

Our ref: Sample

(Date)

# Sample copy

Dear (Salutation)

## Fund merger for abrdn UK Income Unconstrained Equity

**Account number:** XXXXXX

**Your financial adviser:** XXXXXX

I am writing to you because you are invested in the abrdn UK Income Unconstrained Equity fund, provided by abrdn Fund Managers Limited .

abrdn has informed us that the abrdn UK Income Unconstrained Equity fund will merge into the abrdn UK Income Equity fund on **27 September 2024**. You'll see the new fund on your valuations and statements after that date.

The merger is subject to shareholder approval. If it isn't approved, we will write to let you know.

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](https://quilter.com/financial-advice/find-an-adviser)

The last date we can sell from the fund before the merger will be 11:00 am on 26 September 2024.

### How the merger will affect your account

- **The value of your fund holding** – The merger may affect the value of your fund holding, as explained below under the heading "Will the merger cost me anything?"
- **Direct Debits** – If you are paying into the fund by Direct Debit:
  - 1) payments up to and including **26 September 2024** will be allocated to the abrdn UK Income Unconstrained Equity fund.
  - 2) any payments which are due to be collected whilst the merger is taking place will buy units proportionally across the other assets in your Direct Debit instruction. If the merging 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 merger will be allocated to the **abrdn UK Income Equity** fund.
- **Phasing and Rebalancing** – Any **phased investment** or **rebalancing** instructions using the fund will automatically continue 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](https://quilter.com/login) or by sending us a switch form in the post.

- The merger **won't change the fund's risk profile**. You can see more information about the new fund in its Key Investor Information document, available online at XXXXXX  
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 will change with the merger.

\* 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.

### Will the merger cost me anything?

Approximately 20% of the merging fund will need to be realigned in preparation for the merger. abrdn estimates the realignment cost will be 0.16% of the fund value.

Should you wish not to incur any of the realignment costs, you can switch your holding any time up until **11:00 on 12 September 2024**.

### Why the funds are merging

After a review abrdn identified the merging and continuing funds were similar given both share the same investment universe and use the same index as a reference point for portfolio construction, although the continuing fund does have greater flexibility in its investment universe with the ability to invest in high yield bonds. The continuing fund also aims to deliver a similar outcome for investors compared to the merging fund and therefore it is proposed to merge the two funds

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

### The next steps and avoiding the merger

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 abrdn UK Income Unconstrained Equity fund at any time up until **11:00 on 26 September 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

| Current fund<br>abrdn UK Income Unconstrained Equity  | New fund<br>abrdn UK Income Equity  |
|---|---|
| <p><b>Fund objective:</b><br/>To generate income and some growth over the long term (5 years or more) by investing in UK equities (company shares).</p> <p>Performance Target: To deliver a yield greater than that of the FTSE All Share Index over a rolling five year period (before charges) and achieve a return in excess of the FTSE All Share Index over a rolling five year period (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.</p> <p>Performance Comparator: IA UK Equity Income sector average. The ACD believes this is an appropriate target/comparator for the fund based on the investment policy of the fund and the constituents of the index/sector.</p> <p>The fund will invest at least 70% in equities and equity related securities of companies incorporated or domiciled in the UK or having significant operations and/or exposure to the UK.</p> | <p><b>Fund objective:</b><br/>To generate income and some capital over the long term (5 years or more) by investing in UK equities (company shares).</p> <p>Performance Target: To deliver a yield greater than that of the FTSE All Share Index over a rolling five year period (before charges) and achieve a return in excess of the FTSE All Share Index over a rolling five year period (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.</p> <p>Performance Comparator: IA UK Equity Income sector average. The ACD believes this is an appropriate target/comparator for the fund based on the investment policy of the fund and the constituents of the index.</p> <p>The fund will invest at least 70% in equities and equity related securities of companies incorporated or domiciled in the UK or having significant operations and/or exposure to the UK.</p> |

Your account is currently on Charge Basis XXXXXX

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

| Current AMC % | Current OCF/TER %* | New AMC % | New OCF/TER %* |
|---------------|--------------------|-----------|----------------|
| 1.50          | 1.50               | 1.20      | 1.29           |

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

|         | AMC % | OCF/TER % | Reimbursed amount %* | Effective OCF/TER % |
|---------|-------|-----------|----------------------|---------------------|
| Current | 1.50  | 1.50      | 0.25                 | 1.25                |
| New     | 1.20  | 1.29      | 0.50                 | 0.79                |

\*We receive a rebate from the fund manager in respect of this fund. 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

|         | AMC % | OCF/TER % | Reimbursed rebate %* | Effective OCF/TER % |
|---------|-------|-----------|----------------------|---------------------|
| Current | 1.50  | 1.50      | 0.37                 | 1.13                |
| New     | 1.20  | 1.29      | 0.60                 | 0.69                |

\*We receive a rebate from the fund manager in respect of this fund. 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.