

QUESTIONS & ANSWERS

THREADNEEDLE ETHICAL UK EQUITY FUND

1. What changes are you making?

We are changing the Fund's name, investment objective and policy to reflect the Fund's positive focus on sustainability, namely:

- i) An amendment to the Fund's investment objective and policy to reflect the Fund's positive focus on sustainability and to clarify how the Fund is managed;
- ii) Change of benchmark to the FTSE All-Share Index as we believe it provides a broader universe for dictating the companies to exclude than is currently the case; and
- iii) Change of the name of the Fund to "UK Sustainable Equity Fund" to reflect its new investment objective and policy.

The Fund follows a strong philosophy that companies that operate in a sustainable manner are more likely to generate sustainable returns over time. There is also a huge investment opportunity in those companies which can deliver solutions to the world's sustainability challenges.

At the same time, we are taking this opportunity to provide greater clarity on how the Fund is managed and to reflect best practice in the market; a process we are undertaking for all the funds in our fund range.

The Fund's Sustainable Investment Guidelines have been adapted to reflect these changes and are available in the Prospectus and on the website at www.columbiathreadneedle.com/changes.

2. Why are you changing the benchmark from an Environmental, Social and Governance (ESG) / Socially Responsible Investment (SRI) index to the FTSE All-Share? Why are you not using an ESG/SRI specific benchmark?

The current index is the MSCI UK IMI Extended SRI Index and we consider it to have sector biases, such as a bias towards pharma stocks that skews the Fund. We believe the FTSE All Share benchmark would provide a similar universe but would allow us to avoid such biases. The FTSE All-Share is considered appropriate because it provides a broader range of companies from which to determine which stocks to include and which to exclude.

3. What do you mean by sustainability?

Companies with products, services and impacts which enhance society and provide solutions to its most pressing challenges – from climate change to affordable housing.

4. Why focus on sustainability?

There is evidence that companies that actively contribute to sustainability, and with good environmental, social and governance practices, generate better returns over the longer term than companies who do not.

5. Where can I find the Fund's Sustainable Investment Guidelines?

The Sustainable Investment Guidelines are available in the Fund's Prospectus and also at www.columbiathreadneedle.com/changes.

6. When will the changes become effective?

The changes will be effective from 1 July 2019.

7. Are you changing how the Fund is managed?

There will be no change to how the Fund is managed as a result of these changes.

8. Will the portfolio manager be changing?

No, the portfolio manager will not be changing. James Thorne and Sonal Sagar will continue to manage the Fund, supported by portfolio managers and analysts on our UK Equity Desk. In addition, we have a dedicated Governance and Responsible Investment Team who work alongside our portfolio managers and analysts on the integration of sustainability and ESG analysis into the investment process, company engagement, proxy voting, ESG policy issues and client reporting.

9. Are there any changes to the risk profile of the Fund?

There is no change to the risk profile of the Fund. The Fund has a Risk and Reward Indicator "SRRI" rating of 5 and this will not change as a result of these changes. The Fund is rated 5 because historically it has shown a medium to high level of volatility (how much the value of the Fund goes up and down).

10. What are the key investment risks associated with this Fund?

Sustainable Investment Criteria

The Fund aims to invest in companies which deliver sustainable outcomes and in doing so adheres to a set of Sustainable Investment Guidelines. The Guidelines will affect the Fund's exposure to certain sectors, which may impact the performance of the Fund positively or negatively relative to a benchmark or other funds without such restrictions.

For further details of all the risks associated with the fund, please refer to the Prospectus which can be found at www.columbiathreadneedle.com.

11. Will there be a change to the fees charged as a result of the changes?

No, there will be no changes to the fees charged as a result of the changes.

12. Do you have more details about the Fund?

Please see the Fund’s Sustainable Investment Guidelines and Prospectus for further details. These are available at columbiathreadneedle.com/changes.

13. What are the current and new investment policy and objective?

Current Objective and Policy	New Objective and Policy
<p>The investment objective of the Fund is to achieve a total return by way of income and capital growth by investing in companies that meet the ACD’s criteria for responsible and ethical practices.</p> <p>The investment policy is to invest predominantly in shares of UK companies that meet the Fund’s ethical investment criteria as determined and published by the ACD from time to time.</p> <p>In doing so, the ACD will have regard to the environmental, social and corporate governance standards and practice of companies and the extent to which they contribute to products, services or practices that enhance quality of life.</p> <p>Depending on the number of companies that satisfy the ACD’s ethical investment criteria from time to time, this may result in a concentrated portfolio of holdings.</p> <p>The Fund’s ethical investment criteria may be amended from time-to-time.</p> <p>If the ACD considers it desirable, it may also invest in fixed income instruments, money market instruments, cash and near cash.</p> <p>The Fund is permitted to use derivatives for efficient portfolio management purposes.</p>	<p>The Fund aims to achieve a return over the long term, consisting of capital growth and some income, achieved through investment in companies that are positively exposed to sustainable themes through their products and services, as well as those with strong or improving environmental, social and governance (ESG) characteristics.</p> <p>The Fund is actively managed, and invests at least 75% of its assets in shares of companies domiciled in the UK, or which have significant UK business operations.</p> <p>The Fund focusses on selecting companies delivering sustainable outcomes or progressing towards the delivery of sustainable outcomes, as outlined in the Fund’s Sustainable Investment Guidelines. Those companies will offer products and services aligned to the Fund’s sustainable themes, or demonstrate leadership on sustainability issues through strong environmental, social, and governance practices.</p> <p>On occasion, the Fund may invest in other securities (including fixed interest securities), and collective investment schemes (including funds managed by Columbia Threadneedle companies), when deemed appropriate.</p> <p>The Fund may also hold money market instruments, deposits, cash and near cash.</p> <p>The Fund is not permitted to invest in derivatives for investment purposes, but derivatives may be used with the aim of reducing risk or managing the Fund more efficiently.</p>

14. Which share classes are affected by the changes?

Share Class	Share Class Type	Distribution Type	ISIN
Class T Income GBP	Retail – available to certain investors	Income	GB00BZ21SR80
Class Z Accumulation GBP	Clean	Accumulation	GB00BZ21SS97

Additional share classes are available on request

15. Do I have to take any action?

You do not have to take any action as a result of these changes.

16. What options do I have if I don't agree with the changes?

If you disagree with the changes, you can redeem your shares or you can switch your investment, free of charge, into another Threadneedle fund.

Should you decide to redeem or switch your shares, it may be treated as a disposal for capital gains tax purposes. Please be aware that if you choose to redeem your holdings and your shares are held in an ISA, then your investment will lose its ISA status.

Details of our full range of funds are set out in the prospectuses which are available at **columbiathreadneedle.com**.

17. Are there any tax implications?

There may be tax implications depending on your individual circumstances. We are unable to provide tax advice and we therefore suggest that you seek advice from your tax adviser about any potential tax implications before you take any action.

18. Who should I contact if I want to find out more?

If you have any questions regarding the changes, you can call us Monday to Friday between 8:00am and 6:00pm (UK time) on 0800 953 0134* for UK-based investors or +352 46 40 10 7020* for investors outside of the UK.

Please note we do not provide investment advice. If you are unsure about any aspects of your investment, you should contact a financial adviser. If you are UK based and do not have a financial adviser, you can find one in your area by visiting www.unbiased.co.uk – please note we do not endorse the advisers on the site.

*Calls may be recorded.