

Our ref: Sample

(Date)

Sample copy

Dear (Salutation)

Fund merger for Schroder European Alpha Plus

Account number: XXXXXX

Your financial adviser: XXXXXX

I am writing to you because you are invested in the Schroder European Alpha Plus fund, provided by Schroder Unit Trusts Limited.

Schroder has informed us that the Schroder European Alpha Plus fund will merge into the Schroder European fund 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.

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 am on 20 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 20 March 2025 will be allocated to the Schroder European Alpha Plus 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 Schroder European 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.
- **Switches in and top ups** - The receiving fund is not available for switches in or top ups on the charge basis that you are in.

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 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	0.95	0.95
New	0.92	0.92

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

Will the merger cost me anything?

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.

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 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 Schroder European Alpha Plus fund at any time up until **11:00 am on 20 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 Schroder European Alpha Plus	New fund Schroder European
<p>Fund objective:</p> <p>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>Fund objective:</p> <p>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>