threadneedle investments 天利

Opportunities in High Yield

Threadneedle (Lux) US$ High Income Bonds

Information for investment professionals

September 2012

Contents

Market Overview & Outlook

Threadneedle (Lux) US$ High Income Bonds Fund

- Performance & characteristics

Appendix

- Portfolio manager biography

threadneedle investments 天利

High Yield Market Outlook
as of September 17, 2012

We acknowledge the considerable macro challenges and lack of major near term catalysts to drive the market tighter, yet we remain constructive on the high yield asset class given the solid corporate fundamentals supporting the sector and risk premiums which compensate for the macro issues and support a positive return outlook.

- Consensus expectations are calling for 2.20% and 2.10% growth rates for the U.S. in 2012 and 2013, respectively, despite recent weakness in economic data points and uncertainty related to the fiscal cliff.
- Corporate fundamentals remain strong in terms of balance sheet liquidity, overall leverage, interest burden and limited amortization requirements over the next several years.
- Corporate earnings have been solid, however earnings have decelerated given the challenges to drive top line growth and maintain margins given the soft economic backdrop. Also, cautious business outlooks have begun to reduce expectations for earnings in the second half of the year.
- Expectations for earnings growth in 2012 have been lowered to 5.7%, this reflects a level reduced by 810bps since June 2011.
- Default forecasts for 2012 and 2013 remain below historical averages given the refinancing that has occurred. This is a result of limited debt maturities over the next 2 years, reduction in leverage and high cash positions, all leading to improvements in company balance sheets.

threadneedle investments 天利

High Yield Market Outlook
as of September 17, 2012

However, risks remain to the outlook.

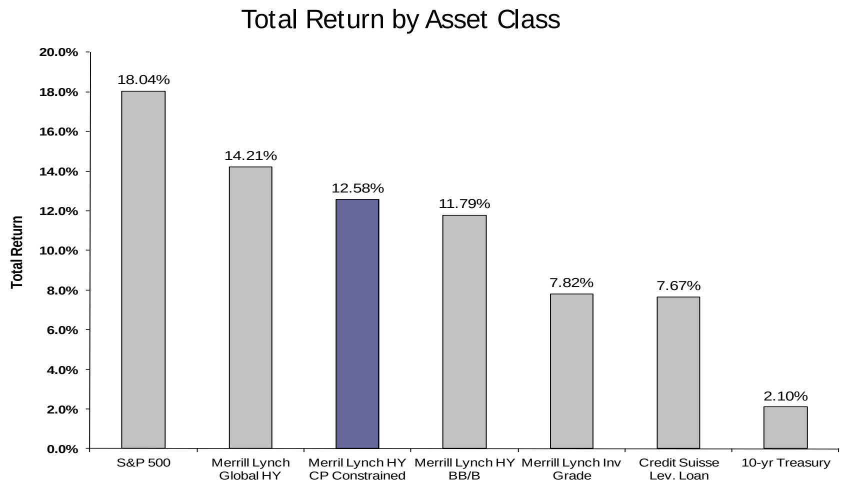
- The continued overhang of high unemployment, slowing U.S. economic data, the looming fiscal cliff, weak housing market and high government deficits are expected to keep growth muted and vulnerable to external shocks.
- Foreign challenges remain as it appears unlikely there will be a near term solution to the ongoing European debt crisis, but likely another “response" or “reaction” to the crisis now that the benefits from the LTRO have worn off as we had originally feared. In addition, concerns related to growth slowdown in China could pressure global growth rates.
- The outcome of the presidential election is likely to have a substantial impact on fiscal and regulatory policy and could prove to be a positive or negative catalyst for the markets. Either way, it will likely result in market volatility.
- Valuations continue to provide additional compensation relative to default expectations. Valuations have recently tightened to +523 bps STW and 6.22% YTW, which is pricing in a roughly 3.9% default rate vs. expectations of 1.47% for 2013 and 2.43% for 2014.
- Investors are requiring a higher risk premium in less liquid/higher risk securities in anticipation of reduced liquidity due to the potential implementation of the Volker rule. Liquidity has already been reduced and we expect liquidity to decrease further if the Volker rule moves forward as planned.

High Yield Market Outlook
as of September 17, 2012

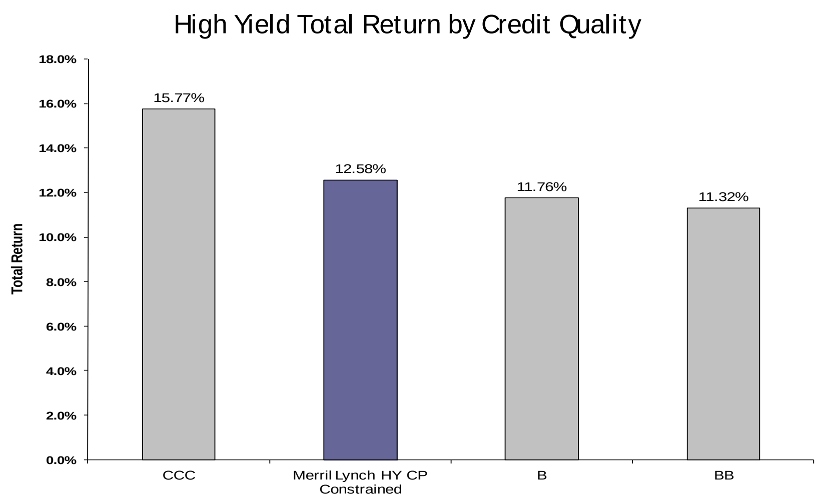
Strategy

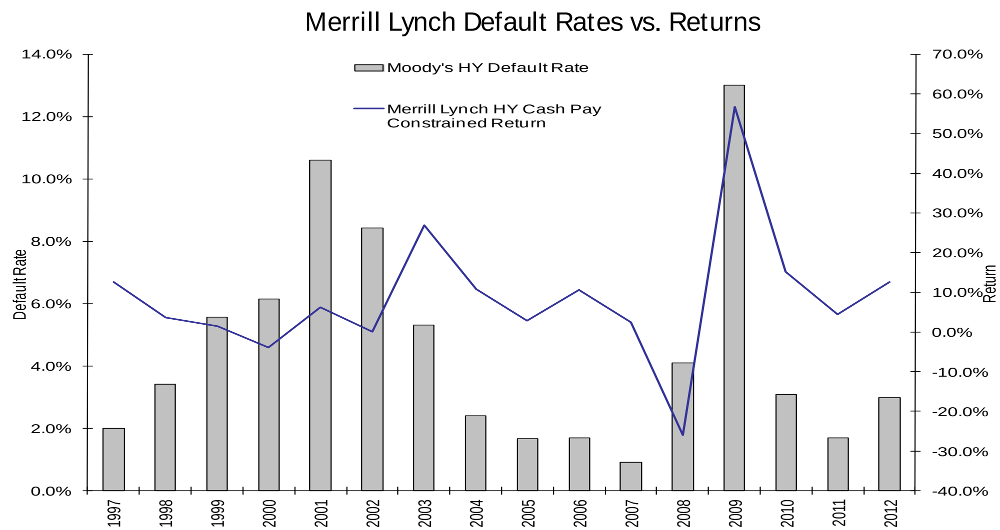
- We continue to recommend high yield as a part of an overall portfolio allocation.
- We believe there are still solid risk adjusted values in the marketplace and will look to invest incremental dollars in the mid to higher quality part of the market. We will continue to be selective in adding risk to the portfolio and may look to reduce risk on the margin if valuations improve and meet our price targets.
- We will stick to our knitting; as always, our disciplined credit selection, based on strong fundamental and rigorous risk management, remains our guiding principle.

Year to Date 2012 Performance
as of September 17, 2012



- The Merrill Lynch High Yield Cash Pay Constrained Index has returned 12.58% YTD.
- CCC issues have outperformed while BB and B issues trailed the index.
- Best Performing Industries YTD: Multi-Line Insurance and Banking.
- Worst Performing Industries YTD: Electric-Distribution and Integrated Energy.
- High yield spreads have tightened 184 basis points in 2012 to a spread of +523bps.





Source : Bank of America/Merrill Lynch, Moody's. Past performance is not indicative of future results. See the end of the presentation for additional disclosures and index descriptions.

threadneedle investments 天利

Opportunity in High Yield Bonds

Strong corporate fundamentals and below average default expectations continue to make a compelling case for high yield. Consider the following factors:

- **Fundamentals** — Leveraged issuers have increased cash levels, deleveraged their balance sheets and refinanced looming maturities. Amortization requirements over the next two years are quite manageable and will likely help keep default rates below historical averages.
- **Valuations** — Although valuations are less attractive than they were to start the year and yields are at new all time lows given the low absolute level of interest rates, there is still adequate compensation for credit and default risks.
- **Low growth environment** — History shows that performance in high yield is not contingent on strong economic growth and that in low growth environments, high yield bonds tend to perform reasonably well.
- **Reduced interest rate sensitivity** — High yield is an asset class that tends to be less interest rate sensitive relative to other fixed income alternatives and the key driver to performance is credit fundamentals.

threadneedle investments 天利

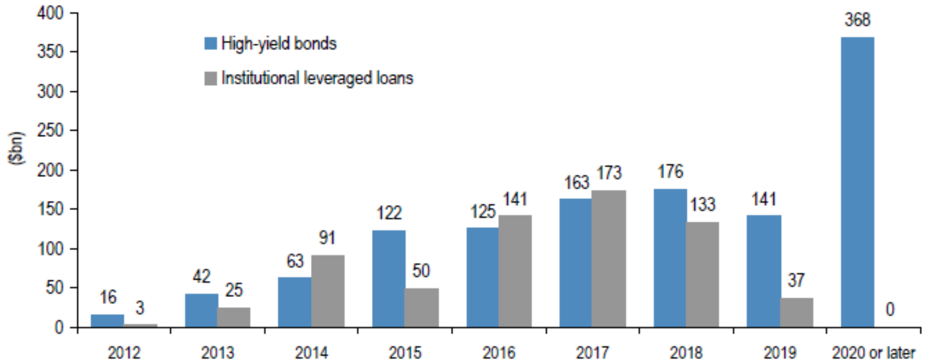
Fundamentals

- Corporations are well positioned to manage through a period of slow growth, which supports our constructive outlook for the high yield asset class.
- The fundamental improvements companies have made in terms of balance sheet liquidity, overall leverage, interest burden, and amortization requirements over the next several years will likely keep default rates below historical averages for the next two years.
- The maturity schedule is much less ominous today than it was in 2008, as maturities are more laddered out and this is a key to keeping default levels low over the next several years, which is supportive of the high yield asset class.
- Over the next two years, we expect default rates to remain well below their long-term average of 4.2%.

High Yield Bond and Leveraged Loan Maturity Schedule

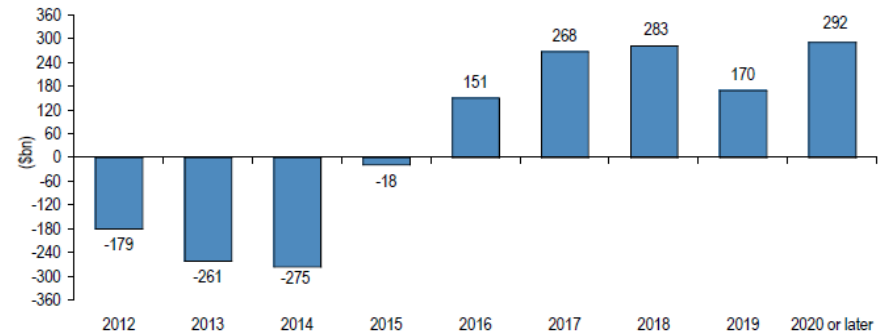
- Meaningful refinancing activity since 2009 has reduced the maturity schedule through 2014 by $715 billion since 12/31/08.
- Maturities in 2014 are the next hurdle, particularly in leveraged loans.
- Data as of 6/11/12.

