

Our ref: Sample

(Date)

# Sample copy

Dear (Salutation)

## Fund merger for 7IM AAP Income

Account number: XXXXXX

Your financial adviser: XXXXXX

The 7IM AAP Income fund that you invest in as part of a model portfolio set up by your financial adviser is due to merge into the 7IM AAP Moderately Cautious fund. The merger will take place 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.

**Your financial adviser will take any action that needs to be taken and, if necessary, help to address any questions you may have.**

### How the merger will affect your account

- **The value of your fund holding** – The merger will not affect the value of your fund holding.
- **Phasing and Rebalancing** – Any **phased investment** or **rebalancing** instructions using the fund will automatically continue. These will either buy units in your other assets proportionally, or go into cash, depending on how your adviser set up the model portfolio. Alternatively, we will update the instruction if your financial adviser provides a revised asset choice.
- **Direct Debits** – If you are paying into the fund by Direct Debit future payments will either buy units in your other assets proportionally, or go into cash, depending on how your adviser set up the model portfolio. Alternatively, we will update the instruction if your financial adviser provides a revised asset choice.

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. Your financial adviser will take any action that needs to be taken and help to answer any questions you may have.

- 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.

### 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 assets.

You can find more information about the old and new funds below.

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><b>Fund objective:</b> 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><b>Fund objective:</b> 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>