

QUESTIONS & ANSWERS

THREADNEEDLE MANAGED FUNDS RANGE

From 5 August 2019 we will be making changes to these funds (The Funds):

- Threadneedle Managed Bond Fund
- Threadneedle Managed Bond Focused Fund
- Threadneedle Managed Equity & Bond Fund
- Threadneedle Managed Equity Focused Fund
- Threadneedle Managed Equity Fund

1. What is changing?

We are making changes to the investment objective and policy of each of the Funds.

The investment objective and policy of each Fund currently states that the Fund will invest at least two-thirds of their assets in funds managed or operated by companies in the Threadneedle group. We are changing this description to reflect that the Funds will be able to invest at least 80% of the Fund's assets in other funds, usually other funds in the Columbia Threadneedle group, however other funds may also be held.

Furthermore, the new investment objective and policy for each Fund will provide details of their typical maximum exposure to equities and bonds.

Many funds sold in the UK are grouped into sectors or categories to facilitate comparison between funds with broadly similar characteristics (peer groups). Each of the Funds will show comparator benchmarks that can be used to measure their performance.

Full details of the investment objective and policy and comparator benchmarks of the Funds are shown in the appendix enclosed with the letter, also at the end of this Q&A.

2. Why are the changes being made?

We believe that the revised objectives and policies description better explains how the Funds are invested.

Despite the changes to the description, the investment manager's overall investment approach will not change. The Funds will continue to focus investment in other funds that provide exposure to bonds and equities worldwide. The extent of exposure to each asset class depends on which Fund you are invested in.

Full details of the current and new investment objective and policy of each Fund are provided at the end of this Q&A.

3. When are the changes being made?

The changes to the Funds will be effective from 5 August 2019.

4. Will there be an impact on the fees I pay?

No, these changes will not affect the fees you pay. Columbia Threadneedle Investments will cover all costs related to these changes.

5. What action do I need to take?

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

6. 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. If you choose to switch your holdings and want to retain your ISA status, then you should ensure that any switch is done between any of Threadneedle's UK Authorised funds (excluding our Luxembourg SICAV range and the Threadneedle Sterling Short-Term Money Market Fund).

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

Columbia Threadneedle does not give any investment or tax advice. If you are in doubt about the suitability of any investment, you should speak to your financial adviser.

7. 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 8:00 am and 6:00 pm (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 that we do not endorse this website or the advisers on it.

*Please note that calls may be recorded.

Appendix: Comparison of the Investment Objective and Policy of the Funds

Threadneedle Managed Bond Fund

Current Objective and Policy	New Objective and Policy
<p>To provide income with potential for capital growth.</p> <p>The Fund will invest at least two-thirds of its assets in funds managed or operated by companies in the Threadneedle group. These funds may invest worldwide.</p> <p>The Fund will invest at least two-thirds its assets in funds that invest in fixed income securities but will also have some exposure to company shares.</p> <p>The Fund may also hold cash, near cash and money market instruments.</p> <p>Up to 20% of the value of the Fund may be invested in funds that invest in derivatives for purposes other than Efficient Portfolio Management.</p> <p>The investment policy of the Fund allows it to invest in derivatives for the purposes of reducing risk or minimising the cost of transactions.</p>	<p>The Fund aims to provide income with potential for capital growth over the long term (5 years or more).</p> <p>The Fund is actively managed and invests at least 80% of its assets in other funds.</p> <p>The Fund usually invests in other Threadneedle funds, however, funds managed by companies outside the Threadneedle group may also be held, when this is considered appropriate. These funds may invest worldwide.</p> <p>The Fund focuses on investment in funds providing exposure to bonds (including corporate and government bonds), and to a lesser extent, funds investing in equities (company shares).</p> <p>The balance of the exposure between these different asset types may vary over time, however, equity exposure will usually not exceed 20% of the Fund's value, under normal market conditions.</p> <p>The Fund may also hold money market instruments, deposits, cash, and near cash.</p> <p>Derivatives may be used with the aim of reducing risk or managing the Fund more efficiently, and up to 20% of the value of the Fund may be invested in funds that use derivatives for investment purposes.</p> <p>Other Information:</p> <p>Many funds sold in the UK are grouped into sectors or categories, to facilitate comparison between funds with broadly similar characteristics (peer groups).</p> <p>This Fund is included in the Morningstar Category GBP Cautious Allocation. Performance data on funds within this category may be used when evaluating the performance of this Fund.</p>

