

Please address any replies to:
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columbiathreadneedle.com

December 2020

Dear Investor,

Your investments with Columbia Threadneedle Investments after 31 December 2020 – No action required

As an investor in one or more sub-funds of a Threadneedle OEIC¹ fund (Threadneedle Investment Funds ICVC and/or Threadneedle Specialist Investment Funds ICVC), we are writing to inform you of some changes to our fund range after the transition period for the UK's departure from the European Union (EU) ends on 31 December 2020.

You are invested in a Threadneedle OEIC, which is a type of UK-domiciled fund. Prior to 31 December 2020, these funds were UCITS, which stands for *Undertakings for the Collective Investment in Transferable Securities*. UCITS funds can be sold to any investor within the EU under a harmonised regulatory regime for marketing.

After 31 December 2020, when the Brexit transition period concludes, UK-domiciled OEIC funds will lose their UCITS status. As a consequence, we will not be able to market these funds in EU countries. At this time, we understand that you will be able to continue to hold your OEIC investments, but we will be unable to market them within the EU from 1 January 2021.

We will continue to make the relevant documentation available for the use of existing investors and you will continue to receive investment statements twice a year.

Alternative funds in our UCITS-compliant SICAV range

Should you wish to transfer your investment to an alternative fund in our UCITS-compliant Luxembourg SICAV fund range, we will be happy to facilitate this free of charge. These funds, along with their Key Investor Information Documents (KIIDs) can be found on our website at www.columbiathreadneedle.com. Please note there may be tax implications depending on individual circumstances. We are unable to provide tax advice and we therefore suggest that investors seek professional advice about any potential tax implications.

¹ OEIC stands for open-ended investment company.

Further information

Included with this letter is a Q&A document. If you are unsure about the contents of this letter, the implications for your investment (including tax implications) and the action you should take, please contact your financial or tax adviser.

If you have any further questions, please call us on +44 1268 444 321*. Our team is available from 9.00am to 5.00pm (CET), Monday to Friday.

Thank you for investing with Columbia Threadneedle Investments.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Dei McLaughlin', with a long, sweeping horizontal flourish extending to the right.

Dei McLaughlin
Head of EMEA Client Services
Columbia Threadneedle Investments

*Calls may be recorded.

Q&A: Non-UCITs status for OEICs from 1 January 2021

1. Why are the UK-domiciled OEIC funds unable to be UCITS funds?

UCITS is a European regulatory framework. To be UCITS funds, both the collective investment funds and their managers must be established and registered or authorised in the European Union (EU) in order to be able to manage and market funds to retail and professional investors across the EU. As the UK has now left the European Union, UK funds managed by a UK manager will no longer qualify as UCITS funds under this framework. UK-based funds do however continue to follow all of the same rules as UCITS funds.

2. What is a UCITS fund?

UCITS stands for *Undertakings for the Collective Investment in Transferable Securities*. UCITS funds can be sold to any investor within the EU under a harmonised regulatory regime. The UK OEICs still follow all the same rules and regulations as UCITS funds, but they can no longer be marketed using a UCITS passport in the EU.

3. Will you continue to market the OEICs to European Investors?

No, we will no longer market our OEIC products to European-based investors following the UK's departure from the European Union (EU) and end of the transition period on 31 December 2020.

4. Will you continue to provide information on the Funds?

We will continue to service our existing clients. All the relevant information (i.e. legal documentation, prices, performance, corporate action notifications, European MIFID Template and European PRIIPS Template) will still be available to our existing clients.

5. Can an investor / I transfer to another fund that is UCITS?

Yes. Our Luxembourg SICAV funds are still UCITS and many follow the same investment strategy as our UK OEICs. If an investor wishes to transfer to an alternative fund in this range, we will facilitate this free of charge. These funds, along with their Key Investor Information Documents (KIIDs) can be found on our website at www.columbiathreadneedle.com. Please note there may be tax implications depending on an individual investor's circumstances. We are unable to provide tax advice and we therefore suggest that investors seek professional advice about any potential tax implications.

6. Can an investor / I still top up or add to my existing investment?

This depends on the applicable law in the EU country of residence. In EU countries where it is allowed, we will continue to provide the ability to make top-ups or add to an existing investment. If you are unsure about the applicable law in your country of residence, please contact your adviser.

7. Are you planning to transfer assets from your OEIC funds to your SICAV?

Over the past two years we have carried out an extensive transfer programme, moving the vast majority of our EU investors from our UK OEIC to our Luxembourg SICAV. This has ensured that the majority of our EU-based investors remain in a UCITS-compliant fund. We do not plan any further transfers related to Brexit at this point but continue to launch new products into the Luxembourg SICAV fund range.

