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# The Cofunds Platform

One place for all your investments

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Key Features of the Cofunds Platform - 1108

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# Key Features of the Cofunds Platform

**This document should be read in conjunction with the Cofunds Platform Fund Key Features. This gives further information regarding the funds available through Cofunds, such as charges, fund objectives and risks.**

The Financial Services Authority is the independent regulator for the financial services industry. It requires us, Cofunds, to give you this important information to help you to decide whether the platform service we provide (in respect of ISAs, and investment funds) is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.

Copies of all documentation can be provided in large print, braille or audio tape. All documentation and communications in relation to Cofunds will be in the English language.

Cofunds is the UK's leading independent investment platform and is backed by some of the largest financial institutions in the UK and USA, including Threadneedle, Jupiter, Newhouse Capital Partners, Legal & General, IFDS and Prudential.

Cofunds enables intermediaries, on behalf of their clients, to invest in over a thousand funds from many different fund managers – all in one place. Essentially, Cofunds provides award-winning administration services to investors via their intermediaries. Cofunds is not a fund manager and therefore does not offer its own range of funds, nor does it offer investment advice. This independent status means that it is free to concentrate on providing the tools and services your intermediary needs to give you superlative service.

Services include the opportunity to hold investments, either directly in funds, in ISAs or within an investment bond or pension (for which separate documents are available).

Cofunds offers greater convenience and choice compared to investing with each individual product provider. These include:

- One view of most of your investments within your portfolio including cash and any insured funds you may hold within an investment bond or pension.

- Consolidated valuations across your entire investment fund and insured fund portfolio.
- The ability to switch funds easily as your investment needs change.
- Significantly less paperwork.
- Statements issued at least annually.
- One consolidated tax voucher issued each year.

With so many different financial products in the market, selecting the ones that best suit your needs can be a complex process. Cofunds believes in the value of advice, which is why we only offer our services via intermediaries. Through your relationship with your intermediary, not only do you benefit from their expertise but also the value added services that Cofunds has to offer.

If you receive advice, your intermediary will give you two 'key facts' documents – one details the services they provide and the other the costs of their services. The amount may depend on the size of your investment and, in the case of regular savings, the period for which you make them.

**Cofunds Limited administers your investment and is also the ISA Plan Manager. Cofunds cannot advise you or assess your investment or the appropriateness of an investment in respect of your own personal circumstances.**

**To use the Cofunds service, you must at all times have a nominated intermediary. Please refer to Section A 3.1 of the Terms & Conditions of the Cofunds Platform.**

## ITS AIMS

- To give you access to the country's leading fund managers in one place.

To provide a one-stop investment dealing and custody service available exclusively through your nominated intermediary.

## FEES AND CHARGES

- There is normally a switch charge of 0.25% of the value of the switch for investment funds, including investment funds within an ISA.
- For ISA investments only, copies of annual reports and accounts can be downloaded free of charge on the Cofunds website.

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However, if you choose to receive hard copies of these documents, attend unit/shareholder meetings and vote on any of the funds, there will be a charge of £20.00 per communication.

- **Platform fee:** After the deduction of any commission paid to your intermediary, Cofunds shares a proportion of the fund manager's standard initial charge with the fund manager. The fund manager will receive between 25% - 100% of the standard initial charge after discounts and commission for each fund you invest in. The remainder is retained by Cofunds as a fee. This fee has no impact whatsoever on the fund charges that you pay. For example, based on an investment amount of £3,600 into a fund with a standard initial charge of 5%, a fund discount of 1% and commission of 3% payable to your intermediary, the remaining initial charge equates to 1% or £36, of which Cofunds will receive a maximum of £27 (75%) and the remaining £9 is retained by the fund manager.
- **Ongoing fee:** Cofunds will receive an annual fee from the fund manager which varies between 0.10% - 0.40% of the value of your investment, depending upon fund choice. This fee has no impact on the fund charges you pay. For example, if your fund value averages £4,000 over a one year period and the funds in which you invest generate an average fee to Cofunds of 0.245%, Cofunds will typically receive a fee of £9.80 over the year. This fee is calculated daily and paid to Cofunds by the fund manager on a monthly basis.

Details of the fees that Cofunds receive in respect of your specific investments are available upon request by writing to us at our administration address:

**Cofunds Limited, PO Box 1103,  
Chelmsford CM99 2XY.**

## CONFLICTS OF INTEREST

Conflicts of interest will invariably exist for every company, due to the complex nature of its relationship with its stakeholders. Cofunds treats issues surrounding conflicts of interest very seriously and has a duty of care to manage them in a manner which is in the best interests of its customers, in line with its regulatory requirements.

Listed below are a series of conflicts of interest that might arise as a result of Cofunds providing its services; and also outlines the manner in which Cofunds deals with these conflicts of interest.

### Beneficial Corrections

In exceptional circumstances Cofunds may make corrections to a client's holdings where instructions received from an intermediary are capable of misinterpretation. In all such cases Cofunds will bear the cost of correction. Full details are available upon request by writing to our administration address.

### Business Entertainment and Gifts

While recognising the value of personal relationships with service providers, intermediaries and suppliers, Cofunds has strict standards in respect of what gifts and business entertainment are acceptable. This is applicable both to the provision and receipt of such items. Our policy on gifts and business entertainment forms part of our code of conduct which is subject to our disciplinary process if it is not strictly adhered to.

### Code of Conduct

A code of conduct is in place at Cofunds which all staff must adhere to. At the forefront of the code of conduct is the key principle that no employee may benefit from the knowledge of an end customer's affairs. Non-compliance with the code of conduct will result in the application of the disciplinary process.

### Cofunds Platform

Cofunds may receive commission and other non-monetary benefits from fund managers/product providers for distribution and administration services connected with your investment. This is disclosed where required and does not influence the choice, positioning or offering of platform products.

### Fee Payments

We may pay fees to portal providers and others in connection with your account. If you require details of these fees, please write to us at our administration address.

### Intermediary Benefits

(a) Monetary - Cofunds may agree to pay a commission based on a proportion of the platform fee it receives from the fund manager to an intermediary and/or contribute to the intermediary's marketing costs.

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(b) Non-monetary - 'Non-monetary' services may from time to time be provided to an intermediary free of charge. These include:

- Data gathering of customer information from fund managers.
- Technical training on use of the platform and associated facilities.
- Integration of computer systems and websites.

Such benefits will only be provided to an intermediary on the strict understanding that this will enable the intermediary to:

- Improve and extend the range of services provided, whether or not investment advice is given, and to give greater scope to pass savings made back to the investor by: discounting funds, rebating commissions, or reducing fees.

Full details of any monetary or non-monetary benefits are available on request at our administration address.

### Matching Trades

We deal in units at the standard prices determined by the fund, which may set different prices for buying and selling units. We may from time to time offset your order against orders received from other customers, thereby realising a profit equal to the difference between the buying and selling prices. We retain this profit and are not obliged to pay it to you. The price at which we deal is the same whether or not we offset transactions in this way.

## YOUR INVESTMENT

There are three ways of investing via your intermediary with Cofunds. You can also invest in a range of pension and investment bond products via the Cofunds platform. Please refer to your intermediary for further details.

### 1. Investment funds

You can invest directly into three types of investment funds through Cofunds:

- **Unit Trust**

A unit trust is an easy way to invest in stock market investments. Investors' money is 'pooled' and invested across a wide spread of investments on their behalf by professional fund managers. You own units in the fund, which represent your share of the 'pool'. Normally,

two prices are published for a unit trust – the buying price and the selling price. The difference between these is known as the 'spread' and is effectively a charge built into the price.