Threadneedle Managed Bond Focused Fund

Current Objective and Policy	New Objective and Policy
<p>To provide a total return by way of income and capital growth.</p> <p>The Fund will invest at least two-thirds of its assets in other funds managed or operated by companies in the Threadneedle group. These funds may invest worldwide.</p> <p>The Fund will invest with a focus on funds that invest in fixed income securities, but will also have exposure to company shares, particularly the shares of UK companies or companies with significant UK operations.</p> <p>The Fund may also hold cash, near cash and money market instruments.</p>	<p>The Fund aims to provide a return over the long term (5 years or more), by way of income and capital growth.</p> <p>The Fund is actively managed, and invests at least 80% of its assets in other funds.</p> <p>The Fund usually invests in other Threadneedle funds, however, funds managed by companies outside the Threadneedle group may also be held, when this is considered appropriate. These funds may invest worldwide.</p> <p>The Fund focuses on investment in funds providing exposure to bonds (including corporate and government bonds), and to a lesser extent, funds investing in equities (company shares), particularly the shares of UK companies.</p>

<p>Up to 20% of the value of the Fund may be invested in funds that invest in derivatives for purposes other than Efficient Portfolio Management.</p> <p>The investment policy of the Fund allows it to invest in derivatives for the purposes of reducing risk or minimising the cost of transactions.</p> <p>The investment policy of the Fund allows it to invest in derivatives for the purposes of reducing risk or minimising the cost of transactions.</p>	<p>The balance of the exposure between these different asset types may vary over time, however, equity exposure will usually not exceed 35% of the Fund's value, under normal market conditions.</p> <p>The Fund may also hold money market instruments, deposits, cash, and near cash.</p> <p>Derivatives may be used with the aim of reducing risk or managing the Fund more efficiently, and up to 20% of the value of the Fund may be invested in funds that use derivatives for investment purposes.</p> <p>Other Information:</p> <p>Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to facilitate comparison between funds with broadly similar characteristics (peer groups).</p> <p>This Fund is included in the IA Mixed Investments 0-35% Shares sector. Performance data on funds within this sector may be used when evaluating the performance of this Fund.</p>
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Threadneedle Managed Equity & Bond Fund

Current Objective and Policy	New Objective and Policy
<p>To provide a total return by way of capital growth and income.</p> <p>The Fund will invest at least two-thirds of its assets in funds managed or operated by companies in the Threadneedle group. These funds may invest worldwide.</p> <p>The Fund's investments will be a balance of funds that invest in fixed income securities and funds that hold company shares.</p> <p>The Fund may also hold cash, near cash and money market instruments.</p> <p>Up to 20% of the value of the Fund may be invested in funds that invest in derivatives for purposes other than Efficient Portfolio Management.</p> <p>The investment policy of the Fund allows it to invest in derivatives for the purposes of reducing risk or minimising the cost of transactions.</p>	<p>The Fund aims to provide a return over the long term (5 years or more), by way of capital growth and income.</p> <p>The Fund is actively managed, and invests at least 80% of its assets in other funds.</p> <p>The Fund usually invests in other Threadneedle funds, however, funds managed by companies outside the Threadneedle group may also be held, when this is considered appropriate. These funds may invest worldwide.</p> <p>The Fund focuses on investment in funds providing exposure to equities (company shares), and bonds (including corporate and government bonds).</p> <p>The balance of the exposure to these different asset types may vary over time, however, equity exposure will usually not exceed 60% of the Fund's value, with at least 30% exposure maintained to bonds, under normal market conditions.</p> <p>The Fund may also hold money market instruments, deposits, cash, and near cash.</p> <p>Derivatives may be used with the aim of reducing risk or managing the Fund more efficiently, and up to 20% of the value of the Fund may be invested in funds that use derivatives for investment purposes.</p> <p>Other Information:</p> <p>Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to facilitate comparison between funds with broadly similar characteristics (peer groups).</p>

