

# QUESTIONS & ANSWERS

## IMPORTANT CHANGES TO THE CT UK SUSTAINABLE EQUITY FUND

***With effect from 2 October 2023, changes will be made to the investment policy of the CT UK Sustainable Equity Fund, as detailed below.***

### **1. Which fund is in-scope of the changes?**

Changes are being made to the investment policy of the CT UK Sustainable Equity Fund (“the Fund”)

### **2. What changes are you making?**

We are making changes to the Fund’s investment policy to highlight that Columbia Threadneedle Investments, is a signatory to the Net Zero Asset Managers Initiative (“NZAMI”). As a signatory, we have committed to an ambition to reach net zero greenhouse gas emissions<sup>1</sup> by 2050 or sooner for a range of assets, including the Fund (details, below).

### **3. Why are you making the changes?**

At Columbia Threadneedle, we are committed to delivering both long-term financial returns for our clients, which includes managing the risks presented by climate change, and supporting the transition to a low carbon economy. As part of this, we are a signatory to NZAMI, which is an international group of asset managers committed to supporting the goal of net zero greenhouse gas emissions (“net zero”) by 2050 or sooner. Working in partnership with our clients, we aspire to achieve net zero by 2050 or sooner across all of our assets under management, including the Fund.

The update to the investment policy of the Fund ensures that investors are aware of our NZAMI commitment and the impact this may have on the Fund.

Full details of the commitment made by NZAMI signatories can be found at the following website address: [www.netzeroassetmanagers.org/commitment/](http://www.netzeroassetmanagers.org/commitment/)

### **4. What does this change mean for my investment?**

Primarily, we actively engage with companies within our portfolios to influence them to lower their carbon emissions<sup>2</sup>. 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.

This approach is complemented by Columbia Threadneedle’s engagement focus list, where the goal is to work constructively with globally significant high-emitting companies to encourage them to align with a net zero trajectory. However, this could result in the divestment of a small number of these companies if they are held in the Fund, if after a period of engagement they fail to meet minimum expectations in relation to their climate policies.

More immediately, the Fund will not be able to invest in new coal mining or power generation projects. This exclusion, as well as the Fund’s existing coal exclusion, are included in the updated investment policy of the Fund.

**Whilst net zero will become a continuing ambition of the Fund, it is not an outcome which is guaranteed, nor is any guarantee given that progress towards this ambition for the Fund will necessarily result in better returns for investors. A Fund’s progress towards this ambition may impact the performance of the Fund positively or negatively.**

### **5. When will the changes take place?**

The changes will be effective from 2 October 2023 (the “Effective Date”).

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<sup>1</sup> Net zero means cutting greenhouse gas emissions (gases that trap heat from the sun) from human activity to zero overall.

<sup>2</sup> Carbon emissions mean the release of greenhouse gases – especially carbon dioxide into the atmosphere.

## 6. Will there be any cost to me as an investor?

No, there will be no cost to you as a result of the changes. All administrative costs associated with making the changes will be paid by Columbia Threadneedle Investments.

## 7. What is the extent of the portfolio realignment required?

No realignment of the Fund's existing portfolio is considered necessary as a result of the changes.

## 8. Will the changes affect the risk profile of the Fund?

No, there will be no change to the risk profile.

## 9. What are the relevant share classes (and ISINs) of the Fund?

Fund Name	Share Class Name	ISIN
CT UK Sustainable Equity Fund	Institutional Accumulation GBP	GB00BJ5JM867
CT UK Sustainable Equity Fund	Institutional X Accumulation GBP	GB00BMCN4Q49
CT UK Sustainable Equity Fund	T Income GBP	GB00BZ21SR80
CT UK Sustainable Equity Fund	Z Accumulation GBP	GB00BZ21SS97
CT UK Sustainable Equity Fund	Z Income GBP	GB00BZ21ST05

## 10. Do I need to take any action?

You do not need to do anything as a result of these changes. These changes will take effect automatically on the Effective Date, 2 October 2023.

## 11. What can I do if I disagree with the changes?

You have a number of options. Should you disagree with the changes you can choose to redeem your shares, or you can switch your investment, free of charge, into another fund(s) in our UK range\*.

Should you decide to redeem or switch your shares, it may trigger a taxable event. We are unable to provide tax advice and we therefore suggest you seek advice from your tax adviser about any potential tax implications before you take any action.

## 12. Where can I find more information on Columbia Threadneedle's approach to net zero?

More information on our approach to net zero, including our methodology, can be found on our website.

