

THIS CIRCULAR DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about the contents of this document or the action to be taken please call Threadneedle free on 0800 953 0134 or consult your financial adviser, if you have one, immediately.

PROPOSAL TO CONVERT THE THREADNEEDLE UK PROPERTY TRUST INTO A PROPERTY AUTHORISED INVESTMENT FUND

This document contains a Notice of a Meeting of unitholders. The Meeting is to be held at the offices of Threadneedle Investment Services Limited, 60 St Mary Axe, London EC3A 8JQ at 9.30 am on 9 April 2015. If you wish to appoint a proxy you are requested to return the enclosed Form of Proxy (and the power of attorney or other authority (if any) under which it is signed (or a notarised and certified copy of it)) in the pre-paid envelope provided, to arrive no later than 9.30 am on 7 April 2015.

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Glossary of terms used in this document

ACD	Threadneedle Investment Services Limited, as Authorised Corporate Director of the Threadneedle PAIF;
ART	Additional Rate Taxpayer is any taxpayer that is currently subject to UK income tax at a rate of 45%;
Body Corporate	a corporate entity (including a company incorporated in any jurisdiction) which is treated for tax purposes as a body corporate;
COLL or COLL Sourcebook	Collective Investment Schemes Sourcebook which forms part of the FCA Handbook of Rules and Guidance and the Investment Funds Sourcebook;
Dealing Day	Monday to Friday excluding public and bank holidays in England and Wales and other days at the ACD's discretion;
Depository	Citibank International Limited, the depository of the Threadneedle PAIF;
Effective Date	the effective date of the conversion of the Trust into the Threadneedle PAIF expected to be 12.01 am on 2 May 2015 (or such other date as the Manager, Trustee, ACD and Depository shall determine);
Existing Units	income or accumulation units in the Trust to be exchanged for New Shares pursuant to the Scheme of Arrangement on the terms set out in Appendix 1, and existing unitholders has the corresponding meaning;
Extraordinary Resolution	the extraordinary resolution to be proposed at the Meeting which must be approved by a majority of 75% of votes validly cast at the Meeting in order for the Scheme of Arrangement to be effected, as set out in Appendix 5;
FCA	Financial Conduct Authority;
Feeder Fund	the Threadneedle UK Property Authorised Trust, which is the feeder fund investing in the Threadneedle PAIF, into which investors not eligible or able to invest in the PAIF or who do not wish to do so will be transferred immediately following the Scheme of Arrangement;
HMRC	HM Revenue and Customs;
Instrument of Incorporation	the instrument of incorporation governing the Threadneedle PAIF;
KIID	a key investor information document ("KIID"), which is a document that summarises the key features of the Threadneedle PAIF, and the Feeder Fund;
Manager	Threadneedle Investment Services Limited, which is the manager of the Trust and the Feeder Fund (as the context requires);
Meeting	the meeting of unitholders of the Trust to be held at the offices of Threadneedle Investments, 60 St Mary Axe, London EC3A 8JQ at 9.30 am on 9 April 2015 to consider and vote on the proposals for the Scheme of Arrangement, and any reference to Meeting shall be construed accordingly;

Trust	the Threadneedle UK Property Trust;
New Shares	income or accumulation shares of the appropriate class in the Threadneedle PAIF to be issued to Existing Unitholders pursuant to the Scheme of Arrangement on the terms set out in Appendix 1;
New Units	income or accumulation units of the appropriate class in the Feeder Fund to be issued to Existing Unitholders who are not eligible or able to invest in the Threadneedle PAIF or who wish to invest instead in the Feeder Fund, in exchange for their New Shares on the terms set out in Appendix 1;
OEIC	an open-ended investment company incorporated pursuant to Regulation 3 of the Open-Ended Investment Company Regulations 2001 as amended from time to time following its authorisation by the FCA;
PAIF	an OEIC elected to be a property authorised investment fund pursuant to the Tax Regulations and governed by COLL;
Property Investment Business	“property investment business” as defined in the Tax Regulations;
Retained Amount	a retention, which is a sum estimated by the Manager and agreed with the Trustee to be necessary to meet all the actual and contingent liabilities of the Trust which is to be retained by the Trustee upon the trusts and other provisions of the Trust Deed and which, subject to the provisions of the Trust Deed, shall be used for the purposes of discharging such liabilities;
Scheme/Scheme of Arrangement	the legal process by which the Trust will merge with the Threadneedle PAIF, details of which are set out in Appendix 1;
Tax Regulations	the Authorised Investment Funds (Tax) Regulations 2006 (SI 2006/964), as amended from time to time;
Threadneedle PAIF	the Threadneedle UK Property Authorised Investment Fund, which is an OEIC and a PAIF;
Trust Deed	the trust deed of the Trust;
Trustee	Citibank International Limited, the trustee of both the Trust and the Feeder Fund (as the context requires);
Unit Trust	an open-ended investment fund established pursuant to section 242 of the Financial Services and Markets Act 2000 and constituted by a trust deed; and
Voting Form	the Form of Proxy/Voting Form enclosed with this circular which should be completed and returned to us no later than 9.30 am on 7 April 2015 unless you wish to attend the Meeting in person to cast your vote.

Timetable for the proposal

Event	Date
Cut-off date for eligibility of unitholder voting	23 February 2015
Form of Proxy/Voting Form to be returned by	9.30 am on 7 April 2015
Meeting of unitholders	9.30 am on 9 April 2015
Return date for Form of Election for Corporate Unitholders containing Declarations and Undertakings	30 April 2015
Return date for Form of Election for unitholders preferring to receive New Units in the Feeder Fund	30 April 2015
If the proposal is approved at the Meeting:	
Suspend dealings in units of the Trust	From 12 noon on 30 April 2015
End of current accounting period of the Trust and allocation of income	11.59 pm on 1 May 2015
Final valuation of the Trust	Midnight on 1 May 2015 using the values established at 12 noon on 1 May 2015
Effective date	
The conversion becomes effective and the winding-up of the Trust begins	12.01 am on 2 May 2015
(a) investors receive New Shares in the Threadneedle PAIF	12.02 am on 2 May 2015
(b) certain investors receive New Units in the Feeder Fund	12.05 am on 2 May 2015
First valuation and commencement of dealing	
First valuation point of the Threadneedle PAIF (i.e. the launch of the Threadneedle PAIF and its Feeder Fund)	12 noon on 5 May 2015
First day of dealing in New Shares in the Threadneedle PAIF and New Units of the Feeder Fund	5 May 2015
Send confirmation of number of New Shares and New Units	By 18 May 2015
Final distribution payment for Existing Units	15 July 2015

Note:

Capitalised terms used in this timetable are defined in the Glossary on the previous page.
In the event that the Effective Date changes, this may result in subsequent changes to the proposed timetable.