Bond and Loan Maturities



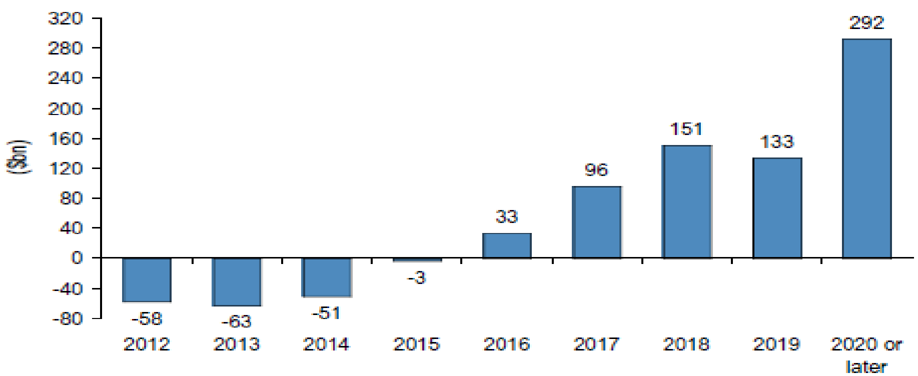
Note: As of June 11, 2012.
Sources: J.P. Morgan; Markit.

Combined Bond and Loan Maturity Refinancing



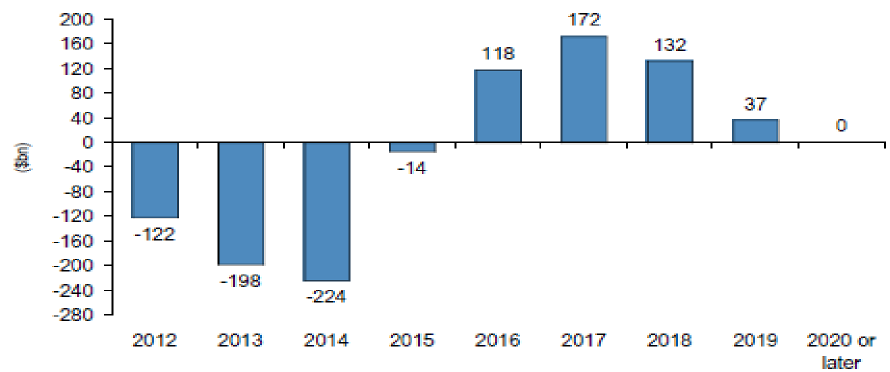
Note: Change is measured between December 31, 2008 and June 11, 2012.
Sources: J.P. Morgan; Markit..

Bond Maturity Refinancing



Note: Change is measured between December 31, 2008 and June 11, 2012.
Sources: J.P. Morgan; Markit.

Loan Maturity Refinancing



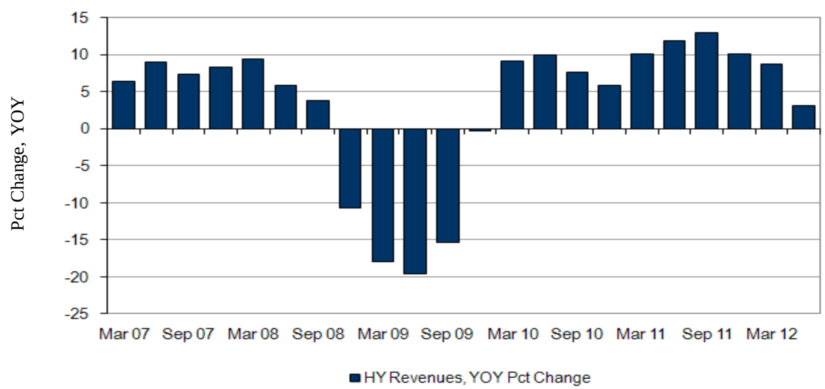
Note: Change is measured between December 31, 2008 and June 11, 2012.
Sources: J.P. Morgan; Markit.

threadneedle investments 天利

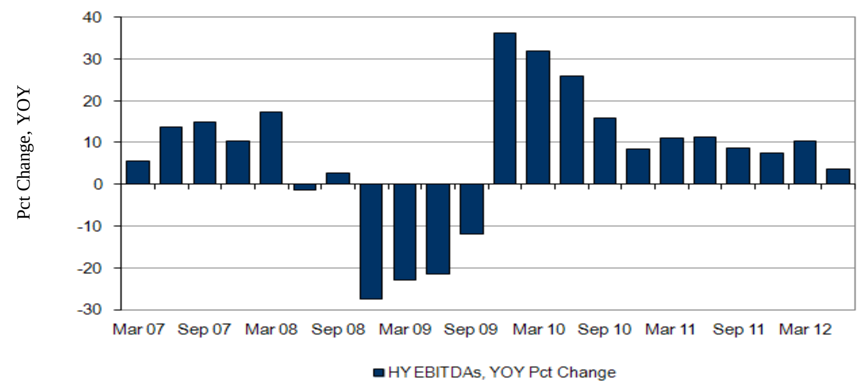
High Yield Issuer Fundamentals

- High Yield issuer fundamentals remained stable, however, earnings growth slowed during the quarter. According to the Bank of America sample set*, YOY revenue growth was at 3.1% for the 2nd quarter, down from the 1st quarter rate of 8.7% while EBITDA growth also slowed, growing at an average rate of 3.7%, down from 10.4% in Q1.
- Consensus 2012 expectations call for S&P 500 revenue growth of 1.8% and 5.6% earnings growth. 2012 expected earnings growth rates have declined over 8.2% since June of 2011 and more recently 2.6% since the beginning of the 2nd quarter.

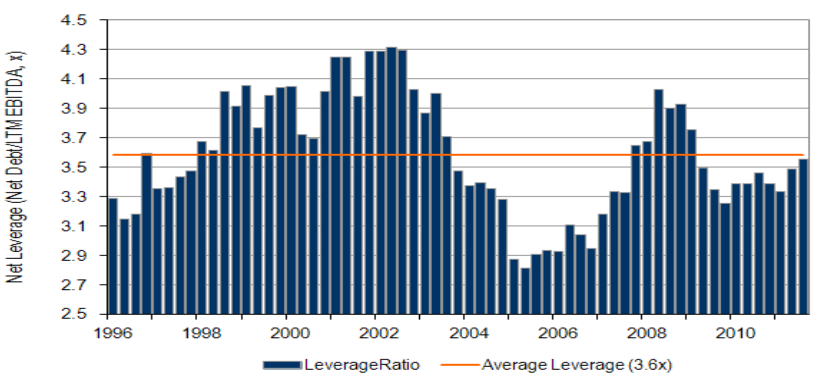
High Yield revenue growth slowed to 3.1% YOY in Q2.



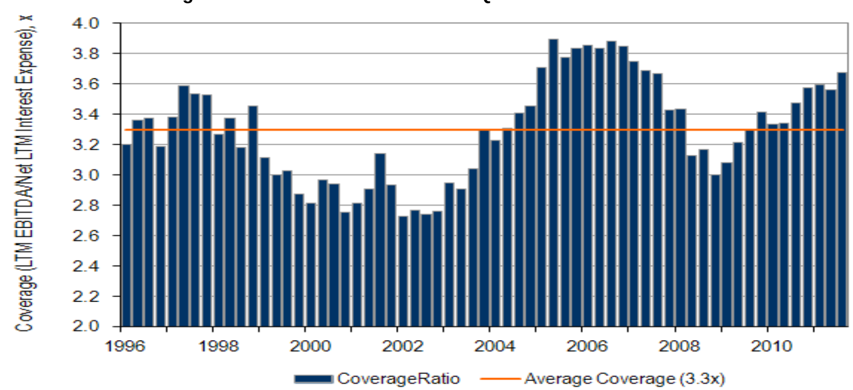
HY EBITDAs also slowed to 3.7% YOY from recent trends of upper single digit growth.



Net leverage increased slightly to 3.6x from 3.5x in Q1.



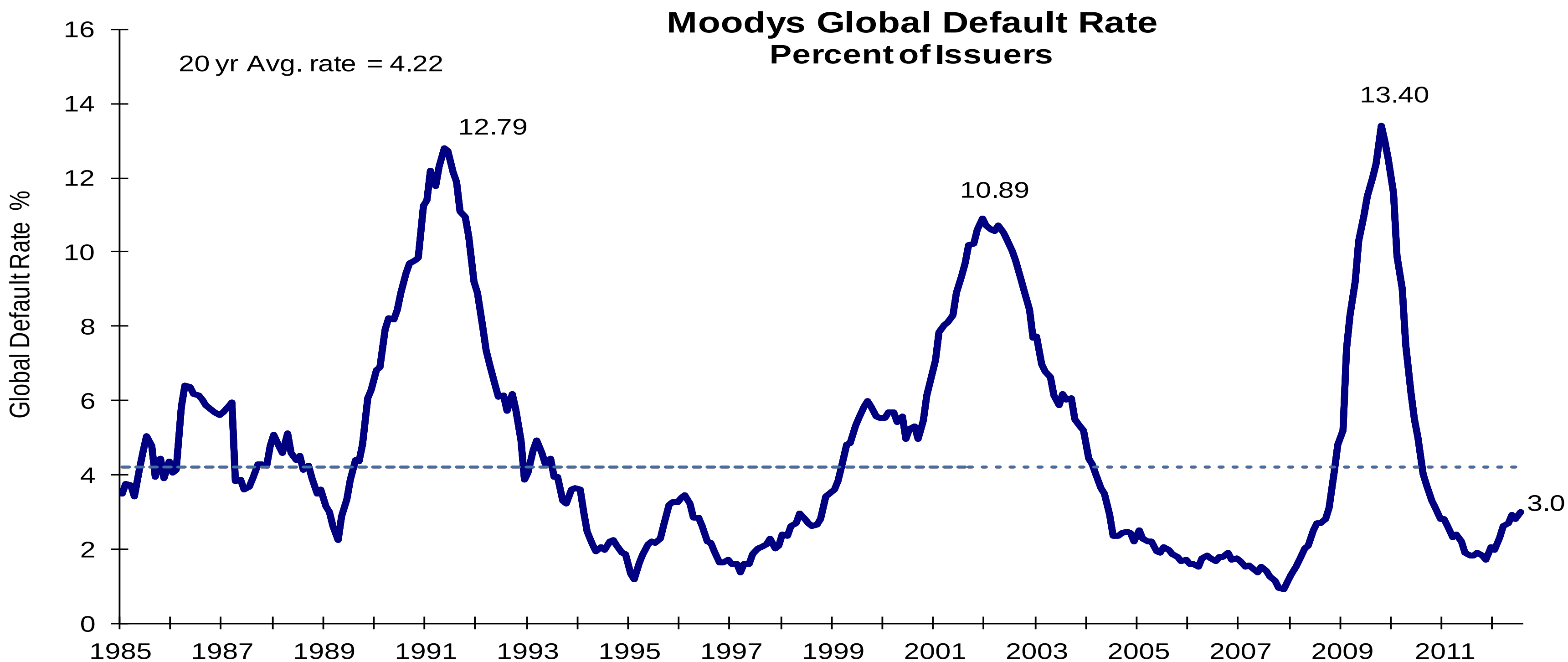
Interest coverage increased to 3.7x from 3.6x in Q1.



