

Please address any replies to:  
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31 July 2023

Dear Adviser,

**Important changes to the CT UK Sustainable Equity Fund – no action required:**

We have written to shareholders in the CT UK Sustainable Equity Fund (the “**Fund**”) to inform them of some changes we are making to the Fund’s investment policy.

**What changes are we making?**

The Fund’s investment policy is being amended on 2 October 2023 (the “**Effective Date**”), 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.

A comparison of the current and updated investment objective and policy for the Fund is contained in the Appendix. In addition to the above change, we have also taken the opportunity to make some minor enhancements to the Fund’s descriptions.

**Please note we do not expect the revised investment policy to result in any significant changes to the way in which the Fund is currently managed, or its risk profile.**

**Why has Columbia Threadneedle Investments signed up to NZAMI?**

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 such, 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”), and working in partnership with our clients, we aspire to reach net zero by 2050 or sooner across all our assets under management, including 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/)

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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.

## **What does the commitment to NZAMI mean for my clients' 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.

The Fund's investment policy is also being updated to include the fossil fuel exclusion set out within its Sustainable Investment Guidelines. This excludes investment by the Fund in companies whose primary business is the exploration, production, and commercialisation of fossil fuels, that derive over 5% revenue from thermal coal mining, or that are involved in the new development of thermal coal extraction or power generation facilities. However, the investment manager may invest in companies that do not satisfy the exclusion criteria, if it can evidence that these companies are, for example, phasing out their fossil fuel exposure and have strong climate transition plans underpinned by robust emissions reduction targets.

The Fund's Sustainable Investment Guidelines are available on our website:

[columbiathreadneedle.co.uk](https://columbiathreadneedle.co.uk)

**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. The Fund's progress towards this ambition may impact its performance positively or negatively.**

## **Costs**

No realignment of the Fund's existing portfolio is considered necessary as a result of the changes. All administrative costs associated with making the changes will be paid by Columbia Threadneedle Investments.

## **What do my clients need to do?**

Your clients do not need to do anything as a result of these changes, which will take effect automatically on the Effective Date.

## **What can my clients do if they disagree with the changes?**

Your clients have a number of options. Should they disagree with the changes they can choose to redeem their shares, or they can switch their investment, free of charge, into another fund(s) in our UK range<sup>3</sup>.

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

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

<sup>3</sup> 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 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.

**Further information**

If you are unclear about the contents of this letter, or have any further questions, please contact us on 0800 953 0134\* and for advisers outside the UK, please call +44 1268 444 321\*. Our team is available from 8:00am to 6:00pm, Monday to Friday (UK time).

Further information on our funds, including Key Investor Information Documents, is available at [columbiathreadneedle.com](http://columbiathreadneedle.com).

Yours sincerely,

A handwritten signature in black ink, appearing to read 'J Perrin'. The signature is written in a cursive style with a large initial 'J' and 'P'.

James Perrin  
**Chief Operating Officer Distribution, EMEA**  
Columbia Threadneedle Investments

\*Calls may be recorded.

## Appendix

CT UK Sustainable Equity Fund	
Current Investment Objective and Policy	New Investment Objective and Policy
<p>The Fund aims to achieve a return over the long term consisting of capital growth and some income, achieved through investment in companies that are positively exposed to sustainable themes through their products and services, as well as those with strong or improving environmental, social and governance (ESG) characteristics.</p> <p>The Fund is actively managed, and invests at least 75% of its assets in shares of companies domiciled in the UK, or which have significant UK business operations.</p> <p>The Fund focusses on selecting companies delivering sustainable outcomes or progressing towards the delivery of sustainable outcomes, as outlined in the Fund's Sustainable Investment Guidelines. Those companies will offer products and services aligned to the Fund's sustainable themes, or demonstrate leadership on sustainability issues through strong environmental, social, and governance practices.</p> <p>On occasion, 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.</p> <p>The Fund may also hold money market instruments, deposits, cash and near cash.</p> <p>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.</p> <p><b>Other Information</b></p> <p>The following benchmarks may be used as comparators for the Fund's financial and non-financial performance:</p> <p><i>Index:</i> The Fund will assess the extent to which sustainable outcomes have been achieved using measures that compare the sustainability performance of the portfolio against the FTSE All-Share Index. This Index also provides a helpful benchmark against which the Fund's financial performance can be compared. The FTSE All-Share index has been chosen for these purposes as a good representation of the UK stock market, with over 600 companies currently included. In keeping with its Sustainable Investment Guidelines, the Fund does not invest in some sectors and companies in the FTSE All-Share Index. These exclusions are necessary to avoid companies whose business activities are considered contrary to the delivery of sustainable outcomes.</p> <p><i>Peer Group:</i> 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</p>	<p>The Fund aims to achieve a return over the long term (5 years or more) consisting of capital growth and some income, achieved through investment in companies that are positively exposed to sustainable themes through their products and services, as well as those with strong or improving environmental, social and governance (ESG) characteristics.</p> <p>The Fund is actively managed, and invests at least 75% of its assets in shares of companies domiciled in the UK, or which have significant UK business operations.</p> <p>The Fund focusses on selecting companies delivering sustainable outcomes or progressing towards the delivery of sustainable outcomes, as outlined in the Fund's Sustainable Investment Guidelines. Those companies will offer products and services aligned to the Fund's sustainable themes, or demonstrate leadership on sustainability issues through strong ESG practices.</p> <p>On occasion, 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.</p> <p>The Fund may also hold money market instruments, deposits, cash and near cash.</p> <p>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.</p> <p>Columbia Threadneedle Investments is a signatory to the Net Zero Asset Managers Initiative (NZAMI) and has committed to an ambition to reach net zero emissions by 2050 or sooner for a range of assets, including the Fund. Accordingly, the Investment Manager will proactively engage with companies to assist with progressing this ambition. If a high emitting company in the portfolio does not show progress in meeting the minimum standards considered necessary for continued investment after an appropriate period of engagement, then the Fund will disinvest from the company.</p> <p>The Fund does not invest in companies whose primary business is the exploration, production and commercialisation of fossil fuels, that derive over 5% revenue from thermal coal mining, or that are involved in the new development of thermal coal extraction or power generation facilities. However, the Investment Manager may invest in companies that do not satisfy this exclusion criteria if it can evidence that these companies are, for example, phasing out their fossil fuel</p>

characteristics. This Fund is classified in the IA UK All Companies sector. Performance data on funds within this sector may be used when evaluating the financial performance of this Fund.

exposure and have strong climate transition plans underpinned by robust emissions reduction targets.

### **Other Information**

The following benchmarks may be used as comparators for the Fund's financial and non-financial performance:

**Index:** The Fund will assess the extent to which sustainable outcomes have been achieved using measures that compare the sustainability performance of the portfolio against the FTSE All-Share Index. This Index also provides a helpful benchmark against which the Fund's financial performance can be compared. The FTSE All-Share index has been chosen for these purposes as a good representation of the UK stock market, with over 600 companies currently included. In keeping with its Sustainable Investment Guidelines, the Fund does not invest in some sectors and companies in the FTSE All-Share Index. These exclusions are necessary to avoid companies whose business activities are considered contrary to the delivery of sustainable outcomes.

**Peer Group:** 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. This Fund is classified in the IA UK All Companies sector. Performance data on funds within this sector may be used when evaluating the financial performance of this Fund.

For more details about the Net Zero Asset Managers Initiative, please see Appendix IV at the back of the prospectus.