



QUESTIONS & ANSWERS

THREADNEEDLE ABSOLUTE RETURN BOND FUND CLOSURE

FULL Q&A – Closure of Threadneedle Absolute Return Bond Fund

INTRODUCTION

Columbia Threadneedle Investments has received authorisation from the FCA to close the Threadneedle Absolute Return Bond Fund, a sub-fund of the Threadneedle Specialist Investment Funds ICVC. Investment proceeds will be returned to investors, unless they choose otherwise.

1. Why are you closing the Fund?

Following a recent review, we have decided to close the Fund due to its relatively small size (approximately £23 million as at 29 March 2019). The Fund's assets have fallen to a level which makes it economically unviable to manage and we consider that the Fund is unlikely to attract new investors. On this basis, we believe closure of the Fund is in the best interests of investors.

While we have considered alternative options, we feel that closing the Fund is in the best interests of investors.

2. When is the Fund closing?

The Fund is closing on 26 July 2019.

3. What options do I have?

You have the following options:

- i. You can switch your investment free of charge into another Threadneedle fund(s). Details of our funds can be found on our website **columbiathreadneedle.com**.

Please return the Form of Direction. We must receive this before 12 noon (UK time) on 23 July 2019. Any instructions received after this date will not be accepted, and we will redeem your holdings and send you the proceeds instead.

- ii. You can sell your investment before the Fund closes. Please send us your redemption instruction in the normal way.

Please note, should you decide to redeem or switch your shares, it may trigger a taxable event.

- iii. You can take no action, and your shares will be redeemed, and proceeds sent to you.

4. Where can I get a Form of Direction?

The Form of Direction has been provided with the Shareholder notification. This can also be found on our website at columbiathreadneedle.com, or you can call us on 0800 953 0134 (calls may be recorded).

5. What if I hold the fund in my ISA, what options do I have?

You have the following options:

1. You may switch your investment free of charge into another Threadneedle fund before 12 noon on 23 July 2019.
2. You may transfer your ISA investment to another ISA manager. 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.

If you choose to sell your investment or do not take any action your investment will be cashed in when the Fund is closed, and your investment will lose its ISA status.

6. What are the tax implications?

There may be tax implications depending on your individual circumstances. We are unable to provide tax advice and we therefore suggest that you seek advice from your tax adviser, about any potential tax implications, before you take any action. However, you should be aware that, regardless of whether you choose to switch or sell your investment, or take no action, you may be subject to capital gains tax, depending on the value of your investment.

7. Can I still invest in the Fund?

Yes, dealing in the Fund will continue to be possible until it closes, however we would encourage you not to buy new shares in the Fund in the period leading up to the closure of the Fund. We will then take steps to complete the termination process for the Fund.

8. Will I have to pay any of the wind-up or termination costs?

No, Columbia Threadneedle Investments will bear all the wind-up and termination costs.

9. What happens once the Fund has closed?

Once the Fund has closed, we will expect to take approximately one month to liquidate the Fund. Once completed, if you have left your investment to be cashed in, the proceeds of your investment will be sent to you using the information we have on our records.

Issued by Threadneedle Investment Services Limited (TISL) Registered No. 3701768. Authorised and regulated by the Financial Conduct Authority. Registered in England and Wales. Registered office: Cannon Place, 78 Cannon Street, London EC4N 6AG. United Kingdom. Columbia Threadneedle Investments is the global brand name of the Columbia and Threadneedle group of companies. columbiathreadneedle.com Issued 05.19 | 2538512

Please address any replies to:

Columbia Threadneedle Investments

PO Box 10033

Chelmsford

Essex

CM99 2AL

United Kingdom

Tel: 0800 953 0134*

+44 1268 444 321*

Fax: 0845 113 0274

+44 1268 441 520

columbiathreadneedle.com

24 May 2019

Dear Adviser,

Important information: Closure of the Threadneedle Absolute Return Bond Fund – action required

We have written to your clients as shareholders in the Threadneedle Absolute Return Bond Fund ('the Fund'), informing them of our decision to close the Fund on 26 July 2019 ('the Effective Date').

Why is the Fund closing?

We constantly review our range of funds and are committed to offering investors the best possible opportunities. Following a recent review, we have decided to close the Fund due to its relatively small size (approximately £23 million as at 29 March 2019). The Fund's assets have fallen to a level which makes it economically unviable to manage and we consider that the Fund is unlikely to attract new investors. On this basis, we believe closure of the Fund is in the best interests of investors and we have received permission from the Financial Conduct Authority to take this action.

