

Please address any replies to:

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Dear Investor,

Changes to the Threadneedle Dynamic Real Return Fund – no action required

As a shareholder in the Threadneedle Dynamic Real Return Fund (the “Fund”), we would like to inform you about some changes we are making to the wording of the investment objective and policy of the Fund from 1 August 2019.

These changes will not affect the way the Fund is managed nor change the risk profile of the Fund.

What changes are you making?

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

We are also including information that suggests how the performance of the Fund may be compared to other funds with broadly similar characteristics. Details of the changes in the language used to describe the Fund’s investment objective and policy are shown in the Appendix enclosed with this letter.

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 consider this is helpful additional information and have therefore decided to include it in the investment objective and policy. However, please note that this target may change in the future, subject to further notice.

Why are you making these changes?

We believe that the revised objective and policy provide a better description of how the Fund is managed.

Despite the changes to the description, the portfolio manager’s overall investment approach will not change.

Will there be an impact on the fees I pay?

No, these changes will not affect the fees you pay. Columbia Threadneedle Investments will cover any costs related to these changes.

Do I need to take any action?

You don’t need to take any action as a result of this letter.

*Calls may be recorded.

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 trigger a taxable event. 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 the switch is done between any of Threadneedle's UK authorised funds (excluding the Threadneedle Sterling Short-Term Money Market Fund).

Details of our full range of funds are set out in the prospectuses which are available at columbiathreadneedle.com

Further information

A Questions & Answers sheet is available on our website at columbiathreadneedle.com/changes.

If you are unclear about any of the details relating to the changes, 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).

If you are unsure about your investment you should speak to a financial adviser. For details of one in your area, visit www.unbiased.co.uk – please note we do not endorse the advisers on the site.

Yours faithfully



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

*Calls may be recorded

Appendix: Comparison of the Fund Investment Objective and Policy

Current Objective and Policy	New Objective and Policy
<p>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.</p> <p>The 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.</p> <p>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.</p> <p>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.</p>	<p>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.</p> <p>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.</p> <p>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.</p> <p>In addition to using derivatives for investment purposes, derivatives may be used with the aim of reducing risk or managing the Fund more efficiently.</p> <p>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.</p>