

Threadneedle Management Luxembourg S.A.
Société Anonyme

Audited Annual Accounts
for the year ended 31 December 2022

44, Rue de la Vallée
L-2661 Luxembourg
Grand Duchy of Luxembourg
R.C.S number: B 110.242

Table of contents

	Page
Management and Administration	3
Management report	4 - 6
Audit report	7 - 9
Balance sheet	10 - 11
Profit and loss account	12
Notes to the annual accounts	13 - 28

Management and administration

Publications

Threadneedle Management Luxembourg S.A. (the "Company") was incorporated and is organised under the laws of Luxembourg as a "société anonyme" on 24 August 2005 for an unlimited period under the name American Express Bank Asset Management Company (Luxembourg) S.A. On 24 July 2008, the Company was renamed Standard Chartered Investments (Luxembourg) S.A. On 29 May 2009 the Company was renamed Threadneedle Management Luxembourg S.A. On 1 November 2020 Threadneedle International Investments GmbH was merged into the Company.

Directors

S Lauder		Director, Holbrook House, Swindon, UNITED KINGDOM
C Petersen	Resigned 22 November 2022	Director, 707 2 nd Ave South, 5228 Ameriprise Financial Centre, Minneapolis, UNITED STATES OF AMERICA
F Uleer		Director, Mainzer Landstraße 1, 60329 Frankfurt, am Main GERMANY
L Weatherup		Director, 78 Cannon Street, London, UNITED KINGDOM
K Wong		Director, 3 Killiney Road, #07-07, Winsland House 1, SINGAPORE
M Zeitoun	Appointed 10 November 2022	Director, 485 Lexington Avenue – 12th Floor, New York, NY 10017

Independent Auditors

PricewaterhouseCoopers, Société coopérative
2 Rue Gerhard Mercator
L-2182
LUXEMBOURG

Management report for the year ended 31 December 2022

The directors present their report and the audited annual accounts (“the annual accounts”) of Threadneedle Management Luxembourg S.A. (“the Company”) for the year ended 31 December 2022.

The Company is a subsidiary of TAM UK International Holdings Limited, an England and Wales registered company owned by Ameriprise Financial, Inc. (“Ameriprise”), the ultimate parent company. TAM UK International Holdings Limited and all its subsidiaries are referred to herein as “the Group”.

Significant developments and principal activities

The principal activities of the Company are the collective portfolio management of several Luxembourg and/or foreign collective investment funds in transferable securities authorised according to the Directive 2009/65/EC, as amended from time to time (“UCITS”) on behalf of their unit holders or shareholders in accordance with the provisions of Chapter 15 of the Luxembourg law of 17 December 2010 on the undertakings for collective investment, as it may be amended from time to time (the “2010 Law”).

The Company is authorised to provide services as alternative investment fund manager (“AIFM”) in accordance with the provisions of the Luxembourg law of 12 July 2013 on alternative investment fund managers, as it may be amended from time to time (the “2013 Law”), and to provide portfolio management services to investors in accordance with mandates given by investors on a discretionary, client-by-client basis.

The Company serves as the designated management company for the following Luxembourg SICAV, organised as UCITS under Part 1 of the 2010 Law, as amended:

- Threadneedle (Lux) (formerly known as World Express Funds I) since 31 October 2005.
- Columbia Threadneedle (Lux) since 29 December 2020.

As of 31 December 2022, the Company serves as the AIFM for several Luxembourg alternative investment funds.

The Company acts as fund manager to the established fund ranges domiciled in Luxembourg (both UCITS and AIF) as well as its asset management presence in the EU.

In 2022 following a group reorganisation, the Company’s immediate parent changed from Threadneedle Asset Management S.à.r.l to TAM UK International Holdings Limited.

COVID-19 (also referred to as “coronavirus”) continued to impact economies, financial markets and businesses around the world throughout 2022. As in the previous year, the Group coordinated responses to the pandemic and related restrictions regionally and globally to ensure continued delivery for clients, support employees and maintain business continuity. The Group maintained operational capacity utilising greater remote working than before the pandemic. In 2023, the Group continues to monitor and coordinate responses as required.