	This Fund is included in the IA Mixed Investments 20-60% Shares sector . Performance data on funds within this sector may be used when evaluating the performance of this Fund.
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Threadneedle Managed Equity Focused Fund

Current Objective and Policy	New Objective and Policy
<p>To provide a total return by way of capital growth and income.</p> <p>The Fund will invest at least two-thirds of its assets in funds managed or operated by companies in the Threadneedle group. These funds may invest worldwide.</p> <p>The Fund will invest with a focus on funds that invest in company shares, but will also have exposure to fixed income securities.</p> <p>The Fund may also hold cash, near cash and money market instruments.</p> <p>Up to 20% of the value of the Fund may be invested in funds that invest in derivatives for purposes other than Efficient Portfolio Management.</p> <p>The investment policy of the Fund allows it to invest in derivatives for the purposes of reducing risk or minimising the cost of transactions.</p>	<p>The Fund aims to provide a return over the long term (5 years or more), by way of capital growth and income.</p> <p>The Fund is actively managed, and invests at least 80% of its assets in other funds.</p> <p>The Fund usually invests in other Threadneedle funds, however, funds managed by companies outside the Threadneedle group may also be held, when this is considered appropriate. These funds may invest worldwide.</p> <p>The Fund focuses on investment in funds providing exposure to equities (company shares), but also has some exposure to bonds (including corporate and government bonds).</p> <p>The balance of the exposure to these different asset types may vary over time, however, equity exposure is usually between 50-85% of the Fund's value, under normal market conditions.</p> <p>The Fund may also hold money market instruments, deposits, cash, and near cash.</p> <p>Derivatives may be used with the aim of reducing risk or managing the Fund more efficiently, and up to 20% of the value of the Fund may be invested in funds that use derivatives for investment purposes.</p> <p>Other Information:</p> <p>Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to facilitate comparison between funds with broadly similar characteristics (peer groups).</p> <p>This Fund is included in the IA Mixed Investments 40-85% Shares sector. Performance data on funds within this sector may be used when evaluating the performance of this Fund.</p>

Threadneedle Managed Equity Fund

Current Objective and Policy	New Objective and Policy
<p>To provide a return by way of capital growth.</p> <p>The Fund will invest at least two-thirds of its assets in funds managed or operated by companies in the Threadneedle group. These funds may invest worldwide.</p> <p>The Fund will invest at least two-thirds of its assets in funds that invest in company shares, but also have some exposure to fixed income securities.</p>	<p>The Fund aims to provide a return over the long term (5 years or more), by way of capital growth.</p> <p>The Fund is actively managed, and invests at least 80% of its assets in other funds.</p> <p>The Fund usually invests in other Threadneedle funds, however, funds managed by companies outside the Threadneedle group may also be held, when this is considered appropriate. These funds may invest worldwide.</p>

The Fund may also hold cash, near cash and money market instruments.

Up to 20% of the value of the Fund may be invested in funds that invest in derivatives for purposes other than Efficient Portfolio Management.

The Fund focuses on investment in funds providing exposure to equities (company shares), with only limited exposure taken to bonds (including corporate and government bonds).

The balance of the exposure to these different asset types may vary over time, however, equity exposure usually exceeds two-thirds of the Fund's value, under normal market conditions.

The Fund may also hold money market instruments, deposits, cash, and near cash.

Derivatives may be used with the aim of reducing risk or managing the Fund more efficiently, and up to 20% of the value of the Fund may be invested in funds that use derivatives for investment purposes.

Other Information:

Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to facilitate comparison between funds with broadly similar characteristics (peer groups).

This Fund is included in the **IA Flexible Investment sector**. Performance data on funds within this sector may be used when evaluating the performance of this Fund.