



Threadneedle

Key Features of the Threadneedle Individual Savings Account (A)

Please note that this document
relates to the following funds:

Threadneedle Investment Funds ICVC II

Threadneedle Investment Funds ICVC III

Threadneedle Investment Funds ICVC IV

Important Information

The Financial Services Authority is the independent financial services regulator. It requires us, Threadneedle Investment Services, to give you this important information to help you to decide whether our Threadneedle ISA is right for you. You should read it carefully so that you understand what you are buying and then keep it safe for future reference.

Contents

<u>1. INTRODUCTION</u>	<u>2</u>
<u>2. QUESTIONS AND ANSWERS ABOUT THE THREADNEEDLE ISA</u>	<u>3</u>
<u>3. YOUR CHOICE OF FUNDS IN THE THREADNEEDLE ISA</u>	<u>7</u>
<u>3. THREADNEEDLE UK GROWTH FUND</u>	<u>7</u>
<u>3. THREADNEEDLE EUROPEAN EX-UK GROWTH FUND</u>	<u>8</u>
<u>3. THREADNEEDLE UK EQUITY INCOME FUND</u>	<u>9</u>
<u>3. THREADNEEDLE UK CORPORATE BOND FUND</u>	<u>10</u>
<u>3. THREADNEEDLE UK FIXED INTEREST FUND</u>	<u>11</u>
<u>3. THREADNEEDLE UK INDEX LINKED FUND</u>	<u>12</u>
<u>3. THREADNEEDLE WORLDWIDE SELECT FUND</u>	<u>13</u>
<u>3. THREADNEEDLE BALANCED MANAGED FUND</u>	<u>14</u>
<u>3. THREADNEEDLE DIVERSIFIED INCOME FUND</u>	<u>15</u>
<u>3. YOUR CHOICE OF FUNDS IN THE THREADNEEDLE ISA MANAGED PORTFOLIOS</u>	<u>16</u>
<u>3. THREADNEEDLE MANAGED PORTFOLIO 3</u>	<u>17</u>
<u>3. THREADNEEDLE MANAGED PORTFOLIO 4</u>	<u>18</u>
<u>3. THREADNEEDLE MANAGED PORTFOLIO 5</u>	<u>19</u>
<u>3. THREADNEEDLE MANAGED PORTFOLIO 6</u>	<u>20</u>
<u>3. THREADNEEDLE MANAGED PORTFOLIO 7</u>	<u>21</u>
<u>3. THREADNEEDLE UK PROPERTY FUND</u>	<u>22</u>
<u>4. COMPLAINTS</u>	<u>23</u>
<u>5. COMPENSATION</u>	<u>23</u>
<u>6. CLIENT CATEGORISATION</u>	<u>23</u>
<u>7. DIRECT DEBIT GUARANTEE</u>	<u>23</u>

1. INTRODUCTION

The Threadneedle ISA

The Threadneedle ISA is a Stocks and Shares Individual Savings Account which allows you to invest in a range of Threadneedle investment funds ("Funds") in a tax-efficient way.

Its aims

The Threadneedle ISA aims to increase the value of your investment over the medium to long term (5 years or more).

Your commitment

- There is no maximum or minimum term that you must hold the Threadneedle ISA.
- You commit to invest either a lump sum or a series of regular monthly payments.
- You commit not to invest more than the ISA Regulations allow you to in any one tax year (From 6 April to 5 April the following year).
- You commit to inform us if your circumstances change, such that you are no longer eligible to invest in an ISA.

Further information on these commitments is provided below in the "**Questions and Answers**" section.

The risks

There is a wide choice of Funds in the Threadneedle ISA. Not all funds have the same potential risks or rewards.

Below is a list of risk factors that apply to all the Funds in the Threadneedle ISA. You should also refer to the "**Your Choice of Funds**" section for information on the other risk factors that apply to each specific Fund.

- **Not Guaranteed** – The Funds in the Threadneedle ISA are stock market related investments so you are not certain to make a profit. You may get back less than your original investment. This may be due to a fall in the value of the securities and/or shares in your chosen Fund; the effect of Fund charges, or a combination of both.
- **Volatility** – The value of shares and securities and any income from them may fall as well as rise. Past investment performance is not a guide to future investment performance.
- **Not for the short-term** – The risk that you may not get back your original investment is greater in the short term because an initial charge is taken when you invest. You should therefore be prepared to invest for the medium to long term (5 years or more).
- **Inflation** – Unless the growth in the value of your investment keeps up with the rise in the price of goods and services (as measured by the rate of inflation), the real value of your investment will reduce.
- **Regulations may change** – ISA Regulations are set by the UK Government. If the Government changes the tax treatment of ISA's this may reduce the growth potential from the investment. Thus there is no guarantee that the tax benefits enjoyed now will continue for the long term.
- **Taking an income** – If you decide to take an income or cash-in part of your investment in your ISA this will reduce the potential to grow the value of your investment in the future and may eat in to your original investment.
- **Access to your investment** – You may cash in your investment at any time. However, in exceptional circumstances, such as immediately following a natural disaster, financial markets may be closed for business, causing the sale of your investment to be delayed.

If you are in any doubt, speak to your financial adviser.

2. QUESTIONS AND ANSWERS ABOUT THE THREADNEEDLE ISA

Am I eligible to invest in the Threadneedle ISA?

If you are resident in the UK and aged 18 or over, you can invest in the Threadneedle ISA.

Crown Employees, such as members of the Armed Forces, who are not resident in the UK can also invest and so can their Spouses or Civil Partners. If your circumstances change, for example, you are no longer UK Resident or a Crown Employee, you must inform us immediately.

Please note you cannot invest in an ISA in joint names.

Further information can be found in the Threadneedle ISA Terms and Conditions.

What is the minimum that I can invest in the Threadneedle ISA?

The minimum initial lump sum investment in any Fund is £1,000. A regular savings facility is available for each Fund with a minimum investment of £100 per month.

The regular savings facility is also open to those who have invested a lump sum.

If you choose to invest using a regular savings facility, be aware that your Account may be closed if you do not keep up your payments and reach the minimum investment of £500.

See also below the maximum limits on your investment in the ISA.

What is the maximum that I can invest in the Threadneedle ISA?

The maximum that you can invest in the Threadneedle ISA in the current tax year is £10,680.

Regulations allow you to invest in one Stocks & Shares ISA and one Cash ISA each tax year.

The annual ISA investment allowance is currently £10,680 per tax year. Up to £5,340 of that allowance can be saved in Cash with one ISA Account Manager. The remainder of the £10,680 can be invested in a Stocks and Shares ISA, either with the same Account Manager or with a different Account Manager.

For example, you could save £1,000 in a Cash ISA with your bank and up to £9,680 in a Stocks and Shares ISA.

Or, you could invest the full £10,680 in a Stocks and Shares ISA.

If you are in any doubt, speak to your financial adviser.

How do I invest in the Threadneedle ISA?

You can invest by completing an Threadneedle ISA Application Form.

Applications can be made by post to Threadneedle Investment Services Limited, 60 St. Mary Axe, London EC3A 8JQ or through your financial adviser. Alternatively, you can telephone us on 0845 113 0273, or visit our website www.threadneedle.co.uk. Calls may be recorded for training and monitoring purposes.

You can make additional investments with a minimum of £500 in the same Fund or £1,000 in a different Fund, by letter, telephone or online, provided you provide your full name and investment details for registration purposes.

You can make payment by personal cheque payable (in pounds Sterling) to Threadneedle Investment Services Limited. However, if you are paying by a building society cheque please ensure that the building society has endorsed the cheque with your name and your account number. Where the payment is made by an unendorsed building society cheque, the processing of your application will be delayed as we will need you to provide us with evidence to establish the account from which the funds originated.

If you choose to invest by telephone or with us online, payment can be made using a debit card registered in your own name.

See also above the maximum limits on your investment in the ISA.

Can I transfer my existing ISA's in to the Threadneedle ISA?

You may transfer all or any of your Cash & Stocks and Shares ISA's from previous tax years to the Threadneedle ISA.

You may not transfer your Cash ISA to the Threadneedle III ISA.

You may transfer all of your Stocks and Shares ISA from this tax year to the Threadneedle ISA.

