

**Threadneedle (Lux)**

Société d'Investissement à Capital Variable  
Registered Office: 31, Z.A. Bourmicht, L-8070 Bertrange  
Grand Duchy of Luxembourg  
R.C.S. Luxembourg B 50 216  
(the "SICAV")

**NOTICE TO THE SHAREHOLDERS OF**

**THREADNEEDLE (LUX) – AMERICAN SMALLER COMPANIES  
THREADNEEDLE (LUX) – ASIA EQUITIES  
THREADNEEDLE (LUX) – EUROPEAN SELECT  
THREADNEEDLE (LUX) – EUROPEAN SMALLER COMPANIES  
THREADNEEDLE (LUX) – GLOBAL EQUITY INCOME  
THREADNEEDLE (LUX) – GLOBAL FOCUS  
THREADNEEDLE (LUX) – GLOBAL SELECT  
THREADNEEDLE (LUX) – GLOBAL SMALLER COMPANIES  
THREADNEEDLE (LUX) – PAN EUROPEAN SMALLER COMPANIES**

**(THE "EQUITY PORTFOLIOS")**

**THREADNEEDLE (LUX) – EUROPEAN HIGH YIELD BOND**

**(THE "BOND PORTFOLIO")**

**(TOGETHER, THE "PORTFOLIOS")**

**IMPORTANT**

29 October 2021

Dear Shareholder,

**Important information: Amendment to the investment policies of the Portfolios to introduce the promotion of environmental and social characteristics.**

As you are an investor in one or more of the Portfolios, we are writing to inform you that we are changing the investment policies to introduce the promotion of environmental and social characteristics as part of the Sub-Advisor's investment decision-making process.

The Portfolios will promote environmental and social characteristics by aiming to compare favourably against their indices over rolling 12-month periods when assessed according to the Columbia Threadneedle ESG Materiality Rating.

The Columbia Threadneedle ESG Materiality Rating is a proprietary model which builds on the Sustainability and Accounting Standards Board (SASB®) framework. This model identifies material environmental, social and governance ("ESG") factors across a broad range of sectors and provides an insight into the management focus and standards of operating practices of a company. The Sub-Advisor considers that companies that manage ESG risks effectively are better positioned to address future challenges and capitalise on unknown and known future business opportunities. Companies that lead on the most material ESG metrics should be well positioned to build competitive advantage and sustain their long-term future.

The Portfolios will also aim to exclude companies that breach accepted international standards and principles (e.g. the United Nations Global Compact).

The amended policies will be adopted from 1 December 2021 (the “**Effective Date**”).

These changes will result in the Portfolios being categorised as promoting environmental or social characteristics under Article 8 of the EU Regulation 2019/2088 on sustainability-related disclosures in the financial services sector (“**SFDR**”).

For any capitalised terms below that are not specifically defined, please refer to the definition in the “Glossary” section of the Prospectus.

**What is changing?**

For each Portfolio, the investment policy will be amended to add a description of the way in which the promotion of environmental and social characteristics will be achieved. The additional text is set out in the table below, and will be added to the investment policy of each Portfolio in the “Investment Objectives and Policies” section of the Prospectus from the Effective Date.

| <b>Feature</b>  | <b>Additional text from the Effective Date</b>   |
|---|--|
| <b>Investment Objective and Policy (benchmark disclosure section)</b> | <p>The Portfolio promotes environmental and social characteristics by aiming to compare favourably against the index over rolling 12-month periods when assessed according to the Columbia Threadneedle ESG Materiality Rating, as set out below. The index is not designed to specifically consider environmental or social characteristics.</p>  |
| <b>Investment Objective and Policy (new section)</b>                  | <p><b>Promotion of Environmental and Social Characteristics</b></p> <p>The Sub-Advisor promotes environmental and social characteristics by integrating a range of responsible investment measures into the investment decision-making process.</p> <p>Over rolling 12-month periods, the Portfolio aims to compare favourably with the [Index*] according to the Columbia Threadneedle ESG Materiality Rating - a proprietary model which builds on the Sustainability and Accounting Standards Board (SASB®) framework. This model identifies material environmental, social and governance (“ESG”) factors across a broad range of sectors, and provides an insight into the management focus and standards of operating practices of a company. The Sub-Advisor considers that companies that manage ESG risks effectively are better positioned to address future challenges, and capitalise on unknown and known future business opportunities. Companies that lead on the most material ESG metrics should be well positioned to build competitive advantage and sustain their long-term future.</p> <p>The Portfolio also aims to exclude companies that breach accepted international standards and principles (e.g. the United Nations Global Compact). Companies in breach may be assessed as suitable for investment by the Portfolio, if in the opinion of the Sub-Advisor there are tangible mitigating factors for the company to be held.</p> <p style="text-align: center;">-----</p> <p><b>For the Equity Portfolios:</b></p> <p>The Sub-Advisor ensures that at least:</p> <ul style="list-style-type: none"> <li>• 90% of equity securities issued by large companies domiciled in developed countries; and</li> </ul> |

