Our ref: 9272/U

Fund merger for Schroder Sustainable UK Equity

I am writing to you because you are invested in the Schroder Sustainable UK Equity fund, provided by Schroder Unit Trusts Limited.

Schroder merged the Schroder Sustainable UK Equity fund into the Schroder Prime UK Equity fund on **30 July 2026**. You'll see the new fund on your valuations and statements after that date.

When a fund changes, we normally try to write to you as soon as possible, to give you time to discuss the situation with your financial adviser and decide if you need to take any action. On this occasion, we did not tell you about the event until now because we did not receive sufficient prior notification from Schroder. I am sorry that we did not write to you about this change sooner and for any inconvenience or concern that you have experienced because of this delay.

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**.

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 23 July 2026 were allocated to the Schroder Sustainable UK Equity fund.
  2) any payments due to be collected whilst the merger was 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 Prime UK Equity 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.

  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 **won't change the fund's risk profile**. You can see more information about the new fund in its Key Investor Information document, available online at quilter.com/schroder-sustainable-uk
  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.

- The **reimbursed rebate** that applies to your fund holding will change from 0.12% to 0.10%.

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.

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 table below shows the current and new AMC, OCF/TER and reimbursed rebate of the fund. The Effective OCF/TER is the OCF/TER less the reimbursed rebate.

	AMC %	OCF/TER %	Reimbursed rebate %	Effective OCF/TER %
Current	0.80	0.80	0.12	0.68
New	0.40	0.40	0.10	0.30

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

Will the merger cost me anything?

Costs relating to the restructure of the merging fund in preparation for the merger were borne by the merging fund. Schroder do not expect these costs to exceed 0.20% of the fund's value.

Why the funds merged

Schroder merged the funds as part of a wider strategic restructure to rationalise and simplify their UK equity fund range.

In recent years the merging fund has experienced a sustained period of net outflows and has reduced in size. The receiving fund is larger and the merger will consolidate funds that both invest in similar strategies.

The merging fund is classified as a sustainable fund and commits to investing at least 70% of its portfolio in assets that the investment manager classifies as sustainable. The receiving fund has no sustainable designation and does not commit to investing above a minimum sustainable threshold. Despite this, Schroder considers the receiving fund to be the nearest compatible fund given the strong alignment in investment approach and portfolio composition. Both funds invest in UK equities and are managed by the same investment team, share the same benchmark, and have the same risk profile.

You can find more information about the old and new funds below.

You do not need to take any action unless you would like to choose a new asset from our extensive range. 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,

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Callum Earl
Head of Client Services

Fund objectives

Current fund Schroder Sustainable UK Equity	New fund Schroder Prime UK Equity
Fund objective: To provide capital growth in excess of the FTSE All Share (Gross Total Return) index (after fees have been deducted) over a three to five year period by investing in equity and equity related securities of UK companies which the investment manager classifies as sustainable. These are companies that, through the way they are managed and/or the goods and services that they sell, make a positive contribution to the Planet (the environment; and/or People (employee wellbeing; customer wellbeing; healthy, inclusive and connected communities; and/or effective and accountable institutions).	**Fund objective:** To provide capital growth in excess of the FTSE All Share (Gross Total Return) index (after fees have been deducted) over a three to five year period by investing in equity and equity related securities of UK companies.