

This Product Highlights Sheet is an important document.

- It highlights the key terms and risks of this investment product and complements the Singapore Prospectus<sup>1</sup>.
- It is important to read the Singapore Prospectus before deciding whether to purchase shares in the product. If you do not have a copy, please contact us to ask for one.
- You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.
- If you wish to purchase the product, you will need to make an application in the manner set out in the Singapore Prospectus.

## THREADNEEDLE (LUX) – US HIGH YIELD BOND

Product Type	Collective Investment Scheme	Launch Date	12 December 2003
Manager	Threadneedle Management Luxembourg S.A.	Custodian	Citibank Europe plc, Luxembourg Branch (which is the Depository)
Trustee	N/A	Dealing Frequency	Every Valuation Date
Capital Guaranteed	No	Expense Ratio for FY ended 31 March 2021 <sup>2</sup>	Class AEC, AEH, AU, AUP, ASH, ZFH, ZGH, ZU 0.86% to 1.55%

### PRODUCT SUITABILITY

#### WHO IS THE PRODUCT SUITABLE FOR?

- The Portfolio is only suitable for investors who:
  - seek potential total return through higher income and capital appreciation;
  - seek diversification in their investments through exposure to the USD denominated high-yield market;
  - can tolerate the high price volatility and lower liquidity associated with lower-rated debt securities;
  - are willing to take on a high level of risk; and
  - have a long-term investment horizon.

You should consult your financial adviser if in doubt whether this product is suitable for you.

#### Further Information

Refer to “Investor Profile” of the Singapore Prospectus for further information on product suitability.

### KEY PRODUCT FEATURES

#### WHAT ARE YOU INVESTING IN?

- You are investing in a collective investment scheme that is a sub-fund of the Luxembourg incorporated SICAV Threadneedle (Lux), and which seeks to achieve total return from capital appreciation and income by investing principally in income-producing USD denominated debt securities with an emphasis on the high yield (i.e. below Investment Grade) market.

- The distribution policies of the Share Classes are as follows:

**Share Classes whose denomination ends in a “P” or “C”:** Dividend, if declared, will be distributed. Dividends may include an element of capital which will have an impact on capital appreciation. The payment of dividends will result in an immediate decrease in the net asset value per share regardless of whether or not they are paid out of capital.

**Other Share Classes:** No dividend distribution. Income, if any, will be re-invested.

Refer to “The SICAV”, “The Portfolios”, “Investment Objective, Focus and Approach”, and “Distribution Policy” of the Singapore Prospectus for further information on features of the product.

### Investment Strategy

- The Portfolio will invest under normal circumstances at least two thirds of its net assets in a diversified portfolio of debt securities that are rated below Investment Grade. The Portfolio will not generally purchase debt securities rated below “C” by S&P or by Moody’s or that have an equivalent rating by another NRSRO, or are unrated and believed to be of similar quality. All ratings apply at the time the investment is made.
- The Portfolio may invest up to one-third of its assets in other securities and may employ other investment strategies that are not principal investment strategies. The Portfolio’s policies permit investment in other Transferable Securities, including non-income-producing securities and common stocks. The Portfolio may invest up to 25% of its net assets in non-U.S. securities and up to 10% of its net assets in non-USD denominated securities.
- The Portfolio is actively managed in reference to the ICE BofA US Cash Pay High Yield Constrained Index. Deviations from the index, including guidance on the level of risk relative to the index, will be considered as part of the Sub Advisor’s risk monitoring process, to ensure the overall level of risk is broadly consistent with the index. In line with its active management strategy, there may be significant deviation from the index.
- **The Portfolio may use derivatives for investment purposes, hedging and efficient portfolio management.**
- **Investment in debt securities rated below Investment Grade entails special risks and may not be appropriate for all investors.**
- Hedging between the currency of the Class and the base currency of the Portfolio will be carried out for Classes whose denomination ends in a “H” or “C”. These Classes will be hedged, with the objective of minimising currency risk exposure. This activity may increase or decrease the return to investors in those Classes.

Refer to “Investment Objective, Focus and Approach” of the Singapore Prospectus for further information on the investment strategy.

<sup>1</sup> The Singapore Prospectus is available for collection during normal Singapore business hours from Singapore distributors for the Portfolio or accessible at [www.columbiathreadneedle.sg](http://www.columbiathreadneedle.sg).

<sup>2</sup> The expense ratio for the Class ISC Shares is not available as this share class has not been launched as at 31 March 2021.

## Parties Involved

### WHO ARE YOU INVESTING WITH?

- The umbrella fund under which the Portfolio is constituted is Threadneedle (Lux) (the “SICAV”).
- The Management Company of the SICAV is Threadneedle Management Luxembourg S.A.
- The Sub-Advisor of the Portfolio is Columbia Management Investment Advisers, LLC.
- The Depository for the SICAV is Citibank Europe plc, Luxembourg Branch.