Source: BofA Merrill Lynch Global Research
*Bank of America sample set is approximately 500 HY issuers.

Credit Trends
as of August 31, 2012

- Based on Moody's covered issuers, 43 defaults have occurred in 2012, compared to only 16 in the same period during 2011. The 12 month default rate increased to 3.0% from 2.8% in July.
- Moody's expects a slight increase in the default rate to 3.1% by year end then a decline to 3.0% by July 2013. Moody's measures defaults as a percentage of issuers.
- The Moody's 20 yr. average default rate is 4.22%.



Source: Moody's. Past performance is not indicative of future results. See the end of the presentation for additional disclosures and index descriptions.

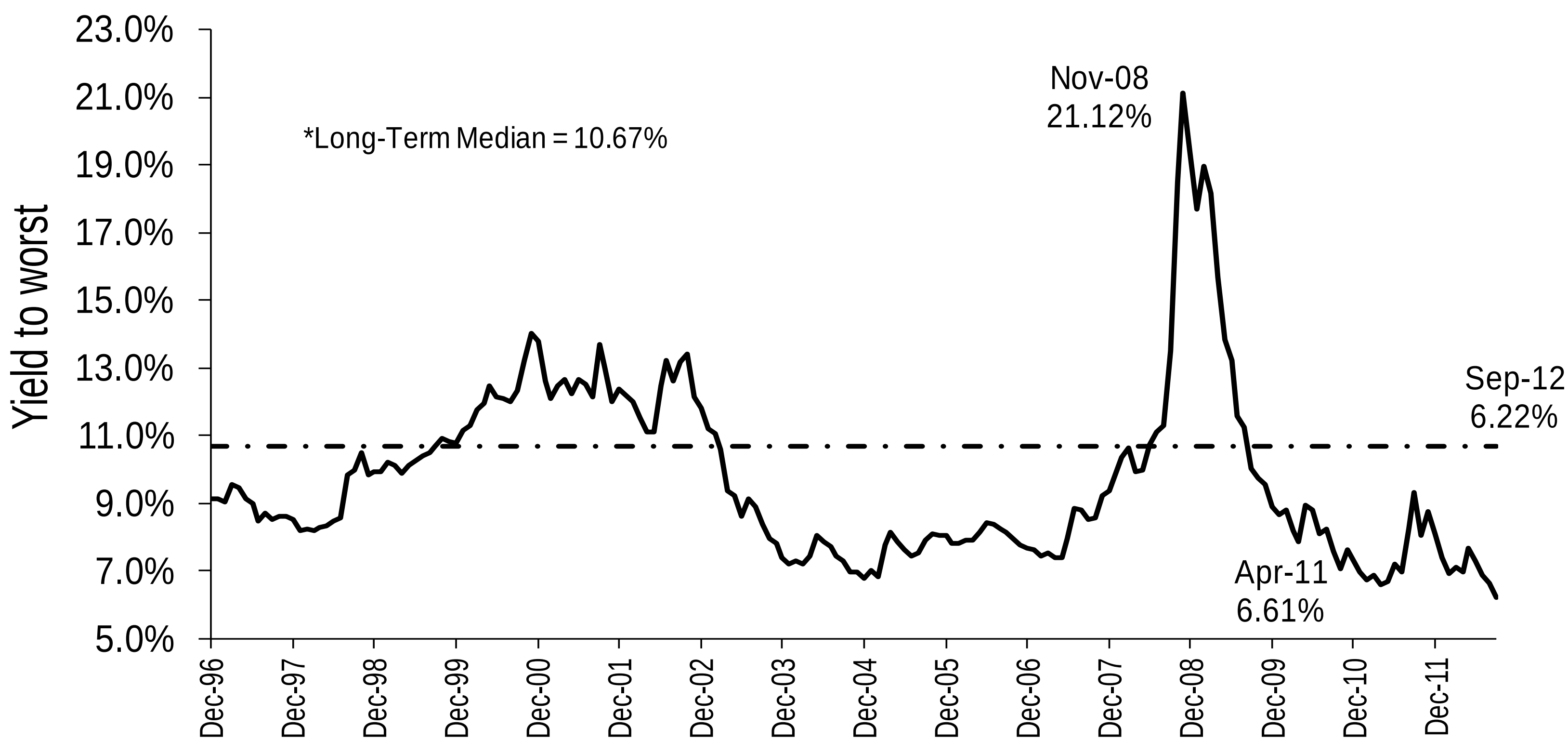
High Yield Market Valuation
as of August 31, 2012

- Valuations are less attractive than they were to start the year as spreads have tightened by 184 bps to +523 bps and are now approaching historic medians.
- Yields, on the other hand, are at new all time lows given the low absolute level of interest rates.
- The liquidity programs from central banks have reduced tail risk in the marketplace resulting in reduced risk premiums from macro related issues.
- High yield is now pricing in a 3.9% default rate versus 7.0% at the start of the year.
- Given the move in valuations from the recent wides, we have adjusted our expected return for the high yield market to be more in line with a coupon type return for the next 12 months, with modest spread tightening potential.

threadneedle investments 天利

High Yield Market Valuation
as of September 17, 2012

- High yield bond yields decreased have decreased 43bp MTD September. Yields have decreased 186bps YTD and 377bps since the highs of early October ‘11.



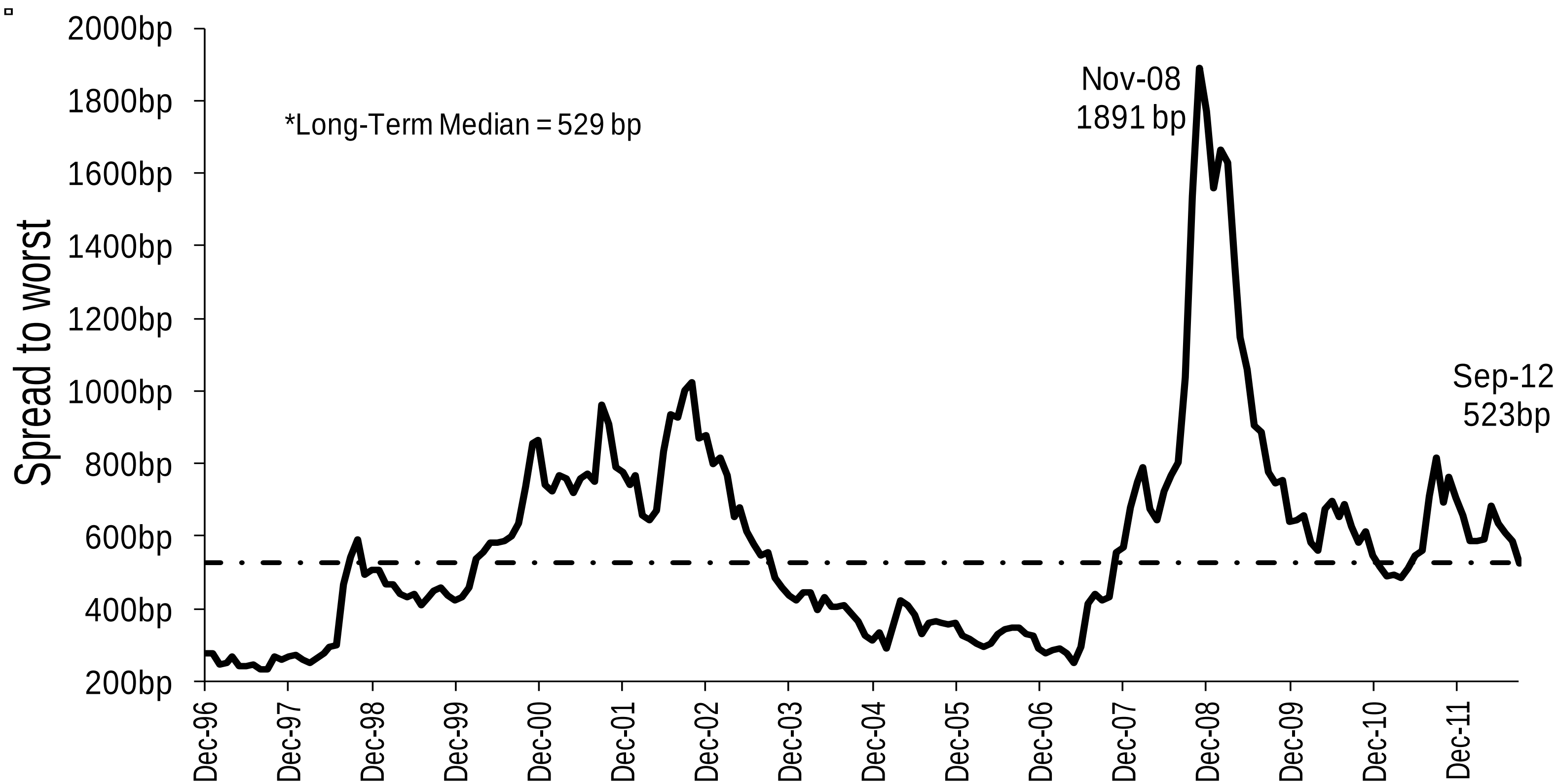
***Long-Term Median using JP Morgan data series, which has a longer history. JP Morgan data is available since 1/31/87.**

Source: Bank of America/Merrill Lynch. Past performance is not indicative of future results. See the end of the presentation for additional disclosures and index descriptions.

threadneedle investments 天利

High Yield Market Valuation
as of September 17, 2012

- High Yield spreads have tightened 65bps September MTD and have tightened 184bps YTD. Spreads have tightened 374 bps since wides of the past twelve months posted on October 4th, 2011.

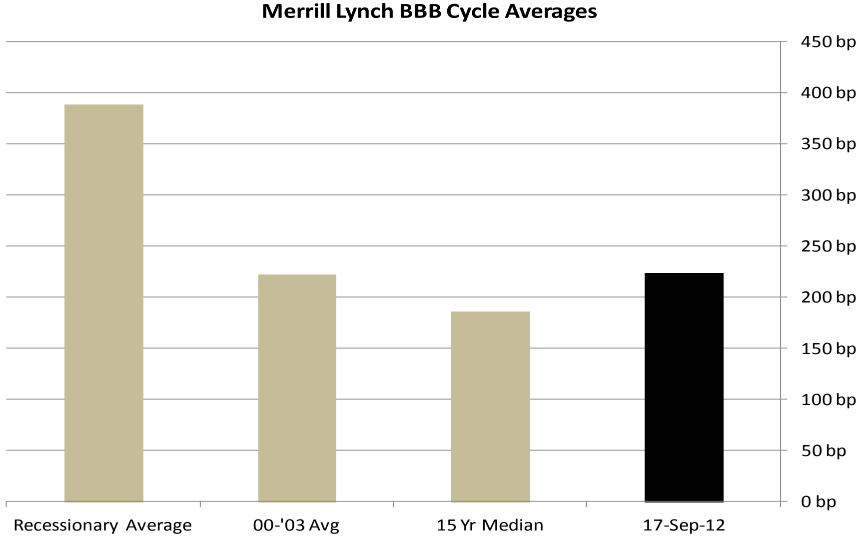


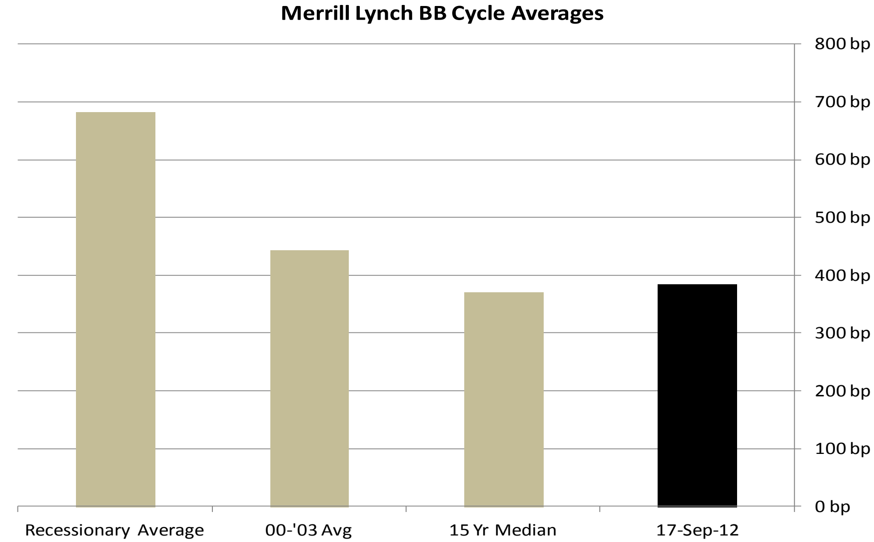
***Long-Term Median using JP Morgan data series, which has a longer history. JP Morgan data is available since 1/31/87.**

