

Please address any replies to:

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[columbiathreadneedle.com](http://columbiathreadneedle.com)

Dear Investor,

### **Proposed scheme of arrangement for the merger of the Threadneedle UK Select Fund into the Threadneedle UK Fund – action required**

We are writing to you as a shareholder 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**”). It is important that you read this letter, as well as the enclosed Shareholder Circular, as you have the opportunity to vote on the proposed Merger which we believe to be in your best interests.

Throughout this letter, and in the enclosed Shareholder Circular, we refer to the Threadneedle UK Select Fund as the “Merging Fund” and the Threadneedle UK Fund as the “Receiving Fund”.

#### **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 enclosed Shareholder Circular.

#### **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 I need to do?**

You are able to vote on the proposed Merger at an Extraordinary General Meeting (EGM). It is important that you read this letter and the enclosed Shareholder Circular. Together, they form notification of the proposed Merger and the EGM and provide full details of the process and implications for you as an investor.

You can vote for or against the proposal by completing the enclosed 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 your behalf as instructed by you 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](http://columbiathreadneedle.com/changes) following the EGM.

**If you wish to vote, you 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 to 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 enclosed with this document.**

#### **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 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, you will receive new shares in the Receiving Fund, on the terms set out in the scheme of arrangement. You will receive a confirmation letter with details of your 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 investment will remain unchanged.

### **Will there be any cost to me as an investor?**

**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 I redeem or switch my holding to another fund?**

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

- You may redeem your shares; or
- You may switch your 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 your shares or switch your holding before the Merger we must receive your instructions by 12 noon (UK time) on 18 November 2021. Instructions received after this time will be deemed to apply to your shares in the Receiving Fund. If you do wish to redeem or switch your shares, please contact us on 0800 953 0134 for investors located in the UK or on 0044 1268 444 321 for investors located outside of the UK (calls may be recorded).

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

### **Are there any tax implications?**

There may be tax implications depending on your individual circumstances should you decide to switch or sell shares in the Merging Fund. 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.

### **Further information**

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

If you are unsure about your investment you should speak to a financial adviser. If you are based in the UK, you can find one in your area by visiting [www.unbiased.co.uk](http://www.unbiased.co.uk) – please note we do not endorse the advisers on the site.



Dei McLaughlin  
Head of EMEA Client Services  
Columbia Threadneedle Investments

\*Calls may be recorded.