9 March 2015

Dear Investor,

Threadneedle UK Property Trust

We are writing to you as a unitholder in the Threadneedle UK Property Trust (the "Trust") to request your approval to convert the Trust to the Threadneedle UK Property Authorised Investment Fund (the "Threadneedle PAIF"). There will be a linked feeder fund, the Threadneedle UK Property Authorised Trust ("the Feeder Fund"), for those investors who cannot or do not wish to invest directly into the Threadneedle PAIF, see Table 1 in Part Two of Appendix 1 for further details.

This circular sets out the details of our proposals, including the main features of the Threadneedle PAIF and its Feeder Fund and the benefits of converting the Trust into the Threadneedle PAIF. It also explains the mechanics of the Threadneedle PAIF, the proposed Scheme, and the implications for you as an investor in the Trust and any actions you may need to take.

1. Reasons for the proposal

PAIFs are a type of tax-efficient property fund which significantly benefits tax-exempt investors including those investing through NISAs, Self-Invested Personal Pension (SIPP) plans and also charities and directly invested pension funds. We are proposing to convert the Trust into a PAIF so that eligible investors can enjoy those benefits, and because other existing tax-paying investors will generally be unaffected by the change. See Appendix 1, for further information.

In addition, we consider that the Trust will have better growth prospects if it is structured as a PAIF as, with the consequent enhanced tax efficiencies this will deliver, there should be a greater potential to attract new investment and accordingly improve economies of scale.

2. Eligibility criteria for investing in the Threadneedle PAIF

Not all types of investor are eligible or able to invest directly in a PAIF. In particular, a company or other Body Corporate is subject to a maximum holding limit of under 10% of a PAIF, whether held directly in its own name or via a third party (other than nominee companies holding units for non-Body Corporate investors).

In order to avoid a breach of this provision, we are imposing a lower maximum holding limit of 9.5% of the value of the Threadneedle PAIF and we require any corporate investor exceeding this limit to reduce their holding to 7% (or less) of the value of the Threadneedle PAIF.

Before corporate unitholders can receive shares in the PAIF, certain declarations and undertakings as contained in the enclosed Form of Election and Corporate Declarations and Undertakings (coloured blue) must be completed.

Furthermore, some investors who would benefit from receiving PAIF distributions gross may not initially be able to do so because, for instance, their holdings are held on a fund platform which does not yet have the functionality to hold PAIF shares. The Feeder Fund has therefore been established to enable such investors to continue to have exposure to Threadneedle's property expertise.

3. The Feeder Fund

The Feeder Fund invests solely in the Threadneedle PAIF. It does not itself qualify as a PAIF, but is intended for those investors who would not qualify to invest directly in a PAIF, or who are currently unable to access the Threadneedle PAIF for other reasons, such as administrative and operational issues.

The Feeder Fund's sole investment will be shares in the Threadneedle PAIF and it is unlikely to need to hold any cash for operational purposes. It is anticipated that there should be a close (but not exact) correlation between the investment returns from units in the Feeder Fund and those of the corresponding shares in the Threadneedle PAIF.

It may be more advantageous for additional rate taxpayers, who currently hold units in the Trust outside of a tax wrapper such as a NISA or pension, to hold units in the Feeder Fund rather than shares in the Threadneedle PAIF based on current tax rules, (see Table 1, in part 2 of Appendix 1). Any investor that would prefer to receive New Units in the Feeder Fund should complete and return the Form of Election (the pink form enclosed).

4. Switching between the Feeder Fund and the Threadneedle PAIF

For those unitholders who can initially only invest in the Feeder Fund, we will at their request in the future, provided they are eligible, arrange to switch their holdings into the Threadneedle PAIF. We will facilitate this in a way that minimises the impact of any dealing spread and to ensure qualification for capital gains tax rollover relief. Switches will take place immediately after a distribution date when there is no accrued income in the Threadneedle PAIF to avoid any income tax consequences.

5. Changes to your investment

General

The Scheme will not result in a material change to how your investment is managed. For instance:

- the investment objective and policy of the Threadneedle PAIF is substantially the same as that of the Trust (subject to some limited changes explained below) and therefore the risk profile of your investment will be the same;
- the value of your holding will remain unchanged;
- there is no change to the dealing process and the same means of communicating with Threadneedle apply for buying and selling shares in the PAIF and units in the Feeder Fund;
- there is no change in the fee structure applying to your investment; and
- the fund manager, investment manager and property valuer will remain the same.

To help you consider the merits of the proposal, a comparison of the features of the Trust and Threadneedle PAIF is contained in Appendix 1.

Investment objective and policy

The investment objective of the Trust and the Threadneedle PAIF are the same; to achieve income and capital appreciation through investing generally in UK commercial property.

However, as part of the change of status to a PAIF, the objective of the Threadneedle PAIF has to ensure Property Investment Business is undertaken. This means carrying on a property rental business which generates income from land and/or to carry on a business consisting of owning shares in UK real estate investment trusts (REITs) and/or their foreign equivalents. Accordingly, the investment objective of the Threadneedle PAIF will make specific reference to this, but, apart from the insertion of the necessary wording, will continue unchanged from that of the Trust.

Legal structure

Your investment is currently in an FCA authorised unit trust. The proposal will result in your investment being held in the Threadneedle PAIF, which will be an FCA authorised OEIC with PAIF status or alternatively in the Feeder Fund, which will again be an FCA authorised unit trust. We explain the differences between a unit trust and an OEIC in part two of Appendix 1.

Quarterly income distributions

The Trust currently distributes income twice a year on 15 January and 15 July. However, both the Threadneedle PAIF and the Feeder Fund will make income distributions more frequently; four times a year, on 15 January, 15 April, 15 July and 15 October. The first distribution will be 15 October, this year. If you chose to receive income, you will be paid in the same way. If you chose to have your income accumulated, this will continue after the conversion. If you currently have your distribution payments reinvested in additional units, we will ensure this arrangement continues. In this case, the final payment from the Trust will be reinvested into additional shares in the Threadneedle PAIF or additional units in the Feeder Fund, as appropriate.

Gross share classes

Currently, only income and accumulation units are available in the Trust. These are units in respect of which income, net of any tax liability of the Trust, is either distributed or accumulated.

In addition to net income and net accumulation shares, the Threadneedle PAIF will also make available gross income and gross accumulation shares of various classes. Gross shares are income or accumulation shares where distribution or allocation of property income distributions and interest distributions by the PAIF are made without any UK income tax being deducted.

Gross share classes generally benefit investors by providing a cash flow advantage and in some cases reduced administration, but also if shares are sold when there is income included within the price, it will be the gross amount of income that is used in the price calculation (in contrast to the position on net shares where it would only be the net amount of income).

