

**QUOTED
COMPANIES
ALLIANCE**



Fund Manager Webinar

James Thorne

Columbia Threadneedle Investments



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Tim Ward

Chief Executive, **Quoted Companies Alliance**

- Tim is the Chief Executive of the Quoted Companies Alliance and has been in this role since 2009.
- Tim is a non-executive director of European Issuers and co-chair of the Smaller Issuers Committee.
- He is a member of the Takeover Panel, which supervises and regulates takeovers in the UK.
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James Thorne

Portfolio Manager – UK equities Team, Columbia Threadneedle Investments

- James is manager of the Threadneedle UK Smaller Companies Fund, Threadneedle UK Mid 250 Fund along with a range of small and midcap institutional portfolios.
- James has extensive experience of the smaller companies sector, having worked at Baring Asset Management, Hill Samuel and Abbey Life as well as private equity company 3i.
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Threadneedle UK Small & Midcap Equities

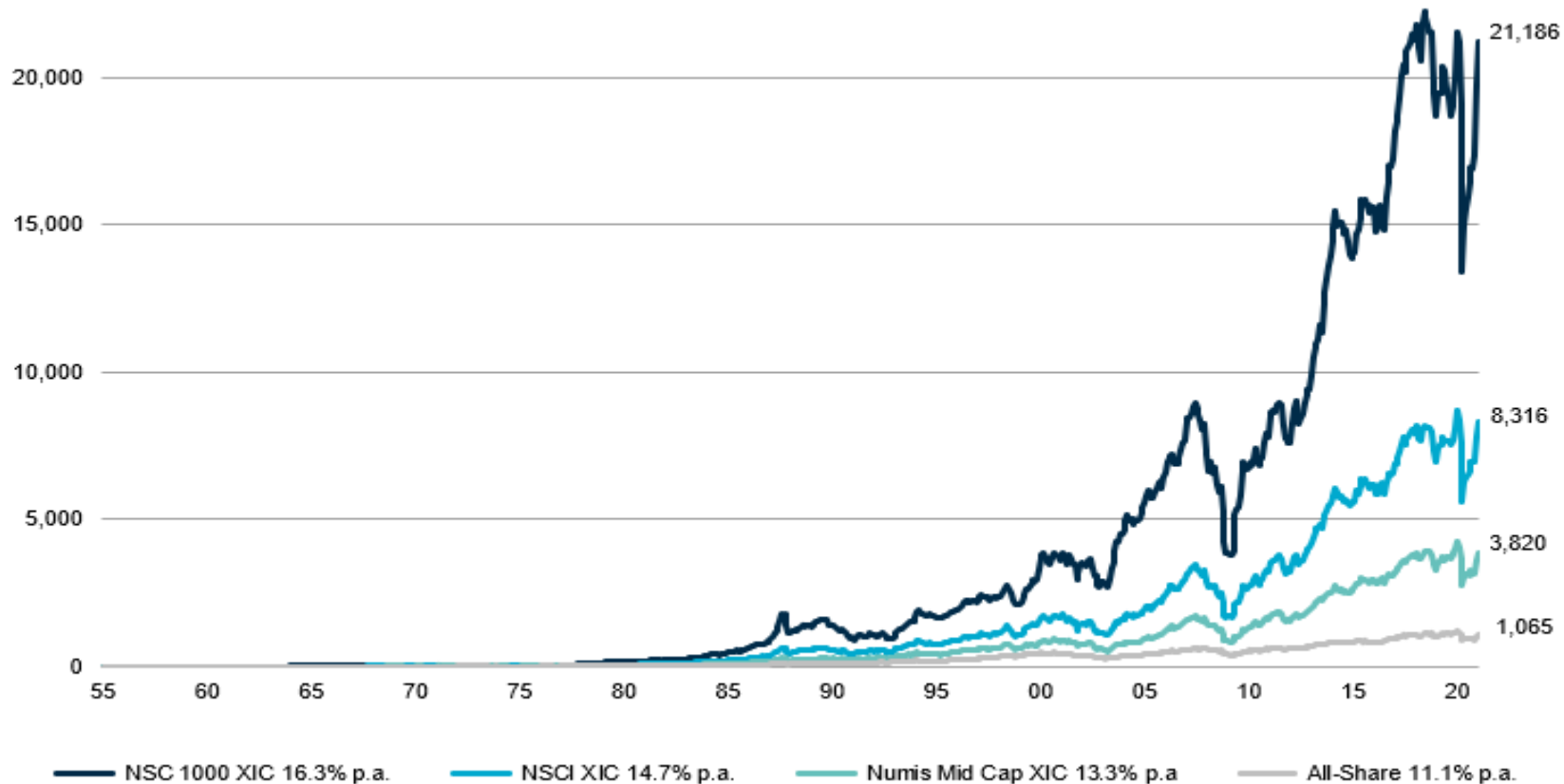
Outlook and trends in the market...