Management report for the year ended 31 December 2022 (continued)

Significant developments and principal activities (continued)

Financially the Company has remained profitable due to an arrangement with the group companies Threadneedle Asset Management Limited (“TAML”) and Columbia Management Investment Advisors LLC (“Columbia”) which ensures that 110% of the Company’s costs are met.

Taking into consideration the impact of business environment volatility emanating from Russia-Ukraine conflict, markets volatility against the background of macro-economic challenges (rising interest rates, inflation), based on the result of a stress test including a further market fall and a liquidity stress, the directors have a reasonable expectation that the Company would remain adequately capitalised and maintain sufficient liquidity to meet its liabilities as they fall due and would therefore be able to continue to operate as a going concern. The capital and liquidity levels would also remain in excess of the regulatory requirements.

Results and dividends

The profit and loss account for the year is set out on page 12. The profit for the financial year was €6,310,397 (2021: profit €23,156,021).

The directors did not pay an interim dividend in 2022 (2021: €25,717,000).

The directors do not recommend the payment of a final dividend (2021: €nil).

Review of the business and future developments

The results of companies within the Group are managed on a group and business stream basis. Business streams do not correspond directly with individual legal entities and consequently key performance indicators are not set for individual companies.

Revenue for the year ended 31 December 2022 has decreased by 13.6% (2021: increased by 57.6%) to €257.7m (2021: €298.3m), the decrease in revenue as compared to 2021 is primarily due to significant volatility in the financial market driven by (Russia-Ukraine conflict, macro-economic factors rising interest rates, inflation) and COVID-19. This year profit after taxation decreased by 72.7% from €23,156,021 to €6,310,397 primarily as a result of the revenue decrease.

The level of business was challenging, however the financial position at the end of the year is considered satisfactory. The Company provides additional services elaborated on in note 1 in Luxembourg and through its branches located in Austria, Denmark, France, Germany, Italy, The Netherlands, Spain and Sweden and its representative office in Chile. The Company also provides discretionary portfolio management services in addition to its Collective Portfolio Management services.

No other significant events have occurred since the end of the financial year.

Management report for the year ended 31 December 2022 (continued)

Risk management

The Board of TAM UK International Holdings Limited, of which the Company is a group company has established an Audit and Risk Committee (the "Committee"), comprised of representatives from Ameriprise and Non-Executive directors which is chaired by a Non-Executive director. The primary purpose of the Committee is to provide advice in order to assist the Board in carrying out its responsibilities as they relate to the risk management, internal control and the conduct of its business across EMEA in accordance with regulation, legislation and business best practice. The Committee is also responsible for review and approval of the EMEA risk management framework, in alignment with the Ameriprise Enterprise Risk Management policies. The Committee meets quarterly.

The principal credit risk lies in uncollectible receivables. The Company manages credit risk by only offering credit to reputable institutions and by operating strict credit control procedures. The directors do not perceive any significant credit risk as the main concentration of debtors is with related parties.

The Company participates in the Group's centralised treasury arrangements and has access to sufficient cash and liquid investments such that liquidity and cash flow risks are minimised. The Company monitors the credit rating of its banks to minimise the risk of loss due to counterparty failure. The Company is exposed to interest rate risk through its bank and cash balances. However, in the normal course of business, none of the Company's liabilities are sensitive to interest rates.

The Company is also exposed to non-financial or operational risk which includes the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. The Company has completed risk and control assessments to identify potential risks and ensure that adequate controls are in place to mitigate them.

Whilst COVID-19 (also referred to as "coronavirus") continued to impact economies, financial markets and businesses around the world throughout 2022 and to date to some extent, the Company believes the robust risk management framework in place is adequate under current circumstances as the Group continues its coordinated response across the entities in response to the ongoing pandemic and related restrictions regionally and globally to ensure continued delivery for clients, support employees and maintain business continuity.

Russia-Ukraine conflict

During February and March 2022, the European Union, United States and United Kingdom placed sanctions on certain Russian companies and persons in retaliation of the Russian invasion of Ukraine on 24 February 2022. The Company does not have any direct holdings on its corporate balance sheet nor operations in Russia, Ukraine or Belarus. The Company continues to monitor the potential risks as the situation continues to evolve.



Audit report

To the Shareholders of
Threadneedle Management Luxembourg S.A.