However, gross shares are available only to investors who qualify for the gross payment of property income distributions and PAIF interest distributions (whether or not accumulated). These include ISA plan managers, certain pension funds and charities etc. Accordingly, not all investors will be eligible to hold gross shares, for instance gross shares cannot be issued to individual investors and non-UK residents. Gross units are not available in the Feeder Fund

Eligible investors wishing to receive gross income shares or gross accumulation shares must complete the relevant section of the Form of Election and Corporate Declarations and Undertakings (the blue coloured form enclosed).

Limited issue of shares

At present, the Trust does not include any provision within its prospectus to limit unit subscriptions. However, in order to protect the interests of investors, there may be circumstances where we consider it appropriate to do so, whether in respect of a fund, or one or more of its share classes. These circumstances include, for example, where we consider that substantially all of the subscriptions relating to a Dealing Day, if accepted, could not be efficiently invested without compromising the investment objectives and policy of the fund, or might materially prejudice existing investors' interests. Accordingly, the prospectus of the Threadneedle PAIF does now include a provision allowing us to take this action should it be considered necessary.

6. Conversion procedure

A timetable showing the procedure for the proposal and sequence of events is set out on page 3. The procedure for the Meeting is set out in Appendix 3. Details of the various consents, tax clearances and confirmation and documents relating to the Threadneedle PAIF and Feeder Fund and the conversion proposal which are available for inspection are set out in Appendix 4.

If the Scheme is approved, all of the scheme property of the Trust will be transferred to the Threadneedle PAIF in exchange for New Shares which will be issued to Existing Unitholders. The New Shares received by Existing Unitholders will be either an income or accumulation class (matching the unit type and class held in the Trust) in the Threadneedle PAIF.

Non-eligible Existing Unitholders and those not able to hold New Shares will then receive New Units in the Feeder Fund in either an income or accumulation class (matching their current holding in the Trust) in exchange for their New Shares. All New Shares and New Units issued in connection with the Scheme will be free of any initial charge.

Existing Unitholders' units in the Trust will cease to be of any value at 12.01 am on 2 May 2015 and the Trust will commence winding-up.

7. Costs of the proposals

We will meet all costs in relation to the establishment of the Threadneedle PAIF and the Feeder Fund and the preparation and implementation of the Scheme and the winding up of the Trust after implementation of the Scheme.

The Trust's normal running costs and transaction costs will continue to be borne by the Trust and its Unitholders until the Effective Date. Thereafter, all normal running costs will be borne by the Threadneedle PAIF and/or Feeder Fund.

8. UK tax implications

Based on our understanding of the tax legislation, the New Shares (and, where relevant, the New Units) issued to you will have the same acquisition cost and acquisition date for the purposes of UK tax on capital gains as your Existing Units.

It is not expected that any stamp duty land tax, stamp duty reserve tax or stamp duty will be payable in connection with the Scheme, the transfer of the property of the Trust to the Threadneedle PAIF under the Scheme and the subsequent exchange of some of the New Shares for New Units.

Details of the tax confirmation and clearances which have been obtained are set out in Appendix 4.

If you are in any doubt about your potential tax liability, you should consult a tax adviser.

9. Action to be taken

Threadneedle believes the proposal is in the overall best interests of unitholders of the Trust as the PAIF structure is generally a tax-efficient one for your investment. A majority in favour of not less than 75% of the votes cast at the Meeting is required in order to pass the Extraordinary Resolution, so **it is important that you exercise your right to vote.**

To vote, please return your completed Form of Proxy/Voting Form in the enclosed pre-paid envelope. You are welcome to attend the Meeting and vote in person in respect of the units you hold directly. Completion and return of the Form of Proxy/Voting Form does not preclude you from attending and voting at the Meeting if you so wish.

Should you wish to invest in the Feeder Fund rather than the PAIF, please also complete and return the Form of Election (the pink coloured form).

10. Additional requirements for corporate investors

In order to comply with the Tax Regulations, corporate investors wishing to retain New Shares in the Threadneedle PAIF in exchange for their Existing Units must make certain declarations and undertakings. Corporate investors wishing to receive New Shares are therefore required to complete and return the enclosed Form of Election and Corporate Declaration and Undertakings (the blue coloured form enclosed).

If you are a corporate investor and we have not received your Form of Election by 30 April 2015, although you will initially be issued with New Shares in the Threadneedle PAIF, your holding will automatically be switched into the Feeder Fund. Your holding can be switched back at a later date provided that we receive the required corporate declarations and undertakings from you.

11. Dealing in New Shares

Dealing in the Threadneedle PAIF is expected to commence on 5 May 2015, being the first Dealing Day following the Effective Date. You will receive confirmation that the Scheme has been implemented within 10 Dealing Days of the Effective Date. You may deal in your New Shares before you receive the letter of notification confirming the allocation of New Shares to you.

12. Further information

If you have any questions about the proposal or require any further information, please call us free on 0800 953 0134* between 8.00am and 6.00pm Monday to Friday.

Yours faithfully,



Campbell Fleming, CEO

For and on behalf of
Threadneedle Investment Services Limited
as Manager of Threadneedle UK Property Trust

Appendix 1

Main features of the Threadneedle UK Property Trust, the Threadneedle PAIF and the Feeder Fund

The main features of the Threadneedle UK Property Trust, Threadneedle PAIF and the Feeder Fund are set out below.