Upon your request, we will transfer your OEIC shares to a UCITS-compliant Luxembourg SICAV free of charge.

8. Will the UK's departure from the EU have any tax impact for the Funds?

In the event the current transition period ends without an agreement in place between the UK and the EU, UK funds (both UCITS and non-UCITS funds) may be impacted by increased levels of withholding tax on investments as they lose their UCITS status and no longer considered EU recipients. As a result, higher rates of withholding tax are likely to apply on dividend and interest payments received by UK funds, increasing the tax impact on the funds' performance.

Please note there may be tax implications depending on investors' individual circumstances. We are unable to provide tax advice and we therefore suggest that investors seek professional advice about any potential tax implications.

9. What will be the impact for investors holding the Funds within a Plan d'Epargne en Actions (PEA)?

If your shares in any of the Funds are currently held within a Plan d'Epargne en Actions (PEA), please note that with the UK leaving the EU, it is likely that the Funds will no longer be eligible for a PEA and your investment may lose its PEA status. This is because the underlying investments of the fund (i.e. UK securities) will no longer be eligible to count towards the requirement for 75% investment in European Economic Area (EEA) securities. We are unable to provide tax advice and we therefore suggest that you seek professional advice about potential tax implications.

10. Are the OEICs now categorised as Alternative Investment Funds (AIF)?

At present, all non-UCITS funds are categorised as Alternative Investment Funds (AIF) under EU regulation. UK regulation in respect of OEICs remains consistent at this stage. We continue to monitor for updates from the UK regulator regarding the future treatment of AIFs/OEICs.

11. Are the OEIC funds regulated?

The OEIC funds remain authorised and regulated by the Financial Conduct Authority (FCA) in the UK and continue to follow FCA rules in relation to retail funds, which at this time are identical to UCITS rules.

12. Is Columbia Threadneedle expecting further regulatory guidance and change as a result of the new relationship between the UK and EU?

We continue to monitor developments and to engage with our industry association and other relevant bodies to ensure we are abreast of the latest information. We will communicate any relevant updates via our websites.

13. Will there be any further impact from Brexit for UK investors invested in the Threadneedle OEIC?

No, we do not expect any impact for UK investors invested in the Threadneedle OEIC funds as a result of the UK's departure from the EU.

To find out more visit columbiathreadneedle.co.uk



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16th December 2020

Dear Sirs,

ACTION REQUIRED: MARKETING OF THREADNEEDLE OEIC¹ FUNDS AFTER 31 DECEMBER 2020

We are writing to you as a distributor of one or more sub-funds within of the following Threadneedle OEIC ranges ['the Funds']:

- Threadneedle Investment Funds ICVC; and/or
- Threadneedle Specialist Investment Funds ICVC

Cessation of marketing of the Funds in the European Union

Following the end of the transition period for the UK's departure from the European Union (EU), after 31 December 2020, the Funds will lose their UCITS status and no longer be registered for public sale under the UCITS regime. We currently do not intend to seek any alternative registrations and we will therefore cease all marketing activities within the EU for our UK-domiciled OEIC funds from 31 December 2020.

At this time, we understand that investors can continue to hold these investments, including topping up and regular savings in line with local regulations. As a result, we do not intend to force any redemptions and will continue to make servicing material available for existing investors.

Columbia Threadneedle funds available for sale in the EU

We have an established UCITS-compliant Luxembourg SICAV fund range, including mirror products of our UK OEIC in the SICAV. Over the past two years we have moved the vast majority of our EU investors from our UK OEIC to our Luxembourg SICAV. This has ensured that the majority of our investors in the EU have remained in a UCITS-compliant fund. As at the date of this letter, the SICAV range now incorporates 44 UCITS sub-funds for sale across the EU and is our investment range for EU investors covering global and regional equities, credit, sovereign fixed income and multi-asset solutions.

Should any investor in our OEIC range wish to transfer to an alternative SICAV fund we will be happy to facilitate. Please note there may be tax implications depending on investors' individual

¹OEIC stands for open-ended investment company.

circumstances. We are unable to provide tax advice and we therefore suggest that investors seek professional advice about any potential tax implications.

Action required by you

We request that you communicate this information to your clients in the Funds.

Further information

If you have any queries, a Q&A is available on our website at www.columbiathreadneedle.com/changes. Alternatively, please speak to your relationship manager or call us on +44 1268 444 321*. Our team is available from 9.00am to 5.00pm (CET), Monday to Friday.

Yours sincerely,



Dei McLaughlin
Head of EMEA Client Services
Columbia Threadneedle Investments

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