

Our ref: Sample

(Date)

# Sample copy

Dear (Salutation)

## Fund merger for Schroder European Alpha Plus

Account number: XXXXXX

Your financial adviser: XXXXXX

The Schroder European Alpha Plus fund that you invest in as part of a model portfolio set up by your financial adviser is due to merge into the Schroder European fund. The merger will take place on **27 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.

**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. Both the merging fund and receiving fund are managed by the same portfolio manager and seek exposure to similar asset classes, with a commonality of 79% (as at 30 June 2024) in the funds' portfolios. Any required restructuring will begin on 21 March 2025 and any costs incurred in respect of realigning the portfolio of the merging fund in preparation for the merger will be borne by the merging fund. These costs are expected to not exceed 0.05% of the merging fund's 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](https://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.

### Why the funds are merging

According to Schroder, the merger is being proposed as part of a strategic restructure of their UK domiciled Europe ex UK equity product range in order to rationalise the range and to ensure clear product differentiation.

Whilst both funds have similar investment strategies and have the same investment objective and benchmark, the merging fund has underperformed relative to its benchmark and peers with its assets under management having reduced now to circa £50m.

This merger will look to consolidate both funds and will result in a single fund that is more likely to benefit from economies of scale.

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

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 Schroder European Alpha Plus	New fund Schroder European
<p><b>Fund objective:</b> To provide capital growth in excess of the FTSE World Series Europe ex UK (Gross Total Return) index (after fees have been deducted) over a 3 to 5 year period by investing in equities of European companies, excluding the UK.</p> <p>The fund is actively managed and invests at least 80% of its assets in a concentrated range of equities of European countries, excluding the UK. The fund typically holds 35 to 60 companies.</p> <p>'Alpha' funds invest in companies in which the investment manager has a high conviction that the current share price does not reflect the future prospects for that business.</p>	<p><b>Fund objective:</b> To provide capital growth in excess of the FTSE World Series Europe ex UK (Gross Total Return) index (after fees have been deducted) over a 3 to 5 year period by investing in equities of European companies, excluding the UK.</p> <p>The fund is actively managed and invests at least 80% of its assets in equities of large and mid sized European companies, excluding the UK. These are companies that, at the time of purchase, are considered to be in the top 90% by market capitalisation of the European equities market.</p>