Part One: Comparison of fund characteristics

Name	Threadneedle UK Property Trust (the Trust)	Threadneedle UK Property Authorised Investment Fund (the Threadneedle PAIF)	Threadneedle UK Property Authorised Trust (the Feeder Fund)
Fund type	Authorised non-UCITS Retail Scheme	Authorised non-UCITS Retail Scheme and a PAIF	Authorised non-UCITS Retail Scheme
Legal structure	Unit trust	OEIC	Unit trust
Manager/ACD	Threadneedle Investment Services Limited	Threadneedle Investment Services Limited	Threadneedle Investment Services Limited
Trustee/Depository	Citibank International Limited	Citibank International Limited	Citibank International Limited
Investment Manager	Threadneedle Asset Management Limited	Threadneedle Asset Management Limited	Threadneedle Asset Management Limited
Standing Independent Valuer	CBRE Limited	CBRE Limited	N/A
Permitted investors	Professional/institutional investors which may be Bodies Corporate and retail investors	Professional/institutional investors which may be Bodies Corporate (subject to the upper limit of 9.5%) and retail investors Body Corporate investors not eligible to invest in the Threadneedle PAIF must invest through the Feeder Fund	Professional/institutional investors which may be Bodies Corporate and retail investors
Investment objective	The objective of the Trust is to obtain a total return based on income and capital appreciation primarily through investment in certain kinds of real estate, property-related securities, government and public securities and units in collective investment schemes	It is intended that the Threadneedle PAIF be a PAIF at all times and so its investment objective is to carry on Property Investment Business and to manage cash raised from investors for investment in the Property Investment Business as further described below. HMRC has confirmed to the ACD that the Threadneedle PAIF meets the requirements to qualify as a PAIF under regulation 690 of the Tax Regulations The objective of the Threadneedle PAIF is to obtain a total return based on income and capital appreciation predominantly through investment in certain kinds of real estate, property-related securities, government and public securities and units in collective investment schemes	It is intended that the Trust be a feeder fund for the Threadneedle PAIF at all times. At the date of this Prospectus, Threadneedle UK Property Authorised Investment Fund, an open-ended investment company, is constituted as a non-UCITS retail scheme and qualifies as a PAIF. The objective of the Trust is to obtain a total return based on income and capital appreciation by investing solely in the Threadneedle PAIF
Investment policy	The Trust will invest primarily in UK commercial real estate. It may also invest in US or Continental European real estate, property-related securities, property investment companies, collective investment schemes (including other collective investment schemes managed, advised or operated by the Manager or its associates), cash and near cash, warrants, deposits and money market instruments. Derivatives may be used for efficient portfolio management purposes only	The Threadneedle PAIF will invest primarily in UK commercial real estate. It may also invest in US or Continental European real estate, property-related securities, property investment companies, collective investment schemes (including other collective investment schemes managed, advised or operated by the ACD or its associates), cash and near cash, warrants, deposits and money market instruments. Derivatives may be used for investment purposes on the giving of 60 days' notice to Shareholders. At the date of this circular derivatives are used for efficient portfolio management purposes only	The Feeder Fund will invest solely in the Threadneedle PAIF. Currently the Trust invests in its Class F Gross Accumulation Shares. The investment policy of the Trust means that it may be appropriate for the Trust to hold cash or near cash. This will only occur where the Manager reasonably regards it as necessary to enable the pursuit of the Trust's objective, redemption of units, efficient management of the Trust in accordance with its objective, or for purposes ancillary to its objective
Unit classes	Class 1 Class 2	Class 1 Class 2 Class F	Class 1 Class 2
Unit class type	Net income and accumulation	Net income and accumulation and gross income and accumulation	Net income and accumulation
Pricing	Dual pricing	Dual pricing	Dual pricing

Part One: Comparison of fund characteristics

Name	Threadneedle UK Property Trust (the Trust)	Threadneedle UK Property Authorised Investment Fund (the Threadneedle PAIF)	Threadneedle UK Property Authorised Trust (the Feeder Fund)
Frequency of pricing	Daily	Daily	Daily
Frequency of dealing for subscriptions and redemptions	Daily	Daily	Daily
Final accounting date	15 May	15 May	15 May
Interim accounting dates	15 November	15 November, 15 February, 15 August	15 November, 15 February, 15 August
Annual distribution date	15 July	15 July	15 July
Interim distribution dates	15 January	15 January, 15 April, 15 October	15 January, 15 April, 15 October
Initial charge	Class 1: 5% Class 2: 0%	Class 1: 5% Class 2: 0% Class F: 0%	Class 1: 5% Class 2: 0%
Annual management charge	Class 1: 1.5% Class 2: 0.75%	Class 1: 1.5% Class 2: 0.75% Class F: 0%	Class 1: 1.5% Class 2: 0.75%
Ongoing charges figure (OCF) (the OCF includes charges such as the fund's annual management charge, registration fee and custody fees)	Class 1: 1.63% Class 2: 0.81%	Class 1: 1.63% Class 2: 0.81%	Class 1: 1.63% Class 2: 0.81%
Minimum initial investment	Class 1: £1,000 Class 2: £500,000	Class 1: £1,000 Class 2: £500,000 Class F: £1,000,000	Class 1: £1,000 Class 2: £500,000
Minimum subsequent investment	Class 1: £1,000 Class 2: £25,000	Class 1: £1,000 Class 2: £25,000 Class F: £1,000,000	Class 1: £1,000 Class 2: £25,000
Minimum holding	Class 1: £500 Class 2: £25,000	Class 1: £500 Class 2: £25,000 Class F: £1,000,000	Class 1: £500 Class 2: £25,000
Minimum redemption	Class 1: £500 Class 2: £25,000	Class 1: £500 Class 2: £25,000 Class F: £1,000,000	Class 1: £500 Class 2: £25,000
Redemption charge	N/A	N/A	N/A
Valuation point	12.00 noon	12.00 noon	12.00 noon
Dealing cut-off point	12.00 noon	12.00 noon	12.00 noon
Limited issue	The Trust does not include any provision within its prospectus to limit unit subscriptions	The Threadneedle PAIF does include the relevant provision to allow us, in certain circumstances, to limit share subscriptions should it be considered necessary. For example, where we consider that substantially all of the subscriptions relating to a Dealing Day, if accepted, could not be efficiently invested without compromising the investment objectives and policy of the fund; or might materially prejudice existing investors' interests	The Feeder Fund does include the relevant provision to allow us, in certain circumstances, to limit unit subscriptions should it be considered necessary. For example, where we consider that substantially all of the subscriptions relating to a Dealing Day, if accepted, could not be efficiently invested without compromising the investment objectives and policy of the fund; or might materially prejudice existing investors' interests.
Deferrals of redemption	No	The ACD is permitted under the terms of the prospectus to introduce a deferred redemption policy upon 60 days' notice to investors.	The Manager is permitted under the terms of the prospectus to introduce a deferred redemption policy upon 60 days' notice to investors.

Part Two: Further information on Property Authorised Investment Funds

Unit Trusts compared with OEICs

The legal structures of the Threadneedle UK Property Trust and the Threadneedle PAIF are different. Whereas the Trust is an authorised unit trust (AUT), the Threadneedle PAIF is an open ended investment company (OEIC).

An OEIC is a type of company and, unlike units being issued in a unit trust, an OEIC issues shares. Like the units of a unit trust, the price of these shares is based upon the value of the fund's assets. Instead of a manager, an OEIC has an authorised corporate director (ACD) and instead of a trustee it has a depositary. However, despite the different names the ACD and the depositary have very similar responsibilities respectively to the manager and the trustee. The level of regulatory protections for both OEICs and AUTs are the same.

Like the Trust, the legal structure of the Feeder Fund is an authorised unit trust.

PAIFs

The PAIF rules were introduced in March 2008 by HMRC. A brief summary of the characteristics of a PAIF are as follows:

- it must be established as an OEIC;
- it must carry on Property Investment Business (that is, a continuing business consisting of a property rental business and/or investment in UK-REITs/or equivalent foreign entities);
- at least 60% of its assets must form part of its Property Investment Business, and at least 60% of its income must come from the Property Investment Business;
- a Body Corporate (excluding nominees) is not permitted to hold 10% or more of a PAIF's shares;
- it must have genuine diversity of ownership that is, the shares are available and marketed to a range of investors (not merely particular specific persons); and
- its income must be streamed for UK tax purposes into property income, interest and dividends.

