

Please address any replies to:

**Columbia Threadneedle Investments**

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17 October 2018

Dear Investor

**Important: Changes to the following Threadneedle funds**

We recently informed you of our proposal to transfer the assets of certain share classes of the below listed UK-based OEIC<sup>1</sup> funds (the “Existing Funds”) into an equivalent fund within our established Luxembourg fund range (the “Lux Funds”).

- **American Smaller Companies Fund (US)**
- **European Smaller Companies Fund**
- **Global Emerging Markets Equity Fund**
- **Global Equity Income Fund**

Following the shareholder vote at the extraordinary general meetings (EGMs) held on 17 October 2018<sup>2</sup>, we can confirm that the proposed transfers have been approved for all but the following share classes:

- Class 1 Accumulation EUR shares of the American Smaller Companies Fund (US)
- Class 1 Income EUR shares of the European Smaller Companies Fund

**What is changing?**

Where a proposal has not received a majority vote in favour, the share class will continue to be run in its current form.

Where a proposal has received a majority vote in favour, we will transfer the assets of investors into equivalent share classes within our established Luxembourg fund range. The transfers will be made by a process called a scheme of arrangement. Following this, the impacted UK share classes will be wound up. However, the UK funds will continue to exist for the remaining share classes.

<sup>1</sup> OEIC stands for open-ended investment company.

<sup>2</sup> Due to procedural issues, the EGMs for the below listed share classes have been adjourned until 24 October. Eligible investors should note that the proxy form will need to reach us at least 48 hours before the time of the relevant meeting. The new EGM times are as follows:

- Class 2 Accumulation EUR Shares of the European Smaller Companies Fund – 12:40 Luxembourg time (11:40 UK time)
- Class 1 Accumulation USD Shares of the Global Equity Income Fund – 12:50 Luxembourg time (11:50 UK time)

### What options do investors have?

Investors in share classes that are not subject to the transfers should note that those share classes will continue to exist in their current form. As far as we know there is nothing prohibiting EU and non-UK investors from remaining in a UK-based fund. OEIC funds are likely to continue to be UCITS-compliant<sup>3</sup> through the proposed transition period until December 2020, which gives investors additional time to consider their options.

Investors in share classes that are subject to the transfers but do not want their investment transferred to the Lux Funds can choose between the following options:

- Switch their investment free of charge into another Threadneedle fund or share class by calling us on +352 46 40 10 7020\* or by writing to us at Columbia Threadneedle Investments, PO Box 10033, Chelmsford, Essex CM99 2AL, United Kingdom.
- Instruct us to sell their units over the telephone or in writing and receive the proceeds in cash.

There may be additional tax implications depending on individual circumstances. We are unable to provide tax advice and we therefore suggest that investors seek professional advice about any potential tax implications.

### Further information

If you are unclear about any of the details relating to the transfers, or have any further questions, please call us on +352 46 40 10 7020\*. Our team is available from 9.00am to 6.00pm (CET), Monday to Friday.

Yours sincerely



Gary Collins  
Co-Head of Distribution EMEA  
Columbia Threadneedle Investments

<sup>3</sup>UCITS stands for Undertakings for Collective Investment in Transferable Securities. UCITS provides a harmonised regulatory regime for the management and sale of mutual funds within the European Union.