



Threadneedle
Key Features of Threadneedle
UK Property Trust

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This document is appropriate for investors resident in the United Kingdom. Investors resident in other jurisdictions should contact Threadneedle Investment Services Limited to request the appropriate version of the Key Features. This document should be read in conjunction with the full Prospectus for Threadneedle UK Property Trust. Threadneedle UK Property Trust is referred to as the “Fund” in this document.

In this Key Features, the phrase “Property” is used to cover all of the following terms which are used in the FSA Handbook or in the Industry: “property”, “real property”, “real estate” and “immovable”.

The term “Threadneedle” is used in this document to refer to any entity within the Threadneedle group of companies.

Investment Aims

The aim of Threadneedle UK Property Trust is to obtain a total return based on income and capital appreciation.. The base currency of the Fund is Pounds Sterling.

Your Investment

You invest in the Fund by subscribing for Class 1 or Class 2 units. Class 1 units can be held within a Threadneedle Individual Savings Account (“ISA”). Both initial and subsequent investments into a Class 1 unit must be for a minimum of £1,000, and the minimum holding is £500. For Class 2 units, the minimum initial investment is £500,000, the minimum for each subsequent investment is £25,000 and the minimum holding is £25,000.

Please see below for a summary of the main current features of ISAs.

There is no maximum amount you can invest outside an ISA.

You may of course redeem your investment for cash on any working day. Threadneedle may at its discretion accept lower subscriptions and balances than the minimum amounts noted above.

Risk Factors

Further detail on some of the risk factors noted below is included in the Prospectus for the Fund.

- You should bear in mind that the value of your investment and any income from it, both inside and outside an ISA, can go down as well as up and you may not get back the amount you invested.
- There can be no guarantee that the objectives of the Fund will be achieved. The Fund is suitable for investment only by

investors who understand the risks involved and who are willing and able to withstand the total loss of their investment.

- Property assets are difficult to value due to the individual nature of each property. As a result, valuations are subject to uncertainty. There is no assurance that the estimates resulting from the valuation process will reflect the actual sales price.
- Like many other property funds, the performance of the Fund has been adversely affected by the downturn in the UK property market in recent years and will be affected by any further downturn. The Fund’s predominant exposure will be to the UK property market.
- Commercial Property values are affected by factors such as the level of interest rates, economic growth and demand, fluctuations in property yields, inflation and tenant default.
- Certain significant expenses, such as operating expenses, must be met by the owner even if the Property is vacant.
- The Fund will be subject to counterparty risk with respect to transactions, whether due to the insolvency, or bankruptcy, of counterparties or brokers or other causes.
- The Manager’s annual management charge and the fees and expenses of the Trustee referred to below, as well as all or part of other fees and expenses of the Fund, may be charged against capital instead of against income. In particular, such fees and expenses may be charged to capital in order to manage the level of income paid and/or available to unitholders. This may result in capital erosion or may constrain capital growth.
- Investments in Property are relatively illiquid and more difficult to realise than equities or bonds, which means that there is a risk that a position cannot be liquidated in a timely manner at a reasonable price.
- Although the Fund’s base currency is Pounds Sterling, the Fund may invest in assets that are denominated in a wide range of currencies, some of which may not be freely convertible. The net asset value of the Fund, as expressed in its base currency, will fluctuate in accordance with the changes in the foreign exchange rate between that currency and the currencies in which the Fund’s investments are denominated. The Fund may therefore be exposed to a foreign exchange/currency risk. It may not be possible or practicable to hedge against the consequent foreign exchange or currency risk exposure.
- The Fund may invest up to 15% of its assets in regulated and unregulated collective investments schemes. Investors

should be aware that an investment in an unregulated collective investment scheme may not provide a level of investor protection equivalent to schemes authorised by the FSA and subject to the FSA Handbook.

- Exemptions, thresholds and rates of tax may change in future tax years.
- You should bear in mind that transferring your investment between ISA Managers may involve additional charges that would not be incurred if the investment were not being transferred.
- If markets rise during the period in which an ISA transfer remains pending, this may lead to a potential loss of income or capital growth.
- At the Back-to Back ISA conversion date, the sale of investments may give rise to potential Capital Gains Tax liability, particularly if you have cashed in other large investments during the tax year.
- If the value of your Back-to Back investment falls then the amount subscribed to the ISA at the conversion date will be less than your original investment.

All about your Investment

We believe it is essential that you understand your investment so that you can make the best use of it. In this section you'll find the answers to some of the questions you may have. These, together with details of the Fund, in which you may invest either directly or through the Threadneedle ISA, should provide you with the information you need. If there is anything you do not understand, or you would like further information, please contact Threadneedle's Client Services Team at PO Box 1331, Swindon SN38 7TA or by telephone on 0800 068 3000 (calls may be recorded) or, if you have any doubts about the suitability of the investment and would like advice, contact your financial adviser.

What is Threadneedle UK Property Trust?

The Fund is an authorised unit trust which qualifies as a non-UCITS retail scheme, being a category of scheme specified in the FSA's Collective Investment Schemes ("COLL") Sourcebook. This means it is a 'collective investment scheme'; a fund via which many investors subscribe to the same investments. Investing through the fund creates a combined purchasing power which is greater than that which the investor would have if investing as an individual. A wide spread of

assets can be purchased, which reduces the impact of a single asset performing poorly.

The state of the UK and international property sectors are assessed on an ongoing basis by Threadneedle's property management experts. This information is considered, together with the particular objective of the Fund, and adjustments will be made to the Fund's portfolio where appropriate.

How does the Threadneedle UK Property Trust work?

Your investment will buy units in the Fund. The value of each unit is calculated by valuing the assets of the fund, deducting any charges and expenses (see the section on Charges), and dividing the result by the number of units. Assets are attributed to either Class 1 or Class 2 units, and the two classes of units are valued separately.

The Manager may use derivatives and forward transactions for the purpose of efficient portfolio management only. It is not envisaged that the risk profile will be affected by the use of such instruments.

The price, and thus the value of your investment, will vary as a result of changes in the underlying value of the assets of the fund.

What is an ISA?

ISAs are available to all UK resident individuals over the age of 18 and allow you to invest in the following components in a tax-free environment:

- cash (including qualifying insurance products treated as cash not available through the Threadneedle ISA); and
- stocks and shares (including unit trusts such as the Fund, Open-Ended Investment Companies (OEICs), investment trusts and qualifying insurance products treated as stocks and shares).

Cash ISAs are available to 16 and 17 year olds, although this facility is not available through the Threadneedle ISA because Threadneedle only offer a stocks and shares ISA.

Since 6 April 2008, the terms "Mini ISA" and "Maxi ISA" are no longer applicable and you are now able to subscribe to one Cash ISA and one Stocks and Shares ISA in each tax year. For the 2009/2010 tax year, the maximum overall investment in ISA accounts for all investors, except those aged 50 or over, is £7,200 each tax year. The full £7,200 may be invested in a Stocks and Shares ISA, or a maximum of £3,600 may be invested in a Cash ISA with the balance invested in a Stocks and Shares ISA.

