

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 CT MM Lifestyle 5 fund, provided by Columbia Threadneedle Fund Management Ltd.

Columbia Threadneedle will change the name, objective and AMC of the fund from **31 July 2025**.

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

Old fund name	New fund name
CT MM Lifestyle 5	CT Multi-Manager Universal Balanced

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

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. You can find more information about the AMC change and, where applicable, the Reimbursed Amount or Reimbursed Rebate on the last page of this letter.

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://www.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 less than 0.01% of the value of the fund and will be borne by the fund.

- **Risk profile** – The fund's risk profile will not change.

### Why the changes are happening

Following a recent review, Columbia Threadneedle believe these changes will provide greater clarity on the aim and investment approach of the fund, as well as better meeting the needs of investors through an enhanced value proposition.

### 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 deliver capital growth with some income over the long term (at least 5 years) by investing at least 70% in collective investment schemes (which may include schemes operated by the ACD or an associate of the ACD) to obtain indirect exposure to a wide range of asset classes.</p> <p>The investment manager uses a strategic asset allocation model that is matched to a specific target risk and volatility band (the volatility band is supplied by external provider). However, the fund remains actively managed and the allocation to particular asset classes or geographies may vary over time at the investment manager's discretion.</p> <p>To reflect the risk profile of the fund, around 60% of the fund's exposure through collective investment schemes will be to UK and global shares including emerging markets. The remaining exposure will be to UK corporate and government bonds, as well as global corporate, high yield and emerging market bonds, and property.</p>	<p><b>Fund objective:</b> To provide growth, combining capital and income, consistent with a balanced risk and volatility profile, over the long term (5 years or more).</p> <p>The fund invests at least 70% of its assets in a portfolio of collective investment schemes (which could include open and closed ended investment schemes, real estate investment trusts, exchange traded funds, and these could include schemes operated by the ACD (or an associate of the ACD), which provide indirect exposure to a range of global asset classes.</p> <p>The fund is actively managed, and the investment manager is not constrained by any particular asset allocation in respect of geography, industry or sector. By investing in a portfolio of funds, rather than individual securities, the investment manager is able to achieve diversification across multiple fund managers, investment strategies, and asset classes. Through an extensive fund selection process, the investment manager believes it can identify active fund managers with the ability to generate strong risk-adjusted returns.</p> <p>The investment manager uses a proprietary Strategic Asset Allocation model, which determines the appropriate combination of investments to ensure the fund remains consistent with a balanced risk and volatility profile. Through the application of this model, the fund expects to maintain a volatility range of between 8% - 10% over rolling 10 year periods, by varying the weighting of asset types. This is the expected volatility that the fund is managed to, using internal</p>

	<p>models, and is expected to be the volatility that is observed over the long term, though may be different as market dynamics change.</p> <p>To reflect the risk and volatility profile, the fund will typically maintain an exposure to equities (through collective investment schemes) between 30% - 70% of the value of the portfolio. The remaining exposure will be to government and corporate bonds, including high yield and emerging market bonds, and alternative assets. Alternative assets may include funds that use absolute return strategies or funds that invest indirectly in real estate, listed infrastructure, and commodities.</p>
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## AMC changes

Your account is currently on Charge Basis XXXX

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

This table shows the old and new overall cost of the fund.

Current AMC %	Current OCF/TER %	New AMC %	New OCF/TER %
1.50	1.99	1.29	1.65

\* 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 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	1.99	0.50	1.49
New	1.29	1.65	0.35	1.30

### 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	1.99	0.75	1.24
New	1.29	1.65	0.65	1.00

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.

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