The major benefit of complying with these rules and obtaining PAIF status is that the tax point is shifted from the PAIF (i.e. the income is no longer subject to 20% tax within the fund) to its investors, making a PAIF exempt from tax on income derived from property and interest. In order to accomplish this, PAIF compliant funds are required to report the income that it pays in three 'streams' for UK tax purposes (see below), although investors still receive one payment.

The main advantage of PAIF status is that UK tax-exempt investors invested in a PAIF such as NISA investors, occupational pension schemes and charities can receive gross property income distributions and gross PAIF distributions (interest). UK companies and UK authorised investment funds can also receive gross distributions.

Some investors who would benefit from receiving PAIF distributions gross may not initially be able to do so because, for instance, their holdings are held on a fund platform which does not yet have the functionality to hold PAIF shares, so they will have to invest in the Feeder Fund instead at the time of the conversion.

The Manager intends to facilitate capital gains and stamp tax-free exchanges of units in the Feeder Fund for shares in the Threadneedle PAIF (on the same pricing basis) at certain times to enable investors constrained in this way to exchange their holdings without suffering any disadvantage at the time of exchange. Such exchanges will take place when there is no accrued income in the Threadneedle PAIF to avoid income tax consequences.

Streamed income

Typically, a property fund like the Trust will derive its income from various sources, including rental income and interest. All the income is distributed to investors periodically as one aggregated payment treated as a dividend distribution which is paid with a non-reclaimable tax credit.

This contrasts with the position for a PAIF. Although a PAIF makes one aggregated income payment each distribution period, it is required to divide its income into up to three separate streams for UK tax purposes (and this breakdown will be shown on each tax voucher):

- property income, which mainly comprises rental income, known as property income distributions;
- interest income, which consists of any interest earned on property securities such as property bonds or on cash deposits, known as PAIF distributions (interest); and
- other income, known as PAIF distributions (dividends).

The identification of the various streams of income allows each of them to be treated differently for tax purposes. Property income distributions and PAIF distributions (interest) will be paid net of basic rate tax (currently 20%). The tax on both of these income streams will be reclaimable by many non-tax payers (and can be paid gross to certain eligible investors). Any other income, i.e. PAIF distributions (dividends), will continue to carry a 10% non-reclaimable tax credit that will satisfy some or all of investors' UK income tax liability.

Who benefits from streamed income?

Table 1 on page 13 provides a summary of our understanding of the current UK legislation and HMRC practice relevant to UK resident investors. The tax consequences of the Scheme may vary depending on the law and regulations of your country of residence, citizenship or domicile. It may be subject to change.

Table 1

Investor Type	Tax Treatment in the Threadneedle PAIF	Tax Treatment in the Feeder Fund	Threadneedle Comment*
Individuals who invest directly	Individuals receive net distributions and they are liable to tax at their marginal rate of income tax, with relief for the 20% tax deducted on property income distributions and PAIF distributions (interest) (this tax can be reclaimed where appropriate). They may set off dividend tax credits on PAIF distributions (dividends) against their income tax liability at their marginal rate for dividend income	Individuals receive dividend distributions with dividend tax credits from the Feeder Fund. They are liable to tax at their marginal rate of income tax for dividend income but non-tax payers cannot reclaim the dividend tax credits	Individuals should vote for the conversion All individuals should invest in shares in the Threadneedle PAIF where practical except for additional rate taxpayers who should consider investing in the Feeder Fund
	How it compares to the position in the Trust		
	Individuals will be in the same or broadly the same after-tax position investing in the Threadneedle PAIF as in the Trust except for individual non-tax payers whose position will be improved by investing in the Threadneedle PAIF. Additional rate (45%) taxpayers would be marginally worse off in the Threadneedle PAIF, so to avoid this they should instead consider investing through the Feeder Fund**	This is the same for investors as in the Trust	
ISA Managers	ISA Managers can receive property income distributions and PAIF distributions (interest) gross from the PAIF	ISA Managers would receive dividend distributions with dividend tax credits from the Feeder Fund and will not be able to reclaim any tax credits	ISA Managers should vote for the conversion and invest in shares in the Threadneedle PAIF where possible
	How it compares to the position in the Trust		
	This is better for investors than the Threadneedle UK Property Trust	This is the same for investors as in the Threadneedle UK Property Trust	
UK tax-exempt investors, including UK occupational and other pension schemes, SIPPs, UK charities, and UK local authorities	UK tax-exempt investors can receive property income distributions and PAIF distributions (interest) gross from the PAIF	UK tax-exempt investors would receive dividend distributions with dividend tax credits from the Feeder Fund and will not be able to reclaim any tax credits	Tax-exempt investors should vote for the conversion and invest in shares in the Threadneedle PAIF where possible
	How it compares to the position in the Trust		
	This is better for investors than the Trust	This is the same for investors as in the Trust	
UK companies and other bodies corporate (owning 9.5% or under of the Threadneedle UK Property Trust)	UK tax-paying companies can receive property income distributions and PAIF distributions (interest) gross from the PAIF. They are liable to tax at the company's rate on the property income distributions and PAIF distributions (interest). No further tax is due on PAIF distributions (dividends)	UK tax-paying companies receive dividend distributions with dividend tax credits from the Feeder Fund. Corporate investors benefit from corporate streaming to offset the tax suffered on the unfranked proportion of the distribution against their tax liability or can reclaim it, as appropriate	These investors should vote for the conversion and complete the Form of Election and Corporate Declarations and Undertakings so that they can invest in shares in the Threadneedle PAIF wherever possible
	How it compares to the position in the Trust		
	There is a cash-flow advantage to investing in gross shares in the Threadneedle PAIF, but the overall tax consequences are the same as investing in the Trust	This is the same for investors as in the Trust	
UK companies and other bodies corporate that would own more than 9.5% of the Threadneedle PAIF	Not applicable – companies and other bodies corporate are not permitted to hold more than 9.5% of the Threadneedle PAIF	UK corporate investors receive dividend distributions with dividend tax credits from the Feeder Fund. Corporate investors benefit from corporate streaming to offset the tax suffered on the unfranked proportion of the distribution against their tax liability or can reclaim it, as appropriate	These investors should vote for the conversion and elect to accept units in the Feeder Fund
	How it compares to the position in the Trust		
	N/A	This is the same for investors as in the Trust	
UK authorised investment funds (including funds of funds)***	UK authorised investment funds can receive property income distributions and PAIF distributions (interest) gross from the PAIF, but they are liable to tax at 20% on the property income distributions and PAIF distributions (interest). No tax is due on PAIF distributions (dividends)	UK authorised funds receive dividend distributions and corporate streaming will apply. However, to the extent that a UK authorised investment fund is to hold units in the Feeder Fund, it will need to obtain an FCA waiver in relation to its restriction on investing in a feeder fund	These investors should vote for the conversion and invest in shares in the Threadneedle PAIF where possible (this will require OEICs to complete the corporate certifications and undertakings)
	How it compares to the position in the Trust		
	There is a cash-flow advantage to investing in gross shares in the Threadneedle PAIF but the overall tax consequences are the same as investing in the Trust	The overall tax consequences are the same as investing in the Trust	

*(Note – some platforms and nominees may not yet be able to support investing in the Threadneedle PAIF).

