

keyfacts[®]

Fund Aim: This is the objective of the fund as set out in the trust deed. The fund manager must invest in accordance with this fund objective and act within any limits on their investment powers.

Special Risk Factors: As well as the general and sector risks, the funds may carry additional risks associated more specifically with the type of assets in which they invest. The special risk factors which relate to the funds you invest in are in the Special Risk Factors section in numerical order. Just check the relevant special risk information against the numbers shown in the individual fund details.

Annual Management Charge (AMC): Deducted annually by the fund manager as a percentage of the value of your investment at a specific date.

Additional Charges and Expenses: These are additional costs incurred by the fund which are not included in the AMC. This could include such costs as Trustee or Depositary fees.

I, C, IC: Fund managers can differ in the way they apply charges. Some take the AMC and additional charges and expenses from income (indicated as 'I' here), some take it from capital (indicated as 'C') and some take it from a mix of capital and income (indicated as 'IC').

Valuation Pricing Time and Dealing cut off time: Please see 'When and how is my money invested?'.

Single/Dual Priced: Please see 'Your Investment'.

** UGR=Underlying Growth Rate. The Reduced Investment Yield is calculated on a lump sum investment over 10 years assuming an underlying growth rate as indicated above, which is in no way guaranteed. The yields are based on Accumulation (Reinvested) and/or Income shares/units with Income distribution paid out, unless otherwise stated. Dealing costs are not included. Any tax relief has reduced the expenses rate, where available.

The Reduced Investment Yields quoted reflect the standard initial charges and do not take account of any discounts or commission waivers that may be available.

Initial charge: The charge made by the fund manager when you make your investment. This is charged as a percentage of your initial investment.

EXAMPLE FUND MANAGER

Example Fund

Unit/Share type: **Acc & Inc** Fund type: **OEIC**

Investment Aims - To maximise the total return (income plus capital) by investing in global debt instruments, denominated in any currency, ranging from AAA Government Bonds through to high yield and emerging market corporate bonds. At least 50% of the fund will be invested in sterling and other currency denominated bonds hedged back to Sterling.

Trustee **Royal Bank of Scotland plc**

Special Risk Factors	Standard Initial Charge	Annual Management Charge ¹	Additional Charges & Expenses ¹	RIY ISA based on UGR** ISA 7%
1,3,4,5,6,7,11,12,13	4.50%	1.25%	0.14%	5.33% (Acc) 5.33% (Inc)

RIY UT/OEIC based on UGR** UT/OEIC 6%	Single/Dual Priced	Valuation Pricing Time	Dealing cut Off time
4.39% (Acc) 4.02% (Inc)	Dual	16:00	15:15

Effect of Charges: This is calculated by the fund manager, based on a set of calculations laid down by the Financial Services Authority. Assuming that the Underlying Growth Rate (UGR)** will be a particular percentage, then over 10 years the charges would reduce the growth rate to the lower percentage figure. The actual effect on your investment would of course depend on the performance of the fund and how long you remain invested.

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ALLIANZ GLOBAL INVESTORS (UK) LTD

Allianz RCM US Equity A Fund

Unit/Share type: **Acc** Fund type: **OEIC**

Investment Aims - To achieve capital growth through investment in leading North American companies.

Special Risk Factors	Standard Initial Charge	Annual Management Charge ¹	Additional Charges & Expenses ¹	RIY ISA based on UGR** ISA 6%
2,3,8	4.00%	1.50%	0.30%	3.78%
RIY UT/OEIC based on UGR** UT/OEIC 6%	Single/Dual Priced	Valuation Pricing Time	Dealing cut Off time	
3.82%	Single	12:00	11:00	

ARTEMIS FUND MANAGERS LIMITED

Artemis Income Fund

Unit/Share type: **Inc** Fund type: **Unit Trust**

Investment Aims - To achieve a rising income combined with capital growth from a portfolio primarily made up of investments in the United Kingdom.