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\* Only funds managed by Threadneedle Investment Services Limited (TISL) (part of the Columbia Threadneedle group of companies), are currently available for this purpose. A fund's prospectus or Key Investor Information Document (KIID) (available on our website) will provide this information, or please contact us on 0800 953 0134 if you require help establishing the alternative funds available to you.

# QUESTIONS & ANSWERS

IMPORTANT CHANGES TO THE FOLLOWING COLUMBIA  
THREADNEEDLE FUNDS:

CT American Smaller Companies Fund (US)

CT Asia Fund

CT Global Emerging Markets Equity Fund

***With effect from 2 October 2023, certain changes will be made to the investment policies of certain Columbia Threadneedle equity funds, as shown below.***

### **1. Which funds are being changed?**

Changes are being made to the following funds:

- CT American Smaller Companies Fund (US)
- CT Asia Fund
- CT Global Emerging Markets Equity Fund

(each a “Fund”, together the “Funds”)

### **2. What changes are you making?**

We are making changes to the Funds’ investment policies to reflect the integration of certain responsible investment measures into the investment decision-making process.

The changes will:

- **Introduce a set of Environmental, Social and Governance (ESG) exclusions**, that will prevent the Funds from investing in companies that:
  - fail to follow good governance practices<sup>1</sup>;
  - derive revenue from certain activities or industries (e.g., coal, tobacco and conventional weapons) above stated thresholds;
  - are considered by the investment manager to be in breach of accepted international standards and principles on human rights, labour standards, and anti-corruption.
- **Establish a “positive ESG tilt” to the portfolio**: i.e., the investment manager will aim for the portfolio to compare favourably against its benchmark index<sup>2</sup> over rolling 12-month periods, when assessed using Columbia Threadneedle’s own ESG Materiality Rating model. This model gives a rating to companies, indicating how well they are managing material ESG risks and opportunities, with our investment approach favouring companies with stronger ratings.
- **Highlight our engagement with companies**, in particular those with poorer ESG materiality ratings, 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.

A comparison of the current and updated investment objective and policy for each Fund is contained in the booklet enclosed in your shareholder letter. In addition to the above changes, we have also taken the opportunity to make some minor enhancements to the Funds’ descriptions.

### **3. Why are you making the changes?**

The Funds’ investment policies are being amended to reflect the integration of a range of responsible investment measures into the investment decision-making process. We believe that making the changes will align the Funds to existing and rapidly increasing investor demand for funds with clearly defined environmental and social characteristics.

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<sup>1</sup> Governance describes the arrangements and practices that frame how the directors and management of a company organise and operate in leading and directing a business. We have developed a data-driven model which flags poor practices for further review in specific areas which inform our assessment and monitoring of companies. For example, if a company has very poor labour practices such as use of child or forced labour, we would not consider the company to have good governance.

<sup>2</sup> The benchmark index (which comprises a group of companies) is representative of the type of companies in which the Fund is likely to invest (against which financial performance is also compared over time).

Please note we do not expect these amendments to result in any significant changes to the way in which the Funds are currently managed, or their risk profiles.

#### 4. When will the changes take place?

The changes will be effective from 2 October 2023 (the “Effective Date”).

#### 5. Will there be any cost to me as an investor?

The investment manager is required to sell shares in any companies that do not comply with the new investment exclusions in favour of alternative investments. However, we do not anticipate that any realignment of the Funds’ existing portfolios will be necessary, and as such, there will be no cost to you as a result of the changes.

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

#### 6. What is the extent of the portfolio realignment required?

We do not anticipate that any realignment of the Funds’ existing portfolios will be necessary as a result of the changes.

#### 7. Will the changes affect the risk profile of the Funds?

No, there will be no change to the risk profiles.

