Our ref: 9583

Fund benchmark and objective change

I am writing to you because you are invested in the BlackRock Sterling Strategic Bond fund, provided by BlackRock Fund Managers Limited.

BlackRock will change the benchmark and objective of the fund from **01 January 2027**.

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

You may want to speak to your financial adviser about the impact of the change. Please speak to them before making any investment decisions, or if you have any questions about the 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 change will affect your account

- **The value of your holding** – The changes may affect the value of your fund holding. The legal costs associated with these changes will be borne by the fund and are estimated to be approximately 0.02% of the fund value.
- **Risk profile** – The fund's risk profile will not change.
- The Ongoing Charges Figure (OCF) / Total Expense Ratio (TER) will not change.

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

Why the change is happening

As part of BlackRock's review of the fund, they have determined that the existing benchmark is no longer the most appropriate benchmark for the fund.

The existing benchmark is a cash benchmark made up of SONIA (Sterling Overnight Index Average - an interest rate which shows the average rate banks pay to borrow money from each other for one day) + 4.5% and was considered an appropriate performance target for the fund when it was introduced. However, the market environment has since changed and so the existing benchmark is no longer considered a realistic benchmark for the fund to seek to outperform, considering the types of assets it holds and the level of risk it is able to take.

As such, BlackRock will remove the existing benchmark as the fund's target benchmark. This means that the fund will continue to target a total return consisting of income and capital but will no longer use the existing benchmark as a specific performance target. In addition, the comparator benchmark will change from SONIA + 4.5% to the Investment Association (IA) Sterling Strategic Bond sector average.

BlackRock are also taking this opportunity to remove the fund's Environmental, Social and Governance (ESG) commitments (being the BlackRock EMEA baseline screens, the reduction in carbon intensity score and the PEXT NEXT framework). The fund does not have a sustainability label, and they are therefore removing the ESG commitments to take away any potential constraints to the investment universe over time.

These changes are not expected to have a material effect on the way your investment is managed. This means that these changes are not expected to result in any substantive changes to the fund's investment strategy, risk profile, or investment portfolio.

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
The aim of the fund is to provide, over periods of three to five consecutive years beginning at the point of investment, a return on your investment (generated through an increase in the value of the assets held by the fund and/or income received from those assets) of 4.5% per year (gross of fees) over the return of 3-month SONIA compounded in arrears, whilst incorporating ESG commitments. Target benchmark: 3-month SONIA compounded in arrears plus 4.5% is used by the Investment Manager to assess the performance of the fund. This benchmark has been chosen because it forms part of the investment objective of the fund and should be used by unitholders to compare the performance of the fund. The fund's carbon emission intensity score is measured against the Index. The Index has been chosen because it is representative of the universe of fixed income securities issued by corporate issuers in which the fund invests without the application of any ESG criteria.	The aim of the fund is to provide, over periods of three to five consecutive years beginning at the point of investment, a return on your investment (generated through an increase in the value of the assets held by the fund and/or income received from those assets). Comparator benchmark: The Investment Association Sterling Strategic Bond sector average should be used by unitholders to compare the performance of the fund. This benchmark has been chosen because the Investment Manager has determined that it is representative of the peer group of the fund. The fund shall not be constrained by, or target a return relative to, the comparator benchmark.