

Our ref: 8871

Fund objective change

I am writing to you because you are invested in the VT Downing Small & Mid-Cap Income fund, provided by Valu-Trac Investment Management Limited.

Valu-Trac will change the objective of the fund from **09 April 2026**. The old and new objectives are overleaf for you to compare.

In addition, Valu-Trac has confirmed that the comparator benchmark will change to the 'IA UK Smaller Companies' sector. A comparator benchmark is a benchmark used for performance comparison purposes thus giving investors an indication of how the fund is performing against other similar funds in its peer group sector.

You may want to speak to your financial adviser about the impact of these changes. Please speak to them before making any investment decisions, or if you have any questions about the changes.

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.

How the change will affect your account

- **The value of your holding** – The changes will not affect the value of your fund holding.
- **Risk profile** – The fund's risk profile will not change.
- The Ongoing Charges Figure (OCF) / Total Expense Ratio (TER) will not change.

The OCF/TER represents the ongoing charges for the fund, expressed as a percentage. It is the sum of the Annual Management Charge (AMC) and all other running costs of the fund. OCF is increasingly replacing TER.

Why the changes are happening

Valu-Trac are making the changes to more clearly define small- and medium-sized listed companies as those being outside of the largest 100 UK listed companies by market capitalisation companies. This will allow the investment manager to allocate the fund's assets across a greater range of asset sizes, thus allowing the fund to capitalise on more opportunities in all market conditions.

They are also removing the reference to 'quarterly' in respect of the income objective, although the fund will still distribute any available income quarterly. The quarterly time frame has not, to date, been the focus of the investment manager.

With regards to the comparator benchmark change, Valu-Trac and Downing consider the new benchmark better reflects the underlying assets and characteristics of the fund.

The next steps

You don't need to take any action unless you would like to choose a new asset from our extensive range. Please speak to your financial adviser before making any investment decisions or if you have any questions about this change.

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

Old objective	New objective
To achieve a quarterly income, together with capital growth over the long term (5 years) by investing at least 80% in shares of small (those with a market capitalisation of less than £1 billion) and medium sized (those with a market capitalisation of less than £5 billion) companies which are domiciled in, have their head office located in, or (which if not established in the UK) exercise the significant part of their business in the UK and which the manager considers to have the ability to increase returns over time.	To achieve income, with the potential for capital growth over the long term (5+ years) by investing at least 80% in equities listed on UK markets (including the London Stock Exchange, AIM and the ICAP Securities and Derivatives Exchange (ISDX)). The investment manager will be seeking to invest in shares of small and medium sized companies which are listed in the UK and which the investment manager considers to have the ability to increase returns over time. The investment manager characterises small and medium- sized listed companies as those companies outside the largest 100 UK listed companies by market capitalisation.