

## **Threadneedle Investment Funds ICVC** **Threadneedle Lux Funds**

**This Fund Summary is for the following ILP sub-funds and should be read in conjunction with the Product Summary**

Threadneedle American Fund\*<sup>^</sup>  
Threadneedle Emerging Market Bond Fund\*

\* *The ILP sub - funds feed into the Restricted Foreign Schemes in Singapore*

<sup>^</sup> *Threadneedle American Fund and Threadneedle Pan European feeds into Threadneedle (Lux), a Société Anonyme qualifying as a Société d'investissement à capital variable established in the Grand Duchy of Luxembourg.*

### **Structure of ILP Sub-Fund**

The ILP Sub-Funds are feeder funds investing in sub-funds of Threadneedle Investment Funds ICVC (the “Company”). The Company is an open-ended investment company with variable capital incorporated in England and Wales under registered number IC000002 and authorised by the Financial Conduct Authority (the “FCA”) with effect from 18 June 1997. The Company has been certified by the FCA as eligible to enjoy the rights conferred by the Undertakings for Collective Investment in Transferable Securities Directive 2009/65/EC (the ‘UCITS Directive’). Accordingly, the Company is a ‘UCITS Scheme’ for the purposes of the FCA Rules.

Please refer to the sections on “Details of the Company” and “The Structure of the Company” in the Threadneedle Investment Funds ICVC Prospectus for further information on the structure of the Company.

The units in the ILP Sub-Funds are not classified as Excluded Investment Products.

### **Information on the Manager**

Columbia Threadneedle Investments is a global asset management group that provides a broad range of actively managed investment strategies and solutions covering global, regional and domestic markets and asset classes. We invest on behalf of individuals, pension funds and corporations. We strive to deliver the investment outcomes that our clients expect when they trust us with their money, through an investment approach that is active, client-focused and performance driven.

With over 450 investment professionals based in Europe, North America and Asia, we manage US\$485 billion of assets (30 September 2018) across developed and emerging market equities, fixed income, asset allocation solutions and alternatives, including UK property and have a presence in 18 countries.

Columbia Threadneedle Investments is the brand name of the Columbia and Threadneedle group of companies. It is owned by Ameriprise Financial, Inc. (NYSE:AMP), a leading US-based financial services provider. As part of Ameriprise, we are supported by a large and well-capitalised diversified financial services firm.

As of 30 September 2018, Columbia Threadneedle Investments – EMEA and Asia manages US\$138.6 billion of assets.

### **Other Parties**

Please refer to the section on “Management and Administration” in the Company’s Prospectus for details of other parties involved in the Underlying Funds of the Company.

### **Investment Objectives, Focus and Approach**

The investment objectives, focus and approach of the Underlying Funds of the Company are described in the section under “Investment objectives, policies and other details of the Underlying Funds” in the Company’s Prospectus.

## Risks

Please refer to the section on “Risk Factors” in the Company’s Prospectus for a description of the risk factors associated with investing in the Underlying Funds of the Company. The risks may include:

### General Risks

You should consider and satisfy yourself as to the risks of investing in the Underlying Funds. There can be no assurance that the Underlying Funds will achieve its investment objectives. You should be aware that the price of Shares in the Underlying Funds, and the income from them, may fall or rise and you may not get back your original investment in the Underlying Funds, especially if investments are not held for the long term. The Underlying Funds may exhibit significant price volatility.

### General market risks

Investments of the Underlying Funds may go up or down due to changing economic, political or market conditions that impact the share price of companies or price of securities that the Underlying Funds invest in.

### Emerging markets risks

The Underlying Funds invest in markets where economic and regulatory risk can be significant. These factors can affect liquidity, settlement and asset values. Any such event can have a negative effect on the value of your investment.

### Inflation risks

The Underlying Funds offer limited capital growth potential and an income that is not linked to inflation. Inflation can therefore affect the value of capital and income of the Underlying Funds over time.

### Counterparty risks

The Underlying Funds invests in securities whose value would be significantly affected if the securities issuer either refused, was unable to, or was perceived to be unable to pay.