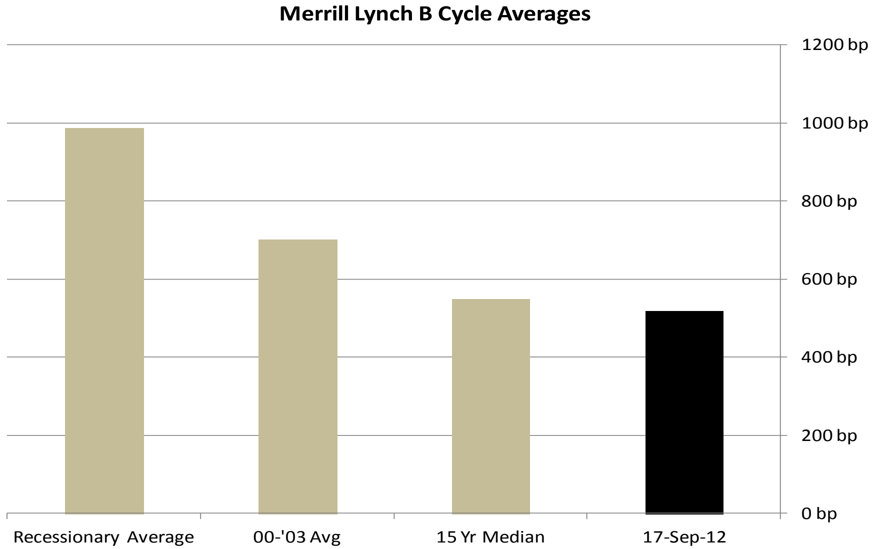
Source: Bank of America/Merrill Lynch. Past performance is not indicative of future results. See the end of the presentation for additional disclosures and index descriptions.

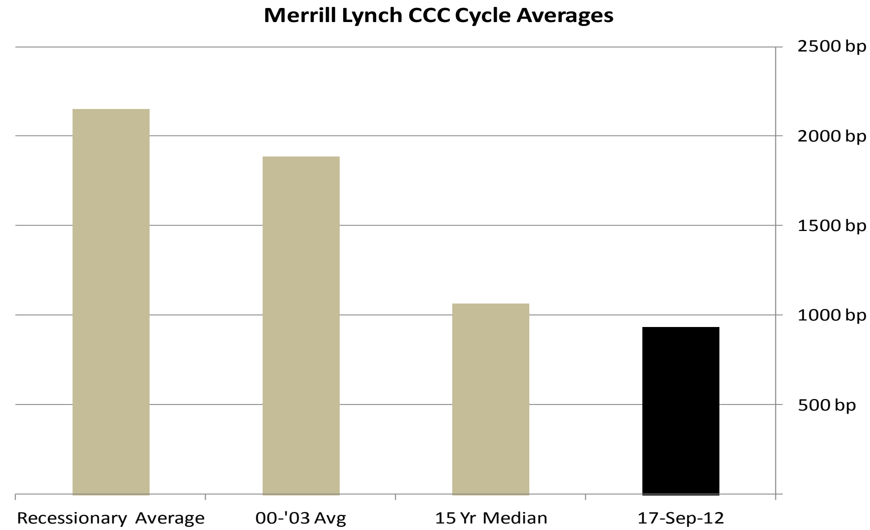
threadneedle investments 天利

High Yield Market Valuation
as of September 17, 2012





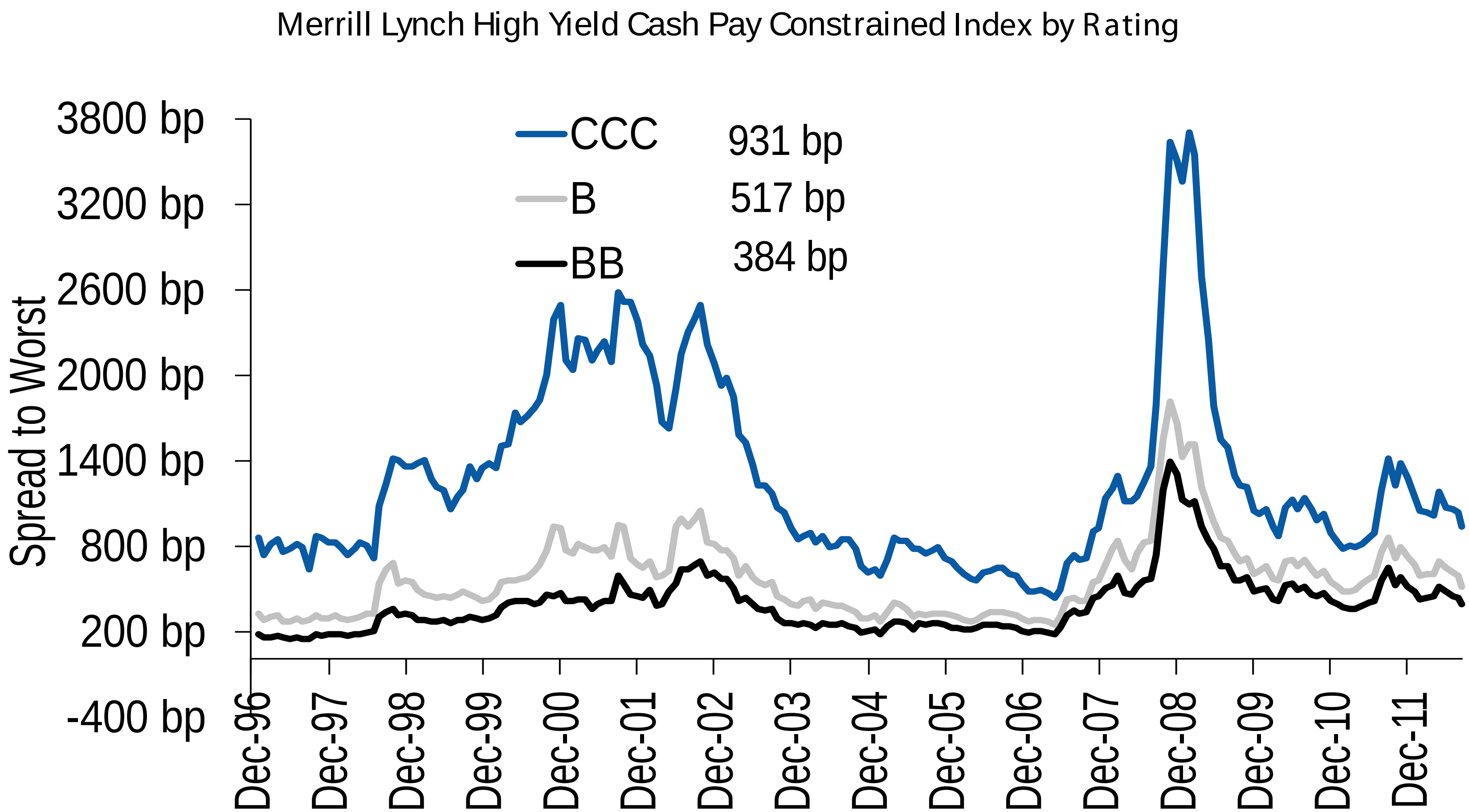




Source: Bank of America/Merrill Lynch. Past performance is not indicative of future results. See the end of the presentation for additional disclosures and index descriptions.

threadneedle investments 天利

High Yield Market Valuation
as of September 17, 2012



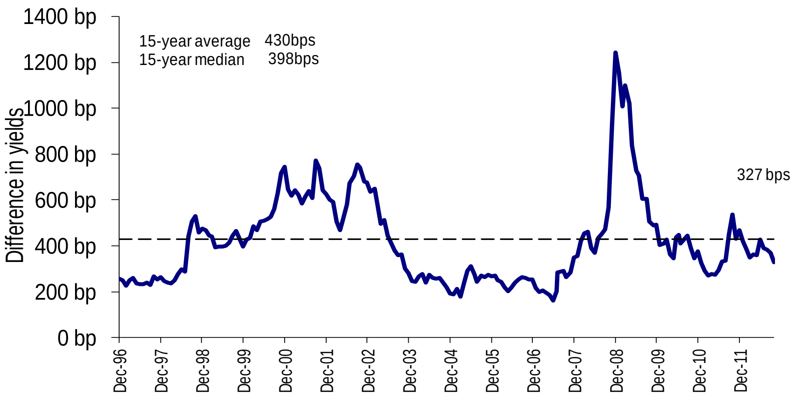
Source: Bank of America/Merrill Lynch. Past performance is not indicative of future results. See the end of the presentation for additional disclosures and index descriptions.

threadneedle investments 天利

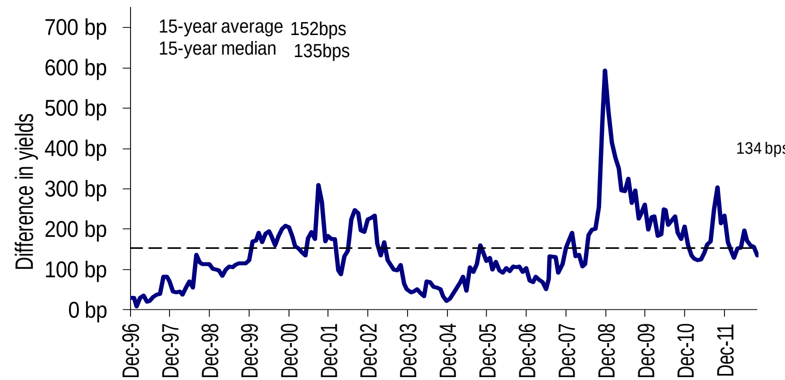
High Yield Market Valuation
as of September 17, 2012

- Quality spreads have tightened considerably in September MTD, leaving all quality spreads below long-term averages.

