Threadneedle Pan European Focus Fund

Interim Short Report

31 October 2019

New positions included NXP Semiconductors and DSV. NXP Semiconductors is a leading supplier in the auto and industrial internet-of-things end markets, with over half of its sales attributable to these faster growing sectors. The company also has room to improve its margins as it rationalises costs, and is taking steps to increase its cash return to shareholders in the form of buybacks and dividends. The fading of inventory reductions in NXP’s sector could act as a nearer-term performance catalyst. DSV has an excellent management team, and a successful acquisition policy based on a strong IT platform. The transport and logistics firm is beating competitors on margins and growth owing to acquisitions, a greater focus on air and sea, and a fragmented client base. Following a period of strong returns, we sold several holdings including London Stock Exchange, Diageo and Cellnex Telecom.

Loose monetary policy aims to stimulate economic growth and, if effective, this should revive corporate profitability. The evidence of a weaker economy in Europe comes mainly from the manufacturing sector; the consumer sector remains reasonably buoyant. The outcome of Brexit remains unclear, although political developments in Italy have reached some stability, and the new government is likely to reduce friction with Brussels over the budget and other issues. Tensions with Iran and over global trade are unhelpful but any positive resolution is likely to boost market sentiment. While global growth has been downgraded, fiscal stimulus in China is expected to help, and the US is likely to ensure recession is avoided in the run up to the 2020 elections.

Our main focus in managing this portfolio is on stock selection, informed by macro-economic and thematic views. We favour high-quality companies with the pricing power to sustain strong returns, and we also target re-rating opportunities.

Fund Facts

Fund Accounting and Distribution Dates

<table>
<thead>
<tr>
<th>Accounting Dates</th>
<th>Payment Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>30 April</td>
<td>30 June</td>
</tr>
</tbody>
</table>

*In pound Sterling and against UK peer group.*
Threadneedle Pan European Focus Fund

Share class | 31 October 2019 | 30 April 2019
--- | --- | ---
Class 1 – Income shares | 1.62% | 1.62%
Class 1 – Accumulation shares | 1.66% | 1.66%
Class 2 – Accumulation shares | 1.09% | 1.09%
Class X – Accumulation shares | 0.08% | 0.09%
Class Z – Accumulation shares | 0.90% | 0.91%

†The Ongoing Charges Figure is annualised based on the fees incurred during the accounting period.

Summary of Fund Performance

Performance History (%)

<table>
<thead>
<tr>
<th>Share class</th>
<th>2019†</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
<th>2014‡</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class 1 – Income shares</td>
<td>+28.74</td>
<td>-6.99</td>
<td>+14.89</td>
<td>+2.24</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Class 1 – Accumulation shares</td>
<td>+28.70</td>
<td>-6.38</td>
<td>+15.44</td>
<td>-0.32</td>
<td>+15.29</td>
<td>-0.44</td>
</tr>
<tr>
<td>Class 2 – Accumulation shares</td>
<td>+29.31</td>
<td>-5.84</td>
<td>+16.10</td>
<td>+0.26</td>
<td>+15.95</td>
<td>+0.13</td>
</tr>
<tr>
<td>Class X – Accumulation shares</td>
<td>+30.39</td>
<td>-4.89</td>
<td>+17.26</td>
<td>+1.31</td>
<td>+1.22</td>
<td>—</td>
</tr>
<tr>
<td>Class Z – Accumulation shares</td>
<td>+29.50</td>
<td>-5.68</td>
<td>+16.31</td>
<td>+0.43</td>
<td>+16.15</td>
<td>+0.31</td>
</tr>
</tbody>
</table>

†To 31 October 2019.
‡Commenced 24 February 2016.
§Commenced 2 December 2015.

Source: Morningstar and Threadneedle. Bid to bid prices are quoted (i.e. not including any initial charge) with net income reinvested for a UK basic rate tax payer and gross income reinvested for a non-UK resident. Performance data is quoted in sterling apart from hedged share classes, where applicable, which are in the hedged currency.

Past performance is not a guide to future investment 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.

