

Our ref: Sample

(Date)

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Dear (Salutation)

Investment policy change & share class conversion for the FTGF Brandywine Global Fixed Income (Index Hedged) (Share Class X) fund

Account number: XXXXXX

Your financial adviser: XXXXXX

I am writing to you because you invest in the FTGF Brandywine Global Fixed Income (Index Hedged) (Share Class X) fund, provided by Franklin Templeton International Services S.à r.l. (Ireland).

Franklin Templeton will amend the investment policy of the fund from **31 May 2024**.

The old and new investment policies are overleaf for you to compare.

Franklin Templeton will additionally convert the FTGF Brandywine Global Fixed Income (Index Hedged) (Share Class X) into the Hedged (Share Class X) of the same fund on **31 May 2024**. You'll see the new fund on your valuations and statements after that date.

Converted fund (share class)	New fund (share class)
FTGF Brandywine Global Fixed Income (Index Hedged) (Share Class X)	FTGF Brandywine Global Fixed Income (Hedged) (Share Class X)

You may want to speak to your financial adviser about the impact of the conversion. 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](https://www.quilter.com/financial-advice/find-an-adviser).

The last date we can sell from the fund before the conversion will be 16:00pm on 30 May 2024.

How the conversion will affect your account

- **The value of your fund holding** – the investment policy change may affect the value of your fund holding, as explained below under the heading "Will the merger cost me anything?"
- **Rebalancing** – Any **rebalancing** instructions using the fund will automatically continue after the conversion. Unless you give us an alternative choice, future transactions will be reappportioned across the other assets in your instruction, or cash if the converting 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 amendment to the investment policy may **change the fund's risk profile**.
- The Annual Management Charge (AMC) and Ongoing Charge Figure (OCF) of the fund will not change.

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.

Will the changes cost me anything?

Franklin Templeton have estimated that the portfolio realignment costs may be up to 0.05% of the fund's value.

Why the changes are happening

The fund has historically been characterised by higher allocation to emerging market countries and currencies. As a result, its return profile has been more volatile and has not provided the counterbalance to equities often sought after by sovereign bond investors. The proposal aims to reduce the emerging markets country exposure by implementing a minimum threshold of countries within a benchmark and adding a maximum amount that can be invested in emerging markets.

In Franklin Templeton's view, the proposed changes to the fund's investment policy will reduce volatility while producing similar risk-adjusted returns.

As a consequence to the proposed change in the fund's benchmark to the USD Hedged version of the FTSE World Government Bond Index, it will result in a reduction in non-USD currency exposure. Franklin Templeton believes that the 'Index Hedged' share class will no longer be required and will thus convert to the 'Hedged' share class.

The next steps and avoiding the conversion

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 fund at any time up until **16:00pm on 30 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 Investment Policy

Old investment policy	New investment policy
<p>Fund investment policy: The fund will invest at all times at least two thirds of its Net Asset Value in debt securities that are (i) listed or traded on Regulated Markets primarily in the following countries; and (ii)denominated in currencies of, or issuers located in, primarily the following countries: the United States, Canada, Australia, Japan, Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Mexico, the Netherlands, Portugal, Spain, Denmark, Sweden, Switzerland, the United Kingdom, New Zealand, Norway, Hungary, Poland, and the Czech Republic.</p> <p>The fund may also invest in debt securities that are listed or traded on Regulated Markets located in other Developed Countries.</p> <p>The fund may invest up to 20% of its Net Asset Value in debt securities of issuers located in countries (whether or not listed in the first paragraph above) where both of the following criteria apply:</p> <p>(i) the country's local currency denominated long-term debt is rated below A- by S&P or the equivalent by all NRSROs rating the debt</p> <p>and</p> <p>(ii) the country is not represented in the FTSE World Government Bond Index.</p>	<p>Fund investment policy: The fund will invest at all times at least 75% of its Net Asset Value in fixed income securities of countries that are represented within the FTSE World Government Bond Index (USD Hedged).</p> <p>The fund may also invest in debt securities that are listed or traded on Regulated Markets located in other Developed Countries.</p> <p>The fund may invest up to 25% of its Net Asset Value in debt securities of emerging market countries as defined by the JP Morgan GBI-EM Global Diversified Index.</p>