

QUESTIONS & ANSWERS

RESTRUCTURE OF THE CLASS L INCOME GBP HEDGED SHARES

What is changing?

From 1 September 2018, we will no longer use currency hedging in the “portfolio hedged” share class in the TIF European Fund. As a result of this action, the share class will become “unhedged” and will subsequently be renamed “Class L Income GBP”.

What is a portfolio hedged share class?

A portfolio hedged class allows the use of currency transactions to reduce the effect of exchange rate fluctuations between the portfolio currency (euro, Swiss francs etc) and the hedged currency (sterling).

What do the changes mean for the share class?

From 1 September 2018, we will no longer “hedge” (i.e. undertake specific trades to minimise the effect of) currency movements on stocks held in the Fund that are denominated in currencies other than sterling.

Why are you making the changes?

We can only manage hedging effectively in a share class if it is above a certain size. Unfortunately, this share class has decreased in size to a level where we can no longer hedge the share class effectively. However, rather than close the class completely, we are giving you the option to retain Class L shares in an unhedged form.

What is the ISIN of the share class?

The current ISIN is GB00BDZYJC21 and this will not change.

How will this affect my investment?

There will be no change to how the overall fund is managed or to the fees we charge.

Will it change the risk profile?

The changes will not result in any significant changes to the overall level of risk associated with the Fund and share classes. The synthetic risk and reward indicator (SRRI), the industry's standard risk rating for the share class, will not change.

Are you restructuring any other hedged share classes?

This is the only portfolio hedged share class that we operate and the changes relate to this structure only.

What do I need to do?

You do not need to take any action as a result of this change.

What if I don't agree with the changes?

If you disagree with this change, you can redeem your shares or you can switch your investment, free of charge, into another share class in the Threadneedle European Fund. Please note that the Threadneedle European Fund does not currently offer other hedged share classes. Alternatively, you can switch your investment free of charge into another Threadneedle fund.

What if I don't agree with the changes?

If you require any further information, please call us on 0800 953 0134* if you are in the UK or on 0044 1268 444 321 if you're based outside of the UK. Our team is available from 8.00am to 6.00pm, Monday to Friday (UK time).

*calls may be recorded