

# QUESTIONS & ANSWERS

## SIMPLIFICATION OF OUR EQUITY FUND RANGE

As part of this simplification, we are transferring the Existing Funds listed below into corresponding New Funds.

Existing Funds		New Funds
Threadneedle European ex-UK Growth Fund	into	European Fund
Threadneedle Japan Growth Fund		Japan Fund
Threadneedle Pacific ex-Japan Growth Fund		Asia Fund
Threadneedle UK Equity Income Fund		UK Equity Income Fund
Threadneedle UK Growth Fund		UK Select Fund

# CONTENTS

Introduction.....	3
Investor options.....	6
The transfer.....	7
Post transfer.....	7

## INTRODUCTION

At recent extraordinary general meetings (EGMs), investors approved our proposal to transfer the holdings of the following funds into other existing Threadneedle funds:

Existing Funds		New Funds*
Threadneedle European ex-UK Growth Fund	into	European Fund
Threadneedle Japan Growth Fund		Japan Fund
Threadneedle Pacific ex-Japan Growth Fund		Asia Fund
Threadneedle UK Equity Income Fund		UK Equity Income Fund
Threadneedle UK Growth Fund		UK Select Fund

\*These funds are existing funds.

### 1. Why are we proposing the transfer?

We are simplifying our product range, as we believe this will better serve our investors. This is mostly an administrative change, but we expect that investors will benefit from lower fees and expenses in the new funds.

### 2. When are the changes happening?

The transfer will take place on 12 May 2017.

### 3. How will existing shareholdings change?

Investors in the Existing Funds will receive shares in the New Funds as listed below.

Existing Shares (share class type)	New Shares (share class type)
Threadneedle European ex-UK Growth Fund	European Fund
Retail Accumulation	D Accumulation
2nd Retail Accumulation	
Institutional Accumulation	
Institutional Income	L Accumulation
Institutional Income hedged (P)*	L Income
Group Accumulation	L Income hedged (P)*
Threadneedle Japan Growth Fund	X Accumulation
Threadneedle Japan Growth Fund	Japan Fund
Institutional Accumulation	L Accumulation
Group Accumulation	X Accumulation
Threadneedle Pacific ex-Japan Growth Fund	Asia Fund
Institutional Accumulation	L Accumulation
Group Accumulation	X Accumulation
Threadneedle UK Growth Fund	UK Select Fund
Retail Accumulation	D Accumulation
2nd Retail Accumulation	
Institutional Accumulation	
Group Accumulation	L Accumulation
Threadneedle UK Equity Income Fund	X Accumulation
Threadneedle UK Equity Income Fund	UK Equity Income Fund
Retail Income	D Income
2nd Retail Income	
Institutional Accumulation	
Institutional Income	L Accumulation
Group Accumulation	L Income
	X Accumulation

The Class L and Class D shares are closed to new investments.

\*(P) refers to portfolio currency hedging.

#### 4. What are the ISIN codes for the Existing and New Funds?

Existing Funds		New Funds	
Share class	ISIN	Share class	ISIN
<b>Threadneedle European ex-UK Growth Fund</b>		<b>European Fund</b>	
Retail Accumulation	GB0032859901	D Accumulation	GB00BDZYJD38
2nd Retail Accumulation	GB00B3L6GK99		
Institutional Accumulation	GB00B3CZXF97	L Accumulation	GB00BDZYJG68
Institutional Income	GB00B64T9L84	L Income	GB00BDZYJH75
Institutional Income hedged (P)	GB00B58K3R44	L Income hedged (P)	GB00BDZYJC21
Group Accumulation	GB0031982589	X Accumulation	GB00BDZYJF51
<b>Threadneedle Japan Growth Fund</b>		<b>Japan Fund</b>	
Institutional Accumulation	GB00B3CZX937	L Accumulation	GB00BDZYJK05
Group Accumulation	GB0031982704	X Accumulation	GB00BDZYJJ99
<b>Threadneedle Pacific ex-Japan Growth Fund</b>		<b>Asia Fund</b>	
Institutional Accumulation	GB00B3CZRB32	L Accumulation	GB00BDZYJM29
Group Accumulation	GB0031982811	X Accumulation	GB00BDZYJL12
<b>Threadneedle UK Growth Fund</b>		<b>UK Select Fund</b>	
Retail Accumulation	GB0008520966	D Accumulation	GB00BDZYJN36
2nd Retail Accumulation	GB00B4JNGL05		
Institutional Accumulation	GB00B3CZRG86	L Accumulation	GB00BDZYJQ66
Group Accumulation	GB0032071655	X Accumulation	GB00BDZYJP59
<b>Threadneedle UK Equity Income Fund</b>		<b>UK Equity Income Fund</b>	
Retail Income	GB00B3L6GP45	D Income	GB00BDZYJS80
2nd Retail Income	GB00B3L6GN21		
Institutional Accumulation	GB00B3L6GM14	L Accumulation	GB00BDZYJT97
Institutional Income	GB00B640FZ73	L Income	GB00BDZYJV10
Group Accumulation	GB00B3L6GL07	X Accumulation	GB00BDZYJR73