For investors who are aged 50 or over on 5 April 2010, the maximum overall investment in ISA accounts is increased to £10,200. The full amount can be invested in a Stocks and Shares ISA or alternatively a maximum amount of £5,100 can be invested in a Cash ISA and the remaining £5,100 invested in a Stocks and Shares ISA. From 6 April 2010, these increased limits will apply to all investors.

What are the main features of the Fund?

The Fund is a medium to long-term investment vehicle offering, in the case of ISAs, tax-free income and capital growth.

What is the investment objective?

The Fund's objective is to obtain a total return based on income and capital appreciation primarily through investment in certain kinds of Property, property-related securities, government and public securities and units in collective investment schemes.

What is the investment policy?

The Fund will invest primarily in UK commercial Property. However, it may also invest in US or Continental European Property, property-related securities, property investment companies, collective investment schemes (including other collective investment schemes managed, advised or operated by Threadneedle Investment Services Limited or its associates), cash, near cash, warrants, deposits and money market instruments. Derivatives may be used for efficient portfolio management purposes only.

What is the typical investor profile?

The Fund may be suitable for investors with a medium to long term investment horizon (i.e. 5-7+ years) seeking growth and income in the property market who are prepared to tolerate large price fluctuations.

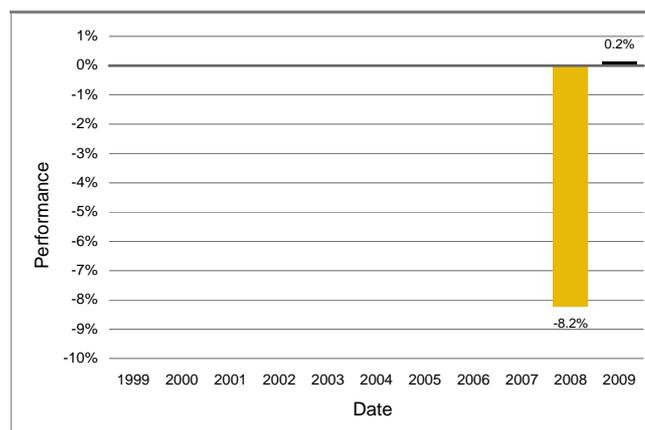
However, please remember that there are a number of risks associated with any investments and these risks remain, even if you "fit the profile". In addition, you are recommended to seek professional advice always before making an investment in any investment fund.

Date of launch and units available

The Fund was launched on 19 February 2007. Both income and accumulation units are available for Class 1 and Class 2 units. Units in the Fund may be switched from one class of unit to another class of unit on any working day, subject to the minimum investment and holding criteria for each class (see above).

What is the historical performance of the Fund?

The performance of the Fund is set out below.



Cumulative performance of the Fund since 19 February 2007 until 31 December 2009 is -10.83%.

It must be emphasised that past performance is not a guide to future growth or rates of return. The figures above exclude the effect of any initial charge, exit charge or annual charge.

When are prices calculated?

Prices for units in the Fund are calculated every working day (except Bank Holidays in England) at 12 noon. Units in the Fund will be purchased and sold at the next calculated price or 'forward price'.

How do I invest?

You must make your investment using a Threadneedle ISA, ISA Transfer or Fund application form. Your application must be returned directly to us at Threadneedle's Client Services Team at PO Box 1331, Swindon SN38 7TA, along with your cheque. If you wish to top up your ISA to the maximum amount allowed within the tax year we need to receive your request in writing and your cheque by 5 April of that tax year.

What forms of identification do I need?

When you invest with Threadneedle, transactions in units in the Fund will be subject to the UK Money Laundering Requirements (see the Prospectus for further details). This means that we are required to obtain evidence of your identity.

To comply with Money Laundering Requirements, Threadneedle may check your name and address electronically through an external agency, which will record that an enquiry

has been made. In certain circumstances, we may also contact you to ask you to supply additional documents to verify your identity.

For new purchases:

We request that you send in a cheque from your own account.

If you are providing a cheque issued by your Bank or Building Society, it must be clearly made payable to Threadneedle Investment Services Limited, and your name and account details must appear clearly on the cheque.

We can accept a cheque from a relative living at your home address. However, we will need to verify the names of both yourself and the person supplying the cheque together with your address. To enable us to process your application quickly, please ensure that your financial adviser (if you have one) completes the client identification section on the application form. You will be required to provide your financial adviser with one form of photographic ID (e.g. passport) and one proof of address (e.g. utility bill not older than 6 months).

We can also accept your payment via your financial adviser's account or from another fund manager. However, we will need your financial adviser to complete the client identification section of the application form and send in copies of your identification.

Please note that redemption proceeds, income distributions and cash withdrawals will only be made payable to yourself.

For transfers:

To enable us to process your application quickly, please ensure that your financial adviser (if you have one) completes the client identification section on the application form.

How does the Back-to-Back ISA work?

You may choose to invest now for this tax year and, through the Back-to-Back ISA, also invest at the same time for an ISA for the next and future tax years. Alternatively, if you have already invested in an ISA for the current tax year, you can invest in an ISA for the following tax year and for the tax years thereafter.

Any investment for the current tax year will be made straight away. Any ISA investment for the subsequent tax year will be held in the Fund in a Back-to-Back Account outside the ISA until the new tax year.

During the first few days of the new tax year, the maximum allowance (where available) will be transferred from being an ordinary Fund investment into an investment in the Fund held within an ISA.

If, following conversion into the new ISA, a residual amount is left in the Fund we will not automatically convert this into an ISA in the following tax year. The residual amount will remain invested in the Fund. If this amount is less than £1,000, we reserve the right to sell the units and send you a cheque for the proceeds.

If the value of your Back-to-Back investment falls, the amount subscribed to the ISA on the conversion date will be less than your original investment.

If you invest more than the current maximum overall investment (as detailed above) the application form allows you to request that we continue to automatically convert your investment into an ISA beyond the following tax year (see section D on the ISA application form).

Where it appears that there will be insufficient investment to utilise the full ISA allowance in the following tax year you will be notified of this.

You can instruct us to cease future Back-to-Back ISA conversions at any time by giving us two weeks' notice in writing.

What documents will I receive after I invest?

You will be sent a contract note on the next working day after your investment is made. This will give details of the number and price of units purchased and will include details of your cancellation rights. Please keep this in a safe place as no certificate will be issued.

At least once a year you will receive a review of your investments and a statement and valuation of your investments by post. If you invest in an ISA, you may also receive an Annual Notice.

Twice a year you will receive, by post, a copy of the short-form Report and Accounts. This gives details of current investments and a commentary from the fund manager. Also, a six-monthly valuation will be sent (with tax vouchers where applicable) to all holders of units.

[If you invest in the Back-to-Back ISA before the beginning of the next tax year, we will write to you and remind you how your new Threadneedle ISA will be set up. If you are happy to remain in the Fund, you need do nothing. If not, you can contact us to change your fund allocation.

