



QUESTIONS & ANSWERS

THREADNEEDLE ABSOLUTE RETURN BOND FUND CLOSURE

FULL Q&A – Closure of Threadneedle Absolute Return Bond Fund

INTRODUCTION

Columbia Threadneedle Investments has received authorisation from the FCA to close the Threadneedle Absolute Return Bond Fund, a sub-fund of the Threadneedle Specialist Investment Funds ICVC. Investment proceeds will be returned to investors, unless they choose otherwise.

1. Why are you closing the Fund?

Following a recent review, we have decided to close the Fund due to its relatively small size (approximately £23 million as at 29 March 2019). The Fund's assets have fallen to a level which makes it economically unviable to manage and we consider that the Fund is unlikely to attract new investors. On this basis, we believe closure of the Fund is in the best interests of investors.

While we have considered alternative options, we feel that closing the Fund is in the best interests of investors.

2. When is the Fund closing?

The Fund will close on 26 July 2019. Dealing in the fund will be suspended at 12 noon on 23 July 2019.

3. What options do I have?

You have the following options:

- i. You can switch your investment free of charge into another Threadneedle fund(s) up to 12 noon (UK time) on 23 July 2019. Details of our funds can be found on our website **columbiathreadneedle.com**.

Please return the Form of Direction. We must receive this before 12 noon (UK time) on 23 July 2019. Any instructions received after this date will not be accepted, and we will redeem your holdings on the effective date and send you the proceeds instead (this can take up to one month).

- ii. You can sell your investment before the Fund closes. Please send us your redemption instruction in the normal way.

Please note, should you decide to redeem or switch your shares, it may trigger a taxable event.

- iii. You can take no action, and your shares will be redeemed, and proceeds sent to you. Your shares will be redeemed on the effective date (26 July 2019) and proceeds will be sent to you, this can take up to one month.

You will receive your proceeds within 4 business days, by selling your investments before 12 noon on 23 July 2019, rather than waiting for the fund to close. If you take no action then we expect to return your proceeds by 1 July 2019, but this may take up to a month whilst the liquidation is completed.

4. Where can I get a Form of Direction?

The Form of Direction has been provided with the Shareholder notification. This can also be found on our website at columbiathreadneedle.com, or you can call us on 0800 953 0134 (calls may be recorded) for shareholders based in the UK or on 0044 1268 444 321 if you are based outside of the UK.

5. What if I hold the fund in my ISA, what options do I have?

You have the following options:

1. You may switch your investment free of charge into another Threadneedle fund before 12 noon on 23 July 2019.
2. You may transfer your ISA investment to another ISA manager. You will need to complete an ISA transfer form and send it to your new ISA manager, who will then contact us to complete the transfer. Please note that ISA transfers can take around 30 days to complete, so you need to ensure you allow enough time for your ISA manager to complete the transfer.

If you choose to sell your investment or do not take any action your investment will be cashed in when the Fund is closed on the effective date, and your investment will lose its ISA status. Proceeds will be sent to you within one month of closure.

6. What are the 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. However, you should be aware that, regardless of whether you choose to switch or sell your investment, or take no action, you may be subject to capital gains tax, depending on the value of your investment.

7. Can I still invest in the Fund?

Yes, dealing in the Fund will continue to be possible until 12 noon on 23 July, however we would encourage you not to buy new shares in the Fund in the period leading up to the closure of the Fund. From 12.01pm on 23 July, you will no longer be able to deal in the Fund as the Fund will be suspended.

8. Will I have to pay any of the wind-up or termination costs?

No, Columbia Threadneedle Investments will bear all the wind-up and termination costs.

9. What happens once the Fund has closed?

Once the Fund has closed, we expect to take approximately one month to liquidate the Fund. Once completed, if you have left your investment to be cashed in, the proceeds of your investment will be sent to you, within one month of closure, using the information we have on our records.

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