#### 8. What are the relevant share classes (and ISINs) of the Funds?

Fund Name	Share Class Name	ISIN
CT American Smaller Companies Fund (US)	Retail Accumulation GBP	GB0001530129
CT American Smaller Companies Fund (US)	Institutional Accumulation GBP	GB0001530459
CT American Smaller Companies Fund (US)	Retail Income GBP	GB00B0GDXX66
CT American Smaller Companies Fund (US)	Retail Accumulation EUR	GB00B0WGY707
CT American Smaller Companies Fund (US)	Institutional X Accumulation GBP	GB00B19ZCK63
CT American Smaller Companies Fund (US)	Institutional X Accumulation USD	GB00B1DD7Z69
CT American Smaller Companies Fund (US)	Z Accumulation GBP	GB00B8358Z89
CT American Smaller Companies Fund (US)	Z Income GBP	GB00B88YT359
CT American Smaller Companies Fund (US)	L Accumulation GBP	GB00BLFH8M04
CT American Smaller Companies Fund (US)	L Income GBP	GB00BQS9K888
CT Asia Fund	Institutional Accumulation GBP	GB0001441020
CT Asia Fund	Retail Accumulation GBP	GB0001441137
CT Asia Fund	Z Accumulation GBP	GB00B83BWC19
CT Asia Fund	X Accumulation GBP	GB00BDZYJL12
CT Asia Fund	Institutional X Accumulation GBP	GB00BZ2GR109
CT Global Emerging Markets Equity Fund	Institutional Accumulation GBP	GB00B10SJC56
CT Global Emerging Markets Equity Fund	Retail Accumulation GBP	GB00B10SJD63
CT Global Emerging Markets Equity Fund	Institutional X Accumulation GBP	GB00B19ZCQ26
CT Global Emerging Markets Equity Fund	Institutional X Accumulation USD	GB00B1DD8C08
CT Global Emerging Markets Equity Fund	Z Accumulation GBP	GB00B88BYHK55
CT Global Emerging Markets Equity Fund	Institutional X Income GBP	GB00BNG64B19

#### 8. Do I need to take any action?

You do not need to do anything as a result of these changes, which will take effect automatically on the Effective Date, 2 October 2023.

## **9. What can I do if I disagree with the changes?**

You have a number of options. Should you disagree with the changes you can choose to redeem your shares, or you can switch your investment, free of charge, into another fund(s) in our UK range\*. Should you decide to redeem or switch your shares, it may trigger a taxable event. We are unable to provide tax advice and we therefore suggest you seek advice from your tax adviser about any potential tax implications before you take any action.

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\* Only funds managed by Threadneedle Investment Services Limited (TISL) (part of the Columbia Threadneedle group of companies), are currently available for this purpose. A fund's prospectus or Key Investor Information Document (KIID) (available on our website) will provide this information or please contact us on 0800 953 0134 if you require help establishing alternative funds available to you.

# QUESTIONS & ANSWERS

## IMPORTANT CHANGES TO THE FOLLOWING COLUMBIA THREADNEEDLE FUNDS:

CT American Fund

CT American Select Fund

CT European Select Fund

CT European Smaller Companies Fund

CT Global Equity Income Fund

CT Global Focus Fund

CT Global Select Fund

CT UK Fund



***With effect from 2 October 2023, certain changes will be made to the investment policies of certain Columbia Threadneedle equity funds, as shown below.***

## **1. Which funds are being changed?**

Changes are being made to the following funds:

- CT American Fund
- CT American Select Fund
- CT European Select Fund
- CT European Smaller Companies Fund
- CT Global Equity Income Fund
- CT Global Focus Fund
- CT Global Select Fund
- CT UK Fund

(each a “Fund”, together the “Funds”)

## **2. What changes are you making?**

We are making changes to the Funds’ investment policies to reflect the integration of a range of responsible investment measures into the investment decision-making process, as well as our commitment to the Net Zero Asset Managers Initiative (“NZAMI”).

The changes will:

- **Introduce a set of Environmental, Social and Governance (ESG) exclusions**, that will prevent the Funds from investing in companies that:
  - fail to follow good governance practices<sup>1</sup>;
  - derive revenue from certain activities or industries (e.g., coal, tobacco and conventional weapons) above stated thresholds;
  - are considered by the investment manager to be in breach of accepted international standards and principles on human rights, labour standards, and anti-corruption.
- **Establish a “positive ESG tilt” to the portfolio**: i.e., the investment manager will aim for the portfolio to compare favourably against its benchmark index<sup>2</sup> over rolling 12-month periods, when assessed using Columbia Threadneedle’s own ESG Materiality Rating model. This model gives a rating to companies, indicating how well they are managing material ESG risks and opportunities, with our investment approach favouring companies with stronger ratings.
- **Highlight our engagement with companies**, in particular those with poorer ESG materiality ratings, 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.
- **Disclose that Columbia Threadneedle Investments is a signatory to the Net Zero Asset Managers Initiative (“NZAMI”)**, which means that we have committed to an ambition to reach net zero greenhouse gas emissions<sup>3</sup> by 2050 or sooner for a range of assets, including the Funds.

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<sup>1</sup> Governance describes the arrangements and practices that frame how the directors and management of a company organise and operate in leading and directing a business. We have developed a data-driven model which flags poor practices for further review in specific areas which inform our assessment and monitoring of companies. For example, if a company has very poor labour practices such as use of child or forced labour, we would not consider the company to have good governance.

