

Please address any replies to:
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4 June 2019

Dear Investor,

Changes to the Threadneedle Managed Funds range – no action required

As a shareholder in one or more of the following funds in our Managed Funds range (the “Funds”), we are informing you of changes we are making to the way the Funds are described in their investment objectives and policies from 5 August 2019.

- **Threadneedle Managed Bond Fund**
- **Threadneedle Managed Bond Focused Fund**
- **Threadneedle Managed Equity & Bond Fund**
- **Threadneedle Managed Equity Focused Fund**
- **Threadneedle Managed Equity Fund**

These changes will not affect the way the Funds are managed.

What changes are you making?

The investment objective and policy of each Fund currently states that the Fund will invest at least two-thirds of their assets in funds managed or operated by companies in the Threadneedle group. We are changing this description to reflect that the Funds will be able to invest at least 80% of their assets in other funds, usually funds in the Columbia Threadneedle group, however funds from outside the Columbia Threadneedle group may also be held.

The new investment objective and policy for each Fund will also provide details of their typical maximum exposure to equities and bonds.

Many funds sold in the UK are grouped into sectors or categories to facilitate comparison between funds with broadly similar characteristics (peer groups). Each of the Funds will show comparator benchmarks that can be used to measure their performance.

Full details of the investment objective and policy and comparator benchmarks of the Funds are shown in the Appendix enclosed with this letter.

Why are we making these changes?

We believe that the revised objectives and policies provide better descriptions of how the Funds are invested.

Despite the changes to the description, the portfolio manager’s overall investment approach will not change. The Funds will continue to focus investment in other funds that provide exposure to bonds and equities worldwide. The extent of exposure to each asset class depends on which Fund you are invested in.

Full details of the current and new investment objectives and policies of each Fund are provided in the appendix enclosed with this letter.

Will there be an impact on the fees I pay?

No, these changes will not affect the fees you pay. Columbia Threadneedle Investments will cover all costs related to these changes.

Do I need to take any action?

You don't need to take any action as a result of this letter.

What can I do if I disagree with the changes?

If you disagree with the changes, you can redeem your shares, or you can switch your investment, free of charge, into another Threadneedle fund.

Should you decide to redeem or switch your shares, it may be treated as a disposal for capital gains tax purposes. Please be aware that if you choose to redeem your holdings and your shares are held in an ISA, then your investment will lose its ISA status. If you choose to switch your holdings and want to retain your ISA status, then you should ensure that any switch is done between any of Threadneedle's UK Authorised funds (excluding our Luxembourg SICAV range and the Threadneedle Sterling Short-Term Money Market Fund).

Details of our full range of funds are set out in the prospectuses which are available at columbiathreadneedle.com.

Further information

Further information, on the Managed Funds range can be found in the enclosed leaflet. A Q&A sheet is also available on our website at columbiathreadneedle.com/changes. If you are unclear about any of the details relating to the changes to the investment objectives and policies, or have any further questions, please contact us.

For UK investors please call us on 0800 953 0134*. For investors outside the UK, please call +352 46 40 10 7020*. Our team is available from 8:00am to 6:00pm UK time, Monday to Friday.

If you are unsure about your investment you should speak to a financial adviser. For details of one in your area, visit www.unbiased.co.uk – please note we do not endorse the advisers on the site.

Yours faithfully



Gary Collins, Head of Distribution EMEA & Latin America
For and on behalf of
Threadneedle Investment Services Limited

