



Transfer of customer assets

Questions and Answers

What is changing?

We are planning to transfer the assets of investors in certain share classes from our UK-based OEIC¹ fund range into equivalent share classes within our established Luxembourg-based SICAV² range. The transfers will be made by a process called a scheme of arrangement. Following this, the affected OEIC share classes will be wound up. The proposals are subject to shareholder approval.

Why are you making these changes?

When the UK leaves the European Union (and at the end of any associated transition period), we expect that UK-based OEIC funds will lose their UCITS³ status. As far as we know there is nothing prohibiting EU and non-UK investors from remaining in an OEIC fund. However, our aim is to provide certainty for our investors and to ensure you can continue to access our best investment strategies while also remaining in a UCITS-compliant fund, regardless of the final agreement between the UK and the EU.

How will my investment be affected by the transfers?

The Luxembourg funds will be managed in the same way as the existing UK funds, by the same investment manager. The Annual Management Charge (AMC) for investors in the SICAV will be set at the same levels as existed in the OEIC. Investors should note that a *taxe d'abonnement* (subscription tax) of 0.05% per annum applies to retail share classes in all Luxembourg SICAVs and this will be included in the operating expenses incurred by investors.

What options do I have?

Our priority is to provide continuity and certainty for investors in our funds. We therefore encourage you to vote in favour of the changes. However, if you do not agree with the changes, you have the following options:

1. You can vote against the changes. Please remember, if 75% or more of the votes cast are in favour of the transfer for each resolution, the transfer will go ahead and your investment will be moved to the SICAV.
2. You can move your investment, free of charge, to another of our funds not impacted by the transfers.
3. You can cash in your investment before the transfer free of charge.

If I want to switch my holding, where can I find more information about your other funds?

If you want to find out about our other funds please visit columbiathreadneedle.com or speak to your financial adviser.

What if I am an EU or non-UK investor in another Threadneedle OEIC fund?

Should you want to switch to an alternative SICAV we will be happy to facilitate this. OEIC funds are likely to continue to be UCITS-compliant through the transition period until December 2020, which gives you additional time to consider your options. You will receive further information in one of our regular shareholder mailings.

What are the tax implications of moving from an OEIC to a SICAV?

There may be tax implications depending on your individual circumstances. We are unable to provide tax advice and we therefore suggest that you seek professional advice about any potential tax implications.

¹ OEIC stands for open-ended investment company.

² SICAV stands for société d'investissement à capital variable, which is simply French for "investment company with variable capital".

³ UCITS stands for Undertakings for Collective Investment in Transferable Securities. UCITS provides a harmonised regulatory regime for the management and sale of mutual funds within the European Union