

Our ref: Sample

(Date)

Sample copy

Dear (Salutation)

Fund merger for Fidelity UK Gilt

Account number: XXXXXX

Your financial adviser: XXXXXX

I am writing to you because you are invested in the Fidelity UK Gilt fund, provided by FIL Investment Services (UK) Limited.

Fidelity has informed us that the Fidelity UK Gilt fund will merge into the Fidelity Index UK Gilt fund on **14 June 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

The last date we can sell from the fund before the merger will be 11:00 on 14 June 2024.

How the merger will affect your account

- **The value of your fund holding** – The merger will not affect the value of your fund holding.
- **Rebalancing** – Any **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 or by sending us a switch form in the post.

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- 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.

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 of the fund.

	AMC %	OCF / TER %
Current	0.15	0.15
New	0.10	0.10

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

Why the funds are merging

The fund's assets have been more than halved over the last 3-5 years due to outflows and is now becoming uneconomic to operate. The Fidelity Index UK Gilt fund provides similar market exposure at a lower cost as it uses a passive index tracking approach, and the merger should provide enhanced economies of scale to the Fidelity Index UK Gilt fund.

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 Fidelity UK Gilt fund at any time up until **11:00 on 14 June 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 Fidelity UK Gilt	New fund Fidelity Index UK Gilt
<p>Fund objective: The fund aims to increase the value of your investment over a period of 5 years or more. The fund will be at least 70% exposed to sterling-denominated (or hedged back to sterling) UK Government debt instruments.</p> <p>The fund is actively managed. The Investment Manager identifies suitable investment opportunities for the fund, utilising in-house research and investment capability. The fund uses a systematic investment approach. This means that the Investment Manager uses a more rules-based approach when implementing the portfolio construction.</p>	<p>Fund objective: The fund aims to track the performance of the FTSE Actuaries UK Gilts All Stocks Index with mid-day valuation (before fees and expenses are applied) thereby seeking to increase the value of your investment over a period of 5 years or more.</p> <p>The mid-day index is a customised variant designed and maintained by FTSE International Limited, for alignment with this fund's UK mid-day valuation point. The performance of the fund is unlikely to track the performance of the index precisely.</p>