

Our ref: Sample

(Date)

Sample copy

Dear (Salutation)

Fund merger for Federated Hermes Multi-Strategy Credit

Account number: <<Account_Number>>

Your financial adviser: <<BRKName>>

I am writing to you because you are invested in the Federated Hermes Multi-Strategy Credit fund, provided by Hermes Fund Managers Ireland Limited.

Hermes has informed us that the Federated Hermes Multi-Strategy Credit fund will merge into the Federated Hermes Unconstrained Credit fund on **23 May 2024**. You'll see the new fund on your valuations and statements after that date.

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/

The last date we can sell from the fund before the merger will be 16:00 pm on 21 May 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?"
- **Rebalancing** – Any 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 or by sending us a switch form in the post.

- The merger **may change the fund's risk profile**. You can see more information about the new fund in its Key Investor Information document, available online at . 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.

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 current and new AMC and OCF/TER.

	AMC %	OCF / TER%
Current	0.65	0.77
New	0.65	0.75

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

Will the merger cost me anything?

The merging fund may incur transaction costs associated with realigning the fund's current portfolio. The costs will be borne by the merging fund and Hermes expects these costs to be minimal.

Why the funds are merging

Following a strategic review, Hermes has determined that the merging fund has struggled to maintain economies of scale through additional inflows. According to Hermes, given the similarity in investment strategies of both the merging and receiving funds and, in light of the merging fund's smaller size, the merger would benefit investors by moving into a fund with a reduced ongoing charges figure.

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 Federated Hermes Multi-Strategy Credit fund at any time up until **16:00 pm on 21 May 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 objectives

Current fund Federated Hermes Multi-Strategy Credit	New fund Federated Hermes Unconstrained Credit
<p>Fund objective: The investment objective of the fund is to generate a high level of income targeting a high proportion of high yield returns while exhibiting lower volatility relative to the global high yield market.</p> <p>The fund will seek to achieve its objective over a rolling period of any five years, by investing at least 80% in a diversified portfolio of debt securities.</p>	<p>Fund objective: The investment objective of the fund is to generate capital growth and a high level of income over the long term.</p> <p>The fund will seek to achieve its objective over a rolling period of any five years, by investing at least 80% in a diversified portfolio of debt securities.</p>