

**Threadneedle Investment
Services Limited**

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Client Reference Number:

30 May 2014

Please address any replies to:
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*calls may be recorded

Dear Investor,

Changes to your Threadneedle investment

We are writing to you as a shareholder in one or more of the funds of Threadneedle Specialist Investment Funds ICVC to inform you of a new deferred redemption policy effective from 1 August 2014.

What is the new policy?

The new policy relates to redemptions from a fund (i.e. the sale of shares in a fund by the shareholder). It will mean that when Threadneedle receives requests to redeem more than 10% of the shares of its funds, we may choose to defer redemptions of the affected fund to the next valuation point. This will help ensure the sale of sufficient assets in the fund, so that we can adequately meet our clients' redemption requests.

How does it work?

The redemption policy is precautionary and part of Threadneedle's wider liquidity management programme across its range of ICVC funds. In times of high levels of redemption, it is important that we can effectively protect the interests of continuing shareholders in the funds. Putting in place the deferred redemption policy enables Threadneedle, as authorised corporate director ("ACD") to defer all redemptions from a fund at any valuation point to the next valuation point where redemption requests exceed 10% of the relevant fund's value. This enables us to more easily match the sale of a fund's investments to the level of redemptions

received, and should reduce the impact of dilution (i.e. costs of dealing) on the affected fund and its continuing shareholders. Full details of the procedures for application of the policy are set out in the prospectus.

Which funds are affected?

The following funds are affected by the change:

- Absolute Return Bond Fund
- American Extended Alpha Fund
- China Opportunities Fund
- Emerging Market Local Fund
- Global Emerging Markets Equity Fund
- Global Equity Income Fund
- Global Extended Alpha Fund
- Pan European Equity Dividend Fund
- Pan European Focus Fund
- Target Return Fund
- UK Absolute Alpha Fund
- UK Equity Alpha Income Fund
- UK Extended Alpha Fund
- UK Mid 250 Fund

Do you need to take any action?

You do not need to take any action regarding this change. If you have any queries on the contents of this letter or your investments, you should consult your financial adviser. Threadneedle is unable to offer investment or taxation advice, but if you have any questions concerning the fund changes, please contact us between 8.00am and 6.00pm (Monday to Friday) on 0845 113 0273** (select option 4) for shareholders located within the United Kingdom and on +44 1268 46 4321 for shareholders located outside of the United Kingdom.

Yours faithfully



Campbell Fleming
CEO

For and on behalf of
Threadneedle Investment Services Limited

(as Authorised Corporate Director of Threadneedle Specialist Investment Funds ICVC)

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