

Our ref: Sample

(Date)

# Sample copy

Dear (Salutation)

## Fund conversion for Rathbone (share class R)

**Account number:**

**Your financial adviser:**

I am writing to you because you are invested one or more of the Rathbone (share class R) funds named below, provided by Rathbones Asset Management Limited.

Rathbone will convert the below funds into share classes of the same funds on Thursday 25 January 2024. You'll see the new fund(s) on your valuations and statements after that date.

Current fund (share class)	New fund (share class)
Rathbone Ethical Bond (Share Class R)	Rathbone Ethical Bond (Share Class I)
Rathbone Global Opportunities (Share Class R)	Rathbone Global Opportunities (Share Class I)
Rathbone Income (Share Class R)	Rathbone Income (Share Class I)
Rathbone Multi Asset Strategic Growth Portfolio (Share Class R)	Rathbone Multi Asset Strategic Growth Portfolio (Share Class S)
Rathbone Multi Asset Total Return Portfolio (Share Class R)	Rathbone Multi Asset Total Return Portfolio (Share Class S)
Rathbone UK Opportunities (Share Class R)	Rathbone UK Opportunities (Share Class I)

You may want to speak to your financial adviser about the impact of the conversion. Please speak to them before making any investment decisions, or if you have any questions about this change.

**If you don't have a financial adviser**, we recommend that you consider the benefits of receiving professional financial advice, which can be especially important when you need to make investment decisions. If you would like to search for an adviser in your area you can start by visiting [quilter.com/financial-advice/find-an-adviser](https://www.quilter.com/financial-advice/find-an-adviser).

The last date we can sell from the fund before the conversion will be **11:00 on 25 January 2024**.

### How the conversion will affect your account

- **The value of your fund holding** – The conversion will not affect the value of your fund holding.
- **Direct Debits** – If you are paying into the fund by Direct Debit:
  - 1) Payments up to and including 25 January 2024 will be allocated to the Rathbone (Share Class R) funds.
  - 2) any payments which are due to be collected whilst the conversion is taking place will buy units proportionally across the other assets in your Direct Debit instruction. If the converting fund is the only fund in your instruction, those payments will be allocated to cash. They will stay in cash unless you choose to switch them to another asset in future.
  - 3) payments after the conversion will be allocated to the new share class of the funds.
- **Phasing and Rebalancing** – Any **phased investment** or **rebalancing** instructions using the fund will automatically continue after the conversion. Unless you give us an alternative choice, future transactions will be reapportioned across the other assets in your instruction, or cash if the converting fund is the only fund in your instruction.

Cash may not be suitable for your long-term investment needs.

- The conversion **won't change the fund's risk profile**.
- **Ongoing Charge Figure (OCF) /Total Expense Ratio (TER)\*** - The OCF/TER will change with the conversion.

\* The OCF/TER represents the ongoing charges for the fund, expressed as a percentage. It is the sum of the Annual Management Charge (AMC) and all other running costs of the fund. The figure shown is normally the ongoing charges figure (OCF), which is increasingly replacing the total expense ratio (TER). You can find more information about how the merger will affect the OCF / TER and, where applicable, the Reimbursed Amount or Reimbursed Rebate on the last page of this letter.

### Why the funds are converting

Following a review of R share classes, Rathbone have decided to close the R share class and convert into a cheaper share class of the same name.

### The next steps and avoiding the conversion

You do not need to take any action unless you would like to choose a new asset from our extensive range. You can switch your holding in the Rathbone (share class R) funds at any time up until **11:00 on 25 January 2024**. If you decide to switch into a new asset(s), please note that you will also need to update your asset choice for Direct Debit payments, if applicable.

If you have any questions about this letter, please speak to your financial adviser who will be able to help you. Alternatively, you can call or email us using the details shown and we will be happy to help. Our Customer Service Centre is open 8:30am – 5:30pm, Monday to Friday.

Yours sincerely



**Callum Earl**

*Head of Customer Operations*

## Fund information

Your account is currently on Charge Basis XXXX

### AMC and OCF / TER changes for accounts on Charge Basis 1

Fund Name	Current AMC %	Current OCF / TER %	New AMC %	New OCF/TER%
Rathbone Ethical Bond	1.25%	1.28%	0.63%	0.66%
Rathbone Global Opportunities	1.50%	1.52%	0.75%	0.77%
Rathbone Income	1.50%	1.54%	0.75%	0.78%
Rathbone Multi Asset Strategic Growth Portfolio	1.50%	1.57%	0.50%	0.57%
Rathbone Multi Asset Total Return Portfolio	1.50%	1.57%	0.50%	0.57%
Rathbone UK Opportunities	1.50%	1.63%	0.45%	0.58%

### What this change means for you (and your financial adviser)

The fund-based trail commission for the fund is reducing. The percentage of fund-based trail commission we pay your adviser is linked to the rebate we receive from the fund manager. The rebate is effectively a discount that we negotiate on the fund manager's AMC.