The Class L and Class D shares are closed to new investments.

#### 5. What are the differences between the Existing Funds and the New Funds?

As well as having similar investment aims to the Existing Funds, the New Funds will follow an identical or similar investment process. However, there are certain differences between the funds, which we explain below.

##### 5.1 Investment objectives and policy

The investment objective and policy of each Existing Fund and its corresponding New Fund are largely the same. Although there are some differences between the descriptions of the investment policies of some of the funds, in practice, there are very few differences between the ways the funds are invested. For more details, please see the shareholder circular.

##### 5.2 Dealing and valuation point

When investors in the current funds want to make changes to their holdings, they face a daily deadline (called a cut-off point) of 2:00 pm. This is also the time at which the current valuation of their fund is calculated. However, with the New Funds, the cut-off point and valuation are at 12:00 noon. This means that once your holdings have transferred to the New Funds, you will need to place your deals by 12:00 noon on a dealing day to receive the valuation price for that day.

##### 5.3 Dilution levy to dilution adjustment

The Existing Funds charge a dilution levy whereas the New Funds apply a dilution adjustment. The aim of both is to protect existing fund investors from the trading costs that arise when other investors move a lot of money into or out of the fund. Dilution adjustment affects the price at which everyone buys or sells shares on a particular day, whereas the dilution levy is charged on an individual trade.

The methods of calculation differ between dilution levies and dilution adjustments. However, in the cases where we do impose a dilution levy or adjustment on particular funds or investors, it is paid back into the relevant fund.

## 5.4 Accounting dates and income allocation dates

There are some differences between the accounting dates and the income payment dates which are set out below:

Existing Funds			New Funds		
Fund name	Accounting dates	Income payment	Fund name	Accounting dates	Income payment
Threadneedle European ex-UK Growth Fund	31 Dec, 30 Jun	28 Feb, 31 Aug	European Fund	7 Mar	7 May
Threadneedle Japan Growth Fund	31 Dec, 30 Jun	28 Feb, 31 Aug	Japan Fund	7 Mar	7 May
Threadneedle Pacific ex-Japan Growth Fund	31 Dec, 30 Jun	28 Feb, 31 Aug	Asia Fund	7 Mar	7 May
Threadneedle UK Growth Fund	31 Dec, 31 Mar, 30 Jun, 30 Sep	28 Feb, 31 May, 31 Aug, 30 Nov	UK Select Fund	7 Mar, 7 Jun, 7 Sep, 7 Dec	7 May, 7 Aug, 7 Nov, 7 Feb
Threadneedle UK Equity Income Fund	31 Dec, 31 Mar, 30 Jun, 30 Sep	28 Feb, 31 May, 31 Aug, 30 Nov	UK Equity Income Fund	7 Mar, 7 Sep	7 May, 7 Nov

## 5.5 Change of administrator, custodian and depository

The administrator, custodian and depository of the Existing Funds is HSBC Bank plc. The administrator and custodian of the New Funds is Citibank N.A. and the depository is Citibank Europe plc, London branch. This is in line with the majority of the funds within our UK regulated fund range.

## 6. Will I pay more as a result of the transfers?

No, you will not pay more as a result of the transfer and in a number of cases, investors will pay less because of smaller fees, as set out below.