All Transfers must be in the form of cash (we cannot accept investments held in other funds). Be aware that it can take up to 30 days to complete a transfer, during which time your investment may remain in cash before it can be invested in your chosen Threadneedle Funds.

A Threadneedle ISA Transfer Form is available from us on request.

Further information on Transfers in and out of the Threadneedle ISA can be found in the Threadneedle ISA Terms & Conditions.

We recommend you consult your financial adviser before proceeding with any transfers.

What happens to the money I invest in the Threadneedle ISA?

The money you invest buys shares in the Threadneedle Fund(s) specified by you on the Application Form.

Further information on the choice of Funds available to you can be found below in the section “**Your Choice of Funds in the Threadneedle ISA**”.

We will take a 5% Initial Charge on your investment.

What documentation will I receive after I invest in the Threadneedle ISA?

If you invest a lump sum you will receive: an acknowledgement confirming the number of shares purchased in your chosen Fund(s) and the price paid for them; the details of the Initial Charge taken by us and details of any commission payable to your financial adviser.

If you make an additional lump sum investment you will receive a similar acknowledgement.

If you invest through a Regular Savings Facility you will receive an acknowledgement for the first month only. This will also include confirmation of the Bank Direct Debit details for your regular payments.

Can I change my mind after investing in the Threadneedle ISA?

If you are investing on the advice of a recognised financial adviser then you have the right to cancel. We will send you a Right of Cancellation Notice when your investment starts and you then have 14 days after receiving the Notice to decide.

This applies when you invest in the Threadneedle ISA for the first time, either as a lump sum or by using the Regular Savings Facility. It also applies if you decide to make additional lump sum investments in the future.

If you do change your mind within the 14 days, you can cancel your investment by completing and returning the Right of Cancellation Notice Form to us.

We will sell your shares at the next dealing price. The Initial Charge applied when you invested will be refunded. However, please note, if the price of Fund shares has gone down since you made the investment the refund you will receive will be less than you paid.

Further information can be found in the Threadneedle Stocks and Shares ISA Terms and Conditions.

If you are investing on your own initiative (on an execution-only basis) without the services of a recognised financial adviser then no Right of Cancellation will apply.

What Funds can I invest in through the Threadneedle ISA?

The following Funds are currently available:

- Threadneedle UK Growth Fund – Accumulation Shares
- Threadneedle European ex-UK Growth Fund – Accumulation Shares
- Threadneedle UK Equity Income Fund – Income Shares
- Threadneedle UK Corporate Bond Fund – Accumulation Shares
- Threadneedle UK Fixed Interest Fund – Accumulation Shares
- Threadneedle UK Index Linked Fund – Accumulation Shares
- Threadneedle Worldwide Select Fund – Accumulation Shares
- Threadneedle Balanced Managed Fund – Accumulation Shares
- Threadneedle Diversified Income Fund – Income Shares
- Threadneedle Managed Portfolio 3 – Income Shares
- Threadneedle Managed Portfolio 4 – Income Shares
- Threadneedle Managed Portfolio 5 – Income Shares
- Threadneedle Managed Portfolio 6 – Income Shares
- Threadneedle Managed Portfolio 7 – Income Shares
- Threadneedle UK Property Fund – Accumulation Shares

More information on the Funds can be found below in the section “Your Choice of Funds in the Threadneedle ISA”.

What about tax – do I have to pay anything if I invest in the Threadneedle ISA?

ISA Regulations provide a number of benefits compared to investing outside an ISA:

- All gains will be free of capital gains tax if you cash in all or part of your ISA investment.
- If you take an income from your ISA, there is no tax to pay.

- The ISA Account Manager can reclaim the tax credit on any direct holdings in UK fixed interest securities. It may not be possible to reclaim tax already deducted from overseas dividends or income.
- You do not need to inform HM Revenue & Customs of any income or gains you receive from your ISA.

Your entitlement to these tax benefits will cease if your personal circumstances change such that you are no longer eligible to hold an ISA account.

This is based on our understanding of current HM Revenue & Customs tax rules and regulations. These rules and regulations may change in the future.

What charges apply to my investment in the Threadneedle ISA?

We will take a 5% Initial Charge on your investment.

Annual Management Charges are also payable. The amount depends upon the Fund you choose. More information on the Annual Management Charges and other expenses can be found below in the section “**Your Choice of Funds in the Threadneedle ISA**”.

If you investing on the advice of a recognised financial adviser there may be a cost for the advice you receive. Your adviser will provide you with further details.

In addition, when you buy or sell shares in the Funds through the Threadneedle ISA, a dilution levy may apply (with the exception of the Threadneedle UK Property Fund, which is dual-priced).

A dilution levy is a charge that can be levied on those buying or selling shares in a Fund in order to cover the cost of buying and selling underlying securities in the Fund. The levy is a useful way to protect the Fund and its shareholders from the effect of these costs because, if a dilution levy is charged, the proceeds of the levy are paid back in to the Fund.

Any decision on whether to apply a dilution levy would be made by the Authorised Corporate Director of the Funds. Please note, it is not possible to predict with accuracy when one might be applied. However, it is more likely to occur on a large investment or sale of shares in the Fund than on a small one. Full information on the Dilution Levy Policy can be found in the Prospectus of your chosen Fund, which is available on request.

Stamp Duty Reserve Tax (SDRT) & SDRT Provision

If you are selling shares in your chosen Fund(s) a Stamp Duty Reserve Tax (SDRT) charge may apply.

HM Treasury regulations require a 0.5% SDRT charge to be made on the value of UK shares sold from the Fund by the ACD and on certain other transfers of shares. The liability may be reduced or eliminated completely in certain circumstances.

The Financial Services Authority's rules allow the cost of SDRT to be met directly from the Fund. Alternatively, to protect the Fund and its shareholders from the effect of SDRT, the cost can be passed on to those investors whose sale or purchase of shares in the Fund has triggered the SDRT (this is called an SDRT provision). It is not possible to predict accurately whether an SDRT charge will occur, nor whether the ACD will need to make such an SDRT provision on investors selling shares in the Funds.

Further information on SDRT can be found in the Prospectus of your chosen Fund, which is available on request.

Do any of these Funds invest principally in collective investment schemes or deposits?

Yes, the Threadneedle Balanced Managed Fund, the Threadneedle Worldwide Select Fund and Managed Portfolios 3-7 invest in other collective investment schemes, including potentially other Threadneedle Funds. The Threadneedle UK Money Market Fund in accordance in it's investment policy will invest mainly in money market movements and deposits.

Does any Fund invest significantly in transferable securities issued or guaranteed by a European state?

Yes, the investment policy of Threadneedle UK Fixed Interest Fund, and Threadneedle UK Index Linked Fund means that each of these Funds will hold more than 35% of their property in UK Government Bonds.

How do I keep track of my investment in the Threadneedle ISA later on?

You will receive statements showing the value of your investments as at 30 June and 31 December each year.

You can check on the latest Fund Share Prices on our website: www.threadneedle.co.uk/prices or by telephone on 0845 113 0273. Calls may be recorded.

Can I switch between funds in the Threadneedle ISA and is there a charge for this?

Yes, you can switch from one Fund to another in the Threadneedle ISA.

However, you will need to keep a minimum of £500 in each Fund that you choose to hold.

When you switch you may be charged up to 2% of the value of the shares being switched.

If you wish to switch please contact your financial adviser; write to us at Threadneedle Investment Services Limited, 60 St. Mary Axe, London EC3A 8JQ or telephone us on 0845 113 0273.

Alternatively, a switch is something that can be arranged online, if you have registered to manage your Account with us in this way.

Will I receive an income from my investment in the Threadneedle ISA?

Any income received by the Funds is normally reinvested. However, it is possible to receive income payments to your bank account if you have invested in any of the following Funds:

- Threadneedle UK Equity Income Fund
- Threadneedle Diversified Income Fund
- Threadneedle Managed Portfolio 3
- Threadneedle Managed Portfolio 4
- Threadneedle Managed Portfolio 5
- Threadneedle Managed Portfolio 6
- Threadneedle Managed Portfolio 7

Each of these Funds makes income distributions half-yearly, with the exception of Threadneedle UK Equity Income Fund and Threadneedle Diversified Income Fund, which make distributions on a quarterly basis.

