

Dear client

## **Merchant Capital Limited (FSA 220131) - your new plan manager**

We are pleased to announce that Merchant Capital Limited (Merchant Capital), the FSA authorised and regulated subsidiary of Merchant House Group plc, has taken over the management of the structured products backed by a number of major financial institutions formerly managed by Keydata Investment Services Limited in administration (“KIS”). The takeover includes plans distributed by Dawnay Day Quantum. Products backed by SLS, Lifemark or Hometrak are excluded and Keydata’s administrators, PricewaterhouseCoopers, retain responsibility for these and all on-going queries in relation to them should continue to be referred to them.

Your cash and assets will be held by Pritchard Stockbrokers Limited (Pritchard) an established private client investment management and stock-broking firm authorised and regulated by the FSA) on behalf of Merchant Capital.

Merchant Capital is a financial services company based in the City of London which offers a broad range of corporate advisory and broking services together with private wealth management and institutional investment management services.

### **What this means to you**

The value of your investment will not be affected by the transfer to Merchant Capital and the transfer will have no impact on you or your investment other than as set out below.

Your investments and cash will from now on be held in segregated client trust accounts for your benefit by Pritchard, under Merchant Capital’s control. Merchant Capital is fully responsible for the management of your plan and has contracted the holding of client monies and assets to Pritchard. Merchant Capital has implemented this structure to provide you with maximum protection (given your recent experience); your investments and cash will be held separately from those of the operating business and are therefore protected in the event of the insolvency of either Merchant Capital or Pritchard. Pritchard can be contacted at Roddis House, Old Christchurch Road, Bournemouth BH1 1LG (tel. 01202 411903).

This letter serves as notice in accordance with the terms and conditions of the plans issued by KIS that Merchant Capital will be the Plan Manager in relation to your plan and the terms and conditions of your product brochure are amended accordingly.

If your plan is held through an ISA, from now on Pritchard will be your ISA manager. You are entitled to request a transfer to a different ISA manager. However, as this will mean cashing in your plan, we strongly recommend you take independent investment advice before taking any action. If you do wish to change your ISA Manager, you will need to inform Merchant Capital in writing within 28 days and we can send you the necessary form of instruction.

## **What happens next**

Merchant Capital will make every effort to provide you with its traditionally high level of service and all income payments and other administrative functions will continue as normal.

A statement of your investment and any cash holdings as of the date your plan was taken on by Merchant Capital will be sent to you once the transfer to Pritchard of all plans and cash from the Administrators has been completed. On receipt, please check your statement carefully and let us know if you have any questions. All such requests will be dealt with in the order in which they have been received.

## **Questions you may have**

While every effort will be made to effect a smooth transition to Merchant Capital, in order to achieve a clean cut-off from KIS and to ensure the integrity of the migration of data to the Merchant Capital systems, there may understandably be a short period where a surrender or request for other changes may be subject to a short delay as information is transferred and verified. All such requests must be in writing and Merchant Capital aims to keep any delay in processing them to a minimum and apologises in advance for any inconvenience this may cause.

Any other questions can be addressed by writing to:

Merchant Capital Limited  
Aldermary House  
10-15 Queen Street  
London EC4N 1TX

or by telephoning our administration hotline 0207 332 2218.

## **What you need to do**

You need take no further action. Merchant Capital is making every effort to ensure the smooth transition of the administration and management of your investment to new ownership. We welcome you to the Merchant House Group and look forward to working with you in the years to come.

Yours sincerely

**Hugh Fleming**  
**Director**