Net Asset Value (NAV)

<table>
<thead>
<tr>
<th>As at</th>
<th>Share class</th>
<th>NAV (£)</th>
<th>NAV pence per share</th>
<th>Number of shares in issue</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 October 2019</td>
<td>Class 1 – Income shares</td>
<td>4,283</td>
<td>142.78</td>
<td>3,000</td>
</tr>
<tr>
<td>30 April 2019</td>
<td>Class 1 – Income shares</td>
<td>3,948</td>
<td>131.59</td>
<td>3,000</td>
</tr>
<tr>
<td>30 April 2018</td>
<td>Class 1 – Income shares</td>
<td>3,511</td>
<td>117.03</td>
<td>3,000</td>
</tr>
<tr>
<td>30 April 2017</td>
<td>Class 1 – Income shares</td>
<td>3,316</td>
<td>110.55</td>
<td>3,000</td>
</tr>
<tr>
<td>31 October 2019</td>
<td>Class 1 – Accumulation shares</td>
<td>10,797,953</td>
<td>309.42</td>
<td>3,489,780</td>
</tr>
<tr>
<td>30 April 2019</td>
<td>Class 1 – Accumulation shares</td>
<td>21,614,987</td>
<td>285.21</td>
<td>7,578,621</td>
</tr>
<tr>
<td>30 April 2018</td>
<td>Class 1 – Accumulation shares</td>
<td>22,034,906</td>
<td>253.74</td>
<td>8,683,917</td>
</tr>
<tr>
<td>30 April 2017</td>
<td>Class 1 – Accumulation shares</td>
<td>21,664,786</td>
<td>238.14</td>
<td>9,097,364</td>
</tr>
<tr>
<td>31 October 2019</td>
<td>Class 2 – Accumulation shares</td>
<td>32,739,549</td>
<td>334.85</td>
<td>9,777,344</td>
</tr>
<tr>
<td>30 April 2019</td>
<td>Class 2 – Accumulation shares</td>
<td>51,599,768</td>
<td>307.77</td>
<td>16,765,820</td>
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<tr>
<td>30 April 2018</td>
<td>Class 2 – Accumulation shares</td>
<td>44,513,908</td>
<td>272.24</td>
<td>16,507,734</td>
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<tr>
<td>30 April 2017</td>
<td>Class 2 – Accumulation shares</td>
<td>41,807,316</td>
<td>254.04</td>
<td>16,456,859</td>
</tr>
<tr>
<td>31 October 2019</td>
<td>Class X – Accumulation shares</td>
<td>38,085,047</td>
<td>149.10</td>
<td>25,543,273</td>
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<tr>
<td>30 April 2019</td>
<td>Class X – Accumulation shares</td>
<td>5,766,555</td>
<td>136.38</td>
<td>4,229,068</td>
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<td>30 April 2018</td>
<td>Class X – Accumulation shares</td>
<td>5,604,361</td>
<td>119.42</td>
<td>4,693,111</td>
</tr>
<tr>
<td>30 April 2017</td>
<td>Class X – Accumulation shares</td>
<td>5,177,642</td>
<td>110.32</td>
<td>4,693,111</td>
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<tr>
<td>31 October 2019</td>
<td>Class Z – Accumulation shares</td>
<td>4,014,640</td>
<td>149.66</td>
<td>10,333,742</td>
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<tr>
<td>30 April 2019</td>
<td>Class Z – Accumulation shares</td>
<td>1,894,136</td>
<td>131.86</td>
<td>109,292</td>
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<tr>
<td>30 April 2018</td>
<td>Class Z – Accumulation shares</td>
<td>1,989,706</td>
<td>124.14</td>
<td>104,979</td>
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<tr>
<td>30 April 2017</td>
<td>Class Z – Accumulation shares</td>
<td>2,723,728</td>
<td>111.42</td>
<td>6,711,174</td>
</tr>
</tbody>
</table>

Distribution History/Share Price Range

<table>
<thead>
<tr>
<th>Year to</th>
<th>Share class</th>
<th>Pence per share</th>
<th>Highest share price (pence)</th>
<th>Lowest share price (pence)</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 October 2019</td>
<td>Class 1 – Income shares</td>
<td>—</td>
<td>149.66</td>
<td>130.33</td>
</tr>
<tr>
<td>30 April 2019</td>
<td>Class 1 – Income shares</td>
<td>—</td>
<td>131.86</td>
<td>109.29</td>
</tr>
<tr>
<td>30 April 2018</td>
<td>Class 1 – Income shares</td>
<td>0.8033</td>
<td>124.14</td>
<td>110.93</td>
</tr>
<tr>
<td>30 April 2017</td>
<td>Class 1 – Income shares</td>
<td>0.5776</td>
<td>111.42</td>
<td>96.15</td>
</tr>
</tbody>
</table>
## Year to Year Performance

