa Steel Works	823	0.85		Real Estate – 4.58% (March 2009 – 5.77%)		
	Total Basic Industries	17,314	17.81	148,500	Shoei	706	0.72
				24,000	Tachihi Enterprise	785	0.81
				77,500	Takamatsu	767	0.79
				385,200	TOC	1,109	1.14
				303,000	Tokyo Tatemono	1,086	1.12
					Speciality & Other Finance – 8.72% (March 2009 – 6.92%)		
				200,400	Century Leasing System	1,361	1.40
				102,700	Jafoo	1,952	2.01
				234,400	Kyokuto Securities	1,067	1.10
				199,000	Matsui Securities	1,047	1.08
				715	Osaka Securities Exchange	1,979	2.03
				506,000	Tokai Tokyo Securities	1,066	1.10
					Total Financials	14,279	14.69
CYCLICAL CONSUMER GOODS (7.15%, March 2009 – 5.81%)				GENERAL INDUSTRIALS (20.66%, March 2009 – 18.75%)			
	Automobiles & Parts – 2.56% (March 2009 – 2.78%)				Diversified Industrials – 4.12% (March 2009 – 4.65%)		
621,000	Calsonic Kansei .	939	0.97	489,000	Eagle Industry	1,709	1.76
504,000	Yokohama Rubber .	1,547	1.59	139,800	Tamron	1,083	1.11
	Household Goods & Textiles – 4.59% (March 2009 – 3.03%)			91,700	Teikoku Electric Manufacturing	1,212	1.25
423,000	Gunze	1,151	1.18		Electronic & Electrical Equipment – 8.28% (March 2009 – 5.82%)		
255,000	Japan Wool Textile	1,158	1.19	704,000	Dainippon Screen Manufacturing	1,437	1.48
351,000	Mizuno	951	0.98	661,000	Daishinku	1,669	1.72
278,000	Onward Kashiya	1,200	1.24	60,000	Futaba	614	0.63
	Total Cyclical Consumer Goods	6,946	7.15	64,400	Horiba	916	0.94
				189,000	Nidec Sankyo	658	0.68
				132,000	Ohara	1,251	1.29
				145,000	Osaki Electric	956	0.98
				154,300	Yokowo	544	0.56
CYCLICAL SERVICES (20.65%, March 2009 – 21.13%)							
	Distributors – 0.00% (March 2009 – 0.96%)						
	General Retailers – 7.96% (March 2009 – 10.28%)						
113,300	Doutor Nichires Holdings	1,053	1.08				
79,100	Nafco	934	0.96				
152,400	Nishimatsuya Chain	876	0.90				
38,000	Ryohin Keikaku	1,007	1.04				
73,400	Shimachu	1,011	1.04				
445,000	Tokyo Kaikan	1,077	1.11				
59,600	Tsuruha Holdings	1,377	1.42				
170	Village Vanguard	396	0.41				
	Leisure Entertainment & Hotels – 3.91% (March 2009 – 2.86%)						
2,301	Accordia Golf	1,370	1.41				
3,119	Pacific Golf Group	1,324	1.36				
1,959	SRI Sports	1,111	1.14				

Japan Smaller Companies Fund

Portfolio statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
	Engineering & Machinery – 8.26% (March 2009 – 8.28%)				RESOURCES (1.89%, March 2009 – 1.22%)		
329,000	Kinki Sharyo	1,851	1.90		Mining – 0.95% (March 2009 – 0.00%)		
498,000	Kitz	1,440	1.48	182,000	Pacific Metals	918	0.95
139,100	Komori	1,016	1.05		Oil & Gas – 0.94% (March 2009 – 1.22%)		
94,900	Misumi Group	1,038	1.07	202,500	Shizuoka Gas	918	0.94
218,000	Nippon Thompson	819	0.84		Total Resources	1,836	1.89
86,200	Shima Seiki Manufacturing	1,187	1.22				
71,700	Yushin Precision Equipment	676	0.70				
	Total General Industrials	20,076	20.66				
	INFORMATION TECHNOLOGY (5.95%, March 2009 – 10.73%)				UTILITIES (0.76%, March 2009 – 0.00%)		
	Information Technology Hardware – 1.73% (March 2009 – 1.39%)				Electricity – 0.76% (March 2009 – 0.00%)		
274,400	Star Micronics	1,675	1.73	20,900	Okinawa Electric Power	734	0.76
	Software & Computer Services – 4.22% (March 2009 – 9.34%)				Total Utilities	734	0.76
709	Gourmet Navigator	1,050	1.08		Total Value of Investments	96,553	99.35
76,800	Ines Corporation	390	0.40		Net Other Assets (March 2009 – 2.70%)	634	0.65
14,650	Obic	1,438	1.48		Net Assets	97,187	100.00
1,058	So net Entertainment	1,225	1.26				
	Total Information Technology	5,778	5.95				
	NON-CYCLICAL CONSUMER GOODS (7.12%, March 2009 – 6.33%)						
	Food Producers & Processors – 4.80% (March 2009 – 2.60%)						
175,300	Fuji Oil	1,504	1.55				
145,900	Hokuto	2,067	2.13				
473,000	J-Oil Mills	1,086	1.12				
	Health – 0.76% (March 2009 – 2.34%)						
28,400	Sysmex	745	0.76				
	Pharmaceuticals & Biotechnology – 1.56% (March 2009 – 1.39%)						
106,000	Kissei Pharmaceutical	1,519	1.56				
	Total Non-Cyclical Consumer Goods	6,921	7.12				
	NON-CYCLICAL SERVICES (2.67%, March 2009 – 4.21%)						
	Food & Drug Retailers – 1.33% (March 2009 – 1.54%)						
92,300	Cawachi	1,295	1.33				
	Telecommunication Services – 1.34% (March 2009 – 2.67%)						
1,081	Okinawa Cellular	1,301	1.34				
	Total Non-Cyclical Services	2,596	2.67				

The calculation of the % Net Asset Value may not add up due to rounding.

Asia Fund

Portfolio statement

as at 7th September 2009

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
AUSTRALIA (14.93%, March 2009 – 16.89%)				Transport – 0.00% (March 2009 – 0.14%)			
	Banks – 2.76% (March 2009 – 1.88%)			Total Bermuda		33,374	3.01
1,890,886	Australia & New Zealand Bank Group	21,004	1.89	CAYMAN ISLANDS (4.33%, March 2009 – 2.26%)			
765,589	Westpac Banking	9,613	0.87	Forestry & Paper – 0.00% (March 2009 – 0.13%)			
	Engineering & Machinery – 0.18% (March 2009 – 0.04%)			General Retailers – 0.06% (March 2009 – 0.33%)			
14,175,322	Boart Longyear Group	1,956	0.18	733,000	Lifestyle International Holdings	632	0.06
	Food & Drug Retailers – 0.64% (March 2009 – 1.83%)			Personal Care & Household Products – 0.48% (March 2009 – 0.00%)			
485,281	Woolworths	7,139	0.64	1,544,000	Hengan International Group	5,364	0.48
	Insurance – 1.34% (March 2009 – 1.68%)			Real Estate – 2.63% (March 2009 – 0.80%)			
1,274,946	QBE Insurance Group	14,913	1.34	18,416,850	Agile Property Holdings	14,661	1.32
	Mining – 5.91% (March 2009 – 6.77%)			10,420,000	China Resources Land	14,561	1.31
1,770,069	BHP Billiton NPV	33,895	3.05	Software & Computer Services – 1.16% (March 2009 – 1.00%)			
680,377	Newcrest Mining	11,530	1.04	1,277,100	Tencent Holdings	12,823	1.16
685,824	Rio Tinto	20,180	1.82	Total Cayman Islands		48,041	4.33
	Oil & Gas – 0.68% (March 2009 – 0.47%)			CHINA (11.90%, March 2009 – 12.52%)			
311,819	Woodside Petroleum	7,600	0.68	Banks – 4.23% (March 2009 – 5.57%)			
	Pharmaceuticals & Biotechnology – 1.53% (March 2009 – 2.87%)			49,902,000	Bank of China	16,023	1.44
958,909	CSL	16,939	1.53	29,405,000	China Construction Bank	14,174	1.28
	Speciality & Other Finance – 1.06% (March 2009 – 0.26%)			36,867,000	Industrial & Commercial Bank of China	16,700	1.51
464,392	Macquarie Group	11,732	1.06	Chemicals – 0.00% (March 2009 – 0.98%)			
	Telecommunication Services – 0.83% (March 2009 – 1.09%)			Construction & Building Materials – 1.76% (March 2009 – 0.67%)			
5,495,883	Telstra	9,245	0.83	330,000	Anhui Conch Cement	1,350	0.12
Total Australia				5,776,000	China National Building	7,899	0.71
		165,746	14.93	4,056,500	China Shenhua Energy	10,366	0.93
BERMUDA (3.01%, March 2009 – 4.18%)				Electronic & Electrical Equipment – 0.64% (March 2009 – 0.49%)			
	Construction & Building Materials – 0.36% (March 2009 – 0.93%)			4,880,000	China High Speed Transmission	7,072	0.64
1,796,000	Cheung Kong Infrastructure Holdings	4,004	0.36	Insurance – 1.06% (March 2009 – 0.96%)			
	General Retailers – 1.56% (March 2009 – 1.81%)			2,401,500	Ping An Insurance Group	11,774	1.06
1,927,400	Esprit Holdings	7,399	0.67	Investment Companies – 0.52% (March 2009 – 0.65%)			
6,591,000	Ports Design	9,883	0.89	2,409,100	Citic Securities P-Note	5,729	0.52
	Household Goods & Textiles – 1.09% (March 2009 – 0.92%)			Life Assurance – 1.61% (March 2009 – 1.50%)			
5,713,400	Li & Fung	12,088	1.09	6,668,000	China Life Insurance	17,877	1.61
	Real Estate – 0.00% (March 2009 – 0.38%)			Mining – 0.27% (March 2009 – 0.75%)			
				3,706,000	China Coal Energy	3,038	0.27

Asia Fund

Portfolio statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
Oil & Gas – 0.94% (March 2009 – 0.47%)				Engineering & Machinery – 0.80% (March 2009 – 0.52%)			
19,526,000	China Petroleum & Chemical	10,378	0.94	443,626	Larsen & Toubro	8,860	0.80
Real Estate – 0.61% (March 2009 – 0.48%)				Oil & Gas – 1.21% (March 2009 – 0.59%)			
5,795,600	Guangzhou R & F Properties	6,807	0.61	535,865	Reliance Industries	13,406	1.21
Telecommunication Services – 0.26% (March 2009 – 0.00%)				Software & Computer Services – 1.07% (March 2009 – 1.27%)			
9,182,000	China Telecom	2,927	0.26	427,037	Infosys Technologies	11,873	1.07
Total China				Speciality & Other Finance – 0.70% (March 2009 – 0.73%)			
		132,114	11.90	248,142	Housing Development Finance	7,811	0.70
HONG KONG (12.40%, March 2009 – 14.93%)				Telecommunication Services – 0.79% (March 2009 – 1.23%)			
Banks – 1.60% (March 2009 – 0.00%)				1,667,722	Bharti Airtel	8,771	0.79
8,656,000	BOC Hong Kong Holdings	11,321	1.02	Total India			
737,000	Hang Seng Bank	6,475	0.58			70,716	6.37
Diversified Industrials – 1.95% (March 2009 – 2.03%)				INDONESIA (4.31%, March 2009 – 1.41%)			
7,580,719	New World Development	9,915	0.89	Automobiles & Parts – 1.33% (March 2009 – 0.41%)			
3,769,000	Shanghai Industrial Holdings	11,717	1.06	8,315,500	Astra International	14,818	1.33
Electricity – 0.00% (March 2009 – 1.06%)				Banks – 1.67% (March 2009 – 0.69%)			
Oil & Gas – 1.04% (March 2009 – 1.37%)				44,311,500	Bank Mandiri (Persero)	11,060	1.00
13,915,000	CNOOC	11,470	1.04	17,040,500	Bank Rakyat Indonesia	7,424	0.67
Real Estate – 5.13% (March 2009 – 6.30%)				Gas Distribution – 0.69% (March 2009 – 0.00%)			
2,446,000	Cheung Kong Holdings	18,060	1.63	37,980,000	Perusahaan Gas Negara	7,699	0.69
10,098,727	China Overseas Land	14,017	1.26	Mining – 0.62% (March 2009 – 0.31%)			
6,720,940	Sino Land	7,693	0.69	38,962,000	Bumi Resources	6,837	0.62
1,979,000	Sun Hung Kai Properties	17,230	1.55	Total Indonesia			
Speciality & Other Finance – 1.14% (March 2009 – 0.39%)						47,838	4.31
1,130,700	Hong Kong Exchange	12,649	1.14	MALAYSIA (0.94%, March 2009 – 1.36%)			
Telecommunication Services – 1.54% (March 2009 – 3.78%)				Banks – 0.51% (March 2009 – 0.00%)			
2,814,000	China Mobile	17,121	1.54	3,178,700	Bumiputra-Commerce Holdings	5,648	0.51
Total Hong Kong				Engineering & Machinery – 0.43% (March 2009 – 0.42%)			
		137,668	12.40	15,057,700	KNM Group Behad	1,917	0.17
INDIA (6.37%, March 2009 – 5.52%)				5,926,000	WCT Engineering	2,833	0.26
Automobiles & Parts – 0.26% (March 2009 – 0.00%)				Telecommunication Services – 0.00% (March 2009 – 0.94%)			
140,666	Hero Honda Motors	2,870	0.26	Total Malaysia			
Banks – 0.72% (March 2009 – 0.00%)						10,398	0.94
354,793	State Bank of India	8,045	0.72	PAKISTAN (0.12%, March 2009 – 0.30%)			
Electronic & Electrical Equipment – 0.82% (March 2009 – 1.18%)				Banks – 0.12% (March 2009 – 0.30%)			
326,395	Bharat Heavy Electricals	9,080	0.82	858,932	MCB Bank	1,288	0.12
				Total Pakistan			
						1,288	0.12

Asia Fund

Portfolio statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
PHILIPPINES (0.48%, March 2009 – 0.82%)				Software & Computer Services – 0.42% (March 2009 – 0.63%)			
	Diversified Industrials – 0.48% (March 2009 – 0.00%)			57,991	NHN	4,637	0.42
1,412,640	Ayala	5,286	0.48				
	Telecommunication Services – 0.00% (March 2009 – 0.82%)			188,674	Samsung Securities	6,649	0.60
	Total Philippines	5,286	0.48	624,448	Shinhan Financial Group	13,468	1.21
SINGAPORE (5.13%, March 2009 – 5.81%)					Steel & Other Metals – 1.19% (March 2009 – 0.54%)		
	Banks – 1.94% (March 2009 – 1.98%)			58,959	Posco	13,211	1.19
1,993,000	DBS Group Holdings	10,902	0.98		Telecommunication Services – 0.35% (March 2009 – 0.73%)		
1,477,000	United Overseas Bank	10,677	0.96	46,184	SK Telecom	3,841	0.35
	Engineering & Machinery – 2.04% (March 2009 – 1.86%)				Tobacco – 0.71% (March 2009 – 1.59%)		
1,625,000	Keppel	5,307	0.48	238,410	KT&G	7,837	0.71
6,350,000	Wilmar International	17,341	1.56		Total South Korea	182,623	16.45
	Real Estate – 0.83% (March 2009 – 0.73%)			TAIWAN (14.05%, March 2009 – 12.08%)			
5,000,000	Ascendas Real Estate Investment Trust	3,653	0.33		Construction & Building Materials – 0.62% (March 2009 – 0.79%)		
1,268,300	City Developments	5,581	0.50	147,150	Asia Cement	96	0.01
	Support Services – 0.00% (March 2009 – 0.25%)			10,280,542	Taiwan Cement	6,817	0.61
	Telecommunication Services – 0.32% (March 2009 – 0.99%)				Electronic & Electrical Equipment – 2.65% (March 2009 – 2.07%)		
2,509,000	Singapore Telecommunications	3,485	0.32	11,289,402	Hon Hai Precision Industry	25,824	2.33
	Total Singapore	56,946	5.13	3,102,000	Synnex Technology International	3,556	0.32
SOUTH KOREA (16.45%, March 2009 – 10.72%)					Household Goods & Textiles – 1.03% (March 2009 – 0.90%)		
	Automobiles & Parts – 2.58% (March 2009 – 1.00%)			17,362,897	Far East Textile	11,449	1.03
132,739	Hyundai Mobis	9,238	0.83		Information Technology Hardware – 6.08% (March 2009 – 4.40%)		
351,359	Hyundai Motor	19,423	1.75	14,413,804	AU Optronics	8,797	0.79
	Banks – 1.47% (March 2009 – 0.26%)			9,958,545	Compal Electronics	6,908	0.62
609,417	KB Financial Group	16,332	1.47	564,900	High Tech Computer	3,871	0.35
	Construction & Building Materials – 0.38% (March 2009 – 0.21%)			15,303,630	Inotera Memories	5,357	0.48
197,170	Hyundai Development Company	4,243	0.38	1,463,776	Mediatek	14,044	1.27
	Engineering & Machinery – 0.54% (March 2009 – 0.00%)			4,170,000	Siliconware Precis	3,491	0.31
211,720	Hyundai Engineering & Construction	5,967	0.54	21,863,408	Taiwan Semiconductor	25,066	2.26
	General Retailers – 1.14% (March 2009 – 0.96%)				Speciality & Other Finance – 3.63% (March 2009 – 2.24%)		
120,857	Hyundai Department Store	5,691	0.51	8,227,664	Cathay Financial Holding	7,681	0.69
26,848	Shinsegae	6,997	0.63	27,806,058	China Trust Financial Holding	10,043	0.91
	Information Technology Hardware – 5.86% (March 2009 – 4.21%)			14,000,000	Fubon Financial Holding	8,557	0.77
271,374	LG Electronics	19,086	1.72	32,182,000	Yuanta Financial Holding	13,948	1.26
120,577	Samsung Electronics	46,003	4.14		Telecommunication Services – 0.04% (March 2009 – 1.68%)		
				428,478	Chunghwa Telecom	450	0.04
					Total Taiwan	155,955	14.05

Asia Fund

Portfolio statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
THAILAND (1.21%, March 2009 – 1.68%)			
	Banks – 0.82% (March 2009 – 1.26%)		
6,432,328	SIAM Commercial Bank	9,056	0.82
	Mining – 0.39% (March 2009 – 0.42%)		
590,200	Banpu (F)	4,326	0.39
	Total Thailand	13,382	1.21
UNITED KINGDOM (3.86%, March 2009 – 4.08%)			
	Banks – 1.23% (March 2009 – 0.96%)		
1,000,790	Standard Chartered	13,701	1.23
	Collective Investment Schemes – 2.63% (March 2009 – 3.12%)		
21,117,279	Threadneedle Specialist China Opportunities Fund	29,178	2.63
	Total United Kingdom	42,879	3.86
Total Value of Investments		1,104,254	99.49
Net Other Assets (March 2009 – 5.44%)		5,614	0.51
Net Assets		1,109,868	100.00

The calculation of the % Net Asset Value may not add up due to rounding.