<sup>2</sup> The benchmark index (which comprises a group of companies) is representative of the type of companies in which the Fund is likely to invest (against which financial performance is also compared over time).

<sup>3</sup> Net zero means cutting greenhouse gas emissions (gases that trap heat from the sun) from human activity to zero overall.

A comparison of the current and updated investment objective and policy for each Fund is contained in the booklet enclosed in your shareholder letter. In addition to the above changes, we have also taken the opportunity to make some minor enhancements to the Funds' descriptions.

### 3. Why are you making the changes?

The Funds' investment policies are being amended to reflect the integration of a range of responsible investment measures into the investment decision-making process. We believe that making the changes will align the Funds to existing and rapidly increasing investor demand for funds with clearly defined environmental and social characteristics.

We are committed to delivering both long-term financial returns for our clients, which includes managing the risks presented by climate change, and supporting the transition to a low-carbon economy. As part of this, we are a signatory to NZAMI, which is an international group of asset managers committed to supporting the goal of net zero greenhouse gas emissions ("net zero") by 2050 or sooner. Working in partnership with our clients, we aspire to achieve net zero by 2050 or sooner across all of our assets under management, including the Funds.

The update to the investment policy of the Funds ensures that investors are aware of our NZAMI commitment and the impact this may have on the Funds.

Full details of the commitment made by NZAMI signatories can be found at the following website address: [www.netzeroassetmanagers.org/commitment/](http://www.netzeroassetmanagers.org/commitment/)

**Please note we do not expect these amendments to result in any significant changes to the way in which the Funds are currently managed, or their risk profiles.**

### 4. What does the commitment to NZAMI mean for my investment?

Primarily, we actively engage with companies within our portfolios to influence them to lower their carbon emissions<sup>4</sup>. Our current aim is for each Fund to hold at least 70% of its portfolio emissions in net zero aligned or engaged companies, but this is not a binding target.

This approach is complemented by Columbia Threadneedle's engagement focus list, where the goal is to work constructively with globally significant high-emitting companies to encourage them to align with a net zero trajectory. However, this could result in the divestment of a small number of these companies if they are held in the Funds, if after a period of engagement they fail to meet minimum expectations in relation to their climate policies.

More immediately, the Funds will no longer be able to invest in companies that derive over 30% of their revenue from coal or that make investments in new coal mining or power generation projects. These exclusions are included in the updated investment policy of the Funds.

**Whilst net zero will become a continuing ambition of the Funds, it is not an outcome which is guaranteed, nor is any guarantee given that progress towards this ambition for the Funds will necessarily result in better returns for investors. A Fund's progress towards this ambition may impact the performance of the Fund positively or negatively.**

### 5. When will the changes take place?

The changes will be effective from 2 October 2023 (the "Effective Date").

### 6. Will there be any cost to me as an investor?

The investment manager is required to sell shares in any companies that do not comply with the new investment exclusions in favour of alternative investments. However, we do not anticipate that any

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<sup>4</sup> Carbon emissions mean the release of greenhouse gases – especially carbon dioxide into the atmosphere.

realignment of the Funds' existing portfolios will be necessary, and as such, there will be no cost to you as a result of the changes.

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

### 7. What is the extent of the portfolio realignment required?

We do not anticipate that any realignment of the Funds' existing portfolios will be necessary as a result of the changes.

### 8. Will the changes affect the risk profile of the Funds?

No, there will be no change to the risk profiles.

