

Our ref: Sample

(Date)

Sample copy

Dear (Salutation)

Fund merger for 7IM AAP Income

Account number: XXXXXX

Your financial adviser: XXXXXX

I am writing to you because you are invested in the 7IM AAP Income fund, provided by Seven Investment Management LLP (7IM).

7IM has informed us that the 7IM AAP Income fund will merge into the 7IM AAP Moderately Cautious 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 am on 13 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.
- **Direct Debits** – If you are paying into the fund by Direct Debit:
 - 1) payments up to and including **13 June 2024** will be allocated to the 7IM AAP Income 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 7IM AAP Moderately Cautious 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 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.

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 & OCF/TER of the fund.

	AMC %	OCF/TER %
Current	0.50	0.85
New	0.50	0.66

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

Why the funds are merging

According to 7IM, the size of the merging fund has dwindled to £27.8m and continues to experience steady outflows. It does not consider that there is any prospect for attracting significant new investment into the fund. Consequently, its fixed costs are disproportionately high relative to its size.

The receiving fund is a much larger fund, which is more commercially viable through economies of scale. It has a very similar investment objective and policy, and the same investment management team as the merging fund. The combined fund will feature lower ongoing costs and the potential to lower them further via raising further asset.

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 7IM AAP Income fund at any time up until **11:00 am on 13 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 7IM AAP Income	New fund 7IM AAP Moderately Cautious
<p>Fund objective: To provide income, while seeking to maintain capital over the long term (5 years or more) by investing directly and indirectly to achieve exposure of at least 80% to fixed interest and equity instruments. This exposure is, for the most part, obtained through passive strategies but may also be achieved through the use of futures contracts which require cover to be held.</p> <p>The fund will also invest in other asset classes such as property, commodities and private equity, indirectly through holdings in equities including investment trusts, exchange traded funds or other funds. The asset allocation for the entire portfolio will be actively managed.</p>	<p>Fund objective: To provide a return by way of income with some capital growth by investing directly and indirectly, to achieve exposure of at least 80% to fixed interest and equity instruments. This exposure is, for the most part, obtained through passive strategies but may also be achieved through the use of futures contracts which require cover to be held.</p> <p>The fund will also invest in other asset classes such as property, commodities and private equity indirectly through holdings in equities including investment trusts, exchange traded funds or other funds. The asset allocation for the entire portfolio will be actively managed.</p>