****Additional information for Additional Rate Taxpayers (ARTs)**

On the basis of historic yield figures, a holding of £10,000 would generate a little over £440 of income per annum. Using the example of £440 income distribution per annum, an ART payer will only be marginally worse off (i.e. £3.08), before taking into account any positive effect of available capital allowances by investing in the PAIF.

*****Additional information for UK authorised investment funds**

For UK authorised funds that are OEICs, the Body Corporate restrictions are applicable so they will need to complete the enclosed Form of Election and Corporate Declarations and Undertakings (blue coloured form). For UK authorised unit trusts, they should invest directly in the Threadneedle PAIF, however, their trustees will need to complete the Form of Election and Corporate Declaration and Undertakings (blue coloured form).

To the extent that a UK authorised investment fund is to hold units in the Feeder Fund, it will need to obtain an FCA waiver in relation to its restriction on investing in a feeder fund.

Please note that the recommendations made by us in relation to specific types of investor does not constitute advice. Please be aware that Threadneedle does not offer investment advice. If you are unsure about your investment options, please speak to a financial adviser.

Appendix 2

The scheme of arrangement to convert the Trust into the Threadneedle PAIF

1. Definitions

- 1.1 In this Scheme of Arrangement for the conversion of the Trust into the Threadneedle PAIF, unless the context otherwise requires, words and terms have the meanings set out in the Glossary to this document (see page 1).
- 1.2 In addition, where relevant in the context, terms which are defined in the COLL Sourcebook and the Investment Funds Sourcebook shall have the same meaning in this Scheme.
- 1.3 References to paragraphs are to paragraphs of the Scheme.
- 1.4 If there is any conflict between the Scheme and the COLL Sourcebook and the Investment Funds Sourcebook, the COLL Sourcebook and the Investment Funds Sourcebook will prevail.

2. The proposed conversion

The Manager proposes that the Trust be merged into the Threadneedle PAIF. (As soon as the conversion is completed the Threadneedle PAIF will qualify for PAIF status).

3. Approval by Unitholders of the Trust

- 3.1 The Scheme is conditional on the passing of an Extraordinary Resolution at the meeting of Unitholders of the Trust by which those unitholders approve the Scheme and instruct the Manager and Trustee to implement the Scheme.
- 3.2 If the Extraordinary Resolution is passed the Scheme will be binding on all unitholders of the Trust (whether or not they voted in favour of it, or voted at all) and the Scheme will be implemented as set out in the following paragraphs.

4. Suspension of dealings in the Trust

In order to facilitate the implementation of the Scheme, dealings in units of the Trust shall be suspended from noon on 30 April 2015.

5. Income allocation arrangements

- 5.1 Income, if any, of the Trust for the period from 16 November 2014 to 11.59 pm on the last Dealing Day before the Effective Date will be allocated to the Existing Unitholders.
- 5.2 The actual and estimated income (if any) available for allocation in respect of accumulation units for this period shall be transferred to the capital account of the Trust and allocated to the accumulation units (being reflected in the value of those units). The income so allocated to accumulation units shall be included in the value of the Trust which is used to calculate the number of New Shares to be issued in the Threadneedle PAIF.
- 5.3 The actual and estimated income (if any) available for allocation in respect of income units for this period shall be transferred to the distribution account of the Trust and allocated to income units. This income shall be distributed to unitholders (within three months of the Effective Date) so that no income property is transferred on the implementation of the conversion.

6. Calculation of the value of the Trust and the Threadneedle PAIF:

- 6.1 The value of the Trust shall be calculated on a net asset value basis as at midnight on the last Dealing Day before the Effective Date using the valuations obtained at 12.00 noon on the last Dealing Day before the Effective Date (less the Retained Amount).
- 6.2 The value of the Threadneedle PAIF shall match the value of the Trust calculated under paragraph 6.1, less the Retained Amount.
- 6.3 In the event that the value of the Trust moves significantly between the time of its calculation under paragraph 6.1 and the transfer of property and issue of New Shares taking place (see paragraph 7.2 below) there will be a revaluation.
- 6.4 These valuations shall be used in the calculation of the number of New Shares in the Threadneedle PAIF to be issued under paragraph 8 below.

7. Issue of New Shares and transfer of property of the Trust to the Threadneedle PAIF:

7.1 Immediately before the Effective Date, the Manager will divide existing classes of units into net and gross classes, to reflect the elections made by unitholders to receive gross class shares where applicable. These unitholders will receive the matching class and type of shares under paragraph 7.3 below as those held in the Trust immediately before the Effective Date.

7.2 As at 12.01 am on the Effective Date:

7.2.1 the Trustee shall continue to hold the Retained Amount as the property of the Trust upon the trusts and provisions set out in the Trust Deed. The remaining property (the value of the Trust less the Retained Amount) of the Trust shall be transferred by the Trustee to the property of the Threadneedle PAIF in full payment for the New Shares to be issued under paragraph 8 below. After the transfer of such remaining property, the Trustee and the Manager shall be freed and discharged from the trusts and provisions set out in the Trust Deed of the Trust in respect of it; and

7.2.2 all units in the Trust shall be deemed to have been cancelled and shall cease to be of any value.

7.3 As at 12.02 am on the Effective Date, the Manager shall issue New Shares (which will be of the same value as the units held in the Trust, less the Retained Amount) to the unitholders in the Trust (who are registered as holding units in the Trust on the Effective Date) free of any initial charge on the basis set out in paragraph 8.1 below.

8. Basis for the issue of the New Shares and New Units:

8.1 New Shares will be issued to each unitholder to the value of that unitholder's individual entitlement to the Trust on the Effective Date in exchange for assets of the Trust.

