

Investor Name
Investor Address
Investor Address
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Please address any replies to:
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13 March 2017

columbiathreadneedle.com

Client Reference Number: xxxxxxxx

Dear Investor

Important: proposed changes to your investment with Columbia Threadneedle Investments – ACTION REQUIRED

As an investor in one or more of the funds listed below, we would like to tell you about some **proposed changes to your investment** with Columbia Threadneedle Investments. It is important that you read this letter, as well as the enclosed Shareholder Circular, so that you understand what these proposed changes are and **what action is required from you**.

- Threadneedle European ex-UK Growth Fund
- Threadneedle Japan Growth Fund
- Threadneedle Pacific ex-Japan Growth Fund
- Threadneedle UK Equity Income Fund
- Threadneedle UK Growth Fund

Throughout this letter, and in the enclosed Shareholder Circular, we are referring to these funds as the “Existing Funds”.

What changes are being proposed?

We are planning to transfer the assets of the Funds you are invested in (“Existing Funds”) into similar funds in our product range (“New Funds”). Full details of the proposal and the New Funds can be found in the enclosed Shareholder Circular. Please note that Columbia Threadneedle Investments will bear all the administration costs relating to the proposal.

Why is Columbia Threadneedle Investments proposing the transfers?

Following a review of our fund range, we believe it is in the best interests of Shareholders to simplify our product range. While this is mostly an administrative change, under the proposed changes, we expect that Shareholders will have the same or lower ongoing charges figures. We consider the changes to be in the best interests of Shareholders.

How will my investment be affected by the transfer?

We want to assure you that the proposed transfers will not affect the value of your investment or the way it is managed. The changes are largely administrative, and will include:

1. A change to the cut-off time you can buy or sell shares at that day's price. This cut-off time, which we call the valuation point, is when we measure the value of a fund's total assets in order to set that day's price. As a result of the proposed changes, the valuation point will move from 2.00pm to 12.00 noon. Requests received after that time will receive the share price for the following valuation point.
2. A change to the date on which income is paid for income shares.
3. Changes to the way certain fees are applied.

The enclosed Shareholder Circular provides full details of the differences between the Existing Funds and the New Funds.

How will my Individual Savings Account (ISA) be affected by the transfer?

There will be certain changes to the terms and conditions for your ISA if the proposals are approved. We believe that the ISA terms and conditions for the New Funds are no less favourable to you than those in place for the Existing Funds. It is important for you to know that, if the proposed transfers are approved, the ISA terms and conditions will change on 12 May 2017 when the transfers take place. Please read the enclosed Terms and Conditions Comparison document to find out more about the differences between the ISA terms and conditions for the New Funds.

What happens if I own other Threadneedle funds in an ISA?

There will be no change to the ISA terms and conditions for any of the other funds offered by us at this stage.

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:

- You can choose to switch your investment in the Existing Fund(s) into another Threadneedle Fund(s) not affected by this proposal.
- 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.
- You may also cash in your investment at any time, but if you do this it will lose its ISA status.

When will the transfers take place?

Extraordinary General Meetings (EGMs) will be held on 12 April 2017. You can vote for or against this proposal, either in person at the EGM or by completing the enclosed proxy form.

In order for the transfers to proceed, at least 75% of the votes cast at the EGMs must be in favour of the transfers. If approved, the transfers will take place on 12 May 2017.

The transfers will only take place if the shareholder resolutions for all the Existing Funds are approved. In the event that any of the transfers are not approved, none of the transfers will take place and the Existing Funds will continue to operate as they currently do for the foreseeable future.

The results of the votes will be available on our website columbiathreadneedle.com/changes from 13 April 2017.

What do I need to do?

It is important that you read this letter and the enclosed Shareholder Circular. Together they form notification of the proposed changes, and provide full details of the process and implications for you as an investor.

You can vote on this proposal, either in person at the EGM or by completing the proxy form and returning it in the enclosed pre-paid envelope by 10 April 2017.

Further information

If you are unsure about the contents of this letter, 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 proposed transfer, or have any further questions, please call us on 0800 953 0134*. Our team is available from 8.00am to 6.00pm, Monday to Friday.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Gary Collins', followed by a long horizontal flourish line.

Gary Collins
Co-Head of Distribution EMEA
Columbia Threadneedle Investments

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*Calls may be recorded