- **Open Ended Investment Company (OEIC)**

An OEIC is similar to a unit trust. The main difference is that OEICs have a corporate structure and offer shares rather than units. In addition, there is generally only a single price published for the fund that reflects the underlying value of the investments in the fund. Fund managers' charges are shown separately.

- **European Collective Investment Vehicles (ECIVs)**

ECIVs are investment funds based outside of the UK which are subject to local tax and legislation. These include Luxembourg based SICAVs (Société d'Investissement à Capital Variable - the Luxembourg equivalent of an OEIC) and Dublin based OEICs. All funds of this nature available through Cofunds fall into the category of a 'distributor' fund, which will be denominated in pounds Sterling only. Distributor funds must distribute at least 85% of their income to investors. The potential benefit of such funds is that of cash flow: until the tax is paid, and depending on the timing and frequency of distributions, the money may be better off in the investor's account than being deducted at source. Please see page 5 for more information regarding taxation and ECIV funds.

**UCITS Directive (85/116/EEC) - The "ECIVs"** available through Cofunds are governed by the UCITS Directive (85/116/EEC). This means that fund managers have to meet certain requirements in order to offer the funds for sale. For example, the fund manager must have initial capital of at least EUR 125,000. Its head office, registered office, management company and the depositary of the "ECIV", must be in the same member state. The relevant regulators for UK, Luxembourg and Ireland are the FSA, Commission de Surveillance du Secteur Financier (CSSF) and the Irish Financial Services Authority (IFSRA) respectively. Each of the regulators has incorporated the UCITS Directive into their regulatory frameworks. UCITS funds are recognised by the FSA. This means that the ECIVs available through the platform are permitted to market themselves directly in the UK. In doing so, the FSA recognise that the

regulatory regime in the overseas territory is comparable to that of the UK.

## 2. Investment funds within an ISA

An ISA is an account that acts as a tax efficient ‘wrapper’ for your investment funds. You can invest in a wide range of unit trust and OEIC investments available on the Cofunds platform through a stocks and shares ISA.

There are two types of ISAs:

- Stocks and shares ISAs, which normally include investments in unit trusts, open-ended investment companies (OEICs), investment trusts, shares, corporate bonds and gilts.
- Cash ISAs, which include building society and bank deposits, national savings and money market funds. Cash ISAs are not available through Cofunds.

### Cofunds Investment ISA

The Cofunds Investment ISA is a stocks and shares ISA that allows you to invest in Unit trusts and OEICs on the Cofunds platform.

- You can invest up to £7,200 into a Cofunds Investment ISA in each tax year. You can invest at any time.
- The above maximum is subject to the amount you may hold in a cash ISA. For example, if you have £3,000 invested in a cash ISA elsewhere you can invest up to £4,200 into a Cofunds Investment ISA.

If you have a stocks and shares ISA and a cash ISA, you cannot increase the maximum allowance in one by transferring it to the other.

**It is your responsibility as the investor to ensure that you do not exceed the total maximum ISA allowance (£7,200) in each tax year.**

### Can I invest cash within my Cofunds Investment ISA?

You may temporarily hold monies in the Cash Reserve facility. This allows you to shelter your investment, either in times when markets are uncertain or when you simply want to secure your ISA allowance for the tax year, pending a suitable investment opportunity. You may earn interest on your money while it is held in this way. Any interest you receive is not intended to compete with rates for other cash accounts and is unlikely to achieve the potential returns of equity investments. Please

see Section B 3.2 of the ISA terms for further details.

If there is no clear instruction on your Cofunds Investment ISA application, your cash will be automatically placed into the Cash Reserve facility.

Movement of cash to and from your Cash Reserve is subject to the same switching arrangements and charges as investment funds. Please refer to the section ‘How do I move between funds?’ on page 8 for more information.

The use of the Cash Reserve facility within your Cofunds Investment ISA does not qualify as an ISA cash component. Interest payable on cash held in the Cash Reserve is paid net of a 20% HMRC flat rate charge which is not reclaimable. If cash is not invested, HMRC may require the ISA manager to return the cash to you.

### Investment Limits for 2008/09

Product	Min New Lump Sum per fund	Max New Lump Sum	Min Regular Monthly Savings per fund
Investment funds	£1,000	NONE	£100 by direct debit only
Cofunds Investment ISA	£1,000	£7,200* (Please see below)	£50 by direct debit only

Product	Min Transfers in per fund	Max Transfers in per fund	Min Top Up per fund
Investment funds	£1,000	NONE	£500
Cofunds Investment ISA	£1,000	NONE	£500 (up to maximum limit)

\*The maximum investments detailed above are for the 2008/09 tax year.

## 3. Cofunds Cash Account

The Cofunds Cash Account is a client money account that allows you to hold monies on the Cofunds platform. It is not an investment product, ISA or bank account – it is a service that allows you to transfer monies in and out of relevant investment(s) conveniently, and at a time suitable to you.

The cash account is made available in the name(s) of the investor(s) and if applicable will carry the same designation. The cash account can then be used to fund future payments into these

investments. One investor may therefore be linked to several cash accounts, as they may be part of separate investments that have different holders or, carry different designations. You may hold a Cofunds Cash Account without having any other investment on the platform, however all monies within your cash account must be destined for investment.

The cash account will be linked to the nominated bank account you designate at the time of investment. Your nominated bank account can be used to transfer monies to and from your cash account. Cofunds will normally process your transfer instruction within 1 business day of receipt. Where large numbers of transfer instructions are received, transfers may be processed within 2 business days of receipt.

### Interest

Monies held within a Cofunds Cash Account will accrue interest daily, which will be credited to the balance monthly in arrears. The rate of interest earned will be a fixed percentage below the Bank of England (BOE) base rate:

- Details of Cofunds current interest rates can be found at the below link. Alternatively, please contact your intermediary:

[www.cofunds.co.uk/docs/cofundrates.pdf](http://www.cofunds.co.uk/docs/cofundrates.pdf)

- Details of the Bank of England's current base rate can be found in the financial section of leading newspapers or by visiting:

[www.bankofengland.co.uk](http://www.bankofengland.co.uk)

Any interest you receive will fluctuate in line with the BOE base rate. If interest earned in any monthly period is £1 or under, no interest will be paid.

Cofunds is not a retail bank, nor a deposit taker. All Cofunds Cash Account monies are pooled together and held as a client account with the Bank.

Please note that if the Bank defaults or becomes insolvent you may not receive all your money back. Cofunds uses a number of banks to spread the risk of default. For more information on the current Cofunds nominated Bank(s), please contact your intermediary or visit the Cofunds website at [www.cofunds.co.uk/docs/cofundrates.pdf](http://www.cofunds.co.uk/docs/cofundrates.pdf).

Cofunds will receive additional interest from the Bank. Details are available in request by writing to the Cofunds administration address.

## TAXATION

Tax treatment depends on your individual circumstances and may change in the future.

### Unit Trusts and OEICs

You may be liable to income and/or capital gains tax on income/growth from your investment if bought directly. Interest paying fund distributions are subject to income tax at 20%. UK dividend distributions on equity funds are subject to tax at 10% which cannot be claimed back. Higher rate taxpayers will have an additional tax liability.

### ISAs

All growth, income and withdrawals through ISA investments are free of UK income and capital gains tax. A 10% tax on UK dividend distributions does however apply and cannot be claimed back. Funds might not remain eligible for investment within ISAs.

