

ISA TERMS AND CONDITIONS – COMPARISON OF KEY TERMS

The table below compares the terms and conditions for the Existing Funds (as defined in the Shareholder letter dated 13 March 2017), and the terms and conditions for the New Funds.

If the transfer of the Existing Funds to the New Funds is approved, investors will be subject to the terms and conditions for the New Funds. The terms and conditions are issued by Threadneedle Investment Services Limited (TISL).

	Terms and conditions before transfer(s)	Terms and conditions if transfer(s) are approved	Differences
Death	<ul style="list-style-type: none"> ■ ISA will automatically terminate in the event of death ■ All rights will vest in personal representative who should promptly inform TISL of investor's death ■ TISL will stop collecting monthly investments and tax exempt status will end ■ Personal representatives may, upon providing evidence of death, ask TISL to sell investments or register them in the name of another person ■ TISL will transfer or sell shares after selling sufficient shares to reimburse TISL or HMRC any outstanding monies 	<ul style="list-style-type: none"> ■ ISA will terminate in the event of death ■ Any interest or income in respect of your investments that arises after the date of your death will not be considered as part of an ISA ■ Investments will not be sold until TISL has received enough information to prove that the person claiming the investments is legally entitled to them 	<ul style="list-style-type: none"> ■ TISL may currently retain such proceeds as are necessary to settle any outstanding fees or transactions. This is not explicitly contained in the terms and conditions for the New Funds
Termination by investor	<ul style="list-style-type: none"> ■ Termination of the ISA will not take effect until any outstanding tax claims have been received from HMRC ■ TISL may retain such proceeds as are necessary to settle any outstanding fees or transactions 	<ul style="list-style-type: none"> ■ Investors can close their ISA account by giving notice to TISL in writing 	<ul style="list-style-type: none"> ■ TISL may retain such proceeds as are necessary to settle any outstanding tax claims, fees or transactions. This is not explicitly contained in the terms and conditions for the New Funds
Termination by TISL	<ul style="list-style-type: none"> ■ TISL may terminate immediately if it TISL believes it is no longer possible to manage the ISA in accordance with the regulations or the investor is in breach of the regulations ■ TISL may retain such proceeds as are necessary to settle any outstanding fees and any transactions commenced for the investor ■ TISL reserves the right to reclaim any tax reclaims already paid to the investor ■ If TISL wishes to stop managing the ISA it will give a minimum of 2 months' written notice to investors 	<ul style="list-style-type: none"> ■ TISL can close your ISA straight away by written notice to you if you are in breach of the law or regulatory requirements relating to ISAs ■ TISL can close the ISA on one month's notice if investors have materially breached the terms and conditions and the breach cannot be remedied 	<ul style="list-style-type: none"> ■ TISL reserves the right to reclaim any tax reclaims already paid to the investor ■ TISL may currently retain such proceeds as are necessary to settle any outstanding fees and any transactions commenced for the investor. This is not explicitly stated in the terms and conditions for the New Funds ■ There is no minimum time frame for TISL to give notice that it wishes to stop managing the ISA explicitly contained in the terms and conditions for the New Funds

Terms and conditions before transfer(s)	Terms and conditions if transfer(s) are approved	Differences	
<p>Liability</p>	<ul style="list-style-type: none"> ■ TISL is liable for our negligence, wilful default and for any breaches of the rules of the FCA, the rules and regulations of the HMRC or of these terms. TISL is not liable for any loss caused through a fall in the value of Investments unless that fall was due to its negligence or wilful default ■ TISL accepts no responsibilities for your ISA until cleared funds are received, nor for any loss or delay caused in the payment of funds to us ■ If we cannot perform any of our obligations under these terms due to circumstances beyond our reasonable control, then we will take all reasonable steps to bring those circumstances to an end, but we will not be liable for our non-performance except to the extent required by the FCA rules ■ We will not be liable for any loss arising directly or indirectly from the late collection of a direct debit payment that is not due to our fault, including any loss of investment opportunity or loss of tax relief 	<ul style="list-style-type: none"> ■ Under the terms and conditions for the New Funds, TISL's liability will be governed by applicable laws 	
<p>Amendment to terms and conditions</p>	<ul style="list-style-type: none"> ■ Amendment to terms and conditions is possible with at least one month's prior notice provided the changes do not materially affect your interests or alter the fundamental basis of your investment ■ Terms and conditions may be amended without notice if required by a change of FCA rules or regulations of HMRC provided TISL notifies investors in writing of any material changes 	<ul style="list-style-type: none"> ■ TISL may change the terms and conditions to: <ul style="list-style-type: none"> ■ take account of changes in legal, tax or regulatory requirements ■ fix any errors, inaccuracies or ambiguities we may discover in future ■ make them clearer or more favourable to you ■ take account of any reorganisation we may conduct within the Threadneedle Group or to transfer our rights and obligations under these Terms and Conditions to another Threadneedle Group company provided this does not put you on worse terms ■ provide for the introduction of new or improved systems, methods of operation, service or facilities provided this does not put you on worse terms. ■ TISL will provide at least 30 days' notice in writing before changing the terms and conditions unless this is not possible in the circumstances 	<ul style="list-style-type: none"> ■ Broadly comparable. In either case, investors may terminate their agreement if the changes adversely affect their interests or the fundamental basis of the investment
<p>Indemnification</p>	<ul style="list-style-type: none"> ■ TISL is indemnified against all liabilities incurred in connection with the management of the ISA other than liabilities caused as a direct result of TISL's negligence, wilful default or breach of the rules of the FCA, HMRC or terms and conditions 	<p>No indemnity</p>	<ul style="list-style-type: none"> ■ The terms and conditions for the New Funds do not contain an indemnity in TISL's favour

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