When will the Fund be closed?

Dealing in the Fund will be suspended from 12:01pm (UK time) on 23 July 2019 and the closure of the Fund will take place on the Effective Date.

What happens once the Fund has closed?

Once the Fund has closed, the proceeds of your clients' investments will be sent to the registered shareholder at the address we have on our records.

What are my clients' options?

Your clients have the following options:

1. They can switch their investment free of charge into another Threadneedle fund(s) up until 12 noon (UK time) on 23 July 2019. Details of our funds can be found on our website columbiathreadneedle.com. Before your clients switch funds, it is important that they read the Key Investor Information Documents (KIID) for the fund(s) they wish to switch to. To switch to another Threadneedle fund(s), clients can call us on the number provided overleaf, write to us at Columbia Threadneedle Investments, PO Box 10033, Chelmsford, Essex, CM99 2AL, United Kingdom or complete and return the Form of Direction they have received from us by 12 noon (UK time) on 23 July 2019. A copy of the form is enclosed for your reference.
2. They can sell their investment before the Fund is suspended. To sell their shares, clients can call us on the number provided overleaf, write to us at Columbia Threadneedle Investments, PO Box 10033, Chelmsford, Essex, CM99 2AL, United Kingdom or complete and return the Form of Direction by 12 noon (UK time) on 23 July 2019. Providing we receive their instruction by 12 noon (UK time) on 23 July 2019 the proceeds will follow around 5 business days later.
3. They can take no action. The Fund will be suspended on the afternoon of 23 July and will be wound up. Once this process has concluded all remaining shareholders will be paid out. This process is likely to take approximately one month.

Please note, in order for clients to switch shares before the Fund is suspended, we must receive an instruction via phone or mail before 12 noon (UK time) on 23 July 2019. Any instructions received after this time will not be accepted, and we will redeem your clients' holdings and send to the registered shareholder at the address we have on our records.

If we do not receive an instruction by 12 noon (UK time) on 23 July 2019, we will cash in the investment on the Effective Date and send the proceeds to the registered shareholder after the end of the termination process (**we expect this to take approximately one month**).

My clients hold the Fund in an ISA. What options do they have?

If they want to keep their investment in an ISA, they have the following options:

1. Switch their investment free of charge into another Threadneedle fund(s) by calling the below number or writing to us at Columbia Threadneedle Investments, PO Box 10033, Chelmsford, Essex, CM99 2AL, United Kingdom before 12 noon (UK time) on 23 July 2019.
2. Transfer their ISA investment to another ISA manager. To do so they will need to complete an ISA transfer form and send it to their 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 your clients need to ensure they allow enough time for their ISA manager to complete the transfer.

If they choose to sell their investment or do not take any action, their investment will be cashed in when the Fund is closed and their investment will lose its ISA status.

Are there any tax implications?

There may be tax implications depending on your clients' individual circumstances. We are unable to provide tax advice and we therefore suggest that they seek advice from a tax adviser about any potential tax implications before they take any action.

What do my clients need to do?

Please ensure your clients let us know what action they would like to take by 12 noon (UK time) on 23 July 2019. If they decide to take no action, their shares will be redeemed and the proceeds sent to them.

Further information

To find out more, please visit columbiathreadneedle.com/changes

If you are unclear about the contents of this letter, or have any further questions, please contact us. If you are based in the UK, please call us on 0800 953 0134*. If you are based outside the UK, please call +352 46 40 10 7020*. Our team is available from 8:00am to 6:00pm, Monday to Friday (UK time).

Yours sincerely,



Gary Collins
Head of Distribution EMEA & Latin America
Columbia Threadneedle Investments

*Calls may be recorded.

FORM OF DIRECTION

To: Threadneedle Investment Services Limited, as Authorised Corporate Director of Threadneedle Specialist Investment Funds ICVC

	First holder	Second holder
I/We		
(Name)
Address

Account number

Please indicate your choice by ticking the box.

[] **Option 1:** Accept the switch offer as described in the letter to investors in the Threadneedle Absolute Return Bond Fund dated 24 May 2019 and authorise Threadneedle Investment Services Limited to switch my/our existing holdings in the Fund (and any future regular savers installments into the Fund) to:

<i>Fund Name</i>	<i>ISIN</i>	<i><u>% Split</u></i>
.....
.....
.....
	Total	100%

Please insert the full name of the chosen fund(s) and the % split.

By signing this form below, I/We declare that I/We have received the Key Investor Information Document for the Fund/s we have nominated above to invest in.