### ECIVs

The 'distributor' status of the funds determine the tax treatment of your investment. Distributions are paid gross, without deduction of any tax. UK investors should declare the income in their annual tax returns and will be subject to tax on this gross income as overseas dividends, at the applicable rate of Income/Corporation Tax. Capital Gains Tax/Corporation Tax will be chargeable on any gain arising on disposal, or redemption of units in an ECIV fund. In the unlikely event a fund were to lose its 'distributor' status, investors may instead be liable to income tax (or corporation tax on income) rather than to capital gains (or corporation tax on chargeable gains) in respect of any gain arising on disposal, or redemption of units in an ECIV fund.

Please refer to your nominated intermediary if you are in any way unsure about the tax situation on ECIVs in respect to your own personal circumstances.

### Cash Account and Consolidated Income Account

Interest on the Cofunds Cash Account and Consolidated Income Account is paid net of Lower Rate Tax at 20%. Higher rate tax payers will, therefore, have an additional tax liability. Non-taxpayers are eligible to receive gross interest on these accounts by completing and submitting a R85 form which is available via your intermediary or from the HM Revenue & Customs website. If applicable, please quote the Cofunds Cash Account reference.

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## INVESTING THROUGH COFUNDS

Simply complete the relevant application form supplied by your intermediary.

### a) Investments into a Cofunds Cash Account

#### 1. Lump sum investments

Your initial payment can be made by either cheque or Bank Automated Clearing System (BACS).

Cheques must be made payable to Cofunds Limited and should either be drawn on your own or on a joint account. For building society cheques, your name must appear on the front of the cheque (for example, Cofunds Limited Re: A.B. Smith), or on the back of the cheque accompanied by the building society's official stamp and signature.

Once your Cash Account is made available to you, you will receive a confirmation letter which provides your account reference and the bank details required for future payments in. You must ensure that you use this account reference so that monies are not delayed being received into your Cash Account.

#### 2. Regular investments

If you wish to make any future BACS or standing order payments from your nominated bank account, please use the account reference and bank account details provided to you in the confirmation letter.

**Please remember the Cofunds Cash Account is used to fund investments held in the names of all holders and, if applicable, the same designation as the Cash Account.**

### b) Investments into an ISA or investment funds

#### 1. Lump sum investments

You have the ability to make a lump sum payment into your ISA or investment funds from your Cash Account or via cheque. If paying from your Cash Account please ensure that it is in the same name and if applicable, has an identical designation to the holders of the Cash Account.

Cheques must be made payable to Cofunds Limited and should either be drawn on your own or on a joint account. For building society cheques, your name must appear on the front of the cheque (for example, Cofunds Limited Re: A.B. Smith), or

on the back of the cheque accompanied by the building society's official stamp and signature. New investments can also be made online via your intermediary.

#### 2. Regular monthly investments

- If your intermediary has verified that the bank or building society account you wish to make monthly payments from belongs to you, then your first monthly subscription can simply be made by direct debit. For applications received up until the last day in any month, the first direct debit collection will be made on or just after the 25th day of the following month.
- If your intermediary has not verified your bank or building society account as belonging to you, you will need to send your first monthly subscription by cheque, drawn on your own or a joint account which must match that of the direct debit instruction. Thereafter, Cofunds will automatically collect on or just after the 25th day of each month.
- If you stop paying regular monthly savings for three consecutive months and the value of the investment is below £1,000, Cofunds reserve the right to cash in your investment and return the value to you. Consequently you will lose the portion of your overall ISA allowance for the value of any investment already made. Any future contributions to an ISA in the current tax year will be limited to the difference between the ISA limit and the total value of all subscriptions made in the current tax year.

### c) Transferring funds

#### 1. Investment Funds

If you wish to transfer existing unit trust or OEIC holdings to Cofunds, you can do so as long as the fund is available through Cofunds. Your existing manager will re-register your investment in the name of Cofunds Nominees. Your money will remain invested and you will not pay an initial charge.

#### 2. ISA Investments

Transfers of stocks and shares ISAs:

- If you have a stocks and shares ISA from the current tax year and would like to transfer this into a Cofunds Investment ISA, you must transfer the full amount. This will continue to

count towards your ISA allowance for the current tax year.

- If you wish to transfer stocks and shares in an ISA from a previous tax year into Cofunds, you do not have to transfer the full amount. This transfer will not count towards your ISA allowance for the current tax year.

Transfer of cash ISAs:

- If you transfer your cash ISA in the current tax year and can use this to buy funds within a Cofunds Investment ISA. This will continue to count towards your ISA allowance for the current tax year. For example, if you only hold £3,600 in a current year cash ISA and transfer this cash into a Cofunds Investment ISA, it will then be classed as a stocks and shares ISA. You then have the ability to open another cash ISA to the value of £3,600 as you now have an unused cash ISA allowance.
- If you have invested into the cash component of an ISA from previous years, you can transfer some or all of this amount to buy funds within a Cofunds Investment ISA. This will not count towards your total ISA allowance for that year.

Cash transfer – If the old manager cannot support re-registration, your investment can be sold and the cash proceeds transferred to Cofunds.

**Please Note:**

- Your nominated intermediary will detail all the charges on transfer.
- You should also check any exit charges that your existing manager may make for cash transfers.
- If you are transferring an existing stocks and shares ISA in cash, there is a potential loss of income or growth because you will be out of the market between the time your investment is sold and bought back. This applies to both transfers into and out of Cofunds.

## d) Registration

Units/Shares will be registered in the name of Cofunds Nominees Limited. For further details, please see the Terms and Conditions of the Cofunds Platform.

For SIPP, SSAS, Corporate or Trust fund investments please consult with your nominated intermediary before making your application.

## When and how is my money invested? (Order execution policy)

Your money is invested, whether by way of lump sum, regular monthly savings, cash transfer or Cofunds Cash Account, using one method:

- Units are purchased and executed directly through the fund manager who sets prices at a specific 'valuation pricing time' in the future. Therefore, you will not know in advance exactly what price you will receive. Provided the relevant fund dealing cut-off times are met (usually 12 noon, but does vary between funds), we will normally buy units in the funds you have chosen at the next available valuation pricing time following receipt of your instruction. In the case of regular savers, the price will be calculated at the next available valuation pricing time following receipt of your monthly payment. The valuation pricing times vary between fund managers. Please refer to the "Fund Details" section of the Fund Key Features for further details.
- Please note that there may be a situation where the purchase/sale of your ECIV investment may be delayed due to the availability of valuation pricing times being impacted by European public holidays, where they differ to those in the UK.
- Instructions are dealt with in due turn. When larger numbers of instructions are received, deals may be placed at the next available valuation pricing time on the business day following receipt.

## Am I eligible to invest?

### Investment funds and Cofunds Cash Account

- You must be aged 18 or over.
- Up to four joint holders can be registered. Signatures from all joint holders are required for all transactions.
- Applications from overseas may be refused.
- **ECIVs only** – Applications to invest in or add to existing ECIV investments can only be accepted from UK residents and must be in pounds Sterling.

### Cofunds Investment ISA

- You must be 18 or over and resident or ordinary resident in the UK for tax purposes, or

are a Crown employee serving overseas, their spouse or civil partner.

- You are not eligible to take out a Cofunds Investment ISA if you have already taken out a stocks and shares ISA with Cofunds, or another provider in the same tax year.

