

# QUESTIONS & ANSWERS

## THREADNEEDLE DYNAMIC REAL RETURN FUND

With effect from 1 August 2019, we are making changes to the wording of the investment objective and policy of the Threadneedle Dynamic Real Return Fund.

### 1. What changes are you making?

We are changing the wording of the investment objective and policy of the Fund to provide more detail and clarity on how the Fund is invested.

One of the investment objectives of the Fund is to provide a return above the rate of inflation in the UK, defined as the Consumer Price Index (CPI), over the medium to long term. In practice, the Fund targets an average annual return of CPI plus 4% (gross of charges) over a period of 3 to 5 years; we are now including this information in the objective and policy as it is considered helpful for investors.

Information is also included that suggests how the performance of the Fund may be compared to other funds with broadly similar characteristics.

### 2. What are the changes to the investment objective and policy?

The investment objective and policy are changing from:

“The investment objective of the Fund is to achieve a positive real rate of return from capital appreciation and income over the medium to long term, at least above the rate of inflation (defined as the Consumer Price Index). Regardless of market conditions, it also aims to provide a positive return over a maximum period of 3 years. There is a risk to capital, and there is no guarantee that such a return will be achieved in 3 years or any other timescale.

The authorised corporate director’s (ACD’s) investment policy is to actively manage an exposure to fixed income, equities, cash, money market instruments, currencies, commodities, property and other alternative asset classes on a global basis. The ACD will vary the exposure between these asset classes as deemed necessary in order to achieve the investment objective, and this may result in the Fund having no exposure to particular asset classes.

The ACD will invest in regulated and unregulated collective investment schemes, transferable securities, derivatives, forward transactions, cash, deposits and money market instruments. Investments in collective investment schemes may include those managed, operated or advised by the ACD, or a company in the same group as the ACD.

The Fund may gain indirect exposure to commodities through, but not limited to, investment in collective investment schemes, securitised notes and/or financial derivative instruments. The ACD will not invest in physical commodities or directly in real property.”

To:

“The Fund aims to achieve a higher rate of return from capital appreciation and income than the rate of inflation in the UK (defined as the Consumer Price Index (CPI)), over a period of 3 to 5 years. Currently, the Fund looks to achieve an average annual return of CPI +4% when measured over this same time period, before charges are deducted. The Fund also seeks to deliver a positive return over any 3-year period (net of charges), regardless of market conditions. However, there is a risk to capital, and there is no guarantee that a positive return will be achieved in 3 years, or any other timescale.

The Fund actively manages an exposure to bonds, equities (company shares), money market instruments, cash, currencies, commodities, property and other alternative asset classes on a global basis. The exposure to these asset classes varies over time, as deemed necessary to achieve the investment objective, which may result in the Fund having little or no exposure to certain asset classes.

The Fund obtains exposure to those different asset classes by investing in other collective investment schemes (including funds managed by Columbia Threadneedle companies) or by using derivatives (including forward transactions). The Fund may also invest directly in transferable securities (including bonds and company shares), money market instruments, deposits and cash. The Fund does not invest in physical commodities or directly in real property.

In addition to using derivatives for investment purposes, derivatives may be used with the aim of reducing risk or managing the Fund more efficiently.

Other Information:

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 (peer groups). This Fund is currently included in the IA Targeted Absolute Return sector. Performance data on funds within this sector may be used when evaluating the performance of this Fund.”

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

We are making these changes as we believe the new objective and policy more clearly define and reflect how the Fund is managed.

The changes will not alter the way the Fund is managed.

### **4. When are the changes taking place?**

The changes will take place on 1 August 2019.

## 5. Which share classes and ISINs are impacted by the changes?

The following share classes and ISINs are impacted by the changes.

ISIN	Share class	Share class code
GB00B92GCX53	Institutional Accumulation GBP	Class 2 Acc GBP
GB00B92X4P21	Institutional Income GBP	Class 2 Inc GBP
GB00B955V105	Institutional X Accumulation GBP	Class X Acc GBP
GB00B93TQ868	Class Z Accumulation GBP	Class Z Acc GBP
GB00B93MKD82	Class Z Income GBP	Class Z Inc GBP
GB00BWWC6P48	Class S Accumulation GBP	Class S Acc GBP

## 6. Will there be any changes to how the Fund is managed?

These changes will have no effect on how the Fund is managed.

## 7. Will these changes affect the risk profile of the Fund?

These changes will have no effect on the risk profile of the Fund.

## 8. Will these changes result in any changes to the Fund's management fees?

These changes will have no effect on the fees you pay.

## 9. Do I need to take any action in response to these changes?

You do not need to take any action regarding these changes.

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

If you disagree with the changes, you can redeem your shares, or you can switch your investment, free of charge, into another Threadneedle fund.

Should you decide to redeem or switch your shares, it may be treated as a disposal for capital gains tax purposes. Please be aware that if you choose to redeem your holdings and your shares are held in an ISA, then your investment will lose its ISA status. If you choose to switch your holdings and want to retain your ISA status, then you should ensure that any switch is done between any of Threadneedle's UK authorised funds (excluding the Threadneedle Sterling Short-Term Money Market Fund).

Details of our range of funds are set out in the prospectuses which are available at **[columbiathreadneedle.com](http://columbiathreadneedle.com)**.

## 11. Where can I find out more?

Further information is available on our website at [columbiathreadneedle.com/changes](https://columbiathreadneedle.com/changes). If you are unclear about any of the details relating to the change to the investment policy, or have any further questions, please contact us. For UK investors please call us on 0800 953 0134\*. For investors outside the UK, please call +352 46 40 10 7020\*. Our team is available from 8:00am to 6:00pm, Monday to Friday (UK time).

\*Calls may be recorded.