Our opinion

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of Threadneedle Management Luxembourg S.A. (the "Company") as at 31 December 2022, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

What we have audited

The Company's annual accounts comprise:

- the balance sheet as at 31 December 2022;
- the profit and loss account for the year then ended; and
- the notes to the annual accounts, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the annual accounts" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts. We have fulfilled our other ethical responsibilities under those ethical requirements.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the annual report but does not include the annual accounts and our audit report thereon.

Our opinion on the annual accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

*PricewaterhouseCoopers, Société coopérative, 2 rue Gerhard Mercator, B.P. 1443, L-1014 Luxembourg
T : +352 494848 1, F : +352 494848 2900, www.pwc.lu*

*Cabinet de révision agréé. Expert-comptable (autorisation gouvernementale n°10028256)
R.C.S. Luxembourg B 65 477 - TVA LU25482518*



In connection with our audit of the annual accounts, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the annual accounts or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the annual accounts

The Board of Directors is responsible for the preparation and fair presentation of the annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the annual accounts

The objectives of our audit are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;



- conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 19 June 2023

A handwritten signature in black ink, appearing to read 'S. Libby', is written over a horizontal line.

Steven Libby

Threadneedle Management Luxembourg S.A.

Société Anonyme

Balance sheet**As at 31 December 2022**

(in EUR)

	Note	2022 €	2021 €
<u>ASSETS</u>			
C. Fixed assets			
I. Tangible assets			
3. Other Fixtures and fittings, tools and equipment	(3)	651,192	332,621
D. Current assets			
II. Debtors			
2. Amounts owed by affiliated undertakings			
a) becoming due and payable within one year	(4)	52,003,195	17,863,067
4. Other debtors			
a) becoming due and payable within one year	(5)	25,162,655	39,182,181
III. Investments			
3. Other investments	(6)	8,104,688	39,200,212
IV. Cash at bank and in hand			
		13,517,255	9,248,080
E. Prepayments		895,285	942,683
TOTAL ASSETS		100,334,270	106,768,844

Threadneedle Management Luxembourg S.A.

Société Anonyme

Balance sheet**As at 31 December 2022**

(in EUR)

		2022	2021
	Note	€	€
<u>CAPITAL, RESERVES AND LIABILITIES</u>			
A. Capital and reserves			
I. Subscribed capital	(7)	2,519,100	2,519,100
II. Share premium account	(8)	9,000,000	9,000,000
IV. Reserves			
1. Legal reserve	(9,11)	251,910	251,910
2. Reserve for own shares	(10,11)	4,849,073	3,504,653
4. Other reserves, including the fair value reserve			
b) Other non available reserves	(11)	48,288	47,031
V. Profit brought forward	(11)	43,306,758	21,465,369
VI. Profit for the financial year	(11)	6,310,397	23,156,021
		66,285,526	59,944,084
C. Creditors			
6. Amounts owed to affiliated undertaking			
a) becoming due and payable within one year	(12)	1,298,795	5,797,941
8. Other creditors			
a) Tax authorities		4,519,638	6,031,978
b) Social security authorities		84,371	27,918
c) Other creditors			
i) becoming due and payable within one year	(13)	28,145,940	34,966,923
TOTAL CAPITAL, RESERVES AND LIABILITIES		100,334,271	106,768,844

Threadneedle Management Luxembourg S.A.

Société Anonyme

Profit and loss account**Financial year from 1 January 2022 to 31 December 2022**

(in EUR)

	Note	2022 €	2021 €
1. Net turnover	(14)	257,669,736	298,252,428
6. Staff costs	(15)	(9,494,080)	(8,624,468)
a) Wages and salaries		(6,391,217)	(6,358,043)
b) Social security costs			
i) relating to pensions		(578,446)	(479,053)
ii) other social security costs		(1,352,423)	(1,352,877)
c) Other staff costs		(1,171,994)	(434,495)
8. Other operating expenses	(17)	(239,546,623)	(262,772,925)
9. Income from participating interests			
a) other income from participating interests		750,477	247,622
14. Interest payable and similar expenses			
a) other interest and similar expenses		(33,438)	(58,742)
15. Tax on profit or loss		(3,035,675)	(3,887,894)
16. Profit or loss after taxation		6,310,397	23,156,021
18. Profit or loss for the financial year		6,310,397	23,156,021

Threadneedle Management Luxembourg S.A.

