

Our ref: Sample

(Date)

Sample copy

Dear (Salutation)

Fund name, objective & Annual Management Charge (AMC) changes

Account number: XXXXXX  
Your financial adviser: XXXXXX

I am writing to you because you are invested in the IFSL Marlborough Cautious fund, provided by Investment Fund Services Limited (IFSL).

What has changed

IFSL changed the name and objective of the fund on **21 March 2025**.

You'll see the new fund name on our valuations and statements after this date.

Old fund name	New fund name
IFSL Marlborough Cautious	IFSL Marlborough 4 Portfolio

The old and new objectives are overleaf for you to compare.

IFSL will also be decreasing the AMC for the fund effective from **01 April 2025**. Fund managers apply an AMC for the investment management they provide. This is reflected in the pricing of the fund and not taken directly from your holdings.

The Ongoing Charges Figure (OCF) / Total Expense Ratio (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.

Your account is currently on Charge Basis XXXXXX

AMC and OCF / TER changes for accounts on Charge Basis 1

Current AMC %	Current OCF/TER %*	New AMC %	New OCF/TER %*
1.50	2.07	1.35	1.66

**The fund-based trail commission is reducing** – The percentage of fund-based trail commission we pay your adviser is linked to the rebate we receive from the fund manager. The rebate is effectively a discount that we negotiate on the fund manager's AMC.

The lower AMC means that the rebate and fund-based trail commission will also fall. The new rate we will pay for the fund is below.

Current fund-based trail commission %	New fund-based trail commission %
0.50	0.35

**If you have an agreement that your financial adviser receives 'fund-based trail commission'** – The reduced rebate means that your adviser will receive less fund-based trail commission for the fund.

**If you have an agreement that your financial adviser receives 'nominated trail commission'** – Nominated trail commission is a set percentage that you agree to pay your adviser. It includes the fund-based trail commission. If your nominated percentage is higher than the level of fund-based trail commission, we sell units from the funds you're invested in to make up the difference.

As the rate of fund-based trail commission has decreased, any nominated trail commission will be made up by selling more units from your holding.

Using the maximum amount of 1.5% nominated trail commission as an example, we would have previously sold 1.00% of your units each year, to pay for it. The decrease in fund-based trail commission means that we would now sell 1.15% of your units. This is a yearly percentage which we divide by 12 to work out how many units we need to sell each month

### AMC and OCF / TER changes for accounts on Charge Basis 2

We receive a rebate from the fund manager in respect of this fund. This is effectively a discount that we negotiate on the fund manager's AMC. We reinvest part of this rebate as a 'reimbursed amount' into your account. You can see more details of this in the 'Customer Account Credit' section of your quarterly statements.

The effective OCF/TER is the Ongoing Charges Figure/Total Expense Ratio less the reimbursed amount.

This table shows the current and the new amounts once the change has completed.

	AMC %	OCF/TER %	Reimbursed amount %	Effective OCF/TER %
Current	1.50	2.07	0.50	1.57
New	1.35	1.66	0.35	1.31

### AMC and OCF / TER changes for accounts on Charge Basis 3

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 effective OCF/TER is the Ongoing Charges Figure/Total Expense Ratio less the reimbursed amount.

This table shows the current and the new amounts once the change has completed.

	AMC %	OCF/TER %	Reimbursed rebate %	Effective OCF/TER %
Current	1.50	2.07	0.75	1.32
New	1.35	1.66	0.68	0.98

The AMC is the fund manager's Annual Management Charge. The AMC is not taken directly from your investment, but is reflected within the fund manager's pricing of the fund.

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

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 these 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](https://quilter.com/financial-advice/find-an-adviser).

### How these changes have affected your account

- **The value of your holding** – The changes may have affected the value of your fund holding. Upon the implementation of the proposed changes, the portfolio of the fund will have undergone realignment, resulting in certain one-off trading costs. These costs are estimated to range between 0.013% and 0.015% of the value of the fund and will be borne solely by the fund.
- **Risk profile** – The fund's risk profile may have changed.

### Why the changes happened

The Investment Manager (Marlborough Investment Management Limited) wished to redesign the fund such that it became a risk-targeted fund, seeking to achieve a risk rating classification as part of its investment objective.

The investment policy of the fund changed to allow flexibility with regards to asset allocation in order to support the new investment objective. The change to the name reflected the risk target for the fund based on its respective investment objective and policy.

### 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
<p><b>Fund objective:</b> To increase the value of your investment over any 5 year period, through a combination of income, that is, money paid out of an investment, such as interest from bonds or dividends from shares and some capital growth, that is, profit on investments.</p> <p>The fund aims to outperform the average of the IA Mixed Investment 20-60% Shares sector, after charges, over any 5 year period. However, there is no certainty this will be achieved.</p> <p>At least 80% of the fund will be invested in other funds, including exchange traded funds (which typically track an index) and investment trusts. This may include other funds operated by the Manager or its associates. Through these investment, the fund will be exposed to a range of asset classes, creating a low to medium risk portfolio.</p> <p>Between 20-60% of the fund will be exposed to shares in companies, both UK and overseas, but typically this will be between 40-60%.</p> <p>At least 30% of the fund will also be exposed to bonds.</p> <p>Through investing in funds, the Portfolio may also be exposed to other asset classes such as property, commodities (such as gold and oil), money market instruments, which are shorter term loans, cash and other permitted investments.</p>	<p><b>Fund objective:</b> To increase the value of an investment over a minimum of 5 years. The fund will do this through a combination of capital growth, which is profit on investments held, and income, which is money paid out of investments, such as interest from bonds and dividends from shares. This will be achieved whilst aiming to maintain a risk rating classification of '4'.</p> <p>The risk classification is a range the Investment Manager maintains from 1 which is classified as the lowest risk to 10 which is classified as the highest risk.</p> <p>The fund is managed to operate within the limits of the risk rating, which may limit the potential for capital growth and income.</p> <p>The fund will invest at least 70% in collective investment schemes, investment trusts and exchange traded products, i.e. ETFs/ETCs with no minimum or maximum exposure to any geographic region. This could include other Investment Funds managed by the Authorised Fund Manager or the Investment Manager.</p> <p>Through these Investment Funds, the fund will be exposed to:</p> <ul style="list-style-type: none"> <li>• a mix of lower and medium-risk asset types, normally between 25-70%, such as bonds, cash, and money market instruments.</li> <li>• higher-risk asset types, normally between 30-60%, such as shares in companies.</li> <li>• alternative asset types such as property, infrastructure, commodities (e.g. gold) and absolute return funds.</li> </ul>