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Investment Account ID

Dear Adviser,

Important changes to the CT UK Property Authorised Investment Fund – no action required.

We have written to shareholders in the CT UK Property Authorised Investment Fund (“**the Fund**”), to inform them of changes we are making to the Fund’s liquidity management, from 2 October 2023 (the “**Effective Date**”).

What changes are being made?

The Fund’s liquidity management approach is being adapted to allow it to hold, under normal circumstances, a higher proportion in cash¹ e.g., bank deposits. Until now, the Fund has aimed to hold up to 15% cash in normal circumstances, but, from the Effective Date, the normal level of cash exposure will increase to 15-25%. As a result, the proportion of the Fund held in property will be lower in future than it has been in the past. However, this remains consistent with the Fund’s investment policy, which requires at least two-thirds of the Fund to always be invested in UK property.

Why is this change being made?

The Fund holds cash for various reasons: to fund ongoing property expenses; to be able to buy new properties; to finance improvements to properties (to improve opportunities for capital and income growth) and to continue to offer daily dealing to shareholders who wish to sell shares in the Fund.

Dealing in the Fund was suspended temporarily in October 2022 due to unusually high demand from shareholders to redeem units. Following an orderly sale of property assets, the Fund re-opened for dealing on 1 March 2023. Since re-opening, the Fund has held a higher proportion of its assets in cash. By permanently holding more cash, we can be more confident of meeting daily redemption requests and avoiding a temporary suspension of dealing in the future (although this cannot be guaranteed).

¹ The reference to “cash” in this context includes “near cash” as defined in the prospectus (which includes money, deposits and investments that are highly liquid in nature i.e., easily converted to cash).

How will this affect my clients' investments?

The Fund will be managed in broadly the same way and the changes will not impact the risk profile of the Fund. The value of your clients' investments and the number of shares they hold will not be affected.

Income returns will continue to be driven from a combination of property (rental) income and interest received on cash deposits, although the property income proportion may become lower because of the higher cash weighting and the recent rises in the interest rates earned on cash.

We continue to monitor the performance of the Fund and how it is operating, and we may reduce or increase the normal cash level in the Fund in the future if we think it is in the best interests of shareholders, in which case we will notify your clients accordingly.

What do my clients need to do?

Your clients do not need to take any action as a result of these changes.

What can my clients do if they disagree with the changes?

Your clients have a number of options. Should they disagree with the changes they can choose to redeem their shares, or they can switch their investment, free of charge, into another fund(s) in our UK range.²

Should your clients decide to redeem or switch their shares, it may trigger a taxable event. We are unable to provide tax advice and we therefore suggest they seek advice from their tax adviser about any potential tax implications before taking any action.

Further information

If you are unclear about the contents of this letter, or have any further questions, please contact us on 0800 953 0134* and for advisers outside the UK, please call +44 1268 444 321*. Our team is available from 8:00am to 6:00pm, Monday to Friday (UK time).

Yours sincerely,



James Perrin
Chief Operating Officer Distribution, EMEA
Columbia Threadneedle Investments

*Calls may be recorded.

² Only funds managed by Threadneedle Investment Services Limited (TISL) (part of the Columbia Threadneedle group of companies), are currently available for this purpose. A fund's prospectus or Key Investor Information Document (KIID) (available on our website) will provide this information, or please contact us on 0800 953 0134 if you require help establishing the alternative funds available to you.