To receive income payments to your bank account, complete the income Payment Details section on your Application Form.

If you decide not to take an income now but want to do so later on, contact your financial adviser; write to us at Threadneedle Investment Services Limited, 60 St. Mary Axe, London EC3A 8JQ or telephone us on 0845 113 0273.

How can I cash in all or part of my investment in the Threadneedle ISA?

Simply contact your Financial Adviser, or write to us at Threadneedle Investment Services Limited, 60 St. Mary Axe, London EC3A 8JQ, or telephone us on 0845 113 0273.

Alternatively, your instructions can be given to us online, if you have registered to manage your Account in this way.

Please note, for your Account to remain open, you must keep a minimum of £500 in each Fund that you choose to hold.

Can I transfer my Threadneedle Stocks and Shares ISA to a Stocks and Shares ISA with another Account Manager later on?

Yes, you can. Further information can be found in the Threadneedle ISA Terms & Conditions.

Be aware that it can take up to 30 days to complete a transfer, during which time your investment may remain in cash before it can be invested in your new Account Manager's Fund(s).

We recommend you consult your Financial Adviser before proceeding. On completion of the transfer your Threadneedle ISA Account will be closed.

Please note, you cannot transfer from a Stocks and Shares ISA to a Cash ISA.

Under what circumstances might my Threadneedle ISA Account be closed?

Your Account would close under any one of the following circumstances:

If you stopped a regular savings plan before reaching the minimum investment level required by the Threadneedle ISA Terms & Conditions (currently the minimum is £500).

If you withdrew all of your investment or transferred it to another ISA Account Manager.

If you withdrew part of your investment and the remaining investment was valued below the minimum required under the Threadneedle ISA Terms & Conditions (currently the minimum is £500).

If you ceased to be eligible under the ISA Regulations to hold an ISA Account.

If Threadneedle Investment Services Limited ceased to act as the ISA Account Manager. In which case, you would be given 30 days' notice in writing before your Account was closed in accordance with the Threadneedle ISA Terms & Conditions.

In the event of your death.

If the UK Government changed the ISA Regulations and required Threadneedle Investment Services Limited to close your Account.

For more information please refer to the Threadneedle ISA Terms & Conditions.

3. YOUR CHOICE OF FUNDS IN THE THREADNEEDLE ISA

This section provides further information on each of the Funds available in the Threadneedle ISA. The information includes an illustration of what you might get back in the future and the effect of charges on an investment in the Funds. For a more personalised illustration, please contact your financial adviser.

More detailed information can be found in the Simplified Prospectus applicable to each Fund.

3. THREADNEEDLE UK GROWTH FUND

Aims of the Fund

The objective of the Fund is to achieve long-term capital growth from investments principally in UK equities (company shares).

This Fund is suitable for

Investors who seek potential growth from their investment over the longer term and are prepared for the potential risk of loss associated with investing in the stock market.

Risk Factors

All the risk factors referred to above in the section "The risks" apply to this Fund.

Charges on this Fund

There is an Initial Charge of 5% each time you make an investment. There is an Annual Management Charge of 1%. Additional expenses on this Fund are estimated at 0.10%.

More information on this Fund including Risk Factors

Please refer to the Simplified Prospectus of Threadneedle Investment Funds II ICVC.

A copy of the Full Prospectus is also available. Ask your financial adviser or telephone us on 0845 113 0273.

What you might get back in the future from investing a lump sum in Threadneedle UK Growth Fund through the Threadneedle ISA

The effect of charges on an investment of £1,000 assuming growth of 7.0% a year is set out below. The figures are not guaranteed and serve only to show the effect of charges and expenses on an investment. They could be higher or lower than this. The figures are not inclusive of security transaction costs.

Lump sum investment of £1,000.

At End of	Your total investment to date	Effect of deductions to date	What you might get back
Year 1	£1,000	£64	£1,000
Year 3	£1,000	£99	£1,120
Year 5	£1,000	£141	£1,260
Year 10	£1,000	£293	£1,670

The last line in the table shows that over 10 years the effect of total charges and expenses could amount to £293.

Putting it another way, if the growth rate were to be 7.0% a year, which is in no way guaranteed, this would have the effect of reducing the growth rate to 5.3% a year.

What you might get back in the future from investing a regular amount in Threadneedle UK Growth Fund through the Threadneedle ISA

The effect of charges on an investment of £100 per month assuming growth of 7.0% a year is set out below. The figures are not guaranteed and serve only to show the effect of charges and expenses on an investment. They could be higher or lower than this. The figures are not inclusive of security transaction costs.

Regular investment of £100 per month.

At End of	Your total investment to date	Effect of deductions to date	What you might get back
Year 1	£1,200	£69	£1,170
Year 3	£3,600	£266	£3,730
Year 5	£6,000	£555	£6,600
Year 10	£12,000	£1,829	£15,300

The last line in the table shows that over 10 years the effect of total charges and expenses could amount to £1,829.

Putting it another way, if the growth rate were to be 7.0% a year, which is in no way guaranteed, this would have the effect of reducing the growth rate to 4.9% a year.

3. THREADNEEDLE EUROPEAN EX-UK GROWTH FUND

Aims of the Fund

The objective of the Fund is to achieve long-term capital growth from investments principally in European equities, excluding the UK.

This Fund is suitable for

Investors who seek potential growth from their investment over the longer term and are prepared for the potential risk of loss associated with investing in the stock market.

Risk Factors

All the risk factors referred to above in the section "The risks" apply to this Fund. In addition please note:

The Fund invests in European company shares which are priced in the Euro and other foreign currencies. As a result, changes in currency exchange rates between UK sterling and these foreign currencies may alone cause the Fund value to rise or fall.

Charges on this Fund

There is an Initial Charge of 5% each time you make an investment. There is an Annual Management Charge of 1%. Additional expenses on this Fund are estimated at 0.11%.

More information on this Fund including Risk Factors

Please refer to the Simplified Prospectus of Threadneedle Investment Funds II ICVC.

A copy of the Full Prospectus is also available. Ask your financial adviser or telephone us on 0845 113 0273.

What you might get back in the future from investing a lump sum in Threadneedle European ex-UK Growth Fund through the Threadneedle ISA

The effect of charges on an investment of £1,000 assuming growth of 7.0% a year is set out below. The figures are not guaranteed and serve only to show the effect of charges and expenses on an investment. They could be higher or lower than this. The figures are not inclusive of security transaction costs.

Lump sum investment of £1,000.

At End of	Your total investment to date	Effect of deductions to date	What you might get back
Year 1	£1,000	£64	£1,000
Year 3	£1,000	£99	£1,120
Year 5	£1,000	£142	£1,260
Year 10	£1,000	£294	£1,670

The last line in the table shows that over 10 years the effect of total charges and expenses could amount to £294.

Putting it another way, if the growth rate were to be 7.0% a year, which is in no way guaranteed, this would have the effect of reducing the growth rate to 5.3% a year.

What you might get back in the future from investing a regular amount in Threadneedle European ex-UK Growth Fund through the Threadneedle ISA

The effect of charges on an investment of £100 per month assuming growth of 7.0% a year is set out below. The figures are not guaranteed and serve only to show the effect of charges and expenses on an investment. They could be higher or lower than this. The figures are not inclusive of security transaction costs.

Regular investment of £100 per month.

At End of	Your total investment to date	Effect of deductions to date	What you might get back
Year 1	£1,200	£69	£1,170
Year 3	£3,600	£266	£3,730
Year 5	£6,000	£556	£6,600
Year 10	£12,000	£1,837	£15,300

The last line in the table shows that over 10 years the effect of total charges and expenses could amount to £1,837.

Putting it another way, if the growth rate were to be 7.0% a year, which is in no way guaranteed, this would have the effect of reducing the growth rate to 4.9% a year.

3. THREADNEEDLE UK EQUITY INCOME FUND

Aims of the Fund

The objective of the Fund is to achieve a high level of income combined with long-term capital growth from investments principally in UK equities.

This Fund is suitable for

Investors who seek potential growth from their investment over the longer term and are prepared for the potential risk of loss associated with investing in the stock market.