### Interest rate risks

Changes in interest rates are likely to affect the values of fixed income securities held by the Underlying Funds. In general, as interest rates rise, the price of a fixed rate bond will fall, and vice versa. Duration is a measure of the extent to which this is the case, with a longer duration suggesting higher sensitivity to interest rate moves.

### Volatility risks

The Underlying Funds may exhibit significant price volatility.

### Liquidity risks

The Underlying Funds may invest in assets that are not always readily saleable without suffering a discount to fair value. The Underlying Funds may have to lower the selling price, sell other investments or forego another more appealing investment opportunity as a result.

### Valuation risks

Some Underlying Funds may invest in assets that are not readily realisable or may be hard to value. The value of these assets is a matter of the relevant valuation agent’s policy and the true value may not be recognised until the asset is sold.

### Risks of investment in Below Investment Grade Securities

The Underlying Funds invests in debt securities rated below Investment Grade which entails special risks and may not be appropriate for all investors. While offering a greater potential opportunity for capital appreciation and higher yields, debt securities rated below Investment Grade typically entail greater potential price volatility and may be less liquid than higher rated securities.

## Fees and Charges

In addition to the fees and charges shown in the Product Summary, the following fees are also payable through deduction from the asset value of the Underlying Funds. The Annual Management Fee (AMC) for Class 1 Shares of the Underlying Funds are:

Fund Name	AMC
Threadneedle American Fund	1.50%

Threadneedle Emerging Market Bond Fund	1.45%
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**Past Performance<sup>1</sup>:** as at 31 October 2018

**NOTE: PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE.**

### Cumulative Performance

Fund / Benchmark	1 Yr (%)	3 Yr (%)	5 Yr (%)	10 Yr (%)	Since Inception*
Threadneedle American Fund (Net) / S&P 500 TR (Gross)	4.12%	31.19%	57.69%	242.56%	N.A. <sup>2</sup>
Threadneedle Emerging Market Bond Fund (Net) / JPM EMBI Global (Gross)	-7.11%	10.42%	8.97%	88.39%	535.00%
	-5.27%	11.93%	19.38%	131.37%	383.49%

### Annualised Performance

Fund / Benchmark	1 Yr (%)	3 Yr (%)	5 Yr (%)	10 Yr (%)	Since Inception*
Threadneedle American Fund (Net)/ S&P 500 TR (Gross)	4.12%	9.47%	9.54%	13.10%	N.A. <sup>2</sup>
Threadneedle Emerging Market Bond Fund (Net) / JPM EMBI Global (Gross)	-7.11%	3.36%	1.73%	6.54%	9.28%
	-5.27%	3.83%	3.61%	8.75%	7.86%

Source: Threadneedle Asset Management Limited

\* *Threadneedle American Fund* : Incepted on 5 Feb 1968  
*Threadneedle Emerging Market Bond Fund* : Incepted on 26 Dec 1997

<sup>1</sup> Performance shown in fund currency and calculated before sales charges are deducted. Fees and charges payable through deduction of premium or cancellation of units are excluded in deriving the performance. Performance is calculated on the assumption that all dividends and distributions are reinvested, taking into account all charges which would have been payable upon such reinvestment.

<sup>2</sup> Morningstar database for the Fund only dates back to 1973.

### Expense Ratio and Turnover Ratio

Fund	Expense Ratios (Annualised)	Turnover Ratio
Threadneedle American Fund	1.63%	73.93%
Threadneedle Emerging Market Bond Fund	1.68%	101.52%

Expense ratios and turnover ratios are for the accounting period 31 October 2018.

The expense ratio is calculated in accordance with the Investment Management Association of Singapore guidelines on the disclosure of expense ratios. It does not include (where applicable) brokerage and other transaction costs, performance fee, interest expense, foreign exchange gains /losses, front or back-end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. It is calculated by dividing expenses by daily average NAV, and multiplied by the appropriate factor to annualise the figure and is disclosed as a percentage.

