



QUESTIONS & ANSWERS

AMERICAN SELECT FUND (OEIC)

1. What changes are you making?

We are making changes to the investment objective and policy of the Fund.

The Fund's current stated investment policy is to invest entirely in companies that are domiciled in North America, or which have significant North American operations.

We are changing this policy description to more accurately represent how the Fund invests in practice. New wording will make clear that at least 75% of the Fund will be invested in companies based specifically in the United States (US), or with significant US business operations. At the same time, the management team will be able to invest up to 25% of the Fund in companies outside the US.

2. What is the change to the investment objective and policy?

Current investment objective and policy	Proposed investment objective and policy
<p>The Fund aims to achieve above average capital growth.</p> <p>The ACD's investment policy is to invest the assets of the Fund in companies domiciled in North America or which have significant North American operations. These include smaller and emerging growth companies, those with potential for merger or takeover, those with new management recovery situations and exploration companies. There will be no particular specialisation. The select investment approach means that the ACD has the flexibility to take significant stock and sector positions which may lead to increased levels of volatility.</p>	<p>The Fund aims to achieve above average capital growth over the long term. It currently looks to outperform the S&P 500 Index after charges, when measured over rolling 3-year periods.</p> <p>The Fund is actively managed, and invests at least 75% of its assets in a concentrated portfolio of shares of companies domiciled in the United States of America (US), or which have significant US business operations.</p> <p>The Fund will select companies in which the fund manager has a high conviction that the current share price does not reflect the prospects for that business. These companies may be chosen from within any industry or economic sector, with significant sector and share weightings taken at the discretion of the fund manager. There is no restriction on company size, however, investment will tend to focus on larger companies, such as those included in the S&P 500.</p> <p>The S&P 500 Index is a US stock market index, the constituents of which represent around 500 of the largest companies listed on the New York Stock Exchange or NASDAQ. It provides a helpful benchmark against which Fund performance can be evaluated over time.</p> <p>The Fund will typically invest in fewer than 60 companies, including the shares of some companies not within the Index. On occasion, the Fund may invest in other securities (including fixed interest securities), when deemed appropriate.</p> <p>The Fund may also hold money market instruments, both directly and indirectly (through other collective investment schemes), deposits, cash and near cash.</p> <p>The Fund is not permitted to invest in derivatives for investment purposes, but derivatives may be used with the aim of reducing risk or managing the Fund more efficiently.</p>

3. Why are you making the changes?

The amended policy better reflects the fund manager's focus on the US market and the Fund's benchmark S&P 500. It will also give the fund manager the flexibility to invest in companies outside the United States of America or that don't have significant operations in the US. It also means that the Fund will be able to hold fixed-interest securities and money market instruments such as deposits, cash, and near cash (a type of asset that can be converted into cash quickly).

We are taking this opportunity to rewrite the Fund's investment objective and policy in clearer language, to make it easier to understand how the Fund is managed. This is a process we are undertaking for all the funds in our fund range.

The changes will not alter the way the Fund is currently managed. They will not result in any significant changes to the overall level of risk associated with the Fund.

4. Why is the new policy much longer?

The FCA's¹ market study guidance requires that funds provide more detail on what they do and how they are managed. To provide this level of information, we have had to increase the length of the policy.

5. When are the changes taking place?

The changes are taking place on 15 April 2019.

6. Will there be a change to how the Fund is managed?

There will be no change to how the Fund is managed as a result of these changes.

7. Will it change the risk profile of the Fund?

There will be no change to the risk profile of the Fund as a result of these changes.

8. Will there be a change to the Fund's management fees?

There will be no change to the fees you pay as a result of these changes.

9. What can I do if I disagree with the changes?

If you disagree with the changes, you can redeem your shares or you can switch your investment, free of charge, into another Threadneedle fund.

Should you decide to redeem or switch your shares, it may be treated as a disposal for capital gains tax purposes. Please be aware that if you choose to redeem your holdings and your shares are held in an ISA, then your investment will lose its ISA status.

Details of our full range of funds are set out in the prospectuses which are available at columbiathreadneedle.com.

10. Where can I find out more?

Further information, including a Questions & Answers booklet, is available on our website at columbiathreadneedle.com/changes. If you are unclear about any of the details relating to the changes to the investment policy, or have any further questions, please contact us.

For UK investors please call us on 0800 953 0134* and for investors outside the UK, please call +352 46 40 10 7020. Our team is available from 8:00am to 6:00pm, Monday to Friday.

*calls may be recorded

¹ FCA stands for Financial Conduct Authority.

For further information visit
[COLUMBIATHREADNEEDLE.COM/CHANGES](https://columbiathreadneedle.com/changes)