Risk Factors

All the risk factors referred to above in the section "The risks" apply to this Fund. In addition please note:

Because the fund has the objective of producing income the Fund's annual management charges are taken from capital. This may have the effect of limiting future capital growth or eroding capital if there is insufficient growth in the value of investments.

Charges on this Fund

There is an Initial Charge of 5% each time you make an investment. There is an Annual Management Charge of 1%. Additional expenses on this Fund are estimated at 0.08%.

More information on this Fund including Risk Factors

Please refer to the Simplified Prospectus of Threadneedle Investment Funds II ICVC.

A copy of the Full Prospectus is also available. Ask your financial adviser or telephone us on 0845 113 0273.

What you might get back in the future from investing a lump sum in Threadneedle UK Equity Income Fund through the Threadneedle ISA

The effect of charges on an investment of £1,000 assuming growth of 7.0% a year is set out below. The figures are not guaranteed and serve only to show the effect of charges and expenses on an investment. They could be higher or lower than this. The figures are not inclusive of security transaction costs.

Lump sum investment of £1,000.

At End of	Your total investment to date	Effect of deductions to date	What you might get back
Year 1	£1,000	£64	£1,000
Year 3	£1,000	£98	£1,120
Year 5	£1,000	£140	£1,260
Year 10	£1,000	£289	£1,670

The last line in the table shows that over 10 years the effect of total charges and expenses could amount to £289.

Putting it another way, if the growth rate were to be 7.0% a year, which is in no way guaranteed, this would have the effect of reducing the growth rate to 5.3% a year.

What you might get back in the future from investing a regular amount in Threadneedle UK Equity Income Fund through the Threadneedle ISA

The effect of charges on an investment of £100 per month assuming growth of 7.0% a year is set out below. The figures are not guaranteed and serve only to show the effect of charges and expenses on an investment. They could be higher or lower than this. The figures are not inclusive of security transaction costs.

Regular investment of £100 per month.

At End of	Your total investment to date	Effect of deductions to date	What you might get back
Year 1	£1,200	£69	£1,170
Year 3	£3,600	£264	£3,730
Year 5	£6,000	£551	£6,600
Year 10	£12,000	£1,812	£15,300

The last line in the table shows that over 10 years the effect of total charges and expenses could amount to £1,812.

Putting it another way, if the growth rate were to be 7.0% a year, which is in no way guaranteed, this would have the effect of reducing the growth rate to 4.9% a year.

3. THREADNEEDLE UK CORPORATE BOND FUND

Aims of the Fund

The Fund seeks to achieve a long-term total return whilst moderating the risk of investment at any particular point in the economic and business cycle.

The policy of the Fund is to invest principally in Sterling denominated fixed interest securities issued by corporate entities.

This Fund is suitable for

Investors who seek growth from their investment over the longer term derived predominantly from the income generated by fixed interest securities.

Risk Factors

All the risk factors referred to above in the section "The risks" apply to this Fund. In addition please note:

There are risks that the company issuing the fixed interest security may default and fail to meet its obligations resulting in a loss for the Fund.

Charges on this Fund

There is an Initial Charge of 5% each time you make an investment. There is an Annual Management Charge of 1%. Additional expenses on this Fund are estimated at 0.10%.

More information on this Fund including Risk Factors

Please refer to the Simplified Prospectus of Threadneedle Investment Funds III ICVC.

A copy of the Full Prospectus is also available. Ask your financial adviser or telephone us on 0845 113 0273.

What you might get back in the future from investing a lump sum in Threadneedle UK Corporate Bond Fund through the Threadneedle ISA

The effect of charges on an investment of £1,000 assuming growth of 6.5% a year is set out below. The figures are not guaranteed and serve only to show the effect of charges and expenses on an investment. They could be higher or lower than this. The figures are not inclusive of security transaction costs.

Lump sum investment of £1,000

At End of	Your total investment to date	Effect of deductions to date	What you might get back
Year 1	£1,000	£64	£1,000
Year 3	£1,000	£97	£1,110
Year 5	£1,000	£138	£1,230
Year 10	£1,000	£297	£1,590

The last line in the table shows that over 10 years the effect of total charges and expenses could amount to £279.

Putting it another way, if the growth rate were to be 6.5% a year, which is in no way guaranteed, this would have the effect of reducing the growth rate to 4.8% a year.

What you might get back in the future from investing a regular amount in Threadneedle UK Corporate Bond Fund through the Threadneedle ISA

The effect of charges on an investment of £100 per month assuming growth of 6.5% a year is set out below. The figures are not guaranteed and serve only to show the effect of charges and expenses on an investment. They could be higher or lower than this. The figures are not inclusive of security transaction costs.

Regular investment of £100 per month.

At End of	Your total investment to date	Effect of deductions to date	What you might get back
Year 1	£1,200	£69	£1,170
Year 3	£3,600	£263	£3,700
Year 5	£6,000	£547	£6,520
Year 10	£12,000	£1,775	£14,900

The last line in the table shows that over 10 years the effect of total charges and expenses could amount to £1,775.

Putting it another way, if the growth rate were to be 6.5% a year, which is in no way guaranteed, this would have the effect of reducing the growth rate to 4.4% a year.

3. THREADNEEDLE UK FIXED INTEREST FUND

Aims of the Fund

The Fund seeks to achieve a long-term total return whilst moderating the risk of investment at any particular point in the economic and business cycle.

The policy of the Fund is to invest principally in Sterling denominated fixed interest securities issued by the UK Government.

This Fund is suitable for

Investors who seek growth from their investment over the longer term derived predominantly from the income generated by fixed interest securities without exposure to company shares.

Risk Factors

All the risk factors referred to above in the section "The risks" apply to this Fund.

Charges on this Fund

There is an Initial Charge of 5% each time you make an investment. There is an Annual Management Charge of 0.55%. Additional expenses on this Fund are estimated at 0.67%.

More information on this Fund including Risk Factors

Please refer to the Simplified Prospectus of Threadneedle Investment Funds III ICVC.

A copy of the Full Prospectus is also available. Ask your financial adviser or telephone us on 0845 113 0273.

What you might get back in the future from investing a lump sum in Threadneedle UK Fixed Interest Fund through the Threadneedle ISA

The effect of charges on an investment of £100 assuming growth of 4.5% a year is set out below. The figures are not guaranteed and serve only to show the effect of charges and expenses on an investment. They could be higher or lower than this. The figures are not inclusive of security transaction costs.

Lump sum investment of £1,000.

At End of	Your total investment to date	Effect of deductions to date	What you might get back
Year 1	£1,000	£58	£986
Year 3	£1,000	£78	£1,060
Year 5	£1,000	£101	£1,140
Year 10	£1,000	£173	£1,370

The last line in the table shows that over 10 years the effect of total charges and expenses could amount to £173.

Putting it another way, if the growth rate were to be 4.5% a year, which is in no way guaranteed, this would have the effect of reducing the growth rate to 3.3% a year.

What you might get back in the future from investing a regular amount in Threadneedle UK Fixed Interest Fund through the Threadneedle ISA

The effect of charges on an investment of £100 per month assuming growth of 4.5% a year is set out below. The figures are not guaranteed and serve only to show the effect of charges and expenses on an investment. They could be higher or lower than this. The figures are not inclusive of security transaction costs.

Regular investment of £100 per month.

At End of	Your total investment to date	Effect of deductions to date	What you might get back
Year 1	£1,200	£65	£1,160
Year 3	£3,600	£231	£3,620
Year 5	£6,000	£447	£6,270
Year 10	£12,000	£1,263	£13,800

The last line in the table shows that over 10 years the effect of total charges and expenses could amount to £1,263.

Putting it another way, if the growth rate were to be 4.5% a year, which is in no way guaranteed, this would have the effect of reducing the growth rate to 2.8% a year.

3. THREADNEEDLE UK INDEX LINKED FUND

Aims of the Fund

The Fund seeks to achieve a long-term total return whilst moderating the risk of investment at any particular point in the economic and business cycle.

The policy of the Fund is to invest principally in Sterling denominated index linked securities issued by the UK Government.

This Fund is suitable for

Investors who seek growth from their investment over the longer term derived predominantly from the income generated by fixed interest securities without exposure to company shares.

Risk Factors

All the risk factors referred to above in the section "The risks" apply to this Fund.

