

Our ref: Sample

(Date)

Sample copy

Dear (Salutation)

Federated Hermes Absolute Return Credit – fund closure

Account number: XXXXXX

Your financial adviser: XXXXXX

The Federated Hermes Absolute Return Credit fund that you invest in as part of a model portfolio set up by your financial adviser is due to be closed from **02 September 2024**.

We have been unable to accept new investments into the fund from 08 August 2024.

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

How the fund closing will affect your account

- **Rebalancing** – Any **rebalancing** instructions using the fund will automatically continue. 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.

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.

Capital gains tax – Collective Investment Account only

If you choose to sell or switch your holdings, this is a disposal for capital gains tax purposes. Please speak to your financial adviser to understand how this may affect you.

The cost of the closure

The costs associated with the closure will be borne by the Investment Manager. Portfolio transaction costs and all other normal operating costs will continue to be borne by the fund.

Why the fund manager is closing the fund

Following the redemption of over 90% of the fund's assets under management recently, the Directors, in consultation with the Manager and the Investment Manager, have determined that the fund's assets under management have fallen below the level at which the fund can be considered viable and to compulsorily redeem the Shares in accordance with the Company's constitution.

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,

A handwritten signature in black ink that reads "Callum Earl". The signature is written in a cursive, slightly informal style.

Callum Earl

Head of Customer Operations