- Long term returns have been very strong.
- History would point to continued outperformance of Small and Midcap.
- The market post MIFID 2 is more inefficient than ever, communication is key.
- ESG will continue to grow as a focus and become more mainstream.

Consistent outperformance of Small and Midcap vs. UK Largecap

- Potential return composed of 6% equity return + 4% small cap premium + 5% active management

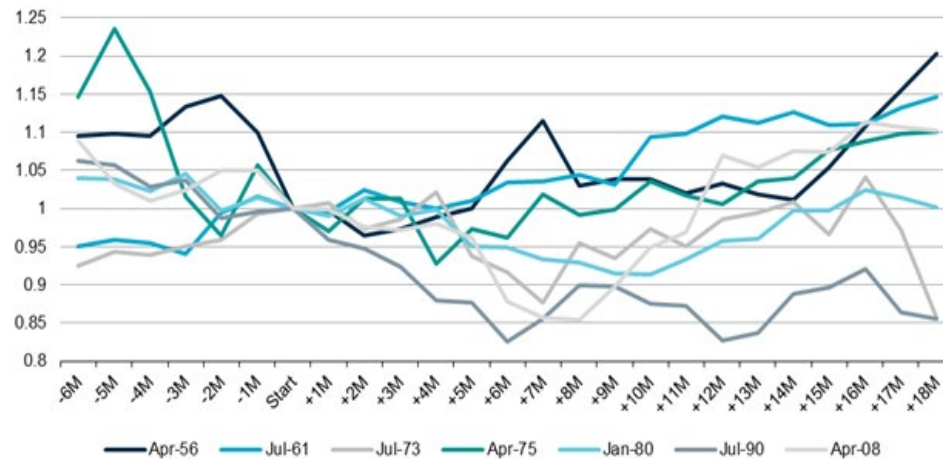
Cumulative return, 1955-2019



Source: Numis, as at April 2021.

Outperformance of Small and Midcap following recession

Small and Mid Cap performance relative to FTSE All Share for last 7 recessions



The average of these performances

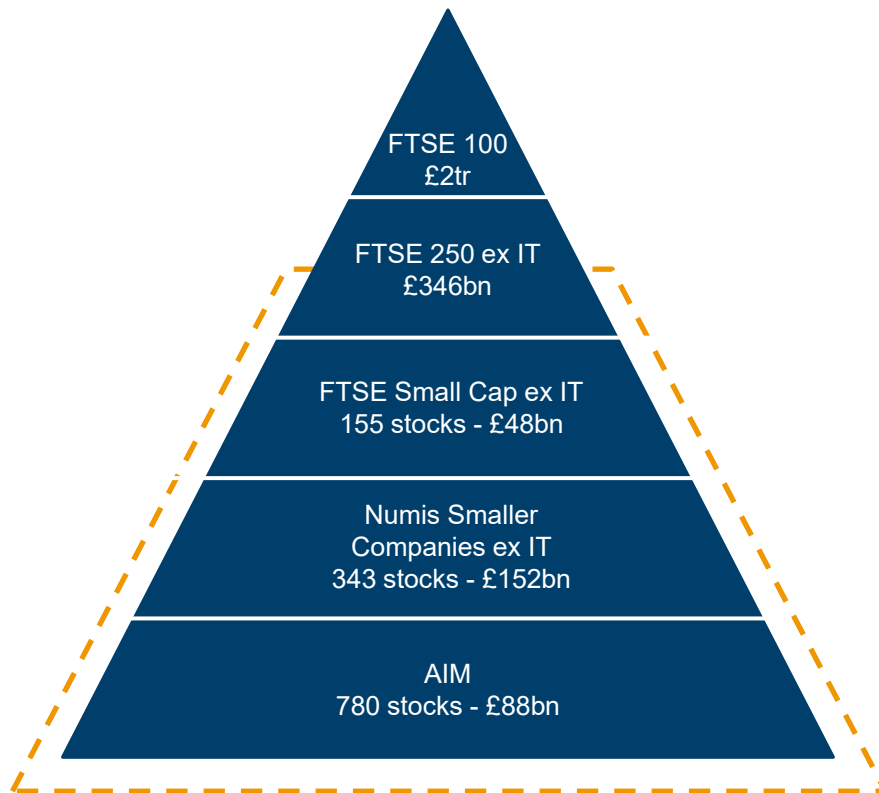


- Covers 6 months in the run-up to the start of the recession and 18 months on from that point
- Previous recessions show underperformance of Small and Mid-caps relative to FTSE All Share for 4-5 quarters, followed by outperformance in the subsequent 5 quarters

