Our ref: 9277/European/U/CB3

Fund merger for FTF Franklin European Unconstrained

I am writing to you because you are invested in the FTF Franklin European Unconstrained fund, provided by Franklin Templeton Fund Management Limited.

Franklin Templeton has informed us that the FTF Franklin European Unconstrained fund will merge into the FTF Franklin Core Europe ex UK Equity Enhanced Index fund on 25 September 2026. You'll see the new fund on your valuations and statements after that date.

The merger is subject to shareholder approval. If it isn't approved, we will write to let you know.

The last date we can sell from the fund before the merger will be 11:00 on 24 September 2026.

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 will not affect the value of your fund holding.

- **Direct Debits** – If you are paying into the fund by Direct Debit:
  1) payments up to and including 24 September 2026 will be allocated to the FTF Franklin European Unconstrained fund.
  2) any payments which are due to be collected whilst the merger is 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 FTF Franklin Core Europe ex UK Equity Enhanced Index fund.

- **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 may **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/Franklin-Templeton-Fund-Management-Limited 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 0.08% to 0.00%.

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	0.75	0.78	0.08	0.70
New	0.20	0.25	0.00	0.25

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

Why the funds are merging

The merging fund is relatively small in size and has experienced persistently weaker performance compared to its peers and relevant benchmark. As a result, it has been judged by Franklin Templeton Fund Management Limited as 'not delivering value consistently'. In their view, its sub-scale nature limits the potential for cost efficiencies and may constrain its long-term growth prospects.

By contrast, while the receiving fund is currently smaller in size than the merging fund it benefits from lower operating costs and a reduced fee structure.

Franklin Templeton believes that the proposed merger is in the best interests of Shareholders as it is expected to provide access to a lower cost, hybrid investment process that is a lower risk strategy while maintaining broadly similar market exposure..

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

The next steps and avoiding the merger

You do not need to take any action unless you would like to choose a new asset from our extensive range. You can switch your holding in the FTF Franklin European Unconstrained fund at any time up until 11:00 on 24 September 2026. 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

Callum Earl
Head of Client Services

Fund objectives

Current fund FTF Franklin European Unconstrained	New fund FTF Franklin Core Europe ex UK Equity Enhanced Index
Fund objective: To increase in value through investment growth over periods of five years or more after all fees and costs are deducted. There is no guarantee that the fund will achieve its objective over this or any other time period. Capital invested is at risk and you may get back less than you paid in. The fund invests at least 80% of its assets in shares of companies which are domiciled, listed or conduct a significant proportion of their business in European countries (excluding the United Kingdom). Exposure to these shares will typically be direct (purchasing the relevant shares themselves) but may also be indirect (gaining exposure to the shares through other investments).	**Fund objective:** To increase in value through investment growth and outperform the MSCI Europe Ex UK (Net Return) Index over periods of five years after all fees and costs are deducted. There is no guarantee that the fund will achieve its objective over this or any other time period. Capital invested is at risk and you may get back less than you paid in. The fund invests at least 80% of its assets in shares of companies which are domiciled, listed or conduct a significant proportion of their business in European countries (excluding the UK). Exposure to these shares will typically be direct (purchasing the relevant shares themselves) but may also be indirect (gaining exposure to the shares through other investments).