

Our ref: 8519/am

## Fund merger for VT Elston Multi-Asset Income

The VT Elston Multi-Asset Income fund that you invest in as part of a model portfolio set up by your financial adviser is due to merge into the VT Avastra Global Diversified Assets fund\*. The merger will take place on **19 December 2025**. You'll see the new fund on your valuations and statements after that date.

\* The receiving fund name is currently VT Avastra Global Alternatives and it is being renamed VT Avastra Global Diversified Assets on 18 December 2025.

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

**Your financial adviser will take any action that needs to be taken and, if necessary, help to address any questions you may have.**

### How the merger will affect your account

- **The value of your fund holding** – The merger may affect the value of your fund holding. The cost of realigning the portfolio of the merging fund will be borne by the fund. Valu-Trac expects the amount to be 0.19% of the value of the fund. In addition, costs associated with the termination of the merging fund will also be borne by the merging fund. Valu-Trac expects the cost to be 3% of the fund value.
- **Rebalancing** – Any instructions using the fund will automatically continue. These will either buy units in your other assets proportionally, or go into cash, depending on how your adviser set up the model portfolio. Alternatively, we will update the instruction if your financial adviser provides a revised asset choice.
- **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. Your financial adviser will take any action that needs to be taken and help to answer any questions you may have.

### 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](https://quilter.com/interest-on-cash).

- **The type of units you are invested in will change** – the new fund offers accumulation units only, and as a result your current holding will be converted from income units to accumulation units.

With income units, you can choose to withdraw dividend income received from the fund's underlying assets automatically. Accumulation units keep and reinvest dividend income and you cannot withdraw it in the same way. If you are currently taking dividend payments from your investment, you might want to speak to your financial adviser about the impact this change will have.

- 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/Valu--Trac-Investment-Management-Limited](https://quilter.com/Valu--Trac-Investment-Management-Limited). Please note, it may not reflect the charges applicable when accessing the fund through us.

## Why the funds are merging

The merging fund is not commercially viable in its current form. As an index tracking fund, they have not had the flexibility to be able to adapt their allocation to different exposures to reflect changing outlooks on different asset classes over recent years, which they believe has held back performance. As a result of this and other market factors, the merging fund has become small in size over recent years.

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

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 VT Elston Multi-Asset Income	New fund VT Avastra Global Diversified Assets
<p><b>Fund objective:</b></p> <p>The investment objective of the Fund is to track the performance (before fund fees and expenses) of the Elston Multi-Asset Income Index.</p> <p>The Fund will invest in a diverse range of instruments, predominantly (80%+) in index-tracking Exchange Traded Funds (physical, non synthetic) in the same proportion as the Benchmark Index. However, there may be times when the Fund will not replicate the Benchmark Index due to portfolio construction constraints (i.e the proportion of the fund invested in certain assets may need to vary from that of the Benchmark Index to ensure compliance with UCITS rules); turnover constraints (where the manager considers it is in the best interests of investors not to change the holdings of assets to track the index); and liquidity management considerations (which may mean that the Fund holds some cash which the Benchmark Index may not to ensure adequate liquidity).</p> <p>As the Fund seeks to track the performance of the Benchmark Index (before fund fees and expenses) it is heavily influenced by the Benchmark Index with weightings of the Fund being continuously compared to the weightings of the Benchmark Index, and a tracking error will be targeted of &lt;3%.</p> <p>The Fund may also invest in equities, fixed income, collective investment schemes (including those managed and/or operated by the ACD), money market instruments, deposits, cash and near cash.</p> <p>The Fund may hold derivatives for Efficient Portfolio Management purposes (including hedging). It is not</p>	<p><b>Fund objective:</b></p> <p>To deliver positive (absolute) returns (net of fund costs) (in a rolling 3-year period) in any market conditions. Capital is at risk and there is no guarantee that positive returns will be achieved over a three year, or any, period.</p> <p>The fund is actively managed and will invest, without preset limits, across a broad range of asset classes, geographies, and investment strategies.</p> <p>The fund will normally be fully invested but may hold substantial cash or near cash when market conditions (such as significant volatility or unattractive asset valuations) warrant a more defensive stance.</p> <p>The fund will invest (directly or indirectly) in collective investment schemes (including exchange traded funds and investments trusts), transferable securities (including structured products), and money market instruments, deposits and cash. Through these investments, the fund will gain direct or indirect exposure to a wide range of asset classes and strategies, including: property related securities, infrastructure related securities, commodities (exposure will be gained through eligible instruments), precious metals (exposure will be gained through eligible instruments), hedge funds, targeted absolute return funds, currency strategies, equities, fixed-income, convertible bonds and other diversified return drivers. The fund may also invest in listed securities providing indirect exposure to private markets and other non-traditional asset classes, subject to UCITS investment restrictions.</p> <p>There are no restrictions on the type of investments held, or on geographic or sector exposure. The fund manager</p>

<p>intended that the use of derivatives for EPM purposes will increase the risk profile of the Fund. The Fund may invest in other collective investment schemes which may themselves use derivatives for investment purposes.</p> <p>The Fund is passively managed.</p> <p>Save as noted above, the Fund will not have any particular geographic, industry or economic sector focus and as such weightings in these may vary as required.</p> <p>The Fund may hold derivatives for Efficient Portfolio Management purposes (including hedging). It is not intended that the use of derivatives for EPM purposes will increase the risk profile of the Fund. The Fund may invest in other collective investment schemes which may themselves use derivatives for investment purposes.</p>	<p>retains discretion to adjust allocations as required, including holding cash and near cash assets.</p> <p>Foreign currency exposure may be hedged back to the base currency.</p> <p>The Fund can use derivatives or forward transactions (instruments whose returns are linked to another asset, market or other variable factor), for efficient portfolio management (EPM) purposes including the reduction of risk (hedging). The Fund may also invest in other funds which are permitted to use derivatives to varying degrees (i.e. for investment purposes or EPM).</p>
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