

Our ref: Sample

(Date)

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Dear (Salutation)

Ballie Gifford Health Innovation – fund closure

Account number: *****

Your financial adviser: *****

The Ballie Gifford Health Innovation fund that you invest in as part of a model portfolio set up by your financial adviser is due to be closed from 13 November 2024.

We will be unable to accept new investments into the fund from 01 November 2024.

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 fund closing will affect your account

- **Rebalancing** – Any **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.

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.

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.

Capital gains tax – Collective Investment Account only

If you choose to sell or switch your holdings, this is a disposal for capital gains tax purposes. Please speak to your financial adviser to understand how this may affect you.

Closure subject to FCA approval

The closure is subject to FCA approval. If it isn't approved, we'll write to let you know.

The cost of the closure

Trading costs will be incurred when selling the fund's assets. Baillie Gifford expect the cost to be around 0.33% of the fund's value.

Baillie Gifford have waived the Annual Management Charge of the fund from 7 October 2024.

Why the fund manager is closing the fund

The assets under management for the fund have declined to just under £26m as of 27 September 2024 and Baillie Gifford does not have any expectation of meaningful future investment into the fund. Consequently, they do not believe the fund has a reasonable prospect of meeting the needs and objectives of investors in the future. They have determined that it is no longer commercially viable to continue to operate the fund.

Baillie Gifford expects to make only one payment to shareholders. However, the fund holds a Contingent Value Right ("CVR") which it received when one of its holdings was acquired by another company. The CVR grants rights to the fund to receive payments in the future from Baillie Gifford should certain milestones be met between now and 2029. The CVR is non-tradeable, which means it cannot be sold.

Shareholders who choose to switch out of the fund before the closure will receive no value for the CVR. Shareholders who remain in the fund at the closure date will receive their termination proceeds but may also receive an additional payment should any material monies be received in the future from the CVR. Based on information currently available, the maximum value that may be received from the CVR is approximately 0.6% of the fund's current value.

Should any future payments from the CVR materialise, we will issue a separate notification to relevant Shareholders.

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