<table>
<thead>
<tr>
<th>Date</th>
<th>Share class</th>
<th>Pence per share</th>
<th>Highest share price (pence)</th>
<th>Lowest share price (pence)</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 October 2019</td>
<td>Class 1 – Accumulation shares</td>
<td>–</td>
<td>324.34</td>
<td>282.47</td>
</tr>
<tr>
<td>30 April 2019</td>
<td>Class 1 – Accumulation shares</td>
<td>–</td>
<td>285.79</td>
<td>236.92</td>
</tr>
<tr>
<td>30 April 2018</td>
<td>Class 1 – Accumulation shares</td>
<td>1.6597</td>
<td>267.37</td>
<td>238.98</td>
</tr>
<tr>
<td>30 April 2017</td>
<td>Class 1 – Accumulation shares</td>
<td>1.1555</td>
<td>238.78</td>
<td>206.12</td>
</tr>
<tr>
<td>31 October 2019</td>
<td>Class 2 – Accumulation shares</td>
<td>–</td>
<td>350.68</td>
<td>304.82</td>
</tr>
<tr>
<td>30 April 2019</td>
<td>Class 2 – Accumulation shares</td>
<td>1.4701</td>
<td>308.36</td>
<td>255.15</td>
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<td>30 April 2018</td>
<td>Class 2 – Accumulation shares</td>
<td>3.3308</td>
<td>286.06</td>
<td>254.94</td>
</tr>
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<td>30 April 2017</td>
<td>Class 2 – Accumulation shares</td>
<td>2.6075</td>
<td>254.70</td>
<td>218.82</td>
</tr>
<tr>
<td>31 October 2019</td>
<td>Class X – Accumulation shares</td>
<td>–</td>
<td>155.90</td>
<td>135.06</td>
</tr>
<tr>
<td>30 April 2019</td>
<td>Class X – Accumulation shares</td>
<td>1.8879</td>
<td>136.60</td>
<td>112.65</td>
</tr>
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<td>30 April 2018</td>
<td>Class X – Accumulation shares</td>
<td>2.6470</td>
<td>125.10</td>
<td>110.72</td>
</tr>
<tr>
<td>30 April 2017</td>
<td>Class X – Accumulation shares</td>
<td>2.1933</td>
<td>110.60</td>
<td>94.21</td>
</tr>
<tr>
<td>31 October 2019</td>
<td>Class Z – Accumulation shares</td>
<td>–</td>
<td>238.27</td>
<td>206.99</td>
</tr>
<tr>
<td>30 April 2019</td>
<td>Class Z – Accumulation shares</td>
<td>1.3313</td>
<td>209.39</td>
<td>173.15</td>
</tr>
<tr>
<td>30 April 2018</td>
<td>Class Z – Accumulation shares</td>
<td>2.5800</td>
<td>193.75</td>
<td>172.52</td>
</tr>
<tr>
<td>30 April 2017</td>
<td>Class Z – Accumulation shares</td>
<td>2.0453</td>
<td>172.35</td>
<td>147.86</td>
</tr>
</tbody>
</table>

### Past performance is not a guide to future performance.

### Classification of Investments

#### 31 October 2019 vs 30 April 2019

![Graph showing performance of different countries]

### Portfolio Information

#### Top Five Holdings as at 31 October 2019

<table>
<thead>
<tr>
<th>Position</th>
<th>Name</th>
<th>% of Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Edenred</td>
<td>4.94</td>
</tr>
<tr>
<td>2</td>
<td>Assa Abloy 'B' Shares</td>
<td>4.91</td>
</tr>
<tr>
<td>3</td>
<td>Amundi</td>
<td>4.91</td>
</tr>
<tr>
<td>4</td>
<td>Teleperformance</td>
<td>4.87</td>
</tr>
<tr>
<td>5</td>
<td>ASML</td>
<td>4.85</td>
</tr>
</tbody>
</table>

#### Top Five Holdings as at 30 April 2019

<table>
<thead>
<tr>
<th>Position</th>
<th>Name</th>
<th>% of Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>RELX (UK Listing)</td>
<td>4.92</td>
</tr>
<tr>
<td>2</td>
<td>London Stock Exchange Group</td>
<td>4.87</td>
</tr>
<tr>
<td>3</td>
<td>Puma</td>
<td>4.86</td>
</tr>
<tr>
<td>4</td>
<td>Dassault Systems</td>
<td>4.85</td>
</tr>
<tr>
<td>5</td>
<td>Adidas</td>
<td>4.71</td>
</tr>
</tbody>
</table>
Threadneedle Pan European Focus Fund

Investment Objective and Policy
The Fund aims to achieve above average capital growth over the long term. It looks to outperform the MSCI Europe Index over rolling 3-year periods, after the deduction of charges.