Société Anonyme

Notes to the annual accounts

Note 1 - General Information

Threadneedle Management Luxembourg S.A. (the "Company") was incorporated and is organised under the laws of Luxembourg as a "société anonyme" on 24 August 2005 for an unlimited period under the name American Express Bank Asset Management Company (Luxembourg) S.A. On 24 July 2008, the Company was renamed Standard Chartered Investments (Luxembourg) S.A. On 29 May 2009 the Company was renamed Threadneedle Management Luxembourg S.A. On 1 November 2020 Threadneedle International Investments GmbH was merged into the Company.

As at 31 December 2022, the sole shareholder of the Company is TAM UK International Holdings Limited.

The registered office of the Company is established in Luxembourg, Grand Duchy of Luxembourg.

The accounting year of the Company begins on the first day of January and terminates on the last day of December of the same year.

The purpose of the Company is the collective portfolio management of one or several (i) undertakings for collective investment in transferable securities authorized according to the Directive 2009/65/EC, as amended from time to time ("UCITS"), (ii) alternative investment funds within the meaning of the Directive 2011/61/EU, as amended from time to time ("AIFs") and (iii) other collective investment funds not covered by these Directives ("UCIs") on behalf of their unitholders or shareholders in accordance with the provisions of chapter 15 of the Luxembourg law of 17 December 2010 on undertakings for collective investment, as amended from time to time (the "2010 Law") and the law of 12 July 2013 relating to alternative investment fund managers, as amended from time to time (the "2013 Law")

(i), (ii) and (iii) all together are referred to as the "Funds".

The activity of collective portfolio management of investment funds includes the functions listed in Annex II of the 2010 Law and Annex I of the 2013 Law.

The Company may further provide services of portfolio management on a discretionary, client-by-client basis.

As of 31 December 2022, the Company serves as the designated management company for the following Luxembourg SICAVs, organised as UCITS under Part 1 of the 2010 Law, as amended:

- Threadneedle (Lux) (formerly known as World Express Funds I) since 31 October 2005.
- Columbia Threadneedle (Lux) since 29 December 2020.

Threadneedle Management Luxembourg S.A.

Société Anonyme

Notes to the annual accounts

Note 1 - General Information (continued)

As of 31 December 2022, the Company also serves as the AIFM for several Luxembourg and EU alternative investment funds.

As of 6 January 2020 the Company is authorised to provide the following services:

- provision of investment advice, as defined in paragraph 3 (b) of article 101 of the 2010 Law and paragraph 4 (b) (i) of article 5 of the 2013 Law, and;
- reception and transmission of orders without payment in relation to financial instruments as defined in paragraph 4 (b) (iii) of article 5 of the 2013 Law.

As of 1 July 2020 the Company began:

- providing portfolio management services on a discretionary, client-by-client basis, as defined in paragraph 3 (a) of article 101 of the 2010 Law and paragraph 4 (a) of article 5 of the 2013 Law.

As of 1 November 2020 the group company TIIG was merged into the Company.

As a result of the merger the Company took on additional responsibilities within the Group.

Management fees, other operating fees, and performance fees are all earned in accordance with agreements between the Company and the Funds.

The Company is a subsidiary of TAM UK International Holdings Limited, a company registered in England and Wales and owned by Ameriprise Financial, Inc. (“Ameriprise”), TAM UK International Holdings Limited and all its subsidiaries are referred to herein as “the Group”.

Copies of the annual accounts of TAM UK International Holdings Limited, can be obtained from Cannon Place, 78 Cannon Street, London, England, EC4N 6AG.

The Company’s ultimate parent company is Ameriprise Financial, Inc. (“Ameriprise”), a company incorporated in the state of Delaware, United States of America. Copies of the consolidated accounts of Ameriprise can be obtained by writing to the Corporate Secretary, Ameriprise Financial, Inc., 1098 Ameriprise Financial Center, Minneapolis, Minnesota, USA, 55474 or by visiting the Ameriprise website at www.ameriprise.com.

Threadneedle Management Luxembourg S.A.

Société Anonyme

Notes to the annual accounts

Note 2 - Significant accounting policies

Basis of preparation

The annual accounts have been prepared in accordance with the generally accepted accounting principles and the legal and regulatory requirements in force in Luxembourg under the historical cost convention. Accounting policies and valuation rules are, besides the ones laid down by the law of 19 December 2002, as amended, determined and applied by the Board of Directors.

