

QUESTIONS & ANSWERS

CT UK EQUITY OPPORTUNITIES FUND PROPOSED MERGER

December 2023

Q&A – CT UK Equity Opportunities Fund – Proposed Merger

1. What changes are being proposed?

Columbia Threadneedle Investments is proposing to merge the CT UK Equity Opportunities Fund (the “**Merging Fund**”) into the CT UK Growth and Income Fund (the “**Receiving Fund**”), by way of a scheme of arrangement (the “**Merger**”) on 1 March 2024 (“**Effective Date**”).

As a Shareholder in the Merging Fund, you have the opportunity to vote on the proposed Merger at the Extraordinary General Meeting (EGM) of Shareholders in respect of the Merging Fund (the “**Meeting**”) on 31 January 2024 at 11am, or by proxy. Full details of the proposed Merger, including how you can vote on the Merger proposal, can be found in the Shareholder Circular which has been sent to you.

2. Why are we proposing these changes?

The Merger will bring together two quite similar funds and provide Shareholders with additional benefits.

By merging the Merging Fund into the much larger Receiving Fund, Shareholders in the Merging Fund will benefit from the economies of scale and reduced costs that can be achieved through management of a larger pool of assets. Fixed costs are expected to be lower when managing a larger pool of assets as these costs are spread over more assets.

Shareholders in the Merging Fund will also benefit from a reduction in the Ongoing Charges Figure (OCF) they currently pay, and therefore will pay less fees, following the Merger, as set out in Appendix 1 (Part B) of the Shareholder Circular which has been sent to you.

In addition, we have identified considerable overlap between the main features of the Merging Fund and Receiving Fund. Both invest in UK equities, have the same target and comparator benchmark, similar portfolio composition and other common characteristics, as set out in detail in Appendix 1 of the Shareholder Circular which has been sent to you. Given this, a Merger of the Merging Fund into the Receiving Fund is considered to be in the interests of Shareholders.

3. 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 Shareholder Circular you have been sent. You will receive a confirmation letter with details of your New Shares in the Receiving Fund following the Effective Date.

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.

4. What do I need to do?

You can vote for or against the proposal for the Merging Fund either in person at the Meeting, or by completing the Form of Proxy which you were sent to you. For the Merger to proceed, at least 75% of votes cast at the Meeting must be in favour of the Merger.

It is important that you read the Shareholder cover letter and the Shareholder Circular. Together, they form notification of the proposed Merger and the Meeting, as well as providing full details of the process and implications for you as a Shareholder.

5. How do I vote?

You are able to vote on the proposed Merger at the Meeting.

If you wish to vote, but do not plan to vote in person, please complete the Form of Proxy and return it in the pre-paid return envelope you were sent to enable your vote to be counted. Your proxy can be a person you choose, or the chair of the Meeting and you can instruct them how you wish to cast your vote or allow them to choose.

You should return the completed Form of Proxy in the pre-paid return envelope provided to Threadneedle Investment Services Limited, Pallion Trading Estate, Sunderland, SR4 6ST to reach us by 11am UK time on 29 January 2024, no less than 48 hours before the time of the Meeting. The Form of Proxy can be found enclosed with this document.

You can attend and vote at the Meeting for the Merging Fund as a Shareholder (and any adjourned Meeting) regardless of whether you have completed and returned the Form of Proxy (we will simply disregard the Form of Proxy if you vote in person).

Failure to return the Form of Proxy by the required time will result in the form being invalid such that your proxy will not be entitled to vote on your behalf as directed.

The results of the votes will be published on our website: www.columbiathreadneedle.com/changes.

6. What happens if I don't vote?

If you choose not to vote, and the required 75% of votes are cast in favour of the proposal, the Merger will go ahead. Please refer to Question 13 for your options if you do not wish to participate in the Merger.

7. I can't find my Form of Proxy. Where do I get a copy?

The Form of Proxy has been sent to you with the Shareholder Circular. You can also obtain a copy by calling us on 0800 953 0134* for investors based in the UK or on +44 1268 444 321* if you are based outside of the UK.