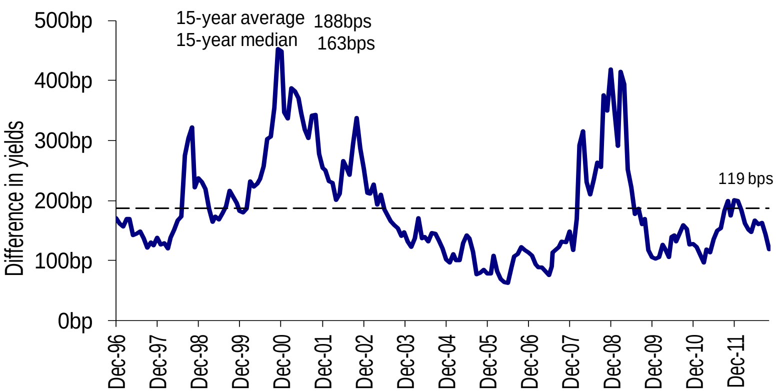
IG– HY Spreads



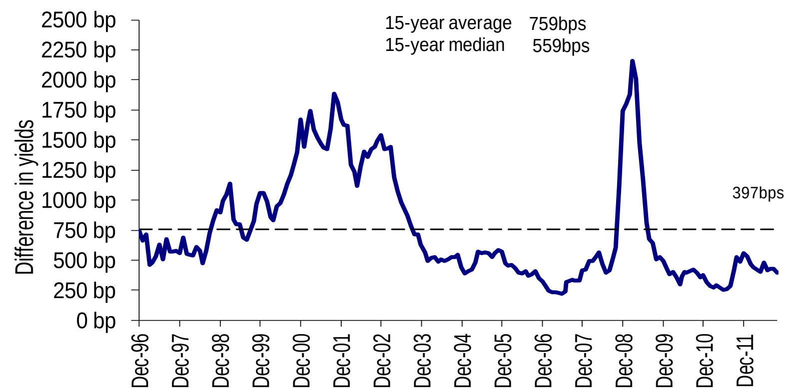
BB-BBB Spreads



BB-B Spreads



B-CCC Spreads

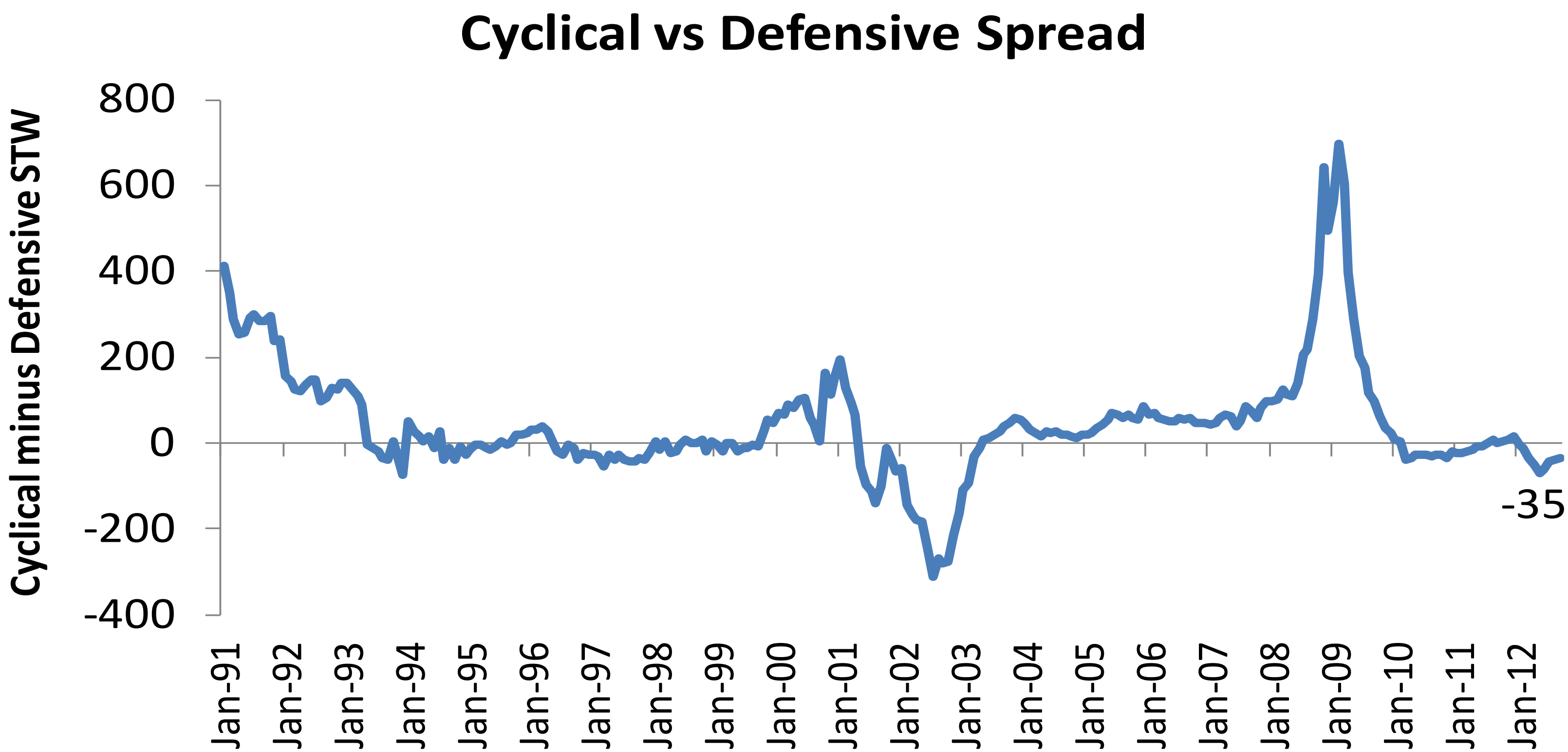


Source: Bank of America/Merrill Lynch. Past performance is not indicative of future results. See the end of the presentation for additional disclosures and index descriptions.

threadneedle investments 天利

High Yield Market Valuation
as of September 17, 2012

- Cyclical issues continue to trade at a premium to defensive issues.

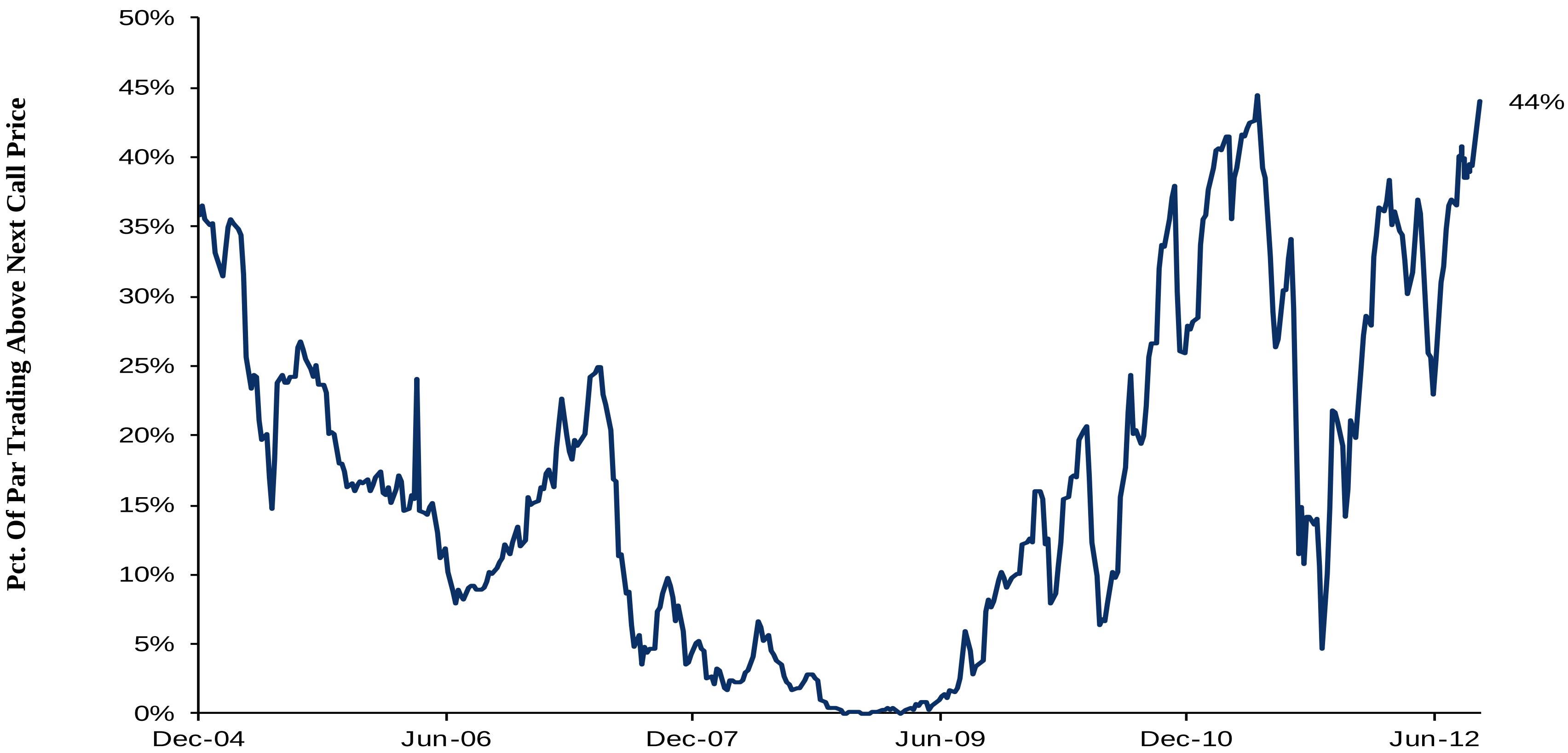


Source: Credit Suisse. Past performance is not indicative of future results. See the end of the presentation for additional disclosures and index descriptions.

threadneedle investments 天利

High Yield Trading Above Next Call Price
as of September 12, 2012

- Currently, 44% (par weighted) of high yield bonds are trading above their next call price, meeting the peak for this measure of 44% seen in May 2011.



Source: Barclays Research. Past performance is not indicative of future results. See the end of the presentation for additional disclosures and index descriptions.

