

**Columbia Threadneedle
Investments**

PO Box 10033
Chelmsford
Essex CM99 2AL
United Kingdom

T: 0800 953 0134*
+44 (0)1268 444321*

F: 0845 113 0274
+44 (0)1268 441520

28 January 2021

columbiathreadneedle.com

Dear Investor

Important changes to the Threadneedle Sterling Short-Term Money Market Fund – no action required

As an investor in the Threadneedle Sterling Short-Term Money Market Fund (the “Fund”), we are informing you of changes we are making to the Fund, in response to changes within the financial services industry.

What is changing?

With effect from 1 May 2021 (the “Effective Date”), the Fund’s investment objective (performance target) will change from seeking to provide income returns broadly in line with the 1-month GBP LIBID¹ (before charges), to seeking to provide income returns broadly in line with the 1-month compounded SONIA² rate (before charges).

Full details of this investment objective change, including a comparison with the Fund’s current investment objectives, are shown in the Appendix enclosed with this letter.

Why are we making this change?

The change to the investment objective of the Fund is being made because the Fund’s current benchmark, LIBID, which is a LIBOR³-linked benchmark, is, like LIBOR, expected to be discontinued at the end of this year. As a result, the Fund must transition to an alternative interest rate benchmark before this date. We consider SONIA to be a suitable alternative benchmark for the Fund, against which its performance can be measured and assessed in the future.

SONIA is administered and published by the Bank of England and is broadly accepted as the preferred alternative to sterling LIBOR (and LIBOR-linked benchmarks) within the financial services industry. It reflects the average of the interest rates that banks pay to borrow sterling overnight from other financial institutions, in circumstances where risks are minimal. SONIA is often referred to as the “risk-free rate” for sterling markets.

How will this affect my investment?

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

¹ London Interbank Bid Rate

² Sterling Overnight Index Average

³ London Interbank Offered Rate

This change 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 this change. This change will take effect automatically on the Effective Date.

What can I do if I disagree with the changes?

If you disagree with this change, you can redeem your shares, or you can switch your shares, free of charge, into shares of another Threadneedle UK authorised fund in accordance with the Fund's prospectus. This can be done in writing or by calling us on 0800 953 0134*.

Should you decide to redeem or switch your shares, this may be treated as a disposal for the purposes of capital gains tax. 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 shares and wish to retain your ISA status, then you should ensure that any switch is done between any of Threadneedle's UK authorised funds (excluding our Luxembourg SICAV range).

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

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 this change means or what you should do about it, please contact your financial adviser. If you are based in the UK and you do not have a financial adviser, you can find one in your area by visiting www.unbiased.co.uk. Please note that we do not endorse this site or the advisers on it.

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 are based outside of the UK. Our team is available from 8:00 am to 6:00 pm, Monday to Friday (UK time).

Yours sincerely



Dei McLaughlin
Head of EMEA Client Services
Columbia Threadneedle Investments

*Calls may be recorded

Appendix – Comparison of the Fund’s current and revised investment objectives

Current	Revised
<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>	<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 compounded SONIA (Sterling Overnight Index Average) rate, 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> <p>The 1-month compounded SONIA rate is considered a suitable interest rate benchmark against which the Fund’s performance can be measured and evaluated over time. The benchmark reflects the rate of interest paid on unsecured short-term transactions in the British sterling market, and represents a similar return profile to assets held in the Fund.</p>