The preparation of annual accounts requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise their judgement in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the annual accounts in the period in which the assumptions changed. Management believes that the underlying assumptions are appropriate and that the annual accounts therefore present the financial position and results fairly.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company's forecasts and projections, taking account of severe but plausible scenarios, show that it should be able to operate within the level of its forecasted liquid resources. Having assessed the principle risks, the directors considered it appropriate to adopt the going concern basis of accounting in preparing its annual accounts.

Foreign currency translation

The books of the Company are maintained in Euro, ("EUR" or "€").

Transactions expressed in currencies other than EUR are translated into EUR at the exchange rate effective at the time of the transaction. Formation expenses and long-term assets expressed in currencies other than EUR are translated into EUR at the exchange rate effective at the time of the transaction. At the balance sheet date, these assets remain translated at historical exchange rates.

Cash at bank is translated at the exchange rate effective at the balance sheet date. Exchange losses and gains are recorded in the profit and loss account of the year.

Other assets and liabilities are translated separately at the lower, or at the higher if the value converted at the historical exchange rate, or the value determined on the basis of the exchange rates effective at the balance sheet date. Only the unrealised exchange losses are recorded in the profit and loss account. The exchange gains are recorded in the profit and loss account at the moment of their realisation.

Threadneedle Management Luxembourg S.A.

Société Anonyme

Notes to the annual accounts

Note 2 - Significant accounting policies (continued)

Foreign currency translation (continued)

Where there is an economic link between an asset and liability, these are valued in total according to the method described above and the net unrealised losses are recorded in the profit and loss account whereas the net unrealised gains are not recognised.

Tangible assets

Tangible assets are stated at historical cost less accumulated depreciation. Assets are recognised at the point that the Company becomes entitled to the economic benefit associated with the asset. Such costs include costs directly attributable to making the asset capable of operating as intended. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation is provided on all tangible assets at rates calculated to write off the cost, less any estimated residual value of each asset evenly over its expected useful economic life as follows:

Equipment	2 to 3 years
Fixtures and fittings	4 to 5 years
Leasehold improvements	4 to 5 years

A tangible asset is removed upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal of the asset, calculated as the difference between the net disposal proceeds and the carrying amount of the item, is included in the income statement in the year the item is sold or retired.

At the reporting date the Company considers whether any objective evidence of impairment exists in respect of each class of assets. Impairment is recognised where the recoverable amount of the asset is less than the current carrying value. Any impairment losses are recognised in the income statement.

Threadneedle Management Luxembourg S.A.
Société Anonyme

Notes to the annual accounts

Note 2 - Significant accounting policies (continued)

Debtors

Debtors are recorded at their nominal value. A value adjustment is made when their reimbursement is partly or completely compromised. These value adjustments may not be continued if the reasons for which the value adjustments were made have ceased to apply.

Prepayments

Prepayments are recognised when expenses incurred cover periods extending past the balance sheet date.

Creditors

Creditors are recorded at their repayment value.

Income and expenses

Income is recognised when it is probable that the economic benefits will flow to the Company and when the revenue can be measured reliably.

Expenses are recognised on an accruals basis.

Taxes

Taxes are charged to the profit and loss account on an accruals basis and not in the year in which payment occurs. Accordingly, provisions for taxation have been recorded for the financial year for which no final assessment has been issued by the tax authorities.

Threadneedle Management Luxembourg S.A.
Société Anonyme

Notes to the annual accounts

Note 3 - Tangible assets

2022	Leasehold improvements €	Fixtures & fittings €	Equipment €	Total €
Cost				
At 1 January 2022	323,451	295,869	72,887	692,207
Additions	397,889	34,716	37,421	470,026
Disposals	(150,657)	(38,478)	(16,108)	(205,243)
At 31 December 2022	570,683	292,107	94,200	956,990
Accumulated depreciation				
At 1 January 2022	178,438	134,368	46,780	359,586
Charge for the year	76,902	42,890	18,895	138,687
Disposals	(144,881)	(38,478)	(9,116)	(192,475)
At 31 December 2022	110,459	138,780	56,559	305,798
Net book value				
At 31 December 2022	460,224	153,327	37,641	651,192
Net book value				
At 31 December 2021	145,013	161,501	26,107	332,621

Threadneedle Management Luxembourg S.A.

