

Our ref: Sample

(Date)

Sample copy

Dear (Salutation)

Fund name, objective, investment policy & Annual Management Charge (AMC) changes

Account number: *****

Your financial adviser: *****

I am writing to you because you are invested in the Royal London Emerging Markets ESG Leaders Equity Tracker fund, provided by Royal London Unit Trust Managers Limited.

Subject to shareholder approval, Royal London will change the name, objective, investment policy & AMC of the fund from **10 December 2024**. If it isn't approved, we'll write to let you know.

You'll see the new fund name on our valuations and statements after this date.

Old fund name	New fund name
Royal London Emerging Markets ESG Leaders Equity Tracker	Royal London Emerging Markets Equity Tilt

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

You may want to speak to your financial adviser about the impact of the change. Please speak to them before making any investment decisions, or if you have any questions about the 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).

How this will affect your account

- **The value of your holding** – The changes may affect the value of your fund holding.

Royal London will undertake a realignment of the fund's investment portfolio to align with the proposed investment policy. The realignment is expected to commence on 10 December 2024 until 20 December 2024 and the estimated trading costs will be up to a maximum of 4.02% of the fund value, which will be over the rebalancing period.

Royal London has modelled the realignment cost against the anticipated annualised costs of rebalancing that the fund incurs each year to match the Index. By gradually reducing these annual rebalance costs over the recommended holding period of 5 years, the one-off realignment cost provided better value and outcomes for shareholders.

- **Risk profile** – The fund’s risk profile may change.

Royal London is decreasing the AMC for the fund from 10 December 2024. Fund managers apply an AMC for the investment management they provide. This is reflected in the pricing of the fund and not taken directly from your holdings.

The Ongoing Charges Figure (OCF) / Total Expense Ratio (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.

This table shows the current and the new amounts once the change has completed.

	AMC %	OCF/TER %
Current	0.25	0.25
New	0.23	0.23

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

Why the funds are changing

Royal London are proposing to amend the investment objective to achieve capital growth and income over a period of 3 to 5 years, and amend the performance objective to deliver the performance of the MSCI Emerging Markets ex China A GBP Net Return Index over rolling 3 year periods. They also propose to amend the investment policy to state that the fund will invest at least 90% of its assets in share of companies that belong to the index.

The proposed changes intend to deliver better customer outcomes by committing the fund to Environmental, Social & Governance (ESG) principles that the Investment Manager will use as a strategy to deliver the fund’s investment objective. This will ensure that the fund delivers lower carbon emission than the Index. Along with addressing liquidity issues which have arisen during the annual rebalance and, over the longer term, to ensure that the trading costs are reduced.

Renaming the fund will clarify the proposed approach to be taken by the Investment Manager. In particular, the inclusion of “Tilt” reflects the new strategy (i.e., to tilt towards (increase exposure) or tilt away from (decrease exposure) certain companies).

The next steps

You don’t need to take any action unless you would like to choose a new asset from our extensive range. Please speak to your financial adviser before making any investment decisions or if you have any questions about this change.

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 Royal London Emerging Markets ESG Leaders Equity Tracker	New fund Royal London Emerging Markets Equity Tilt
<p>Fund objective: To deliver over the long term, which should be considered as a period of 7-plus years, the capital growth and income of the MSCI Emerging Markets ESG Leaders Net Return Index (expressed in GBP) (the "Index"). This is carried out principally by matching the performance of the Index, which is made up of companies that have the highest environmental, social and governance (ESG) performance in each sector of the wider MSCI Emerging Markets Net Return Index</p> <p>The fund will invest at least 70% of its assets in shares of companies that belong to the Index.</p> <p>The fund uses an optimised portfolio approach aimed at maximising return while controlling risk. This means that, while the fund aims largely to replicate the composition of the Index, the manager may decide not to hold all constituents of the Index, particularly if they have poor liquidity (where the money invested is not easily accessible), or if they are expensive to trade. The manager may also choose not to hold constituents in the exact benchmark weights of the Index.</p>	<p>Fund objective: To deliver capital growth and income over the medium term, which should be considered as a period of 3 to 5 years, by primarily investing in shares of emerging market companies by market capitalisation listed on major markets globally. The fund's performance target is to deliver the performance, after the deduction of charges, of the MSCI Emerging Markets ex China A GBP Net Return Index (the "Index") over rolling 3-year periods.</p> <p>The fund will seek to achieve carbon intensity of at least 30% lower than that of the Index.</p> <p>The fund will invest at least 90% of its assets in shares of companies that belong to the Index.</p> <p>The fund is actively managed, meaning that the Investment Manager will use their expertise to select investments to meet the investment objective. The fund's assets are systematically invested to deliver the investment objective while controlling risk relative to the Index. Systematic investment describes the use of relevant data and models to construct a portfolio that aligns to the fund's specific risk profile, investment parameters and objective. In actively managing the fund, the Investment Manager will take different positions relative to the Index which will generate a different return profile. This is known as active risk (the "Active Risk"). Active Risk is measured as the difference between the fund's return and the Index over a certain time period. The Active Risk in relation to the Index is not expected to exceed 1% per annum.</p>