Charges on this Fund

There is an Initial Charge of 5% each time you make an investment. There is an Annual Management Charge of 0.55%. Additional expenses on this Fund are estimated at 0.74%.

More information on this Fund including Risk Factors

Please refer to the Simplified Prospectus of Threadneedle Investment Funds III ICVC.

A copy of the Full Prospectus is also available. Ask your financial adviser or telephone us on 0845 113 0273.

What you might get back in the future from investing a lump sum in Threadneedle UK Index Linked Fund through the Threadneedle ISA

The effect of charges on an investment of £1,000 assuming growth of 4.5% a year is set out below. The figures are not guaranteed and serve only to show the effect of charges and expenses on an investment. They could be higher or lower than this. The figures are not inclusive of security transaction costs.

Lump sum investment of £1,000.

At End of	Your total investment to date	Effect of deductions to date	What you might get back
Year 1	£1,000	£58	£986
Year 3	£1,000	£77	£1,060
Year 5	£1,000	£99	£1,140
Year 10	£1,000	£169	£1,380

The last line in the table shows that over 10 years the effect of total charges and expenses could amount to £169.

Putting it another way, if the growth rate were to be 4.5% a year, which is in no way guaranteed, this would have the effect of reducing the growth rate to 3.3% a year.

What you might get back in the future from investing a regular amount in Threadneedle UK Index Linked Fund through the Threadneedle ISA

The effect of charges on an investment of £100 per month assuming growth of 4.5% a year is set out below. The figures are not guaranteed and serve only to show the effect of charges and expenses on an investment. They could be higher or lower than this. The figures are not inclusive of security transaction costs.

Regular investment of £100 per month.

At End of	Your total investment to date	Effect of deductions to date	What you might get back
Year 1	£1,200	£65	£1,160
Year 3	£3,600	£229	£3,620
Year 5	£6,000	£442	£6,280
Year 10	£12,000	£1,240	£13,800

The last line in the table shows that over 10 years the effect of total charges and expenses could amount to £1,240.

Putting it another way, if the growth rate were to be 4.5% a year, which is in no way guaranteed, this would have the effect of reducing the growth rate to 2.9% a year.

3. THREADNEEDLE WORLDWIDE SELECT FUND

Aims of the Fund

The objective of the Fund is to achieve long-term capital growth and to maximise the capital return whilst moderating the risk of equity investment at any particular point in the economic and business cycle.

The policy of the Fund is to invest principally in a range of collective investment schemes, which may include certain other Threadneedle Funds, that provide exposure to equities. Investment of the Fund may be in any geographic or economic sectors of the world, although there will be a bias towards the UK and Europe.

This Fund is suitable for

Investors who seek growth from their investment over the longer term predominantly from investment in company shares, prepared for the risks associated with investing in the stock market including some exposure to overseas assets.

Risk Factors

All the risk factors referred to above in the section "The risks" apply to this Fund. In addition, please note:

- The Fund will invest in other investment funds which have their own investment objectives and policies. There is no guarantee that these investment funds will achieve their objectives.
- The Fund may invest in overseas assets which are priced in foreign currencies. In these circumstances, changes in currency exchange rates between UK sterling and the foreign currency may alone cause the Fund value to rise or fall.

Charges on this Fund

There is an Initial Charge of 5% each time you make an investment. There is an Annual Management Charge of 1%. Additional expenses on this Fund are estimated at 0.80%.

More information on this Fund including Risk Factors

Please refer to the Simplified Prospectus of Threadneedle Investment Funds III ICVC.

A copy of the Full Prospectus is also available. Ask your financial adviser or telephone us on 0845 113 0273.

What you might get back in the future from investing a lump sum in Threadneedle Worldwide Select Fund through the Threadneedle ISA

The effect of charges on an investment of £1,000 assuming growth of 7.0% a year is set out below. The figures are not guaranteed and serve only to show the effect of charges and expenses on an investment. They could be higher or lower than this. The figures are not inclusive of security transaction costs.

Lump sum investment of £1,000

At End of	Your total investment to date	Effect of deductions to date	What you might get back
Year 1	£1,000	£71	£998
Year 3	£1,000	£122	£1,100
Year 5	£1,000	£184	£1,210
Year 10	£1,000	£406	£1,560

The last line in the table shows that over 10 years the effect of total charges and expenses could amount to £406.

Putting it another way, if the growth rate were to be 7.0% a year, which is in no way guaranteed, this would have the effect of reducing the growth rate to 4.6% a year.

What you might get back in the future from investing a regular amount in Threadneedle Worldwide Select Fund through the Threadneedle ISA

The effect of charges on an investment of £100 per month assuming growth of 7.0% a year is set out below. The figures are not guaranteed and serve only to show the effect of charges and expenses on an investment. They could be higher or lower than this. The figures are not inclusive of security transaction costs.

Regular investment of £100 per month.

At End of	Your total investment to date	Effect of deductions to date	What you might get back
Year 1	£1,200	£73	£1,170
Year 3	£3,600	£307	£3,690
Year 5	£6,000	£676	£6,480
Year 10	£12,000	£2,408	£14,700

The last line in the table shows that over 10 years the effect of total charges and expenses could amount to £2,408.

Putting it another way, if the growth rate were to be 7.0% a year, which is in no way guaranteed, this would have the effect of reducing the growth rate to 4.2% a year.

3. THREADNEEDLE BALANCED MANAGED FUND

Aims of the Fund

The objective of the Fund is to achieve long-term capital growth and to maximise the capital return whilst moderating the risk of equity investment at any particular point in the economic and business cycle.

The policy of the Fund is to invest principally in a range of collective investment schemes, which may include certain other Threadneedle Funds, that provide exposure to equities. Investment of the Fund may be in any geographic or economic sectors of the world, although there will be a bias towards the UK and Europe.

This Fund is suitable for

Investors who seek growth from their investment over the longer term and are prepared for the risks associated with investing in the stock market including some exposure to overseas assets.

Risk Factors

All the risk factors referred to above in the section "The risks" apply to this Fund. In addition, please note:

- The Fund will invest in other investment funds which have their own investment objectives and policies. There is no guarantee that these investment funds will achieve their objectives.
- The Fund may invest in overseas assets which are priced in foreign currencies. In these circumstances, changes in currency exchange rates between UK sterling and the foreign currency may alone cause the Fund value to rise or fall.

Charges on this Fund

There is an Initial Charge of 5% each time you make an investment. There is an Annual Management Charge of 1%. Additional expenses on this Fund are estimated at 0.67%.

More information on this Fund including Risk Factors

Please refer to the Simplified Prospectus of Threadneedle Investment Funds III ICVC.

A copy of the Full Prospectus is also available. Ask your financial adviser or telephone us on 0845 113 0273.

What you might get back in the future from investing a lump sum in Threadneedle Balanced Managed Fund through the Threadneedle ISA

The effect of charges on an investment of £1,000 assuming growth of 7.0% a year is set out below. The figures are not

guaranteed and serve only to show the effect of charges and expenses on an investment. They could be higher or lower than this. The figures are not inclusive of security transaction costs.

Lump sum investment of £1,000.

At End of	Your total investment to date	Effect of deductions to date	What you might get back
Year 1	£1,000	£70	£999
Year 3	£1,000	£118	£1,100
Year 5	£1,000	£176	£1,220
Year 10	£1,000	£385	£1,580

The last line in the table shows that over 10 years the effect of total charges and expenses could amount to £385.

Putting it another way, if the growth rate were to be 7.0% a year, which is in no way guaranteed, this would have the effect of reducing the growth rate to 4.7% a year.

What you might get back in the future from investing a regular amount in Threadneedle Balanced Managed Fund through the Threadneedle ISA

The effect of charges on an investment of £100 per month assuming growth of 7.0% a year is set out below. The figures are not guaranteed and serve only to show the effect of charges and expenses on an investment. They could be higher or lower than this. The figures are not inclusive of security transaction costs.

Regular investment of £100 per month.

At End of	Your total investment to date	Effect of deductions to date	What you might get back
Year 1	£1,200	£73	£1,170
Year 3	£3,600	£299	£3,700
Year 5	£6,000	£654	£6,500
Year 10	£12,000	£2,303	£14,800

The last line in the table shows that over 10 years the effect of total charges and expenses could amount to £2,303.