Société Anonyme

Notes to the annual accounts

Note 4 - Amounts owed by affiliated undertakings becoming due and payable within one year

Amounts owed by affiliated undertakings	2022	2021
	€	€
Columbia Management Investment Advisors LLC	41,567	42,739
Threadneedle Asset Management Holdings Limited	51,915,556	17,040,850
Threadneedle Portfolio Services Limited	-	29,619
Threadneedle Asset Management S.à.r.l	-	60,894
Threadneedle Portfolio Services AG	-	661,465
Sackville Select III GP S.à.r.l	27,500	27,500
Sackville CTESIF GP S.à.r.l	18,572	-
	52,003,195	17,863,067

All balances with affiliated companies are unsecured, repayable on demand and are interest free for the current and prior years.

All transactions to and from related parties are made at terms equivalent to those that prevail in arm's length transactions.

Note 5 - Other debtors becoming due and payable within one year

As at 31 December other receivables comprise:

	2022	2021
	€	€
Due from funds	25,162,655	39,182,181
	25,162,655	39,182,181

The amounts due from the funds reflect a net receivable of asset management fees, management company fees, other operating fees, shareholder service fees and administration fees. Income tax asset in the prior year represents the net cash position of Luxembourg corporation and municipal tax paid on account.

Threadneedle Management Luxembourg S.A.
Société Anonyme

Notes to the annual accounts

Note 6 - Investments

	2022	2021
	€	€
Money market funds	8,104,688	39,200,212
	<u>8,104,688</u>	<u>39,200,212</u>

The money market fund balance is comprised of publicly tradeable investments. The fair value of publicly tradable investments has been calculated using the latest available prices at 31 December 2022.

Note 7 - Subscribed capital

The authorised, subscribed and fully paid up capital amounts to €2,519,100 (2021: €2,519,100) represented by 251,910 ordinary shares of a par value of €10 each

	2022	2021
	€	€
Subscribed capital as at 31 December	<u>2,519,100</u>	<u>2,519,100</u>

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. In 2022, no dividends have been approved by the board. The dividend per share for 2022 £Nil (2021: £102.09).

Note 8 - Share premium account

	2022	2021
	€	€
Capital Reserve	<u>9,000,000</u>	<u>9,000,000</u>

As of 31 December 2022, the share premium account of the Company is €9,000,000 (2021: €9,000,000) which is comprised of an Account 115 capital contribution without the issuance of new shares.

Threadneedle Management Luxembourg S.A.
Société Anonyme

Notes to the annual accounts

Note 9 - Legal reserve

Luxembourg companies are required to allocate to a legal reserve a minimum of 5% of the annual net income, after deducting any losses brought forward, until this reserve equals 10% of the subscribed share capital. This reserve may not be distributed in the form of cash dividends, or otherwise, during the life of the Company.

Note 10 - Reserve for own shares

Following the approval at the Annual general meeting of shareholders on 17 April 2008, the Company reduced its Net Wealth Tax liability, in accordance with the tax law in force. In order to comply with the law for 2008 and subsequent years, the Company decided to allocate under non-distributable reserves an amount that corresponds to five times the amount of reduction of the Net Wealth Tax. This reserve is non-distributable for a period of five years from the year following the one during which the Net Wealth Tax was reduced.

Threadneedle Management Luxembourg S.A.
Société Anonyme

Notes to the annual accounts

Note 11 - Movement for the year on the reserves and profit/loss items

The movements for the year are as follows:

	Legal reserve	Reserve for own shares	Other Reserves	Profit brought forward	Profit for the financial year
	€	€	€	€	€
As at 1 January 2021	80,000	573,612	35,907,817	9,264,100	3,616,941
Allocation of prior year's profit	-	-	(35,907,817)	41,015,315	(3,616,941)
Set up of Net Wealth Tax Reserve	-	2,931,041	-	(2,931,041)	-
Movement in equity settled share scheme expenses	-	-	47,031	-	-
Currency Translations	-	-	-	5,905	-
Dividends	-	-	-	(25,717,000)	-
Legal Reserve	171,910	-	-	(171,910)	-
Profit for the financial year	-	-	-	-	23,156,021
As at 31 December 2021	251,910	3,504,653	47,031	21,465,369	23,156,021