Existing Fund			Mapping to	New Fund		
Share Class	AMC	OCF		Share Class	AMC	OCF
<b>Threadneedle European ex-UK Growth Fund</b>				<b>European Fund</b>		
Retail Accumulation	1.00%	1.19%		Class D Accumulation	0.90%	1.07%
Group Accumulation	0%	0.19%		Class X Accumulation	0%	0.06%
Institutional Accumulation	0.55%	0.74%		Class L Accumulation	0.55%	0.61%
2nd Retail Accumulation	1.50%	1.71%		Class D Accumulation	0.90%	1.07%
Institutional Income	0.55%	0.74%		Class L Income	0.55%	0.61%
Institutional Income hedged	0.55%	0.74%		Class L Income	0.55%	0.61%
<b>Threadneedle Japan Growth Fund</b>				<b>Japan Fund</b>		
Group Shares Accumulation	0%	0.16%		Class X Accumulation	0%	0.06%
Institutional Accumulation	0.55%	0.71%		Class L Accumulation	0.55%	0.61%
<b>Threadneedle Pacific ex-Japan Growth Fund</b>				<b>Asia Fund</b>		
Group Shares Accumulation	0%	0.16%		Class X Accumulation	0%	0.08%
Institutional Accumulation	0.55%	0.71%		Class L Accumulation	0.55%	0.63%
<b>Threadneedle UK Growth Fund</b>				<b>UK Select Fund</b>		
Retail Accumulation	1.00%	1.08%		Class D Accumulation	0.90%	1.07%
Group Shares Accumulation	0%	0.08%		Class X Accumulation	0%	0.06%
Institutional Accumulation	0.55%	0.63%		Class L Accumulation	0.55%	0.61%
Retail 2 Accumulation	1.5%	1.58%		Class D Accumulation	0.90%	1.07%
<b>Threadneedle UK Equity Income Fund</b>				<b>UK Equity Income Fund</b>		
Group Shares Accumulation	0%	0.05%		Class X Accumulation	0%	0.05%
Retail Income	1.00%	1.04%		Class D Income	0.90%	1.02%
Institutional Accumulation	0.55%	0.60%		Class L Accumulation	0.55%	0.60%
Retail 2 Income	1.50%	1.54%		Class D Income	0.90%	1.02%
Institutional Income	0.55%	0.60%		Class L Income	0.55%	0.60%

## 7. What are the D and L share classes?

The Class D and Class L Shares are the new share classes for investors who previously held the Existing Funds. These are “closed” share classes, which means they do not accept new investments. However, they will continue to accept payments from existing clients that currently make regular savings into the funds.

**8. As a shareholder in the D or L class and in the legacy Class 1 or 2 shares, can I switch into the D or L class?**

No, the D and L classes will be closed to all new subscriptions. Only existing regular savers in the D and L classes will be permitted to continue with their regular savings under their existing arrangements. No further top-ups or subscriptions will be accepted into these classes. For ongoing investment into the funds, you can buy Class 1, Class 2 or Class Z shares as appropriate.

Please note that the normal redemption policy applies to all the new share classes.

## INVESTOR OPTIONS

---

**9. What options do I have if I don't agree with the proposals?**

1. You can move your investment, free of charge, to another of our funds up until 2.00 pm on 11 May 2017.
2. You can cash in your investment free of charge up until 2.00pm on 11 May 2017.

**10. Will there be a non-dealing period as part of the transfer process?**

Subscriptions into the Existing Funds will be suspended from 2:01pm on 11 May 2017. This means the deadline for switching or cashing in the funds is 2:00pm on 11 May 2017.

**11. What is the last day I can deal in the Existing Funds?**

You can switch or cash in your holdings until 2:00pm on 11 May 2017.

**12. As an ISA investor, what other options do I have?**

If you do not want your investments to be transferred to the New Funds, you have the following options for your ISA:

1. You can choose to switch your investment in the Existing Fund(s) into another Threadneedle fund(s) not affected by this proposal.
2. Alternatively, you can transfer your ISA investment to another ISA manager. To do so, you will need to complete an ISA transfer form and send it to your new ISA manager, who will then contact us to complete the transfer. Please note that ISA transfers can take around 30 days to complete, so you need to ensure you allow enough time for your ISA manager to complete the transfer by 11 May 2017.
3. You can also cash in your investment at any time, but if you do this it will lose its ISA status.