## Verification of personal identity

UK anti-money laundering regulations require firms to identify anyone associated with the investment. This may also apply to existing investors. As a result, your intermediary may require documentary evidence of proof of your identity before you invest. Cofunds may also carry out an identity search, using a credit reference agency. Processing of your instruction or payment may be delayed, pending receipt of satisfactory evidence.

**ECIVs only** - To satisfy overseas anti-money laundering requirements, we may need to provide information about your investment to the fund manager if requested.

## RISK FACTORS

- Please refer to the Fund Key Features for details of the risks associated with investment funds, including ECIV funds.
- When placing your instruction with Cofunds, all individual fund deals will be added together with other investors and a single deal is placed with the fund manager. On certain occasions a fund manager may apply a large deal price or dilution levy when the value of a deal exceeds certain limits. This may have a **negative** impact on the price you would receive.

## QUESTIONS AND ANSWERS

### How do I move between funds?

Simply complete the switch instruction form, which can be obtained and submitted via your intermediary. Online switching may also be available through your intermediary. Switches are not instantaneous and depend upon the valuation pricing times for the funds you wish to switch out of and into. Your investment may be out of the market for a period of time whilst the switch is taking place. There is normally a switch charge of 0.25% of the value of the switch. We will deal in accordance with our standard dealing process. Units/Shares will be sold at one valuation pricing time and bought at the next available valuation

pricing time. Please see 'When and how is my money invested?' for more details.

### Can I take an income?

Funds that pay income do so either as dividends or, in the case of fixed interest funds, interest. You can take your income in two different ways on the Cofunds platform.

#### 1. Consolidated Natural Income

When income is generated, all of that income is consolidated into your Consolidated Income Account. The income will then be paid directly to your nominated bank account, as one payment, on a monthly basis.

You must supply us with your bank details so that income can be paid to this account. If this information is not supplied then we will be unable to process your application and will contact your intermediary for further instruction. Payments will be made using BACS (Bank Automated Clearing System) and will be paid in pounds Sterling.

Any income earned will be paid to you in the form of a dividend or interest payments.

If you choose to receive income, the amounts and any ISA income tax reclaims received will be consolidated and paid monthly to your nominated bank account which must be specified in your application. Income payments paid directly to your nominated bank account are not available if you choose to take regular withdrawals from your Cofunds Cash Account. Please refer to the "Addendum to the Cofunds Platform Fund Key Features (1108R) – Cofunds Cash Account Regular Withdrawal Facility."

Income accrued during the month will be paid on or shortly after the 6th working day of the following month. The monthly payment will include all income and tax reclaims received from your individual investment funds and/or ISA holdings.

All monies held pending payment are pooled together and held as a client account with the Bank and will earn the same rate of interest as the Cofunds Cash Account. Please refer to "3. Cofunds Cash Account" under "Your Investment" for information on interest payable.

We reserve the right to reclaim any cash owed to us prior to income being paid and will notify you of the amounts to be reclaimed. The frequency of the fund distribution payments will impact the amount you will receive on a monthly basis. If the funds you hold only pay income quarterly or half yearly then in some months a payment may not be made at all.

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If the value of your account is £100,000 or more, you have the option of receiving the income paid to you shortly after it is received from the relevant fund manager. To request this please write to our administration address.

## 2. Cash Account

Income can be paid to your Cofunds Cash Account. It may then be used for future investment or a lump sum withdrawal.

If you select this option for your ISA holdings, income earned will not be retained within the tax efficient 'wrapper'.

## Can I reinvest income?

### Retain in the fund

In order to reinvest income, you need to choose 'ACC' (accumulation) shares/units. Any income earned on your investment accumulates within the price of your holding, increasing the value.

- If you choose "INC" (income) units/shares and do not wish to have an income paid into your nominated bank account or cash account, we will arrange for the fund to be reinvested through ACC units where available.
- If you choose "ACC" (accumulation) units/shares and they are not available, we will contact your nominated intermediary for further instruction.

## How do I take my money out?

Requests for withdrawals must be made in writing to the Cofunds Administration Address. We are unable to accept instructions by either fax or phone. Please note that for partial withdrawals, you must specify the number or percentage of units/shares to be sold from any fund. The same order execution policy is used for the sale of units as detailed in 'When and how is my money invested?'

Cofunds permits withdrawal proceeds to be sent to your Cofunds Cash Account, nominated bank account or to your registered home address. In the absence of any instruction, we will transfer the proceeds to your Cofunds Cash Account.

### Timings

Cofunds will send the proceeds to your nominated bank account, Cofunds Cash Account or to your registered home address within 5 working days of the valuation pricing time of the last fund sold.

However, payment may take up to 8 days in total to reach your account. This is subject to funds being made readily available by the fund manager. For proceeds being sent to your registered home address, please be aware that postal times can vary.

For ECIV funds only - some fund managers may settle a day later and therefore the payment in to your bank account will be deferred by 1 business day. If you withdraw monies from a number of funds and one settles on a different day, we will normally release proceeds within 5 working days of the fund being sold.

### Additional Information

**ISA and Investment Funds withdrawals** - If you do not fully encash your investment you must leave a minimum amount of £1,000 in any investment per fund. For ISA investments, you will not be able to replace contributions withdrawn in the same tax year, unless the amount you wish to invest is within your unused ISA allowance.

**Cofunds Cash Account withdrawals** - Requests for either one-off or regular withdrawals must be made using the Cash Account withdrawal form. We are unable to accept instructions by either fax or phone.

- **One-off withdrawals** - Cofunds will process your instruction within 1 business day of receipt. Monies will be released from Cofunds within 5 business days via BACS transfer.
- **Regular withdrawals** - For information on the Cofunds Cash Account regular withdrawal facility, please refer to the "Addendum to the Cofunds Platform Fund Key Features (1108R) – Cofunds Cash Account Regular Withdrawal Facility."

## How do I transfer money between Cofunds Cash Accounts?

You can transfer monies between cash accounts by completing a "Cofunds Cash Account Inter Account Transfer Form". For jointly held accounts, all signatures will be required to authorise the transfer. Only cleared funds can be transferred between Cofunds Cash Accounts.

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## What's the difference between the Consolidated Income Account, Cash Reserve and Cofunds Cash Account?

Cofunds Cash Account is a separate service to that of the Cash Reserve. The Cash Reserve facility is part of your ISA investment and issued to temporarily hold cash for future investment. The Consolidated Income Account is an account which temporarily holds distributions pending payment to your nominated bank account.

Please refer to the following sections of this document for more information.

- For Cash Reserve: 'Can I invest cash within my Cofunds Investment ISA?' in 'YOUR INVESTMENT'.
- For the Consolidated Income Account: 'Can I take an income' in 'QUESTIONS AND ANSWERS.'

## Can I transfer out of Cofunds?

If you wish to transfer your ISA investment to another manager, then your investments will be sold and the proceeds paid across to your new ISA manager. In the case of transfers, we will require a completed transfer authority form from the new ISA manager.

Investment funds will be re-registered.

## FURTHER INFORMATION

### What documentation will I receive?

#### General

- We will send you details of your transactions, once completed.
- Cofunds will send you a tax deduction certificate each year detailing the deduction of tax from your cash account and Consolidated Income Account for the previous year. Duplicate tax deduction certificates are available upon request at a charge of £10 each.
- If you invest by regular savings, we will send you an acknowledgement confirming the amount of your monthly investment.
- We will maintain the records of your investments. Certificates will not be issued. In the case of an investment held in joint names, all documentation will be sent to the primary holder's address. Secondary holders can of course request copies of correspondence.