Threadneedle Management Luxembourg S.A.
Société Anonyme

Notes to the annual accounts

Note 11 - Movement for the year on the reserves and profit/loss items (continued)

The movements for the year are as follows:

	Legal reserve	Reserve for own shares	Other Reserves	Profit brought forward	Profit for the financial year
	€	€	€	€	€
As at 1 January 2022	251,910	3,504,653	47,031	21,465,369	23,156,021
Allocation of prior year's profit	-	-	-	23,156,021	(23,156,021)
Set up of Net Wealth Tax Reserve	-	1,344,420	-	(1,344,420)	-
Movement in equity settled share scheme expenses	-	-	1,257	47,031	-
Currency Translations	-	-	-	(17,243)	-
Legal Reserve	-	-	-	-	-
Profit for the financial year	-	-	-	-	6,310,397
As at 31 December 2022	251,910	4,849,073	48,288	43,306,758	6,310,397

Threadneedle Management Luxembourg S.A.

Société Anonyme

Notes to the annual accounts

Note 12 - Amounts owed to affiliated undertakings becoming due and payable within one year

Amounts owed to affiliated undertakings	2022	2021
	€	€
Ameriprise Financial, Inc.	6,607	4,717
Threadneedle Asset Management Limited	326,120	4,057,636
Threadneedle Asset Management Holdings S.à.r.l	188	-
Threadneedle International Limited	2,627	76,658
Threadneedle Investment Services Limited	647,491	1,472,008
Threadneedle Investments Singapore Pte. Limited	104,448	103,894
Threadneedle Portfolio Services AG	120,615	-
Threadneedle Portfolio Services Hong Kong Limited	74,167	81,897
Columbia Threadneedle Investments (ME) Limited	5,223	1,131
Threadneedle Portfolio Services Limited	5,374	-
Threadneedle Pensions Limited	5,367	-
TAM UK International Holdings Limited	568	-
	1,298,795	5,797,941

The amounts owed to other affiliated undertakings primarily arise due to distribution service agreements and sub-fund management agreements except for Threadneedle Asset Management Holdings Limited which acts as group treasurer, settles all supplier invoices on behalf of the Company and provides central support functions for the Company.

All balances with affiliated companies are unsecured, repayable on demand and are interest free for the current and prior years.

All transactions to and from related parties are made at terms equivalent to those that prevail in arm's length transactions.

Threadneedle Management Luxembourg S.A.
Société Anonyme

Notes to the annual accounts

Note 13 - Other creditors

Becoming due and payable within one year

As at 31 December other creditors comprise:

	2022	2021
	€	€
Distribution costs	19,656,124	21,838,223
Directors' fees	10,833	10,000
Accruals	8,478,983	13,118,700
	<u>28,145,940</u>	<u>34,966,923</u>

Accruals include amounts accrued for outsourced services, legal and professional fees and other expenses.

Note 14 - Net turnover

Net turnover comprise fees earned on the Funds as described in Note 1, as follows:

	2022	2021
	€	€
Asset management fees	186,617,437	216,902,842
Distribution fees	34,567,599	43,996,884
Other operating fees	36,484,700	36,595,844
Performance fees	-	756,858
	<u>257,699,736</u>	<u>298,252,428</u>

Threadneedle Management Luxembourg S.A.

Société Anonyme

Notes to the annual accounts

Note 15 – Staff numbers

The average number of persons employed during the financial year was as follows:

	2022 Number	2021 Number
Management	4	4
Employees	55	57
	<u>59</u>	<u>61</u>

Note 16 - Emoluments, including amounts borne by other group companies and partially recharged to the Company, granted to the members of management and supervisory bodies and commitments in respect of retirement pensions for former members of those bodies was as follows:

	2022 €	2021 €
Board and key managerial personnel		
Aggregate emoluments	673,539	1,440,924
Pension contributions	1,594	15,772
	<u>675,133</u>	<u>1,456,696</u>

Note 17 - Other expenses

	2022 €	2021 €
Head office expenses	13,670,153	10,144,234
Distribution service fees	63,080,381	78,376,370
Distributions costs	119,075,034	138,299,920
Sub-advisory fees	-	19,893
Outsourced services	10,621,816	11,520,468
Other operating expenses	33,099,239	24,412,040
	<u>239,546,623</u>	<u>262,772,925</u>

Head office expenses relate to support costs which have been borne by other group companies and recharged to the Company.