Special Risk Factors	Standard Initial Charge	Annual Management Charge ¹	Additional Charges & Expenses ¹	RIY ISA based on UGR** ISA 7%
1,5,8,12	5.25%	1.50%	0.06%	4.58%
RIY UT/OEIC based on UGR** UT/OEIC 6%	Single/Dual Priced	Valuation Pricing Time	Dealing cut Off time	
3.60%	Dual	12:00	11:00	

BNY MELLON ASSET MANAGEMENT LIMITED

Newton Global Higher Income R Fund

Unit/Share type: **Inc** Fund type: **OEIC**

Investment Aims - To achieve increasing annual distributions together with long term capital growth from investing predominantly in global securities. The sub-fund may also invest in collective investment schemes.

Special Risk Factors	Standard Initial Charge	Annual Management Charge ¹	Additional Charges & Expenses ¹	RIY ISA based on UGR** ISA 7%
1,2,3,5,6,8,10,11,12	4.00%	1.50%	0.15%	4.73%
RIY UT/OEIC based on UGR** UT/OEIC 6%	Single/Dual Priced	Valuation Pricing Time	Dealing cut Off time	
3.75%	Single	12:00	11:00	

CAZENOVE CAPITAL MANAGEMENT

Cazenove European B Fund

Unit/Share type: **Acc** Fund type: **OEIC**

Investment Aims - To achieve long term capital growth by investing in any or all European markets, excluding the UK, and any or all economic sectors.

Special Risk Factors	Standard Initial Charge	Annual Management Charge ¹	Additional Charges & Expenses ¹	RIY ISA based on UGR** ISA 7%
2,6,8	5.00%	1.50%	0.11%	4.50%
RIY UT/OEIC based on UGR** UT/OEIC 6%	Single/Dual Priced	Valuation Pricing Time	Dealing cut Off time	
3.80%	Single	12:00	11:00	

FIDELITY INVESTMENT SERVICES LTD

Fidelity Extra Income A Fund

Unit/Share type: **Inc** Fund type: **OEIC**

Investment Aims - The Fund's investment objective is to achieve a relatively high level of income from a portfolio primarily invested in a combination of UK corporate and government bonds and other fixed income and money market securities, preference shares and convertibles.

Special Risk Factors	Standard Initial Charge	Annual Management Charge ¹	Additional Charges & Expenses ¹	RIY ISA based on UGR** ISA 7%
4,5,6,7,12	3.50%	1.25%	0.18%	4.10%
RIY UT/OEIC based on UGR** UT/OEIC 6%	Single/Dual Priced	Valuation Pricing Time	Dealing cut Off time	
4.10%	Single	12:00	11:00	

FIRST STATE INVESTMENTS (UK) LIMITED

First State Asia Pacific Leaders A Fund

Unit/Share type: **Acc** Fund type: **OEIC**

Investment Aims - The Fund aims to achieve long term capital growth. The Fund invests in large and mid capitalisation equities in the Asia Pacific region (excluding Japan, including Australasia).

Special Risk Factors	Standard Initial Charge	Annual Management Charge ¹	Additional Charges & Expenses ¹	RIY ISA based on UGR** ISA 7%
2,3,8	4.00%	1.50%	0.06%	4.91%
RIY UT/OEIC based on UGR** UT/OEIC 6%	Single/Dual Priced	Valuation Pricing Time	Dealing cut Off time	
4.27%	Single	12:00	11:00	

IGNIS ASSET MANAGEMENT

Ignis Argonaut European Income A Fund

Unit/Share type: **Inc** Fund type: **Unit Trust**

Investment Aims – To provide an income in excess of the yield of the MSCI Europe ex UK index by investing in a concentrated portfolio of approximately 30-50 companies predominantly incorporated in Europe (excluding the UK) or which derive a significant part of their business from Europe (excluding the UK) whilst preserving capital.

Depository Citibank International Plc				
Special Risk Factors	Standard Initial Charge	Annual Management Charge ¹	Additional Charges & Expenses ²	RIY ISA based on UGR** ISA 7%
1,2,3,4,6 8,11,12	5.25%	1.50%	0.04%	4.50%
RIY UT/OEIC based on UGR** UT/OEIC 6%	Single/Dual Priced	Valuation Pricing Time	Dealing cut Off time	
3.50%	Single	12:00	11:00	

Ignis HEXAM Global Emerging Markets A Fund

Unit/Share type: **Acc** Fund type: **OEIC**

Investment Aims – To achieve long term capital growth primarily through investment in equities of emerging market companies either directly or indirectly through equity related instruments.