threadneedle investments 天利

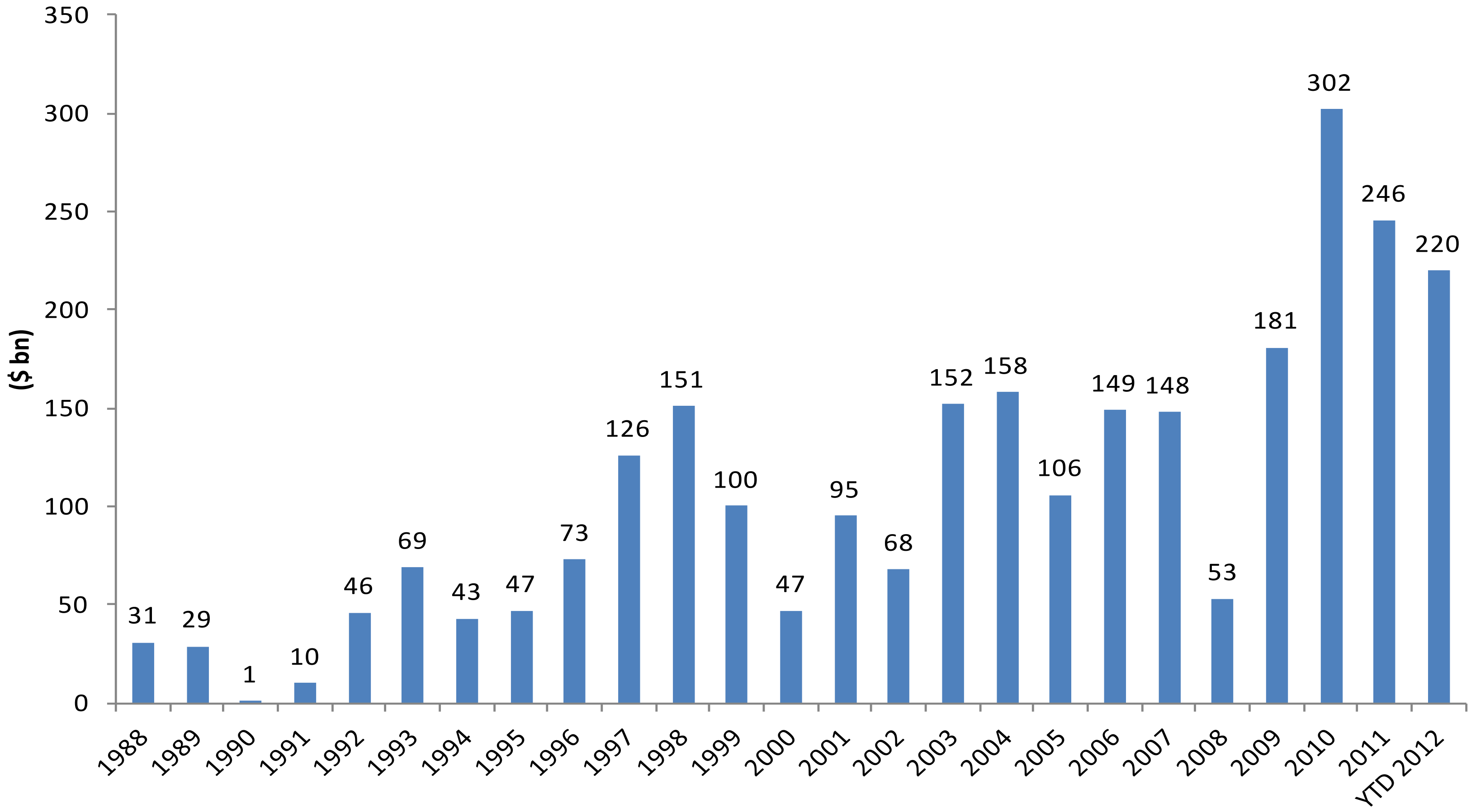
Technicals

- Strong corporate fundamentals and attractive valuations are further supported by a positive technical backdrop for the asset class.
- Demand has continued to be strong as investors are convinced the asset class can do well in a sub trend GDP growth environment.
- Retail flows into the asset class have been positive at $32.6 billion year-to-date. This is the largest net inflow period the market has experienced since $32 billion of inflows during 2009.
- The primary market has offered over $235 billion in new issuance, of which 62% has been for refinancing.

High Yield Bond New Issuance

As of August 31, 2012

- High yield new issue activity pick up in August, recording the busiest August on record with $36bn of new issuance, leaving the YTD total at $220bn compared to $201bn over the same period in 2011.



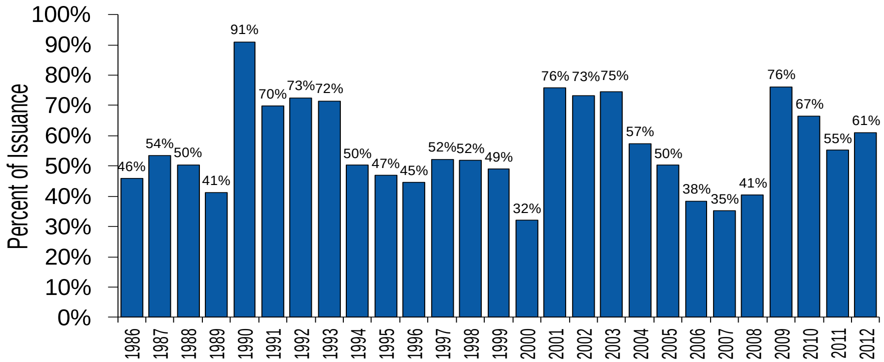
Source: J.P. Morgan

threadneedle investments 天利

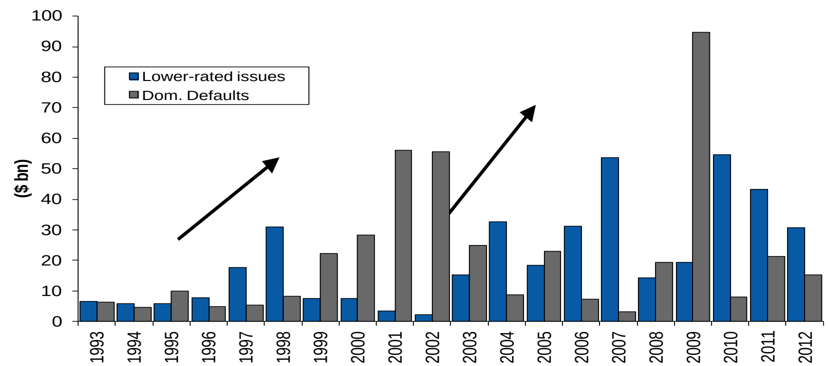
New Issue Review
as of August 31, 2012

- YTD new issue volume is $220B, of which $31B has been lower rated.
- Refinancing still remains the primary use of proceeds at 61% YTD, slightly above the 58% seen YTD prior year.
- Lower rated issuance YTD is trending below recent years at 14%.

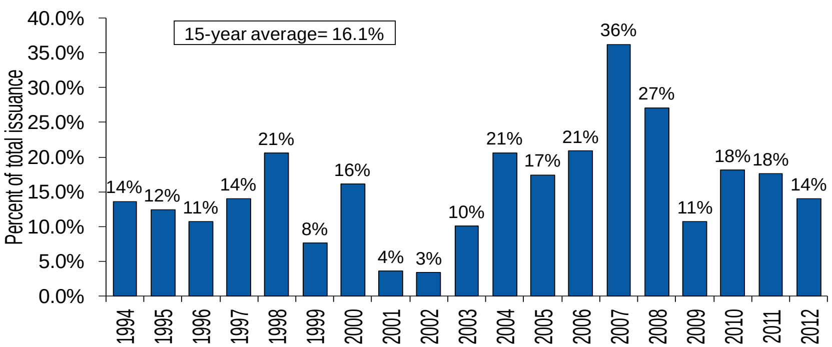
Percent of Total Issuance with Refinancing as a Use of Proceeds



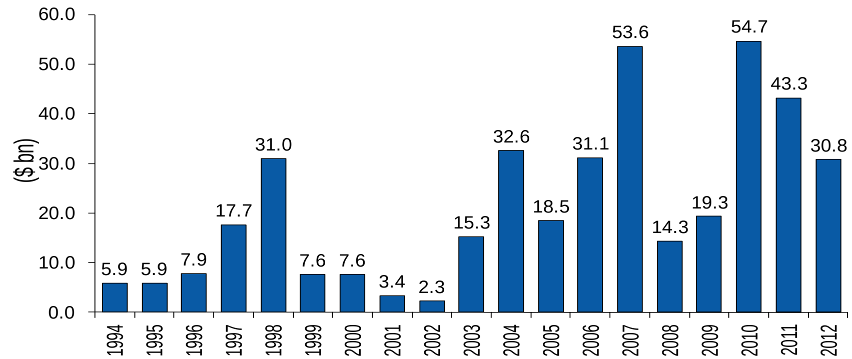
Lower Rated Issuance – Leading Indicator of Default Trends



Lower Rated Issuance as a Percent of Total Issuance



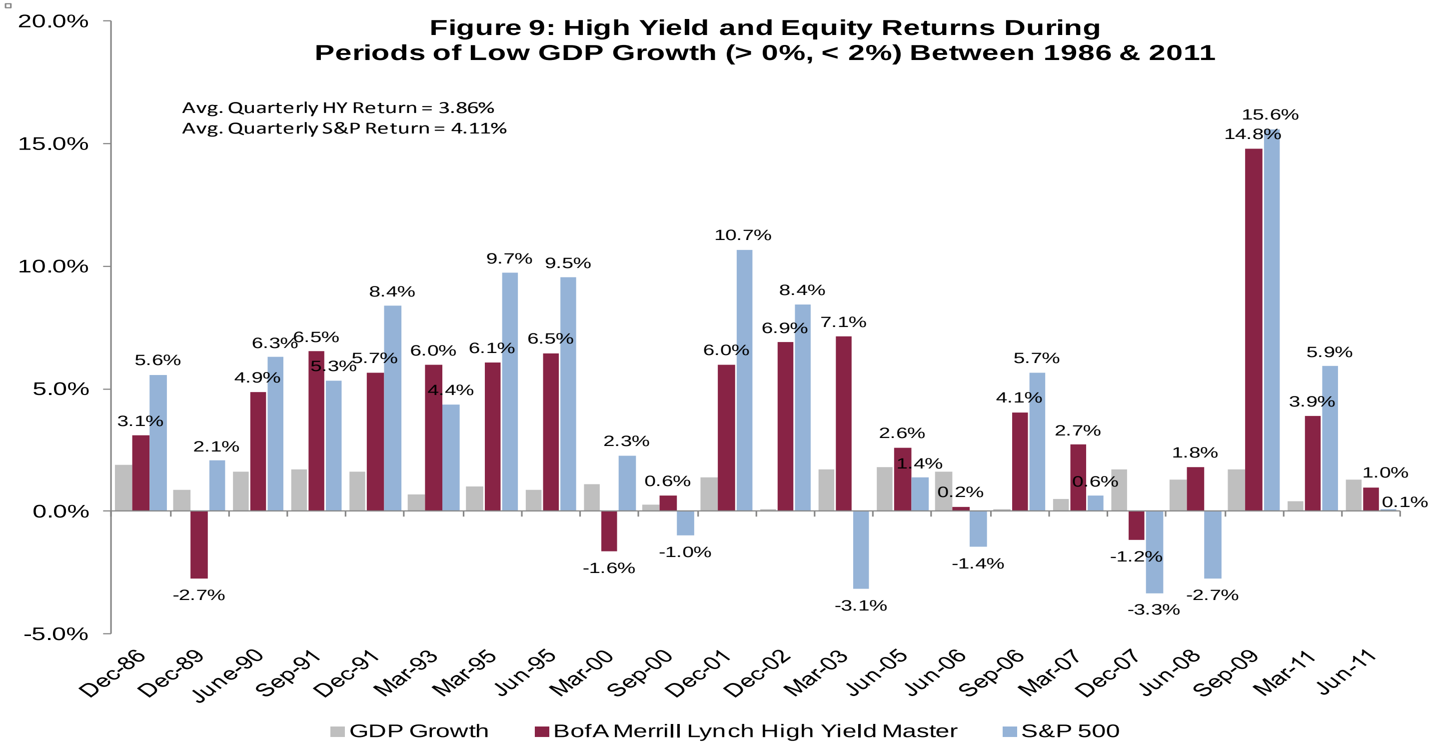
Total Dollars of Lower Rated New Issuance



Source (all charts): J.P. Morgan. Past performance is not indicative of future results. See the end of the presentation for additional disclosures and index descriptions.