Fund Name	Current fund-based trail commission %	New fund-based trail commission %
Rathbone Ethical Bond	0.35%	0.00%
Rathbone Global Opportunities	0.50%	0.00%
Rathbone Income	0.50%	0.00%
Rathbone Multi Asset Strategic Growth Portfolio	0.50%	0.00%
Rathbone Multi Asset Total Return Portfolio	0.50%	0.00%
Rathbone UK Opportunities	0.50%	0.00%

If you have an agreement that your financial adviser receives 'fund-based trail commission' - The reduced rebate means that your adviser will receive less fund-based trail commission for the fund.

If you have an agreement that your financial adviser receives 'nominated trail commission' - Nominated trail commission is a set percentage that you agree to pay your adviser. It includes the fund-based trail commission. If your nominated percentage is higher than the level of fund-based trail commission, we sell units from the funds you're invested in to make up the difference.

As the new rate of fund-based trail commission has decreased, any nominated trail commission will be made up by selling more units from your holding.

Using the maximum amount of 1.50% nominated trail commission and 0.50% fund based trail commission as an example; we would have previously sold 1.00% of your units each year, to pay for it. The decrease in fund-based trail commission means that we would now sell 1.50% of your units. This is a yearly percentage which we divide by 12 to work out how many units we need to sell each month.

## AMC and OCF / TER changes for accounts on Charge Basis 2

	Current AMC%	New AMC %	Current OCF/TER %	New OCF/TER %	*Current Reimbursed amount %	*New Reimbursed amount %	Current Effective OCF / TER %	New Effective OCF / TER %
<b>Rathbone Ethical Bond</b>	1.25%	0.63%	1.28%	0.66%	0.35%	0.00%	0.93%	0.66%
<b>Rathbone Global Opportunities</b>	1.50%	0.75%	1.52%	0.77%	0.50%	0.00%	1.02%	0.77%
<b>Rathbone Income</b>	1.50%	0.75%	1.54%	0.78%	0.50%	0.00%	1.04%	0.78%
<b>Rathbone Multi Asset Strategic Growth Portfolio</b>	1.50%	0.50%	1.57%	0.57%	0.50%	0.00%	1.07%	0.57%
<b>Rathbone Multi Asset Total Return Portfolio</b>	1.50%	0.50%	1.57%	0.57%	0.50%	0.00%	1.07%	0.57%
<b>Rathbone UK Opportunities</b>	1.50%	0.45%	1.63%	0.58%	0.50%	0.00%	1.13%	0.58%

\*The rebate amount received is being reduced in respect of these funds. This is effectively a discount that we negotiate on the fund manager's AMC. We reinvest part of this rebate as a 'reimbursed amount' into your account. You can see more details of this in the 'Customer Account Credit' section of your quarterly statements.

## AMC and OCF / TER changes for accounts on Charge Basis 3

	Current AMC%	New AMC %	Current OCF/TER %	New OCF/TER %	**Current Reimbursed rebate %	**New Reimbursed rebate %	Current Effective OCF / TER %	New Effective OCF / TER %
<b>Rathbone Ethical Bond</b>	1.25%	0.63%	1.28%	0.66%	0.90%	0.06%	0.38%	0.60%
<b>Rathbone Global Opportunities</b>	1.50%	0.75%	1.52%	0.77%	1.00%	0.08%	0.52%	0.69%
<b>Rathbone Income</b>	1.50%	0.75%	1.54%	0.78%	1.00%	0.08%	0.54%	0.70%
<b>Rathbone Multi Asset Strategic Growth Portfolio</b>	1.50%	0.50%	1.57%	0.57%	1.00%	0.05%	0.57%	0.52%
<b>Rathbone Multi Asset Total Return Portfolio</b>	1.50%	0.50%	1.57%	0.57%	1.00%	0.05%	0.57%	0.52%
<b>Rathbone UK Opportunities</b>	1.50%	0.45%	1.63%	0.58%	1.00%	0.05%	0.63%	0.58%

\*\* The rebate amount received is being reduced in respect of these funds. This is effectively a discount on the fund manager's AMC, that we negotiate for you. We reinvest the whole rebate as a 'reimbursed rebate' into your account. You can see more details of this in the 'Customer Account Credit' section of your quarterly statements.

The AMC is the fund manager's Annual Management Charge. The AMC is not taken directly from your investment, but is reflected within the fund manager's pricing of the fund. This change will not affect any charges taken by Quilter.