8. Can I still invest in the Merging Fund?

Yes, dealing in the Merging Fund will remain possible until 12 noon (UK time) on 29 February 2024 if the merger is approved.

Dealing in the Merging Fund will be suspended from 12:01pm (UK time) on 29 February 2024.

9. Are there any tax implications?

Based on our understanding of the current UK tax legislation and the tax clearances that have been obtained from HM Revenue & Customs, for UK resident investors, the Merger will not involve a disposal of Shares for capital gains tax purposes, whatever the size of your holding. It may be subject to change. The tax consequences of implementation of the Merger may vary depending on the law and regulations of your country of residence, citizenship or domicile. If you are in any doubt about your potential liability to tax, you should seek professional advice.

Please note that if you do not wish to hold New Shares in the Receiving Fund, you may sell your Shares or switch your investment from the Merging Fund to another fund within the TISL UK range of authorised funds. However, a redemption or switch will be treated as a disposal of Shares for tax purposes and you may be liable to capital gains tax on any gains arising from the redemption or switch of your Shares. This will, of course, depend upon 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.

10. Will there be any cost to me as an investor?

All costs associated with the Merger will be borne by Columbia Threadneedle Investments. However, during the period between the Meeting and the Effective Date, some changes may be made to the assets held by Merging Fund in an efficient manner to align the portfolio with the Receiving Fund's portfolio. Costs incurred in aligning the Merging Fund to the Receiving Fund will be borne by the Merging Fund, although it is expected that such costs will be small, given the similarity of the relevant portfolios (estimated to be approximately 0.29%).

The Ongoing Charges Figure (OCF) that you currently pay on your investment will be lower following the Merger as the OCF is lower in the Receiving Fund across all share classes. This is set out in detail in Appendix 1, Part B of the Shareholder Circular.

11. How will I be able to find out the result of the vote?

The results of the votes will be published on our website on 1 February 2024 at www.columbiathreadneedle.com/changes.

12. When will the Merger take place if it is approved?

If approved, the Merger will take place on 1 March 2024.

13. What happens if the Merger is approved and I don't want my investment to be transferred?

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 **sell** your Shares; or
- You may **switch** your investment from the Merging Fund to another fund within the TISL UK range of authorised funds free of charge

A list of funds that you can switch into within the TISL UK range is included in the appendix of this document, and details of these funds can be found on our website www.columbiathreadneedle.com.

Any redemption or switch made up to and including the 12 noon (UK time) valuation point on 29 February 2024 will be free of initial or redemption charges.

In order to sell your Shares or switch your holding before the Merger, we must receive your instructions by 12 noon (UK time) on 29 February 2024. Instructions received after this time will be deemed to apply to your Shares in the Receiving Fund.

If you wish to sell or switch your Shares, please contact us on 0800 953 0134* for Shareholders located in the UK or on +44 1268 444 321* for Shareholders located outside of the UK. Alternatively, you can write to us at Columbia Threadneedle Investments, PO Box 10033, Chelmsford, Essex, CM99 2AL.

14. What happens if the merger is not approved?

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.

15. Can I transfer into the Receiving Fund if the Merger is not approved?

Yes, you can switch your investment free of charge by contacting us on 0800 953 0134* for Shareholders located in the UK or on +44 1268 444 321* for Shareholders located outside of the UK. Alternatively, you can write to us at Columbia Threadneedle Investments, PO Box 10033, Chelmsford, Essex, CM99 2AL.

16. Where do I find further information?

If you are unclear about the proposed changes, 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 – please note we do not endorse the advisers on the site.

A Key Investor Information document (KIID) for the Receiving Fund has been sent to you with the Shareholder Circular. They are also available on our website at www.ctinvest.co.uk/literature or by calling us on 0800 953 0134* for Shareholders located within the UK or on 0044 1268 444 321* for Shareholders located outside of the UK.

17. What are the relevant Share Classes and ISINs in the Merging Fund and corresponding Share classes in the Receiving Fund?

