

Our ref: Sample

(Date)

# Sample copy

Dear (Salutation)

## Fund merger for M&G Sustainable Multi Asset Growth

**Account number:**

**Your financial adviser:**

I am writing to you because you are invested in the M&G Sustainable Multi Asset Growth fund, provided by M&G Securities Limited.

M&G has informed us that the M&G Sustainable Multi Asset Growth fund will merge into the M&G Episode Growth fund on 22 November 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](https://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 21 November 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 21 November 2024 will be allocated to the M&G Sustainable Multi Asset Growth 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 M&G Episode Growth 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.
- **Treasured assets** – if you have treasured the fund to be excluded when deducting units to meet certain scheduled payments from your account (for example charges and ongoing adviser fees), this arrangement will stop. You can arrange to treasure different assets by providing us with a new treasured asset request form.

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](http://quilter.com/login) or by sending us a switch form in the post.

### A note about cash in your account

We don't take any product or service charges on your cash balance (although the value is still included in the total value calculation for the charge). Instead, we pay you a rate of interest on cash in your account and we are paid by retaining a proportion of the interest we receive from our banking partners.

You can find more information, including the current interest rate payable and how much interest we retain, on our website at [quilter.com/interest-on-cash](http://quilter.com/interest-on-cash).

- 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 . 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.

We receive a rebate from the fund manager in respect of this fund. This is effectively a discount on the fund manager's AMC, that we negotiate for you. We reinvest the whole rebate as a 'reimbursed rebate' into your account. You can see more details of this in the 'Customer Account Credit' section of your quarterly statements.

The table below shows the current and new AMC, OCF/TER and reimbursed rebate of the fund. The Effective OCF/TER is the OCF/TER less the reimbursed rebate.

	AMC %	OCF/TER %	Reimbursed rebate %	Effective OCF/TER %
Current	0.65	0.73	0.05	0.68
New	0.65	0.65	0.05	0.60

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

### Why the funds are merging

The range of Sustainable Multi Asset risk managed funds were launched in 2020. The Merging fund has not attracted the expected level of interest from investors and as a result has not attained the size required to make it commercially viable. Following a review, M&G concluded that there is little prospect for the fund's growth in the foreseeable future.

The Merging fund and the Receiving fund are globally invested multi asset funds. The Receiving fund, although not a sustainability related fund, has been selected based on it sharing similar investment and risk characteristics as its

respective Merging fund. M&G believes the merger to be the best option for investors as an alternative investment solution for the long term.

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

### 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 M&G Sustainable Multi Asset Growth fund at any time up until **11:00 am on 21 November 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 Client Services

## Fund objectives

Current fund M&G Sustainable Multi Asset Growth	New fund M&G Episode Growth
<p><b>Fund objective:</b> The fund has two aims:</p> <ul style="list-style-type: none"> <li>• To limit the average volatility to 17% per annum over any five-year period while providing a total return (the combination of capital growth and income) over that period;</li> </ul> <p>and</p> <ul style="list-style-type: none"> <li>• To invest in assets which meet the fund's preferred ESG standards and/or those that provide a positive societal impact through addressing the world's major social and environmental challenges.</li> </ul> <p>The fund invests globally across a range of asset classes, including equities and equity-related securities, fixed income securities, cash and near cash.</p> <p>Typically, the fund holds 55-100% of its Net Asset Value in equities and equity related securities, but there is no obligation on the fund manager to hold a particular level of equity exposure.</p>	<p><b>Fund objective:</b> The fund aims to provide a higher total return (the combination of capital growth and income) net of the Ongoing Charge Figure, than the average return of the IA Mixed Investment 40-85% Shares Sector over any five-year period.</p> <p>The fund is a multi-asset fund that invests across a range of asset classes, including equities, fixed income securities, convertibles, cash and near cash.</p> <p>The fund seeks to manage risk by investing globally across multiple asset classes, sectors, currencies and countries. The fund will typically invest 40-85% of its assets in equities and convertibles, 15-50% in fixed income securities and cash, and up to 10% in other assets.</p>