

Our ref: Sample

(Date)

# Sample copy

Dear (Salutation)

## Fund merger for VT Argonaut European Alpha

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

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

The VT Argonaut European Alpha fund that you invest in as part of a model portfolio set up by your financial adviser is due to merge into the VT Argonaut Flexible fund. The merger will take place on **11 October 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.

**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 merger will affect your account

#### CONDITIONAL IF Charge Basis 1 or 2"

- **Switches in and top ups** - The VT Argonaut Flexible fund is not available for switches in or top ups on the charge basis that you are in.
- **CONDITIONAL IF invested in 'Hedged' share class (GB00BVYPB156)**  
**Hedged share class** - The VT Argonaut Flexible fund will not provide for a 'hedged' share class. Subsequently, as the fund may invest in overseas securities, movements in exchange rates may, when not hedged, cause the value of your investment to increase or decrease.
- **The value of your fund holding** – The merger may affect the value of your fund holding. The costs associated with the closure of the Merging fund and of preparing and implementing the merger including the legal costs, accounting costs and any adjourned meeting costs will be borne by the Merging fund. Valu-Trac has estimated these to be £10,000 or 0.06% of the fund's value. Valu-Trac has confirmed that there will be no portfolio realignment costs.
- **Phasing and Rebalancing** – Any **phased investment** or **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.

- **Direct Debits** – If you are paying into the fund by Direct Debit future payments 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.
- **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. 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](https://quilter.com/interest-on-cash).

- The merger **may change the fund's risk profile**. You can see more information about the new fund in its Key Investor Information document, available online at (URL). Please note, it may not reflect the charges applicable when accessing the fund through us.

### Why the funds are merging

The fund is limited to investing predominantly in Europe. By expanding its investment universe, Valu-Trac believes it can generate better returns and thereby raise significant assets and which, in turn, will lower fund costs for policyholders.

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

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*

## Fund objectives

<b>Current fund</b> <b>VT Argonaut European Alpha</b>	<b>New fund</b> <b>VT Argonaut Flexible</b>
<p><b>Fund objective:</b> To achieve returns (capital and income) in excess of the returns of the Investment Association (IA) Europe ex UK Sector over the long term (5 years).</p> <p>The fund will seek to achieve its objective by investing in a concentrated portfolio of approximately 30-60 stocks. The fund will invest at least 80% in companies incorporated in countries in Europe.</p> <p>The fund may also invest in companies that are headquartered or quoted outside Europe which derive a significant part of their business from Europe and whose securities are listed or traded on an eligible securities exchange.</p> <p>The fund will not concentrate on any particular sector but will invest in a broad range of companies without regard to market capitalisation.</p>	<p><b>Fund objective:</b> To provide positive returns (a combination of capital and income) over a 5 year period.</p> <p>Capital invested in the Fund is at risk and there is no guarantee that the investment objective will be met over a 5 year, or any other period.</p> <p>The fund will seek to achieve its objective by investing in a portfolio of stocks that is, at times, concentrated (meaning, at times, approximately 30-60 stocks).</p> <p>The fund is not constrained by any allocation limits and therefore may invest up to 100% in such stocks, with no minimum requirement. However, the fund will typically invest between 50% to 80% of its assets in the shares of companies incorporated in countries in Europe (including the United Kingdom) and the United States (the "US"). The fund may also invest in companies that are headquartered or quoted outside Europe or the US whose securities are listed or traded on a developed exchange market.</p> <p>The fund will not concentrate on any particular sector but will invest in a broad range of companies whose shares are liquid and marketable and have a capitalisation of at least £500 million.</p>