You will not incur any charges from Columbia Threadneedle if you choose any of these options.

**13. How do I move or cash in my investment before the transfer date?**

To move or cash in your investment, please follow the normal procedure by sending us your request by post, fax or telephone.

Our postal address is: Threadneedle Investment Services Limited, PO Box 10033, Chelmsford, CM99 2AL

Our fax number is 0845 113 0274. UK-based investors can call us on 0800 953 0134. For investors located outside the UK, our fax number is +44 (0)1268 44 1520 or you can call us on +44 (0)1268 46 4321. Please note that calls may be recorded.

**14. Can I still deal in the Existing Funds?**

You can deal in the Existing Funds until 2:00pm on 11 May 2017. At that point, dealing in the Existing Funds will be suspended.

**15. If I want to move my holding, where can I find more information about which other Threadneedle Funds are available?**

You can find out about our other funds at [columbiathreadneedle.com](http://columbiathreadneedle.com)

**16. Will I be charged if I take my money out of the Existing Fund?**

No, you will not be charged a fee if you choose to take your money out of the Existing Fund, although a dilution levy may be applied in certain circumstances.

## THE TRANSFER

### 17. Can I already invest in the New Funds? If not, when can I start?

You can already invest in shares of the New Funds. However, your existing holdings won't be transferred until 12 May 2017. You will only be able to cash in your holdings from the New Funds from 15 May 2017.

### 18. What are the key dates?

The key times and dates are:

Last dealing day for Existing Funds	2:00 pm on 11 May 2017
Valuation point for transfer	12:00 noon 12 May 2017
First day of dealing in shares of the New Funds	15 May 2017

### 19. What is the tax impact of the transfer?

#### UK investors

Based on our understanding of tax legislation and the tax clearances we have obtained, the transfer should not require you to sell any shares to meet capital gains tax requirements, whatever the size of your holding.

Also, for capital gains tax purposes, any new shares issued to you as a result of the transfer should have the same acquisition cost (that is, the price of the shares) and acquisition date as your existing shares.

Please note that Columbia Threadneedle Investments cannot give tax advice. If you are unsure regarding your personal tax situation, please speak with a tax adviser.

### 20. Who will bear the costs associated with the transfer?

All costs and expenses relating to the proposed transfers (including the costs of calling the meetings of investors) will be met by Columbia Threadneedle Investments.

### 21. Where can I find more information about the transfers?

Please visit our website for more information: [columbiathreadneedle.com/changes](http://columbiathreadneedle.com/changes).

## POST-TRANSFER

### 22. What is the first date I can invest/redeem after the transfer?

The first day you can sell or switch your shares in the New Funds following the transfer is 15 May 2017.

### 23. After the transfer, how can I find out the value, price and number of shares I hold?

You will receive a post-transfer statement with details of the value, share price and number of shares you hold in the New Fund(s) after the transfer(s) has taken place. Alternatively, you can contact us Monday to Friday between 8:00 am and 6:00 pm (UK time) on 0800 953 0134\* for UK-based investors or +44 (0)1268 46 4321\* for investors outside of the UK.

### 24. Who should I contact if I want to find out more?

There's more information about the proposed changes on our website at [columbiathreadneedle.com/changes](http://columbiathreadneedle.com/changes), or you can call us Monday to Friday between 8:00 am and 6:00 pm (UK time) on 0800 953 0134\* for UK-based investors or +44 (0)1268 46 4321\* for investors outside of the UK.

Please note we do not provide investment advice. If you are unsure about any aspects of your investment, you should contact a financial adviser. If you are UK based and do not have a financial adviser, you can find one in your area by visiting [www.unbiased.co.uk](http://www.unbiased.co.uk). Please note that we do not endorse this website or the advisers on it.

\*Please note that calls may be recorded.

For further information visit  
**[COLUMBIATHREADNEEDLE.COM/CHANGES](https://columbiathreadneedle.com/changes)**