- A statement will be sent direct to you at least annually showing the value of your investments and all the transactions since the previous statement date.

#### Investment Funds

- For investment funds only, one consolidated tax voucher is issued each year, which details all relevant income and tax deductions during the previous financial year.

#### Cofunds Cash Account

- Once your Cash Account is made available to you, you will receive a confirmation letter which contains your account reference and the bank details required for all future payments in. Use this account reference so that monies are not delayed being received into your cash account.
- If you are eligible and request to set up a regular withdrawal facility for your cash account, you will receive an acknowledgment confirming the details of the plan.

## What happens if I change my mind?

Cofunds provides a cancellation period of 14 days after you invest. This applies to all investment funds including those held within an ISA. Cancellation rights will apply to all unit purchases and transfers. If you wish to cancel your investment through Cofunds you must inform us in writing within 14 days of receipt of your confirmation notice, instructing Cofunds to cancel the relevant investments. Please forward your request to cancel to the Cofunds administration address.

Prior to the release of your monies we may need to carry out additional security checks and ensure all payments have cleared, which may delay settlement.

#### Financial Consequences of Cancellation

If you cancel your investment and withdraw from the contract, we will return your original investment to you less a deduction for any amount by which the value of your investment has fallen at the time we receive your cancellation letter. You will be required to repay any amounts already paid to you under the contract.

You will not be able to cancel outside of the 14 day period. If you wish to withdraw after this period then:

- All fund management charges will apply.

- A potential tax liability will apply outside an ISA investment.
- Any ISA contribution will still qualify towards the allowance for the relevant tax year.

**Investment fund investors only** - All joint holders must sign the cancellation letter informing us that you wish to cancel.

**ISA investors only** - Interest will not be paid on cancelled investments held in Cash Reserve.

**Transfers, ISA** - If you exercise your right to cancel, the cancellation will apply to all your investments being transferred. On cancellation, you have the following options:

1. To transfer the plan back to your previous plan manager, we require a letter of acceptance from the plan. Your investment will continue to be held within your chosen funds until the acceptance has been received by Cofunds. If your previous plan manager accepts and requests re-registration of the plan we will arrange for this. If the previous plan manager does not accept re-registration we will transfer the plan back in cash.
2. To transfer the plan to a new plan manager, we will require a letter of acceptance from the new plan manager in order for this to take place. Your investment will continue to be held within your chosen funds until the acceptance has been received by Cofunds. If the new plan manager accepts and requests re-registration of the plan we will arrange for this. If the new plan manager does not accept re-registration we will transfer the plan in cash.
3. We will cancel the contract and return the proceeds to you by cheque. In this instance your holdings will no longer be held in a ISA and will lose all future tax advantages.

Your cancellation letter should clearly indicate which of the above options you wish to follow.

**Investment fund transfers** - If you are transferring assets to Cofunds and use your right to cancel, you will be given the following options:

1. To transfer your investments back to the previous fund manager. In this instance we will require confirmation of your client account number with the fund manager in question. If you do not supply us with your account number

we may not be able to re-register the units. Once the units have been re-registered the contract will be cancelled.

2. We will cancel the contract and return proceeds to you by cheque. If you choose this option it may give rise to a chargeable event for capital gains tax purposes.

Your cancellation letter should clearly indicate which of the above options you wish to follow.

## How do I keep track of my investments?

There are a number of ways that you can do this including:

- Contact your intermediary and request a valuation at any time.
- The latest buying and selling prices and estimated distribution yield for many funds can be found at [www.ft.com/funds](http://www.ft.com/funds) and in daily newspapers.
- Daily fund prices are available through the Investment Management Association website at [www.investmentuk.org/investors](http://www.investmentuk.org/investors).

## What should I do if I have a complaint?

Please write to:

Head of Retail Operations,  
Cofunds Limited, PO Box 1103,  
Chelmsford CM99 2XY

We can give you full details of the procedure we have set up for dealing with complaints. Alternatively, you may wish to make a complaint through your intermediary. If you are not satisfied with Cofunds response, you may take your complaint to the Financial Ombudsman Service whose address is:

The Financial Ombudsman  
South Quay Plaza  
183 Marsh Wall  
London E14 9SR  
Tel: 0845 080 1800  
E-mail: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)

## Will I be entitled to compensation?

Cofunds is covered by the Financial Services Compensation Scheme (FSCS). You may be

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entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim. Most types of investment business are covered for 100% of the first £30,000 and 90% of the next £20,000, so the maximum compensation is £48,000. Further information about the compensation scheme arrangements is available on request from the FSCS at [www.fscs.org.uk](http://www.fscs.org.uk). Telephone number: 020 7892 7300.

Whilst the ECIVs offered through Cofunds are recognised by the FSA, they are based overseas. It is important to note that once you purchase units overseas the UK Financial Services Compensation Scheme will not apply. For details of any local compensation arrangements that may be available, you can visit the relevant regulator's websites as follows:

Luxembourg, CSSF: [www.cssf.lu](http://www.cssf.lu)

Dublin, IFRSA: [www.ifsra.ie](http://www.ifsra.ie)

### EU Savings Directive

If you move overseas within the European Union the EU Savings Directive may apply. Please contact your intermediary for more details.

# Terms & Conditions of the Cofunds Platform

**Introduction** – The terms and conditions are split into three sections as follows:

## SECTION A

To be read by all investors.

## SECTION B

Additional terms to be read by all ISA investors.

## SECTION C

Additional terms to be read by all investment fund investors.

## SECTION A

The Terms & Conditions in this section together with the ISA Terms & Conditions in Section B, Customer Agreement in Section C and Key Features of the Cofunds platform form the overall terms for your investment. If you would like more information, or have any questions, please call your Intermediary who will be able to advise you.

## A.1 Definitions

In these Terms the following words mean:

**Account:** The account that we open in your name to record investments that you make through Cofunds.

**Administration Address:** Cofunds Limited, PO Box 1103, Chelmsford CM99 2XY.

**Application:** The application(s) completed by you or on your behalf to invest or withdraw (redeem) in the Account.

**Assets:** Investments, income, interest, cash balances and any other rights and entitlements from time to time held within your Account.

**Bank:** A Cofunds nominated bank, which may vary from time to time. Full, up to date details, of the banks with which money is held can be obtained by contacting your intermediary or visiting the Cofunds website at [www.cofunds.co.uk/docs/cofundrates.pdf](http://www.cofunds.co.uk/docs/cofundrates.pdf).

**Banking Day:** Any day on which the Bank is open for normal business other than a Saturday, a Sunday or a bank holiday in the United Kingdom.

**Business Day:** Any day when the London Stock Exchange is open for business. Our normal hours of opening are 9:00am to 5:00pm.

**Calculation Date:** Three working days before the sell down valuation pricing time.

**Cash:** Any cash balances, interest, distributions and other amounts received or receivable as cash in your Account from time to time.

**Cash Reserve:** A client money account used solely for money destined for eventual investment in one or more of the Funds offered by Cofunds.

**Client Account:** A bank account held by us with the Bank under FSA regulations.

**Cofunds Cash Account:** An interest paying client money account, separate from Cofunds money, and held under trust with the Bank.

**Consolidated Income Account:** A cash account which temporarily holds distributions pending payment to your nominated bank account.

**Current Year Account:** A separate Account containing only Assets representing your Subscriptions made in the current Year.

