

Our ref: Sample

(Date)

Sample copy

Dear (Salutation)

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

Account number:
Your financial adviser:

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

What will change

Subject to shareholder approval, IFSL will change the name and objective of the fund from 03 July 2025. If it isn't approved, we will write to let you know.

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

| Old fund name | New fund name |
|--|---|
| IFSL Marlborough High Yield Fixed Interest | IFSL Marlborough Global High Yield Bond |

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

IFSL will also be decreasing the AMC for the fund effective from **01 August 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 XXXX

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

| Current AMC % | Current OCF/TER % | New AMC % | New OCF/TER % |
|---------------|-------------------|-----------|---------------|
| 1.50 | 1.43 | 1.35 | 1.43 |

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 | 1.43 | 0.35 | 1.08 |
| New | 1.35 | 1.43 | 0.35 | 1.08 |

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 rebate.

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 | *1.43 | 0.75 | 0.68 |
| New | 1.35 | 1.43 | 0.68 | 0.75 |

*The fund has benefited from expense funding whereby some of the charges have been fully or partially funded.

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.

How these changes may affect your account

- **The value of your holding** – The changes may affect the value of your fund holding. Upon the implementation of the proposed changes, the portfolio of the fund will undergo realignment, resulting in certain one-off trading costs. These costs are estimated to be 0.02% of the value of the fund and will be borne solely by the fund.
- **Risk profile** – The fund's risk profile will not change.

Why the changes are happening

These changes are primarily to implement a new performance target for the fund, which will impact how the fund is managed and is intended to improve the investment performance of the fund. The performance target of the fund will change from a peer group benchmark to a market index benchmark and will allow the fund to invest in high yield assets globally, rather than the current focus on European investments.

The name change reflects the alterations that are being proposed to the investment strategy of the fund, where the fund would be able to invest in a wider range of global assets.

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

A handwritten signature in dark ink that reads "Callum Earl". The signature is written in a cursive, flowing style.

Callum Earl

Head of Client Services

Fund objectives

| Old objective | New objective |
|--|--|
| <p>Fund objective: To provide income, that is, money paid out from an investment as interest, with the potential for some capital growth, that is, to increase the value of your investment, over a period of 5 or more years, after any charges have been taken out of the fund, however, there is no certainty this will be achieved.</p> <p>At least 80% of the fund will be invested in high yield bonds issued by companies and institutions. These will be sub-investment grade or unrated bonds, which are loans issued by entities which can be more vulnerable to changing market conditions that typically pay higher rates of interest than investment grade bonds.</p> <p>The fund may also invest in investment grade bonds, bonds issued by governments, bonds which may be converted into shares (known as convertible bonds), preference shares, permanent interest-bearing shares and money market instruments (short term loans typically issued by governments and corporations). Whilst the fund will not buy shares in companies there may be times where the fund holds shares following a restructuring of an existing holding.</p> <p>Whilst there is no minimum or maximum exposure to any geographical region, the Investment Manager uses the ICE Bank of America Merrill Lynch European Currency High Yield Constrained (hedged to sterling) Index as a reference point when constructing the portfolio and for risk management purposes, which means the fund has a bias towards European bonds.</p> | <p>Fund objective: To increase the value of an investment over a minimum of 5 years. The fund will do this through a combination of capital growth, "To increase the value of an investment over a minimum of 5 years. The Fund will do this through a combination of income received by the Fund, which is money paid out of investments as interest and capital growth, which is profit on investments held. The fund aims to outperform the Bloomberg Global High Yield Corporate Index (GBP Hedged) over any 5-year period, after any charges or expenses have been taken out of the fund. There is no certainty that either aim of the fund will be achieved.</p> <p>At least 80% of the fund will be invested in high yield bonds issued by companies and institutions. These will be sub-investment grade or unrated bonds, which are loans issued by entities that can be more vulnerable to changing market conditions and typically pay higher rates of interest than investment grade bonds.</p> <p>The fund may also invest in investment grade bonds, bonds issued by governments, bonds which may be converted into shares (known as convertible bonds), preference shares, permanent interest-bearing shares and money market instruments (short term loans typically issued by governments and corporations). Whilst the fund will not buy shares in companies, there may be times where the fund receives shares, or has the ability to buy shares, as part of a corporate event on an existing holding.</p> |