

Please address any replies to:
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1 March 2019

Dear Investor

Important changes to the Threadneedle Sterling Fund

As a shareholder in the Threadneedle Sterling Fund (the “Fund”), we are writing to let you know about changes we are making to the Fund.

In accordance with new European regulations¹, we have received authorisation from the Financial Conduct Authority (FCA), the UK financial services regulator, for the Fund to be categorised as a Short-Term VNAV Money Market Fund². To reflect the Fund’s new status, we will be making the following changes to the Fund, with effect from 1 May 2019.

- Changing its name to “Threadneedle Sterling Short-Term Money Market Fund”.
- Broadening and clarifying the wording used to describe the investment policy; including addition of the performance benchmark for the purposes of performance comparison.

Full details of the changes we are making to the Fund’s investment policy, including a comparison against the current policy, are set out in the appendix to this letter.

Why are you making the changes?

We are making the changes to meet our obligations under the EU Money Market Fund Regulation, (Regulation) which came into force in July 2018. The new Regulation requires all existing funds with the characteristics of a money market fund to seek authorisation as such, and to comply with new rules.

To meet these requirements and following authorisation from the FCA, we are changing the Fund’s name and investment policy to reflect the Fund’s status as a short-term money market fund. We are also using this opportunity to provide greater clarity on how the Fund is managed, including the addition of the performance benchmark, in line with new regulatory requirements³. This is a process we are undertaking for all the funds in our fund range.

¹ EU Money Market Regulation

² As defined in the EU Money Market Regulation

³ Asset Management Market Study

How will this affect my investment?

The value of your investments and the number of shares you hold will not be affected by these changes. The Fund will continue to be managed in the same way.

The changes will not make any difference to the Fund's risk profile, which will remain at the lower end of the risk spectrum.

Do I need to take any action?

No, you do not need to take any action regarding these changes.

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. This can be done in writing or by calling us on 0800 953 0134* if you are in the UK or on 0044 1268 444 321* if you're based outside of the UK. Should you decide to redeem or switch your shares, it may be treated as a disposal for the purposes of capital gains tax.

Details of our range of funds are set out in our prospectuses, available at columbiathreadneedle.com.

Are there any tax implications if I redeem or switch my shares?

There may be tax implications depending on your individual circumstances. We are unable to provide tax advice and we therefore suggest that you seek advice from your tax adviser about any potential tax implications before you take any action.

Where can I find out more?

You can find more information, including a Question & Answer section, on our website at columbiathreadneedle.com/changes. If you have any questions about what these changes mean or what you should do about them, please contact your financial adviser. If you are based in the UK and you don't have a financial adviser, you can find one in your area by visiting www.unbiased.co.uk.**

If you are unclear about the contents of this letter or have any further questions, please call us on 0800 953 0134* if you are in the UK or on 0044 1268 444 321* if you're based outside of the UK. Our team is available from 8.00am to 6.00pm, Monday to Friday (UK time).

Yours faithfully



Gary Collins, Head of Distribution EMEA & Latin America
For and on behalf of
Threadneedle Investment Services Limited

*Calls may be recorded

** Please note that Columbia Threadneedle Investments does not endorse advisers found on this site.

Appendix – Comparison of current and new fund name, investment objective and policy

Sterling Fund	Sterling Short-Term Money Market Fund
<p>To achieve a high level of capital security and provide income.</p> <p>The ACD’s investment policy is to invest the assets of the Fund in sterling-denominated cash deposits and certificates of deposit and UK government-issued Treasury bills. If the ACD considers it desirable it may also invest up to 50% of the total assets of the Fund in Sterling denominated commercial paper. The investment policy shall be subject to the following credit rating restrictions:</p> <ul style="list-style-type: none"> (i) Bank deposits shall be held with and certificates of deposit shall be issued by a deposit-taking institution with a minimum long-term credit rating of either (a) Standard & Poor’s AA-, or (b) Moody’s AA3; (ii) Commercial paper issued by institutions with a minimum short-term credit rating either (a) Standard & Poor’s A1, or (b) Moody’s P1, and with a maximum term to maturity of 184 days; and (iii) UK government issued treasury bills shall have a maximum term to maturity of 184 days. 	<p>The Fund aims to provide income and preserve the original value of your investment, however, this is not guaranteed.</p> <p>The Fund is actively managed and looks to provide income returns broadly in line with the 1 Month GBP London Interbank Bid Rate (LIBID), before charges are deducted.</p> <p>The Fund invests in short-term assets of high credit quality from issuers that have received a favourable assessment in accordance with credit quality assessment procedures adopted by the Fund. These investments may include UK Government securities (including Treasury bills) with a maturity of 184 days or less, sterling denominated cash deposits and certificates of deposit. In addition, up to 50% of the Fund may be invested in sterling denominated commercial paper, also with a maturity of 184 days, or less. Investment in other short-term money market funds is permitted, but limited in total to 10% of the Fund’s value.</p>