Latin America Fund

Portfolio statement

as at 7th September 2009

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
BERMUDA (0.00%, March 2009 – 1.00%)				Oil & Gas – 11.48% (March 2009 – 10.75%)			
	Banks – 0.00% (March 2009 – 1.00%)			42,000	OGX Petroleo e Gas Participacoes	14,543	1.96
	Total Bermuda	–	–	1,132,770	Petroleo Brasileiro	28,812	3.89
				1,939,338	Petroleo Brasileiro ADR	41,680	5.63
BRAZIL (65.78%, March 2009 – 64.31%)				Personal Care & Household Products – 1.28% (March 2009 – 0.73%)			
	Banks – 13.19% (March 2009 – 11.81%)			947,300	Natura Cosmeticos	9,471	1.28
3,537,200	Banco Bradesco	36,299	4.90	Real Estate – 2.55% (March 2009 – 0.34%)			
3,470,802	Banco Itau Holdings Financeira	36,202	4.89	1,314,500	BR Malls Participacoes	8,417	1.14
2,408,259	Itau Unibanco Banco Multiplo ADR	25,190	3.40	742,700	Cyrela Brazil Real	5,531	0.75
				560,900	Pdg Realty	4,874	0.66
	Beverages – 3.04% (March 2009 – 2.67%)			Speciality & Other Finance – 3.32% (March 2009 – 6.90%)			
496,899	Ambev Cia de Bebida ADR	22,502	3.04	4,016,500	BM&F Bovespa	15,301	2.06
	Construction & Building Materials – 2.14% (March 2009 – 1.10%)			775,644	Bradespar – Preference shares	7,468	1.01
445,000	MRV Engenharia e Participacoes	4,896	0.66	221,900	Redecard	1,881	0.25
1,378,252	Multiplan Empreendimentos	10,947	1.48	Steel & Other Metals – 5.02% (March 2009 – 1.02%)			
	Diversified Industrials – 3.06% (March 2009 – 2.27%)			1,235,626	Companhia Siderurgica Nacional ADR	20,368	2.75
5,805,892	Itausa-Investimentos Itau SA	18,223	2.46	810,584	Gerdau ADR	5,874	0.79
930,600	Weg SA	4,480	0.60	756,400	Usinas Siderurgicas de Minas Gerais	10,996	1.48
	Electricity – 1.43% (March 2009 – 4.06%)			Support Services – 0.66% (March 2009 – 0.85%)			
1,205,023	Companhia Energetica de Minas Gerais	10,570	1.43	494,638	Companhia de Concessoes Rodovias	4,855	0.66
	Electronic & Electrical Equipment – 0.00% (March 2009 – 0.84%)			Telecommunication Services – 2.09% (March 2009 – 3.39%)			
	Food & Drug Retailers – 1.82% (March 2009 – 2.83%)			1,234,314	GVT Holding	14,037	1.89
433,971	Companhia Brasileira de Distribuicao Grupo Pao de Acucar ADR	13,478	1.82	106,763	Vivo Participacoes ADR	1,514	0.20
	Food Producers & Processors – 0.30% (March 2009 – 0.51%)			1,567,254	All America Latina Logistica	6,809	0.92
446,600	SLC Agricola	2,212	0.30	Total Brazil			
	General Retailers – 2.73% (March 2009 – 0.77%)					487,338	65.78
2,066,610	Lojas Renner	20,265	2.73	CHILE (2.07%, March 2009 – 2.93%)			
	Health – 0.00% (March 2009 – 0.91%)			Banks – 0.89% (March 2009 – 0.00%)			
	Media & Photography – 0.89% (March 2009 – 1.89%)			222,336	Banco Santander-Chile	6,636	0.89
1,026,738	Net Servicos de Comunicacao	6,567	0.89	Chemicals – 1.18% (March 2009 – 1.28%)			
	Mining – 9.86% (March 2009 – 9.89%)			418,049	Sociedad Quimica y Minera de Chile ADR	8,713	1.18
6,694,192	Compania Vale do Rio Doce SP ADR	73,076	9.86	Electricity – 0.00% (March 2009 – 1.65%)			
				Total Chile			
						15,349	2.07

Latin America Fund

Portfolio statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
COLOMBIA (1.16%, March 2009 – 0.00%)				PERU (1.31%, March 2009 – 3.32%)			
	Banks – 1.16%				Mining – 1.31%		
	(March 2009 – 0.00%)				(March 2009 – 3.32%)		
400,809	BanColombia	8,580	1.16	555,490	Compania de Minas		
	Total Colombia	8,580	1.16		Buenaventura ADR	9,718	1.31
					Total Peru	9,718	1.31
LUXEMBOURG (1.05%, March 2009 – 0.00%)				UNITED KINGDOM (1.12%, March 2009 – 0.00%)			
	Steel & Other Metals – 1.05%				Mining – 1.12%		
	(March 2009 – 0.00%)				(March 2009 – 0.00%)		
518,404	Ternium ADR	7,795	1.05	1,132,603	Antofagasta	8,291	1.12
	Total Luxembourg	7,795	1.05		Total United Kingdom	8,291	1.12
MEXICO (23.98%, March 2009 – 22.88%)				UNITED STATES OF AMERICA (1.29%, March 2009 – 0.72%)			
	Banks – 1.24%				Mining – 1.29%		
	(March 2009 – 0.00%)				(March 2009 – 0.00%)		
1,037,600	Banco Compartamos	2,200	0.30	558,195	Southern Copper	9,578	1.29
4,064,500	Grupo Financiero Banorte	6,968	0.94		Oil & Gas – 0.00%		
	Beverages – 2.30%				(March 2009 – 0.72%)		
	(March 2009 – 3.56%)				Total United States of America	9,578	1.29
233,971	Coca-Cola Femsa ADR	6,447	0.87				
478,786	Fomento Economico Mexicano ADR	10,613	1.43		Total Value of Investments	736,669	99.43
	Construction & Building Materials – 2.43%				Net Other Assets (March 2009 – 4.84%)	4,253	0.57
	(March 2009 – 1.21%)				Net Assets	740,922	100.00
790,788	Desarrolladora Homex ADR	18,035	2.43				
	General Retailers – 3.55%						
	(March 2009 – 3.27%)						
12,164,297	Wal Mart de Mexico	26,267	3.55				
	Media & Photography – 2.01%						
	(March 2009 – 3.18%)						
1,436,141	Grupo Televisa ADR	14,856	2.01				
	Mining – 1.95%						
	(March 2009 – 2.62%)						
14,313,388	Grupo Mexico	14,475	1.95				
	Speciality & Other Finance – 0.78%						
	(March 2009 – 0.00%)						
8,180,899	Bolsa Mexicana de Valores	5,808	0.78				
	Telecommunication Services – 9.72%						
	(March 2009 – 9.04%)						
2,646,161	America Movil SAB ADR	71,991	9.72				
	Total Mexico	177,660	23.98				
PANAMA (1.67%, March 2009 – 0.00%)							
	Aerospace & Defence – 1.67%						
	(March 2009 – 0.00%)						
513,338	Copa Holdings	12,360	1.67				
	Total Panama	12,360	1.67				

The calculation of the % Net Asset Value may not add up due to rounding.

Emerging Market Bond Fund

Portfolio statement

as at 7th September 2009

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
ARGENTINA (2.05%, March 2009 – 0.99%)				BB+ (0.41%, March 2009 – 0.87%)			
B- (1.87%, March 2009 – 0.99%)				COP1,500,000,000 Republic of Colombia 12%			
USD	10,000,000				22/10/2015	530	0.11
				COP4,500,000,000 Republic of Columbia 9.85%			
USD	5,000,000				28/06/2027	1,416	0.30
				Total Colombia			
ARS	4,500,000					12,772	2.68
				EGYPT (2.52%, March 2009 – 0.72%)			
				BB+ (0.30%, March 2009 – 0.72%)			
USD	12,845,041			EGP	13,000,000		
					Arab Republic of Egypt 8.75%		
					18/07/2012	1,409	0.30
				Not Rated (2.22%, March 2009 – 0.00%)			
				EGP	47,550,000		
USD	20,000,000				Egypt Treasury 0% 15/12/2009	5,101	1.07
				EGP	50,575,000		
ARS	31,750,741				Egypt Treasury 0% 27/10/2009	5,495	1.15
				Total Egypt			
						12,005	2.52
				GABON (0.41%, March 2009 – 0.76%)			
				BB- (0.41%, March 2009 – 0.76%)			
				USD	3,250,000		
					Gabonese Republic 8.2%		
					12/12/2017	1,945	0.41
				Total Gabon			
						1,945	0.41
				HUNGARY (1.32%, March 2009 – 0.83%)			
				BBB (0.00%, March 2009 – 0.83%)			
				BBB- (1.32%, March 2009 – 0.00%)			
				HUF	2,000,000,000		
					Hungary Government Bond 7.25%		
					12/06/2012	6,313	1.32
				Total Hungary			
						6,313	1.32
				INDONESIA (5.58%, March 2009 – 6.33%)			
				BB+ (0.51%, March 2009 – 0.00%)			
				IDR	35,000,000,000		
					Indonesia Recapital Bond 14.25%		
					15/06/2013	2,425	0.51
				BB- (3.30%, March 2009 – 6.33%)			
				USD	8,000,000		
					Republic of Indonesia 11.625%		
					04/03/2019	6,581	1.38
				USD	7,000,000		
					Republic of Indonesia 7.75%		
					17/01/2038	4,409	0.92
				USD	7,000,000		
					Republic of Indonesia 8.5%		
					12/10/2035	4,773	1.00
				Not Rated (1.77%, March 2009 – 0.00%)			
				IDR	140,000,000,000		
					Indonesia Retail Bond 9.5%		
					12/03/2012	8,463	1.77
				Total Indonesia			
						26,651	5.58
				IRAQ (1.43%, March 2009 – 1.83%)			
				Not Rated (1.43%, March 2009 – 1.83%)			
				USD	16,500,000		
					Republic of Iraq 5.8% 15/01/2028	6,844	1.43
				Total Iraq			
						6,844	1.43
BARBADOS (0.15%, March 2009 – 0.37%)				BRAZIL (13.13%, March 2009 – 17.14%)			
BBB+ (0.00%, March 2009 – 0.37%)				BBB- (10.53%, March 2009 – 17.14%)			
				USD	14,166,667		
					Federal Republic of Brazil 8%		
					15/01/2018	9,892	2.07
				USD	37,000,000		
					Federal Republic of Brazil 11%		
					17/08/2040	29,629	6.20
				USD	17,000,000		
					Federal Republic of Brazil 5.875%		
					15/01/2019	10,768	2.26
				Ba1 (2.60%, March 2009 – 0.00%)			
BRL	37,457				Notas do Tesouro Nacional		
					0% 01/01/2011	12,393	2.60
				Total Brazil			
						62,682	13.13
CAYMAN ISLANDS (0.86%, March 2009 – 0.00%)				COLOMBIA (2.68%, March 2009 – 3.68%)			
BBB- (0.86%, March 2009 – 0.00%)				BBB- (2.27%, March 2009 – 2.81%)			
USD	6,000,000			USD	9,000,000		
					Republic of Colombia 7.375%		
					18/03/2019	6,059	1.27
				USD	2,500,000		
					Republic of Colombia 7.375%		
					18/09/2037	1,626	0.34
				USD	3,000,000		
					Republic of Colombia 7.375%		
					27/01/2017	2,031	0.43
				USD	1,600,000		
					Republic of Columbia 8.125%		
					21/05/2024	1,110	0.23
				Total Cayman Islands			
						4,124	0.86

Emerging Market Bond Fund

Portfolio statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
ISRAEL (1.60%, March 2009 – 0.00%)				PHILIPPINES (4.55%, March 2009 – 6.24%)			
A (1.60%, March 2009 – 0.00%)				BB– (4.55%, March 2009 – 6.24%)			
USD 12,500,000	State of Israel 5.125% 26/03/2019	7,644	1.60	USD 5,900,000	National Power 9.625% 15/05/2028	3,949	0.83
	Total Israel	7,644	1.60	USD 10,500,000	Republic of Philippines 7.75% 14/01/2031	7,014	1.47
MALAYSIA (2.28%, March 2009 – 0.00%)				USD 10,000,000	Republic of Philippines 8.375% 17/06/2019	7,163	1.50
A– (2.28%, March 2009 – 0.00%)				USD 5,000,000	Republic of Philippines 8.875% 17/03/2015	3,613	0.75
USD 14,000,000	Petronas Capital 5.25% 12/08/2019	8,464	1.77		Total Philippines	21,739	4.55
USD 4,000,000	Petronas Global Sukut 4.25% 12/08/2014	2,429	0.51	POLAND (1.88%, March 2009 – 0.93%)			
	Total Malaysia	10,893	2.28	A (0.44%, March 2009 – 0.93%)			
MEXICO (9.13%, March 2009 – 14.02%)				PLN 10,000,000	Poland Government Bond 4.75% 25/04/2012	2,089	0.44
BBB+ (9.13%, March 2009 – 14.02%)				A– (1.44%, March 2009 – 0.00%)			
USD 5,000,000	Petroleos Mexicanos 8% 03/05/2019	3,427	0.72	USD 10,500,000	Republic of Poland 6.375% 15/07/2019	6,877	1.44
USD 20,000,000	United Mexican States 5.625% 15/01/2017	12,444	2.61		Total Poland	8,966	1.88
USD 10,000,000	United Mexican States 5.875% 17/02/2014	6,463	1.35	QATAR (1.04%, March 2009 – 0.00%)			
USD 33,500,000	United Mexican States 6.75% 27/09/2034	21,277	4.45	AA– (1.04%, March 2009 – 0.00%)			
	Total Mexico	43,611	9.13	USD 7,500,000	State of Qatar 6.55% 09/04/2019	4,974	1.04
NETHERLANDS (2.11%, March 2009 – 1.24%)					Total Qatar	4,974	1.04
BBB– (0.00%, March 2009 – 1.24%)				RUSSIAN FEDERATION (9.19%, March 2009 – 12.81%)			
BB+ (2.11%, March 2009 – 0.00%)				BBB (9.19%, March 2009 – 12.81%)			
USD 10,000,000	Kazmunaigaz Finance Sub BV 11.75% 23/01/2015	6,678	1.40	USD 70,080,000	Russian Federation 7.5% 31/03/2030	43,893	9.19
USD 5,750,000	Kazmunaigaz Finance Sub BV 9.125% 02/07/2018	3,414	0.71		Total Russian Federation	43,893	9.19
	Total Netherlands	10,092	2.11	SOUTH AFRICA (1.16%, March 2009 – 0.00%)			
NIGERIA (0.05%, March 2009 – 0.00%)				BBB+ (1.16%, March 2009 – 0.00%)			
Not Rated (0.05%, March 2009 – 0.00%)				USD 8,500,000	Republic of South Africa 6.875% 27/05/2019	5,554	1.16
USD 3,000	Central Bank of Nigeria 0% 15/11/2020	210	0.05		Total South Africa	5,554	1.16
	Total Nigeria	210	0.05	SOUTH KOREA (0.78%, March 2009 – 0.00%)			
PANAMA (0.36%, March 2009 – 0.89%)				A (0.78%, March 2009 – 0.00%)			
BB+ (0.36%, March 2009 – 0.89%)				USD 6,000,000	Korea National Oil 5.375% 30/07/2014	3,731	0.78
USD 1,000,000	Republic of Panama 7.25% 15/03/2015	678	0.14		Total South Korea	3,731	0.78
USD 1,500,000	Republic of Panama 8.125% 28/04/2034	1,054	0.22	SWITZERLAND (0.00%, March 2009 – 0.48%)			
	Total Panama	1,732	0.36	Not Rated (0.00%, March 2009 – 0.48%)			
PERU (2.79%, March 2009 – 1.95%)				Total Switzerland			
BBB– (2.79%, March 2009 – 1.95%)						–	–
USD 3,000,000	Republic of Peru 6.55% 14/03/2037	1,835	0.38	TURKEY (8.59%, March 2009 – 7.58%)			
USD 12,500,000	Republic of Peru 7.35% 21/07/2025	8,434	1.77	BB– (7.31%, March 2009 – 7.58%)			
USD 4,000,000	Republic of Peru 8.75% 21/11/2033	3,055	0.64	USD 21,500,000	Republic of Turkey 6.75% 03/04/2018	13,508	2.83
	Total Peru	13,324	2.79	USD 8,100,000	Republic of Turkey 7.25% 15/03/2015	5,332	1.12
				USD 12,000,000	Republic of Turkey 7.5% 07/11/2019	7,864	1.65
				USD 12,300,000	Republic of Turkey 8% 14/02/2034	8,181	1.71

Emerging Market Bond Fund

Portfolio statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
Not Rated (1.28%, March 2009 – 0.00%)			
TRY 17,500,000	Turkey Government Bond 0% 11/05/2011	6,136	1.28
	Total Turkey	41,021	8.59
UNITED ARAB EMIRATES (0.00%, March 2009 – 0.81%)			
	A+ (0.00%, March 2009 – 0.81%)		
	Total United Arab Emirates	–	–
UNITED STATES OF AMERICA (3.00%, March 2009 – 12.21%)			
	AAA (0.00%, March 2009 – 7.02%)		
BBB+ (0.56%, March 2009 – 1.16%)			
USD 4,800,000	Pemex Project Funding Master 6.625% 15/06/2035	2,684	0.56
BB– (0.32%, March 2009 – 0.17%)			
USD 2,700,000	Republic of Serbia 3.75% 01/11/2024	1,512	0.32
B (0.14%, March 2009 – 0.31%)			
USD 1,000,000	Dominican Republic 8.625% 20/04/2027	493	0.10
USD 359,589	Dominican Republic 9.04% 23/01/2018	201	0.04
CCC+ (0.71%, March 2009 – 0.89%)			
USD 5,000,000	Ukraine Government 6.75% 14/11/2017	2,440	0.51
USD 2,000,000	Ukraine Ministry of Finance 6.58% 21/11/2016	970	0.20
Not Rated (1.27%, March 2009 – 2.66%)			
USD 12,178,117	HSBC Bank 0% 02/01/2012	6,045	1.27
	Total United States of America	14,345	3.00
URUGUAY (1.02%, March 2009 – 1.60%)			
	BB (1.02%, March 2009 – 1.60%)		
USD 7,400,000	Republic of Uruguay 8% 18/11/2022	4,852	1.02
	Total Uruguay	4,852	1.02
VENEZUELA (9.04%, March 2009 – 7.00%)			
	BB– (8.11%, March 2009 – 6.43%)		
USD 37,000,000	Bolivarian Republic of Venezuela 9% 07/05/2023	15,873	3.33
USD 54,000,000	Bolivarian Republic of Venezuela 9.25% 07/05/2028	22,837	4.78
B2 (0.93%, March 2009 – 0.57%)			
USD 13,750,000	Republic of Venezuela 7% 31/03/2038	4,434	0.93
	Total Venezuela	43,144	9.04

Holding	Investment	Value £000	% of Net Asset Value
DERIVATIVES ((0.15%), March 2009 – (0.26%))			
Credit Default Swaps – (0.12%)			
(March 2009 – (0.36%))			
USD 10,000,000	Boivarian Republic of Venezuela 5.06% 20/11/2017	(405)	(0.08)
USD 10,000,000	Kazakhstan Government 5 Year International Bond 1.61% 20/11/2012	(195)	(0.04)
Forward Foreign Exchange Contracts – (0.03%)			
(March 2009 – 0.10%)			
	Sell HUF 1,983,555		
	Buy USD 10,500,000	40	0.01
	Sell PLN 10,101,000		
	Buy USD 3,500,000	(13)	(0.01)
	Sell BRL 28,233,000		
	Buy USD 15,000,000	(149)	(0.03)
	Total Derivatives	(722)	(0.15)
Total Value of Investments		422,848	88.55
Net Other Assets/(Liabilities)			
(March 2009 – (0.15%))		54,679	11.45
Net Assets		477,527	100.00

ANALYSIS OF INVESTMENTS BY ASSET CLASS

Fixed Interest	358,981	84.90
Floating Rate Notes	64,379	15.22
Equity	210	0.05
Derivatives	(722)	(0.17)
Total Value of Investments	422,848	100.00

ANALYSIS OF INVESTMENTS BY CREDIT RATINGS

	Value £000
AA–	4,974
A	13,464
A–	17,770
BBB+	51,849
BBB	44,609
BBB–	84,876
BB+	17,604
Ba1	12,393
BB	4,852
BB–	114,554
B	694
B2	4,434
B–	8,903
CCC+	3,410
Not Rated	39,184
Total Bonds	423,570
Derivatives	(722)
Total Value of Investments	422,848

The calculation of the % Net Asset Value may not add up due to rounding.

At 7th September 2009, there were investments totalling £71,081,114 (14.89% of the NAV of the fund) which were valued using a quote from a single broker. These investments trade in a limited market and may not be able to be immediately liquidated at these estimated fair values.

Global Select Fund

Portfolio statement

as at 7th September 2009

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
AUSTRALIA (0.97%, March 2009 – 1.75%)				CAYMAN ISLANDS (0.41%, March 2009 – 0.00%)			
	Pharmaceuticals & Biotechnology – 0.97% (March 2009 – 1.75%)				Real Estate – 0.41% (March 2009 – 0.00%)		
280,000	CSL	4,946	0.97	5,000,000	KWG Property Holding	2,100	0.41
	Total Australia	4,946	0.97		Total Cayman Islands	2,100	0.41
BELGIUM (1.32%, March 2009 – 0.00%)				CHINA (0.97%, March 2009 – 0.00%)			
	Banks – 1.32% (March 2009 – 0.00%)				Banks – 0.97% (March 2009 – 0.00%)		
2,500,000	Fortis NPV	6,784	1.32	11,000,000	Industrial & Commercial Bank of China	4,983	0.97
	Total Belgium	6,784	1.32		Total China	4,983	0.97
BERMUDA (1.27%, March 2009 – 3.41%)				DENMARK (1.03%, March 2009 – 0.98%)			
	General Retailers – 0.00% (March 2009 – 0.40%)				Electronic & Electrical Equipment – 1.03% (March 2009 – 0.98%)		
	Insurance – 0.48% (March 2009 – 1.06%)			115,000	Vestas Wind Systems	5,286	1.03
55,000	Partnerre	2,444	0.48		Total Denmark	5,286	1.03
	Real Estate – 0.79% (March 2009 – 0.66%)			FINLAND (0.00%, March 2009 – 0.67%)			
2,981,364	Great Eagle Holdings	4,045	0.79		Information Technology Hardware – 0.00% (March 2009 – 0.44%)		
	Support Services – 0.00% (March 2009 – 1.29%)				Mining – 0.00% (March 2009 – 0.23%)		
	Total Bermuda	6,489	1.27		Total Finland	–	–
BRAZIL (2.66%, March 2009 – 1.04%)				FRANCE (2.18%, March 2009 – 0.86%)			
	General Retailers – 0.38% (March 2009 – 0.00%)				Automobiles & Parts – 1.42% (March 2009 – 0.00%)		
362,934	Cia Brasileira De Meios De Pagamento	1,931	0.38	40,000	Michelin	1,831	0.36
	Oil & Gas – 1.24% (March 2009 – 1.04%)			200,000	Renault	5,446	1.06
250,000	Petroleo Brasileiro	6,359	1.24		Telecommunication Services – 0.76% (March 2009 – 0.86%)		
	Personal Care & Household Products – 0.58% (March 2009 – 0.00%)			250,000	France Telecom	3,923	0.76
300,000	Natura Cosmeticos	2,999	0.58		Total France	11,200	2.18
	Speciality & Other Finance – 0.46% (March 2009 – 0.00%)			GERMANY (5.31%, March 2009 – 6.38%)			
280,000	Redecard	2,374	0.46		Aerospace & Defence – 0.59% (March 2009 – 0.48%)		
	Total Brazil	13,663	2.66	115,000	MTU Aero Engines Holding	3,027	0.59
CANADA (1.79%, March 2009 – 2.28%)					Chemicals – 1.97% (March 2009 – 1.63%)		
	Information Technology Hardware – 0.00% (March 2009 – 0.30%)			75,000	K+S	2,471	0.48
	Mining – 0.67% (March 2009 – 1.67%)			125,000	Linde	7,609	1.49
120,000	Barrick Gold	2,924	0.57		Electricity – 1.08% (March 2009 – 0.99%)		
325,200	First Uranium	511	0.10	220,000	E.On	5,539	1.08
	Oil & Gas – 1.12% (March 2009 – 0.31%)				Electronic & Electrical Equipment – 1.67% (March 2009 – 2.10%)		
200,000	Nexen	2,499	0.49	160,000	Siemens Registered	8,573	1.67
115,000	Ultra Petroleum	3,266	0.63		Insurance – 0.00% (March 2009 – 1.18%)		
	Total Canada	9,200	1.79		Total Germany	27,219	5.31

