

Our ref: Sample

(Date)

Sample copy

Dear (Salutation)

L&G UK Property PAIF Fund changes

Account number: XXXXXX

Your financial adviser: XXXXXX

I am writing to you because you are invested in the L&G UK Property PAIF fund, provided by Legal & General (Unit Trust Managers) Limited.

Subject to shareholder approval, L&G will make some changes to the fund. These changes will be effective from **12 April 2024**. If the changes are not approved, we'll write to let you know.

Why the fund is changing

The fund's target market is made up of shareholders who wish to access a real estate fund that offers liquidity via daily dealing. The Financial Conduct Authority (FCA) is proposing new rules that would introduce notice periods for funds that invest over 50% of their assets in immovables (land or buildings). L&G understand that if notice periods were to be introduced for redemptions in the fund, this would not meet the needs of shareholders seeking liquidity by way of daily dealing. Therefore L&G wishes to decrease direct real estate investment below the proposed 50% threshold in the fund.

The proposal to amend the investment policy will enable the fund to invest a higher proportion of its assets in global property-related assets, such as real estate investment trusts (REITs). This change will allow the fund to amend its current portfolio composition to reduce its direct exposure to UK real estate and to increase its indirect exposure to global real estate through REITs. By implementing this change, L&G aim to continue to deliver their property strategy to shareholders in a more liquid form and with additional benefits of diversification.

The old and new investment policies are on the last page for you to compare.

As a result of the proposed reduction in its direct holdings in UK direct property and, increasing its indirect exposure to global real estate via global REITs, the name of the fund will change to improve clarity.

You'll see the new fund name on our valuations and statements after the effective date.

Old fund name	New fund name
L&G UK Property PAIF	L&G Property PAIF

You may want to speak to your financial adviser about the impact of the change. Please speak to them before making any investment decisions, or if you have any questions about the 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 these changes will affect your account

- **The value of your holding** – The changes may affect the value of your fund holding. The portfolio of the fund will be adjusted to reflect the new investment policy. The transition process is expected to take 18-24 months, but it may take longer due to the illiquid nature of the assets and varying market conditions. The fund will bear any costs of realigning the portfolio, but given the length of time L&G expect the transition to take, they do not expect the cost to materially exceed the fund's recent transaction costs.

- **Risk profile** – The fund's risk profile may change.

- The Fund Management Fee (FMF) and Ongoing Charge Figure (OCF) / Total Expense Ratio (TER)* of the fund will change.

* The OCF/TER represents the ongoing charges for the fund, expressed as a percentage. It is the sum of the Fund Management Fee (FMF) 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).

The table below shows the current and new FMF and OCF/TER of the fund.

	FMF %	OCF / TER %
Current	0.75	1.66#
New	0.55	1.46#

#Includes a Property Expense Ratio of 0.91%

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

The next steps

You don't need to take any action unless you would like to choose a new asset from our extensive range. Please speak to your financial adviser before making any investment decisions or if you have any questions about this change.

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 L&G UK Property PAIF	New fund L&G Property PAIF
<p>Investment Policy: The fund will invest a minimum of 60% of its assets directly in commercial property and will aim to diversify risk by seeking exposure across a range of sectors of the UK commercial property market (including but not limited to retail, offices, industrial, leisure and healthcare).</p> <p>The fund may, from time to time, seek diversification by investing in the Isle of Man and the Channel Islands however at least 80% of the value of the properties will be situated in the UK.</p> <p>The fund typically invests at least 80% of its assets directly in property. However, it may reduce this level (to no lower than 60%) from time to time if it believes it is in the interests of maintaining liquidity and performance. The fund may invest up to 20% of its assets in residential properties.</p> <p>The fund may also develop properties with the intention of enhancing their capital value and/or income return.</p> <p>The fund may also invest in other UK property-related assets (including property-related transferable securities (such as real estate investment trusts) and property-related collective investment schemes), money-market instruments (such as treasury bills), cash, permitted deposits, bonds (issued by governments and public bodies) and money-market-related collective investment schemes. The collective investment schemes in which the fund invests may include those managed or operated by the ACD or an associate of the ACD.</p> <p>The fund may only use derivatives for the purposes of Efficient Portfolio Management.</p>	<p>Investment Policy: The fund will invest at least 60% of its assets in property and property-related assets. Although the fund's investment in property and property-related assets is typically expected to be in the region of 80% - 90% of the fund's assets, this may vary as a result of factors such as market conditions.</p> <p>The fund may obtain its exposure through a combination of direct and indirect holdings with exposure across industry sectors (including but not limited to retail, offices, industrial, leisure, healthcare and residential) and geographies.</p> <p>The fund's direct holdings, which will typically consist of around 45% of the fund's assets, will be in property located in the UK. The fund intends to purchase, hold and, where relevant, develop such properties with the intention of enhancing their capital value and/or income return.</p> <p>The fund may obtain indirect exposure to property through listed transferable securities (such as real estate investment trusts) and collective investment schemes. The fund may also invest in money-market instruments (such as treasury bills), permitted deposits, bonds (issued by governments and public bodies), money market funds and cash. The collective investment schemes in which the fund invests may include those managed or operated by the ACD or an associate of the ACD.</p> <p>The fund may only use derivatives for the purposes of Efficient Portfolio Management.</p>