



Transfer of customer assets

Questions and Answers

What is changing?

We are planning to transfer the assets of investors in certain share classes from our UK-based OEIC¹ fund range into equivalent share classes within our established Luxembourg-based SICAV² range. The transfers will be made by a process called a scheme of arrangement. Following this, the affected OEIC share classes will be wound up. The proposals are subject to shareholder approval.

Why are you making these changes?

When the UK leaves the European Union (and at the end of any associated transition period), we expect that UK-based OEIC funds will lose their UCITS³ status. Our aim is to provide certainty for our investors and to ensure they can continue to access our best investment strategies while also remaining in a UCITS-compliant fund, regardless of the final agreement between the UK and the EU.

Have you communicated with investors in the impacted funds?

Yes. We have written to all impacted investors to explain the changes and how these may affect them.

How will investors be affected by the transfers?

The Luxembourg funds will be managed in the same way as the existing UK funds. The Annual Management Charge (AMC) for investors in the SICAV will be set at the same levels as existed in the OEIC. Investors should note that a tax d'abonnement (subscription tax) of 0.05% per annum applies to retail share classes in all Luxembourg SICAVs and this will be included in the operating expenses incurred by investors. For qualifying institutional investors investing into an institutional share class this tax reduces to 0.01% per annum.

What options do investors have?

We do not expect that there will be anything prohibiting UK investors from investing in a SICAV after the UK leaves the EU. We understand, however, that UK-based investors in impacted funds may not want to transfer to a SICAV share class. If investors don't agree with the changes:

1. They can vote against the changes. 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 their investment will be moved to the SICAV.
2. They can move their investment, free of charge, to another of our funds not impacted by the transfers.
3. They can cash in their investment before the transfer free of charge.

How will UK investors in your SICAV funds be impacted?

We don't expect these investors to be impacted. There is currently nothing to suggest that UK investors won't be able to hold SICAVs after the UK leaves the EU. This is supported by the FCA's inbound passporting statement which was published on 24 July and is available on the following link:

<https://www.fca.org.uk/markets/eu-withdrawal/temporary-permissions-regime>

What are the tax implications of moving from an OEIC to a SICAV?

There may be tax implications depending on individual circumstances. We are unable to provide tax advice and we therefore suggest that investors seek professional advice about any potential tax implications.

¹OEIC stands for open-ended investment company.

²SICAV stands for société d'investissement à capital variable, which is simply French for "investment company with variable capital".

³UCITS stands for Undertakings for Collective Investment in Transferable Securities. UCITS provides a harmonised regulatory regime for the management and sale of mutual funds within the European Union.

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