8.2 In the case of unitholders in the Trust who are not eligible or able or do not wish to invest in the PAIF (the "Feeder Fund Investors"), New Shares will not be issued directly to them but instead to the Trustee of the Feeder Fund to hold on their

behalf (and in this regard the ACD waives the eligibility restriction for New Shares which are available only for investment by the Feeder Fund). The Trustee will add those New Shares to the Feeder Fund when instructed to do so by the ACD (pursuant to its powers under the Instrument of Incorporation of the Threadneedle PAIF) and issue units in the Feeder Fund to the Feeder Fund Investors in exchange for their New Shares (which will be of the same type and class as the units currently held in the Trust).

8.3 The value entitlement of each unitholder in the Threadneedle PAIF or the Feeder Fund, as appropriate, immediately after the conversion will be the same as that in the Trust immediately before the conversion (less the Retained Amount), and the number of New Shares and, where relevant, New Units, as appropriate, received will be identical to the number of Existing Units held.

8.4 New Shares shall be issued even where the value of New Shares to be issued is below the minimum holding amount in the prospectus of the Threadneedle PAIF.

9. Notification of the New Shares and New Units:

9.1 Certificates are not issued in respect of either New Shares issued in the Threadneedle PAIF or New Units issued in the Feeder Fund.

9.2 Each Existing Unitholder in the Trust (or, in the case of joint holders, the first-named holder in the register of holders of the Trust) will be notified of the number of New Shares or New Units, as appropriate, issued to them by 18 May 2015.

9.3 Shareholders in the Threadneedle PAIF or unitholders in the Feeder Fund, as appropriate, may if they wish give instructions for the transfer or sale of some or all of their New Shares or New Units respectively from 5 May 2015.

9.4 Please note that you will not have cancellation rights in respect of the New Shares or New Units which are issued to you under the Scheme. Under the provisions of the FCA Conduct of Business Sourcebook, cancellation rights may apply to subsequent purchases of shares in the Threadneedle PAIF or units in the Feeder Fund.

10. Mandates and other instructions in respect of the New Shares and New Units:

Subject to the Manager receiving any new mandates or instructions to the contrary, mandates and other instructions in force on the Effective Date in respect of a unitholder's units in the Trust shall be deemed to be effective mandates and instructions in respect of the New Shares and New Units, as appropriate, issued to that unitholder under the Scheme.

11. Winding-Up of the Trust:

11.1 On the Scheme becoming effective, the Trustee shall proceed to wind-up the Trust in accordance with the terms of its trust deed, the Scheme, the COLL Sourcebook and the Investment Funds Sourcebook. The Manager or the Trustee shall apply to the FCA for the revocation of the order declaring the Trust to be an authorised unit trust scheme.

11.2 If, on the completion of the winding-up, there are any surplus monies remaining in the Trust they, together with any income arising therefrom, shall be transferred to the Threadneedle PAIF but no further issue of shares in the Threadneedle PAIF shall be made as a result.

11.3 If the Retained Amount within the Trust is insufficient to meet all the liabilities of the Trust, the Trustee shall pay such excess liabilities out of the property of the Threadneedle PAIF to the extent that it remains possible and is permitted by the COLL Sourcebook and the Investment Funds Sourcebook. Any such excess liabilities which cannot be paid out of the scheme property of the Threadneedle PAIF will be paid by the Manager.

11.4 On completion of the winding-up, the Manager and the Trustee shall be discharged from all obligations and liabilities in respect of the Trust (other than those arising from any breach prior to that time).

12. Costs, charges and expenses of the Scheme:

12.1 The Manager and the Trustee shall continue to receive their usual fees and expenses for respectively managing and being trustee of the Trust out of the property of the Trust, which accrue prior to the Effective Date or, in the case of expenses only, are incurred after the Effective Date.

12.2 No initial charge shall be taken by the ACD on the issue of the New Shares under the Scheme or by the Manager on the issue of New Units under the terms of the Scheme in exchange for New Shares.

12.3 The costs of preparing and implementing the Scheme of Arrangement, transaction costs in relation to the Scheme of Arrangement, and legal and audit costs payable in connection with the Scheme of Arrangement, will be borne by the Manager. The audit costs associated with the termination of the Trust will be borne by the Manager. The Trust's normal running costs and transaction costs will continue to be borne by the Trust and its unitholders until the Effective Date.

13. Alterations to the Scheme:

13.1 Should the Manager and ACD and the Trustee and Depositary agree that the Effective Date is to be other than 2 May 2015 then such consequential adjustments shall be made to the other dates in the timetable of the Scheme as they consider appropriate.

13.2 The terms of the Scheme may be amended as agreed by the Manager, ACD, Depositary and the Trustee and approved by the FCA subject to the Manager and the Trustee confirming that such amendment does not involve any unitholders or potential unitholders in the Trust, any shareholders or potential shareholders in the Threadneedle PAIF or unitholders or potential unitholders in the Feeder Fund in any material prejudice. If there is a conflict between the COLL Sourcebook and the Investment Funds Sourcebook governing any of the funds and the Scheme, then the COLL Sourcebook and the Investment Funds Sourcebook shall prevail.

14. Governing law:

The Scheme shall be governed by and shall be construed in accordance with the law of England and Wales.

Appendix 3

Procedure for Meetings

The Notice of Meeting of existing unitholders in the Trust setting out the Extraordinary Resolution to approve the proposed Scheme of Arrangement is set out in Appendix 5.

The quorum for the Meeting is two unitholders present in person or by proxy. If a quorum is not present within half an hour after the time appointed for the Meeting, the Meeting will be adjourned to a date and time at least seven days later. Notice will be given of the adjourned meeting. If at such adjourned meeting a quorum is not present within 15 minutes from the time appointed for the adjourned meeting, if there is one person entitled to be counted in a quorum present in person or by proxy at the meeting, there shall be a quorum.

The Trustee has appointed Daniel Ford, Senior Product Governance Manager, Threadneedle Investment Services Limited (or failing him any other duly authorised representative of Threadneedle Investment Services Limited agreed with the Trustee) to be chairman of the Meeting.

The resolution will be proposed as an "Extraordinary Resolution" and must be carried by a majority in favour of not less than 75% of the total number of votes cast at the Meeting.

The persons entitled to vote and be counted in the quorum are unitholders in the Trust on the date 14 days before the Notice is sent out, but excluding persons who are known to the Manager not to be unitholders at the time of the Meeting, are entitled to vote and be counted in the quorum. Once passed, an Extraordinary Resolution is binding on all unitholders in the relevant fund.

Threadneedle Investment Services Limited as Manager of the Trust is only entitled to be counted in the quorum and vote at the meeting in respect of units which it holds on behalf of or jointly with a person who, if himself the registered unitholder, would be entitled to vote and from whom Threadneedle Investment Services Limited has received voting instructions.

Associates of Threadneedle Investment Services Limited (as Manager of the Trust) are entitled to be counted in a quorum of the Meeting. They may vote at the Meeting in respect of units which they hold on behalf of or jointly with a person who, if himself the registered holder, would be entitled to vote and from whom they have received voting instructions.

