Our ref: Sample

(Date)

Sample copy

Dear (Salutation)

Fund merger for ES River and Mercantile UK Dynamic Equity

Account number:
Your financial adviser:

I am writing to you because you are invested in the ES River and Mercantile UK Dynamic Equity fund, provided by Equity Trustees Fund Services Ltd.

Equity Trustees has informed us that the ES River and Mercantile UK Dynamic Equity fund 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.

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.

You may want to speak to your financial adviser about the impact of the merger. 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**.

How the merger affected your account

- **The value of your fund holding** – The merger may have affected the value of your fund holding, as explained below under the heading "Has the merger cost me anything?"
- **Direct Debits** – If you were paying into the fund by Direct Debit:
    1) payments up to and including 19 April 2024 were allocated to the ES River and Mercantile UK Dynamic Equity fund.

2) any payments which were due to be collected whilst the merger was taking place bought units proportionally across the other assets in your Direct Debit instruction. If the merging fund was the only fund in your instruction, those payments were allocated to cash. They will stay in cash unless you choose to switch them to another asset in future.
3) payments after the merger were allocated to the SVM UK Opportunities fund.

- **Phasing and Rebalancing –** Any **phased investment** or **rebalancing** instructions using the fund automatically continued after the merger. Unless you give us an alternative choice, future transactions will be reapportioned across the other assets in your instruction, or cash if the merging fund is the only fund in your instruction.

  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. Alternatively, you can switch the cash into an alternative asset(s) from our extensive range. Your financial adviser can give us your switch instruction, or you can switch by logging into our online Customer Centre at **quilter.com/login** or by sending us a switch form in the post.

- 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.

- **Ongoing Charge Figure (OCF) / Total Expense Ratio (TER)** - The OCF/TER changed with the merger.

Fund managers apply an Annual Management Charge (AMC) for the investment management they provide. This is reflected within the daily price of the fund and not taken directly from your holdings.

The OCF/TER represents the ongoing charges for the fund, expressed as a percentage. It is the sum of the AMC and all other running costs of the fund. OCF is increasingly replacing the TER.

The table below shows the old and new AMC and OCF/TER of the fund.

	AMC %	OCF / TER %
Current	0.75	0.90
New	0.75	0.96

Please note that none of the changes detailed in this letter affect any charges made by Quilter.

Has the merger cost me anything?

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.

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 though a substantially similar fund with the same Investment Manager.

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

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

Previous fund ES River and Mercantile UK Dynamic Equity	New fund SVM UK Opportunities
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. 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.	**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. Performance is measured on a monthly basis over rolling 5 year periods after all fees and costs are deducted. The fund will invest at least 80% in equities and equity related instruments in UK companies.