*Calls may be recorded

Appendix: Comparison of the Investment Objective and Policy of the Funds

Threadneedle Managed Bond Fund

Current Objective and Policy	New Objective and Policy
<p>To provide income with potential for capital growth.</p> <p>The Fund will invest at least two-thirds of its assets in funds managed or operated by companies in the Threadneedle group. These funds may invest worldwide.</p> <p>The Fund will invest at least two-thirds its assets in funds that invest in fixed income securities but will also have some exposure to company shares.</p> <p>The Fund may also hold cash, near cash and money market instruments.</p> <p>Up to 20% of the value of the Fund may be invested in funds that invest in derivatives for purposes other than Efficient Portfolio Management.</p> <p>The investment policy of the Fund allows it to invest in derivatives for the purposes of reducing risk or minimising the cost of transactions.</p>	<p>The Fund aims to provide income with potential for capital growth over the long term (5 years or more).</p> <p>The Fund is actively managed and invests at least 80% of its assets in other funds.</p> <p>The Fund usually invests in other Threadneedle funds, however, funds managed by companies outside the Threadneedle group may also be held, when this is considered appropriate. These funds may invest worldwide.</p> <p>The Fund focuses on investment in funds providing exposure to bonds (including corporate and government bonds), and to a lesser extent, funds investing in equities (company shares).</p> <p>The balance of the exposure between these different asset types may vary over time, however, equity exposure will usually not exceed 20% of the Fund's value, under normal market conditions.</p> <p>The Fund may also hold money market instruments, deposits, cash, and near cash.</p> <p>Derivatives may be used with the aim of reducing risk or managing the Fund more efficiently, and up to 20% of the value of the Fund may be invested in funds that use derivatives for investment purposes.</p> <p>Other Information:</p> <p>Many funds sold in the UK are grouped into sectors or categories, to facilitate comparison between funds with broadly similar characteristics (peer groups).</p> <p>This Fund is included in the Morningstar Category GBP Cautious Allocation. Performance data on funds within this category may be used when evaluating the performance of this Fund.</p>

Threadneedle Managed Bond Focused Fund

Current Objective and Policy	New Objective and Policy
<p>To provide a total return by way of income and capital growth.</p> <p>The Fund will invest at least two-thirds of its assets in other funds managed or operated by companies in the Threadneedle group. These funds may invest worldwide.</p> <p>The Fund will invest with a focus on funds that invest in fixed income securities, but will also have exposure to company shares, particularly the shares of UK companies or companies with significant UK operations.</p> <p>The Fund may also hold cash, near cash and money market instruments.</p> <p>Up to 20% of the value of the Fund may be invested in funds that invest in derivatives for purposes other than Efficient Portfolio Management.</p> <p>The investment policy of the Fund allows it to invest in derivatives for the purposes of reducing risk or minimising the cost of transactions.</p> <p>The investment policy of the Fund allows it to invest in derivatives for the purposes of reducing risk or minimising the cost of transactions.</p>	<p>The Fund aims to provide a return over the long term (5 years or more), by way of income and capital growth.</p> <p>The Fund is actively managed and invests at least 80% of its assets in other funds.</p> <p>The Fund usually invests in other Threadneedle funds, however, funds managed by companies outside the Threadneedle group may also be held, when this is considered appropriate. These funds may invest worldwide.</p> <p>The Fund focuses on investment in funds providing exposure to bonds (including corporate and government bonds), and to a lesser extent, funds investing in equities (company shares), particularly the shares of UK companies.</p> <p>The balance of the exposure between these different asset types may vary over time, however, equity exposure will usually not exceed 35% of the Fund's value, under normal market conditions.</p> <p>The Fund may also hold money market instruments, deposits, cash, and near cash.</p> <p>Derivatives may be used with the aim of reducing risk or managing the Fund more efficiently, and up to 20% of the value of the Fund may be invested in funds that use derivatives for investment purposes.</p> <p>Other Information:</p> <p>Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to facilitate comparison between funds with broadly similar characteristics (peer groups).</p> <p>This Fund is included in the IA Mixed Investments 0-35% Shares sector. Performance data on funds within this sector may be used when evaluating the performance of this Fund.</p>

Threadneedle Managed Equity & Bond Fund

Current Objective and Policy	New Objective and Policy
<p>To provide a total return by way of capital growth and income.</p> <p>The Fund will invest at least two-thirds of its assets in funds managed or operated by companies in the Threadneedle group. These funds may invest worldwide.</p> <p>The Fund's investments will be a balance of funds that invest in fixed income securities and funds that hold company shares.</p> <p>The Fund may also hold cash, near cash and money market instruments.</p> <p>Up to 20% of the value of the Fund may be invested in funds that invest in derivatives for purposes other than Efficient Portfolio Management.</p> <p>The investment policy of the Fund allows it to invest in derivatives for the purposes of reducing risk or minimising the cost of transactions.</p>	<p>The Fund aims to provide a return over the long term (5 years or more), by way of capital growth and income.</p> <p>The Fund is actively managed, and invests at least 80% of its assets in other funds.</p> <p>The Fund usually invests in other Threadneedle funds, however, funds managed by companies outside the Threadneedle group may also be held, when this is considered appropriate. These funds may invest worldwide.</p> <p>The Fund focuses on investment in funds providing exposure to equities (company shares), and bonds (including corporate and government bonds).</p> <p>The balance of the exposure to these different asset types may vary over time, however, equity exposure will usually not exceed 60% of the Fund's value, with at least 30% exposure maintained to bonds, under normal market conditions.</p> <p>The Fund may also hold money market instruments, deposits, cash, and near cash.</p> <p>Derivatives may be used with the aim of reducing risk or managing the Fund more efficiently, and up to 20% of the value of the Fund may be invested in funds that use derivatives for investment purposes.</p> <p>Other Information:</p> <p>Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to facilitate comparison between funds with broadly similar characteristics (peer groups).</p> <p>This Fund is included in the IA Mixed Investments 20-60% Shares sector. Performance data on funds within this sector may be used when evaluating the performance of this Fund.</p>

