

Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

Product

CT UK High Income Trust (COMPR 3 SHS 0.1P&1 B SHR 0.1P)

ISIN: GB00B1N4H933

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What is this product?

This product is a closed-end Investment Company incorporated in Scotland and listed on the London Stock Exchange and is designed to form part of a portfolio of investments. The Company invests predominantly in UK equities (ordinary shares of companies listed on the UK stock market) and equity related securities (for example subscription rights and warrants) of companies across the market capitalisation spectrum, with the objective to provide an attractive return to shareholders each year in the form of dividends and/or capital repayments, together with prospects for capital growth. The portfolio holds approximately 40 holdings at any given time and no single investment in the portfolio may exceed 10% of the Company's gross assets at the time of purchase. In addition, the Manager expects few individual holdings to exceed five per cent of the Company's gross assets at the time of purchase. There are no maximum levels set for exposures to sectors. Derivatives (an investment contract between the Company and a counterparty the value of which is derived from one or more underlying assets) may be used for income enhancement and efficient portfolio management. Borrowings would normally fall within a range of 0% to 20% of gross assets. The Company has a £15 million revolving credit facility which is available to 28 September 2025. This will magnify any gains or losses made by the Company.

Units comprise of three ordinary shares and one B share in the Company. The units are intended for UK retail and professionally-advised private client investors who plan to stay invested for at least five years. Ordinary shares carry a right to participate in dividends paid by the company while B shares are not entitled to dividends but instead carry the right to receive a capital repayment at the same time as, and in an equal amount to, each dividend paid in respect of ordinary shares. The capital repayments are paid out of the Company's special capital reserve and accordingly will only be paid for so long as the amount of the special capital reserve remains sufficient. If and when this reserve is exhausted, the Articles of Association provide that all the Ordinary shares and all the B shares automatically convert into ordinary shares with identical rights. The product is designed to form part of a portfolio of investments.

Subject to shareholder continuation votes, in the event that the net asset value total return performance of the Company is less than that of the total return of the FTSE All-Share Index over the relevant three year period, the Company's life is not time limited.

What are the risks and what could I get in return?

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets.



Lower risk

Higher risk



The risk indicator assumes you keep the product for five years. The actual risk can vary significantly if you sell your shares at an early stage and you may get back less than you invested. You may not be able to sell your shares easily or you may have to sell at a price that significantly impacts on how much you get back. You will incur costs in buying and selling your shares.

- We have classified this product as 4, which is a medium risk class. This rates the potential losses from future performance at a medium level. In periods when market conditions are poor, the value of your investment may fall and may impact the amount you get back in the long term.
- The value of your investment can go down as well as up. You may lose some or all of your investment. This product does not provide any protection from future market conditions and regulatory changes. There can be no assurances that the objective of the Company will be achieved or that dividend distributions will continue to be made. The use of gearing can enhance returns to investors in a rising market, but if the market falls the losses may be greater.

Investment performance information

The main factors likely to affect future returns are the UK and European economic outlook which will be a key driver for corporate earnings and interest rates which will influence stock valuations. Aside from these and other macro-drivers, stock selection will be the main driver of returns. Asset allocation between markets and sectors will also contribute to the future returns. Gearing will also make a difference given the Company's policy to use this strategically.

An appropriate comparator benchmark for reviewing performance is the FTSE All-Share Index. However, as the investment trust is actively managed, it is not constrained by this benchmark and has significant freedom to invest in a portfolio that is materially different to the benchmark's own composition. As such the performance and volatility of the investment trust will vary significantly to that of the benchmark.

What could affect my return positively?

The conditions that would be conducive to the investment trust generating positive returns would be a positive outlook for the UK and European economies, lower interest rates and political stability. Good stock selection and asset allocation, as well as the impact of gearing can also impact returns positively.

What could affect my return negatively?

The conditions that would be conducive to the investment trust generating lower returns or losses would be a deterioration in the outlook for the UK and European economies, higher interest rates and negative geopolitical events. Poor stock selection and asset allocation, as well as the impact of gearing can also impact returns negatively.

