

Our ref: Sample

(Date)

Sample copy

Dear (Salutation)

Fund merger for ES River and Mercantile UK Dynamic Equity

Account number:

Your financial adviser:

The ES River and Mercantile UK Dynamic Equity fund that you invest in as part of a model portfolio set up by your financial adviser merged into the SVM UK Opportunities fund on 26 April 2024. You'll see the new fund on your valuations and statements after that date.

Your financial adviser will take any action that needs to be taken and, if necessary, help to address any questions you may have.

When a fund changes, we normally try to write to you as soon as possible, to give you time to discuss the situation with your financial adviser and decide if you need to take any action. On this occasion, we did not tell you about the event until now due to an administrative error. I am sorry that we did not write to you about this change sooner and for any inconvenience or concern that you have experienced because of this delay.

How the merger affected your account

- **The value of your fund holding** – The merger affected the value of your fund holding. The costs associated with aligning the merging fund's portfolio with the continuing fund's portfolio were borne by the fund and are estimated to be approximately 0.48% of the fund value.
- **Phasing and Rebalancing** – Any **phased investment** or **rebalancing** instructions using the fund have automatically continued. These will either buy units in your other assets proportionally, or go into cash, depending on how your adviser set up the model portfolio. Alternatively, we will update the instruction if your financial adviser provides a revised asset choice.
- **Direct Debits** – If you were paying into the fund by Direct Debit future payments will either buy units in your other assets proportionally, or go into cash, depending on how your adviser set up the model portfolio. Alternatively, we will update the instruction if your financial adviser provides a revised asset choice.

Cash may not be suitable for your long-term investment needs. If you're happy for the amount to stay in cash, you don't need to do anything. Your financial adviser will take any action that needs to be taken and help to answer any questions you may have.

- The merger **may have changed the fund's risk profile**. You can see more information about the new fund in its Key Investor Information document, available online at XXXX. Please note, it may not reflect the charges applicable when accessing the fund through us.

Why the funds merged

The fund has experienced a significant reduction in its Assets Under Management over the last 2 years which reduced the fund's ability to attract new investors and put pressure on the operation of the fund. This is reducing its ability to access economies of scale that would allow the funds ongoing charge to be lowered over time.

Having considered all options for the ongoing operation of the fund, Equity Trustees Fund Services Limited considered a merger to be the best option for shareholders. By merging the funds, it has a greater capacity to access economies of scale within a more viable operating platform. They believe that this will potentially reduce the operational cost over time. It will also provide continuity for shareholders by allowing them to continue their investment through a substantially similar fund with the same Investment Manager.

You can find more information about the old and new funds below.

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 objectives

Current fund ES River and Mercantile UK Dynamic Equity	New fund SVM UK Opportunities
<p>Fund objective: The investment objective of the fund is to grow the value of your investment (known as "capital growth") in excess of the MSCI United Kingdom Investable Market Index (IMI) Net Total Return (the "Benchmark") over a rolling 5 year period, after the deduction of all fees.</p> <p>The fund seeks to achieve its investment objective by investing at least 60% of its value in shares of UK companies (companies that are domiciled, incorporated, or have a significant operations in the UK). Investments can be direct, or indirect, in shares (including common and preference shares), rights for shares, warrants, depositary receipts (securities issued by banks that represent company shares), investment trust (including REITS) and collective investment schemes.</p>	<p>Fund objective: The objective of this fund is to achieve capital growth over the long term (5 years or more), and it aims to outperform the MSCI United Kingdom IMI.</p> <p>Performance is measured on a monthly basis over rolling 5 year periods after all fees and costs are deducted.</p> <p>The fund will invest at least 80% in equities and equity related instruments in UK companies.</p>