Putting it another way, if the growth rate were to be 7.0% a year, which is in no way guaranteed, this would have the effect of reducing the growth rate to 4.3% a year.

3. THREADNEEDLE DIVERSIFIED INCOME FUND

Aims of the Fund

The objective of the Fund is to achieve income with long-term growth potential.

The policy of the Fund is to invest primarily through equity and fixed interest exposure using collective investments mainly operated by other fund managers.

This Fund is suitable for

An investor whose primary objective is to receive income along with potential to grow capital over the longer term.

Risk Factors

All the risk factors referred to above in the section "The risks" apply to this Fund. In addition, please note:

- Because the Fund has the objective of producing income, the Fund's annual management charges are taken from capital. This may have the effect of limiting future capital growth or eroding capital if there is insufficient growth in the value of investments.
- The Fund may invest in overseas assets which are priced in foreign currencies. In these circumstances, changes in currency exchange rates between UK sterling and the foreign currency may alone cause the Fund value to rise or fall.
- The Fund may invest in other investment funds which have their own investment objectives and policies. There is no guarantee that these investment funds will achieve their objectives.

Charges on this Fund

There is an Initial Charge of 5% each time you make an investment. There is an Annual Management Charge of 1%. Additional expenses on this Fund are estimated at 0.90%.

More information on this Fund including Risk Factors

Please refer to the Simplified Prospectus of Threadneedle Investment Funds IV ICVC.

A copy of the Full Prospectus is also available. Ask your Financial Adviser or telephone us on 0845 113 0273.

What you might get back in the future from investing a lump sum in Threadneedle Diversified Income Fund through the Threadneedle ISA

The effect of charges on an investment of £1,000 assuming growth of 7% a year is set out below. The figures are not

guaranteed and serve only to show the effect of charges and expenses on an investment. They could be higher or lower than this. The figures are not inclusive of security transaction costs.

Lump sum investment of £1,000

At End of	Your total investment to date	Effect of deductions to date	What you might get back
Year 1	£1,000	£72	£997
Year 3	£1,000	£125	£1,090
Year 5	£1,000	£190	£1,210
Year 10	£1,000	£421	£1,540

The last line in the table shows that over 10 years the effect of total charges and expenses could amount to £421.

Putting it another way, if the growth rate were to be 7% a year, which is in no way guaranteed, this would have the effect of reducing the growth rate to 4.5% a year.

What you might get back in the future from investing a regular amount in Threadneedle Diversified Income Fund through the Threadneedle ISA

The effect of charges on an investment of £100 per month assuming growth of 7% a year is set out below. The figures are not guaranteed and serve only to show the effect of charges and expenses on an investment. They could be higher or lower than this. The figures are not inclusive of security transaction costs.

Regular investment of £100 per month.

At End of	Your total investment to date	Effect of deductions to date	What you might get back
Year 1	£1,200	£74	£1,170
Year 3	£3,600	£313	£3,680
Year 5	£6,000	£693	£6,460
Year 10	£12,000	£2,489	£14,700

The last line in the table shows that over 10 years the effect of total charges and expenses could amount to £2,489.

Putting it another way, if the growth rate were to be 7% a year, which is in no way guaranteed, this would have the effect of reducing the growth rate to 4.1% a year.

3. YOUR CHOICE OF FUNDS IN THE THREADNEEDLE ISA MANAGED PORTFOLIOS

Information specific to:

- Threadneedle Managed Portfolio 3
- Threadneedle Managed Portfolio 4
- Threadneedle Managed Portfolio 5
- Threadneedle Managed Portfolio 6
- Threadneedle Managed Portfolio 7

The Managed Portfolio Fund range aims to provide investment opportunities for investors with different attitudes to risk ("risk profiles").

The range aims to cater for those with a relatively low risk profile via Threadneedle Managed Portfolio 3, and for those with progressively higher risk profiles through to the Threadneedle Managed Portfolio 7.

To determine which, if any, of the Managed Portfolios are suitable for your investment needs, we recommend you speak to your financial adviser.

Further information on each Fund follows below:

3. THREADNEEDLE MANAGED PORTFOLIO 3

Aims of the Fund

The objective of the Fund is to generate income with the potential for some long-term capital growth.

The policy of the Fund is to invest mainly through a portfolio of fixed interest exposure, together with some equity and property exposure to complement this, using collective investments mainly operated by other fund managers.

This Fund is suitable for

An investor who wants a relatively stable income return and is only prepared to accept a relatively low risk to capital. This Fund is invested mainly in fixed interest funds, but will also have some equity and property exposure.

Risk Factors

All the risk factors referred to above in the section "The risks" apply to this Fund. In addition please note:

- The Fund will invest in other investment funds which have their own investment objectives and policies. There is no guarantee that these investment funds will achieve their objectives.
- The Fund may invest in overseas assets which are priced in foreign currencies. In these circumstances, changes in currency exchange rates between UK sterling and the foreign currency may alone cause the Fund value to rise or fall.

Charges on this Fund

There is an Initial Charge of 5% each time you make an investment. There is an Annual Management Charge of 1%. Additional expenses on this Fund are estimated at 0.74%.

More information on this Fund including Risk Factors

Please refer to the Simplified Prospectus of Threadneedle Investment Funds IV ICVC.

A copy of the Full Prospectus is also available. Ask your financial adviser or telephone us on 0845 113 0273.

What you might get back in the future from investing a lump sum in Threadneedle Managed Portfolio 3 Fund through the Threadneedle ISA

The effect of Charges on an investment of £1,000 assuming growth of 7.0% a year is set out below. The figures are not guaranteed and serve only to show the effect of charges and expenses on an investment. They could be higher or lower than this. The figures are not inclusive of security transaction costs.

Lump sum investment of £1,000.

At End of	Your total investment to date	Effect of deductions to date	What you might get back
Year 1	£1,000	£71	£998
Year 3	£1,000	£120	£1,100
Year 5	£1,000	£181	£1,220
Year 10	£1,000	£397	£1,570

The last line in the table shows that over 10 years the effect of total charges and expenses could amount to £397.

Putting it another way, if the growth rate were to be 7.0% a year, which is in no way guaranteed, this would have the effect of reducing the growth rate to 4.6% a year.

What you might get back in the future from investing a regular amount in Threadneedle Managed Portfolio 3 Fund through the Threadneedle ISA

The effect of Charges on an investment of £100 per month assuming growth of 7.0% a year is set out below. The figures are not guaranteed and serve only to show the effect of charges and expenses on an investment. They could be higher or lower than this. The figures are not inclusive of security transaction costs.

Regular investment of £100 per month.

At End of	Your total investment to date	Effect of deductions to date	What you might get back
Year 1	£1,200	£73	£1,170
Year 3	£3,600	£303	£3,690
Year 5	£6,000	£666	£6,490
Year 10	£12,000	£2,360	£14,800

The last line in the table shows that over 10 years the effect of total charges and expenses could amount to £2,360.

Putting it another way, if the growth rate were to be 7.0% a year, which is in no way guaranteed, this would have the effect of reducing the growth rate to 4.2% a year.

3. THREADNEEDLE MANAGED PORTFOLIO 4

Aims of the Fund

The objective of the Fund is to achieve long-term capital growth and income generation.

The policy of the Fund is to invest primarily through a portfolio of equity and fixed interest exposure using collective investments mainly operated by other fund managers. The Fund may also obtain an exposure to property.

This Fund is suitable for

An investor who wants a relatively stable return and is prepared to accept some risk to capital. This Fund is invested in equity and fixed interest funds and has some property exposure.

Risk Factors

All the risk factors referred to above in the section "The risks" apply to this Fund. In addition please note:

- The Fund will invest in other investment funds which have their own investment objectives and policies. There is no guarantee that these investment funds will achieve their objectives.
- The Fund may invest in overseas assets which are priced in foreign currencies. In these circumstances, changes in currency exchange rates between UK sterling and the foreign currency may alone cause the Fund value to rise or fall.

Charges on this Fund

There is an Initial Charge of 5% each time you make an investment. There is an Annual Management Charge of 1%. Additional expenses on this Fund are estimated at 0.78%.