Can I change my mind about my application?

If you are given advice on a face-to-face basis about purchasing units in the Fund, you will have the right to cancel your application. If you have purchased units with advice, but on a non face-to-face basis, the regulations may not give you the right to cancel your application. However, Threadneedle will allow you the right to cancel your application.

We will send you a Cancellation Notice with your contract note. If you want to cancel your application please return the completed Cancellation Notice by post to Threadneedle Investment Services Limited, P.O. Box 1331, Swindon SN38 7TA within 14 days of receiving it. You should be aware that if markets have moved adversely and the value of your investment has fallen, you might not get back the full amount you invested. If you do not exercise this right to cancel, your investment in the Fund will remain.

If you invest in the Back-to-Back ISA, you will not be entitled to any further cancellation rights when conversion to the ISA takes place each tax year.

Can I switch investments?

If you wish to switch your investment from the Fund to another Threadneedle fund, you will need to sell your existing investment by following the procedures set out in this document and use the proceeds to make an application for a new investment in your chosen Threadneedle fund.

How can I monitor my investment?

From 15 March 2010, the prices of units in the Fund will not be published in the Financial Times. However, prices of units will be available at www.threadneedle.co.uk or can be obtained by telephone on 0800 068 3000 (calls are recorded). Existing investors have been informed of the change in the method of publication of prices in accordance with FSA Rules.

Will I receive an income?

The Fund issues both income and accumulation units. If you invest in income units, the income will be paid to you (by providing your Bank or Building Society Account details on the application form) or reinvested to purchase extra units in the Fund with a discount on the initial charge.

If you wish to take an income from your investment you must provide full details of your Bank or Building Society Account in the 'income payments' section of the application form. Otherwise, any income payable will be automatically reinvested. Where you are adding to an existing holding in the Fund, your instructions to take income or reinvest will apply to

your entire holding in the Fund. It is not possible to both reinvest and take income from the Fund within the same account. We only accept one set of Bank or Building Society Account details to cover all holdings within the same account for distribution payments.

In the case of accumulation units, any income received from the underlying assets will automatically roll up and will increase the value of your holding. There is no charge for this rolling up of income.

The Fund makes distributions twice yearly. Distributions are allocated on 15 January and 15 July (the 'xd' dates) each year. Income will be distributed or reinvested as appropriate following these dates.

Please note that if you elect to reinvest distributions and you invest just before the 'xd' date for the Fund, your first income payment may be paid out to you rather than reinvested.

What is the Cash Withdrawal Facility?

Threadneedle offers the facility when investing in the Fund to choose a level of regular Cash Withdrawal you would like to receive (maximum 7.5% p.a. of your investment). Simply specify the amount you want to receive, as either a fixed amount or a percentage of your investment value, and decide how frequently you want to be paid: monthly, quarterly, half yearly or annually. If you invest in income units and elect to use the Cash Withdrawal Facility, the Fund's natural income distributions will be reinvested to purchase extra units in the Fund and subject to an initial charge set out in the section "What are the Current Charges" below.

You select the start date of your first payment. The payment will be made on or around the first of the month at the frequency you have selected. We will write to you before the first payment is made to confirm your payment instructions.

We will sell units to meet the required payment amount at each payment date. You should be aware that the normal distributions (reinvested or accumulated) together with any market growth in the fund might not be sufficient to cover the total withdrawals from capital over the course of a year. This can lead to capital erosion or may constrain capital growth. The payments are taken from capital and may therefore be liable to Capital Gains Tax (if held outside an ISA). Please speak to a tax adviser if you have any queries about this.

Payments will be made directly into your selected Bank or Building Society Account. No payments by any other method are permitted.

You can instruct us to change or cease your Cash Withdrawal Facility at any time by giving us eight weeks' notice in writing.

What happens to my investment when I die?

Units in the Fund will only form part of the estate for Inheritance Tax purposes if the person beneficially entitled to them is an individual domiciled in the UK. Ownership will then be transferred in accordance with the instructions in your will or the intestacy rules. Your ISA will lose its tax-free status from the date of your death and will be taxed from that point in the same way as units held outside an ISA. Please note that your investment will continue to be actively managed by Threadneedle and that the value of your investment may continue to fall as well as rise.

How can I sell my investments?

You can sell your investments by contacting your financial adviser or, between 9 a.m. and 5 p.m. Monday to Friday (except for Bank Holidays in England and normally the last working day before Christmas), by telephoning us on 0800 068 3000 (calls may be recorded), or by writing to Threadneedle Investment Services Limited, PO Box 1331, Swindon SN38 7TA.

You will be sent a contract note giving details of the number and price of investments sold the working day after your transaction, together with a form of renunciation to be completed and executed by you.

Payment will be initiated after four working days from the receipt of a completed form of renunciation or your written instruction to sell along with acceptable confirmation of your Bank or Building Society Account details and any required identification documents as requested at the time of repurchase. Please note that payments will whenever possible be made by Direct Credit (BACS) Transfer rather than by cheque.

You must sell a minimum of £500 worth of Class 1 units on each redemption and a minimum of £25,000 worth if you are redeeming Class 2 units. If you sell all of the investments in your ISA, your ISA will be closed.

If you are sending us instructions to process a change of ownership along with a repurchase, we will initiate the repurchase only when the change of ownership has been fully registered and that will be the date used for the pricing of the repurchase/fund switch.

Can I transfer my ISAs between plan managers?

You can normally transfer your ISAs between plan managers without losing the tax benefits.

You are able to transfer some or all of the investments you hold from a Cash and/or a Stocks and Shares ISA to a different Stocks and Shares ISA. For a current tax year you can only transfer the whole of an ISA. You cannot transfer from a Stocks and Shares ISA to a Cash ISA.

You should bear in mind that transferring your investment between managers may involve additional charges that would not be incurred if the investment was not being transferred.

If markets rise during the period in which a transfer remains pending, this may lead to a potential loss of income or capital growth.

It is possible for you to transfer out part of your Threadneedle ISA, subject to a minimum of £500 worth of investments being maintained and to the fact that a current tax year ISA must be transferred in whole.

What are the current charges?

Initial Charge

An initial charge may be payable when you invest in the Fund. The maximum initial charge for Class 1 units is 5% of the amount invested, save that where investors in Net Income Class 1 Units elect to receive their dividend entitlement by way of additional units in the Fund, they will be entitled to a discount of 2%, such that the initial charge is 3%. There is no initial charge for Class 2 units.

The Fund operates on the basis of "dual pricing". This means that there are two prices – a buying ("offer") price at which you buy units and a selling ("bid") price at which you sell them back to us. Very broadly, these reflect the difference in the cost of buying investments where there is an influx of funds and the cost of selling them when there is a net outflow. Threadneedle Investment Services Limited is permitted to vary prices with a maximum range or "spread" reflecting this difference and the effect of the initial charge.

