

Threadneedle Pensions Limited

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Dear Investor,

Threadneedle Pensions Limited ('TPEN') – Important changes to the TPEN Global Select Fund ("The Fund")

We wish to inform you that we are making changes to the TPEN Key Features Document (KFD), to formalise and reflect the sustainability characteristics of the Fund within its investment policy.

A summary of these sustainability characteristics is set out below. The updated KFD will be published on our website and be effective from April 2025:

- **A set of Environmental, Social and Governance (ESG) exclusions**, that prevent the Fund from investing in companies that:
 - fail to follow good governance practices;
 - derive revenue from certain activities or industries (e.g. coal, tobacco and conventional weapons) above stated thresholds;
 - are considered to be in breach of accepted international standards and principles relating to human rights, labour standards, and anti-corruption.

- **Investing in companies with good ESG practices**

We use our research and engagement to identify and focus our investment in companies that have good ESG practices. Our ESG Materiality Rating model ("ESGM model") analyses company data and gives companies a rating of 1-5: companies that are rated 1-3 (high ratings) have less exposure to the most material ESG risks in their industry i.e. risks that are likely to have a significant effect on a company's value, such as human rights issues or energy transition.

 - **At least 50% of the Fund will be invested in companies with higher ESG materiality ratings.** The other portion of the portfolio may be invested in companies rated 4 or 5 and we seek to engage with these companies to encourage improvements in their ESG practices.
 - **The Fund also aims to invest in more companies that have higher ratings, using our ESGM model, than those making up its benchmark, MSCI ACWI index, on a rolling 12-month basis.**

- **Engagement with companies**, in particular those with lower ESG materiality ratings (ratings 4-5), with a view to influencing management teams to address ESG risks and improve their ESG practices, ranging from carbon emissions to board independence and diversity.

- **Net Zero alignment**; the Fund is managed in line with the Net Zero Investment Framework methodology, and this approach primarily means that we actively engage with certain companies to influence change and to help achieve improved net zero alignment status*. Our current aim is for the Fund to hold at least 70% of its portfolio emissions in net zero aligned or engaged companies, but this is not a binding target. *Further detail on the methodology used can be found on the Columbia Threadneedle website www.columbiathreadneedle.com.*

*Our model assesses companies' net zero alignment status to provide an overall alignment rating. For example, an *aligned company* is one that meets expectations highly in all relevant categories; an *aligning company* meets core expectations around disclosure, setting targets and strategy; and a *committed company* has not yet met expectations, but has committed to set a science-based target.

Why are we making these changes?

We are making these changes to make you aware formally of the sustainability characteristics of the Fund.

In practice, the Fund has been managed in the same way as the CT Global Select Fund (the OEIC fund) as both funds follow the same investment strategy. The OEIC fund formally adopted the sustainability characteristics set out above in October 2023. The Fund has been managed since that time in line with the same sustainability characteristics; this was a discretionary investment decision taken by the portfolio manager that was permitted under the Fund's investment guidelines.

The Fund's KFD is therefore being updated to formally reflect these sustainability characteristics from the Effective Date, and the Fund will be monitored by our Mandate Compliance team to ensure that it adheres to these commitments. The Fund's investment strategy and its risk profile will stay the same.

Costs

The investment manager is required to sell shares in any companies that do not comply with the investment exclusions in favour of alternative investments. However, we do not anticipate that any realignment of the Fund's existing portfolio will be necessary.

All administrative costs associated with making the changes will be paid by Columbia Threadneedle Investments.

What do I need to do?

You do not need to do anything as a result of these changes. We have enclosed a copy of the updated KFD, that comes into effect from April 2025.

Further information

If you have any questions, please contact us on clientservices@columbiathreadneedle.com.

Yours faithfully,



Joseph Vullo
Chief Executive Officer
Threadneedle Pensions Limited