

QUESTIONS & ANSWERS

THREADNEEDLE NAVIGATOR UNIT TRUSTS RATIONALISATION

Columbia Threadneedle Investments has written to investors in the following funds listed to notify them that the funds will be closed on 22 March 2018:

- Threadneedle Navigator Growth Trust
- Threadneedle Navigator Income Trust
- Threadneedle Navigator UK Index Tracker Trust

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

1. Why are you closing the funds?

Following a review of the Navigator product range, these three funds were identified as candidates for closure as they have fallen to a size where they have become less cost-effective to manage and we do not anticipate them to attract new investment in the future. We are also aware of planned redemptions which will reduce the size of the funds further.

We considered alternative options to closing the funds but did not feel that any of the alternatives were in the best interests of investors.

2. When are the closures happening?

Dealing in terminating funds suspended	12 noon on 21 March 2018
Termination process commences	12 noon on 22 March 2018

You can invest in the terminating funds up until 12 noon on 21 March 2018, after which the funds will be suspended. No more investments will be accepted after this point. The termination process will commence on 22 March 2018.

3. What options do I have?

- You can switch your holdings free of charge to another of our UK regulated funds up to 12 noon on 21 March 2018. Details of our funds can be found on our website www.columbiathreadneedle.com. Before you switch funds, it is important that you read the Key Investor Information Document (KIID) for the fund(s) you wish to switch to. To

switch to another Threadneedle fund(s), please complete and return the Form of Direction in the enclosed pre-paid envelope to arrive by 12 noon on 21 March 2018. You will find the form and envelope enclosed with your investor letter.

- ii. You can redeem your holdings free of charge up to 12 noon on 21 March 2018.
- iii. If you do nothing, your units will be redeemed and the proceeds sent to you by the method instructed on your account.

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

4. I'm an ISA investor, how is my investment affected?

In order to keep your investment in an ISA, you have the following options:

- i. Switch your investment free of charge into another Threadneedle fund(s) before 12 noon on 21 March 2018. You can use the form and pre-paid envelope enclosed with your investor letter to do so.
- ii. 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 21 March 2018.

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

5. What are the tax implications?

Regardless of whether you currently hold your investment in an ISA or not, there may be tax implications depending on your individual circumstances and which option you choose. 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.

6. When will a final distribution of income be paid?

By 22 May 2018.

7. Further information

If you are unsure about the implications for your investment and the action you should take, please contact your financial adviser. If you do not have a financial adviser, you can find one in your area by visiting www.unbiased.co.uk – please note that we do not endorse this site or the advisers found on it.

If you are unclear about any of the details relating to the closures or have any further questions, please call us on 0800 953 0134*. Our team is available from 8.00am to 6.00pm UK time, Monday to Friday.