|                                   |  |
|-----------------------------------|--|
|                                   | <ul style="list-style-type: none"> <li>75% of equity securities issued by large companies domiciled in Emerging Market Countries or by small and medium companies,</li> </ul> <p>held by the Portfolio are rated against the above measures. For the purposes of this test, small companies are those with a market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.</p> <p><b>For the Bond Portfolio:</b></p> <p>The Sub-Advisor ensures that at least two thirds of the fixed income securities held by the Portfolio are rated against the above measures.</p> <p>-----</p> <p>To support and enhance the promotion of environmental and social characteristics, the Sub-Advisor will seek proactive engagement with companies with a view to influencing management teams to improve their practices, for example on issues relating to carbon emissions.</p> <p>Further information on the Portfolio investment guidelines, including the Columbia Threadneedle ESG Materiality Rating methodology and engagement policy, is available at <a href="http://columbiathreadneedle.com">columbiathreadneedle.com</a>.</p> <p>The Portfolio is categorised as one that promotes environmental or social characteristics under Article 8 of the EU Regulation 2019/2088 on sustainability-related disclosures in the financial services sector (SFDR).</p> |
| <b>Typical Investor's Profile</b> | <p>This Portfolio is suitable for investors who:</p> <ul style="list-style-type: none"> <li>seek an investment that promotes environmental and social characteristics.</li> </ul>  |

*\*The Index for each Portfolio, as set out in the existing Investment Objectives and Policies section of the Prospectus.*

### **Why are we making these changes?**

Following the introduction of SFDR, investors are increasingly requiring that investment funds embed the promotion of environmental and social characteristics into the investment process. By making these changes to the investment policies of the Portfolios, this will become a binding commitment. Shareholders should note that the Portfolios have historically compared favourably against their respective indices on the measures set out above, and therefore we do not expect these amendments to the investment policies to result in significant changes to the way in which the Portfolios are currently managed.

### **What do I need to do?**

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

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

Shareholders may redeem their shares in the Portfolios, or exchange their shares into shares of an alternative Portfolio of the SICAV, free of any charges, by submitting a written request to the Registrar and Transfer Agent: International Financial Data Services (Luxembourg) S.A.. Such redemption or

exchange requests will be processed in the normal manner in accordance with the “Redemption of Shares” section of the Prospectus. Contact details for International Financial Data Services are available on our website [columbiathreadneedle.com](http://columbiathreadneedle.com).

We are unable to provide financial or tax advice and we therefore suggest that you seek professional advice about potential tax implications.

### **Additional information**

If you have any other questions regarding this notice, please speak to your financial adviser.

Yours faithfully,

The Board

**Important Information:** Threadneedle (Lux) is an investment company with variable capital (Société d'investissement à capital variable, or “SICAV”) formed under the laws of the Grand Duchy of Luxembourg. The SICAV issues, redeems and exchanges shares of different classes. The management company of the SICAV is Threadneedle Management Luxembourg S.A., which is advised by Threadneedle Asset Management Ltd. and/or selected sub-advisors. Certain sub-funds of the SICAV are registered in Austria, Belgium, Denmark, France, Finland, Germany, Hong Kong, Iceland, Ireland, Italy, Liechtenstein, Luxembourg, Macau, the Netherlands, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the UAE and the UK; however, this is subject to applicable jurisdictions and some sub-funds and/or share classes may not be available in all jurisdictions. Shares in the sub-fund may not be offered to the public in any other country and this document must not be issued, circulated or distributed other than in circumstances which do not constitute an offer to the public and are in accordance with applicable local legislation. Pursuant to article 1:107 of the Act of Financial Supervision, the subfund is included in the register that is kept by the AFM. Threadneedle (Lux) is authorised in Spain by the Comisión Nacional del Mercado de Valores (CNMV) and registered with the relevant CNMV's Register with number 177. Please read the Prospectus before investing. Subscriptions into a sub-fund may only be made on the basis of the current Prospectus and the Key Investor Information Document, as well as the latest annual or interim reports and the applicable terms & conditions. Please refer to the 'Risk Factors' section of the Prospectus for all risks applicable to investing in any sub-fund and specifically this Portfolio. Documents other than KIIDs are available in English, French, German, Portuguese, Italian, Spanish and Dutch (no Dutch Prospectus). KIIDs are available in local languages. Documents can be obtained free of charge on request by writing to the management company at 44, rue de la Vallée, L-2661 Luxembourg, Grand Duchy of Luxembourg, from International Financial Data Services (Luxembourg) S.A. at 47, avenue John F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg, from [www.columbiathreadneedle.com](http://www.columbiathreadneedle.com) and/or from: in Austria: Erste Bank, Graben 21 A-1010 Vienna; in Belgium: CACEIS Belgium S.A., avenue du Port 86 C b 320, 1000 Brussels; in France from CACEIS Bank, 1/3 Place Valhubert, 75013 Paris; in Germany from JP Morgan AG, Junghofstr. 14, 60311 Frankfurt; in Sweden from Skandinaviska Enskilda Banken AB (publ), Kungsträdgårdsgatan, SE-10640 Stockholm, Sweden; in Switzerland the above documents and the instrument of incorporation are available on request from our representative and Paying Agent in Switzerland, RBC Investor Services Bank S.A., Esch-sur-Alzette, Zurich Branch, Bleicherweg 7, CH 8027 Zurich; in the UK from JP Morgan Worldwide Securities Services, 60 Victoria Embankment, London EC4Y 0JP.

**In the UK: issued by Threadneedle Asset Management Limited. Registered in England and Wales, Registered No. 573204, Cannon Place, 78 Cannon Street, London EC4N 6AG, United Kingdom. Authorised and regulated in the UK by the Financial Conduct Authority.**

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**Columbia Threadneedle Investments is the global brand name of the Columbia and Threadneedle group of companies.**