

# QUESTIONS & ANSWERS

## THREADNEEDLE NAVIGATOR UNIT TRUSTS

### RATIONALISATION

Columbia Threadneedle Investments has written to investors in the following funds listed to notify them of the proposal to transfer the assets of the Existing Funds into the New Funds on 16 March 2018. The Existing Funds will then be wound up and terminated.

Existing Funds	New Funds
Threadneedle Navigator Adventurous Managed Trust	Threadneedle Managed Equity Fund
Threadneedle Navigator Balanced Managed Trust	Threadneedle Managed Equity and Bond Fund
Threadneedle Navigator Cautious Managed Trust	Threadneedle Managed Bond Focused Fund
Threadneedle Navigator Growth Managed Trust	Threadneedle Managed Equity Focused Fund

We understand you may have some questions regarding the closures and have set out to answer these in this Q&A.

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

Following a review of our UK regulated fund range, we have identified considerable overlap with the main features of the Existing Funds with other Threadneedle funds. As a result, we have taken this opportunity to simplify our product range.

To do this we are proposing to transfer the assets of the Existing Funds into New Funds. We consider the Existing Funds to be a close fit with the equivalent New Funds as they are similar in nature with similar investment objectives and policies.

Following the transfer of assets, it is expected that the New Funds will have a lower ongoing charges figure compared with the Existing Funds.

#### 2. When are the changes happening?

The effective date of the changes is 16 March 2018, subject to approval at the EGM.

## FUND COMPARISON

### 3. Which unit classes are transferring into which unit classes?

Below is a table which maps the unit classes of the Existing Funds into the destination unit class within the New Funds.

Existing Fund & Shares (unit class type)	New Fund & Shares (unit class type)
<b>Threadneedle Navigator Adventurous Managed Trust</b>	<b>Threadneedle Managed Equity Fund</b>
Retail Accumulation	Class B Accumulation
<b>Threadneedle Navigator Balanced Managed Trust</b>	<b>Threadneedle Managed Equity and Bond Fund</b>
Retail Accumulation	Class A Accumulation
<b>Threadneedle Navigator Cautious Managed Trust</b>	<b>Threadneedle Managed Bond Focused Fund</b>
Retail Accumulation	Class A Accumulation
Retail Income	Class A Income
<b>Threadneedle Navigator Growth Managed Trust</b>	<b>Threadneedle Managed Equity Focused Fund</b>
Retail Accumulation	Class B Accumulation

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

The ISIN codes or identifiers for each unit class are:

Existing Fund			Mapping to	New Fund		
Share Class	SEDOL	ISIN		Share Class	SEDOL	ISIN
<b>Threadneedle Navigator Adventurous Managed Trust</b>				<b>Threadneedle Managed Equity Fund</b>		
Retail Accumulation	3285990	GB0006616238		Class B Accumulation	BDZYJD3	GB00B0882V02
<b>Threadneedle Navigator Balanced Managed Trust</b>				<b>Threadneedle Managed Equity and Bond Fund</b>		
Retail Accumulation	3198270	GB0006616345		Class A Accumulation	BDZYJJ9	GB0001439834
<b>Threadneedle Navigator Cautious Managed Trust</b>				<b>Threadneedle Managed Bond Focused Fund</b>		
Retail Accumulation	3198281	GB0006616451		Class A Accumulation	BDZYJL1	GB0032009937
Retail Income	B3CZRB3	GB0006622517		Class A Income	*TBC	*TBC
<b>Threadneedle Navigator Growth Managed Trust</b>				<b>Threadneedle Managed Equity Focused Fund</b>		
Retail Accumulation	0852096	GB0006616568		Class B Accumulation	BDZYJN3	GB00B0882T89

\* - TBC. This unit class will be launched as part of the transfer process.

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

The New Funds will largely mirror the Existing Funds, but there will also be some differences which are outlined below:

#### 5.1 Investment Objectives & Policy

The investment objectives and policy of each Existing Fund and its corresponding New Fund are similar and the funds invest in similar underlying funds – full details of the comparison can be found in Appendix 1 of the Circular.

## 5.2 Synthetic Risk and Reward Indicator (SRRI)

In some cases the SRRI is different between the Existing Funds and the New Funds. Where this is the case, the New Fund has a lower SRRI. In those cases you will be transferred into a product with a slighter lower risk profile which is likely to produce lower volatility over the long term.

Existing Fund	SRRI	New Fund	SRRI
Threadneedle Navigator Adventurous Managed Trust	5	Threadneedle Managed Equity Fund	5
Threadneedle Navigator Balanced Managed Trust	5	Threadneedle Managed Equity and Bond Fund	4
Threadneedle Navigator Cautious Managed Trust	4	Threadneedle Managed Bond Focused Fund	3
Threadneedle Navigator Growth Managed Trust	5	Threadneedle Managed Equity Focused Fund	5

## 5.3 Fee structure

There is a difference in the charging of a registrar fee between the Existing Funds and New Funds. Unitholders in the Existing Funds are charged an annualised fee of 0.11%, which is accrued daily and paid monthly. This is levied by the Manager to cover the cost of various ongoing registration and general expenses pertaining to the Funds. No registrar fee is charged for the New Funds.

