Virgin Money
Unit Trust Managers Ltd
PO Box 9522
Chelmsford
CM99 2AB

virginmoney.com

VIR number <XXXX>

<Customer name>
<Customer address>

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Hello <firstname>

We're improving the fund(s) you're invested in:

- **The Virgin Bond, Gilt and UK Share Fund**
- **The Virgin Bond, Gilt, UK and Overseas Share Fund**

Here's what you need to know

We always want your money to work harder for you, which is why we're making some changes to the fund(s) you're invested in. We believe these changes will bring you better returns over the medium to long term, for the same or less risk, by spreading your money across more types of investments and markets.

We're also giving these funds simpler names. Our Bond, Gilt and UK Share Fund will be renamed Virgin Money Growth Fund 1. Our Bond, Gilt, UK and Overseas Share Fund will be renamed Virgin Money Growth Fund 2.

What's changing?

1. **More flexibility** – we'll move away from pre-determined asset mixes, so we can invest more widely and adjust allocations (usually once a year) in line with our latest research.
2. **A global investment approach** – instead of focusing on the UK, the fund(s) will invest globally, including emerging markets.
3. **More asset types** – we'll also spread your money across more asset types, such as different types of bonds as well as listed property companies.
4. **Greater diversification** – by investing in more countries and asset types, we expect to be able to generate a better mix of risk and return for you. Of course, nothing's certain when it comes to investing. So, please read the section below on the risks associated with these changes.

You'll find the new Investment Objective and Policy for each fund, which reflects the changes above, in the enclosed leaflet. It's worth noting that the funds will no longer track the performance of their current benchmarks. Instead, we'll compare each fund's performance against a new measure known as its performance comparator. If you want to see how that works, just take a look at the Investment Policy section in the leaflet.

There's nothing you need to do. We'll make these changes on or around 15 October 2021.

Continued overleaf...

Are there any risks associated with these changes?

There's always some risk with investing.

Because we'll be reducing the proportion of money invested in UK shares and bonds, the main risk with these changes is that the UK outperforms other markets in the future – that would result in lower returns than if we'd maintained the current higher allocations to the UK.

Also, because more of your money will be invested overseas and priced in other currencies, the value of your investment (in pounds) could fall if Sterling rises in value compared to these currencies – and vice versa.

Finally, because some of the new bond types we'll invest in offer higher yields, the risk of capital loss is higher too. That's also true of investing in emerging markets: higher potential rewards but higher risk.

So, while we believe the combination of all these changes will mean a better balance of risk and return for you, it might not work out that way – especially in the short-to-medium term.

The cost of making these changes

There'll be some transaction costs charged to the funds when they change to the new investment approach. We expect these to be no more than 0.25% of the value of each fund. This will happen behind the scenes and reduce the unit price (and therefore the value of your investment) when these changes happen. Over the medium to long term, we believe the additional return from these changes will be far higher than the cost of making them.

Everything else will stay the same

All other key features of the fund(s) will stay the same, including the annual fee and the dates when we pay or reinvest income.

What if I don't like these changes?

Although we believe these changes are in your best interest, they might not be for you. That's why we're giving you plenty of notice.

If you're not happy with these changes, you can switch to any of our other funds at no cost. Or you can transfer your money to another investment provider – we won't charge you anything to leave, but we'll be sorry to see you go.

What if I have some questions?

We can't give you advice, but we can answer lots of other questions. Just give us a call on **03456 10 20 30** between 8am–9pm, Monday to Friday, and 9am–6pm on Saturdays. We'll be happy to help.

The team at Virgin Money

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