Global Select Fund

Portfolio statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
HONG KONG (1.78%, March 2009 – 1.45%)					LUXEMBOURG (0.63%, March 2009 – 0.00%)				
		Leisure Entertainment & Hotels – 0.54% (March 2009 – 0.53%)					Telecommunication Services – 0.63% (March 2009 – 0.00%)		
	4,000,000	Hong Kong & Shanghai Hotels	2,763	0.54		75,000	Millicom International Cellular	3,238	0.63
		Real Estate – 1.24% (March 2009 – 0.92%)					Total Luxembourg	3,238	0.63
	5,000,000	Champion Real Estate Investment Trust	1,154	0.22	MEXICO (2.12%, March 2009 – 0.95%)				
	600,000	Sun Hung Kai Properties	5,224	1.02			Telecommunication Services – 2.12% (March 2009 – 0.95%)		
		Total Hong Kong	9,141	1.78		400,000	America Movil SAB ADR	10,882	2.12
INDIA (0.88%, March 2009 – 0.00%)							Total Mexico	10,882	2.12
		Banks – 0.88% (March 2009 – 0.00%)			NETHERLANDS (2.11%, March 2009 – 0.49%)				
	100,000	State Bank of India GDR	4,515	0.88			Insurance – 1.20% (March 2009 – 0.00%)		
		Total India	4,515	0.88		650,000	ING Groep NV	6,171	1.20
INDONESIA (1.20%, March 2009 – 0.00%)							Life Assurance – 0.26% (March 2009 – 0.00%)		
		Banks – 0.72% (March 2009 – 0.00%)				300,000	Aegon	1,347	0.26
	8,500,000	Bank Rakyat Indonesia	3,703	0.72			Oil & Gas – 0.65% (March 2009 – 0.49%)		
		Gas Distribution – 0.48% (March 2009 – 0.00%)				100,000	Fugro NV	3,314	0.65
	12,000,000	Perusahaan Gas Negara	2,433	0.48			Total Netherlands	10,832	2.11
		Total Indonesia	6,136	1.20	PERU (0.68%, March 2009 – 0.43%)				
JAPAN (6.10%, March 2009 – 6.88%)							Mining – 0.68% (March 2009 – 0.43%)		
		Automobiles & Parts – 0.37% (March 2009 – 1.07%)				200,000	Compania de Minas Buenaventura ADR	3,499	0.68
	100,000	Honda Motor	1,914	0.37			Total Peru	3,499	0.68
		Chemicals – 1.09% (March 2009 – 0.00%)			PORTUGAL (0.35%, March 2009 – 0.37%)				
	150,000	Shin-Etsu Chemical	5,584	1.09			Oil & Gas – 0.35% (March 2009 – 0.37%)		
		Electronic & Electrical Equipment – 0.77% (March 2009 – 0.35%)				200,000	Galp Energia SGPS	1,815	0.35
	170,000	Canon	3,937	0.77			Total Portugal	1,815	0.35
		Engineering & Machinery – 0.00% (March 2009 – 0.46%)			REPUBLIC OF IRELAND (0.74%, March 2009 – 0.00%)				
		Real Estate – 1.03% (March 2009 – 1.52%)					Support Services – 0.74% (March 2009 – 0.00%)		
	500,000	Mitsubishi Estate	5,277	1.03		180,000	Accenture	3,796	0.74
		Software & Computer Services – 0.50% (March 2009 – 1.76%)					Total Republic of Ireland	3,796	0.74
	16,000	Nintendo	2,552	0.50	SINGAPORE (0.64%, March 2009 – 0.95%)				
		Speciality & Other Finance – 1.17% (March 2009 – 0.68%)					Banks – 0.64% (March 2009 – 0.95%)		
	625	Osaka Securities Exchange	1,730	0.33		600,000	DBS Group Holdings	3,282	0.64
	2,500	Sony Financial Holdings	4,322	0.84			Total Singapore	3,282	0.64
		Telecommunication Services – 1.17% (March 2009 – 1.04%)			SOUTH KOREA (2.92%, March 2009 – 0.63%)				
	1,700	KDDI	5,995	1.17			Banks – 0.96% (March 2009 – 0.00%)		
		Total Japan	31,311	6.10		183,206	KB Financial Group	4,910	0.96

Global Select Fund

Portfolio statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
	Information Technology Hardware – 1.41% (March 2009 – 0.63%)				General Retailers – 0.00% (March 2009 – 0.65%)		
19,000	Samsung Electronics	7,249	1.41				
	Software & Computer Services – 0.55% (March 2009 – 0.00%)				Investment Companies – 0.89% (March 2009 – 0.00%)		
35,000	NHN	2,798	0.55	1,500,000	3i Group	4,584	0.89
	Total South Korea	14,957	2.92		Oil & Gas – 3.01% (March 2009 – 3.07%)		
				600,000	BG Group	6,150	1.20
				850,000	Tullow Oil	9,282	1.81
					Software & Computer Services – 0.52% (March 2009 – 1.08%)		
				200,000	Autonomy	2,656	0.52
					Telecommunication Services – 1.31% (March 2009 – 1.63%)		
				5,000,000	Vodafone Group	6,720	1.31
					Total United Kingdom	49,984	9.75
SPAIN (1.61%, March 2009 – 1.51%)				UNITED STATES OF AMERICA (42.68%, March 2009 – 48.56%)			
	Banks – 1.10% (March 2009 – 0.00%)				Aerospace & Defence – 1.21% (March 2009 – 0.00%)		
600,000	Banco Santander	5,660	1.10	135,000	Lockheed Martin	6,184	1.21
	General Retailers – 0.51% (March 2009 – 0.45%)				Banks – 5.97% (March 2009 – 2.04%)		
80,000	Inditex	2,596	0.51	1,000,000	Bank of America	10,387	2.02
	Telecommunication Services – 0.00% (March 2009 – 1.06%)			2,500,000	Citigroup	7,363	1.44
	Total Spain	8,256	1.61	500,000	J.P. Morgan Chase	12,876	2.51
					Beverages – 1.18% (March 2009 – 3.07%)		
				200,000	Coca-Cola	6,079	1.18
					Diversified Industrials – 0.00% (March 2009 – 0.64%)		
SWITZERLAND (6.88%, March 2009 – 8.99%)					Engineering & Machinery – 0.87% (March 2009 – 1.07%)		
	Chemicals – 1.26% (March 2009 – 1.24%)			165,000	Thermo Electron	4,488	0.87
45,000	Syngenta Registered	6,461	1.26		Food & Drug Retailers – 0.55% (March 2009 – 1.05%)		
	Food Producers & Processors – 2.45% (March 2009 – 3.74%)			125,000	CVS Caremark	2,828	0.55
500,000	Nestle Registered	12,592	2.45		Forestry & Paper – 0.38% (March 2009 – 0.42%)		
	Pharmaceuticals & Biotechnology – 3.17% (March 2009 – 4.01%)			110,000	Plum Creek Timber Company	1,938	0.38
270,000	Novartis	7,635	1.49		General Retailers – 3.80% (March 2009 – 4.21%)		
90,000	Roche Holding	8,594	1.68	360,000	Ebay	4,795	0.93
	Total Switzerland	35,282	6.88	460,000	Lowe's	6,052	1.18
				80,000	Wal Mart Stores	2,514	0.49
				300,000	Walgreen	6,177	1.20
TAIWAN (0.56%, March 2009 – 0.00%)							
	Information Technology Hardware – 0.56% (March 2009 – 0.00%)						
2,500,000	Taiwan Semiconductor	2,866	0.56				
	Total Taiwan	2,866	0.56				
UNITED KINGDOM (9.75%, March 2009 – 8.33%)							
	Banks – 2.02% (March 2009 – 0.54%)						
1,583,734	HSBC Holdings	10,332	2.02				
	Electricity – 0.75% (March 2009 – 0.51%)						
1,400,000	International Power	3,857	0.75				
	Engineering & Machinery – 0.29% (March 2009 – 0.00%)						
234,833	Weir Group	1,502	0.29				
	Food & Drug Retailers – 0.96% (March 2009 – 0.85%)						
1,300,000	Tesco	4,901	0.96				

Global Select Fund

Portfolio statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
	Health – 1.76% (March 2009 – 2.29%)				Steel & Other Metals – 0.61% (March 2009 – 0.38%)		
150,000	Aetna	2,679	0.52	200,000	Cliffs Natural Resources	3,108	0.61
130,000	Humana	2,987	0.58		Support Services – 0.52% (March 2009 – 0.67%)		
80,000	Laboratory Corporation of America Holdings	3,383	0.66	170,000	Republic Services	2,682	0.52
	Information Technology Hardware – 5.41% (March 2009 – 2.25%)				Telecommunication Services – 0.00% (March 2009 – 0.76%)		
130,000	American Tower	2,641	0.51		Transport – 2.04% (March 2009 – 0.53%)		
50,000	Apple	5,180	1.01		Norfolk Southern	7,880	1.54
400,000	Cisco Systems	5,313	1.04	270,000	Union Pacific	2,566	0.50
1,300,000	Dell	12,411	2.42		Total United States of America	218,896	42.68
80,000	Qualcomm	2,225	0.43		Total Value of Investments	510,558	99.54
	Insurance – 2.65% (March 2009 – 2.97%)				Net Other Assets (March 2009 – 3.09%)	2,382	0.46
100,000	AON	2,548	0.50		Net Assets	512,940	100.00
500,000	Hartford Financial Services Group	6,748	1.32				
140,000	Travelers	4,265	0.83				
	Media & Photography – 2.18% (March 2009 – 2.17%)						
320,000	Directv Group	4,874	0.95				
400,000	Walt Disney	6,304	1.23				
	Mining – 0.42% (March 2009 – 0.49%)						
200,000	Arch Coal	2,132	0.42				
	Oil & Gas – 2.32% (March 2009 – 2.83%)						
90,000	Devon Energy	3,380	0.66				
115,000	Ensco International	2,609	0.51				
150,000	Noble	3,238	0.63				
240,000	Valero Energy	2,680	0.52				
	Personal Care & Household Products – 0.00% (March 2009 – 1.76%)						
	Pharmaceuticals & Biotechnology – 3.56% (March 2009 – 6.69%)						
130,000	Gilead Sciences	3,648	0.71				
300,000	Johnson & Johnson	11,006	2.15				
78,540	Merck & Co	1,466	0.29				
125,000	Schering-Plough	2,089	0.41				
	Real Estate – 0.48% (March 2009 – 0.00%)						
120,000	SL Green Realty	2,451	0.48				
	Software & Computer Services – 6.09% (March 2009 – 11.87%)						
30,000	Google	8,406	1.64				
140,000	IBM	10,005	1.95				
500,000	Microsoft	7,494	1.46				
400,000	Oracle	5,347	1.04				
	Speciality & Other Finance – 0.68% (March 2009 – 0.40%)						
35,000	Goldman Sachs Group	3,470	0.68				

The calculation of the % Net Asset Value may not add up due to rounding.

Global Bond Fund

Portfolio statement

as at 7th September 2009

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
AUSTRALIA (8.63%, March 2009 – 8.25%)				ITALY (2.64%, March 2009 – 0.58%)			
	AAA (8.63%, March 2009 – 8.25%)				A+ (2.64%, March 2009 – 0.58%)		
AUD 50,000,000	Treasury Corporation of Victoria 5.5% 15/09/2010	26,359	8.63	EUR 7,000,000	Buoni Poliennali Del Tes 3.5% 01/06/2014	6,246	2.05
	Total Australia	26,359	8.63	JPY 275,000,000	Republic of Italy 1.8% 23/02/2010	1,809	0.59
AUSTRIA (4.71%, March 2009 – 7.72%)					Total Italy	8,055	2.64
	AAA (0.54%, March 2009 – 3.25%)			JAPAN (5.92%, March 2009 – 7.00%)			
JPY 250,000,000	Oesterreichische Kontrollbank 1.8% 22/03/2010	1,647	0.54		Aa2 (5.92%, March 2009 – 0.00%)		
	Aaa (4.17%, March 2009 – 3.98%)			JPY 3,000,000,000	Japan Government 1.393% 10/06/2018	18,095	5.92
JPY 1,950,000,000	Pfandbrief Der Oester Lands Hypobank 1.6% 15/02/2011	12,733	4.17		Aa3 (0.00%, March 2009 – 7.00%)		
	Aa3 (0.00%, March 2009 – 0.49%)				Total Japan	18,095	5.92
	Total Austria	14,380	4.71	LUXEMBOURG (5.88%, March 2009 – 5.39%)			
CAYMAN ISLANDS (0.00%, March 2009 – 0.50%)					AAA (0.00%, March 2009 – 0.99%)		
	BBB+ (0.00%, March 2009 – 0.50%)				BBB (5.88%, March 2009 – 4.40%)		
	Total Cayman Islands	–	–	JPY 100,000,000	Gaz Capital 2.63% 15/11/2010	538	0.17
CANADA (1.18%, March 2009 – 0.00%)				JPY 3,000,000,000	Gaz Capital 2.89% 15/11/2012	17,440	5.71
	AAAe (1.18%, March 2009 – 0.00%)				Total Luxembourg	17,978	5.88
USD 6,000,000	Canada Government 2.375% 10/09/2014	3,623	1.18	MEXICO (0.00%, March 2009 – 2.42%)			
	Total Canada	3,623	1.18		A+ (0.00%, March 2009 – 2.42%)		
FINLAND (3.06%, March 2009 – 0.00%)					Total Mexico	–	–
	AAA (3.06%, March 2009 – 0.00%)			NETHERLANDS (4.41%, March 2009 – 6.59%)			
EUR 10,000,000	Finnish Government 4.25% 04/07/2015	9,359	3.06		AAA (0.00%, March 2009 – 6.59%)		
	Total Finland	9,359	3.06		Aaa (4.41%, March 2009 – 0.00%)		
FRANCE (11.92%, March 2009 – 10.67%)				EUR 15,000,000	Netherlands Government 4% 15/07/2019	13,476	4.41
	AAA (11.92%, March 2009 – 10.67%)				Total Netherlands	13,476	4.41
JPY 3,000,000,000	Cie Financement Foncier 1.25% 01/12/2011	19,648	6.43	NORWAY (2.74%, March 2009 – 2.98%)			
EUR 20,000,000	Government of France 4% 25/04/2055	16,791	5.49		AAA (2.74%, March 2009 – 2.98%)		
	Total France	36,439	11.92	NOK 80,000,000	Kommunalbanken 5.25% 10/11/2010	8,375	2.74
GERMANY (15.81%, March 2009 – 1.66%)					Total Norway	8,375	2.74
	AAA (15.81%, March 2009 – 1.66%)			POLAND (2.11%, March 2009 – 1.43%)			
EUR 49,500,000	Bundesrepublik Deutschland 4.75% 04/07/2040	48,328	15.81		A (0.00%, March 2009 – 0.99%)		
	Total Germany	48,328	15.81		A- (2.11%, March 2009 – 0.44%)		
INDIA (2.19%, March 2009 – 1.99%)				JPY 1,000,000,000	Republic of Poland 0.84% 09/07/2010	6,451	2.11
	BBB- (2.19%, March 2009 – 1.99%)				Total Poland	6,451	2.11
JPY 1,100,000,000	Indian Railway Finance 1.91% 23/02/2012	6,679	2.19				
	Total India	6,679	2.19				

Global Bond Fund

Portfolio statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
REPUBLIC OF IRELAND (0.00%, March 2009 – 4.30%)			
AAA (0.00%, March 2009 – 4.30%)			
Not Rated (0.00%, March 2009 – 0.00%)			
EUR	175		
	Smurfit Kappa Funding Warrants		
	30/09/2013	–	–
	Total Republic of Ireland	–	–
SLOVAKIA (3.33%, March 2009 – 0.00%)			
A+ (3.33%, March 2009 – 0.00%)			
EUR	11,300,000		
	Slovak Republic 4.375%		
	21/01/2015	10,169	3.33
	Total Slovakia	10,169	3.33
SLOVENIA (0.85%, March 2009 – 0.00%)			
AAe (0.85%, March 2009 – 0.00%)			
EUR	3,000,000		
	Republica Slovenija 4.625%		
	09/09/2024	2,611	0.85
	Total Slovenia	2,611	0.85
SWEDEN (3.32%, March 2009 – 8.88%)			
AAA (3.32%, March 2009 – 2.86%)			
NOK	100,000,000		
	Kommuninvest 1.57%		
	12/11/2010	10,138	3.32
Aaa (0.00%, March 2009 – 6.02%)			
	Total Sweden	10,138	3.32
UNITED KINGDOM (4.46%, March 2009 – 13.80%)			
AAA (3.54%, March 2009 – 11.17%)			
GBP	1,000,000		
	UK Treasury 2.25% 07/03/2014	982	0.32
GBP	9,000,000		
	UK Treasury 4.25% 07/12/2030	9,824	3.22
A+ (0.92%, March 2009 – 1.17%)			
CAD	5,000,000		
	Nationwide Building Society		
	0.65286% 18/11/2009	2,811	0.92
A– (0.00%, March 2009 – 1.46%)			
Not Rated (0.00%, March 2009 – 0.00%)			
EUR	500		
	Jazztel Warrants 15/07/2010	–	–
	Total United Kingdom	13,617	4.46
UNITED STATES OF AMERICA (17.79%, March 2009 – 16.68%)			
AAA (17.62%, March 2009 – 14.61%)			
GBP	1,800,000		
	Pfizer 6.5% 03/06/2038	2,138	0.70
USD	65,000,000		
	USTreasury 4.25% 15/05/2039	39,429	12.90
USD	20,000,000		
	USTreasury N/B 1.75%		
	15/08/2012	12,278	4.02
AA Ae (0.00%, March 2009 – 1.09%)			
A (0.17%, March 2009 – 0.98%)			
USD	800,000		
	Coca-Cola Enterprises 4.25%		
	01/03/2015	511	0.17
	Total United States of America	54,356	17.79

Holding	Investment	Value £000	% of Net Asset Value
DERIVATIVES ((0.32%), March 2009 – 0.85%)			
Forward Foreign Exchange Contracts – (0.34%)			
(March 2009 – 0.85%)			
	Sell AUD 48,000,000		
	Buy GBP 24,613,162	(296)	(0.10)
	Sell GBP 38,771,216		
	Buy EUR 44,000,000	(365)	(0.12)
	Sell GBP 109,685,611		
	Buy USD 177,000,000	(2,006)	(0.65)
	Sell JPY 13,000,000,000		
	Buy GBP 86,712,798	1,691	0.55
	Sell NOK 185,000,000		
	Buy GBP 18,735,243	(50)	(0.02)
Futures & Options – 0.02%			
(March 2009 – 0.00%)			
	Japanese 10 Year Bond Future (TSE)		
	Expiring December 2009	47	0.02
	Total Derivatives	(979)	(0.32)
Total Value of Investments		307,509	100.63
Net Other Liabilities (March 2009 – (1.69%))		(1,922)	(0.63)
Net Assets		305,587	100.00
ANALYSIS OF INVESTMENTS BY ASSET CLASS			
	Fixed Interest	277,444	90.22
	Floating Rate Notes	31,044	10.10
	Derivatives	(979)	(0.32)
Total Value of Investments		307,509	100.00

ANALYSIS OF INVESTMENTS BY CREDIT RATINGS

	Value £000
AAA	205,296
AAAe	3,623
Aaa	26,209
Aae	2,611
Aa2	18,095
A+	21,035
A	511
A–	6,451
BBB	17,978
BBB–	6,679
Not Rated	–
Total Bonds	308,488
Derivatives	(979)
Total Value of Investments	307,509

The calculation of the % Net Asset Value may not add up due to rounding.