**Dealing Cut-off Time:** The time by which an instruction needs to be processed in order to utilise the next valuation pricing time.

**Fund:** An authorised unit trust or open-ended investment company (or sub-fund thereof) we specify as available for investment within your Account.

**FSA:** The Financial Services Authority, 25 The North Colonnade, Canary Wharf, London E14 5HS.

**Income:** All payments received as income including any tax payments we reclaim for your Account.

**Intermediary:** An authorised person under Part IV of the Financial Services and Markets Act 2000.

**ISA:** An Individual Savings Account managed under the ISA Regulations.

**ISA Manager:** This is Cofunds Limited.

**Joint Holders:** A maximum of four persons who can invest in the same investment.

**Monies:** Any client money held within the Cofunds Cash Account for the purposes of future investment.

**Nominated Bank Account:** A UK bank or building society account of which you are a named holder and which you specify and we accept as the account to pay income and withdrawal proceeds to you.

**Nominated Intermediary:** An Intermediary nominated by you, who is authorised by you to give instructions on your behalf on all matters concerning your Account.

**Nominee:** Cofunds Nominees Limited, a wholly owned subsidiary of Cofunds for which we accept full responsibility.

**Ombudsman:** The Financial Ombudsman Service who may be contacted at South Quay Plaza, 183 Marsh Wall, London E14 9SR.

**Payment:** A payment by cheque, direct debit or debit card in sterling, to be applied to your Account either paid by you from your bank account or paid on your behalf by your Nominated Intermediary, or previous ISA Manager.

**Primary Holder:** The first named person on the Cofunds Application form.

**Registered Office:** Cofunds Limited, 1st Floor, 1 Minster Court, Mincing Lane, London EC3R 7AA.

**Regulations:** The Individual Savings Account Regulations 1998, and any other applicable regulations made from time to time by HM Treasury.

**Sell down:** The process by which Cofunds will effect a sale of units from your investment to fund regular withdrawals from your Cofunds Cash Account where insufficient monies are available

**Terms:** The Terms & Conditions and Key Features of the Cofunds Platform. This Platform Agreement, ISA Terms & Conditions and Investment Funds Customer Agreement, as from time to time amended, together with your Application. The Terms & Conditions will take precedence if the two differ.

**Units:** Income or Accumulation units, or shares of any class, in a Fund, including any fractions or decimals of units.

**Valuation Pricing Time:** The dealing time utilised to price units that are either bought or sold.

**We, us and our:** Cofunds Limited ("Cofunds") of Minster Court.

**Year:** A year beginning on 6 April and ending on the following 5 April. This is commonly known as the tax year.

**You and your:** A person who invests in an Account through Cofunds.

## A.2 Our Role

### 2.1 General

We do not review your portfolio and we do not give advice about investments.

All personal data relating to you that we hold for the purpose of providing services under this Agreement is held in accordance with the requirements of Data Protection legislation.

### 2.2 Regulation

We are authorised and regulated by the FSA for Investment business. Our FSA registration number is 194734 and you can check this on the FSA website at [www.fsa.gov.uk/register](http://www.fsa.gov.uk/register) or by contacting the FSA on 0845 606 1234.

### 2.3 Client Account

We will deposit your money in our Client Account. If there has been no movement on your balance for a period of at least six years, including any payments on account of charges, interest or similar items, we will write to you and your Nominated Intermediary at your last known addresses informing you of our intention to no longer treat your balance as client money. You will have 28 days to make a claim for this money. However, we will still pay what is due to you if you subsequently claim payment. We do not pay interest on client monies but we reserve the right to do so in the future.

### 2.4 Client Asset Protection

We keep all Client Account Money separate from our own money and hold it under trust with the Bank. We are also responsible for safe custody of all Assets held in your Account. Legal title to all Assets is registered in the name of the Nominee.

We register Investments in the name of Cofunds Nominees Limited, whose address is our Registered Office. Subject to Regulations, you authorise us to direct and instruct our Nominee to discharge our responsibilities under these Terms. We are responsible for the acts and omissions of our Nominee. Our Nominee is not itself an authorised person under the Financial Services and Markets Act 2000; it can only hold investments and does not carry on business in its own right.

### 2.5 Special Circumstances

We have discretion to apply Funds to an Account on a day other than a Business Day. If, after you've made your investment, we make an adjustment to your holding on the basis of instructions received from the Fund Manager which is then found to be incorrect, adjustments of £5 or less will not be processed or kept by Cofunds.

### 2.6 Assignment and delegation

We may assign to any appropriate Cofunds company all of our benefits and obligations under this Agreement. You will be notified of any such assignment.

We may appoint any person (whether or not a Cofunds Group Company) to advise on or perform any of our functions or responsibilities under this Agreement and may provide information about you and your Account to any such person. We will satisfy ourselves that any person to whom we delegate any functions or responsibilities under this Agreement is competent to carry out those functions or responsibilities.

### 2.7 Address

Correspondence about our service should be sent to the Administration Address.

### 2.8 Client Classification

Cofunds classifies all clients as Retail, other than FSA regulated firms who are classified as Professional. Any clients, who would ordinarily be considered to be a Professional or Eligible Counterparty, may not necessarily have rights under the Financial Ombudsman Service (FOS) or the Financial Services Compensation Scheme (FSCS) as a result of that classification.

### 2.9 Timing

Your investments will be purchased as soon as reasonably practicable and in any event, no later than the valuation pricing time on the next Business Day. Please refer to the section "How do I take my money out" on page 9

for more information regarding the timing of withdrawals/selling your investment.

### 2.10 Cofunds Cash Account

In the event that Cofunds is instructed to source monies from your Cofunds Cash Account for the purposes of funding an onward investment, Cofunds will verify that there is a sufficient amount available within the account to perform the transaction. If sufficient monies are not available, Cofunds will not process your instruction. Cofunds reserves the right to reclaim any Cash owed prior to monies being withdrawn and will notify you of any amounts deducted.

### 2.11 Circumstances Beyond Our Control

If circumstances beyond our control result in a loss to you, Cofunds will not be held responsible for any damages relating to the loss. Examples of when these circumstances apply could be when the loss occurred as a result of a flood or earthquake.

## A.3 Making your Investment

### 3.1 Your Nominated Intermediary

We are entitled to rely and act on any instruction which purports to have been given by your Nominated Intermediary however transmitted and whether or not in writing and unless we have received written notice to the contrary in accordance with the following paragraph, whether or not the authority of any such person has been terminated. You allow us to give your Nominated Intermediary information about you and your Account from time to time.

Cofunds will treat the Intermediary identified in your Application as your Nominated Intermediary. You may at any time tell us in writing to stop accepting instructions from your current Nominated Intermediary and appoint a new Nominated Intermediary in their place. Your instruction will take effect upon receipt by us at our Administration Address. We will acknowledge receipt of your instruction and will inform both of the Intermediaries concerned. In the case of joint holders, a change of Intermediary notification must be signed by all holders.

You must at all times have a Nominated Intermediary. If you do not nominate a replacement Intermediary then Cofunds will continue to deal with your existing Intermediary until you appoint one. Should your Intermediary cease to be authorised, Cofunds can provide you with details of other Intermediaries registered with Cofunds, but does not make any recommendation as to the suitability or appropriateness of any Intermediary or subsequent advice.

