

Our ref: 8706

## Merger for Smithson Investment Trust Plc

I am writing to you because you are invested in the Smithson Investment Trust Plc, provided by Fundsmith LLP.

Fundsmith has informed us that the Smithson Investment Trust Plc (Investment Trust) will merge into the Smithson Equity fund (OEIC) on **27 February 2026**. You'll see the new asset 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 asset before the merger will be 14:00 on 10 February 2026.

### How the merger will affect your account

- **The value of your asset holding** – The merger may affect the value of your asset holding, as explained below under the heading "Will the merger cost me anything?"
- **Direct Debits** – If you are paying into the asset by Direct Debit:
  - 1) payments up to and including 10 February 2026 will be allocated to Smithson Investment Trust Plc .
  - 2) payments from 11 February 2026 will buy units proportionally across the other assets in your Direct Debit instruction. If the merging asset is the only asset 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 Smithson Equity (OEIC).

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](https://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](https://quilter.com/interest-on-cash).

- The merger **may change the asset's risk profile**. You can see more information about the new asset in its Key Investor Information document, available online at [quilter.com/smithson-inv](http://quilter.com/smithson-inv). Please note, it may not reflect the charges applicable when accessing the asset through us.
- **Ongoing Charge Figure (OCF) / Total Expense Ratio (TER)** - the OCF/TER for the Smithson Equity (OEIC) fund is 0.98%.

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.

### Will the merger cost me anything?

A sum will be retained by the Liquidators to meet any unknown or unascertained liabilities of the Company. The is expected to be less than 0.01% of the asset's value.

### Why the assets are merging

Demand for the Shares has been impacted by a number of factors, including relative underperformance in part due to the Investment Manager's style being out of favour. After considering a number of options and consulting with some of the Company's largest Shareholders, the Board decided that offering a rollover into a UK OEIC would allow investors to redeem their shares at the prevailing net asset value, reflecting the Company's existing investment strategy. Coupled with an uncapped cash exit opportunity, they felt that this would offer the best outcome for Shareholders as a whole.

You can find more information about the old and new assets 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 Smithson Investment Trust Plc at any time up until **14:00** on **10 February 2026**. 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*

## Investment objectives

<b>Current asset</b> <b>Smithson Investment Trust Plc</b>	<b>New asset</b> <b>Smithson Equity (OEIC)</b>
<p><b>Investment objective:</b>            The Company's investment objective is to provide Shareholders with long term growth in value through exposure to a diversified portfolio of shares issued by listed or traded companies.</p> <p>The Company's investment policy is to invest in shares issued by small and mid ("SMID") sized listed or traded companies globally with a market capitalisation (at the time of initial investment) within the range of the constituents of the MSCI World SMID Index. The Company's approach is to be a long-term investor in its chosen stocks. It will not adopt short-term trading strategies. Accordingly, it will pursue its investment policy by investing in approximately 25 to 40 companies.</p> <p>The Company may also invest cash held for working capital purposes and awaiting investment in cash deposits and money market funds</p>	<p><b>Investment objective:</b>            The fund's objective is to achieve long-term (over 5 years) growth in value, investing in shares of small and mid-cap listed companies globally that (at the time of investment by the Company) have a market capitalisation within the range of the constituents of the MSCI World SMID Index. The fund is not limited to investing in companies which are constituents of the MSCI World SMID Index. The fund's approach is to be a long-term investor in its chosen shares and it will not adopt short-term trading strategies. The fund has stringent investment criteria in selecting securities for its investment portfolio, investing in businesses:</p> <ul style="list-style-type: none"> <li>• that can sustain a high return on operating capital employed;</li> <li>• that generate substantial cashflow</li> <li>• that have a clearly identifiable source of secular growth (growth that is driven by long-term forces in the market, rather than short-term, cyclical change) to enable retained cash to be invested at a high rate of return;</li> <li>• whose advantages are difficult to replicate;</li> <li>• which do not require significant borrowing to generate returns;</li> <li>• that are resilient to change, particularly technological innovation;</li> <li>• whose valuation is considered to be attractive.</li> </ul> <p>The investment portfolio of the fund will be concentrated, generally comprising between 25 - 40 stocks. The fund will not invest in other funds, property or derivatives nor hedge any currency exposure. The fund will not borrow money, except in unusual circumstances. The fund is actively managed meaning that the fund manager uses their expertise to select investments to achieve the fund's objective. The fund does not track and is not managed by reference to any particular benchmark. The fund does not have any specific geographical or sector focus.</p>