

Please address any replies to:
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columbiathreadneedle.com

Dear Adviser,

Proposed scheme of arrangement for the merger of the Threadneedle UK Select Fund into the Threadneedle UK Fund

We have written to your clients as shareholders in the Threadneedle UK Select Fund to explain our proposal to merge this fund into the Threadneedle UK Fund, by way of a scheme of arrangement (the “**Merger**”). Throughout this letter, and in the Shareholder Circular, we refer to the Threadneedle UK Select Fund as the “Merging Fund” and the Threadneedle UK Fund as the “Receiving Fund”.

A copy of the Shareholder Circular can be found on our website columbiathreadneedle.com/changes

What is changing?

We are proposing to transfer the assets of the Merging Fund into the Receiving Fund, another UK equity investment fund managed by us, on the terms set out in the scheme of arrangement. The Merging Fund and the Receiving Fund are both sub-funds of the same open-ended investment company, Threadneedle Investment Funds ICVC. Full details of the proposed scheme of arrangement can be found in the Shareholder Circular which has been sent to your clients.

Why is Columbia Threadneedle Investments proposing these changes?

The Merger will bring together two quite similar funds. Threadneedle UK Select Fund, the smaller of the two funds, has not attracted significant new investment in recent years, and reduced in size to around £255m as at 30 July 2021. By merging it into the larger Receiving Fund (around £1,846m as at 30 July 2021), shareholders may benefit from economies of scale associated with the management of a larger pool of assets.

From the Effective Date of the Merger, all shareholders moving into the Receiving Fund will benefit from lower charges, as measured by the Estimated Ongoing Charges Figure or OCF, set out in the Shareholder Circular at Appendix 1, Part B.

What do my clients need to do?

Your clients can vote on the proposed Merger at an Extraordinary General Meeting (EGM). It is important that they read the letter and Shareholder Circular which has been sent to them. Together, they form notification of the proposed Merger and the EGM and provide full details of the process and implications for investors.

Your clients can vote for or against the proposal by completing the Form of Proxy. Please note that due to the Covid-19 pandemic, we are not holding in person votes. Instead, the Chair of the meeting can vote on behalf of your clients as instructed by them on the Form of Proxy. Investors may join the meeting virtually if they wish to do so, and the Chair will take questions. The results of the votes will be published on our website columbiathreadneedle.com/changes following the EGM.

If your clients wish to vote, they should return the completed Form of Proxy in the pre-paid return envelope provided, to Civica Election Services Ltd, The Election Centre, 33 Clarendon Road, London N8 0NW, United Kingdom. This must reach us no less than 48 hours before the time of the EGM, being held at 11 am (UK time) on 20 October 2021. The Form of Proxy can be found with the documents we have sent them.

When will the Merger take place?

If approved, the Merger will take place on 19 November 2021, or the soonest date thereafter, if for any reason the Merger must be postponed. However, for the Merger to proceed, at least 75% of votes cast at the EGM must be in favour of the Merger.

How will my clients' investment be affected by the Merger?

If the Merger is approved, we will transfer the assets of the Merging Fund into the Receiving Fund and in exchange, your clients will receive new shares in the Receiving Fund, on the terms set out in the scheme of arrangement. They will receive a confirmation letter with details of their new shares in the Receiving Fund.

The Receiving Fund will continue to be managed in the same way as it is currently and the Merging Fund will be terminated once the Merger has taken place.

If the Merger is not approved by its shareholders, the Merging Fund will continue to be managed as it is currently and your clients' investment will remain unchanged.

Will there be any cost to investors?

All costs associated with the Merger will be borne by Columbia Threadneedle Investments. This includes costs incurred during the period between the EGM and the Effective Date as changes are made to the portfolio of assets held by the Merging Fund specifically to align with the Receiving Fund's portfolio.

Can my clients redeem or switch their holding to another fund?

If your clients do not wish to participate in the Merger and they do not wish for their investment to be transferred to the Receiving Fund, they have the following options:

- They may redeem their shares; or
- They may switch their investment from the Merging Fund to another UK domiciled Threadneedle fund free of charge.

Any redemption or switch made up to and including the 12 noon (UK time) valuation point on 18 November 2021 will be free of initial or redemption charges. In order to redeem their shares or switch their holding before the Merger, we must receive your clients' instructions by 12 noon (UK time) on 18 November 2021. Instructions received after this time will be deemed to apply to their shares in the Receiving Fund.

If the vote in favour of the Merger is passed and your clients take no action to redeem or switch their holding in the Merging Fund, they will receive shares in the Receiving Fund from the Effective Date.

Are there any tax implications?

There may be tax implications depending on your clients' individual circumstances should they decide to switch or sell their shares in the Merging Fund. We are unable to provide tax advice and we therefore suggest that investors seek advice from their tax adviser about any potential tax implications before they take any action.

Further information

If you are unclear about the contents of this letter, or have any further questions, please contact us. For UK advisers please call us on 0800 953 0134*. For advisers outside the UK, please call +44 1268 444 321*. Our team is available from 8:00am to 6:00pm, Monday to Friday (UK time).



Dei McLaughlin
Head of EMEA Client Services
Columbia Threadneedle Investments

*Calls may be recorded.