Annual Charge

There is an annual management charge made to cover the day-to-day expenses of managing the investments of the Fund. The annual management charge is 1.5% per annum for Class 1 units and 0.75% for Class 2 units, in case based on the net asset value of the Fund attributable to the relevant class.

These management fees are normally taken from any income the funds may receive. However, in circumstances where the

provision of income is of a higher or equal priority to the provision of capital growth, the annual management charge may be taken from capital instead of income. This may erode capital or constrain the potential for capital growth.

Other costs payable out of the funds include auditors' fees, the Registrar's fees, the custodian's fees, the trustee's fees, fees of the Financial Services Authority and other taxation and duties.

Exit Charge

At present no charge is payable when you sell units in the Fund. However, the manager has the right to introduce such a charge. Units purchased before the introduction of this charge will not be subject to it.

What are the costs of conversion under the Back-to-Back ISA at the beginning of each tax year?

There will be no initial charge for converting your ordinary investment in the Fund into an ISA investment.

How will charges and expenses affect my investment?

The following figures illustrate the effect of charges and expenses on an investment of £1,000 over a period of 1, 3, 5 and 10 years. The amount you get back is not guaranteed and will depend on how your investment grows and on the tax treatment of your investment. This means that you could get back less than you invest. The figures are for illustrative purposes only.

We have assumed a growth rate of 6% a year. This is a standard growth rate used by all managers for comparison. However, charges may vary.

Net income distributed

At the end of the year	Investment to date	Effect of deductions to date	Income to date	What you might get back
1	£1,000	£70	£80	£909
3	£1,000	£113	£229	£831
5	£1,000	£157	£365	£761
10	£1,000	£282	£658	£609

Assumptions: initial charge 5% and annual charges and expenses of 1.81%. The last line of the table shows that over 10 years, the effect of the total charges and expenses could amount to £282. Putting it another way, this would have the same effect as bringing investment growth down from 6% a year to 3.4% a year.

Net income reinvested

At the end of the year	Investment to date	Effect of deductions to date	What you might get back
1	£1,000	£72	£988
3	£1,000	£123	£1,060
5	£1,000	£183	£1,150
10	£1,000	£387	£1,400

Assumptions: initial charge 5%, initial charge on reinvestment is 3% and annual charges and expenses of 1.81%. The last line of the table shows that over 10 years, the effect of the total charges and expenses could amount to £387. Putting it another way, this would have the same effect as bringing investment growth down from 6% a year to 3.5% a year.

"What you might get back" is not guaranteed. These tables are provided to illustrate the effect of charges and expenses on the value of your investment only.

What is the Portfolio Turnover Rate ("PTR") of the Fund?

The PTR measures the dealing activity of the Fund over a period of 12 months. The more the Fund buys and sells investment, the higher the PTR will be. The PTR for this Fund in the financial year to 15 May 2009 is -52%.

What is the Total Expense Ratio ("TER") of the Fund?

The TER shows the annual operating expenses of the Fund. It does not include transaction expenses. All funds domiciled in the European Union highlight the TER to help you compare the annual operating expenses of different schemes.

The TER for Class 1 Accumulation Units is 1.81% and the TER for Class 2 Accumulation Units is 0.99% in the financial year to 15 May 2009.

The following costs have not been included in the TER calculation:

Transaction costs

There have been no property acquisitions or disposals in the financial year to 15 May 2009.

How much will any advice cost?

Your financial adviser will give you details about the cost of any advice provided. The amount will depend on the size of your investment. The cost of this advice will normally be paid for out

of the charges we receive. Some financial advisers may, instead, charge you a fee for their services.

Further information

The Fund is authorised as an authorised unit trust in the UK. The authorisation from the Financial Services Authority was made effective on 25 January 2007.

“Threadneedle Investments” is a brand name of the Threadneedle group of companies, and the term “Threadneedle” is used in this document to refer to any entity within the Threadneedle group of companies.

The ISA Manager is Threadneedle Investment Services Limited (TISL). TISL’s registered office is at 60 St Mary Axe, London EC3A 8JQ. TISL is authorised and regulated by the Financial Services Authority. TISL is entered on the FSA register, FSA Number 190437.

The Manager of the Fund is Threadneedle Investment Services Limited (TISL).

The Investment Adviser of the Fund is Threadneedle Asset Management Limited.

The Trustee of the Fund is J.P. Morgan Trustee & Depository Company Limited (MTDL) of 1 Chaseside, Bournemouth BH7 7DB. MTDL is regulated by the Financial Services Authority.

The auditors of the Fund are PricewaterhouseCoopers of 1 Embankment Place, London, EC2N 6HN.

Documentation

The Financial Services Authority can be contacted at 25 The North Colonnade, Canary Wharf, London, E14 5HS.

You may obtain copies of the following documents free of charge and any additional information by contacting Threadneedle Investment Services Limited, 60 St Mary Axe, London EC3A 8JQ:

- the Prospectus for the Fund; and
- the most recent annual or half-yearly reports of the Fund.

The Trust Deed and any amendments thereto may be obtained from the same address, although a fee may be charged.

Overseas Investors

The Fund is intended for UK resident investors. Intending overseas investors should inform themselves about and

observe the legal requirements within their own countries for the acquisition of units in the Fund and any taxation or exchange control legislation affecting them personally, including the obtaining of any requisite governmental or other consents and the observation of any other formalities.

How will taxation affect my investment?

As an authorised unit trust, the Fund is treated as a separate entity for UK tax purposes. The tax treatment of the income or capital gains received by investors will depend on the tax law applicable to the personal situation of each investor and/or the place where the capital is invested.

Investors should seek professional advice from a tax adviser before investing in the Funds if they wish to clarify the tax treatment that will apply to their investment to the Funds.

Investing within an ISA

All income and capital growth generated within your ISA is free of UK income tax and Capital Gains Tax. Income allocation will be in the form of dividend distributions.

Please note that the favourable tax treatment for ISAs may not be maintained.

Investing outside an ISA

The following is a brief summary of UK tax issues for investors whose investments are not held within an ISA. Unitholders who are in any doubt as to their tax position should seek professional advice. Further information on taxation can be found in the Prospectus.

Income in the hands of UK residents

An individual unitholder who is resident for tax purposes in the United Kingdom is entitled to a tax credit in respect of any dividend distribution received and is subject to income tax on the aggregate of the dividend distribution and the tax credit (the “gross dividend”). The value of the tax credit will be equal to one-ninth of the net dividend distribution (i.e. 10% of the gross dividend). A UK resident individual who is not liable for tax will generally not be able to reclaim the tax credit from HM Revenue & Customs.

Corporate unitholders will be liable to corporation tax on the unfranked portion of the income received by the Fund.

Gains in the hands of UK residents

An individual unitholder who is resident for tax purposes in the United Kingdom may have to pay capital gains tax on any gain he may make when he sells his units. Corporate unitholders within the charge to corporation tax will have to pay tax on any such gain, after allowances for losses and indexation.

