

By email

21 June 2022

Dear Sir/Madam,

Changes to Quilter Investors Diversified Bond Fund

We are writing to you as a shareholder in Quilter Investors Diversified Bond Fund (the “**Fund**”), a sub-fund of Quilter Investors OEIC (the “**Company**”), to inform you of changes we intend to make to the prospectus of the Company in respect of the Fund.

What do you need to do?

The way the Fund is managed, and the risk profile of the Fund, will remain unchanged and no action on your part is necessary as a result of the information provided in this letter.

What are the changes and why are we making them?

The Fund aims to outperform a specified target benchmark (the “**Target Benchmark**”).

We have been carrying out a review of the Target Benchmark and, as a result, we intend to change the Target Benchmark.

The current Target Benchmark, the ICE BofAML Q880 Custom Index, is linked to a broad range of indices and we have no control over changes to its composition. The proposed Target Benchmark, the ICE BofA Q9AX Custom Index, is a custom blend of indices containing a mixture of securitised, corporate and high yield debt instruments, the constituents of which we will control.

We are also making enhancements to the prospectus of the Company to provide you with more clarity as to how the Fund is managed. Further details of the changes are set out in Appendix 1 of this letter.

Amendments to the Investment objective of the Fund

We are updating the investment objective to reflect the change of Target Benchmark.

Amendments to the Investment policy of the Fund

We are updating the investment policy to:

- clarify the Fund’s expected minimum exposure to its primary asset class, which is Sterling-denominated (or hedged back to Sterling) investment grade and sub-investment grade debt securities;
- provide additional detail on the type of investments the Fund may typically hold, including contingent

Quilter Investors
Senator House
85 Queen Victoria Street
London EC4V 4AB

T. +44 (0)20 7167 3500
quilterinvestors.com

- convertible bonds (CoCos) which are a type of hybrid subordinated debt security that are convertible into equity if a pre-determined trigger event occurs; and
- clarify that derivatives may be used by the Fund for investment purposes or for efficient portfolio management. An explanation of efficient portfolio management can be found in the current prospectus of the Company.

Target Benchmark – Additional information

We are providing additional information to explain why we believe the Target Benchmark is appropriate as a measure for assessing the performance of the Fund.

Changes to clarify the way in which the Fund is managed by the Investment Adviser

We are re-labelling the “Investment Style” section of the prospectus to “Investment Approach”, as this better reflects the description of the way in which the Fund is managed. We are also providing further information on how we monitor the Investment Adviser to the Fund and providing an explanation that the investments in the Fund may differ from those in the Target Benchmark.

When will the changes come into effect?

The change of Target Benchmark and enhancements to the prospectus of the Company will become effective on 19 August 2022 (the “**Effective Date**”).

Further information

The FCA has confirmed that the changes described above do not affect the ongoing authorisation of the Company.

The costs relating to these changes will be payable by us out of the Fixed Ongoing Charge that we receive for managing the Fund. There is no additional cost to you.

The revised Key Investor Information Document and the prospectus will be available to download from our website, www.quilterinvestors.com, from the Effective Date.

If you have any queries regarding this matter, please contact us using the details at the bottom of this letter. Alternatively, please consult your financial adviser.

Yours faithfully,

**For and on behalf of
Quilter Investors Limited**

Appendix 1: The changes

Quilter Investors Diversified Bond Fund (PRN 806756)

Changes

	Current	Proposed
Investment Objective	The Fund aims to achieve a combination of income and capital growth and to outperform the ICE BofAML Q880 Custom Index, net of charges, over rolling five year periods.	The Fund aims to achieve a combination of income and capital growth and to outperform the ICE BofA Q9AX Custom Index, net of charges, over rolling five-year periods.
Investment Policy	<p>The Fund primarily invests (at least 70%) in a diversified range of investment grade and sub-investment grade bonds with fixed and variable interest rates issued by companies, banks, public entities and governments located anywhere in the world. Investment may be direct or through collective investment schemes or derivatives.</p> <p>The Fund may also invest in other transferable securities, collective investment schemes, warrants, money market instruments, deposits and cash.</p> <p>Any investment in collective investment schemes may include those managed or operated by the ACD or an associate of the ACD.</p> <p>The Fund may use derivative instruments for investment purposes or Efficient Portfolio Management. The use of derivatives for the purpose of investment may affect the risk profile of the Fund although this is not the ACD's intention. The use of derivatives for Efficient Portfolio Management is unlikely to affect the risk profile of the Fund.</p> <p>The Fund is managed by an Investment Adviser selected by the ACD for their expected ability to manage the Fund according to the investment objective and policy. The ACD continuously monitors and may periodically make changes to this appointment.</p>	<p>The Fund invests at least 80% of the value of its property in a diversified range of Sterling-denominated (or hedged back to Sterling) investment grade and sub-investment grade debt securities issued by companies, banks, public entities and governments located in developed and emerging markets anywhere in the world. Investment may be direct or indirect (e.g. through collective investment schemes or derivatives). The Fund may hold up to 20% in contingent convertible bonds (CoCos).</p> <p>The Fund may also invest in other transferable securities, collective investment schemes, warrants, money market instruments, deposits, cash and derivatives.</p> <p>Any investment in collective investment schemes may include those managed or operated by the ACD or an associate of the ACD.</p> <p>The Fund may use derivatives for investment purposes and/or Efficient Portfolio Management. The use of derivatives for the purpose of investment may affect the risk profile of the Fund although this is not the ACD's intention. The use of derivatives for Efficient Portfolio Management is not likely to affect the risk profile of the Fund.</p>
Target Benchmark	The target benchmark for the Fund is the ICE BofAML Q880 Custom Index.	The Target Benchmark for the Fund is the ICE BofA Q9AX Custom Index, which is a

Quilter Investors
Senator House
85 Queen Victoria Street
London EC4V 4AB

T. +44 (0)20 7167 3500
quilterinvestors.com

	This benchmark is considered appropriate on the basis that the Fund is managed with a view to outperforming this Index as set out in the investment objective.	custom blend of indices containing a mixture of securitised, corporate and high yield debt instruments. The Target Benchmark is representative of the debt instruments in which the Fund primarily invests and is therefore considered an appropriate benchmark for the Fund to seek to outperform and against which its performance may be assessed.
Currently Investment Style to be described as Investment Approach	The Fund is actively managed. This means the Investment Adviser uses their expertise to pick investments to achieve the Fund's objective.	<p>The Fund is managed by an Investment Adviser selected by the ACD for its expected ability to manage the Fund according to the investment objective and policy. The ACD continuously monitors and may periodically make changes to this appointment.</p> <p>The Fund is actively managed. This means the Investment Adviser uses its expertise to pick investments to achieve the Fund's objective, so Fund investments may differ from those included in the Target Benchmark, provided they are allowed in the investment policy.</p>