

Our ref: Sample

(Date)

# Sample copy

Dear (Salutation)

## Ballie Gifford Health Innovation – fund closure

**Account number:** \*\*\*\*\*

**Your financial adviser:** \*\*\*\*\*

The Ballie Gifford Health Innovation fund that you invest in with us is due to be closed from 13 November 2024.

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

**The last day we can sell units in the fund will be 12 November 2024.**

To continue receiving the benefits of being invested in this type of fund you will need to switch into an alternative asset(s) from our extensive range.

**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).

### How the fund closure will affect your account

- **Rebalancing** – Any **rebalancing** instructions using the fund will automatically continue after the closure. Unless you give us an alternative instruction, the portion allocated to the closing fund will be reapportioned across the other assets in your instruction, or cash if the closing 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](https://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](https://quilter.com/interest-on-cash).

### What happens if you don't take action

If we don't hear from you by 16:00 on 12 November 2024, the Baillie Gifford Health Innovation fund will close and you will receive cash based on the value of your holding at the closure date. It will stay in cash until you choose a new asset.

### The fund will close in line with the fund group's timeframe, which could mean it will take some time for the proceeds to appear on your account.

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.

### 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.

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