



# Transfer of customer assets

Providing certainty and continuity for EU investors in our funds

Columbia Threadneedle Investments has begun a process to transfer the assets of investors in certain funds within our UK fund range to equivalent funds in our established Luxembourg range.

## Our approach

A total of 20 funds from the Threadneedle UK-based range will transfer assets to equivalent funds in the Luxembourg fund range, with the launch of 13 new funds on our Luxembourg platform. The transfers are subject to shareholder approval.

When the UK leaves the European Union, it's highly likely that UK-based funds will lose their UCITS<sup>1</sup> status. Our aim is to provide certainty for investors and to ensure you can continue to access our best investment strategies while also remaining in a UCITS-compliant fund, regardless of any transitional deal or the final agreement between the UK and the EU. For EU-based investors, the transfers will remove uncertainty regarding the future status of your investment in your home country.

## Will anything change?

Importantly, the Luxembourg funds will be managed in the same way as the existing funds, by the same fund manager. The Annual Management Charge (AMC) will be set at the same level as existed in the UK fund. Please note that a *taxe d'abonnement* (subscription tax) of 0.05% pa applies to retail share classes in all Luxembourg-based SICAV<sup>2</sup> funds and this will be included in the operating expenses incurred by investors.

## When will the transfers take place?

We plan to complete the transfers by the end of 2018, before the UK officially leaves the EU on 29 March 2019. The transfers will take place over weekends to enable a smooth transition, with trading of the UK funds suspended from the previous Thursday at 13:00 (CET), and no trading on the Friday. Dealing in the Luxembourg funds will resume on the following Monday.

<sup>1</sup> UCITS stands for Undertakings for Collective Investment in Transferable Securities. UCITS funds can be sold to any investor within the European Union under a harmonised regulatory regime.

<sup>2</sup> SICAV stands for société d'investissement à capital variable, which is simply French for "investment company with variable capital".

## Which funds are impacted?

For six funds with a majority of EU investors, we intend to transfer all the assets by means of a “cross-border merger”. Following this, the existing UK fund will be wound up.

For funds with a mix of UK and EU investors, only share classes predominately held by European investors (e.g. EUR and USD) will be transferred. Both the remaining UK fund and the Luxembourg fund will then continue to be managed in the same way.

	1	2
	FUNDS WHERE ALL ASSETS WILL MOVE TO THE LUXEMBOURG FUND	FUNDS WHERE ONLY CERTAIN SHARE CLASSES WILL MOVE TO THE LUXEMBOURG FUNDS
Funds	Threadneedle Credit Opportunities Fund	Threadneedle American Extended Alpha Fund
	Threadneedle European Corporate Bond Fund	Threadneedle American Fund
	Threadneedle European High Yield Bond Fund	Threadneedle American Select Fund
	Threadneedle Pan European Equity Dividend Fund	Threadneedle American Smaller Companies Fund (US)
	Threadneedle Pan European Fund	Threadneedle Asia Fund
	Threadneedle Pan European Smaller Companies Fund	Threadneedle Emerging Markets Equity Fund
		Threadneedle European Select Fund
		Threadneedle European Smaller Companies Fund
		Threadneedle Global Equity Income Fund
		Threadneedle Global Extended Alpha Fund
		Threadneedle Global Select
		Threadneedle UK Absolute Alpha Fund
		Threadneedle UK Equity Income Fund
		Threadneedle UK Fund

Subject to regulatory approval

Our priority is to provide clarity and certainty for our investors. If you are unsure about the implications for your investment, please speak to your financial adviser.



Your success. Our priority.

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