### 3.2 Buying and selling your Investments

Your investment will be made if we accept your correctly completed application form and payment. Please see the 'Investing through Cofunds' section of the Key Features for further details. Levels of trading are actively monitored and acceptance of anyone who is considered to have a history of short-term or excessive trading or whose trading has been disruptive may be refused. In instances where a payment to your Account is unpaid for any reason, you will be held accountable for any loss that may arise due to market movement. Please refer to the section "How do I take my money out" on page 9 for more information regarding the timing of withdrawals/selling your investment.

### 3.3 Unit Allocation on Transfers (Equalisation)

If you are re-registering Investments, we will request the old manager to provide us with the correct Group 1 and Group 2 Unit holdings for your Investment and register your Investment with Cofunds with the same Unit split. In the event that the old manager cannot provide this information, we will register your Investment in Group 1 Units only and there will be no equalisation amount shown on your tax credit. None of this will affect the value of your Units.

## A.4 Title and Registering Investments

### 4.1 Title and borrowing

All documents evidencing title to Assets in your Account are held by us or as we direct. We may not lend any part of your Account to a third party and we cannot use it as security for borrowing.

### 4.2 Beneficial ownership

You are and remain the beneficial owner of the Assets but must not use them as security for a loan although you may be able to use the Assets in your Account as a loan repayment method, subject to your lender's agreement. You may not dispose of or transfer an interest in any Asset held through us and may not create (or have outstanding) any charge or security on or over any Asset.

### 4.3 Registration

We register your Investments in the same name as those of other Cofunds investors and do not identify individual Investments by separate certificates.

### 4.4 Default

Should we default on our obligations any shortfall in Investments registered in Cofunds name may be shared pro rata among all of our customers whose Investments are registered with our Nominee. In this event your Investment may be returned to you or transferred to another company as specified by you or your Nominated Intermediary.

## A.5 Payments to you

### 5.1 Income payments

It takes seven Business Days after we receive your instructions to apply them to Income payments. If you no longer have a holding in an Investment at the time when we receive the Income arising from it, we pay that Income to you.

You can instruct us at any time to stop using a particular account.

### 5.2 Withdrawals and closing payments

We may deduct from any amount to be paid to you any outstanding fees, charges and expenses due from you. We keep an amount which we reasonably estimate will be enough for us to meet any tax liability for which we must account to the HM Revenue & Customs for you under the Regulations. We hold any cash due awaiting payment outside your Account in a Client Account. We may delay paying any sale proceeds and cash balances until we know that all Payments made by you have cleared and we have received all amounts which you owe to us. Cofunds will not make payments to a third party account except another FSA regulated firm.

### 5.3 Residual payments

Upon full closure of your Account, any payments subsequently received by us of £1 or less will not be processed or retained by Cofunds.

If you transfer holdings to Cofunds and payments are subsequently received from your old manager, such as distributions and tax reclaims, these will be added to your Account in the following way: Any residual Income received from the old manager will be reinvested into the largest value holding within your Account, regardless of any change to mandate instructions received upon transfer to Cofunds. Cofunds reserves the right to return any residual Income to the old manager if the amount is below £25.

### 5.4 Other payments

All payments other than Income payments shall be made to you or your Nominated Intermediary.

### 5.5 Good discharge

Payment to your Nominated Bank Account or to your Nominated Intermediary for the time being, at his direction, is in any case a good discharge of our liability.

## A.6 Documentation

### 6.1 Confirmation notes

Confirmation notes will be sent to you and your Nominated Intermediary on the next Business Day following the completion of the Investment transaction carried out at your instruction. This will include the essential details of the transaction. For regular savings we will send you an acknowledgement of receipt of your Application. We do not send confirmation notes each time a payment is received as these details will be included within your statements.

### 6.2 Statements

At least annually we send you an Account statement showing details of all Assets within your Account on the statement date and all transactions made since the previous statement date, including Investment and interest Income. A copy will be made available to your Intermediary. Valuations are based on the bid price as at the date shown on your statement.

### 6.3 Records

You may inspect copies of confirmation notes, vouchers and entries on our books or electronic media relating to transactions on your Account. We keep these records for six years.

## A.7 Withdrawals and closing your account

### 7.1 Minimum amount

We will require you to sell your entire holding in that Fund if the amount falls below £1,000 as a result of your instruction to sell an amount of the Fund.

### 7.2 Closing your Account

You may close your Account at any time by withdrawing all the Assets, or transferring them to another Manager. Closing your Account does not affect any transactions initiated before the closure began. These Terms continue to apply until we complete all outstanding transactions and meet all liabilities.

## A.8 Fees, Charges and Expenses

### 8.1 Our Remuneration

We do not charge you a fee for investing through us. The only additional charges are those described under Section B 5.2 of the ISA Terms & Conditions and Section A 8.4 below. We do however receive a fee from Fund Managers for administration services provided to Fund Managers connected with your Investment. We may pay fees to portal providers and others in connection with your Account. If you require details of these fees, please write to us at our Administration Address.

### 8.2 Fund Manager

The manager of each fund in your Account may receive an initial charge. An annual management charge and other fees, charges or expenses properly payable to them may be paid out of the property of that Fund.

### 8.3 Nominated Intermediary

Commissions payable to your Nominated Intermediary will be disclosed to you on the confirmation note sent to you after each transaction, other than regular Investments, where these will be shown on your statement.

### 8.4 Switch fees & Unit Conversion

We will allow you to switch funds within your Account. You will normally pay an initial switching charge of 0.25% of the value of the switch. Commission on switches may be added if agreed with your Nominated Intermediary. The maximum switching charge or commission will not exceed the funds standard initial charge.

Unit conversion: The facility exists to convert Accumulation units to Income units, or vice versa within the same fund. No commission is paid on unit conversion. Should you wish to exercise this facility, there is no charge for unit conversion.

## A.9 Variation, Termination and Amendment of Terms

### 9.1 Funds offered by Cofunds

Cofunds reserves the right to add and remove Funds from the service.

### 9.2 Changes to these Terms

In addition to our power to make changes to these Terms, we may from time to time change these Terms where a change:

- does not materially prejudice you, or
- is required in order to comply with a legal or regulatory requirement, including under ISA Regulations.

We will give you reasonable notice of any changes to these Terms.

### 9.3 Termination

We may terminate your Account provided we give you a minimum of three months notice. Upon termination, unless otherwise agreed at the time, we will realise all your Units and will pay the proceeds, together with any other Cash in your Account, to your Nominated Bank Account.

### 9.4 If we cease to be an Account Manager

Your Account will close if we stop acting as an Account Manager. We shall give you reasonable written notice if we decide to do this. At the end of that notice period the Account will close but in the meantime you may withdraw or transfer Assets.

## A.10 Indemnity

You will indemnify us and our Nominee against any liability or loss which we or our Nominee may suffer or incur (including taxes for which you are primarily liable and any expenses reasonably and properly incurred) in the proper course of administering your Account, except to the extent arising from any negligence, wilful default or fraud on the part of ourselves or our Nominee.

## A.11 Notices

Except as otherwise provided, notices to Cofunds should be sent to us at our Administration Address. Notices to you will be sent to your last known address and may be copied to your Nominated Intermediary.

## A.12 Information for the Manager

You must give us all information which we reasonably request to manage your Account and tell us promptly if you change your permanent residential address or wish to change your Nominated Bank Account or Nominated Intermediary.

Instructions should generally be in writing and signed by you unless we agree otherwise.

## A.13 Governing law

These Terms & Conditions are governed by and are to be construed in accordance with English law. The information contained in these Terms and the Application is based on our understanding of current legislation and HM Revenue & Customs practice and could be affected by changes in legislation and practice.