UK Institutional Fund

Portfolio statement

(continued)

		Value £000	% of Net Asset Value			Value £000	% of Net Asset Value	
Holding	Investment			Holding	Investment			
Investment Companies – 2.16% (March 2009 – 0.49%)				Engineering & Machinery – 1.80% (March 2009 – 1.64%)				
9,284,064	3i Group	28,372	1.95	356,428	Amec	2,661	0.18	
3,346,750	Govett Strategic Investment Trust	–	–	132,000	Charter International	795	0.06	
3,341,483	Resolution	3,032	0.21	57,000	Cookson Group	230	0.02	
				512,000	Fenner	689	0.05	
				800,000	Halma	1,609	0.11	
				1,509,300	Melrose	2,418	0.17	
8,656,336	Friends Provident Group	7,072	0.49	162,000	Rotork	1,578	0.11	
8,181,143	Legal & General	6,001	0.41	340,000	Severfield-Rowen	626	0.04	
2,322,467	Prudential	12,727	0.88	189,000	Spirax Sarco Engineering	1,830	0.13	
427,000	St. James’s Place	966	0.07	2,113,759	Weir Group	13,517	0.93	
					Total General Industrials	75,593	5.21	
Real Estate – 1.93% (March 2009 – 0.57%)				INFORMATION TECHNOLOGY (2.39%, March 2009 – 2.65%)				
119,000	Derwent Valley Holdings	1,387	0.10		Information Technology Hardware – 0.25% (March 2009 – 0.17%)			
73,000	Development Securities	235	0.02		200,000	Cambridge Silicon Radio	950	0.07
134,985	Development Securities – Referred	428	0.03	1,355,000	Spirent Communications	1,111	0.08	
412,000	Grainger Trust	1,126	0.08	300,000	Telecity Group	1,040	0.07	
3,292,261	Hammerson	13,534	0.93	320,000	Wolfson Microelectronics	457	0.03	
3,230,000	Hansteen Holdings	2,794	0.19		Software & Computer Services – 2.14% (March 2009 – 2.48%)			
360,000	Helical Bar	1,345	0.09	1,504,189	Autonomy	19,976	1.38	
327,942	London & Stamford	412	0.03	137,000	Aveva Group	1,172	0.08	
410,000	LSL Property Services	808	0.06	172,813	Fidessa Group	1,949	0.13	
1,131,188	Regus	1,199	0.08	255,000	Micro Focus International	972	0.07	
265,000	Savills	942	0.06	2,914,344	Misys	5,234	0.36	
1,033,332	Shaftesbury	3,803	0.26	210,000	Phoenix IT Group	474	0.03	
				830,000	RM	1,316	0.09	
Speciality & Other Finance – 0.99% (March 2009 – 0.70%)				Total Information Technology				
960,000	Aberdeen Asset Management	1,301	0.09			34,651	2.39	
429,251	Bluebay Asset Management	1,180	0.08	NON-CYCLICAL CONSUMER GOODS (16.28%, March 2009 – 20.18%)				
1,154,424	ICAP	4,918	0.34	Food Producers & Processors – 0.00% (March 2009 – 0.48%)				
1,419,714	Intermediate Capital	4,075	0.28	Health – 0.16% (March 2009 – 0.17%)				
200,000	Rathbone Brothers	1,717	0.12	245,000	Care UK	625	0.04	
1,290,485	Record	1,161	0.08	235,000	Dechra Pharmaceuticals	997	0.07	
Total Financials				135,000	Synergy Healthcare	721	0.05	
		279,200	19.23	Personal Care & Household Products – 2.93% (March 2009 – 3.92%)				
GENERAL INDUSTRIALS (5.21%, March 2009 – 6.25%)				1,121,830	Reckitt Benckiser	32,982	2.27	
Aerospace & Defence – 2.37% (March 2009 – 4.10%)				1,677,566	SSL International	9,638	0.66	
7,467,194	BAE Systems	24,313	1.68	Pharmaceuticals & Biotechnology – 10.55% (March 2009 – 10.05%)				
136,000	Chemring Group	2,993	0.21	2,038,857	AstraZeneca	56,762	3.91	
1,365,120	Meggitt	2,945	0.20	6,238,079	GlaxoSmithKline	74,202	5.11	
180,000	Ultra Electronic	2,367	0.16	2,138,460	Shire	22,176	1.53	
335,000	VT Group	1,811	0.12					
Diversified Industrials – 0.06% (March 2009 – 0.06%)								
225,000	New Britain Palm Oil	866	0.06					
Electronic & Electrical Equipment – 0.98% (March 2009 – 0.45%)								
1,194,932	Chloride Group	1,768	0.12					
2,747,057	Invensys	8,030	0.55					
640,000	Laird Group	1,078	0.07					
263,000	Oxford Instruments	460	0.03					
910,000	PV Crystalox Solar	687	0.05					
221,612	Renishaw	1,143	0.08					
172,000	Spectris	1,179	0.08					

UK Institutional Fund

Portfolio statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
	Tobacco – 2.64% (March 2009 – 5.56%)		
1,970,941	British American Tobacco	38,256	2.64
	Total Non-Cyclical Consumer Goods	236,359	16.28

NON-CYCLICAL SERVICES (9.65%, March 2009 – 14.76%)

	Food & Drug Retailers – 3.80% (March 2009 – 4.68%)		
7,958,126	Morrison Supermarkets	22,832	1.58
8,557,308	Tesco	32,261	2.22
	Telecommunication Services – 5.85% (March 2009 – 10.08%)		
5,127,573	Cable & Wireless	7,358	0.51
57,706,846	Vodafone Group	77,558	5.34
	Total Non-Cyclical Services	140,009	9.65

RESOURCES (28.64%, March 2009 – 26.49%)

	Mining – 8.89% (March 2009 – 4.96%)		
394,621	Aquarius Platinum	1,093	0.08
480,407	BHP Billiton	7,771	0.54
2,032,581	Fresnillo	13,750	0.95
119,000	Gem Diamonds	312	0.02
507,600	Kirkland Lake Gold	2,919	0.20
775,367	Lonmin	12,848	0.89
2,036,758	Rio Tinto	49,778	3.43
459,802	Talvivaara Mining	1,754	0.12
4,542,302	Xstrata	38,587	2.66
	Oil & Gas – 19.75% (March 2009 – 21.53%)		
5,459,010	BG Group	55,955	3.85
19,502,299	BP	104,932	7.23
107,000	Dana Petroleum	1,469	0.10
220,000	Heritage Oil	1,151	0.08
267,000	Hunting	1,338	0.09
1,006,740	Premier Oil	12,604	0.87
3,628,925	Royal Dutch Shell 'B' Shares	59,877	4.12
693,898	Salamander Energy	1,368	0.09
4,336,532	Tullow Oil	47,355	3.26
170,000	Wellstream Holdings	905	0.06
	Total Resources	415,766	28.64

UTILITIES (2.57%, March 2009 – 4.27%)

	Electricity – 1.42% (March 2009 – 2.81%)		
2,417,942	National Grid	14,350	0.99
552,698	Scottish & Southern Energy	6,229	0.43
	Water – 1.15% (March 2009 – 1.46%)		
1,565,551	Northumbrian Water Group	3,734	0.25
2,793,071	Pennon Group	13,049	0.90
	Total Utilities	37,362	2.57

Total Value of Investments	1,456,427	100.33
Net Other (Liabilities)/Assets (March 2009 – 0.26%)	(4,744)	(0.33)
Net Assets	1,451,683	100.00

The calculation of the % Net Asset Value may not add up due to rounding.

UK Overseas Earnings Fund

Portfolio statement

as at 7th September 2009

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
BASIC INDUSTRIES (0.00%, March 2009 – 0.27%)				Life Assurance – 1.69% (March 2009 – 1.53%)			
	Forestry & Paper – 0.00%			1,503,223	Legal & General	1,103	1.06
	(March 2009 – 0.27%)			120,000	Prudential	658	0.63
	Total Basic Industries	–	–				
COLLECTIVE INVESTMENT SCHEMES (0.00%, March 2009 – 0.68%)				Real Estate – 0.00% (March 2009 – 0.71%)			
	Total Collective Investment Schemes	–	–				
CYCLICAL SERVICES (18.88%, March 2009 – 12.03%)				Speciality & Other Finance – 1.78% (March 2009 – 0.00%)			
	General Retailers – 2.98% (March 2009 – 0.18%)			515,000	IG Group Holdings	1,850	1.78
43,635	Halfords Group	144	0.14		Total Financials	16,820	16.17
775,000	Kesa Electricals	1,149	1.10				
106,500	Next	1,811	1.74				
	Media & Photography – 4.91% (March 2009 – 6.75%)			GENERAL INDUSTRIALS (14.79%, March 2009 – 9.23%)			
340,000	Daily Mail & General Trust	1,344	1.29		Aerospace & Defence – 7.22% (March 2009 – 5.77%)		
195,500	Pearson	1,451	1.39	805,000	BAE Systems	2,621	2.52
337,517	Reed Elsevier	1,520	1.46	1,145,000	Cobham	2,407	2.31
170,875	United Business Media	798	0.77	224,771	Smiths Group	1,887	1.82
	Support Services – 8.98% (March 2009 – 4.08%)			110,000	VT Group	595	0.57
90,000	Aggreko	599	0.58		Electronic & Electrical Equipment – 0.83% (March 2009 – 0.28%)		
245,922	Babcock International Group	1,276	1.23	510,000	Laird Group	859	0.83
60,333	De La Rue	550	0.53		Engineering & Machinery – 6.74% (March 2009 – 3.18%)		
545,000	Diploma	826	0.79	170,000	Amec	1,269	1.22
100,000	Experian Group	504	0.48	93,117	IMI	428	0.41
1,271,603	Filtrona	2,087	2.01	1,520,682	Melrose	2,436	2.34
445,456	John Menzies	1,506	1.45	905,000	Morgan Crucible	1,392	1.34
800,000	Rentokil Initial	906	0.87	233,000	Weir Group	1,490	1.43
510,000	RPS Group	1,078	1.04		Total General Industrials	15,384	14.79
	Transport – 2.01% (March 2009 – 1.02%)			INFORMATION TECHNOLOGY (1.11%, March 2009 – 0.86%)			
80,000	Go Ahead Group	1,129	1.08		Software & Computer Services – 1.11% (March 2009 – 0.86%)		
435,000	Wincanton	966	0.93	59,797	Autonomy	794	0.76
	Total Cyclical Services	19,644	18.88	40,000	Aveva Group	342	0.33
				131,998	Blinkx	19	0.02
FINANCIALS (16.17%, March 2009 – 8.51%)					Total Information Technology	1,155	1.11
	Banks – 9.23% (March 2009 – 3.50%)			NON-CYCLICAL CONSUMER GOODS (17.11%, March 2009 – 24.09%)			
985,000	Barclays	3,540	3.40		Food Producers & Processors – 1.02% (March 2009 – 2.38%)		
689,051	HSBC	4,551	4.38	63,500	Unilever	1,060	1.02
570,000	Lloyds TSB Group	603	0.58		Health – 0.00% (March 2009 – 0.55%)		
66,342	Standard Chartered	908	0.87		Personal Care & Household Products – 0.00% (March 2009 – 0.60%)		
	Insurance – 1.48% (March 2009 – 2.55%)				Pharmaceuticals & Biotechnology – 11.10% (March 2009 – 13.39%)		
1,220,000	Royal & Sun Alliance	1,536	1.48	154,000	AstraZeneca	4,287	4.12
	Investment Companies – 1.99% (March 2009 – 0.22%)			469,550	GlaxoSmithKline	5,585	5.37
677,577	3i Group	2,071	1.99	162,000	Shire	1,680	1.61

UK Overseas Earnings Fund

Portfolio statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
	Tobacco – 4.99% (March 2009 – 7.17%)		
150,500	British American Tobacco	2,921	2.81
130,312	Imperial Tobacco Group	2,270	2.18
	Total Non-Cyclical Consumer Goods	17,803	17.11
NON-CYCLICAL SERVICES (8.09%, March 2009 – 13.09%)			
	Food & Drug Retailers – 3.16% (March 2009 – 4.82%)		
871,000	Tesco	3,284	3.16
	Telecommunication Services – 4.93% (March 2009 – 8.27%)		
3,814,161	Vodafone Group	5,126	4.93
	Total Non-Cyclical Services	8,410	8.09
RESOURCES (20.76%, March 2009 – 21.08%)			
	Mining – 6.80% (March 2009 – 2.01%)		
120,000	Hochschild Mining	346	0.33
45,000	Lonmin	746	0.72
131,074	Rio Tinto	3,203	3.08
326,800	Xstrata	2,776	2.67
	Oil & Gas – 13.96% (March 2009 – 19.07%)		
443,700	BG Group	4,548	4.37
850,163	BP	4,574	4.40
231,091	Royal Dutch Shell 'B' Shares	3,813	3.66
146,005	Tullow Oil	1,594	1.53
	Total Resources	21,600	20.76
UTILITIES (2.61%, March 2009 – 9.28%)			
	Electricity – 1.53% (March 2009 – 7.07%)		
90,000	National Grid	534	0.51
94,609	Scottish & Southern Energy	1,066	1.02
	Gas Distribution – 0.00% (March 2009 – 1.06%)		
	Water – 1.08% (March 2009 – 1.15%)		
239,484	Pennon Group	1,119	1.08
	Total Utilities	2,719	2.61
DERIVATIVES (0.00%, March 2009 – (0.02%))			
	Forward Foreign Exchange Contracts – 0.00% (March 2009 – (0.02%))		
	Total Derivatives	–	–
Total Value of Investments		103,535	99.52
Net Other Assets (March 2009 – 0.90%)		497	0.48
Net Assets		104,032	100.00

The calculation of the % Net Asset Value may not add up due to rounding.

Comparative Tables

	Net asset value of share class £000	Net asset value per share	Shares in issue	Calendar Year	Net income per share p	Net income per £1,000 invested at 2nd January 2004 £	Highest share price p	Lowest share price p
UK Fund								
for the year ending 7th March 2007				2004				
Class 1	635,114	75.34p	843,037,829	Class 1	0.7372	14.14	57.40	50.54
Class 2	709,465	75.40p	940,961,833	Class 2	1.0519	20.13	57.52	50.69
for the year ending 7th March 2008				2005				
Class 1	564,358	76.16p	740,973,411	Class 1	0.9188	17.62	68.54	57.09
Class 2	627,941	76.21p	823,943,911	Class 2	1.2616	24.15	68.71	57.16
for the year ending 7th March 2009				2006				
Class 1	368,818	49.47p	745,599,151	Class 1	0.8535	16.37	77.41	68.02
Class 2	361,963	49.46p	731,787,318	Class 2	1.3042	24.96	77.62	68.20
for the period ending 7th September 2009				2007				
Class 1	506,918	66.68p	760,204,300	Class 1	1.0815	20.74	84.75	73.22
Class 2	488,215	66.70p	731,915,856	Class 2	1.5839	30.31	84.89	73.49
				2008				
				Class 1	1.2455	23.89	84.04	48.47
				Class 2	1.7168	32.86	84.28	48.54
				†Class 1	1.3001	24.93	67.61	49.24
				†Class 2	1.6777	32.11	67.82	49.24
				†To 7th September 2009				
				Income shares only available				
UK Select Fund				2004				
for the year ending 7th March 2007				Class 1	0.3347	6.48	57.99	49.11
Class 1	182,368	75.14p	242,711,867	Class 2	0.4960	9.58	58.14	49.38
Class 2	50,693	75.38p	67,246,026	2005				
for the year ending 7th March 2008				Class 1	0.5566	10.77	64.01	51.85
Class 1	276,769	75.90p	364,640,347	Class 2	0.8845	17.08	64.32	52.05
Class 2	51,648	76.13p	67,839,463	2006				
for the year ending 7th March 2009				Class 1	0.5759	11.14	75.16	64.58
Class 1	196,884	49.99p	393,869,455	Class 2	1.0009	19.33	75.54	64.91
Class 2	35,632	50.10p	71,114,338	2007				
for the period ending 7th September 2009				Class 1	1.1158	21.59	85.63	73.59
Class 1	174,762	65.74p	265,827,905	Class 2	1.6182	31.25	86.00	74.06
Class 2	54,049	65.91p	81,997,805	2008				
				Class 1	0.9779	18.92	84.36	48.99
				Class 2	1.4727	28.44	84.81	49.18
				2009				
				†Class 1	1.1858	22.94	66.56	49.83
				†Class 2	1.5687	30.29	66.93	49.94
				†To 7th September 2009				
				Income shares only available				
UK Smaller Companies Fund				2004				
for the year ending 7th March 2007				Class 1	0.3032	4.60	78.33	65.76
Class 1	87,128	126.03p	69,133,852	Class 2	0.7032	10.64	78.49	65.94
Class 2	76,162	126.23p	60,336,583	2005				
for the year ending 7th March 2008				Class 1	0.3924	5.95	95.71	74.46
Class 1	68,250	108.21p	63,069,773	Class 2	0.8391	12.70	95.95	74.56
Class 2	65,369	108.51p	60,242,698	2006				
for the year ending 7th March 2009				Class 1	0.3247	4.92	124.92	96.29
Class 1	39,346	63.85p	61,626,137	Class 2	0.9122	13.81	125.36	96.53
Class 2	37,484	63.99p	58,581,325	2007				
for the period ending 7th September 2009				Class 1	0.4998	7.58	138.31	109.44
Class 1	58,570	94.47p	62,001,254	Class 2	1.1196	16.95	138.85	109.95
Class 2	57,417	94.71p	60,621,699	2008				
				Class 1	0.9918	15.04	114.18	64.10
				Class 2	1.6675	25.24	114.64	64.36
				2009				
				†Class 1	1.3650	20.70	95.80	63.41
				†Class 2	1.8764	28.40	96.31	63.55
				†To 7th September 2009				
				Income shares only available				

Comparative Tables

	Net asset value of share class £000	Net asset value per share	Shares in issue	Calendar Year	Net income per share p	Net income per £1,000 invested at 2nd January 2004 £	Highest share price p	Lowest share price p
UK Growth & Income Fund								
for the year ending 7th March 2007				2004				
Class 1	150,696	61.86p	243,589,165	Class 1	1.2743	29.13	46.64	41.67
Class 2	189,503	64.92p	291,901,814	Class 2	1.3557	30.00	48.42	43.14
for the year ending 7th March 2008								
Class 1	116,127	58.56p	198,309,737	Class 1	1.4470	33.07	55.25	45.83
Class 2	168,585	61.76p	272,962,390	Class 2	1.5489	34.28	57.65	47.65
for the year ending 7th March 2009								
Class 1	77,962	37.85p	205,953,539	Class 1	1.5454	35.32	62.55	54.49
Class 2	100,233	40.12p	249,812,613	Class 2	1.6636	36.81	65.58	56.98
for the period ending 7th September 2009								
Class 1	105,166	49.97p	210,471,114	Class 1	2.0392	46.61	67.74	59.20
Class 2	135,925	53.08p	256,072,399	Class 2	2.1909	48.48	71.21	62.29
				2008				
				Class 1	2.2959	52.48	66.37	39.46
				Class 2	2.4235	53.63	69.96	41.76
				2009				
				†Class 1	1.9983	45.68	51.14	37.57
				†Class 2	2.1546	47.68	54.34	39.81
				†To 7th September 2009				
				Income shares only available				
UK Equity Income Fund								
for the year ending 7th March 2007				2004				
Class 1 – Net income shares	287,502	68.77p	418,093,510	Class 1 – Net income shares	1.8783	38.38	53.79	47.84
Class 2 – Net income shares	101,913	72.44p	140,693,080	Class 2 – Net income shares	1.9559	38.55	56.10	49.73
for the year ending 7th March 2008								
Class 1 – Net income shares	285,144	64.27p	443,650,358	Class 1 – Net income shares	2.0694	42.28	62.30	52.70
Class 2 – Net income shares	108,016	68.04p	158,752,101	Class 2 – Net income shares	2.1976	43.31	65.30	54.99
for the year ending 7th March 2009								
Class 1 – Net income shares	248,126	43.92p	564,930,491	Class 1 – Net income shares	2.2478	45.93	71.63	60.78
Class 2 – Net income shares	135,558	46.71p	290,240,119	Class 2 – Net income shares	2.4019	47.34	75.47	63.79
for the period ending 7th September 2009								
Class 1 – Net income shares	347,465	55.12p	630,334,554	Class 1 – Net income shares	2.7765	56.73	75.01	67.12
Class 2 – Net income shares	230,181	58.77p	391,664,737	Class 2 – Net income shares	2.9732	58.60	79.15	70.89
Class 1 – Net accumulation shares	111	54.95p	202,370	2008				
				Class 1 – Net income shares	3.0074	61.45	74.06	45.58
				Class 2 – Net income shares	3.2128	63.32	78.45	48.49
				2009				
				†Class 1 – Net income shares	3.0072	61.45	56.85	43.51
				†Class 2 – Net income shares	3.2411	63.88	60.62	46.27
				\$†Class 1 – Net accumulation shares	0.9709	19.27	55.09	46.22
				†To 7th September 2009				
				Net income and net income and net accumulation shares available				
				\$Net accumulation shares commenced 8th May 2009				
UK Monthly Income Fund								
for the year ending 7th March 2007				2004				
Class 1	719,278	63.69p	1,129,363,785	Class 1	1.5625	35.89	48.39	42.34
for the year ending 7th March 2008								
Class 1	617,913	58.77p	1,051,355,640	Class 1	1.6734	38.43	56.16	48.04
for the year ending 7th March 2009								
Class 1	390,464	39.02p	1,000,749,738	Class 1	2.0579	47.26	65.01	54.70
for the period ending 7th September 2009								
Class 1	474,546	47.97p	989,315,841	Class 1	2.2512	51.70	69.21	60.99
				2008				
				Class 1	2.6592	61.07	67.01	40.61
				2009				
				†Class 1	1.9560	44.92	48.91	38.74
				†To 7th September 2009				
				Income shares only available				
Monthly Extra Income Fund								
for the year ending 7th March 2007				2004				
Class 1	119,444	61.48p	194,271,871	Class 1	0.6148	13.47	49.32	44.46
for the year ending 7th March 2008								
Class 1	109,663	55.72p	196,814,123	Class 1	1.6659	36.49	55.56	48.63
for the year ending 7th March 2009								
Class 1	74,580	38.28p	194,837,017	Class 1	2.1379	46.83	61.96	54.13
for the period ending 7th September 2009								
Class 1	98,566	48.10p	204,925,495	Class 1	2.5657	56.20	64.96	57.85
				2008				
				Class 1	2.6873	58.87	62.56	40.93
				2009				
				†Class 1	2.0919	45.82	48.67	38.27
				†To 7th September 2009				
				Income shares only available				