Depository Citibank International Plc				
Special Risk Factors	Standard Initial Charge	Annual Management Charge ¹	Additional Charges & Expenses ²	RIY ISA based on UGR** ISA 7%
2,3,8,11,16	5.25%	1.50%	0.11%	4.50%
RIY UT/OEIC based on UGR** UT/OEIC 6%	Single/Dual Priced	Valuation Pricing Time	Dealing cut Off time	
3.80%	Single	12:00	11:00	

LV= ASSET MANAGEMENT

LV= UK Equity Income R2 Fund

Unit/Share type: **Inc** Fund type: **OEIC**

Investment Aims – To achieve a high level of income combined with long-term capital growth from investments principally in UK equities. Investment may also occur in other transferable securities, money market instruments, deposits, cash and near cash, derivative instruments and forward transactions and units in collective investment schemes when deemed appropriate.

Depository HSBC Bank plc				
Special Risk Factors	Standard Initial Charge	Annual Management Charge ¹	Additional Charges & Expenses ²	RIY ISA based on UGR** ISA 7%
6,8,9,10,12	4.00%	1.50%	0.25%	4.80%
RIY UT/OEIC based on UGR** UT/OEIC 6%	Single/Dual Priced	Valuation Pricing Time	Dealing cut Off time	
3.80%	Single	14:00	13:15	

M&G SECURITIES LIMITED

M&G Global Basics A Fund

Unit/Share type: **Acc** Fund type: **OEIC**

Investment Aims – The fund's sole aim is capital growth through investing wholly or mainly in companies around the world operating in basic industries ('primary' and 'secondary' industries) and also in companies that service these industries. The fund may also invest in other global equities.

Depository Royal Bank of Scotland plc				
Special Risk Factors	Standard Initial Charge	Annual Management Charge ¹	Additional Charges & Expenses ²	RIY ISA based on UGR** ISA 7%
2,3,8	4.00%	1.50%	0.18%	4.80%
RIY UT/OEIC based on UGR** UT/OEIC 6%	Single/Dual Priced	Valuation Pricing Time	Dealing cut Off time	
4.10%	Single	12:00	11:00	

M&G Optimal Income A Fund

Unit/Share type: **Acc** Fund type: **OEIC**

Investment Aims – The Fund aims to provide a total return to investors based on optimal exposure to income streams in investment markets.

Depository Royal Bank of Scotland plc				
Special Risk Factors	Standard Initial Charge	Annual Management Charge ¹	Additional Charges & Expenses ²	RIY ISA based on UGR** ISA 5%
4,5,7 9,12,13	4.00%	1.25%	0.16%	4.00%
RIY UT/OEIC based on UGR** UT/OEIC 5%	Single/Dual Priced	Valuation Pricing Time	Dealing cut Off time	
3.30%	Single	12:00	11:00	

M&G Recovery A Fund

Unit/Share type: **Acc** Fund type: **OEIC**

Investment Aims – The fund's sole aim is capital growth, through primarily investing in a diversified range of companies which are out of favour, in difficulty or whose future prospects are not fully recognised.

Depository Royal Bank of Scotland plc				
Special Risk Factors	Standard Initial Charge	Annual Management Charge ¹	Additional Charges & Expenses ²	RIY ISA based on UGR** ISA 7%
2,3,8	4.00%	1.50%	0.17%	4.80%
RIY UT/OEIC based on UGR** UT/OEIC 6%	Single/Dual Priced	Valuation Pricing Time	Dealing cut Off time	
3.80%	Single	12:00	11:00	

NEPTUNE INVESTMENT MANAGEMENT LIMITED

Neptune UK Equity A Fund

Unit/Share type: **Acc** Fund type: **OEIC**

Investment Aims – The investment objective of the Neptune UK Equity Fund is to generate capital growth from investment predominantly in UK securities with the aim of achieving top quartile performance within the appropriate peer group.