Stamp Duty Reserve Tax ('SDRT')

SDRT is chargeable on the surrender (i.e. the redemption or switching) of units and on certain transfers of units in the Fund. The current rate of SDRT is 0.5%.

The Manager has decided that any SDRT chargeable on surrenders of units in the Fund will in general be paid out of the Fund and an SDRT provision will not normally be levied directly on the redeeming unitholder whatever the size of the deal where this will not have a significant effect on performance. However, in cases of exceptionally large deals where the amount of the SDRT provision is likely to have a material impact on fund performance, the Manager reserves the right to charge SDRT to unitholders at the time of dealing. A large deal for this purpose is a deal in respect of units exceeding the sum of £15,000 in value. The likely frequency of the imposition of an SDRT provision will therefore depend on the frequency with which large deals occur.

Stamp Duty Land Tax

Stamp duty land tax is normally payable on purchases of land in the UK at rates which are currently up to 4%.

The above summary on Taxation matters are a general summary of current HM Revenue & Customs law and practice; changes can occur without warning. It does not describe the tax treatment of unitholders which are subject to special tax regimes or the detailed taxation treatment of persons resident in jurisdictions other than the United Kingdom. Unitholders are advised to consult their professional advisers as to their tax position.

Savings Directive

This section applies only to investors who are resident outside the United Kingdom for tax purposes.

Under the terms of the regulations that implement the European Savings Directive, we are required to obtain your tax identification number (if you have one) or the place of your birth and the country of your birth. In addition we must obtain your country of residence for tax purposes. Please note that Guernsey, Jersey and the Isle of Man are all treated as separate from the UK for tax purposes.

Queries or Complaints

If you have an issue you would like to take up with us, please do not hesitate to write to Threadneedle Investment Services Limited at the address given in the 'Documentation' section. If you have a complaint we will do all we can to resolve it. A copy of our complaint handling procedures is available on request.

You may also complain directly, without giving up any rights you may have, to the Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London E14 9SR (Telephone 0845 080 1800), for complaints about how the investment is managed or about how the investment was sold to you by us.

You are protected by the Financial Services Compensation Scheme. Further information is available on request from the Financial Services Authority and the Financial Services Compensation Scheme.

Investors with special needs

Do you have difficulty in reading information in print because of a disability? If so, we can help. We are able to produce information for our clients in large print and Braille, or through Minicom, or on audiotape or computer disk. If you would like to discuss your particular requirements, please contact our Client Services Department at the address given under 'Documentation'.

Other Information

We believe the short summary in these Key Features will help you to understand your investment. However, further information can be found in the Prospectus for Threadneedle UK Property Trust as well as the annual and half-yearly reports and accounts, which are available without charge on request from Threadneedle at the address in "Documentation" above before and after an investment is made.

All documentation and communications by Threadneedle in respect of this product will be in English. All deals are governed by the laws of England and Wales.

Privacy Statement

Your data controller

For all investors except investors for whom Threadneedle Portfolio Services Limited is the Manager (see below) for the purposes of the UK Data Protection Act 1998, the data controller in respect of any personal information provided is Threadneedle Investment Services Limited. Where Threadneedle Portfolio Services Limited is the Manager then it is the data controller for the purposes of the UK Data Protection Act 1998. In this privacy statement "we", "us" and "our" means

Threadneedle Investment Services Limited or Threadneedle Portfolio Services Limited as necessary.

You can write to us at Threadneedle Investment Services Limited, PO Box 1331, Swindon SN38 7TA.

Uses made of your personal information

The personal information that you provide to us and we collect store and process, will be used for a number of different purposes including: to manage and administer your account; to offer you investment products and services (except where you have asked us not to do so) and to help us develop new ones; to contact you with details of changes to the products you have bought; for internal analysis and research; to comply with legal or regulatory requirements; to identify you when you contact us and to carry out your instructions. We may use external third parties to process your personal information on our behalf in accordance with these purposes. In providing us with your personal information you consent to the above.

Sharing of your personal information

Where you have notified us of your adviser, the personal information provided may be shared with such adviser. You must notify us in writing if you no longer wish us to share your personal information with your adviser or of any change to your adviser. Your adviser should have its own arrangements with you about its use of your personal information. The personal information provided may also be shared with other organisations in order for us to comply with any legal or regulatory requirements. In addition, we may share your personal information with the companies within the Threadneedle group for the purposes set out in this privacy statement.

Business changes

If we or the Threadneedle group undergoes a group reorganisation or is sold to a third party, the personal information provided to us may be transferred to that reorganised entity or third party and used for the purposes highlighted above.

Overseas transfer

We may transfer your personal information to countries located outside of the European Economic Area (the EEA); this may happen when our servers, suppliers and/or, service providers are based outside of the EEA. The data protection laws and other laws of these countries may not be as comprehensive as those that apply within the EEA – in these instances we will take steps to ensure that your privacy rights are respected to the same standard as though your personal information were still within the EEA. Details of the countries relevant to you will be provided upon request.

Access to/correction of your information

With limited exceptions, you have the right to ask for a copy of the information that we hold on you. There may be a charge for this (if a charge is permitted). If any of the information that we hold about you is wrong, please tell us and we will put it right.

Terms and conditions

These definitions apply to the terms and conditions set out in Sections One, Two and Three below.

Section One – ISA General Terms and Conditions

1. Definitions

'Application Form' means a Threadneedle ISA application form

'Associate' means any holding company of the Manager or a subsidiary of any such holding company (as defined in the Companies Act 2006)

'Back to Back ISA' means a Threadneedle Unit investment with an automatic annual sale and reinvestment into a Threadneedle Stocks and Shares ISA

'Business Day' means a day (other than a Saturday or Sunday or bank holiday) on which commercial banks are open in London for normal business including dealings in foreign exchange and foreign currency deposits

'CWF' means the cash withdrawal facility by means of regular redemption of Shares from an ISA

'CWF Amount' means the amount selected by you for payment to you on the Pay Date under the CWF

'Cash ISA' means an ISA that is designated as a cash ISA under the Regulations

'Client Account' means a bank account held by us in the UK in accordance with FSA rules

'FSA' means the UK Financial Services Authority

'Fund' means a fund of Threadneedle UK Property Trust

'HMRC' means Her Majesty's Revenue and Customs

'Investments' means Shares held in an ISA

'ISA' means an Individual Savings Account governed by these Terms (which may be a stocks and shares ISA or a Cash ISA)

'Manager' means Threadneedle Investment Services Limited, or Threadneedle Portfolio Services Limited as appropriate or such other company as they may respectively appoint in accordance with clause 14.2

'Pay Date' means the date on which payments from investments in a Fund or unit trust are made to you, the investor, by us, the Manager

'Prospectus' means the prospectus of the Threadneedle UK Property Trust as amended from time to time

'Qualifying Investment' means the Fund qualifying as ISA investments under the Regulations

'Regulations' means the Individual Savings Account Regulations 1998 as amended from time to time

'Stocks and Shares ISA' means an ISA that is designated as a stocks and shares ISA under the Regulations

'Terms' means these terms and conditions (together with the relevant Application Form and Key Features)

'Units' means units in the Threadneedle UK Property Fund

'we' or 'us' or 'our' means the Manager and/or the Manager's nominee

'you' or 'your' means the investor named on the relevant Application Form and/or the investors' personal representatives

Unless you originally held a Personal Equity Plan with Threadneedle Portfolio Services Limited the Manager of your ISA is Threadneedle Investment Services Limited which is authorised and regulated by the Financial Services Authority, with firm reference number 190437. Its main business is acting as an ISA Manager and as an Authorized Corporate Director. Its registered Office is 60 St Mary Axe, London EC3A 8JQ. If you originally held a Personal Equity Plan with Threadneedle Portfolio Services Limited it is the Manager of your ISA and is authorised and regulated by the Financial Services Authority, with firm reference number 119174. Its registered Office is 60 St Mary Axe, London EC3A 8BA.