Comparative Tables

	Net asset value of share class £000	Net asset value per share	Shares in issue	Calendar Year	Net income per share p	Net income per £1,000 invested at 2nd January 2004 £	Highest share price p	Lowest share price p
UK Corporate Bond Fund								
for the year ending 7th March 2007				2004				
Class 1 – Net income shares	118,574	55.02p	215,493,285	Class 1 – Net income shares	1.0961	19.78	56.21	52.79
Class 1 – Gross income shares\$	14,186	55.04p	25,775,098	Class 1 – Gross income shares	0.6606	11.91	56.26	52.81
Class 2 – Net income shares	284,764	55.11p	516,700,875	Class 2 – Net income shares	1.1772	21.20	56.31	52.87
Class 2 – Gross accumulation shares\$	226,043	64.73p	349,189,567	Class 2 – Gross accumulation shares	0.7070	12.73	59.40	54.31
for the year ending 7th March 2008				2005				
Class 1 – Net income shares	105,129	50.80p	206,961,515	Class 1 – Net income shares	2.0248	36.54	57.92	54.77
Class 1 – Gross income shares\$	11,870	50.82p	23,357,073	Class 1 – Gross income shares	2.5208	45.46	58.05	54.81
Class 2 – Net income shares	192,161	50.87p	377,739,855	Class 2 – Net income shares	2.1833	39.32	58.05	54.87
Class 2 – Gross accumulation shares\$	216,564	63.09p	343,239,278	Class 2 – Gross accumulation shares	2.9171	52.52	64.13	58.61
for the year ending 7th March 2009				2006				
Class 1 – Net income shares	95,535	42.36p	225,534,186	Class 1 – Net income shares	1.4696	26.52	58.91	55.02
Class 1 – Gross income shares\$	11,363	42.43p	26,783,288	Class 1 – Gross income shares	1.8305	33.01	58.97	55.06
Class 2 – Net income shares	170,707	42.42p	402,448,733	Class 2 – Net income shares	1.6087	28.98	59.03	55.12
Class 2 – Gross accumulation shares\$	233,657	56.03p	417,042,940	Class 2 – Gross accumulation shares	2.2425	40.38	65.36	62.45
for the period ending 7th September 2009				2007				
Class 1 – Net income shares	109,588	48.71p	224,958,094	Class 1 – Net income shares	1.9853	35.83	55.82	52.17
Class 1 – Gross income shares\$	15,917	48.77p	32,635,632	Class 1 – Gross income shares	2.4710	44.56	55.95	52.19
Class 2 – Net income shares	215,088	48.79p	440,885,675	Class 2 – Net income shares	2.1589	38.89	55.95	52.25
Class 2 – Gross accumulation shares\$	294,327	66.35p	443,604,166	Class 2 – Gross accumulation shares	3.1740	57.15	65.06	62.36
<i>\$Only available to eligible investors</i>				2008				
				Class 1 – Net income shares	2.3039	41.58	53.41	44.54
				Class 1 – Gross income shares	2.8627	51.63	53.46	44.67
				Class 2 – Net income shares	2.4491	44.11	53.51	44.62
				Class 2 – Gross accumulation shares	3.7869	68.18	65.32	57.15
				2009				
				†Class 1 – Net income shares	1.5973	28.83	50.24	41.18
				†Class 1 – Gross income shares	1.9894	35.88	50.42	41.26
				†Class 2 – Net income shares	1.7068	30.74	50.35	41.24
				†Class 2 – Gross accumulation shares	2.8008	50.43	67.68	54.44

†To 7th September 2009

Net and gross income and net income and gross accumulation shares available

High Yield Bond Fund								
for the year ending 7th March 2007								
Class 1 – Net income shares	277,016	46.90p	590,622,516	Class 1 – Net income shares	2.2738	51.98	46.34	42.52
Class 1 – Gross income shares\$	2,050	46.86p	4,375,350	Class 1 – Gross income shares	2.5398	58.01	46.37	42.56
Class 2 – Net income shares	12,796	64.01p	19,990,579	Class 2 – Net income shares	3.1365	53.40	62.55	57.21
Class 2 – Gross accumulation shares\$	63,257	81.99p	77,152,984	Class 2 – Gross accumulation shares	3.4273	58.30	67.64	58.79
for the year ending 7th March 2008				2005				
Class 1 – Net income shares	291,863	40.39p	722,532,396	Class 1 – Net income shares	2.3540	53.82	46.84	43.83
Class 1 – Gross income shares\$	7,347	40.41p	18,179,184	Class 1 – Gross income shares	3.1391	71.70	46.87	43.83
Class 2 – Net income shares	10,694	55.40p	19,305,163	Class 2 – Net income shares	3.2300	54.99	63.29	59.27
Class 2 – Gross accumulation shares\$	81,197	77.04p	105,394,771	Class 2 – Gross accumulation shares	4.5143	76.79	72.82	66.16
for the year ending 7th March 2009				2006				
Class 1 – Net income shares	216,781	29.31p	739,627,411	Class 1 – Net income shares	2.7175	62.13	47.35	45.66
Class 1 – Gross income shares\$	6,809	29.45p	23,122,661	Class 1 – Gross income shares	3.3725	77.03	47.35	45.65
Class 2 – Net income shares	42,538	40.47p	105,100,680	Class 2 – Net income shares	3.7785	64.33	64.54	62.10
Class 2 – Gross accumulation shares\$	71,326	62.95p	113,309,745	Class 2 – Gross accumulation shares	5.6548	96.19	81.07	72.85
Class 2 – Gross income shares\$	670	34.96p	1,915,310	2007				
for the period ending 7th September 2009				Class 1 – Net income shares	2.7064	61.87	47.82	44.79
Class 1 – Net income shares	333,780	38.97p	856,502,103	Class 1 – Gross income shares	3.3614	76.78	47.84	44.76
Class 1 – Gross income shares\$	12,375	39.11p	31,639,928	Class 2 – Net income shares	3.7692	64.17	65.35	61.36
Class 2 – Net income shares	70,940	53.95p	131,492,971	Class 2 – Gross accumulation shares	6.0823	103.46	84.67	81.12
Class 2 – Gross accumulation shares\$	102,566	87.91p	116,678,489	2008				
Class 2 – Gross income shares\$	2,381	46.55p	5,114,306	Class 1 – Net income shares	3.2262	73.76	44.96	29.04
\$Only available to eligible investors				Class 1 – Gross income shares	4.0379	92.23	44.98	29.19
				Class 2 – Net income shares	4.4855	76.36	61.61	40.06
				Class 2 – Gross accumulation shares	7.8545	133.60	83.83	60.38
				\$Class 2 – Gross income shares	2.3382	46.76	50.11	34.62
				2009				
				†Class 1 – Net income shares	2.1225	48.53	39.67	29.31
				†Class 1 – Gross income shares	2.6369	60.23	39.87	29.45
				†Class 2 – Net income shares	2.9639	50.46	54.93	40.47
				†Class 2 – Gross accumulation shares	5.7438	97.70	88.93	61.93
				\$†Class 2 – Gross income shares	3.1768	63.54	47.47	34.93

†To 7th September 2009

Net and gross income and gross income and accumulation and net income shares available

§Gross income shares commenced 11th June 2008

Comparative Tables

	Net asset value of share class £000	Net asset value per share	Shares in issue	Calendar Year	Net income per share p	Net income per £1,000 invested at 2nd January 2004 £	Highest share price p	Lowest share price p
Strategic Bond Fund								
for the year ending 7th March 2007								
Class 1 – Net income shares	298,001	51.43p	579,421,665	2004	0.8796	17.05	52.90	49.67
Class 1 – Gross income shares§	6,361	51.48p	12,356,040	Class 1 – Gross income shares	0.7994	15.49	53.00	49.76
Class 2 – Net income shares	33,946	52.81p	64,278,578	Class 2 – Net income shares	0.9094	17.49	53.73	50.31
Class 2 – Gross accumulation shares§	170,964	64.83p	263,721,961	Class 2 – Gross accumulation shares	0.8240	15.80	57.43	51.85
for the year ending 7th March 2008								
Class 1 – Net income shares	235,276	46.21p	509,140,707	2005	2.1480	41.64	53.32	51.72
Class 1 – Gross income shares§	7,352	46.29p	15,882,785	Class 1 – Gross income shares	2.6765	51.86	53.43	51.79
Class 2 – Net income shares	28,019	47.68p	58,766,131	Class 2 – Net income shares	2.2185	42.67	54.34	52.62
Class 2 – Gross accumulation shares§	153,255	62.57p	244,934,852	Class 2 – Gross accumulation shares	3.0501	58.48	61.77	57.27
for the year ending 7th March 2009								
Class 1 – Net income shares	166,819	36.15p	461,461,787	2006	2.5285	49.02	53.72	51.29
Class 1 – Gross income shares§	27,474	36.30p	75,689,973	Class 1 – Gross income shares	3.1504	61.04	53.80	51.36
Class 2 – Net income shares	18,289	37.48p	48,791,791	Class 2 – Net income shares	2.6516	51.00	54.86	52.47
Class 2 – Gross accumulation shares§	115,118	53.52p	215,100,395	Class 2 – Gross accumulation shares	3.3538	73.88	64.76	61.55
Class 2 – Gross income shares§	535	39.68p	1,349,398	2007	2.4697	47.88	51.97	48.57
for the period ending 7th September 2009								
Class 1 – Net income shares	199,002	43.92p	453,062,378	Class 1 – Gross income shares	3.0721	59.53	52.06	48.64
Class 1 – Gross income shares§	32,696	44.06p	74,199,609	Class 2 – Net income shares	2.5948	49.91	53.36	50.07
Class 2 – Net income shares	21,868	45.66p	47,890,417	Class 2 – Gross accumulation shares	4.0104	76.89	65.21	63.60
Class 2 – Gross accumulation shares§	137,248	67.70p	202,739,993	2008	2.7517	53.35	49.29	36.86
Class 2 – Gross income shares§	708	48.29p	1,466,855	Class 1 – Gross income shares	3.4554	66.95	49.39	37.00
§Only available to eligible investors								
				Class 2 – Net income shares	2.8791	55.38	50.83	38.17
				Class 2 – Gross accumulation shares	4.7539	91.14	65.47	53.24
				Class 2 – Gross income shares	1.8502	37.00	50.00	40.40
				2009	1.9325	37.47	44.59	36.04
				†Class 1 – Net income shares	2.4053	46.61	44.77	36.22
				†Class 1 – Gross income shares	2.0407	39.25	46.35	37.39
				†Class 2 – Net income shares	3.6284	69.56	68.38	53.41
				†Class 2 – Gross accumulation shares	2.6570	53.14	49.07	39.60
				†To 7th September 2009				
				Net and gross income and gross income and accumulation and net income shares available				
				§Gross income shares commenced 11th June 2008				
Sterling Bond Fund								
for the year ending 7th March 2007								
Class 1 – Net income shares	359,172	45.83p	783,758,497	2004	2.0556	42.80	48.38	46.28
Class 1 – Gross accumulation shares§	34,753	75.80p	45,846,714	Class 1 – Gross accumulation shares	3.6136	53.86	71.06	66.37
for the year ending 7th March 2008								
Class 1 – Net income shares	385,767	45.70p	844,092,364	2005	1.9503	40.61	48.94	46.17
Class 1 – Gross accumulation shares§	33,687	79.14p	42,567,378	Class 1 – Gross accumulation shares	3.6206	53.97	75.63	69.64
for the year ending 7th March 2009								
Class 1 – Net income shares	343,233	47.51p	722,514,138	2006	1.7407	36.24	49.88	46.41
Class 1 – Gross accumulation shares§	36,275	85.67p	42,344,480	Class 1 – Gross accumulation shares	3.3968	50.63	77.38	73.54
for the period ending 7th September 2009								
Class 1 – Net income shares	233,826	46.79p	499,768,781	2007	1.6526	34.41	46.97	43.09
Class 1 – Gross accumulation shares§	32,883	85.83p	38,310,579	Class 1 – Gross accumulation shares	3.3730	50.28	78.60	71.46
§Only available to eligible investors								
				2008	1.6082	33.48	48.97	42.87
				Class 1 – Gross accumulation shares	3.4447	51.34	86.78	75.77
				2009	1.4338	29.85	48.96	44.71
				†Class 1 – Net income shares	3.2168	47.95	87.72	80.59
				†To 7th September 2009				
				Net income and gross accumulation shares available				
UK Money Securities Fund								
for the year ending 7th March 2007								
Class 1 – Net income shares	47,470	49.71p	95,488,984	2004	1.5698	31.28	50.59	49.75
Class 1 – Gross accumulation shares§	98,441	76.18p	129,215,790	Class 1 – Gross accumulation shares	2.5996	39.13	69.29	66.43
Class 1 – Gross income shares§	352,036	66.13p	532,347,928	Class 1 – Gross income shares	2.1339	32.13	67.52	66.14
for the year ending 7th March 2008								
Class 1 – Net income shares	39,872	45.44p	87,742,663	2005	1.8247	36.36	50.70	49.74
Class 1 – Gross accumulation shares§	20,671	73.93p	27,959,857	Class 1 – Gross accumulation shares	3.1129	46.86	72.37	69.35
Class 1 – Gross income shares§	383,946	60.48p	634,827,472	Class 1 – Gross income shares	2.9749	44.79	67.69	66.18
for the year ending 7th March 2009								
Class 1 – Net income shares	15,383	36.57p	42,063,807	2006	1.7031	33.93	50.58	49.73
Class 1 – Gross accumulation shares§	7,657	62.70p	12,213,573	Class 1 – Gross accumulation shares	3.0721	46.25	75.51	72.41
Class 1 – Gross income shares§	143,314	48.76p	293,900,966	Class 1 – Gross income shares	2.8163	42.40	67.56	66.14
for the period ending 7th September 2009								
Class 1 – Net income shares	10,495	34.13	30,749,918	2007	2.0221	40.29	50.66	47.71
Class 1 – Gross accumulation shares§	5,764	58.71	9,818,870	Class 1 – Gross accumulation shares	3.8193	57.49	77.82	75.40
Class 1 – Gross income shares§	108,680	45.52	238,765,378	Class 1 – Gross income shares	3.3545	50.50	67.69	63.69
§Only available to eligible investors								
				2008	2.1535	42.91	48.02	40.22
				Class 1 – Gross accumulation shares	4.3488	65.46	75.96	67.48
				Class 1 – Gross income shares	3.5589	53.58	64.16	53.73
				2009	0.7910	15.76	41.34	32.95
				†Class 1 – Net income shares	1.6417	24.71	69.36	56.53
				†Class 1 – Gross accumulation shares	1.3045	19.64	55.24	43.96
				†To 7th September 2009				
				Net and gross income and gross accumulation shares available				

Comparative Tables

	Net asset value of share class £000	Net asset value per share	Shares in issue	Calendar Year	Net income per share p	Net income per £1,000 invested at *launch £	Highest share price p	Lowest share price p
UK Cash Fund								
for the year ending 7th March 2008				2008				
Class 1 – Net income shares	14	100.00p	14,001	Class 1 – Net income shares	2.1940	21.94	101.74	99.07
for the year ending 7th March 2009				2009				
Class 1 – Net income shares	13	98.20p	13,222	†Class 1 – Net income shares	0.5313	5.31	99.06	95.69
for the period ending 7th September 2009				*Launch date – 23rd January 2008				
Class 1 – Net income shares	13	95.69p	13,277	†To 7th September 2009				
				Net income shares available				

	Net asset value of share class £000	Net asset value per share	Shares in issue	Calendar Year	Net income per share p	Net income per £1,000 invested at 2nd January 2004 £	Highest share price p	Lowest share price p
European Fund								
for the year ending 7th March 2007				2004				
Class 1	293,243	116.70p	251,289,296	Class 1	0.2683	3.74	79.49	65.96
Class 2	524,303	122.95p	426,442,442	Class 2	0.6682	9.00	82.64	68.39
for the year ending 7th March 2008				2005				
Class 1	257,607	115.54p	222,965,764	Class 1	0.1807	2.52	98.62	78.15
Class 2	455,485	122.46p	371,936,003	Class 2	0.6033	8.13	103.12	81.28
for the year ending 7th March 2009				2006				
Class 1	154,371	79.93p	193,128,208	Class 1	0.1982	2.76	116.49	94.68
Class 2	239,777	85.27p	281,202,664	Class 2	0.6878	9.27	122.57	99.24
for the period ending 7th September 2009				2007				
Class 1	221,819	111.40p	199,119,894	Class 1	0.3657	5.09	130.82	114.12
Class 2	338,097	119.22p	283,583,130	Class 2	1.0955	14.76	138.35	120.36
				2008				
				Class 1	0.6161	8.58	131.54	82.70
				Class 2	1.5008	20.22	139.33	88.02
				2009				
				†Class 1	1.5949	22.21	113.49	79.97
				†Class 2	2.7783	37.44	121.44	85.31
				†To 7th September 2009				
				Accumulation shares only available				

European Select Fund								
for the year ending 7th March 2007				2004				
Class 1	940,239	118.03p	796,643,274	Class 1	0.1522	2.06	80.72	66.91
Class 2	154,290	124.42p	124,006,299	Class 2	0.5608	7.32	83.95	69.42
for the year ending 7th March 2008				2005				
Class 1	730,570	111.23p	656,832,482	Class 1	0.4392	5.93	100.08	79.10
Class 2	124,299	117.95p	105,385,624	Class 2	1.0423	13.61	104.69	82.43
for the year ending 7th March 2009				2006				
Class 1	469,551	84.87p	553,247,586	Class 1	0.2224	3.00	116.94	94.95
Class 2	62,472	90.57p	68,973,387	Class 2	0.8572	11.19	123.12	99.63
for the period ending 7th September 2009				2007				
Class 1	580,076	105.47p	549,980,197	Class 1	0.3245	4.38	133.10	114.69
Class 2	89,656	112.92p	79,394,639	Class 2	1.1050	14.43	140.54	121.25
				2008				
				Class 1	0.7542	10.18	131.61	78.87
				Class 2	1.6050	20.96	139.48	83.98
				2009				
				†Class 1	1.2701	17.15	107.73	84.91
				†Class 2	2.6792	34.99	115.32	90.61
				†To 7th September 2009				
				Accumulation shares only available				

European Smaller Companies Fund								
for the year ending 7th March 2007				2004				
Class 1 – Net accumulation shares	498,597	256.03p	194,743,911	Class 1 – Net accumulation shares	0.2583	2.42	137.10	103.12
Class 1 – Net income shares	25	255.99p	9,877	Class 2 – Net accumulation shares	1.1616	10.52	142.25	106.60
Class 2 – Net accumulation shares	372,380	269.19p	138,334,097	2005				
for the year ending 7th March 2008				Class 1 – Net accumulation shares	0.1873	1.75	181.71	137.50
Class 1 – Net accumulation shares	454,327	248.96p	182,487,447	*Class 1 – Net income shares	Nil	Nil	181.72	163.08
Class 1 – Net income shares	25	248.69p	9,879	Class 2 – Net accumulation shares	1.0179	9.22	189.56	142.67
Class 2 – Net accumulation shares	288,670	263.43p	109,580,214	2006				
for the year ending 7th March 2009				Class 1 – Net accumulation shares	Nil	Nil	242.46	184.18
Class 1 – Net accumulation shares	275,997	170.39p	161,983,186	*Class 1 – Net income shares	Nil	Nil	242.48	184.19
Class 1 – Net income shares	39	169.56p	23,220	Class 2 – Net accumulation shares	0.4770	4.32	254.62	192.16
Class 2 – Net accumulation shares	187,942	181.42p	103,595,014	2007				
for the period ending 7th September 2009				Class 1 – Net accumulation shares	0.0732	0.68	296.60	244.71
Class 1 – Net accumulation shares	414,089	233.63p	177,243,467	*Class 1 – Net income shares	0.0611	0.36	296.58	244.72
Class 1 – Net income shares	114	232.50p	48,854	Class 2 – Net accumulation shares	2.2257	20.16	312.45	257.02
Class 2 – Net accumulation shares	309,367	249.56p	123,965,428	2008				
				Class 1 – Net accumulation shares	0.3872	3.62	282.31	169.04
				*Class 1 – Net income shares	0.2353	1.38	281.99	168.85
				Class 2 – Net accumulation shares	2.5682	23.26	299.03	179.58
				2009				
				†Class 1 – Net accumulation shares	2.1093	19.72	236.36	170.87
				*†Class 1 – Net income shares	0.6211	3.65	235.22	170.66
				†Class 2 – Net accumulation shares	3.5215	31.89	252.43	181.94
				*Launch date – 8th September 2005				
				†To 7th September 2009				
				Net income and accumulation shares only available				

Comparative Tables

	Net asset value of share class £000	Net asset value per share	Shares in issue	Calendar Year	Net income per share p	Net income per £1,000 invested at *launch £	Highest share price p	Lowest share price p
Pan European Smaller Companies Fund				2006				
for the year ending 7th March 2007				Class 1	Nil	Nil	76.95	54.56
Class 1	37,345	81.88p	45,608,589	Class 2	Nil	Nil	77.49	54.60
Class 2	49,896	82.55p	60,444,170	2007				
for the year ending 7th March 2008				Class 1	Nil	Nil	98.42	77.33
Class 1	49,660	79.83p	62,210,699	Class 2	0.0285	0.57	99.44	77.88
Class 2	56,235	81.00p	69,428,581	2008				
for the year ending 7th March 2009				Class 1	Nil	Nil	90.20	53.38
Class 1	31,167	53.74p	57,998,016	Class 2	Nil	Nil	91.63	54.39
Class 2	37,849	54.87p	68,981,542	2009				
for the period ending 7th September 2009				†Class 1	0.2155	4.31	71.20	53.91
Class 1	77,300	71.07p	108,759,500	†Class 2	0.6857	13.71	72.95	55.05
Class 2	65,074	72.82p	89,368,224	*Launch date – 18th November 2005				
				†To 7th September 2009				
				Accumulation shares only available				

