

Our ref: Sample

(Date)

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Dear (Salutation)

Fund merger for VT KMGIM Growth

Account number:

Your financial adviser:

The VT KMGIM Growth fund that you invest in as part of a model portfolio set up by your financial adviser is due to merge into the VT Esprit Tactical Growth fund. The merger will take place on **28 February 2025**. 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

- **The value of your fund holding** – The merger may affect the value of your fund holding. The costs associated with aligning the portfolio of the merging fund to the receiving fund will be paid by the merging fund and are estimated to be approximately 0.18% of the fund value.
- **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.

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

Why the funds are merging

Shackleton Advisers Limited has recently become the Investment Manager of the merging fund, this means that it is now the Investment Manager for both the merging and receiving funds. Both funds have similar fund and objective strategies, performance histories, asset allocation, sector exposure and liquidity profiles. Specifically, both funds share similar long-term goals, with a focus on global diversification and higher-risk assets.

Commercially it would be more efficient to merge the two funds rather than run two funds that are so similar and Valu-Trac Investment Management Limited consider the merger to be in the best interests of investors.

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

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 VT KMGIM Growth	New fund VT Esprit Tactical Growth
<p>Fund objective: To achieve capital growth over the long term (5-7 years) with an emphasis towards higher risk assets such as equities and a lower focus towards lower risk assets such as cash and fixed income. The fund will seek to achieve its objective by investing primarily (70%+) consisting of a range of OEICS, Unit Trusts, other collective investment vehicles (including exchanged traded funds and funds managed and/or operated by the ACD) providing exposure to asset classes which are diversified globally including equities, fixed income, money market instruments, cash, property and commodities. The portfolio will be diversified across 20 – 50 holdings. Equity exposure within the portfolio will vary between 40% and 85%.</p>	<p>Fund objective: To achieve a level of investment return (capital growth and reinvestable income) in excess of the benchmark (UK RTMA Risk 5 - Growth), net of fees over the longer term (5 years+). The fund will be actively managed to achieve its stated investment objective by investing in a globally diversified portfolio. The portfolio will consist primarily (70% or above) of a range of OEICS, Unit Trusts, other collective investment vehicles (providing exposure to asset classes including equities, fixed income, money market instruments, cash, property and commodities (through exchange traded vehicles)) and where appropriate may invest directly in equities, fixed income stocks, money market instruments and cash.</p>