

24th March 2019

Dear *name of investor*

## **Changes to Merian funds - please read this letter carefully as it affects the way you deal in shares**

Further to our letter dated 28 January 2019, we are writing to you as an investor in one or more of the funds listed in the appendix to this letter (the "Funds"), to provide you with further information regarding the forthcoming changes to the Funds' legal and administrative arrangements.

### **What changes are being made?**

In our earlier letter we advised you that, with effect from 1 April 2019 (the "Transfer Date"):

1. We, Quilter Investors Limited ("QIL"), will cease to act as the authorised corporate director ("ACD") of the Funds and Merian Investment Management Limited ("MIML") will be appointed in our place. The ACD is the company that has legal responsibility for managing and administering the affairs of the Funds in compliance with the Financial Conduct Authority ("FCA") regulations; and
2. FNZ TA Services Limited ("FNZ") will replace DST Financial Services ("DST") as the registrar of the Funds. The registrar is the company that has been appointed for maintaining the register of shareholders, and for processing subscriptions and redemptions of shares.  
As a result of the changes, the following will apply to the way in which you place trades for subscription or redemption of shares:

### **Trading and settlement with QIL**

The last dealing and valuation point of the Funds to be administered by QIL will be 12:00 noon on Friday 29 March 2019 ("the Last QIL Dealing Point").

Up until the Last QIL Dealing Point, dealing instructions in relation to shares in the Funds should be sent to QIL.

Settlement of subscriptions for shares is due on the fourth business day after the trade. Payment for subscriptions in respect of trades instructed in advance of and up to the Last QIL Dealing Point should be sent to QIL.

QIL will remain responsible for settling redemption trades instructed in advance of and up to the Last QIL Dealing Point in accordance with the terms of the Prospectus.

### **Trading and settlement with MIML**

After the Last QIL Dealing Point, all dealing instructions in relation to shares in the Funds should be sent to MIML. The first dealing and valuation point to be administered by MIML will be 12:00 noon on Monday 1 April 2019.

Subscription monies in respect of trades instructed after the Last QIL Dealing Point should be sent to MIML and MIML will be responsible for settling redemption trades instructed after the Last QIL Dealing Point in accordance with the terms of the Prospectus.

### **Misdirected payments**

It is important to update your records and ensure that you pay subscription monies to the correct company. If we receive subscription monies that should have been paid to MIML, we will endeavour to transfer the monies to MIML for up to 30 days following the Transfer Date and, upon transfer, our fiduciary duty to protect your money will be discharged.

During this limited period, where we are unable to transfer monies to MIML we may return any misdirected subscription monies to the payor. After this limited period, we will stop paying monies to MIML and all misdirected subscription monies will be returned to the payor.

**Please note that if subscription monies are sent to the wrong company, there may be a delay in settlement of the trade. QIL does not accept any liability for any loss caused by market movements which occur where settlement is delayed as a result of misdirected subscriptions.**

### **Transfer of client money**

If you have a shareholding in the Funds on the Transfer Date, we will transfer any client money balance we hold relating to your past or present activity in respect of the Funds to MIML. This balance will be held by MIML in a client money account and, upon such transfer, our fiduciary duty to protect your money will be discharged.

The sums transferred will be held by MIML in accordance with the FCA's client money rules and will continue to be protected as client money under the FCA rules.

MIML is also registered to take part in the Financial Services Compensation Scheme (FSCS). Under the scheme you may be entitled to compensation from the FSCS if MIML cannot meet its obligations because it becomes insolvent. The level of compensation depends on the type of business being conducted and on any additional sums you may hold directly with any bank that MIML places your money with. In respect of MIML's investment business, the maximum amount of compensation available is £50,000. In respect of client money held with a bank, the maximum amount of compensation in respect of the account-holding bank's insolvency is £85,000. Further information about compensation arrangements is available from the FSCS ([www.fscs.org.uk](http://www.fscs.org.uk)). You may opt to have any transferred sums returned to you by MIML as soon as practicable on request.

Shortly after the Transfer Date, we will send you a shareholding statement which will detail the Fund shareholdings that have been transferred to MIML. This will be in the same format as the bi-annual statement that we have previously sent you. We will also send you a client money letter which shows you any balances of client money that we held for you that have been transferred to MIML.

After the Transfer Date, if we identify that we hold any sums of client money for you, and you had a shareholding in the Funds on the Transfer Date, for example due to a redemption that was dealt before the Last QIL Dealing Point, we may need to transfer the client money to MIML at a later date, but we will contact you in due course if that is the case.

### **Unpresented cheques**

If we issued a cheque to you over six months before the Transfer Date which has not been presented to our bankers for payment by the Transfer Date, and we hold client money for you in respect of that cheque in our capacity as ACD of the Funds, the cheque will now be out of date and can no longer be cashed. We will therefore cancel the cheque.

If you have a shareholding in the Funds on the Transfer Date, the client money relating to the cancelled cheque will be included in the client money balance transferred to MIML on the Transfer Date. You should contact MIML to arrange payment to you. Where you no longer have a shareholding in the Funds on the Transfer Date, we will retain the client money in our client money bank account. The money will continue to be protected as client money under the FCA rules, until payment to you can be arranged.

Where we have issued a cheque which is less than six months old and we hold client money for you in respect of that cheque in our capacity as ACD of the Funds, we will continue to hold that client money in our client money bank account until the cheque is cashed. In this case, you should bank the cheque as soon as possible and, in any event, before the six month expiry date. If you fail to bank the cheque, and the cheque expires, we may need to transfer the client money to MIML at a later date, but we will contact you in due course if that is the case.

### **Subscriptions paid by direct debit**

If you make regular subscriptions into the Funds by direct debit, the final direct debit payment to QIL was taken on 5 March 2019. We have now cancelled your direct debit but you should also make arrangements to cancel this instruction at your bank. You should note that MIML will not accept regular subscriptions by direct debit. You will have received a letter from MIML advising you of this.

If you would like additional information or have any queries regarding this matter, please do not hesitate to contact us. Alternatively, please consult with your financial adviser.

Yours sincerely,

For and on behalf of

**Quilter Investors Limited**

**APPENDIX**  
**The Funds**

**Merian Investment Funds Series I**

- Merian Corporate Bond Fund
- Merian Monthly Income Bond Fund
- Merian UK Alpha Fund
- Merian UK Equity Income Fund
- Merian UK Mid Cap Fund
- Merian UK Opportunities Fund
- Merian UK Smaller Companies Fund

**Merian Investment Funds Series II**

- Merian Asia Pacific Fund
- Merian European Equity (ex UK) Fund
- Merian Global Equity Fund
- Merian Global Strategic Bond Fund
- Merian North American Equity Fund
- Merian UK Equity Fund



100%

Quilter Investors is a trading name of Quilter Investors Limited.

Authorised and regulated by the Financial Conduct Authority with FCA register number 208543. Registered in England & Wales under number 4227837.

Registered office: Millennium Bridge House, 2 Lambeth Hill, London, England, EC4V 4AJ.

\*This is a freephone number. Please note that telephone calls may be recorded for security purposes and to improve customer service.

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