Depository State Street Trustees Limited				
Special Risk Factors	Standard Initial Charge	Annual Management Charge ¹	Additional Charges & Expenses ²	RIY ISA based on UGR** ISA 7%
8,11	5.00%	1.60%	0.10%	4.75%
RIY UT/OEIC based on UGR** UT/OEIC 6%	Single/Dual Priced	Valuation Pricing Time	Dealing cut Off time	
3.47%	Single	12:00	11:00	

OLD MUTUAL FUND MANAGERS LIMITED

Old Mutual Corporate Bond A Fund

Unit/Share type: **Inc** Fund type: **OEIC**

Investment Aims – To maximise total return through investment in a diversified portfolio of fixed interest and other debt securities.

Depository Royal Bank of Scotland plc				
Special Risk Factors	Standard Initial Charge	Annual Management Charge ¹	Additional Charges & Expenses ²	RIY ISA based on UGR** ISA 7%
4,5,6,7 9,12,13	3.50%	1.10%	0.11%	4.76%
RIY UT/OEIC based on UGR** UT/OEIC 6%	Single/Dual Priced	Valuation Pricing Time	Dealing cut Off time	
4.20%	Dual	12:00	11:00	

RATHBONE UNIT TRUST MANAGEMENT LIMITED

Rathbone Global Opportunities Fund

Unit/Share type: **Acc** Fund type: **Unit Trust**

Investment Aims – To provide above average long term capital growth from a global portfolio. The fund will be able to invest in any transferable security in all recognised world financial markets. The income yield will be at best minimal.

Depository Royal Bank of Scotland plc				
Special Risk Factors	Standard Initial Charge	Annual Management Charge ¹	Additional Charges & Expenses ²	RIY ISA based on UGR** ISA 7%
2,3,6,8	5.50%	1.50%	0.10%	4.65%
RIY UT/OEIC based on UGR** UT/OEIC 6%	Single/Dual Priced	Valuation Pricing Time	Dealing cut Off time	
3.59%	Dual	12:00	11:00	

SCHRODER UNIT TRUSTS LIMITED

Schroder Income Maximiser A Fund

Unit/Share type: **Inc** Fund type: **Unit Trust**

Investment Aims – The Fund's investment objective is to provide income with potential for capital growth primarily through investment in equity and equity related securities of UK companies. The Fund will also use derivative instruments to generate additional income.

Depository J.P. Morgan Trustee and Depository Company Limited				
Special Risk Factors	Standard Initial Charge	Annual Management Charge ¹	Additional Charges & Expenses ²	RIY ISA based on UGR** ISA 7%
1,5,6,8 9,12	5.25%	1.50%	0.21%	5.47%
RIY UT/OEIC based on UGR** UT/OEIC 6%	Single/Dual Priced	Valuation Pricing Time	Dealing cut Off time	
3.70%	Dual	12:00	11:00	

STANDARD LIFE INVESTMENTS LIMITED

SL Inv Global Absolute Returns Strategy R Fund

Unit/Share type: **Acc** Fund type: **Unit Trust**

Investment Aims – The Funds objective is to out-perform UK Libor by 4% annually, net of fees, by exploiting market inefficiencies through active asset allocation over a 3 to 5 year horizon.

Depository J.P. Morgan Trustee and Depository Company Limited				
Special Risk Factors	Standard Initial Charge	Annual Management Charge ¹	Additional Charges & Expenses ²	RIY ISA based on UGR** ISA 7%
2,3,4,8,9	4.00%	1.50%	0.11%	3.13%
RIY UT/OEIC based on UGR** UT/OEIC 6%	Single/Dual Priced	Valuation Pricing Time	Dealing cut Off time	
2.13%	Single	07:30	15:15	

THREADNEEDLE INVESTMENTS

Threadneedle High Yield Bond 1 Fund

Unit/Share type: **Inc** Fund type: **OEIC**

Investment Aims – The Fund aims to achieve a higher level of monthly income. The Fund will invest principally in higher risk UK and international fixed interest securities. It may also invest in equities.