Investment universe

A broad universe of stocks under £2 billion market cap

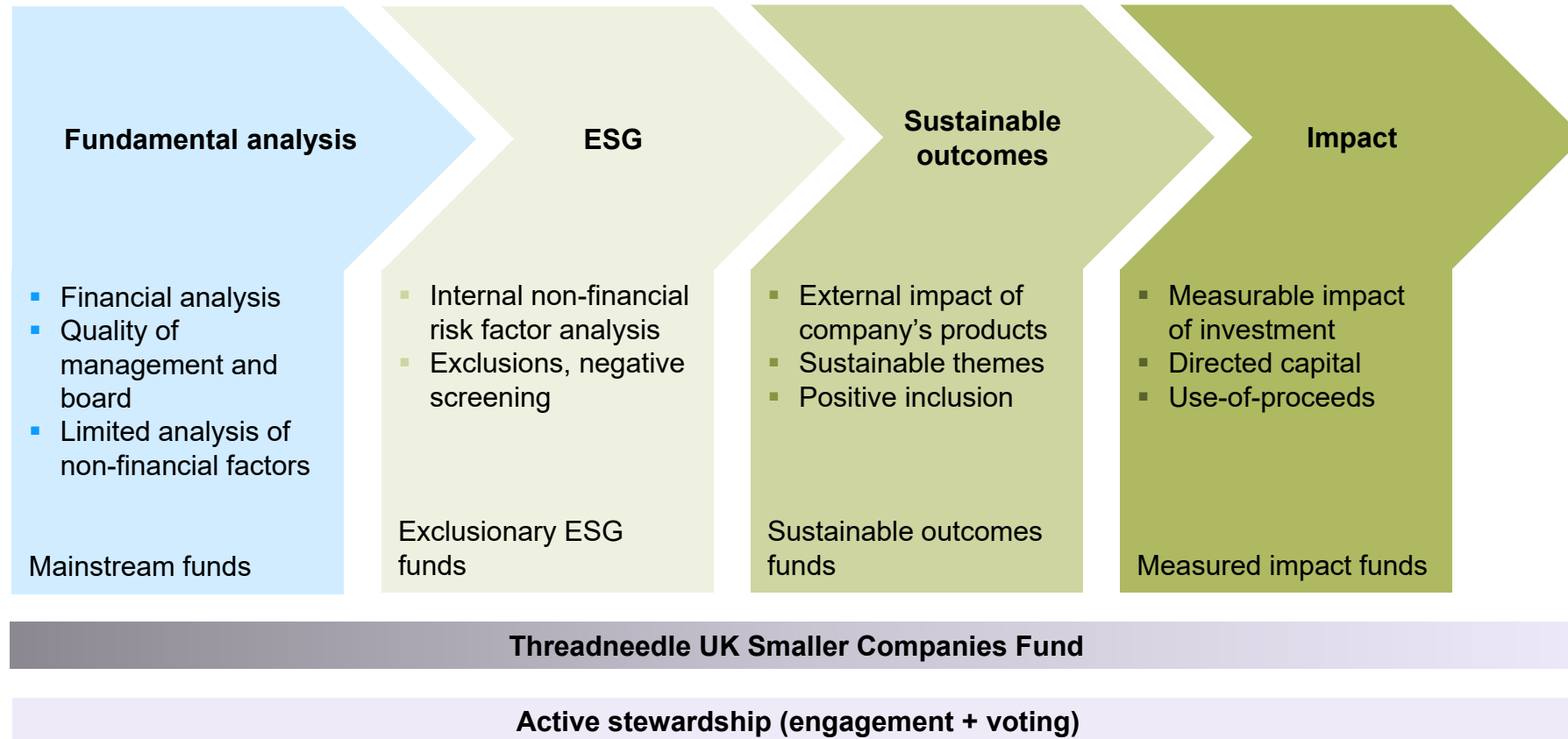
A specialist market



- Smaller companies universe comprises over 1,200 stocks listed in the UK
- 90% of research focused on 10% of stocks
- Therefore 90% of stocks receive 10% of the attention, meaning under-researched and likely to be significantly mispriced
- Specialists in a specialist niche
- Small-caps are uniquely positioned to grow through innovation, expansion and market share gains

Source: Bloomberg, as at September 2019. Please note that this is for illustrative purposes only, dimensions are not calculated exactly.