If the investment trust is sold under severely adverse market conditions, you may increase the risk of receiving back significantly less than you invested.

What happens if the Company is unable to pay out?

The Company's shares are listed on the London Stock Exchange. Should the Company be liquidated, the amount you receive for your holding will be based on the value of assets available for distribution after all other liabilities, but before shareholders, have been paid. Shareholders in this company do not have the right to make a claim to the Financial Services Compensation Scheme in the event that the Company is unable to pay out.

What are the costs?

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs. The amounts shown below are the cumulative costs of the product itself depending on how long you remain invested. The figures assume you invest £10,000. The figures are estimates and may change in the future. The person selling or advising you about this product may charge you other costs. If so, that person will provide you with information about those costs and show you the impact that all costs will have on your investment over time.

Investment £10,000			
Scenarios	If you cash in after 1 year	If you cash in after 3 years	If you cash in at 5 years
Total costs	£192	£586	£996
Impact on return (RIY) per year	1.84%	1.84%	1.84%

What are the costs? (continued)

The table below shows the impact of the different types of costs on the return you might get, and the meaning of the different cost categories.

This table shows the impact on return per year			
One-off costs	Entry costs	0.00%	There is 0.5% UK government stamp duty to pay on purchases
	Exit costs	0.00%	N/A
Ongoing costs	Portfolio transaction costs	0.25%	The impact of the costs of us buying and selling underlying investments for the product of 0.20% and also the transaction costs incurred in the underlying funds held within the investment portfolio of 0.05%
	Other ongoing costs	1.59%	The impact of the costs that are incurred each year in managing your investments including those incurred by any underlying investments. The total "Other ongoing costs" of 1.59% comprises: investment management fee of 0.58%, borrowing costs of 0.55% and other ongoing costs of running the company of 0.42%. It also includes the ongoing costs arising in the funds held within the investment portfolio of 0.04%.
Incidental costs	Performance fees	0.00%	N/A
	Carried interests	0.00%	N/A

How long should I hold it and can I take money out early?

Recommended holding period: 5 years

There is no minimum or maximum required period for investors to hold units in this product, but the units may not be suitable for investors intending to hold them for less than five years. Investors may sell their shares at any time without penalty through a broker, private investor plan administrator or adviser. The sale price will be determined at arms' length based on trading prices at the time on the London Stock Exchange and will not necessarily be equal to the net asset value per share of CT UK High Income Trust. The share price is updated regularly on the website www.ctukhighincome.co.uk.

Market values may go down as well as up over short and long periods and so investors should invest with a view to long term returns. The amount investors get back will be influenced by the market factors at the time of sale and by the charges levied by the broker/plan manager. If you sell your shares before the end of the recommended holding period you may increase the risk of receiving back less than you invested.

How can I complain?

CT Plans: If you have concerns about this product or service and have purchased it through a CT Plan, you can contact us by writing to Investor Relations Manager, Columbia Threadneedle Investment Business Limited, PO Box 11114, Chelmsford, Essex, CM99 2DG, via email at investor.relations@columbiathreadneedle.com, or by phone: 0345 601 3313 (9am - 5pm weekdays).

Direct Shareholders: If you have concerns about this product and have purchased it through another provider, then please contact the Company Secretary by writing to them at CT UK High Income Trust PLC, Quatermile 4, 7a Nightingale Way, Edinburgh, EH3 9EG, or by phone 0131 573 8300. Should you have a complaint about any transaction through your broker, plan administrator or adviser, you should contact that person or organisation directly.

As a shareholder of CT UK High Income Trust PLC, you do not have a right to complain to the Financial Ombudsman Service (FOS) in the UK about the management of CT UK High Income Trust PLC or the product.

Other relevant information

You may obtain further information about CT UK High Income Trust PLC from the website www.ctukhighincome.co.uk, including: this document; the last five years' annual and interim reports; the Investor Disclosure Document; and the latest share price. Alternatively, you may write to the Company Secretary, CT UK High Income Trust PLC, at: Quatermile 4, 7a Nightingale Way, Edinburgh, EH3 9EG, UK.