

Our ref: 8408

Fund objective and Fund Manager Fee changes

I am writing to you because you are invested in the one or more of the below funds, provided by Royal London Unit Trust Managers Limited.

Fund name
Royal London Asia Pacific ex Japan Equity Tilt
Royal London Emerging Markets Equity Tilt
Royal London Japan Equity Tilt
Royal London UK Broad Equity Tilt
Royal London UK Core Equity Tilt
Royal London US Equity Tilt

Objective changes

Royal London are updating the investment objective, policy and strategy of each fund from **15 December 2025** in order to:

- (i) replace the weighted-average carbon intensity target ("WACI") with a target to achieve a carbon footprint of at least 10% below that of the applicable benchmark index;
- (ii) clarify that the financial objective is prioritised over the climate objective.
- (iii) introducing a long-term goal, in the Fund's strategy, to achieve a net zero footprint by 2050.

You can see more information about these changes online at quilter.com/Royal-London-Unit-Trust-Managers-Limited

Fund Manager fee changes

Royal London apply a Fund Manager fee for the investment management they provide. This is reflected in the pricing of the fund and not taken directly from your holdings.

Royal London reduced the FMF for the funds on 3 November 2025. The below table shows the previous and new amounts.

	Previous OCF/TER%*	New OCF/TER%*
Royal London Asia Pacific ex Japan Equity Tilt	0.19	0.10
Royal London Emerging Markets Equity Tilt	0.23	0.10
Royal London Japan Equity Tilt	0.14	0.08
Royal London UK Broad Equity Tilt	0.11	0.08
Royal London UK Core Equity Tilt	0.10	0.08
Royal London US Equity Tilt	0.14	0.08

*The OCF/TER represents the ongoing charges for the fund, expressed as a percentage. It is the sum of the Fund Management Fee (FMF) and all other running costs of the fund. OCF is increasingly replacing TER.

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 will affect your account

- **The value of your holding** – The changes will not affect the value of your fund holding.
- **Risk profile** – The funds' risk profiles will not change.

Why the change is happening

Royal London are replacing the Weighted-Average Carbon Intensity (WACI) target with a carbon footprint target, because carbon footprint is less susceptible to data outliers than WACI, allows emissions to be attributed across equity and debt, and aligns with Paris Carbon Accounting Financials (PCAF) and Task Force on Climate-Related Financial Disclosures (TCFD) recommendations. In addition, as equity markets decarbonise, they consider that having a WACI target may potentially require more active risk than investors would expect to take to achieve the combined financial and climate-based investment objectives of each Tilt fund, as certain securities may be favoured to achieve the carbon intensity reduction target but are not favoured to achieve the financial objective.

As the Tilt funds operate within a stated active risk tolerance, this could negatively impact the Tilt funds' ability to deliver on both financial and climate-based objectives. With this in mind in the context of the carbon footprint target, they wish to clarify that the financial objective is prioritised over the climate objective.

The addition, in the strategy, the 2050 net zero carbon footprint goal aligns to broad industry and scientific consensus of what is required to limit global warming to 1.5°C above pre-industrial levels, as outlined in the Paris Agreement. In line with recommendations from the Institutional Investors Group on Climate Change's (IIGCC) Net Zero Investment Framework (NZIF) guidelines, progress will be measured from a 31 December 2020 baseline date, the earliest year for which comprehensive, consistent, and auditable carbon data is available across the portfolios of the Tilt funds.

To check whether a Tilt fund is on track to meet the 2050 net zero carbon footprint goal, the Tilt fund will use an interim target of a 50% reduction in the carbon footprint by the end of 2030, using the same 31 December 2020 baseline date.

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