When we use the words "we", "our" and "us" in these Terms and conditions, we mean the Manager.

These Terms, the Key Features and the Application Form are to be construed as one document constituting the terms of the agreement between you and us.

You should read these Terms carefully to understand how they work and your and our rights and obligations under them. We also draw your attention to the specific

risk factors that may apply to your investment, as set out in the Key Features document.

2. Subscription

- 2.1 Your ISA will come into force, subject to any rights you have to withdraw, once your correctly completed relevant Application Form and subscription monies are received and accepted by us.
- 2.2 It is our normal practice to effect investment as soon as practicable, but if there should be a reason upon which we are unable to process it we will send the investment back to you on the same day.
- 2.3 The minimum initial investment is as specified in the relevant Application Form. Additional lump sum contributions are subject to the minimum and maximum specified in the relevant Application Form.
- 2.4 We accept partial transfers from ISAs managed by other ISA managers subject to the Regulations and acceptance by us of a correctly completed Application form and your subscription monies.

3. Classification and our obligations to you

- 3.1 You are classified as a 'retail client' as defined in the FSA rules unless we notify you in writing to the contrary.
- 3.2 We will act with reasonable skill, care and diligence as required by the rules of the FSA.

4. Ownership of Investments

- 4.1 Investments are beneficially owned by you and will be registered jointly in your name and our name (or the name of a UK-based nominee company appointed by us). Any documents evidencing title to an Investment will be held by us or as we may direct. Any other nominee appointed by us may act on our instructions about an ISA or its income which appear to be in accordance with these Terms.
- 4.2 We are not permitted to lend any Investments, documents of title or other property belonging to you to a third party, commit you to pay further sums of money into the ISA, or borrow money on your behalf against the security of the Investments or documents.

5. Client money

- 5.1 The Client Account will be held in the UK with an authorised bank in accordance with the FSA's Client Assets rules. The bank will hold the cash on our behalf in sterling in a trust account separate to any account used to hold money belonging to us in our own right. We will not, however, be responsible for any acts or omissions of the bank.

- 5.2 If the bank should become insolvent, we will have a claim on behalf of you and other clients against the bank. If, however, the bank cannot repay all of its creditors, any shortfall may have to be shared pro rata between you and other clients.

6. Distributions and Income Payments

- 6.1 If you wish to take an income from your ISA you must provide full details of your bank or building society account in the 'income payments' section of the Application Form. Otherwise, any income payable in relation to your ISA will be automatically reinvested. Where you are adding to an existing holding in a particular Fund, your instructions to take the income or reinvest will apply to your entire holding in that Fund. It is not possible to both reinvest and take the income from the same Fund within the same account.
- 6.2 We can only accept one set of bank or building Society account details to cover all holdings within the same account for distribution payments.
- 6.3 We will pay with each income distribution and/or interest distribution (as paid on our bond Funds) an amount equivalent to any tax due on the distribution. Such amounts will be a loan by us to you, interest free but repayable on demand, and you will authorise us to deduct an equivalent amount, to repay this loan, from the tax reclaim when it is received from the Inland Revenue.
- 6.4 For net accumulation units and income units with reinvestment instructions, the tax reclaim obtained from the Inland Revenue will be used to purchase such additional units in the Fund in question.
- 6.5 If you wish to reinvest income but invest into your ISA immediately prior to the ex-dividend date, registration may take place too late to enable the distribution to be reinvested in additional units. In this case, the distribution will be paid out to you rather than reinvested.
- 6.6 If you terminate or transfer your ISA then any income due to you will normally be paid within four Business Days of termination or transfer.

7. Withdrawals

- 7.1 On your written instructions and within the time stipulated by you (which must be at least four Business Days) we will transfer or pay to you all or part of the investments held in your ISA and the proceeds arising from those investments.
- 7.2 The minimum withdrawal you may make at any one time is £500.

- 7.3 You hereby authorise us to act on your behalf for the purpose of approving, delivering and signing all and any documentation and doing all such acts and things as we may consider appropriate in connection with the following matters:
- (a) the sale of Investments in accordance with your instructions; and
 - (b) the transfer of the Investments into the joint names of you and us or a nominee.
- 8. Charges**
- 8.1 The Manager shall be entitled to charge for its services at the rates set out in the Key Features document issued by the Manager which is current at the date you apply for your ISA. We shall give you the notice period as required by the Regulations and the FSA Rules of any changes that are important to your investment which may apply from time to time.
- 9. Income**
- 9.1 The Manager will automatically reinvest all income in respect of Investments and all related tax reclaims, net of any tax liability, unless you elect to be paid the income from your ISA by completing the relevant section on the relevant Application Form or notifying the Manager.
- 9.2 You must inform the Manager if you wish to cancel a previous election to receive income.
- 10. Termination and invalid ISAs**
- 10.1 Termination by you
- 10.1.1 You may terminate the ISA on giving us written notice to sell the Investments on your behalf. Termination of the ISA will not take effect, even if no Investments remain, until any outstanding tax claims have been received from the HMRC. We shall be entitled to retain such proceeds as are necessary to settle any outstanding fees or any transactions that have been commenced for you.
- 10.2 Termination by us
- 10.2.1 We shall be entitled to terminate the ISA immediately if we believe it is no longer possible to manage the ISA in accordance with the Regulations or if you are in breach of the Regulations.
 - 10.2.2 The ISA will terminate automatically with immediate effect if it becomes void under the Regulations because of any failure to satisfy their provisions. We will notify you in writing if this occurs as soon as we become aware of it. Should this occur, we shall return to you the then current market value of your ISA.
- 10.2.3 The ISA will be terminated without prejudice to any transactions already initiated for you and we shall be entitled to retain such proceeds as are necessary to settle any outstanding fees and any transactions which have been commenced for you. The proceeds of the ISA will normally be paid to you within four Business Days of their sale.
- 10.2.4 When the ISA is terminated in accordance with this Section 11.2, we reserve the right to reclaim any tax reclaims already paid to you.
- 10.2.5 If we wish to stop managing the ISA, we may terminate the ISA on a minimum of 2 months' written notice. This will give you time to transfer the ISA to another manager.
- 10.3 Termination on death
- 10.3.1 The ISA will terminate automatically in the event of your death and all your rights under these Terms will vest in your personal representatives or any other person entitled to them. Such persons should inform us promptly in the event of your death.
 - 10.3.2 We will stop collecting monthly investments (where applicable) and the ISA's tax exempt status will end.
 - 10.3.3 Your personal representative or any other person entitled to your ISA may, subject to our receipt of evidence of your death and the grant of probate, ask us to sell your Investments or register them in the name of another person or persons. We will do this after selling sufficient units to reimburse us or the Inland Revenue for any money owed to either of us.
- 10.4 Repairing an invalid ISA
- 10.4.1 In certain circumstances, as set out in the Regulations and following a direction from the HMRC, it may be possible for us to repair (rather than void) an invalid ISA. This will allow you to have the benefit of tax relief for the future but you will lose tax relief up to the date of the repair and hence you should be aware of

the income and capital gains tax implications of this.