Low Economic Growth Environment

- History shows that performance in high yield is not contingent on strong economic growth and that in low-growth environments, high yield bonds tend to perform reasonably well
- In previous periods when the growth rate was between 0% and 2%, high yield bonds returned 3.86% on average, with a standard deviation of 8.52% as compared to an average return from equities of 4.11% and a standard deviation of 15.70%
- Although equities experienced slightly higher average returns, high yield bonds were able to achieve a similar return profile with half the volatility



threadneedle investments 天利

High Yield Market Valuation
High Yield – Rising Rate Environment

12 months ending:	Beginning HY Spreads	Change in Tsy Yields	Change in HY Spreads	12 Month Total Returns JPM HY Bonds	JPM IG Bonds	S&P 500
Sep-87	444*	+217	-93	6.00%	0.20%	43.40%
Feb-89	458	+115	-52	7.30%	4.70%	11.90%
Oct-94	432	+238	-42	1.20%	-4.80%	3.90%
Jan-00	579	+201	-75	1.60%	-2.60%	10.30%
Mar-04	729	+128	-269	13.20%	-0.50%	18.30%
Jun-06	405	+122	-51	5.10%	-2.20%	8.60%
Dec-09	1,731	+163	-1,074	58.90%	16.70%	26.50%

12 months ending:	Beginning HY Spreads	Change in Tsy Yields	Change in HY Spreads	12 Month Total Returns Merrill Lynch High Yield BB	B	CCC
Sep-87	444*	+217	-93	NA	NA	NA
Feb-89	458	+115	-52	NA	NA	NA
Oct-94	432	+238	-42	10.95%	12.33%	14.05%
Jan-00	579	+201	-75	0.73%	1.16%	-1.36%
Mar-04	729	+128	-269	18.23%	19.72%	41.04%
Jun-06	405	+122	-51	2.31%	5.90%	8.93%
Dec-09	1,731	+163	-1,074	45.21%	47.64%	96.78%

* Spread as of 1/87

- High Yield returns have tended to outperform Investment Grade in 12 Month Periods when U.S. Treasury Rates Increase at least 100 bps.
- Absolute returns for high yield can be impacted by beginning level of high yield spreads.
- The BB rated segment tends to underperform B and CCC rated segments in rising rate environments.

Source: JP Morgan. Past performance is not indicative of future results. See the end of the presentation for additional disclosures and index descriptions.
The information provided is for illustrative purposes only and represents high yield performance during rising rate environments between 1987 - 2009. It does not take into account any current market conditions that may cause future performance during rising rate environments to differ.

Asset Class Correlations

Returns to High Yield Bonds Have a Low Correlation to U.S. Treasury Returns

Correlations among various asset classes over the past 25 years

	5-year Treasury	10-year Treasury	LB Aggregate Bond Index	Investment-grade bonds	High-yield bonds	S&P 500	Wilshire 5000	Russell 2000	Gold
10-year Treasury	0.94								
* LB Aggregate Bond Index	0.90	0.92							
Investment-grade bonds	0.70	0.74	0.90						
High-yield bonds	**-0.08**	**-0.07**	**0.21**	**0.45**					
S&P 500	-0.09	-0.07	0.12	0.26	**0.58**				
Wilshire 5000	-0.12	-0.09	0.09	0.24	**0.60**	0.99			
Russell 2000	-0.20	-0.17	0.00	0.16	**0.62**	0.82	0.89		
Gold	0.08	0.08	0.07	0.10	**0.05**	-0.08	-0.05	0.01	
US Inflation	-0.12	-0.17	-0.12	-0.15	**0.01**	-0.03	-0.03	-0.05	0.02

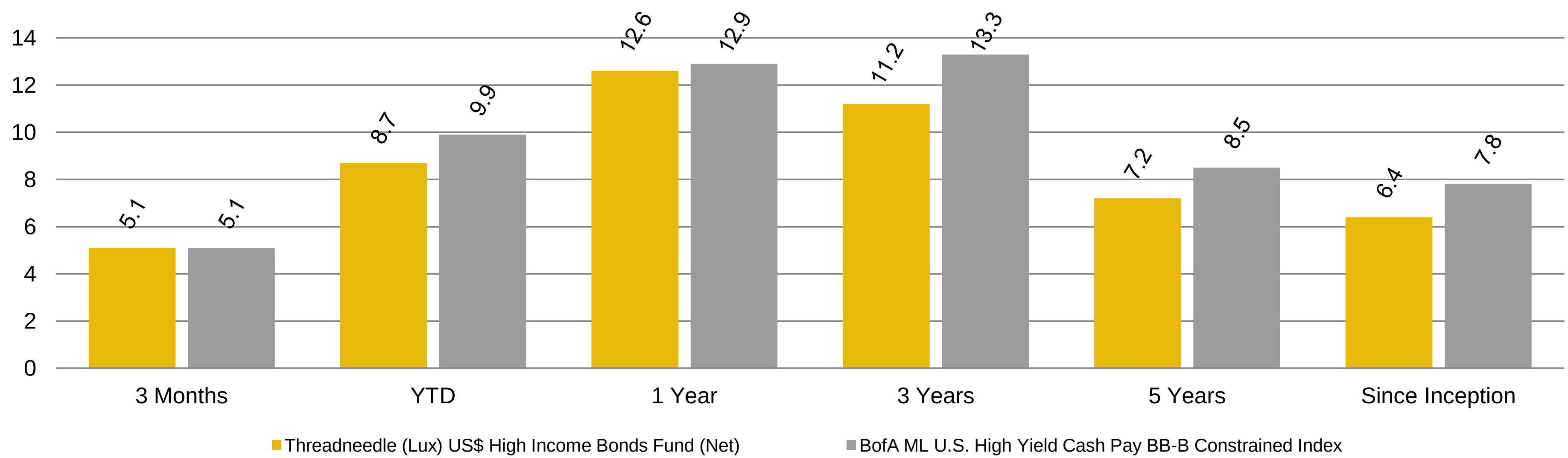
Note: As of February 29, 2012.
Source: J.P. Morgan.

***The LB Aggregate Bond Index is now known as the Barclay's Aggregate Bond Index.**

Fund Performance
as of August 31, 2012

Inception Date: December 12, 2003

	3 Months	YTD	1 Year	3 Years	5 Years	Since Inception
Threadneedle Lux US$ High Income Bonds Fund (Net)	5.1	8.7	12.6	11.2	7.2	6.4
BofA ML U.S. High Yield Cash Pay BB-B Constrained Index	5.1	9.9	12.9	13.3	8.5	7.8



Note: All performance figures relate to the Acc Class A (Retail) USD share class. Source: Copyright © 2012 Morningstar UK Limited. Fund performance (Net) is net of assumed fees and expenses (but this does not reflect the sales charge maximum of 2%).

threadneedle investments 天利

Threadneedle (Lux) US$ High Income Bonds Fund
Risk/Return Characteristics

Risk/Return Characteristics (Since Inception Ending 8/31/2012)

	Threadneedle (Lux) US$ High Income Bonds Fund	BofA ML U.S. High Yield Cash Pay BB-B Constrained Index
Relative Return	0.96%	--
Tracking Error	2.07%	--
Information Ratio	0.46	--
Alpha	1.55%	--
Beta	0.87%	--
R-Squared	0.96%	1.00%
Standard Deviation	8.45%	9.51%
Sharpe Ratio	0.79	0.60

Source: Columbia Management Investments Adviser, LLC. Please refer to the Client Performance and Holdings disclosures at the end of this presentation for more information.

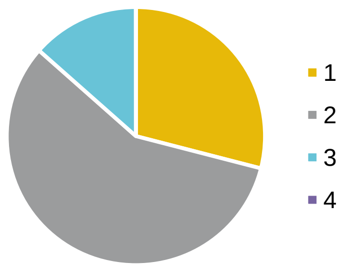
threadneedle investments 天利

Threadneedle (Lux) US$ High Income Bonds Fund

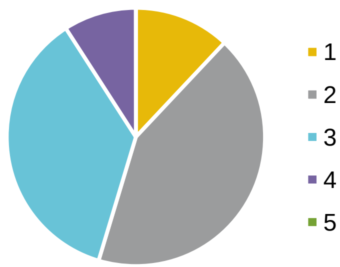
Portfolio Characteristics

Internal Ratings Exposure as of 8/31/2012

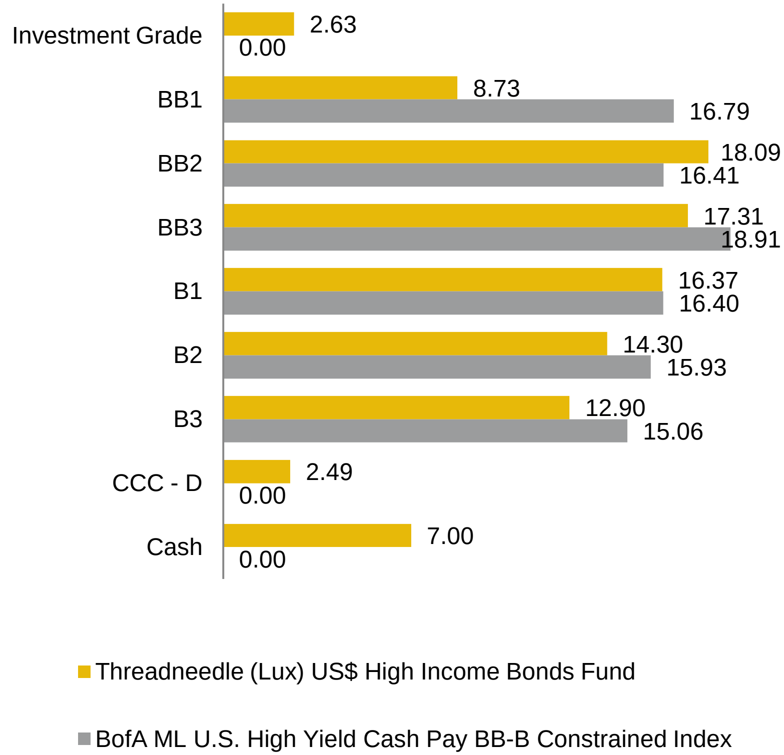
Risk Ratings	% Market Value
1	27.96%
2	55.37%
3	12.97%
4	0.00%
Total	100.00%



Relative Value Ratings	% Market Value
1	11.60%
2	41.20%
3	35.00%
4	8.80%
5	0.00%
Total	100.00%



Comparative Ratings as of 8/31/2012



Risk and relative value ratings are based on the Team's internal, proprietary ratings system. Please refer to that page for additional information. Bond ratings are divided into categories ranging from AAA (highest) to D (lowest), and are subject to change. The ratings shown are determined by using the middle rating of Moody's, S&P, and Fitch after dropping the highest and lowest available ratings. When a rating from only two agencies is available, the lower rating is used. When a rating from only one agency is available, that rating is used. When a bond is not rated by one of these agencies, it is designated as Not Rated. Holdings of the portfolio other than bonds are categorized under Other. Credit ratings are subjective opinions and not statements of fact. Values may not add up due to rounding.
Source: Columbia Management Investments Adviser, LLC. Please refer to the Client Performance and Holdings disclosures at the end of this presentation for more information.

threadneedle investments 天利

Threadneedle (Lux) US$ High Income Bonds Fund
Risk/Return Characteristics

Risk/Return Characteristics (Since Inception Ending 8/31/2012)

Portfolio Characteristics as of 5/31/2012	Threadneedle (Lux) US$ High Income Bonds Fund	BofA ML U.S. High Yield Cash Pay BB-B Constrained Index
Number of Issuers	183	782
Number of Issues	306	1,645
Yield to Worst (YTW)	5.15%	5.69%
Average Effective Duration	4.38 yrs	4.06 yrs
Option Adjusted Spread (OAS)	424 bps	485 bps
Years to Maturity	7.02 yrs	7.39 yrs
Average Credit Quality	Ba3	Ba3
Average Price	108	105

Risk and relative value ratings are based on the Team's internal, proprietary ratings system. Please refer to that page for additional information. Bond ratings are divided into categories ranging from AAA (highest) to D (lowest), and are subject to change. The ratings shown are determined by using the middle rating of Moody's, S&P, and Fitch after dropping the highest and lowest available ratings. When a rating from only two agencies is available, the lower rating is used. When a rating from only one agency is available, that rating is used. When a bond is not rated by one of these agencies, it is designated as Not Rated. Holdings of the portfolio other than bonds are categorized under Other. Credit ratings are subjective opinions and not statements of fact. Values may not add up due to rounding.
Source: Columbia Management Investments Adviser, LLC. Please refer to the Client Performance and Holdings disclosures at the end of this presentation for more information.

