

Our ref: Sample

(Date)

Sample copy

Dear (Salutation)

Fund conversion for Quilter Investor funds

Account number: *****

Your financial adviser: *****

I am writing to you because you are invested in one or more of the below Quilter Investors (Share Class U2) Income funds, provided by Quilter Investors Limited .

Quilter Investors Limited will convert the below Share Class U2 Income funds into Share Class U2 Accumulation funds on 27 March 2025. You'll see the new funds on your valuations and statements after that date.

| Converted fund (share class) | New fund (share class) |
|---|---|
| Quilter Investors Asia Pacific (ex Japan) Large-Cap Equity (Invesco) (Share Class U2) Inc | Quilter Investors Asia Pacific (ex Japan) Large-Cap Equity (Invesco) (Share Class U2) Acc |
| Quilter Investors Emerging Markets Equity Growth (JPM) (Share Class U2) Inc | Quilter Investors Emerging Markets Equity Growth (JPM) (Share Class U2) Acc |
| Quilter Investors Investment Grade Corporate Bond (Invesco) (Share Class U2) Inc | Quilter Investors Investment Grade Corporate Bond (Invesco) (Share Class U2) Acc |
| Quilter Investors Sterling Diversified Bond (Fidelity) (Share Class U2) Inc | Quilter Investors Sterling Diversified Bond (Fidelity) (Share Class U2) Acc |
| Quilter Investors US Equity Small/Mid-Cap (Schroder) (Share Class U2) Inc | Quilter Investors US Equity Small/Mid-Cap (Schroder) (Share Class U2) Acc |

You may want to speak to your financial adviser about the impact of the conversion. 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 conversion will be 11:00 on 27 March 2025.

How the conversion will affect your account

- **The value of your fund holding** – the conversion 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 **21 March 2025** will be allocated to the above listed Share Class U2 Income 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 above listed Share Class U2 Accumulation funds.
- **Phased investment** – Instructions using the fund will automatically continue after the conversion. Unless you give us an alternative choice, future transactions will be reapportioned 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 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 type of units you are invested in will change** – The new funds offers accumulation units only, and as a result your current holding will be converted from income units to accumulation units. With income units, you can choose to withdraw dividend income received from the fund's underlying assets automatically. Accumulation units keep and reinvest dividend income and you cannot withdraw it in the same way. If you are currently taking dividend payments from your investment, you might want to speak to your financial adviser about the impact this change will have.
- The conversion **won't change the fund's risk profile**.
- **Ongoing Charge Figure (OCF) /Total Expense Ratio (TER)** - the OCF/TER will not 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.

The table below shows the current and new OCF/TER.

| | Current OCF/TERb % | New OCF / TER % |
|---|--------------------|-----------------|
| Quilter Investors Asia Pacific (ex Japan) Large-Cap Equity (Invesco) (Share Class U2) | 0.80% | 0.80% |
| Quilter Investors Emerging Markets Equity Growth (JPM) (Share Class U2) | 0.70% | 0.70% |
| Quilter Investors Investment Grade Corporate Bond (Invesco) (Share Class U2) | 0.55% | 0.55% |
| Quilter Investors Sterling Diversified Bond (Fidelity) (Share Class U2) | 0.45% | 0.45% |
| Quilter Investors US Equity Small/Mid-Cap (Schroder) (Share Class U2) | 0.65% | 0.65% |

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

Why the funds are converting

Quilter has identified that it is becoming increasingly difficult to justify the cost of maintaining the Income shares given the small amount of investment in them. They have therefore taken the opportunity to streamline their range.

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 below fund at any time up until **11:00 on 27 March 2025**. 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 Client Services