If there is any conflict between these Terms & Conditions and the ISA Regulations or other legislation relating to your Account, the ISA Regulations and/or other legislation will prevail.

## SECTION B

# Terms and Conditions of the Cofunds ISA

Additional terms to those stated in Section A, to be read by all clients investing in ISAs.

## B.1 Your ISA Manager

### 1.1 Our Role

We agree to act as ISA Manager for your Account. We make all necessary claims for tax relief relating to your Account and the Assets held in it.

### 1.2 Regulations

We will notify you if all or part of your Account is no longer exempt from tax. We will sell any investments that are no longer exempt from tax at the published selling price and normally release proceeds with 5 working days together with any affected cash balances.

### 1.3 Aggregation

We do not segregate Assets by Tax Year, but may segregate Assets in your Current Year Account from Assets representing previous years' Payments if we need to do so.

## B.2 Opening your account

### 2.1 ISA Applications

In the case of an ISA, your Account is opened when we accept your correctly completed Application and Payment.

Your ISA Application covers the current Year and each subsequent Year until we receive no Payments for one full Year. We reserve the right to require a fresh Application for each new tax Year.

A direct debit instruction authorises us to collect and invest regular Payments for you unless and until you notify us to the contrary, either at the time of your Application or otherwise.

### 2.2 ISA Transfers in

Where you have transferred your current year's ISA investment, you may reactivate your Account by restarting Payments, although you must submit another Application if we receive no Payments for one full Year.

### 2.3 Tax status

You may not subscribe to your ISA Account while not resident and ordinarily resident in the UK for tax purposes unless you qualify as a Crown employee (a person holding public office or employment under the Crown and paid out of the public revenue of the UK or of Northern Ireland), their spouse or civil partner. You must inform us immediately if you stop being UK resident and ordinarily resident for tax purposes, or if as a non-resident you stop being a Crown employee, their spouse or civil partner.

### 2.4 Account type

For an investment held under these Terms, we designate your ISA Current Year Account as "Cofunds Investment ISA". All new ISA investments will be designated "Cofunds Investment ISA".

### 2.5 Timing

In the case of an ISA transfer, the date of transfer is the date agreed between the Plan Managers. These Terms will take effect if Cofunds accepts your Application, which is normally on the day of receipt. Cofunds has discretion to reject an Application.

## B.3 Investments

### 3.1 Choosing your Investments

Your Nominated Intermediary can help you choose the Investments to buy for your Account and can advise you on changes you should make to the Investments in your Account.

The Cash Reserve provides a temporary shelter for your Investment. Cash held in this way must be destined for investment in one or more of the Funds offered by Cofunds.

### 3.2 Cash Reserve

Investments held temporarily in the Cash Reserve may earn interest. If interest earned in any accrual period is under £10, no interest will be credited to your Cash Reserve investment. The interest is payable six monthly. Details of the Cofunds current interest rates can be found at:

[www.cofunds.co.uk/docs/cofundrates.pdf](http://www.cofunds.co.uk/docs/cofundrates.pdf)

Alternatively, please contact your intermediary. Any interest you receive within your ISA will fluctuate with changes to this base rate. Please refer to 'Can I invest cash within my Cofunds Investment ISA?' section of the Key Features for further details.

If you close your Cash Reserve without having invested in a Fund(s), interest will not be payable on money withdrawn. Please note that we require written instructions to carry out all of the above transactions.

## B.4 Void Accounts

Your Account will be managed in accordance with the Regulations, which take precedence over these Terms. We will notify you if, by reason of any failure to satisfy the provisions of the Regulations, your Account has or will become no longer exempt from tax. If your Account is voided, we will sell the Investments and, after deducting any cash available to cover any tax we have to pay or repay, pay you the proceeds together with any remaining cash balance held in your Account. Any interest accrued in the

Cash Reserve will not be payable. There will be a charge of £100 if we have to void your ISA.

## B.5 Report & Accounts and Voting

### 5.1 Voting rights

We do not exercise voting rights for any of your Investments unless you instruct us to vote on your behalf. If you have requested this, you will be notified of each voting event.

### 5.2 Reports, notices, meetings and voting

For any Investment held in your Account, we can arrange when you open your Account, (or at your request in writing after one month's notice) for you:

- to receive a copy of the annual report and accounts for each Fund in which you are invested, and
- to attend meetings of unit holders or shareholders and exercise voting rights

Your instruction should be given on your Application. Availability of these facilities will be subject to a charge of £20.00 per communication to cover our costs, although copies of report and accounts can be downloaded free from the Cofunds website. The charge may be deducted from cash in your Account.

Other notices will be sent to you either directly or with your statements.

## B.6 Transferring out of Cofunds

### 6.1 ISA Transfers out

Transfers out upon your instructions, and in the time specified by you, Cofunds will transfer all or part of your ISA, with all your rights and obligations under it, to another ISA Manager who has agreed to accept the transfer. In the case of your current year Payments, you may either transfer these as part of a transfer of the whole of your ISA to another ISA Manager or you may maintain them in your Cofunds ISA, for which purpose we may create a Current Year Account.

We require that the transfer is made in cash after selling relevant Investments and deducting any amounts due to us. If we subsequently receive any Income arising from Investments transferred out, we will remit it directly to you.

These Terms continue to apply to (the part of) your ISA being transferred until the transfer is complete, all outstanding transactions settled and all liabilities met.

### B.7 If you die

Upon your death, your Account will cease to be tax exempt and will be closed. We will continue to hold your Assets until we receive instructions from your personal representatives, upon whom these terms become binding. We do not reinvest income but hold it in our Client Account until we can pay it as your personal representatives direct. We are entitled to deduct any withdrawal fees. Any tax reclaimed on income distributions paid between the date of your death and notification of your death will be deducted by us.

## SECTION C

# Investment Funds Customer Agreement

Additional terms to those stated in Section A, to be read by all clients investing in Investment Funds

## C.1 Title and registering Investments in joint names

The first named applicant will be the 'Primary' Holder of the Investment. This is purely for administrative purposes and does not affect the legal status of your joint ownership.

All communication and documentation will be sent to the Primary Holder's address. Secondary holders may request copies of correspondence.

## C.2 Opening Your Account

This agreement will take effect if Cofunds accepts your Application, which is normally the day we receive it. A direct debit instruction authorises us to collect and invest regular investments for you unless and until you tell us to stop, either at the time you apply or both. Cofunds has discretion to reject an application.

## C.3 If you die

Upon your death, we will continue to hold your Assets and Cash until we receive instructions from your personal representatives, upon whom these Terms become binding.

We do not reinvest income but hold it in our Client Account until we can pay it as your personal representatives direct. We are entitled to deduct any withdrawal fees.

If a Primary Holder dies then the next named holder is promoted to Primary Holder. We reserve the right to carry out further money laundering checks if the new Primary Holder's bank account differs from the original.

## THE DIRECT DEBIT GUARANTEE



- This Guarantee is offered by all Banks and Building Societies that take part in the Direct Debit Scheme. The efficiency and security of the Scheme is monitored and protected by your own Bank or Building Society.
- If the amounts to be paid or the payment dates change, Cofunds will notify you five working days in advance of your account being debited or as otherwise agreed.
- If an error is made by Cofunds or your Bank or Building Society, you are guaranteed a full and immediate refund from your branch of the amount paid.
- You can cancel a Direct Debit at any time by writing to your Bank or Building Society. Please also send a copy of the letter to us. Please ensure you retain this guarantee.