Additionally, the estimated ongoing charges figure (OCF) that you will pay in the New Funds will be lower than the OCF you currently pay on the Existing Funds.

Further information on the new charging structure can be found below and in section 2 of the Unitholder Circular.

Existing Fund			Mapping to	New Fund		
Unit Class	AMC	OCF		Unit Class	AMC	OCF
<b>Threadneedle Navigator Adventurous Managed Trust</b>				<b>Threadneedle Managed Equity Fund</b>		
Retail Accumulation GBP	1.25%	1.59%		Class B Accumulation GBP	1.25%	1.41%
<b>Threadneedle Navigator Balanced Managed Trust</b>				<b>Threadneedle Managed Equity and Bond Fund</b>		
Retail Accumulation GBP	1.25%	1.56%		Class A Accumulation GBP	1.25%	1.36%
<b>Threadneedle Navigator Cautious Managed Trust</b>				<b>Threadneedle Managed Bond Focused Fund</b>		
Retail Accumulation GBP	1.25%	1.64%		Class A Accumulation GBP	1.25%	1.37%
Retail Income GBP	1.25%	1.64%		Class A Income GBP	1.25%*	1.37%*
<b>Threadneedle Navigator Growth Managed Trust</b>				<b>Threadneedle Managed Equity Focused Fund</b>		
Retail Accumulation GBP	1.25%	1.50%		Class D Accumulation GBP	1.20%	1.33%

\* - estimate. Unit class to be launched as part of the fund transfer.

## 5.4 Accounting dates and income allocation dates

The accounting dates and dates on which income will be paid for the New Funds are different, as set out below:

Existing Funds			New Funds		
Fund name	Accounting dates	Income payment	Fund name	Accounting dates	Income payment
Threadneedle Navigator Adventurous Managed Trust	01 June (annual); 01 December (interim)	N/A (accumulation units only)	Threadneedle Managed Equity Fund	15 May (annual); 15 November (interim)	N/A (accumulation units only*)
Threadneedle Navigator Balanced Managed Trust	01 June (annual); 01 December (interim)	N/A (accumulation units only)	Threadneedle Managed Equity and Bond Fund	15 May (annual); 15 November (interim)	N/A (accumulation units only*)
Threadneedle Navigator Cautious Managed Trust	01 June (annual); 01 December (interim)	01 February; 01 July	Threadneedle Managed Bond Focused Fund	15 May (annual); 15 November (interim)	15 July
Threadneedle Navigator Growth Managed Trust	01 June (annual); 01 December (interim)	N/A (accumulation units only)	Threadneedle Managed Equity Focused Fund	15 May (annual); 15 November (interim)	N/A (accumulation units only*)

\* - income units are available on T class units, but these are only available to certain investors.

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

No, see 5.3: Fee Structure.

## VOTING AND EGM

### 7. What action do I need to take?

Please read the letter and the unitholder circular that have been sent to you. Together they notify you of the proposed transfers, and give full details of the process and the implications for you as an investor.

You can vote for or against the proposal.

You can vote in person at the EGM or by completing the proxy form and returning it to Electoral Reform Services, The Election Centre, 33 Clarendon Road, London N8 0NW by:

Fund	Date and time of meeting	Deadline to return form of proxy
Threadneedle Navigator Adventurous Managed Trust	10.00am on 14 February 2018	10.00am on 12 February 2018
Threadneedle Navigator Balanced Managed Trust	10.20am on 14 February 2018	10.20am on 12 February 2018
Threadneedle Navigator Cautious Managed Trust	10.40am on 14 February 2018	10.40am on 12 February 2018
Threadneedle Navigator Growth Managed Trust	11.00pm on 14 February 2018	11.00am on 12 February 2018

## 8. What documents should I have received in the post?

You should have received:

- i. a cover letter explaining the transfers that are being proposed
- ii. a unitholder circular providing you with:
  - details of the fund transfers and the process
  - notice and details of EGMs and the resolutions to be voted on
  - a proxy form
- iii. a pre-paid return envelope for the proxy form

## 9. Who is entitled to vote?

All investors on the unitholder register as at 2 January 2018 and who have remained on the register up to the EGM are entitled to vote. If you redeemed your full investment before 2 January 2018, your vote will not be counted.

## 10. Do I need to vote? What if I don't vote?

We would encourage you to exercise your right to vote on the proposal.

If you choose not to vote, and the required 75% of votes are cast in favour of the proposal, the transfer will go ahead. The units you hold in the Existing Fund will then be automatically transferred to the New Fund.

## 11. How do I vote?

You can vote in person at the EGM or by proxy.

To vote in person, please attend the meeting for the fund in which you are invested. All the meetings will take place at the offices of Columbia Threadneedle Investments, Cannon Place, 78 Cannon Street, EC4N 6AG on 14 February 2018. The times for the individual meetings are detailed below.

