Please address any replies to:
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columbiathreadneedle.com

[date] 2016

Dear Investor,

Changes to performance fees – no action required

As a shareholder of the Threadneedle UK Extended Alpha Fund and / or the Threadneedle UK Absolute Alpha Fund, we would like to inform you that, following a review, we will be changing the way in which performance fees are calculated for these funds.

We believe these changes will result in a fairer and more consistent performance fee structure across our fund range and therefore are in the best interest of clients.

What changes are you making?

We will be making two changes:

a) Threadneedle UK Extended Alpha Fund – addition of excess return test

Currently, a performance fee[1] is payable on the Threadneedle UK Extended Alpha Fund when the relative return of a share class exceeds the FTSE All-Share Index (with income reinvested) by more than 2% over a calendar year.

From 1 January 2017, an additional condition – an excess return test – will be applied to ensure that a performance fee will not be applicable unless any underperformance from previous years has been recovered in full.

In all other respects, the way that performance fees are calculated on the Threadneedle UK Extended Alpha Fund remains unchanged.

b) Threadneedle UK Absolute Alpha Fund – change to Performance Benchmark

Currently, a performance fee[2] is payable on the Threadneedle UK Absolute Alpha Fund when its return exceeds the return from cash, measured as the Sterling 3-month London

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Inter-Bank Offered Rate with income reinvested (the “Performance Benchmark”), over a calendar year.

From 1 January 2017, the Performance Benchmark will be amended to be the greater of either the Sterling 3-month London Inter-Bank Offered Rate with income reinvested, or 0%.

This change is made in recognition of the historically low interest rate environment and the possibility of negative interest rates in order to ensure that a performance fee will not be charged where the Fund has produced negative returns.

In all other respects, the way that performance fees are calculated on the Threadneedle UK Absolute Alpha Fund remains unchanged.

What do I need to do?

You are not required to take any action as a result of these changes.

Further information

Further information and a Q&A document are available on our website at **columbiathreadneedle.com/pfees.**

If you are unclear about any of the details relating to the changes, or have any further questions, please contact our Client Services Team in the UK on 0800 953 0134* (available from 8:00am to 6:00pm, Monday to Friday) or contact your financial adviser. If you do not have a financial adviser you can find one in your area at www.unbiased.co.uk**.

Yours sincerely,



Gary Collins
Co-Head of Distribution EMEA
Columbia Threadneedle Investments

[1] 20% of excess returns gained over the FTSE All-Share Index + 2%.
[2] 20% of excess returns over the Performance Benchmark.

*Calls may be recorded.
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