### 9. What are the relevant share classes (and ISINs) of the Funds?

Fund Name	Share Class Name	ISIN
CT American Fund	Institutional Accumulation GBP	GB0001444586
CT American Fund	Retail Accumulation GBP	GB0001530566
CT American Fund	Retail Income GBP	GB00B0GDGF93
CT American Fund	Institutional X Accumulation GBP	GB00B0ZWYR59
CT American Fund	Institutional X Accumulation EUR	GB00B0ZZRS62
CT American Fund	Institutional X Accumulation USD	GB00B0ZZRW09
CT American Fund	Z Income GBP	GB00B6WD1G18
CT American Fund	Z Accumulation GBP	GB00B7T2FK07
CT American Fund	X Accumulation GBP Hedged	GB00BKTLX34
CT American Select Fund	Institutional Accumulation GBP	GB0001447597
CT American Select Fund	Retail Accumulation GBP	GB0001529238
CT American Select Fund	Retail Income GBP	GB00B0GDXT21
CT American Select Fund	Z Accumulation GBP	GB00B7HJLD86
CT American Select Fund	Z Income GBP	GB00B8BC1961
CT American Select Fund	Z Accumulation GBP Hedged	GB00BHCQKC62
CT American Select Fund	Institutional X Accumulation GBP	GB00BYX3VJ90
CT European Select Fund	Institutional Accumulation GBP	GB0001445229
CT European Select Fund	Retail Accumulation GBP	GB0001529345
CT European Select Fund	Institutional Income GBP	GB00B75MTT12
CT European Select Fund	Z Accumulation GBP	GB00B8BC5H23
CT European Select Fund	Z Income GBP	GB00B98WQ465
CT European Select Fund	Institutional Accumulation USD Hedged	GB00BT6SP201
CT European Select Fund	Retail Income GBP	GB00BWCH5079
CT European Select Fund	X Accumulation GBP	GB00BWTW3H86
CT European Smaller Companies Fund	Retail Accumulation GBP	GB0001531424
CT European Smaller Companies Fund	Institutional Accumulation GBP	GB0001531531
CT European Smaller Companies Fund	Retail Income GBP	GB00B0GHCC05
CT European Smaller Companies Fund	Retail Income EUR	GB00B0H6D894
CT European Smaller Companies Fund	Z Accumulation GBP	GB00B84CY92
CT European Smaller Companies Fund	Z Income GBP	GB00B978SQ14
CT European Smaller Companies Fund	X Accumulation GBP	GB00BJCW9N28
CT Global Equity Income Fund	Institutional Accumulation GBP	GB00B1YW3T83
CT Global Equity Income Fund	Retail Accumulation GBP	GB00B1YW3W13
CT Global Equity Income Fund	Retail Income GBP	GB00B1Z2MW38
CT Global Equity Income Fund	Institutional Income GBP	GB00B1Z2MX45
CT Global Equity Income Fund	Z Income GBP	GB00B7S8N055
CT Global Equity Income Fund	Z Accumulation GBP	GB00B99MQF62
CT Global Equity Income Fund	Institutional X Accumulation EUR	GB00BKXNG528
CT Global Equity Income Fund	Institutional X Accumulation GBP	GB00BK4J889
CT Global Equity Income Fund	L Income GBP	GB00BLSNC905

CT Global Equity Income Fund	Institutional X Income GBP	GB00BNG64772
CT Global Equity Income Fund	Monthly Income GBP	GB00BVFNXP64
CT Global Equity Income Fund	Monthly Income USD	GB00BVG2K518
CT Global Focus Fund	Z Accumulation GBP	GB00BF0Q8K85
CT Global Focus Fund	Q Accumulation GBP	GB00BF0Q8L92
CT Global Focus Fund	Institutional Accumulation GBP	GB00BF0Q8M00
CT Global Focus Fund	X Accumulation GBP	GB00BHFM448
CT Global Focus Fund	L Accumulation GBP	GB00BLNKP979
CT Global Select Fund	Retail Accumulation GBP	GB0001444701
CT Global Select Fund	Institutional X Accumulation GBP	GB00B0ZWYQ43
CT Global Select Fund	Institutional X Accumulation USD	GB00B0ZSD84
CT Global Select Fund	Institutional Accumulation GBP	GB00B3L11K96
CT Global Select Fund	Z Accumulation GBP	GB00B8C2TM45
CT Global Select Fund	Z Income GBP	GB00BJZ2F867
CT Global Select Fund	Z Accumulation EUR	GB00BYNBTV14
CT UK Fund	Institutional Income GBP	GB0001439610
CT UK Fund	Retail Income GBP	GB0001529782
CT UK Fund	Institutional Accumulation GBP	GB00B630YG26
CT UK Fund	Z Accumulation GBP	GB00B84PM559
CT UK Fund	Z Income GBP	GB00B84PMM20
CT UK Fund	L Accumulation GBP	GB00BMB48M21
CT UK Fund	L Income GBP	GB00BMB48N38
CT UK Fund	Retail Income EUR	GB00BMW6N332
CT UK Fund	P Accumulation GBP	GB00BMW6N449
CT UK Fund	Retail Accumulation GBP	GB00BPZ55G51
CT UK Fund	Retail Accumulation USD	GB00BPZ55H68
CT UK Fund	Institutional X Income GBP	GB00BWTW3K16
CT UK Fund	Institutional X Accumulation GBP	GB00BYX3VT98

## 10. Do I need to take any action?

You do not need to do anything as a result of these changes, which will take effect automatically on the Effective Date, 2 October 2023.

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