To vote by proxy, please complete the proxy form contained within the unitholder circular document you received in the post and return it to us using the **pre-paid envelope** (UK only) addressed to the **Electoral Reform Society, The Election Centre, 33 Clarendon Road, London, N8 0NW**.

Please post it in plenty of time to ensure that it arrives by the date and time detailed below:

Fund	Date and time of meeting	Deadline to return form of proxy
Threadneedle Navigator Adventurous Managed Trust	10.00am on 14 February 2018	10.00am on 12 February 2018
Threadneedle Navigator Balanced Managed Trust	10.20am on 14 February 2018	10.20am on 12 February 2018
Threadneedle Navigator Cautious Managed Trust	10.40am on 14 February 2018	10.40am on 12 February 2018
Threadneedle Navigator Growth Managed Trust	11.00pm on 14 February 2018	11.00am on 12 February 2018

## 12. What percentage of the votes cast are required for the resolution to be passed?

For the vote to be passed, at least 75% of the total votes cast must be in favour of the transfer.

If a unitholder resolution is approved, your units will be automatically switched to units in the New Funds on 16 March 2018.

If a unitholder resolution is not approved, the proposed transfer will not take place and you will retain your units in the Existing Fund. The fund will continue to be run in the same way until such a time that further action is taken.

Unitholders may vote either in person or by proxy. Unitholders entitled to attend and vote can appoint a proxy (using the proxy form) to attend and vote in their place. All unitholders will have voting rights in direct proportion to their holding in the Existing Fund.

### **13. What will happen if the resolutions aren't passed / the vote goes against?**

If a unitholder resolution is not approved, the proposed transfer will not take place for that fund and you will retain your units in the Existing Fund. The fund will continue to be run in the same way until such a time that further action is taken.

Each unitholder resolution is run independently and is unaffected by the outcome of the other votes.

### **14. What will happen if the resolutions are passed?**

If a unitholder resolution is approved, your units will be automatically switched to units in the New Funds on 16 March 2018.

If you do not wish to have your units transferred into the New Fund, you must switch or redeem your holding by 12 noon on 15 March 2018.

For further details on our fund range, please visit **[columbiathreadneedle.com](http://columbiathreadneedle.com)**.

### **15. How do I find out the result of the vote?**

The result of the vote will be available from 15 February 2018 on our website **[www.columbiathreadneedle.com/changes](http://www.columbiathreadneedle.com/changes)**

## **INVESTOR OPTIONS**

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

1. You can vote against the changes. But 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 new fund.
2. You can move your investment, free of charge, to another of our funds up until 12 noon on 15 March 2018.
3. You can cash in your investment free of charge up until 12 noon on 15 March 2018.

Please note if you hold your investment within an ISA and you decide to cash it in, it will lose its ISA status.

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

Subscriptions into the Existing Fund will be suspended from 12:01pm on 15 March 2018. This means the last day you can switch or redeem from the funds is up to 12 noon on 15 March 2018.

**18. What is the last day I can deal in the Existing Fund?**

You can switch or redeem your holdings until 12 noon on 15 March 2018.

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

If the transfers are approved your investments will be automatically transferred on the effective date. 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 15 March 2018.
3. You may 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.

**20. 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 Ltd, PO Box 10033  
Chelmsford, CM99 2AL

Our fax number is 0845 113 0274 or you can call us on 0800 953 0134. Please note that calls may be recorded.

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

You can deal in the Existing Funds up to 12 noon on 15 March 2018 at which point dealing in the Existing Funds will be suspended.

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

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

**23. 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.

## THE TRANSFER

### 24. What happens on the transfer date?

On the day of the transfer, your units in the Existing Fund(s) will be exchanged, free of charge, for shares in the equivalent unit class of the New Fund(s). The value of your investments will remain the same although the number of units you hold and the value of each unit may be different. You will be sent a statement confirming your number of units following the transfer.

### 25. Can I already deal in the New Funds? When can I start dealing in the New Funds?

Yes, you can invest in units of the New Funds. However, your existing holdings will only be transferred on 16 March 2018 and you will be able to redeem your holdings from the New Funds from 19 March 2018.

### 26. What are the key dates?

The key times and dates are:

Last dealing day for Existing Funds	12 noon on 15 March 2018
Valuation point for transfer	12 noon on 16 March 2018
First day of dealing in units of the New Funds	19 March 2018

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

#### UK Unitholders

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

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

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

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

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

### 29. 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

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

The first day you can trade in the New Funds following the merger is 19 March 2018.

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

You will receive a post-transfer statement with details of the value, unit price and number of units you hold in the New Fund(s) after the transfer(s) has taken place. Alternatively, you can contact us on 0800 953 0134\*/+44 (0)1268 46 4321\* for this information.

### 32. 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 contact us Monday to Friday between 8.00am and 6.00pm (UK time) on 0800 953 0134\*\*/+44 (0)1268 46 4321\* .

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 found on them.

\*Calls may be recorded.