	Net asset value of share class £000	Net asset value per share	Shares in issue	Calendar Year	Net income per share p	Net income per £1,000 invested at 2nd January 2004 £	Highest share price p	Lowest share price p
Pan European Fund				2004				
for the year ending 7th March 2007				Class 1	0.2820	5.70	52.17	45.07
Class 1	21,781	74.16p	29,370,163	Class 2	0.5785	11.42	53.68	46.26
Class 2	48,133	77.34p	62,235,397	2005				
for the year ending 7th March 2008				Class 1	0.6175	12.47	63.50	50.97
Class 1	17,177	75.18p	22,847,449	Class 2	0.5940	11.73	65.72	52.54
Class 2	44,548	78.88p	56,477,951	2006				
for the year ending 7th March 2009				Class 1	0.3425	6.92	73.75	62.28
Class 1	16,238	55.85p	29,072,030	Class 2	0.7723	15.25	76.81	64.62
Class 2	32,935	58.97p	55,847,025	2007				
for the period ending 7th September 2009				Class 1	0.4562	9.21	84.75	71.53
Class 1	37,458	74.23p	50,464,688	Class 2	0.9805	19.36	88.84	74.81
Class 2	45,061	78.62p	57,318,146	2008				
				Class 1	0.6821	13.78	85.10	54.18
				Class 2	1.1126	21.97	89.21	57.08
				2009				
				†Class 1	0.5163	10.43	75.05	55.89
				†Class 2	1.1439	22.58	79.49	59.02
				†To 7th September 2009				
				Accumulation shares only available				

European Bond Fund				2004				
for the year ending 7th March 2007				Class 1 – Net income shares	1.8600	34.79	54.42	49.51
Class 1 – Net income shares	44,640	49.78p	89,682,798	Class 1 – Gross accumulation shares	3.0417	43.56	74.30	66.08
Class 1 – Gross accumulation shares§	26,509	74.33p	35,661,686	2005				
for the year ending 7th March 2008				Class 1 – Net income shares	1.6125	30.16	54.41	51.57
Class 1 – Net income shares	51,261	54.00p	94,923,023	Class 1 – Gross accumulation shares	2.7607	39.54	75.93	72.57
Class 1 – Gross accumulation shares§	66,433	83.76p	79,313,901	2006				
for the year ending 7th March 2009				Class 1 – Net income shares	1.4269	26.69	53.81	50.01
Class 1 – Net income shares	72,083	62.87p	114,645,914	Class 1 – Gross accumulation shares	2.5415	36.40	76.24	72.64
Class 1 – Gross accumulation shares§	77,076	101.54p	75,908,575	2007				
for the period ending 7th September 2009				Class 1 – Net income shares	1.5968	29.86	51.64	47.14
Class 1 – Net income shares	67,207	64.69p	103,886,619	Class 1 – Gross accumulation shares	2.9449	42.18	78.87	70.56
Class 1 – Gross accumulation shares§	81,203	106.55p	76,210,262	2008				
				Class 1 – Net income shares	1.6512	30.88	71.27	51.95
				Class 1 – Gross accumulation shares	3.1536	45.17	113.01	79.33
				2009				
				†Class 1 – Net income shares	2.1730	40.64	69.68	60.75
				†Class 1 – Gross accumulation shares	4.2965	61.54	110.98	98.26
				†To 7th September 2009				
				Net income and gross accumulation shares available				

§Only available to eligible investors

Comparative Tables

	Net asset value of share class £000	Net asset value per share	Shares in issue	Calendar Year	Net income per share p	Net income per £1,000 invested at 2nd January 2004 £	Highest share price p	Lowest share price p
European Corporate Bond Fund				2004				
for the year ending 7th March 2007				Class 1 – Net accumulation shares	0.8140	13.53	63.82	56.38
Class 1 – Net accumulation shares	23,222	62.43p	37,197,727	Class 1 – Gross accumulation shares	0.8756	14.42	64.83	57.07
Class 1 – Gross accumulation shares	1,454	64.28p	2,261,622	2005				
for the year ending 7th March 2008				Class 1 – Net accumulation shares	1.5571	25.88	64.16	60.91
Class 1 – Net accumulation shares	24,819	66.82p	37,144,613	Class 1 – Gross accumulation shares	1.5009	24.72	65.40	62.05
Class 1 – Gross accumulation shares	1,272	69.34p	1,835,007	2006				
for the year ending 7th March 2009				Class 1 – Net accumulation shares	1.5390	25.58	63.52	60.50
Class 1 – Net accumulation shares	23,558	62.94p	37,426,553	Class 1 – Gross accumulation shares	1.8768	30.91	64.92	62.07
Class 1 – Gross accumulation shares	2,930	65.99p	4,439,128	2007				
for the period ending 7th September 2009				Class 1 – Net accumulation shares	1.6278	27.06	64.74	59.69
Class 1 – Net accumulation shares	28,565	75.49p	37,837,741	Class 1 – Gross accumulation shares	2.8976	47.73	67.04	61.41
Class 1 – Gross accumulation shares	8,491	79.46p	10,686,648	2008				
§Only available to eligible investors				Class 1 – Net accumulation shares	2.2351	37.15	72.44	58.20
				Class 1 – Gross accumulation shares	2.6928	44.36	75.75	60.75
				2009				
				†Class 1 – Net accumulation shares	2.6924	44.75	76.57	63.68
				†Class 1 – Gross accumulation shares	2.5370	41.79	80.58	66.75
				†To 7th September 2009				
				Net and gross accumulation shares available				
European High Yield Bond Fund				2004				
for the year ending 7th March 2007				Class 1 – Net accumulation shares	1.3736	22.49	67.96	57.54
Class 1 – Net accumulation shares	27,379	73.30p	37,354,138	Class 1 – Gross accumulation shares	1.9994	30.35	74.15	62.41
Class 1 – Gross accumulation shares	208,308	82.06p	253,857,996	2005				
for the year ending 7th March 2008				Class 1 – Net accumulation shares	3.1104	50.93	68.59	63.18
Class 1 – Net accumulation shares	16,819	73.97p	22,737,139	Class 1 – Gross accumulation shares	3.2723	49.68	75.77	69.28
Class 1 – Gross accumulation shares	195,649	83.93p	233,113,227	2006				
Class 2 – Gross accumulation shares	23,939	100.45p	23,831,838	Class 1 – Net accumulation shares	3.4239	56.07	72.64	68.48
for the year ending 7th March 2009				Class 1 – Gross accumulation shares	3.2361	49.13	81.09	75.69
Class 1 – Net accumulation shares	32,999	68.43p	48,219,968	2007				
Class 1 – Gross accumulation shares	150,530	79.08p	190,349,625	Class 1 – Net accumulation shares	3.2074	52.52	77.36	70.40
Class 2 – Gross accumulation shares	134,454	94.90p	141,680,845	Class 1 – Gross accumulation shares	3.8439	58.36	87.46	79.24
for the period ending 7th September 2009				§Class 2 – Gross accumulation shares	-	-	104.57	94.50
Class 1 – Net accumulation shares	74,301	92.71p	80,146,756	2008				
Class 1 – Gross accumulation shares	250,514	107.96p	232,043,760	Class 1 – Net accumulation shares	4.3707	71.57	89.23	61.23
Class 2 – Gross accumulation shares	66,035	129.93p	50,823,267	Class 1 – Gross accumulation shares	5.9643	90.55	95.27	70.31
Class X – Gross accumulation shares	50,964	51.59p	98,791,467	§Class 2 – Gross accumulation shares	4.5599	45.81	114.04	84.40
§Only available to eligible investors				2009				
				†Class 1 – Net accumulation shares	4.0106	65.67	95.57	69.38
				†Class 1 – Gross accumulation shares	8.0229	121.80	111.27	79.94
				§†Class 2 – Gross accumulation shares	4.3217	43.41	133.90	96.08
				*†Class X – Gross accumulation shares	Nil	Nil	53.16	50.17
				†To 7th September 2009				
				Net and gross accumulation, gross accumulation and gross accumulation shares available				
				§Gross accumulation shares commenced 25th May 2007				
				*Gross accumulation shares commenced 14th August 2009				
American Fund				2004				
for the year ending 7th March 2007				Class 1 – Net accumulation shares	Nil	Nil	68.78	61.28
Class 1 – Net accumulation shares	258,721	82.54p	313,449,874	Class 2 – Net accumulation shares	Nil	Nil	71.51	63.61
Class 1 – Net income shares	14	82.55p	17,478	2005				
Class 2 – Net accumulation shares	546,087	87.05p	627,311,028	Class 1 – Net accumulation shares	Nil	Nil	82.35	64.65
for the year ending 7th March 2008				§Class 1 – Net income shares	Nil	Nil	82.35	73.80
Class 1 – Net accumulation shares	297,277	78.59p	378,270,195	Class 2 – Net accumulation shares	Nil	Nil	86.14	67.39
Class 1 – Net income shares	16	78.58p	20,765	2006				
Class 2 – Net accumulation shares	518,632	83.39p	621,901,742	Class 1 – Net accumulation shares	Nil	Nil	85.42	74.21
for the year ending 7th March 2009				§Class 1 – Net income shares	Nil	Nil	85.42	74.22
Class 1 – Net accumulation shares	181,911	63.09p	288,354,914	Class 2 – Net accumulation shares	Nil	Nil	89.54	77.90
Class 1 – Net income shares	11	63.08p	16,478	2007				
Class 2 – Net accumulation shares	406,516	67.37p	603,393,666	Class 1 – Net accumulation shares	Nil	Nil	91.71	81.37
for the period ending 7th September 2009				§Class 1 – Net income shares	Nil	Nil	91.71	81.38
Class 1 – Net accumulation shares	283,994	79.37p	357,831,956	Class 2 – Net accumulation shares	Nil	Nil	97.22	85.83
Class 1 – Net income shares	65	79.36p	81,443	2008				
Class 2 – Net accumulation shares	540,864	85.03p	636,082,914	Class 1 – Net accumulation shares	Nil	Nil	90.61	63.56
Class 1 – Hedged net accumulation shares	177	106.97p	165,452	§Class 1 – Net income shares	Nil	Nil	90.62	63.56
				Class 2 – Net accumulation shares	Nil	Nil	96.06	67.71
				2009				
				†Class 1 – Net accumulation shares	Nil	Nil	80.80	63.15
				§†Class 1 – Net income shares	Nil	Nil	80.80	63.14
				†Class 2 – Net accumulation shares	0.2291	3.37	86.56	67.44
				*†Class 1 – Hedged net accumulation shares	Nil	Nil	108.65	87.96
				†To 7th September 2009				
				Net income, net accumulation and hedged net accumulation and net accumulation shares available				
				§Net income shares commenced 8th September 2005				
				*Hedged net accumulation shares commenced 2nd April 2009				

Comparative Tables

	Net asset value of share class £000	Net asset value per share	Shares in issue	Calendar Year	Net income per share p	Net income per £1,000 invested at 2nd January 2004 £	Highest share price p	Lowest share price p
American Select Fund								
for the year ending 7th March 2007								
Class 1 – Net accumulation shares	435,175	91.64p	474,893,742	2004	Nil	Nil	74.69	65.69
Class 1 – Net income shares	15	91.31p	16,426	Class 2 – Net accumulation shares	Nil	Nil	77.77	68.25
Class 2 – Net accumulation shares	117,979	96.72p	121,974,646	2005	Nil	Nil	93.66	69.87
for the year ending 7th March 2008								
Class 1 – Net accumulation shares	693,552	86.71p	799,832,150	Class 1 – Net income shares	Nil	Nil	93.66	80.48
Class 1 – Net income shares	231	86.66p	266,650	Class 2 – Net accumulation shares	Nil	Nil	98.05	72.89
Class 2 – Net accumulation shares	223,474	92.10p	242,647,987	2006	Nil	Nil	97.85	80.72
for the year ending 7th March 2009								
Class 1 – Net accumulation shares	527,459	71.64p	736,285,007	Class 1 – Net income shares	Nil	Nil	97.86	80.72
Class 2 – Net accumulation shares	61	71.60p	84,798	Class 2 – Net accumulation shares	Nil	Nil	102.66	84.80
Class 1 – Net income shares	158,688	76.57p	207,238,114	2007	Nil	Nil	105.57	90.06
for the period ending 7th September 2009								
Class 1 – Net accumulation shares	839,224	92.59p	906,342,590	Class 1 – Net income shares	Nil	Nil	105.54	90.07
Class 1 – Net income shares	419	92.55p	452,704	Class 2 – Net accumulation shares	Nil	Nil	111.89	94.96
Class 2 – Net accumulation shares	264,834	99.29p	266,719,396	2008	Nil	Nil	103.96	69.85
Class 1 – Hedged net accumulation shares	942	103.80p	908,001	Class 1 – Net income shares	Nil	Nil	103.93	69.82
				Class 2 – Net accumulation shares	Nil	Nil	110.31	74.47
				2009	Nil	Nil	94.25	71.70
				†Class 1 – Net accumulation shares	Nil	Nil	94.20	71.66
				‡Class 1 – Net income shares	Nil	Nil	101.05	76.64
				†Class 2 – Net accumulation shares	Nil	Nil	105.49	85.72
				*†Class 1 – Hedged net accumulation shares	Nil	Nil		
				†To 7th September 2009				
				Net income, net accumulation and hedged net accumulation and net accumulation shares available				
				‡Net income shares commenced 8th September 2005				
				*Hedged net accumulation shares commenced 8th July 2009				

American Smaller Companies Fund (US)								
for the year ending 7th March 2007								
Class 1 – Net accumulation shares	7,776	84.68p	9,182,391	2004	Nil	Nil	69.13	56.93
Class 1 – Net income shares	14	84.69p	16,730	Class 2 – Net accumulation shares	Nil	Nil	72.02	59.26
Class 2 – Net accumulation shares	92,052	89.54p	102,801,804	2005	Nil	Nil	84.23	63.10
for the year ending 7th March 2008								
Class 1 – Net accumulation shares	6,578	74.22p	8,863,336	Class 1 – Net income shares	Nil	Nil	84.24	74.61
Class 1 – Net income shares	26	74.19p	35,030	Class 2 – Net accumulation shares	Nil	Nil	88.34	65.95
Class 2 – Net accumulation shares	67,892	78.94p	85,999,086	2006	Nil	Nil	92.81	72.22
for the year ending 7th March 2009								
Class 1 – Net accumulation shares	4,596	65.05p	7,066,085	Class 1 – Net income shares	Nil	Nil	92.81	72.22
Class 1 – Net income shares	22	65.02p	34,030	Class 2 – Net accumulation shares	Nil	Nil	97.54	76.08
Class 2 – Net accumulation shares	59,193	69.63p	85,006,381	2007	Nil	Nil	98.10	81.54
for the period ending 7th September 2009								
Class 1 – Net accumulation shares	11,089	87.42p	12,684,770	Class 1 – Net income shares	Nil	Nil	98.11	81.55
Class 1 – Net income shares	210	87.38p	240,952	Class 2 – Net accumulation shares	Nil	Nil	104.12	86.13
Class 2 – Net accumulation shares	80,611	93.88p	85,864,164	2008	Nil	Nil	90.36	61.54
				Class 1 – Net income shares	Nil	Nil	90.37	61.52
				Class 2 – Net accumulation shares	Nil	Nil	96.05	65.76
				2009	Nil	Nil	89.78	65.13
				†Class 1 – Net accumulation shares	Nil	Nil	89.74	65.10
				‡Class 1 – Net income shares	Nil	Nil	96.40	69.72
				†Class 2 – Net accumulation shares	Nil	Nil		
				†To 7th September 2009				
				Net income and accumulation and net accumulation shares available				
				‡Net income shares commenced 8th September 2005				

Dollar Bond Fund								
for the year ending 7th March 2007								
Class 1 – Net income shares	56,622	42.95p	131,843,328	2004	1.6856	34.04	50.19	44.53
Class 1 – Gross accumulation shares	13,221	66.16p	19,984,488	Class 2 – Net accumulation shares	2.8014	42.95	66.73	61.21
for the year ending 7th March 2008								
Class 1 – Net income shares	44,165	39.48p	111,875,833	2005	1.6105	32.52	50.07	44.03
Class 1 – Gross accumulation shares	8,036	64.35p	12,487,800	Class 2 – Net accumulation shares	2.7871	42.73	71.14	61.70
for the year ending 7th March 2009								
Class 1 – Net income shares	35,970	44.38p	81,056,761	2006	1.7692	35.73	49.29	42.54
Class 1 – Gross accumulation shares	8,450	76.89p	10,990,007	Class 2 – Net accumulation shares	3.1963	49.00	70.83	63.09
for the period ending 7th September 2009								
Class 1 – Net income shares	36,628	45.55p	80,404,471	2007	1.7468	35.27	44.01	38.53
Class 1 – Gross accumulation shares	9,163	80.67p	11,359,205	Class 2 – Net accumulation shares	3.3268	51.00	66.48	61.13
				2008	1.8412	37.18	48.66	38.68
				Class 1 – Net income shares	3.7104	56.88	81.66	63.39
				Class 2 – Net accumulation shares				
				2009	2.1531	43.48	50.51	43.22
				†Class 1 – Net income shares	4.5414	69.62	84.82	74.98
				†Class 2 – Net accumulation shares				
				†To 7th September 2009				
				Net income and gross accumulation shares available				

§Only available to eligible investors

Comparative Tables

	Net asset value of share class £000	Net asset value per share	Shares in issue	Calendar Year	Net income per share p	Net income per £1,000 invested at 2nd January 2004 £	Highest share price p	Lowest share price p
Japan Fund								
for the year ending 7th March 2007				2004				
Class 1	79,008	44.32p	178,264,477	Class 1	Nil	Nil	40.55	32.91
Class 2	177,867	46.84p	379,772,514	Class 2	Nil	Nil	42.09	34.14
for the year ending 7th March 2008				2005				
Class 1	46,660	32.43p	143,892,554	Class 1	Nil	Nil	51.06	33.91
Class 2	119,902	34.47p	347,876,487	Class 2	Nil	Nil	53.55	35.42
for the year ending 7th March 2009				2006				
Class 1	36,559	27.70p	131,988,374	Class 1	Nil	Nil	54.89	40.35
Class 2	93,048	29.63p	314,039,117	Class 2	Nil	Nil	57.66	42.57
for the period ending 7th September 2009				2007				
Class 1	41,770	32.11p	130,090,052	Class 1	Nil	Nil	45.85	34.36
Class 2	110,816	34.46p	321,594,508	Class 2	0.0152	0.41	48.45	36.47
				2008				
				Class 1	Nil	Nil	38.07	27.69
				Class 2	1.5550	41.81	40.52	29.55
				2009				
				†Class 1	0.1844	5.14	36.80	27.45
				†Class 2	0.4351	11.70	39.32	29.36
				†To 7th September 2009				
				Accumulation shares only available				
Japan Smaller Companies Fund								
for the year ending 7th March 2007				2004				
Class 1	2,687	88.47p	3,036,827	Class 1	Nil	Nil	95.17	73.61
Class 2	110,813	93.43p	118,602,520	Class 2	Nil	Nil	98.73	76.32
for the year ending 7th March 2008				2005				
Class 1	1,656	63.38p	2,612,821	Class 1	Nil	Nil	126.22	84.11
Class 2	58,408	67.30p	86,792,580	Class 2	Nil	Nil	132.28	87.78
for the year ending 7th March 2009				2006				
Class 1	1,331	57.44p	2,318,038	Class 1	Nil	Nil	132.05	81.03
Class 2	56,630	61.39p	92,240,003	Class 2	Nil	Nil	138.43	85.42
for the period ending 7th September 2009				2007				
Class 1	2,038	72.40p	2,814,505	Class 1	Nil	Nil	91.28	66.97
Class 2	95,149	77.62p	122,586,960	Class 2	0.0073	0.09	96.39	71.09
				2008				
				Class 1	Nil	Nil	71.38	48.62
				Class 2	0.4096	4.93	75.92	51.82
				2009				
				†Class 1	0.4939	6.16	75.50	56.41
				†Class 2	0.8373	10.09	80.93	60.27
				†To 7th September 2009				
				Accumulation shares only available				
Asia Fund								
for the year ending 7th March 2007				2004				
Class 1	258,691	80.38p	321,838,203	Class 1	0.2049	4.45	49.15	39.32
Class 2	245,130	84.06p	291,610,532	Class 2	0.5087	10.73	50.67	40.56
for the year ending 7th March 2008				2005				
Class 1	341,619	101.05p	338,071,995	Class 1	0.4138	8.99	65.92	48.04
Class 2	341,266	106.32p	320,977,156	Class 2	0.7735	16.32	68.52	49.70
for the year ending 7th March 2009				2006				
Class 1	270,389	66.72p	405,262,793	Class 1	0.6072	13.19	80.76	61.60
Class 2	257,026	70.56p	364,277,320	Class 2	0.9722	20.51	84.38	64.18
for the period ending 7th September 2009				2007				
Class 1	619,131	101.08p	612,529,175	Class 1	0.3764	8.18	127.01	78.14
Class 2	490,737	107.22p	457,682,267	Class 2	0.8348	17.62	133.27	81.72
				2008				
				Class 1	0.1184	2.57	119.60	57.24
				Class 2	0.7742	16.34	125.72	60.43
				2009				
				†Class 1	0.8726	18.96	100.52	65.84
				†Class 2	1.2673	26.74	106.63	69.63
				†To 7th September 2009				
				Accumulation shares only available				

Comparative Tables

	Net asset value of share class £000	Net asset value per share	Shares in issue	Calendar Year	Net income per share p	Net income per £1,000 invested at 2nd January 2004 £	Highest share price p	Lowest share price p
Latin America Fund								
for the year ending 7th March 2007				2004				
Class 1	327,617	164.72p	198,891,019	Class 1	0.3693	5.96	80.81	55.83
Class 2	481,587	171.16p	281,368,549	Class 2	0.8879	14.00	83.08	57.23
for the year ending 7th March 2008				2005				
Class 1	350,113	234.69p	149,181,807	Class 1	0.6722	10.85	137.80	76.93
Class 2	610,859	245.05p	249,283,046	Class 2	1.5255	24.05	142.31	79.12
Class X	594	57.69p	1,028,935	2006				
for the year ending 7th March 2009				Class 1	1.8088	29.18	169.18	116.45
Class 1	150,345	133.91p	112,275,525	Class 2	2.3081	36.39	175.63	120.54
Class 2	310,146	140.53p	220,691,269	2007				
Class X	879	33.35p	2,634,717	Class 1	1.3137	21.20	244.52	159.53
for the period ending 7th September 2009				Class 2	2.0449	32.24	254.92	165.76
Class 1	236,574	210.76	112,246,088	§Class X	-	-	60.96	42.38
Class 2	504,345	221.88	227,304,903	2008				
Class X	3	84.58	3,000	Class 1	2.2609	36.48	279.39	112.55
				Class 2	3.1414	49.53	292.07	117.90
				§Class X	0.7610	15.22	68.89	27.90
				2009				
				†Class 1	1.3583	21.92	217.17	131.94
				†Class 2	2.4458	38.56	228.58	138.45
				§†Class X	0.5211	10.42	87.11	32.85