In view of the importance of the proposal, the chairman of the Meeting will order a poll to be taken in respect of each Extraordinary Resolution. On a poll, each unitholder may vote either in person or by direction.

The voting rights attaching to each unit in the Trust are such proportion of the voting rights attached to all the units in issue in the Trust (as appropriate) that the price of the unit bears to the aggregate prices of all the units in issue at the date 14 days before the relevant Notice of Meeting is sent out. A unitholder entitled to more than one vote on a poll need not, if he votes, use all his votes or cast all the votes he uses in the same way.

Appendix 4

Consents, clearances and documents

The ACD

The ACD confirms that, in its opinion, the receipt of property under the Scheme of Arrangement by the Threadneedle PAIF will be consistent with the investment objective of the Threadneedle PAIF and can be effected without any breach of Chapter 5 of the COLL Sourcebook.

The Manager

The Manager confirms that, in its opinion, the receipt of property under the Scheme of Arrangement by the Feeder Fund will be consistent with the investment objective of the Feeder Fund and can be effected without any breach of Chapter 5 of the COLL Sourcebook.

The Depositary

The Depositary confirms that in its opinion, the receipt of property under the Scheme of Arrangement by the Threadneedle PAIF will be consistent with the investment objective of the Threadneedle PAIF and can be effected without any breach of Chapter 5 of the COLL Sourcebook.

The Trustee

In accordance with normal practice, Citibank International Ltd, as trustee of the Trust, whilst expressing no opinion on the merits of the conversion proposal and not having been responsible for the preparation of this document and not offering any opinion on the fairness or merits of the Scheme of Arrangement, has informed the Manager by letter that it considers that the Scheme of Arrangement is in an appropriate form to be placed before unitholders in the Trust for their consideration.

The Trustee has also informed the Manager by letter that it consents to the references made to it in this document in the form and context in which they appear.

The Trustee as trustee of the Feeder Fund also confirms that, in its opinion, the receipt of the property into the Scheme of Arrangement by the Feeder Fund will be consistent with the investment objective of the Feeder Fund and can be effected without any breach of Chapter 5 of the COLL Sourcebook.

The FCA

The FCA has confirmed by letter that implementation of the Scheme of Arrangement set out in the circular will not affect the authorisation of the Threadneedle PAIF. Existing unitholders should note that if the proposal is approved at the Meeting, the Trust will commence winding-up on the Effective Date.

UK Tax Clearances and Confirmations

HMRC has confirmed to the Manager by letter that section 103K of the Taxation of Chargeable Gains Act 1992 should not apply to the exchange of units and consequently section 103H of that Act may apply. Accordingly, the Scheme should not involve a disposal of Existing Units for the purposes of tax on capital gains for any unitholder.

New Shares and New Units (as appropriate) will be deemed to have the same acquisition cost and acquisition date for the purposes of tax on capital gains as the existing unitholder's Existing Units which they replace.

HMRC has also given clearances by letter under section 701 of the Income Tax Act 2007 and section 748 of the Corporation Tax Act 2010 that the exchange of units does not create any tax advantages which should be cancelled.

HMRC has confirmed that the Threadneedle PAIF will have PAIF status for UK tax purposes on the date of the conversion.

Documents

Copies of the following documents will be available for inspection at the offices of the Manager during normal business hours on weekdays (excluding bank holidays) from the date of this circular until 20 April 2015:

1. The prospectus and Instrument of Incorporation of the Threadneedle PAIF;
2. the prospectuses and trust deeds of the Trust and the Feeder Fund;
3. the latest annual and half yearly report and accounts for the Trust;
4. the clearance letter from HMRC referred to above;
5. the letter from HMRC regarding the PAIF status of the Threadneedle PAIF; and
6. the FCA approval letter.

Appendix 5

Threadneedle UK Property Trust Notice of Meeting

NOTICE IS HEREBY GIVEN that a Meeting of unitholders of the Threadneedle UK Property Trust (the "Trust"), will be held at the offices of Threadneedle Investment Services Limited, 60 St Mary Axe, London EC3A 8JQ at 9.30 am on 9 April 2015, to consider and vote on the following resolution which will be proposed as an EXTRAORDINARY RESOLUTION:

THAT, the scheme of arrangement (the "Scheme") for the conversion of the Trust to the Threadneedle UK Property Authorised Investment Fund, an open-ended investment company with PAIF status (the "Threadneedle PAIF"), contained in Appendix 2 of the circular dated 9 March 2015 and addressed by Threadneedle Investment Services Limited (the "Manager") to unitholders in the Trust, be and is hereby approved and adopted and, accordingly the Manager and Citibank International Ltd as the manager and the trustee of the Trust and respectively the ACD and Depositary of the Threadneedle PAIF, are hereby instructed to implement and give effect to the Scheme in accordance with its terms.

Campbell Fleming, CEO

For and on behalf of
Threadneedle Investment Services Limited
as Manager of the Threadneedle UK Property Trust

Date: 9 March 2015

NOTES:

- (1) To be passed, an extraordinary resolution must be carried by a majority in favour of not less than 75% of the total votes cast at the Meeting.
- (2) A Unitholder entitled to attend and vote may appoint a proxy, who need not be another Unitholder, to attend and vote instead of him. To be valid Forms of Proxy and the power of attorney or other authority (if any) under which they are signed (or a notarised and certified copy thereof) must be deposited with Threadneedle Investment Services Limited, 60 St Mary Axe, London EC3A 8JQ returning the enclosed Form of Proxy/Voting Form in the pre-paid envelope provided not later than 9.30 am on 7 April 2015.
- (3) On a poll, votes may be given personally or by proxy, and the voting rights attached to each unit shall be such proportion of the voting rights attached to all of the units in issue as the price of the unit bears to the aggregate price(s) of all the units in issue on the date 14 days before the Notice of Meeting is deemed to have been served.
- (4) The quorum for the Meeting is two Unitholders present in person or by proxy. If a quorum is not present within half an hour after the time appointed for the Meeting, the Meeting will be adjourned to a date and time at least seven days later. Notice will be given of the adjourned meeting and if at such adjourned meeting a quorum is not present within 15 minutes from the time appointed for the meeting, one person entitled to be counted in a quorum at the meeting shall be a quorum.
- (5) In notes 1 to 4 above the expression "Unitholder" means persons who were Unitholders in the Trust on the date 14 days before the Notice concerning the Meeting was sent out but excluding persons who are known to Threadneedle Investment Services Limited not to be Unitholders in the Fund at the time of the Meeting and the expression "Unitholder" should be construed accordingly.

TO FIND OUT MORE
visit [threadneedle.com](https://www.threadneedle.com)