OR

[] **Option 2:** Wish to sell my/our holding in Threadneedle Absolute Return Bond Fund prior to the closure.

I/We understand that:

- i. Where this form is received before 12 noon UK time on a business day, the prices used will be those calculated by reference to the valuation of the relevant funds at 12 noon UK time on that business day.
- ii. Where this form is received after 12 noon UK time on a business day, the prices used will be those calculated by reference to the valuation of the relevant funds at 12 noon UK time on the next business day.

Note: Please ensure that any additional identification information requested is provided along with this Form of Direction in the same envelope.

	Signature	Print Name
First holder
Second holder

Notes:

1. In the case of joint accounts, please ensure that all required signatories sign this form.
2. Please return this form to Threadneedle Investment Services Limited, Client Services, PO Box 10033, Chelmsford, CM99 2AL.
3. Please note that dealings in Threadneedle Absolute Return Bond Fund will cease on 24 July 2019. To take advantage of the switch offer or to redeem prior to the closure, this form of direction must be received by 12 noon UK time on 23 July 2019 at the latest, so the switch or redemption can be made before dealings cease.
4. There may be potential tax implications depending on which course of action you wish to pursue. We would therefore recommend that you seek advice from your professional adviser about your potential liability to tax before proceeding.
5. In the case of a corporate body this form must be signed by an authorised signatory.

Please address any replies to:

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+44 1268 444 321*

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24 May 2019

Dear Investor,

Important information: Closure of the Threadneedle Absolute Return Bond Fund – action required

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Why is the Fund closing?

We constantly review our range of funds and are committed to offering investors the best possible opportunities. Following a recent review, we have decided to close the Fund due to its relatively small size (approximately £23 million as at 29 March 2019). The Fund's assets have fallen to a level which makes it economically unviable to manage and we consider that the Fund is unlikely to attract new investors. On this basis, we believe closure of the Fund is in the best interests of investors and we have received permission from the Financial Conduct Authority to take this action.

When will the Fund be closed?

Dealing in the Fund will be suspended from 12:01pm (UK time) on 23 July 2019 and the closure of the Fund will take place on the Effective Date.

What happens once the Fund has closed?

Once the Fund has closed, the proceeds will be sent to the registered shareholder at the address we have on our records.

What options do investors have?

Investors have the following options:

1. They can switch their investment free of charge into another Threadneedle fund(s) up until 12 noon (UK time) on 23 July 2019.
2. They can sell their investment until 12 noon (UK time) on 23 July 2019. The proceeds will follow around five business days later.
3. They can take no action. The Fund will be suspended on the afternoon of 23 July and will be wound up. Once this process has concluded all remaining shareholders will be paid out. This process is likely to take approximately one month.

Please note, in order for investors to switch shares before the Fund is suspended, we must receive an instruction via phone or mail before 12 noon (UK time) on 23 July 2019. Instructions received after this time will not be accepted, and we will redeem any holdings and send investors the proceeds instead.

If we do not receive an instruction by 12 noon (UK time) on 23 July 2019, we will cash in all investments on the Effective Date and send the proceeds as soon as possible after the end of the termination process (we expect this to take approximately one month).

Are there any tax implications?

There may be tax implications depending on individual circumstances. We are unable to provide tax advice and we therefore suggest that investors seek advice about any potential tax implications before they take any action.

What do investors need to do?

Investors should let us know what action they would like to take by 12 noon (UK time) on 23 July 2019. If no action is taken, the shares will be redeemed and the proceeds sent to the registered shareholder.

Further information

To find out more, please visit columbiathreadneedle.com/changes

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Yours sincerely,



Gary Collins
Head of Distribution EMEA & Latin America
Columbia Threadneedle Investments

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If you are unclear about which option to choose, please speak to a financial adviser. If we do not receive your instruction by 12 noon (UK time) on 23 July 2019, we will cash in your investment on the Effective Date and send the proceeds to you as soon as possible after the end of the termination process (**we expect this to take approximately one month**).

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If you are unsure about your investment you should speak to a financial adviser. If you are based in the UK, you can find one in your area by visiting www.unbiased.co.uk – please note we do not endorse the advisers on the site.

Yours sincerely,



Gary Collins
Head of Distribution EMEA & Latin America
Columbia Threadneedle Investments

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<i>Fund Name</i>	<i>ISIN</i>	<u>% Split</u>
.....
.....
.....
	Total	100%

Please insert the full name of the chosen fund(s) and the % split.

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