The Fund is actively managed, and invests at least 75% of its assets in a concentrated portfolio of shares of companies domiciled in Europe (including the UK), or which have significant business operations there.

The Fund selects companies in which the fund manager has a high conviction that the current share price does not reflect the prospects for that business. These companies may be chosen from any industry or economic sector, with significant sector and share weightings taken at the fund manager's discretion. There is no restriction on company size, however, investment tends to focus on larger companies, such as those included in the MSCI Europe Index.

The MSCI Europe Index is regarded as providing an appropriate representation of the share performance of large and medium-sized companies within developed market countries across Europe (including the UK), currently with over 400 companies included. It provides a suitable target benchmark against which Fund performance will be measured and evaluated over time.

The Fund typically invests in fewer than 50 companies, which may include shares of some companies not within the Index. The Fund may invest in other securities (including fixed interest securities) and collective investment schemes (including funds managed by Columbia Threadneedle companies), when deemed appropriate.

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

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

Key Investor Information Document (KIID) – Subscription requirements
The KIID is a pre-contractual document and investors have to confirm that they have read the latest KIID before making a subscription. Threadneedle has the right to reject a subscription if the investor does not confirm that they have read the latest KIID at the time of application. Investors can obtain the latest KIID from columbiathreadneedle.com.

Changes to the management of the ACD
The following changes have been made to the directors of the ACD:
- Appointment of R Vincent on 12 August 2019;

Changes to the Prospectus
During the period from 1 May 2019 to 31 October 2019 the following changes were made to the Prospectus of the Threadneedle Specialist Investment Funds ICVC (the Company):
- Change to the investment manager of the Global Emerging Markets Equity Fund to Columbia Management Investment Advisers, LLC (effective 21 May 2019);
- Introduction of co-management for the China Opportunities Fund (co-management between Threadneedle Asset Management Limited and Threadneedle Investments Singapore (Pte.) Limited (effective 21 May 2019);
- Change of name and investment policy for the UK Sustainable Equity Fund (formerly Ethical UK Equity Fund) (effective 1 July 2019);
- Changes to the following funds in respect of changes required in response to the FCA Asset Management Market Study (including addition of a target benchmark or comparator benchmark(s), where relevant):
  - American Extended Alpha Fund;
  - China Opportunities Fund;
  - Emerging Market Local Fund;
  - Global Emerging Markets Equity Fund;
  - Global Equity Income Fund;
  - Global Extended Alpha Fund;
  - Global Focus Fund;
  - Pan European Focus Fund;
  - Sterling Medium and Long-Dated Corporate Bond Fund;
  - Sterling Short-Dated Corporate Bond Fund;
  - UK Absolute Alpha Fund;
  - UK Equity Alpha Income Fund;
  - UK Extended Alpha Fund;
  - UK Fixed Interest Fund;
  - UK Index Linked Fund;
  - UK Mid 250;
  - US Equity Income Fund;
- Removal of the following funds:
  - Absolute Return Bond Fund
  - Pan European Equity Dividend Fund
  - Global Opportunities Bond Fund
- Update to the directors of the ACD and funds managed by the ACD;
- General updates including information on taxation, performance figures including target benchmark performance (where applicable) and dilution; adjustments

Changes to the Instrument of Incorporation
The following changes were made to the instrument of incorporation of the Company during the period from 1 May 2019 to 31 October 2019:
- Change of name and investment policy for the UK Sustainable Equity Fund (formerly Ethical UK Equity Fund) (effective 1 July 2019);
- Changes to the following funds in respect of changes required in response to the FCA Asset Management Market Study (including addition of a target benchmark or comparator benchmark(s), where relevant):
  - American Extended Alpha Fund;
  - China Opportunities Fund;
  - Emerging Market Local Fund;
  - Global Emerging Markets Equity Fund;
  - Global Equity Income Fund;
  - Global Extended Alpha Fund;
Threadneedle Pan European Focus Fund

- Global Focus Fund;
- Pan European Focus Fund;
- Sterling Medium and Long-Dated Corporate Bond Fund;
- Sterling Short-Dated Corporate Bond Fund;
- UK Absolute Alpha Fund;
- UK Equity Alpha Income Fund;
- UK Extended Alpha Fund;
- UK Fixed Interest Fund;
- UK Index Linked Fund;
- UK Mid 250;
- US Equity Income Fund;

■ Removal of the following funds:
  - Absolute Return Bond Fund
  - Pan European Equity Dividend Fund
  - Global Opportunities Bond Fund

**Brexit**

At the referendum held in June 2016, the United Kingdom voted to leave the European Union (known as “Brexit”). The UK invoked Article 50 of the Lisbon Treaty to negotiate the exit from the European Union. There is a significant degree of uncertainty about how negotiations relating to the UK’s withdrawal will be concluded, as well as the potential consequences and precise timeframe for this.