10.4.2 The HMRC will send us a notice of discovery stating which ISAs can be repaired and to what extent. We will only act on receipt of this notice. The HMRC will also send you a letter to inform you of the situation.

10.4.3 Where we are required to remove excess subscriptions (including allowance for income or tax reclaims) from your ISA you hereby authorise us to transfer into your name or redeem any of the Funds held in your ISA to the extent required under the Regulations. This will be as close to the original investment split as possible. Where this amount is above the minimum holding for investment outside an ISA we will contact you to confirm whether you wish these investments to be held directly in the Funds outside of your ISA or returned to you (this may be less than your original subscription). We will also inform you of the original cost price of investments, the date of acquisition, the sale price and any incidental costs of acquisition of investments purchased with invalid subscriptions.

11. Taxation

11.1 You authorise us to make the necessary claims in respect of tax deductions in respect of Investments and income from them in accordance with the Regulations and otherwise. When we believe it to be appropriate, we shall provide the HMRC with all relevant information and documentation that may be required by the HMRC under the Regulations or otherwise.

11.2 You will supply us with all information that we reasonably require in respect of the ISA.

11.3 You will inform us, as soon as practicable, if any of the information given or statements made in your Application Form become untrue.

11.4 You should note that your tax treatment in relation to any investments made under these Terms will depend on your individual circumstances and may be subject to change in future.

12. Alteration of these Terms

12.1 We may vary these Terms if we give at least one month's written notice, provided that the changes do not materially affect your interests or alter the fundamental basis of your investment.

12.2 We reserve the right to vary these Terms without notice if required by a change in the rules of the FSA, the rules and regulations of the HMRC but provided we notify you in writing as soon as practicable thereafter of any material changes.

12.3 Please note that, if you do not like any variations that we propose, you have a right under section 11 to end this agreement at any time.

12.4 We may appoint another company to act as your Manager in our place, but any new Manager will be an Associate of ours and will also be approved to act as a Manager under the Regulations.

13. Statements

13.1 We will send you a statement every six months showing details of your investments and details of all transactions in your ISA since the previous statement. We may produce a consolidated statement if you have more than one ISA.

14. Reports and Accounts

14.1 You will automatically receive a copy of the annual short form report and accounts issued in respect of the Fund held in your ISA. Subject to clause 15, if you so elect, we will arrange for you to receive other information issued to investors.

15. Contact Details, Notices and Instructions

15.1 You can contact Threadneedle's Client Services Team at PO Box 1331, Swindon SN38 7TA or by telephone on 0800 068 3000 or, if you have any doubts about the suitability of the investment and would like advice, contact your financial adviser.

15.2 Please note that we only accept written instructions in relation to your ISA by letter or fax. We do not accept instructions by e-mail. Other than in the case of switch instructions, we do not accept instructions over the telephone.

15.3 For your security and to improve the quality of our service, we may record and monitor telephone calls. We or our agents may contact you in order to obtain instructions in relation to your ISA. Where such contact is by telephone, these calls may also be recorded.

15.4 Any document or cheque to be sent or any notice to be given by us in writing in accordance with these Terms will be sent, at your risk, to the address last notified to us and will be deemed to have been received by you on the second day from the day it is posted.

15.5 You should write to us straight away (at the address set out in paragraph 15.1 above) if you change your name or your address. If you have not told us about a change of address and we send a notice to the latest address you have given us, it will be effective.

16. Liability

16.1 You agree to indemnify us against all liabilities incurred by us in connection with the management of your ISA, other than liabilities caused as a direct result of our negligence, wilful default, or breach of the rules of the FSA, the rules and regulations of the HMRC or of these Terms.

16.2 We are liable for our negligence, wilful default and for any breaches of the rules of the FSA, the rules and regulations of the HMRC or of these Terms. We are not liable for any loss caused through a fall in the value of Investments unless that fall was due to our negligence or wilful default.

16.3 We accept no responsibilities for your ISA until cleared funds are received, nor for any loss or delay caused in the payment of funds to us.

16.4 For the purposes of this section, references to you include your personal representatives and references to us include our nominee(s).

16.5 If we cannot perform any of our obligations under these Terms due to circumstances beyond our reasonable control, then we will take all reasonable steps to bring those circumstances to an end, but we will not be liable for our non-performance except to the extent required by the FSA rules.

16.6 We will not be liable for any loss arising directly or indirectly from the late collection of a direct debit payment that is not due to our fault, including any loss of investment opportunity or loss of tax relief.

17. Complaints and Compensation

17.1 We have established procedures in accordance with the requirements of the FSA for the consideration of complaints. Details of those procedures and your rights to compensation if we are unable to meet our liabilities to you are available from us on request. If you are dissatisfied with our response, you have the right to complain directly to the Financial Ombudsman Service, whose address is South Quay Plaza, 183 Marsh Wall, London E14 9SR.

17.2 We are covered by the Financial Services Compensation Scheme, whose address is 5th Floor, Lloyds Chambers, Portsoken Street, London E1 8BN.

You may be entitled to compensation from the scheme if we cannot meet our obligations. From 1 January 2010 certain types of investment business are covered for 100% of £50,000. Further information about compensation arrangements is available on request from us or the Financial Services Compensation Scheme itself.

18. Material interests and conflicts of duty

18.1 We and any of our Associates may effect transactions in which we or an Associate or another client of ours or our Associates has, directly or indirectly, a material interest or a relationship of any description with another party that may involve a potential conflict with our or our Associates duty to an investor.

18.2 Neither we nor any of our associates shall be liable to account to any investor for any profit, commission or remuneration made or received from or by reason of such transactions pursuant to sub-clause 18.1 or any connected transactions nor will our fees, unless otherwise provided, be abated by reason of any such profit, commission or remuneration. We will ensure that such transactions are effected on terms that are not materially less favourable to each investor than if the potential conflict had not existed.

