

Our ref: Sample

(Date)

# Sample copy

Dear (Salutation)

## Fund merger for VT KMGIM Growth

**Account number:**

**Your financial adviser:**

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

Valu-Trac Investment Management Limited has informed us that the VT KMGIM Growth fund will merge into the VT Esprit Tactical Growth fund 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.

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](https://quilter.com/financial-advice/find-an-adviser).

The last date we can sell from the fund before the merger will be 11:00 on 27 February 2025.

## How the merger will affect your account

- **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 27 February 2025 will be allocated to the VT KMGIM Growth 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 Esprit Tactical Growth fund.

- **Phased investment** – 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](http://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](http://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.
- **Ongoing Charge Figure (OCF) / Total Expense Ratio (TER)** - The OCF/TER will change with the merger.

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 AMC and OCF/TER of the fund.

	AMC %	OCF/TER %
Current	0.35	0.90
New	0.50	0.71

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

### Will the merger cost me anything?

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.

### 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 Valuetrac 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.

### 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 KMGIM Growth fund at any time up until **11:00 on 27 February 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

## Fund objectives

Current fund VT KMGIM Growth	New fund VT Esprit Tactical Growth
<p><b>Fund objective:</b> 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><b>Fund objective:</b> 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>