Distribution service fees, distribution costs and sub-advisory fees relate to the cost of distributing and managing the Funds in Note 1. Distribution service fees are payable to affiliated undertakings (see Related parties transactions - Note 19) and other distribution costs are payable directly to the distributor.

Threadneedle Management Luxembourg S.A.

Société Anonyme

Notes to the annual accounts

Note 17 - Other operating expenses (continued)

Outsourced services are related to fees incurred for services performed by third party providers and are carried out for the Threadneedle (Lux) fund. As a result of an agreement put in place on 1st April 2012, these expenses are now borne by the Company (previously they were directly borne by Threadneedle (Lux) fund).

Other operating expenses include directors' fees paid on behalf of Threadneedle (Lux) fund of €20,000 (2021: €20,000).

Note 18 - Auditors' fees

The audit fee for the Company was €21,994 (2021: €89,168). Fees payable to the auditors for non-audit services during the period under review were €33,289 (2021: €35,667).

Note 19 - Related party transactions

During the year to 31 December 2022 the Company had transactions with the following related parties:

Ameriprise Financial, Inc. settled expenses on behalf of the Company.

Columbia Management Investment Advisors LLC acts as sub-advisor for a number of sub funds of the Threadneedle (Lux) fund.

Threadneedle Asset Management Holdings Limited acts as group treasurer and settled expenses on behalf of the Company.

Threadneedle Asset Management Limited acts as the sub-advisor for a number of sub-funds for the Threadneedle (Lux) fund.

Threadneedle International Limited acts as sub-distributor of the Threadneedle (Lux) fund in North America and earns fees based on a distribution service agreement between the companies.

Threadneedle Investment Services Limited acts as sub-distributor of the Threadneedle (Lux) fund in the UK and earns fees based on a distribution service agreement between the companies.

Threadneedle Investments Singapore (Pte.) Limited acts as sub-distributor of the Threadneedle (Lux) fund in Asia and earns fees based on a distribution service agreement between the companies and acts as sub-investment manager to a number of sub funds of the Threadneedle (Lux) fund.

Threadneedle Management Luxembourg S.A.

Société Anonyme

Notes to the annual accounts

Note 19 - Related party transactions (continued)

Threadneedle Portfolio Services Limited acts as AIFM to the Columbia Threadneedle European Sustainable Infrastructure Fund (“ESIF”) in Luxembourg and earns fees for investment management services.

Threadneedle Portfolio Services Hong Kong Limited 天利投資管理香港有限公司 acts as sub-distributor of the Threadneedle (Lux) fund in Hong Kong and earns fees and pays expenses based on a distribution service agreement between the companies.

Threadneedle Portfolio Services AG acts as a sub-distributor of the Threadneedle (Lux) fund in Switzerland and earns fees and pays expenses based on a distribution service agreement between the companies.

Columbia Threadneedle Investments (ME) Limited acts as a sub-distributor of the Threadneedle (Lux) fund in Dubai and earns fees and pays expenses based on a distribution service agreement between the companies.

The Company pays expenses on behalf of Threadneedle Asset Management S.à.r.l.

Threadneedle Pensions Limited paid a supplier invoice on behalf of the Company.

TAM UK International Holdings Limited paid director fees on behalf of the Company.

Note 20 - Off-balance sheet commitments

The financial commitments of the Company are as follows:

	2022	2021
	€	€
Leasing (rents not yet paid)	<u>2,739,071</u>	<u>2,994,201</u>

The nature and commercial objective of the operations not disclosed on the balance sheet can be described as follows:

Leasing (rents not yet paid)

Commitments on the rents not yet paid amount to €2,739,071 (2021: €2,994,201) at the end of the financial year. They relate to six premises leases including the building F, Vallée Park, 44 Rue de la Vallée, L-2661, Luxembourg and seven vehicle leases. (2021: They relate to nine premises leases including the building F, Vallée Park, 44 Rue de la Vallée, L-2661, Luxembourg and ten vehicle leases).