

Our ref: Sample

(Date)

# Sample copy

Dear (Salutation)

## Fund conversion for abrdn funds

**Account number:** XXXXXX

**Your financial adviser:** XXXXXX

I am writing to you because you are invested in one or more of the abrdn funds listed below, provided by abrdn Fund Managers Limited.

abrdn will convert the below funds into a cheaper share class of the same fund on 06 November 2024. You'll see the new fund on your valuations and statements after that date.

Converted fund (share class)	New fund (share class)
abrdn Emerging Markets Equity (Share Class M)	abrdn Emerging Markets Equity (Share Class I)
abrdn Europe ex UK Equity (Share Class M)	abrdn Europe ex UK Equity (Share Class I)
abrdn Asia Pacific Equity (Share Class M)	abrdn Asia Pacific Equity (Share Class I)
abrdn UK Income Equity (Share Class M)	abrdn UK Income Equity (Share Class I)
abrdn UK Mid-Cap Equity (Share Class M)	abrdn UK Mid-Cap Equity (Share Class I)
abrdn UK Sustainable & Responsible Investment Equity (Share Class M)	abrdn UK Sustainable & Responsible Investment Equity (Share Class I)
abrdn Strategic Bond (Share Class M)	abrdn Strategic Bond (Share Class I)
abrdn Diversified Growth and Income (Share Class M)	abrdn Diversified Growth and Income (Share Class I)
abrdn Global Real Estate (Share Class Platform 1)	abrdn Global Real Estate (Share Class Institutional)
abrdn Dynamic Distribution (Share Class Platform 1)	abrdn Dynamic Distribution (Share Class Institutional)

You may want to speak to your financial adviser about the impact of the conversions. 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 units from the funds before the conversion will be 11:00 on 29 October 2024.

## How the conversion will affect your account

- **The value of your fund holding** – the conversions 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 **29 October 2024** will be allocated to the converting funds
  - 2) any payments which are due to be collected whilst the conversion is taking place will buy units proportionally across the other assets in your Direct Debit instruction. If the converting 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 conversion will be allocated to the new funds
- **Phasing and Rebalancing** – Any **phased investment** or **rebalancing** instructions using the funds will automatically continue after the conversion. Unless you give us an alternative choice, future transactions will be reappportioned across the other assets in your instruction, or cash if the converting 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](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)

- The conversion won't **change the fund's risk profile**.
- **Ongoing Charge Figure (OCF) /Total Expense Ratio (TER)** - the OCF/TER will change with the conversion.

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 some of the 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.

	Current AMC %	New AMC %	Current OCF / TER %	New OCF/TER %	Current Reimbursed Rebate %	New Reimbursed Rebate %	Current Effective OCF / TER %	New Effective OCF / TER %
abrdn Emerging Markets Equity	0.75%	0.75%	0.92%	0.87%	0.00%	0.24%	0.92%	0.63%
abrdn Europe ex UK Equity	0.75%	0.75%	0.89%	0.84%	0.00%	0.15%	0.89%	0.69%
abrdn Asia Pacific Equity	0.75%	0.75%	0.90%	0.85%	0.00%	0.24%	0.90%	0.61%
abrdn UK Income Equity	0.75%	0.75%	0.88%	0.83%	0.00%	0.19%	0.88%	0.64%
abrdn UK Mid-Cap Equity	0.75%	0.75%	0.89%	0.84%	0.00%	0.15%	0.89%	0.69%
abrdn UK Sustainable & Responsible Investment Equity	0.75%	0.75%	0.89%	0.84%	0.00%	0.33%	0.89%	0.51%
abrdn Strategic Bond	0.50%	0.50%	0.65%	0.60%	0.00%	0.10%	0.65%	0.50%
abrdn Diversified Growth and Income	0.50%	0.50%	0.71%	0.66%	0.00%	0.00%	0.71%	0.66%
abrdn Global Real Estate	0.95%	0.90%	1.51%	1.41%	0.00%	0.00%	1.51%	1.41%
abrdn Dynamic Distribution	0.65%	0.65%	0.86%	0.81%	0.00%	0.00%	0.86%	0.81%

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

### Why the funds are converting

Following a review of their fund range, abrdn believe the conversions are in the best interest for investors as the overall charge in the receiving share class is lower (or consistent) with the converting share class.

### The next steps and avoiding the conversion

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 converting funds at any time up until **11:00 on 29 October 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 Customer Operations*