The turnover ratio is calculated according to UK FSA regulations  $[(\text{Purchases} - \text{Creations}) + (\text{Sales} - \text{Liquidations}) / ((\text{Opening value of Fund} + \text{Closing Value of Fund} / 2))] \times 100$ .

### **Soft Dollar Commissions or Arrangements**

The ACD and Threadneedle Asset Management Limited (the “Investment Manager” may enter into commission sharing arrangements with broker-dealers under which certain business services are obtained from such broker-dealers directly or from third parties and are paid for by the broker-dealers out of the commissions they receive on transactions for the Company. Consistent with obtaining best execution, brokerage commissions on portfolio transactions for the Company may be specifically allocated by the ACD or the Investment Manager to broker-dealers in consideration of any research services rendered as well as for services rendered in the execution of orders by such broker-dealers. Commission sharing arrangements are subject to the following conditions: (i) the ACD or the Investment Manager will act at all times in the best interest of the Company and of its Shareholders when entering into commission sharing arrangements; (ii) the services provided will be in direct relationship to the activities of the ACD or the Investment Manager; (iii) brokerage commissions on portfolio transactions for the Company will be allocated by the ACD or the Investment Manager to broker-dealers that are entities and not to individuals; (iv) commission sharing arrangements are not a determining factor in the selection of the broker-dealers; (v) the ACD or the Investment Manager will provide reports to the Directors with respect to commission sharing arrangements including the nature of the services it receives; (vi) neither the ACD, the Investment Manager nor any of their connected persons may retain cash or other rebates from broker-dealers; (vii) the goods or services received are of demonstrable benefit to the Shareholders; and (viii) periodic disclosure will be made in the Company’s annual report in the form of statement describing the ACD’s commission sharing arrangements, including a description of the goods and services received. The goods and services received may include: research that can add value to an Investment Manager’s decision making process and execution services that enhance the Investment Manager’s ability to execute transactions.

### **Conflicts of Interest**

The ACD, the Investment Manager and other companies within the group of companies to which they belong (the “Group”, which for the avoidance of doubt includes Columbia Management Investment Advisers, LLC in their provision of investment advice supported by research and investment recommendations) may, from time to time, act as the investment manager or adviser to other funds or sub-funds which follow similar investment objectives to the Funds of the Company. It is therefore possible that the ACD and/or the Investment Manager may in the course of their business have potential conflicts of interest with the Company or a particular Fund.

Each member of the Group will, however, have regard to its legal obligations and, in particular, to its obligation to act in the best interests of the Company so far as practicable, having regard to its obligations to other clients when undertaking any investment where potential conflicts of interest may arise.

As more than one company within the Group will have access to the same information, and may be trading in the same investments through different trading desks, policies and procedures are in place to manage this potential conflict. Where a conflict of interest cannot be avoided, the ACD will ensure that the Company and the other funds it manages are treated fairly.

The ACD acknowledges that there may be some situations where the organisational or administrative arrangements in place for the management of conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of the Company or its shareholders will be prevented. Should any such situations arise the ACD will disclose these to shareholders in an appropriate format, ordinarily this will be in the Report and Financial Statements of the Company.

Citibank Europe plc, UK Branch (the “Depositary”) may act as the depositary of other companies.

From time to time conflicts may arise between the Depositary and the delegates or sub-delegates, for example where an appointed delegate or sub-delegate is an affiliated group company which receives remuneration for other custodial services it provides to the Funds. In the event of any potential conflict of interest which may arise during the normal course of business, the Depositary will have regard to applicable laws.

### **Reports**

The financial year-end of the ILP Sub-Funds is 30 June. Aviva Ltd will make available semi-annual report and annual audited report of the ILP Sub-Funds within 2 months and 3 months respectively from the relevant reporting periods.



In addition, Aviva Ltd will make available financial reports of the Underlying Funds as they become available from the Investment Manager. Policyholders can access these reports via the Aviva website at [www.aviva.com.sg](http://www.aviva.com.sg).

### **Specialised ILP Sub-Funds**

The ILP sub-funds are not specialised sub-funds as set out in MAS Notice 307 on Investment-Linked Policies issued by the Monetary Authority of Singapore.