Refer to “The SICAV”, “Management and Administration” and “Other Parties” of the Singapore Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

## KEY RISKS

### WHAT ARE THE KEY RISKS OF THIS INVESTMENT

The value of the product and its dividends or coupons (if any) may rise or fall. These risk factors may cause you to lose some or all of your investment:

Refer to “Risk Factors” of the Singapore Prospectus for further information on the risk of the product.

## Market and Credit Risks

- **General market risks.**
  - The value of investments may fall as well as rise and you may not get back the sum originally invested, especially if investments are not held for the long term.
- **Inflation risks.**
  - Most bond funds offer limited capital growth potential and an income that is not linked to inflation. Therefore, inflation can affect the value of capital and income over time.
- **Issuer risks.**
  - The Portfolio invests in securities whose value would be significantly affected if the securities issuer either refused, was unable to, or was perceived to be unable to pay.
- **Exchange rate risks.**
  - Where investments are made by the Portfolio in assets that are denominated in currencies other than USD (the base currency of the Portfolio), changes in exchange rates may affect the value of your investments.
  - The Portfolio and share classes offered may not be denominated in SGD and you may therefore be exposed to additional exchange rate risks if your reference currency is SGD.

## Liquidity Risks

- **The Portfolio is not listed in Singapore and you can redeem only on Valuation Dates (subject to the opening hours of the Singapore distributors).**
  - There is no secondary market for the Portfolio in Singapore. All redemption requests should be submitted in the manner set out in the Singapore Prospectus.
- **Your right to request for redemption may be suspended or deferred in certain circumstances.**

## Product-Specific Risks

- **Interest rate risks.**
  - Changes in interest rates are likely to affect the values of fixed income securities held by the Portfolio. In general, as interest rates rise, the price of a fixed rate bond will fall, and vice versa.
- **Liquidity risks.**
  - The Portfolio invests in assets that are not always readily saleable without suffering a discount to fair value. The Portfolio may have to lower the selling price, sell other investments or forego another, more appealing investment opportunity.
- **Volatility risks.**
  - The Portfolio may exhibit significant price volatility.
- **Derivates risks.**
  - The use of derivatives by the Portfolio may increase the volatility of the Portfolio and may involve a small investment of cash relative to the magnitude of risk assumed. In addition, these techniques could result in a loss if the counterparty of the transaction does not perform as promised.
  - If the Management Company or the Sub-Advisor judges market conditions incorrectly or employs a strategy that does not correlate well with the Portfolio’s investments, these techniques could result in a loss.
- **Risks of investment in below Investment Grade Securities.**
  - The Portfolio invests in debt securities rated below Investment Grade which entails special risks and may not be appropriate for all investors.
  - While offering a greater potential opportunity for capital appreciation and higher yields, debt securities rated below Investment Grade typically entail greater potential price volatility and may be less liquid than higher rated securities.
- **Counterparty risks.**
  - The fund may enter into financial transactions with selected counterparties. Any financial difficulties arising at these counterparties could significantly affect the availability and the value of fund assets.
- **Sustainability risks.**
  - The Portfolio is potentially exposed to environmental, social or governance events or conditions that, if occurring, could cause a material negative impact on the value of the Portfolio’s investment.

## FEES AND CHARGES

### WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Payable directly by you

- You will need to pay the following fees and charges:

Refer to “Fees and Charges” of the Singapore Prospectus for further information on fees and charges.

<b>Initial Sales Charge*</b>	3.00% of the amount invested (Class A Shares) 0.00% of the amount invested (Class I Shares) 5.00% of the amount invested (Class Z Shares)
<b>Redemption Charge</b>	Currently nil
<b>Switching Fee</b>	0.75% of the net asset value of the acquired shares

\*May be waived in whole or in part by a Singapore distributor, depending on the size of the subscription or upon local market considerations.

Additional fees may be payable by you to a Singapore distributor depending on the specific nature of services provided by that Singapore distributors to you. Please contact the relevant Singapore distributor for details.

Payable by the Portfolio from invested proceeds

- The Portfolio will pay the following fees (per annum):

	<b>Class A Shares</b>	<b>Class I Shares</b>	<b>Class Z Shares</b>
Asset Management Fee (paid to the Management Company) a) Retained by Management Company b) Paid by Management Company to financial adviser (trailer fee)	1.25% of the value of the share class a) 40% to 50% of Asset Management Fee b) 50% to 60% <sup>3</sup> of Asset Management Fee	0.55% of the value of the share class a) 100% of Asset Management Fee b) 0% <sup>3</sup> of Asset Management Fee	0.60% of the value of the share class a) 100% of Asset Management Fee b) 0% <sup>3</sup> of Asset Management Fee
Operating Expenses (paid to the Management Company)**	0.30% of the value of the share class	0.10% of the value of the share class	0.30% of the value of the share class

\*\*Includes the depositary, domiciliary and administrative fee.

