

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) – ENHANCED COMMODITIES
(THE “PORTFOLIO”)**

IMPORTANT

1 March 2019

Dear shareholder,

Important information: clarifications to the investment policy of the Threadneedle (Lux) – Enhanced Commodities

As you are an investor in this Portfolio, we are writing to let you know that the board of directors of the SICAV (the “**Board**”) has decided to make some clarifications to the investment policy of the Portfolio, which will be effective as of 1 April 2019. These clarifications are being made in the interests of enhancing disclosure to shareholders of the Portfolio (the “Shareholders”) and do not result in a change to the way in which the Portfolio is managed.

What is changing?

Firstly, we are making it clearer that although the Portfolio does not seek to take active net short positions, market movements may mean that there may be very slight net short positions in the interim to the rebalancing of the indices through which the Portfolio gains exposure to underlying commodities.

Secondly, we are increasing the maximum level of leverage under the Sum of Notional approach from 400% to 700%. We believe this more accurately reflects the maximum level of leverage that could be incurred under the current strategy. The average expected level of leverage remains unchanged.

The revised investment policy wording is set out below (additions and deletions in bold):

The Enhanced Commodities Portfolio seeks to achieve capital appreciation which is directly and indirectly linked to commodity markets.

The Portfolio will invest in financial derivative instruments (including total return swaps) whose underlying instruments are diversified commodity indices composed of futures contracts on physical commodities.

To create under and overweight positions relative to the reference portfolio in individual commodities and commodity sectors, it is intended to use a combination of long and short positions in diversified commodity indices. The long and short positions will largely offset one another and provide the Sub-Advisor the ability to adjust weights and position on the curve consistent with the Portfolio’s investment strategy. The long and short positions will result in creating leverage on a Sum of Notionals basis, but on a net basis the Portfolio will continue to be

fully invested in commodities and will not be leveraged to the market. Additionally, the Portfolio will not **actively be exposed to have** any net short commodity positions. The expected level of leverage determined on the Sum of Notionals basis would likely average 0-400% and is not expected to exceed 700%. A degree of leverage on a Sum of Notionals basis can be attributed to transactions related to the hedged Classes of the Portfolio. The Portfolio will report global exposure on a relative VaR basis. The relative VaR limit will be 30% more than the VaR of the reference benchmark of the Portfolio.

The Portfolio will invest collateral in investment grade government debt with maturities less than one year.

The Portfolio may also invest in exchange traded funds and securitised notes, certificates, Investment Grade government securities, Money Market Instruments, cash, and/or other debt securities.

The Portfolio will use financial derivative instruments for investment purposes, hedging and efficient portfolio management.

Use of total return swaps:

The Fund enters into total/excess return swaps (a general description of total/excess return swaps is available in Appendix B.I) on diversified commodity indices for investment purposes. These total/excess return swaps allow the Portfolio to gain exposure to commodity markets as futures and options on commodities are not available to the Portfolio.

It is expected that the net exposure of the total/excess swaps will be consistent with the NAV of the Portfolio as the Portfolio is fully exposed to commodities:

	Maximum proportion of Net Asset Value	Expected proportion of Net Asset Value
Total/Excess return swaps	700% 400%	300-400%

This change to the investment policy wording does not affect in any way the way the Portfolio is managed.

The abovementioned changes will be effective as from 1 April 2019.

What should you do next?

There is no action required from you. However, Shareholders who are unsure of the impact should consult their professional advisor. Shareholders who disagree with such changes may redeem their shares or switch into an alternative Portfolio of the SICAV free of any charges during a period of one month starting on the date of this notice. **If Shareholders take no action, they will retain their shares in the Portfolio after the change become effective.**

Prospectus update

The Prospectus will be updated to reflect the changes and will be available from the registered office of the SICAV in Luxembourg and on the website www.columbiathreadneedle.com.

Yours faithfully,

The Board