Threadneedle Managed Equity Focused Fund

Current Objective and Policy	New Objective and Policy
<p>To provide a total return by way of capital growth and income.</p> <p>The Fund will invest at least two-thirds of its assets in funds managed or operated by companies in the Threadneedle group. These funds may invest worldwide.</p> <p>The Fund will invest with a focus on funds that invest in company shares, but will also have exposure to fixed income securities.</p> <p>The Fund may also hold cash, near cash and money market instruments.</p> <p>Up to 20% of the value of the Fund may be invested in funds that invest in derivatives for purposes other than Efficient Portfolio Management.</p> <p>The investment policy of the Fund allows it to invest in derivatives for the purposes of reducing risk or minimising the cost of transactions.</p>	<p>The Fund aims to provide a return over the long term (5 years or more), by way of capital growth and income.</p> <p>The Fund is actively managed, and invests at least 80% of its assets in other funds.</p> <p>The Fund usually invests in other Threadneedle funds, however, funds managed by companies outside the Threadneedle group may also be held, when this is considered appropriate. These funds may invest worldwide.</p> <p>The Fund focuses on investment in funds providing exposure to equities (company shares), but also has some exposure to bonds (including corporate and government bonds).</p> <p>The balance of the exposure to these different asset types may vary over time, however, equity exposure is usually between 50-85% of the Fund's value, under normal market conditions.</p> <p>The Fund may also hold money market instruments, deposits, cash, and near cash.</p> <p>Derivatives may be used with the aim of reducing risk or managing the Fund more efficiently, and up to 20% of the value of the Fund may be invested in funds that use derivatives for investment purposes.</p> <p>Other Information:</p> <p>Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to facilitate comparison between funds with broadly similar characteristics (peer groups).</p> <p>This Fund is included in the IA Mixed Investments 40-85% Shares sector. Performance data on funds within this sector may be used when evaluating the performance of this Fund.</p>

Threadneedle Managed Equity Fund

Current Objective and Policy	New Objective and Policy
<p>To provide a return by way of capital growth.</p> <p>The Fund will invest at least two-thirds of its assets in funds managed or operated by companies in the Threadneedle group. These funds may invest worldwide.</p> <p>The Fund will invest at least two-thirds of its assets in funds that invest in company shares, but also have some exposure to fixed income securities.</p> <p>The Fund may also hold cash, near cash and money market instruments.</p> <p>Up to 20% of the value of the Fund may be invested in funds that invest in derivatives for purposes other than Efficient Portfolio Management.</p>	<p>The Fund aims to provide a return over the long term (5 years or more), by way of capital growth.</p> <p>The Fund is actively managed, and invests at least 80% of its assets in other funds.</p> <p>The Fund usually invests in other Threadneedle funds, however, funds managed by companies outside the Threadneedle group may also be held, when this is considered appropriate. These funds may invest worldwide.</p> <p>The Fund focuses on investment in funds providing exposure to equities (company shares), with only limited exposure taken to bonds (including corporate and government bonds).</p> <p>The balance of the exposure to these different asset types may vary over time, however, equity exposure usually exceeds two-thirds of the Fund's value, under normal market conditions.</p> <p>The Fund may also hold money market instruments, deposits, cash, and near cash.</p> <p>Derivatives may be used with the aim of reducing risk or managing the Fund more efficiently, and up to 20% of the value of the Fund may be invested in funds that use derivatives for investment purposes.</p> <p>Other Information:</p> <p>Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to facilitate comparison between funds with broadly similar characteristics (peer groups).</p> <p>This Fund is included in the IA Flexible Investment sector. Performance data on funds within this sector may be used when evaluating the performance of this Fund.</p>