18.3 In accordance with the FSA rules, we have a written conflicts policy that sets out the types of conflicts or potential conflicts of interest that affect our business and provides details of how these conflicts are managed. A summary of the conflicts policy is available on request. If any conflict of interest arises in relation to this Agreement where we are not able to ensure that risks of damage to the interests of each investor will be prevented, we will disclose appropriate information to the relevant investors on the conflict.

19. Cancellation

19.1 In certain circumstances you will have the right to cancel your ISA within fourteen days after receiving your contract note from us. If you exercise your right to cancel, any money paid to us will be repaid (subject to deduction of the amount, if any, by which the value of your ISA investments has fallen).

19.2 If you cancel your ISA where you have transferred an ISA to us from another Manager, we will refund the value to you and you will lose the tax status of your investment.

20. General

20.1 Dealing in the Units will be in accordance with the Regulations and the FSA rules. Your transactions may be aggregated with those of other investors to be carried

out on the same day, and this may work to your disadvantage in relation to a particular order, compared with the price you would have received if your order had been dealt separately.

- 20.2 We may employ agents in connection with the services we provide and we may delegate all or any of our functions or responsibilities to any person we believe is competent to carry out such functions or responsibilities.
- 20.3 If these Terms conflict with the FSA rules, the Regulations or any of the rules and regulations of the Inland Revenue, these will prevail over the Terms. We will notify you if by reason of any failure to satisfy the provisions of Regulations an account has or will become void.
- 20.4 You agree to notify us immediately if you cease to be resident and ordinarily resident in the United Kingdom.
- 20.5 These Terms are governed by the laws of England and Wales
- 20.6 There is no minimum duration to the agreement between us, as set out in these Terms.
- 20.7 All documentation and communications by us in respect of these Terms will be in English.

Section Two – Threadneedle Back-to-Back ISA

The Terms set out in Section One above apply to the Threadneedle Back-to-Back ISA unless stated otherwise. The Terms set out below are in addition to those set out in Section One above.

21. Subscription

- 21.1 With the Threadneedle Back-to-Back ISA, you are only entitled to subscribe for a Stocks and Shares ISA in the next or subsequent tax years.
- 21.2 You may submit either cash or an existing Investment to the Threadneedle Back-to-Back ISA, or a combination of both cash and existing Investments.
- 21.3 The sale and reinvestment into your ISA from your Threadneedle Back-to-Back account, outside the ISA, will occur automatically as soon after the beginning of the next tax year as possible. Any residual amount will not automatically be sold and reinvested into an ISA after the next tax year. You will need to inform Threadneedle in writing if you want to sell and reinvest any residual amount into an ISA in subsequent tax years or tick the box on the Application Form.

21.4 If you have not ticked the box on the Application Form, you will need to send written instructions to continue to sell from your Threadneedle Back-to-Back account outside the ISA, and to reinvest into your ISA automatically in subsequent tax years.

21.5 The sale and reinvestment into your ISA from your Threadneedle Back-to-Back account, outside the ISA, will be made based on the Funds in your Threadneedle Back-to-Back account at the time. The Funds will be sold and reinvested into your ISA in proportion to their value at the time, up to the legal limit for a Stocks and Shares ISA applicable at the time of reinvestment.

22. Charges

22.1 There is currently no initial charge and no fee for the annual sale and reinvestment into your ISA from any Funds.

22.2 We reserve the right to charge a fee, should circumstances change in the future. We will give you notice in writing of any change.

23. Statements

23.1 We shall send you a statement each tax year setting out the current balance on your Threadneedle Back-to-Back ISA.

23.2 Within six months of this statement, we shall send you a statement showing details of all transactions in relation to your account since the previous statement.

Section Three – Threadneedle Cash Withdrawal Facility (CWF)

24. Cash Withdrawal Facility

These Terms relating to the CWF are supplementary to the Prospectus of the relevant Threadneedle Funds, as may be amended from time to time and as summarised in the relevant Key Features. All the Terms applying to an Investment in a Fund or Funds, as stated in the current Prospectus, shall apply to the CWF, except as amended by these Terms.

25. Share/Unit Renunciation

You authorise us to redeem units required to provide the CWF Amount. Such redemption will take place at the selling price then ruling five Business Days (or at such other time as the Manager may in its absolute discretion determine) before payment of the CWF Amount. If there are insufficient units available to meet the CWF Amount, the CWF Amount will not be paid.

26. Settlement

26.1 Payments of the CWF Amount shall be made by direct credit (BACS) transfer to your bank or building society

account, the details of which you will notify to Us. No payments by any other method will be permitted. You will receive payment of the CWF Amount five Business Days (or at such other time as the Manager may in its absolute discretion determine) after the date of the renunciation of units, regardless of the type of Fund or Funds in which you have invested.

- 26.2 All payments of the CWF Amount must be made to one bank or building society account. We are not able to make payments of the CWF Amount to two or more separate accounts.

27. Income Distributing Funds

Where a Fund distributes income, such distributions will be reinvested in your ISA. There is currently an initial charge of 3% for such reinvestments of distributions.

28. Frequency of Payments of the CWF Amount

- 28.1 You may elect to receive payments of the CWF Amount monthly, quarterly, half-yearly or yearly. No other frequencies of payments of the CWF Amount will be permitted.

- 28.2 Payments of the CWF Amount will always be made on the first day of each calendar month or, if this is not a Business Day, the payment of CWF Amount shall be made on the nearest previous Business Day.

- 28.3 Payments of the CWF Amount can only be made on the same date and at the same frequency for any Fund within your account. Thus, if you have elected to use the CWF in respect of two or more Funds, you will be paid the CWF Amount on the same Pay Date for all Funds within your account.

- 28.4 You may choose the month in which you would like to begin using the CWF.

29. Choice of Fixed or Variable Payments

You may choose to receive your CWF Amount as either a fixed sum, or alternatively, you may elect to receive a percentage of the current valuation of your Investment.

30. Communications

- 30.1 After we have received your Application Form in respect of the CWF, we shall write to you confirming your requirements. We reserve the right to decline any application, without giving any reason.
- 30.2 Contract notes are usually required to be sent in respect of each payment of a CWF Amount. However, in our offering the CWF, you agree to our sending you a summary transaction statement every six months outlining all CWF Amounts paid to you during that period

and containing information that would have appeared in separate contract notes.

31. Alterations of the CWF Amount

You may alter the CWF Amount at any time on the giving of eight weeks' notice to the Manager. If such notice is given less than three weeks before the Pay Date of the CWF Amount it may not take effect until after the next Pay Date.

32. Termination

- 32.1 You may terminate this CWF at any time upon giving eight weeks notice to us. If you terminate the CWF, but continue to invest with us through your ISA, the provisions in this Section Three shall be suspended as regards your Investment, which will be governed by Section One of these Terms and by the terms of the current Prospectus for the relevant Threadneedle Funds.

- 32.2 We may discontinue the CWF at any time, upon the giving of at least eight weeks' notice of our intention to do so.

33. Instructions

We or our agents may contact you by telephone or by some other means in order to obtain instructions in relation to your CWF. Telephone calls may be recorded.

Important Information

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