Threadneedle (Lux) US$ High Income Bonds Fund
Portfolio Characteristics

Top 10 Issuers* as of 8/31/2012

Issuer	% Portfolio	% Index
SPRINT NEXTEL CORP	2.98%	1.99%
CENTURYLINK INC	2.85%	1.38%
ALLY FINANCIAL INC	2.40%	1.81%
CIT GROUP INC	2.17%	1.39%
LYONDELLBASELL INDUSTRIES NV	2.03%	0.50%
EL PASO CORPORATION	1.86%	0.67%
HCA INC	1.81%	2.00%
UNITED RENTALS NA INC	1.55%	0.59%
CONTINENTAL RESOURCES INC	1.46%	0.22%
INTERNATIONAL LEASE FINANCE CORP	1.42%	1.95%

Industry Over/Underweights as of 8/31/2012

Overweights	Underweights	Market Weights
Energy	Consumer Cyclical	Financial Services
Telecommunications	Basic Industry	Consumer Non-Cyclical
Capital Goods	Services	Technology & Electronics
Automotive	Utility	Insurance
Media	Banking	Healthcare
		Real Estate

*Excludes cash

Source: Columbia Management Investments Adviser, LLC. Please refer to the Client Performance and Holdings disclosures at the end of this presentation for more information.

Threadneedle (Lux) US$ High Income Bonds - Summary

- Based on an established and successful strategy run by Columbia Management, a US-based asset management company also owned by Threadneedle Investment’s parent company, Ameriprise Financial
- A deep and stable team of high yield specialists striving to deliver consistent and repeatable investment results through
  - A disciplined and well-defined credit selection process that seeks to maximise the return per unit of risk
  - Rigorous, independent, in-house credit research and a proprietary rating system
  - Tactical portfolio management to exploit varying market conditions
  - A constant focus on downside risk management

Columbia Management High Yield Fixed Income Advantage

- A deep and stable team of high yield specialists striving to deliver consistent and repeatable investment results through:
  - A disciplined and well-defined credit selection process that seeks to maximize the return per unit of risk
  - Rigorous, independent, in-house credit research and a proprietary rating system
  - Tactical portfolio management to exploit varying market conditions
  - A constant focus on downside risk management
- A commitment to client-driven, customized investment solutions and service

threadneedle investments 天利

Disclosures

The JP Morgan default rate is calculated by taking the outstanding high yield defaulted debt as a percentage of the total domestic high yield market for each rolling 12-month period.

The 10 Year Treasury is issued and backed by the United States Government.

The views expressed are as of the date provided and are subject to change at any time based on market and other factors.

Some of the data shown has been derived using available data from third party sources. Information provided by third parties is deemed to be reliable but may be derived using methodologies or techniques that are proprietary or unique to the third party source.

Index Descriptions:

The Standard & Poor's 500 Stock Market Index is an unmanaged list of common stocks frequently used as a measure of market performance and is not necessarily similar to our institutional portfolios.
The JP Morgan Global High Yield Index is an unmanaged index used to mirror the investable universe of the U.S. dollar global high yield corporate debt market of both developed and emerging markets. The securities used to create the index are not necessarily similar to our high yield portfolios.

JPM Emerging Markets Global is represented by the JP Morgan EMBI Global, which tracks total returns for United States Dollar denominated debt instruments issued by emerging market sovereign and quasi-sovereign entities, Brady bonds, loans, Eurobonds, and local market instruments. This index only tracks the particular region or country.

JPM Investment Grade is represented by the JP Morgan JULI High Grade Index which is a cash pay USD denominated index that includes corporate bonds rated investment grade by both S&P and Moody's with a minimum rating of BBB- and Baa3, respectively.

The Barclays Capital Bank Loan Index (formerly Lehman Brothers Bank Loan Index or Lehman HY Loan) provides broad and comprehensive total return metrics of the universe of syndicated term loans. To be included in the index, a bank loan must be dollar denominated, have at least $150 million funded loan, a minimum term of one year, and a minimum initial spread of LIBOR+125.

The Merrill Lynch BB/B, Constrained High Yield Index (HUC4) comprises all securities in the U.S. Master that are rated BB1 to B3 as measured by a composite of S&P, Moody's and Fitch. Issuer weights are constrained to a 2% maximum market value.

The Merrill Lynch High Yield Master II Index tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market.

The Barclays Capital Aggregate Bond Index is a market-value-weighted index that tracks the daily price, coupon, pay-downs and total return performance of fixed-rate, publicly placed, dollar-denominated and nonconvertible investment-grade debt issues with at least $250 million par amount outstanding and with at least one year to final maturity.

The Credit Suisse Leveraged Loan Index is an unmanaged market capitalization-weighted index frequently used as a measure of U.S. dollar denominated loan market performance and is not necessarily similar to our Floating Rate portfolios.

The Wilshire 5000 Measures the performance of all U.S. equity securities with readily available price data. Over 5,000 capitalization weighted security returns are used to adjust the index. The Wilshire 5000 base is its December 31, 1980 capitalization of $1,404.596 billion.

The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000 Index is a subset of the Russell 3000® Index representing approximately 8% of the total market capitalization of that index.

The Dow Jones World EM Stock Index measures the performance of stocks that trade in emerging markets. It represents approximately 95% of the float-adjusted market capitalization of the countries covered by the index.

Disclosures

Client Performance and Holdings

Past performance is not indicative of future results. Performance results in this report are calculated by Columbia Management Investment Advisers, LLC on a gross basis and do not reflect the deduction of management fees. Information on the impact of fees on performance is available upon request. Performance is based on time-weighted, daily calculation using values that are determined in good faith by Columbia Management Investment Advisers. The portfolio performance is calculated based on trade date, net of transaction costs and reflects accrued interest. If you have any questions regarding the above information, or if there are any changes in your investment objectives or guidelines, please contact your client relationship manager.

Any client portfolio holdings information provided is proprietary and confidential. In receiving holdings data, clients and their authorized agents agree that the data is not being obtained in order to effect securities transactions based upon such information or to provide such information to another party. References to specific securities should not be considered a recommendation to purchase or sell a particular security but rather an illustration of investment management strategy. Complete holdings information is available in client statements.

Risk and relative value ratings reflect the Team's internal, proprietary ratings system. Our internal risk rating system is as follows: Risk 1 indicates an issue that we believe has solid fundamentals and a stable or improving outlook. Risk 2 indicated a credit that we believe to have an adequate financial condition. Risk 3 indicates an issue that we believe may have deterioration in credit quality or experience volatility in credit quality in the near future, and Risk 4 indicates an issue that we believe has weak or deteriorating financial condition. Our internal relative value rating system indicates our performance expectations to the credit vs. the index over the next 12 months as follows: 1= strong outperform (.150%), 2=outperform (110-150%), 3= market perform (90-110%), 4= underperform (50-90%), 5= sell (<50%). There is no guarantee that return expectations will be met.

Important disclosures (Asia)

Important Information

For internal use by institutional investors, distributors, intermediaries and consultants only (not to be passed on to any third party).

The research and analysis included in this document have not been prepared in accordance with the legal requirements designed to promote its independence and have been produced by Threadneedle for its own management activities, may have been acted upon prior to publication and is made available here incidentally. Any opinions expressed are made as at the date of publication but are subject to change without notice. Information obtained from external sources is believed to be reliable but its accuracy or completeness cannot be guaranteed. This document is for the sole use of those attending the presentation. It may not be reproduced in any form or passed on to any third party without the express written permission of Threadneedle. This document is the property of Threadneedle and must be returned upon request.

Past performance of the fund and its manager and any forecasts or information on the economic trends are not necessarily indicative of the future or likely performance of the fund or its manager or a guarantee of future trends. The price of shares and the income accruing to those shares, if any, may fall or rise and an investor may not get back the amount invested. Due to the investment policies of the fund, it may experience greater volatility in its net asset value. The fund may invest in financial derivative instruments to the extent permitted under relevant laws. Please contact Threadneedle for more information.

Threadneedle does not give any investment advice. The mention of any specific shares or bonds should not be taken as a recommendation to deal. This document is for informational purpose only and does not constitute an offer or solicitation of an order to buy or sell any securities or other financial instruments or to provide investment advice or services. Investors are advised to exercise caution in relation to the information presented herein. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

Subscriptions to a Fund may only be made on the basis of the current Prospectus and the Key Investor Information Document or Simplified Prospectus, as well as the latest annual or interim reports, which can be obtained free of charge on request and the applicable Terms & Conditions. Investors should note the ‘Risk Factors’ section of the Prospectus in terms of risks applicable to investing in any funds. The dealing price may include a dilution adjustment where the fund experiences large inflows and outflows of investment. Tax treatment depends on individual circumstances. Tax concessions are not guaranteed and tax legislation may change in the future.

Threadneedle (Lux) is an investment company with variable capital (Société d’investissement à capital variable, or "SICAV") formed under the laws of the Grand Duchy of Luxembourg. The SICAV issues, redeems and exchanges shares of different classes, which are listed on the Luxembourg Stock Exchange. The management company of the SICAV is Threadneedle Management Luxembourg S.A, who is advised by Threadneedle Asset Management Ltd. and/or selected sub-advisors. The SICAV is registered in Austria, France, Germany, Hong Kong, Italy, Luxembourg, The Netherlands, Portugal, Singapore, Spain, Sweden, Switzerland, Taiwan and the UK; however, this is subject to applicable jurisdictions and some sub-funds and/or share classes may not be available in all jurisdictions. Shares in the funds may not be offered to the public in any other country and this document must not be issued, circulated or distributed other than in circumstances which do not constitute an offer to the public and are in accordance with applicable local legislation. Subscriptions to any funds may only be made on the basis of the current Prospectus and the Key Investor Information Document or Simplified Prospectus and the latest annual or interim reports, which can be obtained free of charge upon request from the SICAV's registered office at 69, route d'Esch, L-1470 Luxembourg, Grand Duchy of Luxembourg.

Issued in Singapore by Threadneedle Investments Singapore (Pte.) Limited, 3 Killiney Road, #07-07, Winsland House 1, Singapore 239519. Regulated in Singapore by the Monetary Authority of Singapore under the Securities and Futures Act (Chapter 289). License number: CMS100182-1. Any fund mentioned in this document is a restricted scheme in Singapore, and is available only to residents of Singapore who are Institutional Investors under Section 304 of the SFA, relevant persons pursuant to Section 305(1), or any person pursuant to Section 305(2) in accordance with the conditions of, any other applicable provision of the SFA. Any fund mentioned in this document is not authorised or recognised by the Monetary Authority of Singapore (the “MAS”) and Shares are not allowed to be offered to the retail public. This document is not a prospectus as defined in the SFA. Accordingly, statutory liability under the SFA in relation to the content of prospectuses would not apply.

Issued in Hong Kong by Threadneedle Portfolio Services Hong Kong Limited 天利投資管理香港有限公司 ("TPSHKL"). Registered Office: Unit 3004, Two Exchange Square, 8 Connaught Place Hong Kong. Registered in Hong Kong under the Companies Ordinance (Chapter 32), No. 1173058. Authorised and regulated in Hong Kong by the Securities and Futures Commission. Authorisation does not imply official approval or recommendation. The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this document you should obtain independent professional advice.