

Our ref: Sample

(Date)

Sample copy

Dear (Salutation)

Fund merger for VT Argonaut European Alpha

Account number: *****

Your financial adviser: *****

I am writing to you because you are invested in the VT Argonaut European Alpha fund, provided by Valu-Trac Investment Management Limited.

Valu-Trac has informed us that the VT Argonaut European Alpha fund will merge into the VT Argonaut Flexible fund 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.

You may want to speak to your financial adviser about the impact of the merger. 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.

The last date we can sell from the fund before the merger will be 11:00 am on 09 October 2024.

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.
- **The value of your fund holding** – The merger may affect the value of your fund holding, as explained below under the heading "Will the merger cost me anything?"

- **Direct Debits** – If you are paying into the fund by Direct Debit:
 - 1) payments up to and including **09 October 2024** will be allocated to the VT Argonaut European Alpha fund.
 - 2) any payments which are due to be collected whilst the merger is taking place will buy units proportionally across the other assets in your Direct Debit instruction. If the merging 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 merger will be allocated to the **VT Argonaut Flexible** fund.
- **Phasing and Rebalancing** – Any **phased investment** or **rebalancing** instructions using the fund will automatically continue after the merger. Unless you give us an alternative choice, future transactions will be reapportioned across the other assets in your instruction, or cash if the merging 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 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.

- 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.
- **Ongoing Charge Figure (OCF) / Total Expense Ratio (TER)*** - the OCF/TER will change with the merger.

* The OCF/TER represents the ongoing charges for the fund, expressed as a percentage. It is the sum of the Annual Management Charge (AMC) and all other running costs of the fund. The figure shown is normally the ongoing charges figure (OCF), which is increasingly replacing the total expense ratio (TER). You can find more information about how the merger will affect the OCF / TER and, where applicable, the Reimbursed Amount or Reimbursed Rebate on the last page of this letter.

Will the merger cost me anything?

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.

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.

The next steps and avoiding the merger

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 VT Argonaut European Alpha fund at any time up until **11:00 am on 09 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

Fund information

<p style="text-align: center;">Current fund VT Argonaut European Alpha</p>	<p style="text-align: center;">New fund VT Argonaut Flexible</p>
<p>Fund objective: 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>Fund objective: 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>

Your account is currently on Charge Basis (charge basis)

AMC and OCF / TER changes for accounts on Charge Basis 1

Current AMC %	Current OCF/TER %*	New AMC %	New OCF/TER %*
1.75	1.91	0.75	0.84

AMC and OCF / TER changes for accounts on Charge Basis 2

	AMC %	OCF/TER %	Reimbursed amount %*	Effective OCF/TER %
Current	1.75	1.91	0.50	1.41
New	0.75	0.84	0.00	0.84

*We receive a rebate from the fund manager in respect of this fund. This is effectively a discount that we negotiate on the fund manager’s AMC. We reinvest part of this rebate as a ‘reimbursed amount’ into your account. You can see more details of this in the ‘Customer Account Credit’ section of your quarterly statements.

AMC and OCF / TER changes for accounts on Charge Basis 3

	AMC %	OCF/TER %	Reimbursed rebate %*	Effective OCF/TER %
Current	1.75	1.91	1.05	0.86
New	0.75	0.84	0.00	0.84

*We receive a rebate from the fund manager in respect of this 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 AMC is the fund manager’s Annual Management Charge. The AMC is not taken directly from your investment, but is reflected within the fund manager’s pricing of the fund. This change will not affect any charges taken by Quilter.