On the Effective Date, Shareholders in the Merging Fund will receive corresponding New Shares as set out in the following table:

| Merging Shares (share class type) | | | to | New Shares (share class type) | | |
|-----------------------------------|---------------------------------------|--------------|----|-------------------------------|--------------------------------|--------------|
| CT UK Equity Opportunities Fund | Class 2 (Institutional) Income | GB0001451722 | | CT UK Growth and Income Fund | Class 2 (Institutional) Income | GB0001647246 |
| | Class 2 (Institutional) Accumulation* | GB00BD2BT151 | | | Class Z Accumulation | GB00BYQFJZ49 |
| | Class Z Income | GB00B9BQ0321 | | | Class Z Income | GB00B8848T44 |

The table above shows each of the share classes in the Merging Fund whose assets will be transferred to the corresponding share classes (in the same line/row) in the Receiving Fund e.g. Class 2 Income CT UK Equity Opportunities Fund will be transferred to Class 2 Income CT UK Growth and Income Fund.

Holders of Class 2 Accumulation Shares in the Merging Fund will receive Class Z Accumulation Shares in the Receiving Fund, which has a lower AMC and OCF. Please see Appendix 1 of the Shareholder Circular for more details.

*Calls may be recorded.

Appendix – List of Columbia Threadneedle funds available for you to switch into

You can switch your shares free of charge into any of the below UK domiciled Columbia Threadneedle fund(s) until 12 noon (UK time) on 29 February 2024.

Before you switch your shares to another fund, it is important that you read the Key Investor Information Documents (KIID) for the fund(s) you wish to switch to. The KIIDs can be found on our website www.ctinvest.co.uk/literature.

To switch to another UK domiciled Columbia Threadneedle fund(s) managed by TISL, you can call us on the number provided, or write to us at Columbia Threadneedle Investments, PO Box 10033, Chelmsford, Essex, CM99 2AL, United Kingdom. We must receive your instructions by 12 noon (UK time) on 29 February 2024.

List of available funds:

| Equity Funds | | |
|--------------------------|---|--|
| Asia: | CT Asia Fund | |
| Emerging Markets: | CT Global Emerging Markets Equity Fund | CT Latin America Fund |
| Europe: | CT European Fund CT European Smaller Companies Fund | CT European Select Fund CT Pan European Focus Fund |
| Global: | CT Global Equity Income Fund CT Global Focus Fund | CT Global Extended Alpha Fund CT Global Select Fund |
| Japan: | CT Japan Fund | |
| UK: | CT Monthly Extra Income Fund CT UK Equity Income Fund CT UK Growth and Income Fund CT UK Mid 250 Fund CT UK Smaller Companies Fund | CT UK Equity Alpha Income Fund CT UK Fund CT UK Institutional Fund CT UK Monthly Income Fund CT UK Sustainable Equity Fund |
| US: | CT American Fund CT American Smaller Companies Fund (US) | CT American Select Fund CT US Equity Income Fund |
| Fixed Income Funds | | |
| Emerging Markets: | CT Emerging Market Bond Fund | CT Emerging Market Local Fund |
| Europe: | CT European Bond Fund | CT Strategic Bond Fund |
| Global: | CT Global Bond Fund CT High Yield Bond Fund | CT Global Social Bond Fund |
| UK: | CT Sterling Bond Fund CT Sterling Medium and Long-Dated Corporate Bond Fund CT Sterling Short-Dated Corporate Bond Fund CT UK Social Bond Fund | CT Sterling Corporate Bond Fund CT UK Fixed Interest Fund CT UK Index Linked Fund |
| US: | CT Dollar Bond Fund | |
| Mixed Asset Funds | | |
| Global: | CT Dynamic Real Return Fund CT Managed Bond Focused Fund CT Managed Equity & Bond Fund CT Managed Equity Fund | CT Global Multi Asset Income Fund CT Managed Bond Fund CT Managed Equity Focused Fund CT Managed Equity Income Fund |
| Alternative Funds | | |
| UK: | CT UK Property Authorised Investment Fund | CT UK Property Authorised Trust* |

* This fund is not available within the Threadneedle Stocks & Shares ISA