†To 7th September 2009

Accumulation shares only available

§Class X shares commenced 1st June 2007

Emerging Market Bond Fund

for the year ending 7th March 2007				2004				
Class 1 – Net income shares	29,195	49.10p	59,465,924	Class 1 – Net income shares	2.6359	55.53	48.79	42.35
Class 1 – Gross accumulation shares§	26,097	105.22p	24,801,963	Class 1 – Gross accumulation shares	5.5011	69.40	85.78	73.43
Class 1 – Gross income shares§	62,684	83.37p	75,185,395	Class 1 – Gross income shares	3.9025	49.22	81.67	72.22
for the year ending 7th March 2008				2005				
Class 1 – Net income shares	30,565	45.50p	67,173,219	Class 1 – Net income shares	2.9429	61.99	53.62	44.22
Class 1 – Gross accumulation shares§	10,991	105.75p	10,392,949	Class 1 – Gross accumulation shares	6.6674	84.11	103.38	81.75
Class 1 – Gross income shares§	69,194	77.25p	89,576,064	Class 1 – Gross income shares	6.6681	84.11	91.47	75.30
Class 2 – Gross accumulation shares§	506	100.44p	504,001	2006				
for the year ending 7th March 2009				Class 1 – Net income shares	3.2187	67.80	55.52	47.09
Class 1 – Net income shares	40,900	51.97p	78,695,931	Class 1 – Gross accumulation shares	7.8534	99.07	107.22	94.28
Class 1 – Gross accumulation shares§	12,167	130.85p	9,298,612	Class 1 – Gross income shares	6.8091	85.89	94.86	80.22
Class 1 – Gross income shares§	96,331	88.20p	109,219,981	2007				
Class 2 – Gross accumulation shares§	44,928	125.21p	35,881,939	Class 1 – Net income shares	2.6631	56.10	51.04	45.03
for the period ending 7th September 2009				Class 1 – Gross accumulation shares	6.9964	88.26	107.66	100.09
Class 1 – Net income shares	158,339	54.12p	292,548,832	Class 1 – Gross income shares	5.6308	71.02	87.17	76.48
Class 1 – Gross accumulation shares§	70,603	140.45p	50,268,432	§Class 2 – Gross accumulation shares	1.4698	14.70	101.64	94.33
Class 1 – Gross income shares§	113,204	91.84p	123,258,771	2008				
Class 2 – Gross accumulation shares§	19,486	134.84p	14,451,377	Class 1 – Net income shares	3.1229	65.79	54.50	42.62
Class X – Gross accumulation shares§	115,895	51.85p	223,540,579	Class 1 – Gross accumulation shares	8.8901	112.15	131.95	102.94
				Class 1 – Gross income shares	6.6114	83.39	93.06	72.60
				§Class 2 – Gross accumulation shares	4.0053	40.05	126.11	98.27
				2009				
				†Class 1 – Net income shares	3.3245	70.03	58.24	51.53
				†Class 1 – Gross accumulation shares	10.1596	128.16	145.32	126.54
				†Class 1 – Gross income shares	8.4387	106.44	99.48	87.76
				§†Class 2 – Gross accumulation shares	9.8996	99.00	139.21	120.97
				*†Class X – Gross accumulation shares	1.3524	27.05	53.35	47.85

†To 7th September 2009

Net and gross income and gross accumulation and gross accumulation and gross accumulation shares available

§Gross accumulation shares commenced 25th May 2007

*Gross accumulation shares commenced 3rd April 2009

Global Select Fund

for the year ending 7th March 2007				2004				
Class 1	440,932	81.41p	541,605,915	Class 1	Nil	Nil	58.58	49.90
for the year ending 7th March 2008				2005				
Class 1	538,935	82.74p	651,335,825	Class 1	Nil	Nil	77.88	57.52
for the year ending 7th March 2009				2006				
Class 1	360,411	60.96p	591,273,233	Class 1	Nil	Nil	84.23	70.81
Class 2	321	82.71p	387,620	2007				
Class X	1,678	39.54p	4,242,852	Class 1	Nil	Nil	94.50	80.29
for the period ending 7th September 2009				2008				
Class 1	502,675	79.57	631,752,732	Class 1	0.0073	0.14	93.74	62.18
Class 2	7,949	108.31	7,338,676	§Class X	-	-	49.53	40.14
Class X	2,316	52.05	4,449,703	2009				
				†Class 1	0.6121	11.64	80.49	61.01
				*†Class 2	0.0768	0.77	109.55	82.78
				§†Class X	0.3664	7.33	52.62	39.58

†To 7th September 2009

Accumulation shares only available

§Class X shares commenced 26th September 2008

*Class 2 shares commenced 22nd January 2009

Comparative Tables

	Net asset value of share class £000	Net asset value per share	Shares in issue	Calendar Year	Net income per share p	Net income per £1,000 invested at 2nd January 2004 £	Highest share price p	Lowest share price p
Global Bond Fund								
for the year ending 7th March 2007				2004				
Class 1 – Net income shares	12,700	45.23p	28,077,172	Class 1 – Net income shares	1.7375	34.53	51.20	46.40
Class 1 – Gross accumulation shares	46,120	70.71p	65,219,698	Class 1 – Gross accumulation shares	2.9543	43.45	69.80	64.19
Class 1 – Gross income shares	118,512	61.86p	191,587,711	Class 1 – Gross income shares	2.1451	31.48	68.26	63.61
Class 2 – Net income shares	4,025	47.56p	8,464,589	Class 2 – Net income shares	1.8311	35.19	52.12	48.13
Class 2 – Gross accumulation shares	27,525	54.02p	50,958,117	Class 2 – Gross accumulation shares	1.0864	21.78	50.39	46.40
for the year ending 7th March 2008				2005				
Class 1 – Net income shares	13,231	48.41p	27,331,000	Class 1 – Net income shares	1.6418	32.63	50.78	48.02
Class 1 – Gross accumulation shares	43,539	78.07p	55,771,515	Class 1 – Gross accumulation shares	2.9150	42.87	73.91	68.86
Class 1 – Gross income shares	145,609	66.18p	220,035,770	Class 1 – Gross income shares	2.8033	41.14	69.64	65.72
Class 2 – Net income shares	5,092	51.16p	9,953,431	Class 2 – Net income shares	1.7425	33.48	52.97	50.01
Class 2 – Gross accumulation shares	30,695	59.98p	51,175,000	Class 2 – Gross accumulation shares	2.2473	45.05	56.03	51.96
for the year ending 7th March 2009				2006				
Class 1 – Net income shares	41,990	63.06p	66,588,005	Class 1 – Net income shares	1.5784	31.37	50.07	45.64
Class 1 – Gross accumulation shares	47,863	105.36p	45,429,824	Class 1 – Gross accumulation shares	2.9225	42.98	73.75	69.08
Class 1 – Gross income shares	159,622	86.15p	185,291,538	Class 1 – Gross income shares	2.6924	39.51	68.63	62.55
Class 2 – Net income shares	6,156	67.02p	9,185,338	Class 2 – Net income shares	1.7074	32.81	52.35	47.96
Class 2 – Gross accumulation shares	90,689	81.42p	111,383,877	Class 2 – Gross accumulation shares	2.2907	45.92	55.91	52.49
for the period ending 7th September 2009				2007				
Class 1 – Net income shares	36,843	58.51p	62,969,557	Class 1 – Net income shares	1.3219	26.27	46.39	41.92
Class 1 – Gross accumulation shares	39,661	99.49p	39,862,591	Class 1 – Gross accumulation shares	2.5467	37.45	73.81	65.65
Class 1 – Gross income shares	140,727	79.92p	176,090,230	Class 1 – Gross income shares	2.2538	33.08	63.55	57.43
Class 2 – Net income shares	4,149	62.35p	6,655,121	Class 2 – Net income shares	1.4460	27.79	48.99	44.15
Class 2 – Gross accumulation shares	84,092	77.14p	109,009,835	Class 2 – Gross accumulation shares	2.0197	40.48	56.67	50.23
Class 1 – Net accumulation shares	115	48.62p	235,866	2008				
				Class 1 – Net income shares	1.3281	26.39	68.83	46.80
				Class 1 – Gross accumulation shares	2.6412	38.84	113.29	74.46
				Class 1 – Gross income shares	2.2282	32.70	94.24	64.11
				Class 2 – Net income shares	1.4378	27.63	73.18	49.43
				Class 2 – Gross accumulation shares	2.0835	41.76	87.45	57.18
				2009				
				†Class 1 – Net income shares	1.7443	34.66	67.98	56.23
				†Class 1 – Gross accumulation shares	3.6613	53.84	111.94	94.09
				†Class 1 – Gross income shares	3.0158	44.26	93.12	76.96
				†Class 2 – Net income shares	1.9864	38.17	72.29	59.86
				†Class 2 – Gross accumulation shares	2.8864	57.86	86.44	72.84
				*†Class 1 – Net accumulation shares	0.4217	8.43	50.37	46.05
				†To 7th September 2009				
				Net and gross income and net and gross accumulation and net income and gross accumulation shares available				
				‡Gross accumulation shares commenced 8th March 2004				
				*Net accumulation shares commenced 8th May 2009				
UK Institutional Fund								
for the year ending 7th March 2007				2004				
Class 1	361,023	84.65p	426,487,161	Class 1	0.6588	11.73	62.04	54.11
Class 2	2,922,172	86.47p	3,379,359,643	Class 2	1.1717	21.00	62.18	54.05
for the year ending 7th March 2008				2005				
Class 1	264,178	85.09p	310,487,142	Class 1	0.8501	15.14	75.02	61.76
Class 2	2,147,783	87.66p	2,450,035,064	Class 2	1.4953	26.80	75.82	62.00
for the year ending 7th March 2009				2006				
Class 1	90,053	55.61p	161,935,299	Class 1	0.9150	16.30	86.04	74.71
Class 2	917,411	57.81p	1,586,959,788	Class 2	1.6515	29.60	87.74	75.81
for the period ending 7th September 2009				2007				
Class 1	130,804	76.89p	170,112,642	Class 1	1.1638	20.73	94.78	82.04
Class 2	1,320,879	80.29p	1,645,049,054	Class 2	2.0348	36.47	97.38	84.14
				2008				
				Class 1	1.4885	26.51	93.60	55.13
				Class 2	2.2783	40.83	96.32	57.12
				2009				
				†Class 1	1.6262	28.97	76.97	55.35
				†Class 2	2.3246	41.66	80.36	57.54
				†To 7th September 2009				
				Accumulation shares only available				
UK Overseas Earnings Fund								
for the year ending 7th March 2007				2004				
Class 2	169,329	71.74p	236,039,178	Class 2	0.6608	13.39	53.27	47.07
for the year ending 7th March 2008				2005				
Class 2	135,604	68.75p	197,231,683	Class 2	0.8290	16.80	64.33	52.73
for the year ending 7th March 2009				2006				
Class 2	81,922	44.98p	182,122,284	Class 2	0.9018	18.28	72.58	63.58
for the period ending 7th September 2009				2007				
Class 2	104,032	59.90p	173,683,012	Class 2	1.3071	26.49	78.60	68.75
				2008				
				Class 2	1.6095	32.62	77.45	46.71
				2009				
				†Class 2	1.6727	33.90	60.96	44.61
				†To 7th September 2009				
				Income shares only available				

Performance Summary for the six months ending 31/08/2009

Funds	Fund Sector	Class 1 Net Tax Return %	Class 2 Net Tax Return %	Class 1 Gross Return† %	Sector Median Net Return %
United Kingdom					
UK Fund	(IMA) UK All Companies	27.90	28.31	–	31.82
UK Select Fund	(IMA) UK All Companies	25.94	26.32	–	31.82
UK Smaller Companies Fund	(IMA) UK Smaller Companies	44.32	44.75	–	40.70
UK Growth & Income Fund	(IMA) UK All Companies	26.20	26.54	–	31.82
UK Equity Income Fund	(IMA) UK Equity Income	22.63	22.98	–	27.71
UK Monthly Income Fund	(IMA) UK Equity Income	20.04	–	–	27.71
Monthly Extra Income Fund	(IMA) UK Equity & Bond Income	23.34	–	–	22.64
UK Corporate Bond Fund	(IMA) £ Corporate Bond	15.88	16.05	–	15.94
High Yield Bond Fund	(IMA) £ High Yield	31.91	32.33	–	30.46
Strategic Bond Fund	(IMA) £ Strategic Bond	22.71	23.07	–	18.46
Sterling Bond Fund	(IMA) UK Gilt	2.99	–	3.31	3.12
UK Money Securities Fund	(IMA) Money Market	–3.28	–	–3.26	0.26
UK Institutional Fund	(IMA) UK All Companies	29.70	30.27	–	31.82
UK Overseas Earnings Fund	(IMA) UK All Companies	–	26.31	–	31.82
Europe					
European Fund	(IMA) Europe Excluding UK	34.85	35.28	–	37.16
European Select Fund	(IMA) Europe Excluding UK	23.18	23.56	–	37.16
European Smaller Companies Fund	(IMA) European Smaller Companies	31.79	32.21	–	40.57
Pan European Smaller Companies Fund	(IMA) European Smaller Companies	26.73	28.83	–	40.57
Pan European Fund	(IMA) Europe Including UK	28.42	28.83	–	33.07
European Bond Fund	(IMA) Global Bond	5.69	–	6.28	3.94
European Corporate Bond Fund	(IMA) Global Bond	18.13	–	18.84	3.94
European High Yield Bond Fund	(IMA) Global Bond	32.41	–	33.65	3.94
European High Yield Bond Fund (€)*	(IMA) Global Bond	34.00	–	35.06	–
US					
American Fund	(IMA) North America	18.45	18.83	–	20.52
American Select Fund	(IMA) North America	22.61	23.01	–	20.52
American Smaller Companies Fund (US)	(IMA) North American Smaller Companies	26.97	27.38	–	26.10
Dollar Bond Fund*	(IMA) Global Bond	3.43	–	4.48	3.94
Japan					
Japan Fund	(IMA) Japan	11.61	11.97	–	19.92
Japan Smaller Companies Fund	(IMA) Japanese Smaller Companies	28.99	29.40	–	31.14

Performance Summary for the six months ending 31/08/2009 (continued)

Funds	Fund Sector	Class 1 Net Tax Return %	Class 2 Net Tax Return %	Class 1 Gross Return† %	Sector Median Net Return %
Pacific Basin & Emerging Markets, Asia Pacific Excluding Japan					
Asia Fund	(IMA) Far East Excluding Japan	44.56	45.00	–	44.12
Latin America Fund*	(IMA) Specialist	53.37	53.84	–	–
Emerging Market Bond Fund	(IMA) Global Bond	4.57	–	5.59	3.94
Global					
Global Select Fund	(IMA) Global Growth	23.14	–	–	26.41
Global Bond Fund	(IMA) Global Bond	–5.00	–4.39	–4.50	3.94

All fund and peer group data sourced from Morningstar.

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.

Unless otherwise stated, all of the above returns are in Sterling and on a bid to bid basis with net income reinvested for a UK basic rate taxpayer. These returns are also after annual management charges have been deducted.

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

†Gross Return refers to the return for a Gross Share Class. The Gross Return Share class for certain funds is priced at 12:00 UK time in a currency other than UK Sterling and has been converted to UK Sterling using a Global-Close FX rate.

Threadneedle OEIC Returns against the Offshore Universe Performance Summary for the six months ending 31/08/2009

Funds	Fund Sector	Performance Share Class 1 %	Peer Group Performance %	Performance Share Class 2 %	Currency
UK EQUITY					
UK Fund	Equity UK	28.02	30.11	28.49	GBP
UK Select Fund	Equity UK	26.06	30.11	26.50	GBP
UK Monthly Income Fund	Equity UK (Income)	20.46	21.74	–	GBP
UK Equity Income Fund	Equity UK (Income)	23.23	21.74	23.61	GBP
UK Growth & Income Fund	Equity UK	26.52	30.11	26.86	GBP
UK Smaller Companies Fund	Equity Smaller Companies UK	44.43	32.71	44.93	GBP
UK Institutional Fund	Equity UK	29.85	30.11	30.50	GBP
UK Overseas Earnings Fund	Equity UK	–	30.11	26.51	GBP
Monthly Extra Income Fund	Asset Allocation UK Dynamic	23.84	23.09	–	GBP
EUROPE EQUITY					
European Fund	Equity Europe & Europe ex-UK combined	37.05	35.53	37.69	EUR
European Select Fund	Equity Europe & Europe ex-UK combined	25.11	35.53	25.71	EUR
Pan European Fund	Equity Europe & Europe ex-UK combined	30.35	35.53	30.92	EUR
European Smaller Companies Fund	Equity Smaller Companies Europe & Europe ex-UK combined	33.69	39.02	34.35	EUR
Pan European Smaller Companies Fund	Equity Smaller Companies Europe & Europe ex-UK combined	28.31	39.02	28.84	EUR
AMERICAS					
American Fund	Equity North America	36.20	37.63	36.69	USD
American Select Fund	Equity North America	40.99	37.63	41.45	USD
American Smaller Companies Fund (US)	Equity Smaller Companies North America	45.18	45.35	46.48	USD
Latin America Fund	Equity Latin America	75.56	73.57	77.22	USD
FAR EAST & PACIFIC					
Asia Fund	Equity Asia-Pacific ex-Japan	66.46	63.92	67.07	USD
Japan Fund	Equity Japan	23.37	30.44	23.76	JPY
Japan Smaller Companies Fund	Equity Smaller Companies Japan	42.58	36.99	43.03	JPY

Threadneedle OEIC Returns against the Offshore Universe Performance Summary for the six months ending 31/08/2009 (continued)

Funds	Fund Sector	Performance Share Class 1 %	Peer Group Performance %	Performance Share Class 2 %	Currency
MONEY MARKET & BOND					
Sterling Bond Fund*	Fixed Income GBP/Government	3.31	2.88	–	GBP
UK Corporate Bond Fund	Fixed Income GBP/Corporate	16.58	16.26	16.79	GBP
UK Money Securities Fund*	Money Market GBP	–3.26	0.18	–	GBP
European Bond Fund*	Fixed Income Europe	7.55	5.37	–	EUR
Dollar Bond Fund*	Fixed Income USD	19.47	7.09	–	USD
Global Bond Fund*	Fixed Income International	–3.36	3.76	–	EUR
Emerging Market Bond Fund*	Fixed Income Global Emerging Markets	20.74	27.87	–	USD
European High Yield Bond Fund*	Fixed Income European High Yield	35.06	38.13	–	EUR
Strategic Bond Fund	Fixed Income GBP High Yield	23.67	24.91	24.03	GBP
European Corporate Bond Fund*	Fixed Income Europe/Corporate	20.26	14.26	–	EUR
High Yield Bond Fund	Fixed Income GBP High Yield	33.17	24.91	33.61	GBP
GLOBAL EQUITY					
Global Select Fund	Equity Global	41.76	43.09	–	USD

Morningstar, Offshore Territories, NAV to NAV in fund currency with gross income reinvested. Data reflects current management and other charges, but does not consider the effect of initial charges applicable to new investments.

*The performance of these funds relates to the gross accumulation shares of class 1.

