

Our ref: Sample

(Date)

Sample copy

Dear (Salutation)

Fund merger for Ninety One UK Smaller Companies

Account number: XXXXXX

Your financial adviser: XXXXXX

I am writing to you because you are invested in the Ninety One UK Smaller Companies fund, provided by Ninety One Fund Managers UK Limited.

Ninety One has informed us that the Ninety One UK Smaller Companies fund will merge into the Ninety One UK Special Situations fund on **07 March 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

The last date we can sell from the fund before the merger will be 11:00 on 06 March 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 06 March 2025 will be allocated to the Ninety One UK Smaller Companies 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 Ninety One UK Special Situations 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 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 XXXXXX. 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 not change with the merger.
- The **reimbursed rebate** that applies to your fund holding will change from 0.05% to 0.11%.

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.

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 table below shows the current and new AMC, OCF/TER and reimbursed rebate of the fund. The Effective OCF/TER is the OCF/TER less the reimbursed rebate.

	AMC %	OCF/TER %	Reimbursed rebate %	Effective OCF/TER %
Current	0.75	0.87	0.05	0.82
New	0.75	0.87	0.11	0.76

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

Will the merger cost me anything?

The cost of changing the composition of its portfolio to fit the receiving fund is expected to be approximately 0.44% of the value of the current fund. This cost will be borne by the merging fund.

Why the funds are merging

Over the last three years, the fund has significantly reduced in size (in assets under management ('AuM') terms). Future demand for the fund is expected to be low and Ninety One Fund Managers UK Limited expect it to continue to reduce in size, which would put increasing pressure on costs. On the other hand, the receiving fund's AuM has been more consistent and has grown over the last three years.

Rather than terminating your current fund, which would incur liquidation costs and have potential tax consequences for investors, Ninety One believe that it is in the interests of investors for the current fund to be merged into the receiving fund.

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 Ninety One UK Smaller Companies fund at any time up until **11:00 on 06 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

Fund objectives

Current fund Ninety One UK Smaller Companies	New fund Ninety One UK Special Situations
<p>Fund objective: To provide capital growth (to grow the value of your investment) over at least five years.</p> <p>The fund invests primarily (at least two-thirds) in the shares of UK smaller companies and in related derivatives (financial contracts whose value is linked to the price of the shares of such UK companies).</p>	<p>Fund objective: To provide capital growth (to grow the value of your investment) and income over at least five years.</p> <p>The fund invests primarily (at least two-thirds) in the shares of UK companies (those incorporated in, domiciled in, or that have significant economic exposure to, the UK) and in related derivatives (financial contracts whose value is linked to the price of the shares of such UK companies).</p>