The spectrum of responsible investment



Source: Columbia Threadneedle Investments, as at 31 December 2020. The Fund is not classified as an Article 8.9 Fund under the Sustainable Finance Disclosure Regulation (SFDR). The diagram above depicts how ESG is integrated into our investment process.

Non-financial objectives

Greater exposure to companies with:

- Positive sustainable outcome
- Better ESG risk management practices
- Smaller carbon footprint

No exposure to companies with:

- Negative sustainable outcome
- Involvement in severe controversies

	Positive sustainable outcomes	Negative sustainable outcomes	ESG score	Carbon intensity	Controversies
	Companies that positively contribute to sustainable themes	Companies that negatively contribute to sustainable themes	MSCI industry adjusted issuer score	How much carbon emissions per dollar of sales are generated by portfolio companies	Companies that are on a watch list for compliance or fail to comply with international global conventions ¹
Fund	100.0%	0.0%	7.4	36.3	0.0%
FTSE All Share	57.4%	27.8%	7.3	130.8	7.3%

Source: Columbia Threadneedle Investments, as at 31 March 2021. MSCI ESG data as at 31 March 2021. All data weighted.

¹ The UN Global Compact, the UN Guiding Principles on Business and Human Rights and the International Labour Organisation.

Threadneedle UK Smaller Companies

Objective and Key Risks

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

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

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

The Fund typically invests in shares of fewer than 70 companies. The Fund may invest in other securities (including fixed interest securities) and collective investment schemes (including funds managed by Columbia Threadneedle companies), when deemed appropriate.

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

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

The Numis Smaller Companies Index ex Investment Companies is a widely used benchmark for monitoring the performance of UK smaller companies. It consists of companies that make up the smallest 10% of the UK main listed market by value (excluding investment companies). It provides a suitable target benchmark against which Fund performance will be measured and evaluated over time.

Other Information: Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to facilitate comparison between funds with broadly similar characteristics (peer groups). This Fund is currently included in the IA UK Smaller Companies sector. Performance data on funds within this sector may be used when evaluating the performance of this Fund.

Key Risks

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

Currency Risk – Where investments are in assets that are denominated in multiple currencies, or currencies other than your own, changes in exchange rates may affect the value of the investments.

Liquidity Risk – The fund holds assets which could prove difficult to sell. The fund may have to lower the selling price, sell other investments or forego more appealing investment opportunities.

Derivatives for EPM / Hedging – The investment policy of the fund allows it to invest in derivatives for the purposes of reducing risk or minimising the cost of transactions.

Volatility Risk – The fund may exhibit significant price volatility.

Important information

For use by professional clients and/or equivalent investor types in your jurisdiction (not to be used with or passed on to retail clients)

This is an advertising document.

Past performance is not a guide to future performance. The value of investments and any income is not guaranteed and can go down as well as up and may be affected by exchange rate fluctuations. This means that an investor may not get back the amount invested. Your capital is at risk.

This material is for information only and does not constitute an offer or solicitation of an order to buy or sell any securities or other financial instruments, or to provide investment advice or services. The mention of any specific shares or bonds should not be taken as a recommendation to deal.

For Threadneedle UK Smaller Companies Fund: Threadneedle Investment Funds ICVC ("TIF") is an open-ended investment company structured as an umbrella company, incorporated in England and Wales, authorised and regulated in the UK by the Financial Conduct Authority (FCA) as a UK UCITS scheme.

For Threadneedle UK Mid 250 Fund: Threadneedle Specialist Investment Funds ICVC ("TSIF") is an open-ended investment company structured as an umbrella company, incorporated in England and Wales, authorised and regulated in the UK by the Financial Conduct Authority (FCA) as a UK UCITS scheme.

Subscriptions to a Fund may only be made on the basis of the current Prospectus and the Key Investor Information Document, as well as the latest annual or interim reports and the applicable terms & conditions. Please refer to the 'Risk Factors' section of the Prospectus for all risks applicable to investing in any fund and specifically this Fund. The above documents are available in English only and may be obtained free of charge on request from Columbia Threadneedle Investments at PO Box 10033, Chelmsford, Essex CM99 2AL.

Shares in the Funds may not be offered, sold or delivered directly or indirectly in the United States or to or for the account or benefit of any "U.S. Person", as defined in Regulation S under the 1933 Act.

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Columbia Threadneedle Investments is the global brand name of the Columbia and Threadneedle group of companies.

Q&A



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Thank you for participating