More information on this Fund including Risk Factors

Please refer to the Simplified Prospectus of Threadneedle Investment Funds IV ICVC.

A copy of the Full Prospectus is also available. Ask your financial adviser or telephone us on 0845 113 0273.

What you might get back in the future from investing a lump sum in Threadneedle Managed Portfolio 4 Fund through the Threadneedle ISA

The effect of charges on an investment of £1,000 assuming growth of 7.0% a year is set out below. The figures are not guaranteed and serve only to show the effect of charges and expenses on an investment. They could be higher or lower than this. The figures are not inclusive of security transaction costs.

Lump sum investment of £1,000.

At End of	Your total investment to date	Effect of deductions to date	What you might get back
Year 1	£1,000	£71	£998
Year 3	£1,000	£121	£1,100
Year 5	£1,000	£183	£1,210
Year 10	£1,000	£403	£1,560

The last line in the table shows that over 10 years the effect of total charges and expenses could amount to £403.

Putting it another way, if the growth rate were to be 7.0% a year, which is in no way guaranteed, this would have the effect of reducing the growth rate to 4.6% a year.

What you might get back in the future from investing a regular amount in Threadneedle Managed Portfolio 4 Fund through the Threadneedle ISA

The effect of charges on an investment of £100 per month assuming growth of 7.0% a year is set out below. The figures are not guaranteed and serve only to show the effect of charges and expenses on an investment. They could be higher or lower than this. The figures are not inclusive of security transaction costs.

Regular investment of £100 per month.

At End of	Your total investment to date	Effect of deductions to date	What you might get back
Year 1	£1,200	£73	£1,170
Year 3	£3,600	£306	£3,690
Year 5	£6,000	£673	£6,480
Year 10	£12,000	£2,392	£14,800

The last line in the table shows that over 10 years the effect of total charges and expenses could amount to £2,392.

Putting it another way, if the growth rate were to be 7.0% a year, which is in no way guaranteed, this would have the effect of reducing the growth rate to 4.2% a year.

3. THREADNEEDLE MANAGED PORTFOLIO 5

Aims of the Fund

The objective of the Fund is to achieve long-term capital growth with some income generation.

The policy of the Fund is to invest primarily in global stock markets using collective investments mainly operated by other fund managers with flexibility to gain exposure to fixed interest investments and property.

This Fund is suitable for

An investor who wants a relatively stable return but is prepared to accept more risk to capital. This Fund invests principally in equity and in fixed interest funds and has more exposure to equities than the ThreadneedleManaged Portfolio 4.

Risk Factors

All the risk factors referred to above in the section "The risks" apply to this Fund. In addition please note:

- The Fund will invest in other investment funds which have their own investment objectives and policies. There is no guarantee that these investment funds will achieve their objectives.
- The Fund may invest in overseas assets which are priced in foreign currencies. In these circumstances, changes in currency exchange rates between UK sterling and the foreign currency may alone cause the Fund value to rise or fall.

Charges on this Fund

There is an Initial Charge of 5% each time you make an investment. There is an Annual Management Charge of 1%. Additional expenses on this Fund are estimated at 0.82%.

More information on this Fund including Risk Factors

Please refer to the Simplified Prospectus of Threadneedle Investment Funds IV ICVC.

A copy of the Full Prospectus is also available. Ask your financial adviser or telephone us on 0845 113 0273.

What you might get back in the future from investing a lump sum in Threadneedle Managed Portfolio 5 Fund through the Threadneedle ISA

The effect of charges on an investment of £1,000 assuming growth of 7.0% a year is set out below. The figures are not guaranteed and serve only to show the effect of charges and expenses on an investment. They could be higher or lower than this. The figures are not inclusive of security transaction costs.

Lump sum investment of £1,000

At End of	Your total investment to date	Effect of deductions to date	What you might get back
Year 1	£1,000	£71	£998
Year 3	£1,000	£123	£1,100
Year 5	£1,000	£186	£1,210
Year 10	£1,000	£409	£1,550

The last line in the table shows that over 10 years the effect of total charges and expenses could amount to £409.

Putting it another way, if the growth rate were to be 7.0% a year, which is in no way guaranteed, this would have the effect of reducing the growth rate to 4.6% a year.

What you might get back in the future from investing a regular amount in Threadneedle Managed Portfolio 5 Fund through the Threadneedle ISA

The effect of charges on an investment of £100 per month assuming growth of 7.0% a year is set out below. The figures are not guaranteed and serve only to show the effect of charges and expenses on an investment. They could be higher or lower than this. The figures are not inclusive of security transaction costs.

Regular investment of £100 per month.

At End of	Your total investment to date	Effect of deductions to date	What you might get back
Year 1	£1,200	£73	£1,170
Year 3	£3,600	£308	£3,690
Year 5	£6,000	£680	£6,470
Year 10	£12,000	£2,425	£14,700

The last line in the table shows that over 10 years the effect of total charges and expenses could amount to £2,425.

Putting it another way, if the growth rate were to be 7.0% a year, which is in no way guaranteed, this would have the effect of reducing the growth rate to 4.1% a year.

3. THREADNEEDLE MANAGED PORTFOLIO 6

Aims of the Fund

The objective of the Fund is to achieve long-term capital growth.

The policy of the Fund is to invest primarily in global stock markets using collective investments mainly operated by other fund managers with flexibility to gain a minority exposure to fixed interest investments and property.

This Fund is suitable for

An investor who is prepared to be fully exposed to the risk of stock markets through a diverse portfolio spread across different asset types and markets.

Risk Factors

All the risk factors referred to above in the section "The risks" apply to this Fund. In addition please note:

- The Fund will invest in other investment funds which have their own investment objectives and policies. There is no guarantee that these investment funds will achieve their objectives.
- The Fund may invest in overseas assets which are priced in foreign currencies. In these circumstances, changes in currency exchange rates between UK sterling and the foreign currency may alone cause the Fund value to rise or fall.

Charges on this Fund

There is an Initial Charge of 5% each time you make an investment. There is an Annual Management Charge of 1%. Additional expenses on this Fund are estimated at 0.87%.

More information on this Fund including Risk Factors

Please refer to the Simplified Prospectus of Threadneedle Investment Funds IV ICVC.

A copy of the Full Prospectus is also available. Ask your financial adviser or telephone us on 0845 113 0273.

What you might get back in the future from investing a lump sum in Threadneedle Managed Portfolio 6 Fund through the Threadneedle ISA

The effect of charges on an investment of £100 assuming growth of 7.0% a year is set out below. The figures are not guaranteed and serve only to show the effect of charges and expenses on an investment. They could be higher or lower than this. The figures are not inclusive of security transaction costs.

Lump sum investment of £1,000.

At End of	Your total investment to date	Effect of deductions to date	What you might get back
Year 1	£1,000	£72	£997
Year 3	£1,000	£124	£1,100
Year 5	£1,000	£189	£1,210
Year 10	£1,000	£417	£1,540

The last line in the table shows that over 10 years the effect of total charges and expenses could amount to £417.

Putting it another way, if the growth rate were to be 7.0% a year, which is in no way guaranteed, this would have the effect of reducing the growth rate to 4.5% a year.

What you might get back in the future from investing a regular amount in Threadneedle Managed Portfolio 6 Fund through the Threadneedle ISA

The effect of charges on an investment of £100 per month assuming growth of 7.0% a year is set out below. The figures are not guaranteed and serve only to show the effect of charges and expenses on an investment. They could be higher or lower than this. The figures are not inclusive of security transaction costs.

Regular investment of £100 per month.

At End of	Your total investment to date	Effect of deductions to date	What you might get back
Year 1	£1,200	£74	£1,170
Year 3	£3,600	£311	£3,690
Year 5	£6,000	£688	£6,470
Year 10	£12,000	£2,465	£14,700

The last line in the table shows that over 10 years the effect of total charges and expenses could amount to £2,465.

Putting it another way, if the growth rate were to be 7.0% a year, which is in no way guaranteed, this would have the effect of reducing the growth rate to 4.1% a year.

3. THREADNEEDLE MANAGED PORTFOLIO 7

Aims of the Fund

The objective of the Fund is to achieve significant long-term capital growth.

The policy of the Fund is to invest principally in global stock markets using collective investments mainly operated by other fund managers.