## VALUATIONS AND EXITING FROM THIS INVESTMENT

### HOW OFTEN ARE VALUATIONS AVAILABLE?

Valuations are performed on each Valuation Date. The indicative issue prices and redemption prices of the shares of the Portfolio are normally published in Singapore on [www.columbiathreadneedle.sg](http://www.columbiathreadneedle.sg) within 1 Singapore business day immediately succeeding each Valuation Date.

Refer to “Cancellation of Subscription”, “Redemption of Shares” and “Obtaining Price Information in Singapore” of the Singapore Prospectus for further information on valuation and exiting from the product.

### HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COST IN DOING SO?

- The Management Company does not offer a right to cancel subscriptions into the Portfolio. You should however check whether your Singapore distributor will allow you to cancel your subscription into the Portfolio.
- You can exit the Portfolio by submitting your redemption form to the Singapore distributor from whom you had originally purchased your shares.
- Shares may be redeemed on any Valuation Date, subject to the opening hours of the relevant Singapore distributor.
- Redemption proceeds will normally be made to Singapore distributors within 3 Business Days and you should check with your Singapore distributor when you can expect to receive your redemption proceeds.
- The redemption price of your shares is determined as follows:
  - If you sell your shares before 3 p.m. (Luxembourg time) (or the Singapore time equivalent) on a Valuation Date, you should normally receive a price calculated on that Valuation Date.
  - If you sell your shares after 3 p.m. (Luxembourg time) (or the Singapore time equivalent) on a Valuation Date, you should normally receive a price calculated on the next Valuation Date.
 (Please note that certain Singapore distributors may impose an earlier cut-off time for receiving your redemption request.)

- The redemption proceeds that you will receive will be the redemption price per share multiplied by the number of shares redeemed, less any charges. An example is as follows:

<u>1,000 shares</u>	x	<u>\$1.10</u>	=	<u>\$1,100</u>	-	<u>\$0</u>	=	<u>\$1,100</u>
<i>Redemption request</i>		<i>Redemption Price</i>		<i>Gross Redemption Proceeds</i>		<i>Redemption Charge*</i>		<i>Net Redemption Proceeds</i>

\*There is currently no redemption charge payable.

<sup>3</sup> Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

## CONTACT INFORMATION

### HOW DO YOU CONTACT US?

You may contact our Singapore representative, State Street Bank And Trust Company, Singapore Branch at:

**Telephone Number:** +65 800 8523 733 (during normal Singapore business hours)  
**Address:** 168 Robinson Road #33-01, Capital Tower, Singapore 068912  
**Email:** ColumbiaThreadneedleEnquiries@statestreet.com

## APPENDIX: GLOSSARY OF TERMS

**“Business Day”** means, with respect to each Portfolio, any day on which banks are open for normal banking business in Luxembourg and when the Directors believe that sufficient markets in which the Portfolio invested are also open and permit sufficient trading and liquidity to enable such Portfolio to be managed efficiently (a list of the Business Days is available on the website [www.columbiathreadneedle.com](http://www.columbiathreadneedle.com));

**“Directors”** means the board of directors from time to time of the SICAV including any duly authorised committee thereof;

**“Investment Grade”** means securities with an average rating of at least BBB- (or equivalent). The average rating is based on a simple linear methodology using ratings from S&P, Moody’s or Fitch. If only two ratings are available, the simple average of those ratings shall be used. If only one rating is available, the security must be rated as investment grade by that agency. In the event that the security is unrated, it is believed to be of equivalent quality in the opinion of the Management Company or of the Sub-Advisor on the basis of its internal rating system;

**“Management Company”** means Threadneedle Management Luxembourg S.A.;

**“Moody’s”** means Moody’s Investors Service;

**“NRSRO”** means a nationally recognised statistical rating organisation (i.e. a credit rating agency registered with the U.S. Securities and Exchange Commission);

**“Portfolio”** means Threadneedle (Lux) – US High Yield Bond;

**“S&P”** means Standard & Poor’s Corporation;

**“SICAV”** means Threadneedle (Lux);

**“Sub-Advisor”** means Columbia Management Investment Advisers, LLC;

**“Transferable Securities”** means shares and other securities equivalent to shares, bonds and other debt instruments, any other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchange with the exclusion of techniques and instruments and loan participations; and

**“Valuation Date”** means any Business Day.