The full scope of the changes and the consequences on the legal framework is currently not known. Depending on the outcome of the UK’s negotiations with the European Union, and the existence or otherwise of any formal implementation period, it is possible that the funds may no longer be eligible to enjoy the rights set out in the UCITS Directive. Ceasing to be so eligible may affect the ability of non-UK domiciled investors to make new investments in the Company.

**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.

**Effect of Portfolio Concentration Risk:** The fund has a concentrated portfolio (holds a limited number of investments and/or has a restricted investment universe) and if one or more of these investments declines or is otherwise affected, it may have a pronounced effect on the fund’s value.

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

**High Volatility Risk:** The fund typically carries a risk of high volatility due to its portfolio composition or the portfolio management techniques used. This means that the fund’s value is likely to fall and rise more frequently and this could be more pronounced than with other funds.

Further risks applicable to the fund can be found in the Prospectus.

**Risk and Reward Profile**

As at 31 October 2019 the figure for the risk and reward profile disclosed in the most recent KIID representing this fund is 5. The fund is in this specific category because historically it has shown a medium to high level of volatility (how much the value of the fund went up and down compared to other categories). It is based on past performance data in pound sterling. If your investment in the fund is not in pound sterling, please check the figure for the risk and reward profile disclosed on our website (columbiathreadneedle.com) according to the currency of your investment in the fund.
Threadneedle Pan European Focus Fund

General Information
The information in this report is designed to enable shareholders to make an informed judgement on the activities of the fund during the period it covers and the results of those activities at the end of the period. For further information, please contact Threadneedle Investment Services Limited.

The Annual Report and Financial Statements is available free of charge on request from the ACD and on our website. For more information about the activities and performance of the Company during the period and previous periods, please contact the ACD at the administration address noted below, or visit our website at columbiathreadneedle.com.

Contacts:
Registered Office
Cannon Place
78 Cannon Street
London EC4N 6AG

Authorised Corporate Director (ACD)
Threadneedle Investment Services Limited
Cannon Place
78 Cannon Street
London EC4N 6AG

Registrar
Threadneedle Investment Services Limited
Delegated to:
DST Financial Services Europe Limited
(Authorised and regulated by the Financial Conduct Authority (FCA))
St Nicholas Lane
Basildon
Essex SS15 5FS

Investment Manager
(for all Funds other than the Global Emerging Markets Equity Fund)
Threadneedle Asset Management Limited
Cannon Place
78 Cannon Street
London EC4N 6AG

Investment Manager
(for the Global Emerging Markets Equity Fund)
Columbia Management Investment Advisers, LLC
225 Franklin Street
Boston
MA 02110
United States of America

Depositary
Citibank Europe plc, UK branch
(Authorised by the Prudential Regulatory Authority (PRA) and regulated by the FCA and PRA)
Citigroup Centre
33 Canada Square
Canary Wharf
London E14 5LB

Legal Advisers
Eversheds Sutherland (International) LLP
One Wood Street
London EC2V 7WS

Independent Auditor
PricewaterhouseCoopers LLP
Atria One
144 Morrison Street
Edinburgh EH3 8EX

Authorised Corporate Director Client Services Details
UK Investors
Address: Threadneedle Investment Services Limited
PO Box 10033
Chelmsford
Essex CM99 2AL
Telephone (dealing & customer enquiries): 0800 953 0134*
Fax (dealing): 0845 113 0274
Email (enquiries): questions@service.columbiathreadneedle.co.uk

Asian Investors
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International Financial Data Services
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Telephone (dealing & customer enquiries): +852 3667 7111*
Fax (dealing): +352 2452 9817
Email (enquiries): columbiathreadneedleenquiries@statestreet.com

All Other Investors
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Fax (dealing): +352 2452 9807
Email (enquiries): questions@service.columbiathreadneedle.co.uk
Website: columbiathreadneedle.com

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A-1030 Vienna
Austria

Paying and Information Agent in Belgium
CACEIS Belgium
Avenue du Port 86C Bte 320
1000 Brussels
Belgium

Representative and Paying Agent in Switzerland
BNP Paribas Securities Services, Paris, Zurich Branch
Selmastrasse 16
8002 Zurich
Switzerland

*Calls will be recorded.

To find out more visit columbiathreadneedle.com

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