This Fund is suitable for

An investor who is prepared to take more risk in order to improve the opportunity for growth. This Fund is principally invested in equities.

Risk Factors

All the risk factors referred to above in the section "The risks" apply to this Fund. In addition please note:

- The Fund will invest in other investment funds which have their own investment objectives and policies. There is no guarantee that these investment funds will achieve their objectives.
- The Fund may invest in overseas assets which are priced in foreign currencies. In these circumstances, changes in currency exchange rates between UK sterling and the foreign currency may alone cause the Fund value to rise or fall.

Charges on this Fund

There is an Initial Charge of 5% each time you make an investment. There is an Annual Management Charge of 1%. Additional expenses on this Fund are estimated at 0.87%.

More information on this Fund including Risk Factors

Please refer to the Simplified Prospectus of Threadneedle Investment Funds IV ICVC.

A copy of the Full Prospectus is also available. Ask your financial adviser or telephone us on 0845 113 0273.

What you might get back in the future from investing a lump sum in Threadneedle Managed Portfolio 7 Fund through the Threadneedle ISA

The effect of charges on an investment of £1,000 assuming growth of 7.0% a year is set out below. The figures are not guaranteed and serve only to show the effect of charges and expenses on an investment. They could be higher or lower than this. The figures are not inclusive of security transaction costs.

Lump sum investment of £1,000.

At End of	Your total investment to date	Effect of deductions to date	What you might get back
Year 1	£1,000	£72	£997
Year 3	£1,000	£124	£1,100
Year 5	£1,000	£189	£1,210
Year 10	£1,000	£417	£1,540

The last line in the table shows that over 10 years the effect of total charges and expenses could amount to £417.

Putting it another way, if the growth rate were to be 7.0% a year, which is in no way guaranteed, this would have the effect of reducing the growth rate to 4.5% a year.

What you might get back in the future from investing a regular amount in Threadneedle managed Portfolio 7 Fund through the Threadneedle ISA

The effect of charges on an investment of £100 per month assuming growth of 7.0% a year is set out below. The figures are not guaranteed and serve only to show the effect of charges and expenses on an investment. They could be higher or lower than this. The figures are not inclusive of security transaction costs.

Regular investment of £100 per month.

At End of	Your total investment to date	Effect of deductions to date	What you might get back
Year 1	£1,200	£74	£1,170
Year 3	£3,600	£311	£3,690
Year 5	£6,000	£688	£6,470
Year 10	£12,000	£2,465	£14,700

The last line in the table shows that over 10 years the effect of total charges and expenses could amount to £2,465.

Putting it another way, if the growth rate were to be 7.0% a year, which is in no way guaranteed, this would have the effect of reducing the growth rate to 4.1% a year.

3. THREADNEEDLE UK PROPERTY FUND

Aims of the Fund

The objective of the Fund is to achieve long-term capital growth and income primarily through direct investment in, or exposure to, UK commercial property.

The Fund invests in UK commercial properties (including shops, offices, retail warehouses, leisure and industrial units), as favourable investment opportunities arise.

This Fund is suitable for

An investor who is seeking to diversify their portfolio through investment in commercial property, and is looking for a mix of income and potential capital growth.

Risk Factors

All the risk factors referred to above in the section "The risks" apply to this Fund. In addition please note:

- The annual fund management charges and expenses are taken from the capital of the Fund. This may result in capital erosion or may constrain capital growth.
- Property investments are relatively illiquid compared to bonds and equities. In exceptional circumstances the right to redeem shares in the Fund may be temporarily suspended, preventing you from cashing in your investment.
- Property valuation is a matter of judgement by an independent valuer. Valuation is therefore generally a matter of a valuer's opinion rather than fact. There are no assurances that the estimates resulting from the valuation process will reflect the actual sales price.

Charges on this Fund

There is an Initial Charge of 5% each time you make an investment. There is an Annual Management Charge of 1%. Additional expenses on this Fund are estimated at 0.19%.

More information on this Fund including Risk Factors

Please refer to the Simplified Prospectus of Threadneedle UK Property Fund.

A copy of the Full Prospectus is also available. Ask your financial adviser or telephone us on 0845 113 0273.

What you might get back in the future from investing a lump sum in Threadneedle UK Property Fund through the Threadneedle ISA

The effect of charges on an investment of £1,000 assuming growth of 7.0% a year is set out below. The figures are not

guaranteed and serve only to show the effect of charges and expenses on an investment. They could be higher or lower than this. The figures are not inclusive of security transaction costs.

Lump sum investment of £1,000.

At End of	Your total investment to date	Effect of deductions to date	What you might get back
Year 1	£1,000	£65	£1,000
Year 3	£1,000	£102	£1,120
Year 5	£1,000	£147	£1,250
Year 10	£1,000	£308	£1,650

The last line in the table shows that over 10 years the effect of total charges and expenses could amount to £308.

Putting it another way, if the growth rate were to be 7.0% a year, which is in no way guaranteed, this would have the effect of reducing the growth rate to 5.2% a year.

What you might get back in the future from investing a regular amount in Threadneedle UK Property Fund through the Threadneedle ISA

The effect of Charges on an investment of £100 per month assuming growth of 7.0% a year is set out below. The figures are not guaranteed and serve only to show the effect of charges and expenses on an investment. They could be higher or lower than this. The figures are not inclusive of security transaction costs.

At End of	Your total investment to date	Effect of deductions to date	What you might get back
Year 1	£1,200	£69	£1,170
Year 3	£3,600	£271	£3,730
Year 5	£6,000	£570	£6,580
Year 10	£12,000	£1,905	£15,200

The last line in the table shows that over 10 years the effect of total charges and expenses could amount to £1,905.

Putting it another way, if the growth rate were to be 7.0% a year, which is in no way guaranteed, this would have the effect of reducing the growth rate to 4.8% a year.

4. COMPLAINTS

Who should I contact if I have a query or complaint?

If you have a complaint about any aspect of the service you receive from Threadneedle, please telephone us on 0845 113 0273 quoting your reference number. Alternatively, You can write to us at: Threadneedle Investment Services Limited, 60 St. Mary Axe, London EC3A 8JQ.

Making a complaint will not affect your right to take legal action. We operate a written complaints procedure in accordance with the Financial Services Authority and you may be able to refer your complaint to the Financial Ombudsman Service. Details of our complaints handling process are available on request.

5. COMPENSATION

Do compensation arrangements apply to the Threadneedle ISA?

Yes, We are covered by the Financial Services Compensation Scheme. In the event that Threadneedle Investment Services is unable to meet its liabilities in respect of the Threadneedle ISA and where you have a valid claim you may be entitled to redress from the Financial Services Compensation Scheme. The maximum level of compensation that can be paid under the scheme is £50,000.

For further details you can contact:

The Financial Services Compensation Scheme, 7th Floor,
Lloyds Chambers,
1 Portsoken Street,
London E1 8BN

They can also be contacted by telephone on 020 7892 7300;
Fax: 020 7892 7301 or by email: enquiries@fscs.org.uk

6. CLIENT CATEGORISATION

We are required by our regulator, the Financial Services Authority, to categorise our customers to determine the level of protection they will receive. If you invest in the Threadneedle ISA described in this Key Features Document we will treat you as a retail client. This category gives you the highest level of protection available under the Financial Services Authority rules.

Applicable law

The law of England and Wales will apply to the Threadneedle ISA. All communications will be in the English language.

7. DIRECT DEBIT GUARANTEE

Direct Debit Guarantee



- This Guarantee is offered by all banks and building societies that accept instructions to pay Direct Debits.
- If there are any changes to the amount, date or frequency of your Direct Debit, Threadneedle Investment Services Limited will notify you 10 working days in advance of your account being debited or as otherwise agreed. If you request Threadneedle Investment Services Limited to collect a payment, confirmation of the amount and date will be given to you at the time of the request.
- If an error is made in the payment of your Direct Debit, by Threadneedle Investment Services Limited or your bank or building society, you are entitled to a full and immediate refund of the amount paid from your bank or building society.
- If you receive a refund you are not entitled to, you must pay it back when Threadneedle Investment Services Limited asks you to.
- You can cancel a Direct Debit at any time by simply contacting your bank or building society. Written confirmation may be required. **Please also notify us.**

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