Total Expense Ratio Summary

for the accounting period 8th March 2009 to 7th September 2009

Fund	Share Class	September 2009*	March 2009
UK Fund	Class 1 – Net income shares	1.68%	1.69%
	Class 2 – Net income shares	1.04%	1.05%
UK Select Fund	Class 1 – Net income shares	1.68%	1.69%
	Class 2 – Net income shares	1.04%	1.05%
UK Smaller Companies Fund	Class 1 – Net income shares	1.71%	1.72%
	Class 2 – Net income shares	1.07%	1.07%
UK Growth & Income Fund	Class 1 – Net income shares	1.63%	1.63%
	Class 2 – Net income shares	1.05%	1.06%
UK Equity Income Fund	Class 1 – Net income shares	1.64%	1.63%
	†Class 1 – Net accumulation shares	1.72%	N/A
	Class 2 – Net income shares	1.06%	1.04%
UK Monthly Income Fund	Class 1 – Net income shares	1.63%	1.63%
Monthly Extra Income Fund	Class 1 – Net income shares	1.40%	1.40%
UK Corporate Bond Fund	Class 1 – Net income shares	0.94%	0.94%
	Class 1 – Gross income shares	0.94%	0.93%
	Class 2 – Net income shares	0.55%	0.55%
	Class 2 – Gross accumulation shares	0.55%	0.55%
High Yield Bond Fund	Class 1 – Net income shares	1.52%	1.48%
	Class 1 – Gross income shares	1.51%	1.47%
	Class 2 – Net income shares	0.87%	0.83%
	Class 2 – Gross accumulation shares	0.87%	0.83%
	Class 2 – Gross income shares	0.88%	0.82%
Strategic Bond Fund	Class 1 – Net income shares	1.45%	1.45%
	Class 1 – Gross income shares	1.45%	1.44%
	Class 2 – Net income shares	0.81%	0.80%
	Class 2 – Gross accumulation shares	0.81%	0.80%
	Class 2 – Gross income shares	0.81%	0.80%
Sterling Bond Fund	Class 1 – Net income shares	1.22%	1.21%
	Class 1 – Gross accumulation shares	1.22%	1.21%
UK Money Securities Fund	Class 1 – Net income shares	0.64%	0.62%
	Class 1 – Gross income shares	0.64%	0.63%
	Class 1 – Gross accumulation shares	0.64%	0.63%
UK Cash Fund	Class 1 – Net income shares	0.71%	0.67%
European Fund	Class 1 – Net accumulation shares	1.68%	1.72%
	Class 2 – Net accumulation shares	1.04%	1.08%
European Select Fund	Class 1 – Net accumulation shares	1.72%	1.71%
	Class 2 – Net accumulation shares	1.08%	1.09%
European Smaller Companies Fund	Class 1 – Net accumulation shares	1.72%	1.72%
	Class 1 – Net income shares	1.71%	1.70%
	Class 2 – Net accumulation shares	1.08%	1.07%
Pan European Smaller Companies Fund	Class 1 – Net accumulation shares	1.71%	1.71%
	Class 2 – Net accumulation shares	1.07%	1.07%
Pan European Fund	Class 1 – Net accumulation shares	1.74%	1.74%
	Class 2 – Net accumulation shares	1.11%	1.11%
European Bond Fund	Class 1 – Net income shares	1.22%	1.21%
	Class 1 – Gross accumulation shares	1.22%	1.21%
European Corporate Bond Fund	Class 1 – Net accumulation shares	1.51%	1.50%
	Class 1 – Gross accumulation shares	1.51%	1.49%
European High Yield Bond Fund	Class 1 – Net accumulation shares	1.49%	1.50%
	Class 1 – Gross accumulation shares	1.49%	1.51%
	Class 2 – Gross accumulation shares	0.85%	0.86%
	§Class X – Gross accumulation shares	0.04%	N/A

Total Expense Ratio Summary

(continued)

Fund	Share Class	September 2009*	March 2009
American Fund	**Class 1 – Hedged net accumulation shares	1.70%	N/A
	Class 1 – Net accumulation shares	1.69%	1.70%
	Class 1 – Net income shares	1.70%	1.69%
	Class 2 – Net accumulation shares	1.05%	1.05%
American Select Fund	††Class 1 – Hedged net accumulation shares	1.71%	N/A
	Class 1 – Net accumulation shares	1.70%	1.69%
	Class 1 – Net income shares	1.70%	1.70%
	Class 2 – Net accumulation shares	1.06%	1.05%
American Smaller Companies Fund (US)	Class 1 – Net accumulation shares	1.72%	1.76%
	Class 1 – Net income shares	1.74%	1.75%
	Class 2 – Net accumulation shares	1.08%	1.11%
Dollar Bond Fund	Class 1 – Net income shares	1.24%	1.24%
	Class 1 – Gross accumulation shares	1.24%	1.24%
Japan Fund	Class 1 – Net accumulation shares	1.72%	1.71%
	Class 2 – Net accumulation shares	1.08%	1.07%
Japan Smaller Companies Fund	Class 1 – Net accumulation shares	1.72%	1.73%
	Class 2 – Net accumulation shares	1.08%	1.08%
Asia Fund	Class 1 – Net accumulation shares	1.70%	1.71%
	Class 2 – Net accumulation shares	1.06%	1.07%
Latin America Fund	Class 1 – Net accumulation shares	1.74%	1.74%
	Class 2 – Net accumulation shares	1.10%	1.10%
	Class X – Net accumulation shares	0.12%	0.09%
Emerging Market Bond Fund	Class 1 – Net income shares	1.71%	1.72%
	Class 1 – Gross accumulation shares	1.71%	1.72%
	Class 1 – Gross income shares	1.71%	1.71%
	Class 2 – Gross accumulation shares	1.07%	1.05%
	§§Class X – Gross accumulation shares	0.07%	N/A
Global Select Fund	Class 1 – Net accumulation shares	1.70%	1.70%
	Class 2 – Net accumulation shares	1.06%	1.04%
	Class X – Net accumulation shares	0.06%	0.04%
Global Bond Fund	†Class 1 – Net accumulation shares	1.45%	N/A
	Class 1 – Net income shares	1.45%	1.44%
	Class 1 – Gross accumulation shares	1.45%	1.45%
	Class 1 – Gross income shares	1.45%	1.44%
	Class 2 – Net income shares	0.81%	0.81%
	Class 2 – Gross accumulation shares	0.81%	0.80%
UK Institutional Fund	Class 1 – Net accumulation shares	1.67%	1.70%
	Class 2 – Net accumulation shares	0.78%	0.80%
UK Overseas Earnings Fund	Class 2 – Net income shares	1.56%	1.57%

A Total Expense Ratio is a figure representing all operating charges and expenses as a percentage of a fund's value. It includes the annual management fee as well as all the administrative costs incurred by the fund.

*Annualised Ratio.

† Class 1 – Net accumulation shares launched 8th May 2009

§ Class X – Gross Accumulation shares launched 14th August 2009

** Class 1 – Hedged net accumulation shares launched 2nd April 2009

†† Class 1 – Hedged net accumulation shares launched 8th July 2009

§§ Class X – Gross Accumulation shares launched 3rd April 2009

Shares Issued and Redeemed Summary

for the accounting period 8th March 2009 to 7th September 2009

Fund	Number Issued	Number Redeemed
UK Fund	57,048,440	(42,314,753)
UK Select Fund	18,934,730	(136,092,813)
UK Smaller Companies Fund	4,908,178	(2,492,687)
UK Growth & Income Fund	20,624,967	(9,847,606)
UK Equity Income Fund	173,426,370	(6,395,319)
UK Monthly Income Fund	14,516,720	(25,950,617)
Monthly Extra Income Fund	11,600,667	(1,512,189)
UK Corporate Bond Fund	105,337,077	(35,062,657)
High Yield Bond Fund	245,668,439	(87,316,449)
Strategic Bond Fund	19,613,365	(42,624,423)
Sterling Bond Fund	12,785,509	(239,564,767)
UK Money Securities Fund	11,501,999	(80,346,179)
UK Cash Fund	55	–
European Fund	56,569,634	(48,197,482)
European Select Fund	66,726,717	(59,572,854)
European Smaller Companies Fund	68,004,561	(32,348,232)
Pan European Smaller Companies Fund	103,532,496	(32,384,330)
Pan European Fund	51,336,242	(28,472,463)
European Bond Fund	6,071,164	(16,528,772)
European Corporate Bond Fund	7,414,985	(756,277)
European High Yield Bond Fund	341,428,784	(259,873,972)
American Fund	173,378,744	(72,237,412)
American Select Fund	355,754,468	(126,337,003)
American Smaller Companies Fund (US)	12,637,530	(6,001,638)
Dollar Bond Fund	14,766,461	(15,049,553)
Japan Fund	59,877,087	(54,220,018)
Japan Smaller Companies Fund	31,614,175	(770,751)
Asia Fund	397,276,622	(96,605,293)
Latin America Fund	40,256,278	(36,303,798)
Emerging Market Bond Fund	504,965,120	(33,993,592)
Global Select Fund	68,001,063	(20,363,657)
Global Bond Fund	20,210,062	(43,265,444)
UK Institutional Fund	300,780,034	(234,513,425)
UK Overseas Earnings Fund	2,833,586	(11,272,858)

Portfolio Turnover Rate Summary

for the accounting period 8th March 2009 to 7th September 2009

Fund	September 2009*	March 2009
UK Fund	141%	79%
UK Select Fund	325%	309%
UK Smaller Companies Fund	81%	38%
UK Growth & Income Fund	155%	131%
UK Equity Income Fund	200%	142%
UK Monthly Income Fund	161%	123%
Monthly Extra Income Fund	134%	144%
UK Corporate Bond Fund	103%	122%
High Yield Bond Fund	91%	85%
Strategic Bond Fund	101%	105%
Sterling Bond Fund	836%	831%
UK Money Securities Fund	1,170%	605%
UK Cash Fund	N/A	N/A
European Fund	174%	212%
European Select Fund	312%	448%
European Smaller Companies Fund	169%	189%
Pan European Smaller Companies Fund	69%	59%
Pan European Fund	208%	319%
European Bond Fund	1,098%	848%
European Corporate Bond Fund	188%	159%
European High Yield Bond Fund	0%	0%
American Fund	228%	198%
American Select Fund	306%	373%
American Smaller Companies Fund (US)	274%	107%
Dollar Bond Fund	374%	97%
Japan Fund	376%	213%
Japan Smaller Companies Fund	183%	98%
Asia Fund	13%	0%
Latin America Fund	85%	95%
Emerging Market Bond Fund	107%	173%
Global Select Fund	180%	155%
Global Bond Fund	719%	555%
UK Institutional Fund	53%	0%
UK Overseas Earnings Fund	142%	123%

The Portfolio Turnover Rate is the measure of how frequently assets within a fund are bought and sold. It is calculated as follows:

$$\frac{(\text{Purchase of securities} + \text{Sales of securities}) - (\text{Issue of shares} + \text{Cancellation of shares})}{(\text{Average Fund Value over the accounting period}) \times 100}$$

* Annualised ratio

Total Purchases and Sales

for the accounting period 8th March 2009 to 7th September 2009

	September 2009 £000	March 2009 £000
UK Fund		
Total purchases for the period	341,755	521,462
Total sales for the period	337,991	564,431
UK Select Fund		
Total purchases for the period	208,805	598,805
Total sales for the period	278,201	542,498
UK Smaller Companies Fund		
Total purchases for the period	22,881	27,272
Total sales for the period	23,295	25,292
UK Growth & Income Fund		
Total purchases for the period	94,306	182,940
Total sales for the period	85,144	191,810
UK Equity Income Fund		
Total purchases for the period	326,696	484,585
Total sales for the period	253,262	333,446
UK Monthly Income Fund		
Total purchases for the period	188,172	343,542
Total sales for the period	179,372	365,603
Monthly Extra Income Fund		
Total purchases for the period	33,927	74,687
Total sales for the period	30,545	74,309
UK Corporate Bond Fund		
Total purchases for the period	202,827	433,523
Total sales for the period	159,963	367,977
High Yield Bond Fund		
Total purchases for the period	198,299	255,804
Total sales for the period	133,752	230,429
Strategic Bond Fund		
Total purchases for the period	107,095	233,472
Total sales for the period	102,884	275,121
Sterling Bond Fund		
Total purchases for the period	681,791	1,580,983
Total sales for the period	796,119	1,648,985
UK Money Securities Fund		
Total purchases for the period	426,400	1,031,830
Total sales for the period	440,427	1,244,625
UK Cash Fund		
Total purchases for the period	–	–
Total sales for the period	–	–
European Fund		
Total purchases for the period	280,120	832,339
Total sales for the period	264,189	928,831
European Select Fund		
Total purchases for the period	557,591	1,634,193
Total sales for the period	554,631	1,803,351

Total Purchases and Sales

(continued)

	September 2009 £000	March 2009 £000
European Smaller Companies Fund		
Total purchases for the period	391,949	736,087
Total sales for the period	324,571	783,415
Pan European Smaller Companies Fund		
Total purchases for the period	86,909	69,905
Total sales for the period	35,282	76,272
Pan European Fund		
Total purchases for the period	67,708	102,952
Total sales for the period	54,102	99,246
European Bond Fund		
Total purchases for the period	409,746	653,145
Total sales for the period	416,848	640,400
European Corporate Bond Fund		
Total purchases for the period	20,083	24,315
Total sales for the period	15,188	20,805
European High Yield Bond Fund		
Total purchases for the period	178,834	208,730
Total sales for the period	146,058	104,669
American Fund		
Total purchases for the period	565,410	1,087,650
Total sales for the period	474,945	1,147,704
American Select Fund		
Total purchases for the period	1,023,899	2,004,196
Total sales for the period	817,856	2,084,082
American Smaller Companies Fund (US)		
Total purchases for the period	67,024	41,883
Total sales for the period	60,184	45,174
Dollar Bond Fund		
Total purchases for the period	48,813	32,806
Total sales for the period	48,725	47,587
Japan Fund		
Total purchases for the period	156,044	190,114
Total sales for the period	152,243	206,716
Japan Smaller Companies Fund		
Total purchases for the period	59,604	51,663
Total sales for the period	37,353	47,799
Asia Fund		
Total purchases for the period	404,205	246,657
Total sales for the period	107,056	136,674
Latin America Fund		
Total purchases for the period	216,813	489,986
Total sales for the period	183,281	641,368
Emerging Market Bond Fund		
Total purchases for the period	373,224	233,568
Total sales for the period	162,826	129,958

Total Purchases and Sales

(continued)

	September 2009 £000	March 2009 £000
Global Select Fund		
Total purchases for the period	262,470	462,182
Total sales for the period	216,507	500,009
Global Bond Fund		
Total purchases for the period	581,226	864,561
Total sales for the period	617,919	812,388
UK Institutional Fund		
Total purchases for the period	394,595	745,324
Total sales for the period	317,834	1,421,540
UK Overseas Earnings Fund		
Total purchases for the period	35,294	76,669
Total sales for the period	39,343	83,438

Further Information

Threadneedle Investment Funds ICVC is an open-ended investment company with variable capital under regulation 12 (Authorisation) of the Open Ended Investment Companies Regulations 2001 (as amended) and the shareholders are not liable for the debts of the company.

Threadneedle Investment Funds ICVC is structured as an umbrella company in that different Funds may be established from time to time by the ACD with the approval of the FSA and the agreement of the Depositary.

Prospectus

A Prospectus, which describes each fund in detail, is available from Threadneedle Investment Services Limited, Client Services, P.O. Box 1331, Swindon, SN38 7TA and at the Paying Agents and Distributors in the countries where the funds are distributed.

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

Each fund has the investment powers equivalent to those of a UCITS scheme (as defined in the FSA rules).

Other funds may be launched in the future.

Changes to the Prospectus

Over the period 8th March 2009 to 7th September 2009 the only significant changes to the Prospectus of Threadneedle Investment Funds ICVC are as follows:

- Appendix IV and V updated to show the latest figures
- Publication of prices: update of Section "electronic price publication"
- New share classes: Emerging Market Bond Fund launched a Gross Accumulation Class X share class on 3rd April 2009, Global Bond Fund and UK Equity Income Fund launched a Net Accumulation Class 1 share class on 8th May 2009.

Management of Company changes:-

Resignation of Tom Challenor as Director of Threadneedle Investment Services Limited (30th June 2009) and the appointment of Nick Ring (2nd July 2009).

No changes have been made to the Instruments of Incorporation over this period.

Types of share available

Threadneedle Investment Funds is structured as an umbrella company and currently consists of 34 different sub-funds. Several classes of share may be issued in respect of each

Fund, distinguished by their criteria for subscription and fee structure. Details of the investment criteria for Class 1 Shares and Class 2 Shares and Class X Shares are set out in the Prospectus. Typically, Class 1 Shares are available to retail investors seeking income or growth (or a combination of these) over the medium to long-term and Class 2 Shares are available to non-retail investors. Class X Shares are available to eligible investors only and will accommodate an alternative charging structure. The level of net income attributable to each share class will differ.

Launch of new Hedged Share Classes ("HSCs")

Threadneedle has launched a range of HSCs in 2009. HSCs will use currency hedging transactions to try and reduce the exposure to the Reference Currency and replace it with an exposure to the Hedged Currency. The terms Reference and Hedged Currency are defined as follows:

- "Reference Currency" or "Reference Currencies" means the currency or currencies against which the currency hedging transaction is applied; and
- "Hedged Currency" is the currency in which the Hedged Share Class is denominated.

These HSCs should not be confused with other share classes that may be denominated in other currencies but are not hedged. For full details of the HSCs available, including details of the Reference Currency of each Fund where HSCs are available, please refer to the latest version of the Prospectus.

SDRT Provision

SDRT is chargeable on the surrender, and certain transfers of shares in the Funds. The current rate of SDRT is 0.5%.

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

How it affects shareholders and potential shareholders:

The Authorised Corporate Director meets the SDRT liability from the property of the Company.

It is not the ACD's intention to require the payment of a further provision for SDRT, however, it reserves the right to do so in respect of large deals (as set out in the Prospectus).

Income Equalisation

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

Performance

For the period under review, where applicable, fund performance has been compared to the relevant peer group. We show a peer group comparison as this more accurately reflects the way the funds are managed. We continue to show stock market indices for information purposes and for those funds where the Investment Management 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.

Report and accounts

Investors will receive a report on Threadneedle Investment Funds ICVC twice a year. This will be a short form version and a report containing the full accounts will be available from Threadneedle Investment Services Limited, Client Services, P.O. Box 1331, Swindon SN38 7TA and at the Paying Agents and Distributors in the countries where the funds are registered. The report will provide information on the performance of the funds, the market background, and details of each of the portfolios. The annual accounting period for the funds ends each year in March and the interim reporting period ends in September.

Directory

Registered Office

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

Authorised Corporate Director (ACD)

Threadneedle Investment Services Limited
60 St Mary Axe, London EC3A 8JQ

Registrar

Threadneedle Investment Services Limited
60 St Mary Axe, London EC3A 8JQ

Investment Adviser

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

Depository

J.P. Morgan Trustee and Depository Company Limited
(Regulated by the FSA)
Chaseside, Bournemouth, Dorset BH7 7DA

Legal Advisers

Eversheds LLP
Senator House, 85 Queen Victoria Street, London EC4V 4JL

Baum Financial Services Law Team
Alte Rabenstrasse 2, 20148 Hamburg, Germany

Independent Auditors

PricewaterhouseCoopers LLP
Hay's Galleria, 1 Hay's Lane, London SE1 2RD

Client Services

UK Investors
Tel: 0800 068 3000*

Website:

threadneedle.co.uk (for UK investors only)

Non-UK Investors

Tel: 0044 1793 363 900*

Website:

threadneedle.com

Paying and Information Agent in Austria

Raiffeisen Zentralbank Österreich AG
Am Stadtpark 9
1030 Wien
Austria

Paying and Information Agent in Belgium

J.P. Morgan Chase
1, Boulevard du Roi Albert II
1210 Brussel
Belgium

Paying and Information Agent in France

BNP Paribas Securities Services
66 rue de la Victoire
75009 Paris
France

Paying and Information Agent in Germany

J.P. Morgan AG
Junghofstr. 14
60311 Frankfurt am Main
Germany

Please note that no registration application has been filed for UK Cash Fund with the Bundesanstalt für Finanzdienstleistungsaufsicht and shares in UK Cash Fund must not be publicly marketed in Germany.

Paying and Information Agent in Hong Kong

HSBC Securities Services Asia-Pacific
39/F Dorset House
Taikoo Place
979 King's Road
Hong Kong

Paying and Information Agent in Italy

Intesa Sanpaolo S.p.A.
Piazza San Carlo, n.156
Turin
Italy

Paying and Information Agent in Luxembourg

State Street Bank Luxembourg S.A.
49 avenue J.F. Kennedy
L-1855 Luxembourg

Paying and Information Agent in the Netherlands

Fortis Intertrust
Rokin 55
1012 KK Amsterdam
The Netherlands

Representative in Switzerland

Fortis Foreign Fund Services S.A.
Rennweg 57
8021 Zurich
Switzerland

Paying Agent in Switzerland

Fortis Banque (Suisse) S.A.
Rennweg 57
8021 Zurich
Switzerland

Listing Agent

J.P. Morgan Bank Luxembourg S.A.
5, rue Plaetis
L-2338 Luxembourg

Important Information

References in this document to any fund do not constitute an offer or invitation to subscribe to shares in such a fund. We recommend you obtain detailed information before the purchase of shares. Subscriptions to a fund may only be made on the basis of the current Prospectus or Simplified Prospectus 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 performance. The value of investments and any income from them may go down as well as up, and an investor may not get back the amount invested. Changes in exchange rates may also affect the value of investments. The dealing price may include a dilution adjustment where the fund experiences large inflows and outflows of investment. 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.

Emerging Markets are generally less well regulated than their established counterparts. Funds investing in these markets can be susceptible to significant fluctuations in price. They may also carry additional risk in other areas including dealing, liquidity and taxation. As such, they are aimed at the more experienced investor. This applies to the Emerging Market Bond Fund, Latin America Fund, Asia Fund and Global Select Fund.

The Select Funds have a concentrated portfolio (hold a limited number of investments) and if one or more of those investments declines or is otherwise adversely affected, it may have a pronounced effect on the Fund's value. As such, they are aimed at the more experienced investor.

The Smaller Companies Funds invest in smaller companies. Smaller companies can be more volatile and less liquid than their larger counterparts. As such, they are aimed at the more experienced investor.

The interest rate on most government and corporate bonds will not increase in line with inflation. Thus, over time, the real value of investor's income could fall. This applies to the European Bond, European Corporate Bond, European High Yield Bond, High Yield Bond, Emerging Market Bond, Dollar Bond, Global Bond, Strategic Bond, Sterling Bond and UK Corporate Bond Funds as well as the bond element of the Monthly Extra Income Fund.

High Yield Bonds carry a higher level of default risk and can be less liquid than government bonds and investment grade corporate bonds. This applies to the European High Yield Bond, High Yield Bond, Emerging Market Bond and Strategic Bond Funds.

Some Funds may deduct the annual management charge from capital rather than from income. This may erode capital or reduce the potential for capital growth over time. This applies to the European Bond, High Yield Bond, Emerging Market Bond, Dollar Bond, Global Bond, Strategic Bond, Sterling Bond, Monthly Extra Income, UK Equity Income, UK Growth & Income and UK Monthly Income Funds.

The UK Cash Fund may deduct the annual management charge from capital rather than from income. This may erode capital or reduce the potential for capital growth over time. In extreme market conditions it may be difficult for a Fund to realise an investment at short notice without suffering a discount to market value. In such circumstances the investor may suffer a delay in realising his investment or may incur a dilution adjustment. Investors should note that the Funds do not offer any form of guarantee with respect to investment performance and no form of capital protection will apply.

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