Depository J.P. Morgan Trustee and Depository Company Limited				
Special Risk Factors	Standard Initial Charge	Annual Management Charge ¹	Additional Charges & Expenses ²	RIY ISA based on UGR** ISA 7%
1,4,5,6,8,12	3.75%	1.25%	0.19%	4.90%
RIY UT/OEIC based on UGR** UT/OEIC 6%	Single/Dual Priced	Valuation Pricing Time	Dealing cut Off time	
4.00%	Single	12:00	11:00	

HOW WILL CHARGES AND EXPENSES AFFECT MY INVESTMENT?

Cofunds shares a platform fee from the fund manager's Standard Initial Charge with the fund manager. This fee has no impact on the charges you pay. Please refer to the 'Platform fee' section of the Key Features of the Cofunds platform for more information.

The following tables illustrate the total effect of charges and expenses on a typical Cofunds direct investment and an ISA or investment into a unit trust or an OEIC. Dealing costs are not included. Allowance for any tax relief available has been made in the calculation. The effect of charges is based on a lump sum investment of £5,000, and a monthly investment of £100 assuming a growth rate of 7.00% per year for ISAs and 6.00% for direct investments. These figures are laid down by the Financial Services Authority to demonstrate the effect of charges and expenses on an investment and are not guaranteed. The figures do not take into account any additional discount you may receive on your investment.

An example unit trust (Income) fund

Normally, unit trusts have a buying (offer) price and a selling (bid) price and the difference between these two prices is known as the spread. The buying price includes the manager's initial charge. For further details of the spread applied to an individual fund please contact your intermediary.

Initial charge: 5.25%

Annual Management Charge: 1.5%

Additional charges and expenses: 0.04%

Gross Distribution Yield: 3.56%

Annual charges and expenses are deducted from capital.

Figures are based on income units.

Investments within an ISA

At end of year	Investment to date £		Income to date £	Effect of deductions to date £		What you might get back at 7.00% £	
	Lump sum investment	Monthly saver		Lump sum investment	Monthly saver	Lump sum investment	Monthly saver
1	5,000	1,200	164	399	85	4,780	1,130
3	5,000	3,600	503	619	330	4,950	3,450
5	5,000	6,000	855	877	689	5,130	5,850
10	5,000	12,000	1,790	1,720	2,220	5,610	12,200

The last line in the table shows that over 10 years the effect of the total charges and expenses could amount to £1,720 (lump sum investment) or £2,220 (monthly saver). Putting it another way, if the growth rate were to be 7.00% per year, which is in no way guaranteed, the total charges would have the effect of reducing the growth rate to 4.60% per year (lump sum investment) or 4.02% per year (monthly saver).

Investment directly into Funds

At end of year	Investment to date £		Income to date £	Effect of deductions to date £		What you might get back at 6.00% £	
	Lump sum investment	Monthly saver		Lump sum investment	Monthly saver	Lump sum investment	Monthly saver
1	5,000	1,200	163	396	84	4,730	1,120
3	5,000	3,600	495	602	324	4,810	3,400
5	5,000	6,000	833	837	670	4,900	5,710
10	5,000	12,000	1,700	1,570	2,090	5,110	11,600

The last line in the table shows that over 10 years the effect of the total charges and expenses could amount to £1,570 (lump sum investment) or £2,090 (monthly saver). Putting it another way, if the growth rate were to be 6.00% per year, which is in no way guaranteed, the total charges would have the effect of reducing the growth rate to 3.62% per year (lump sum investment) or 3.03% (monthly saver).

An example OEIC (Growth) Fund

Shares in an OEIC fund have a single price, which means there is no bid/offer spread, merely a single price at which you buy and sell. The initial charge is deducted from the amount you invest and the remaining subscription invested at the single price.

Initial charge: 5.00%

Annual Management Charge: 1.38%

Additional charges and expenses: 0.28%

Annual charges and expenses are deducted from income.

Figures are based on accumulation shares.

Investments within an ISA

At end of year	Investment to date £		Effect of deductions to date £		What you might get back at 7.00% £	
	Lump sum investment	Monthly saver	Lump sum investment	Monthly saver	Lump sum investment	Monthly saver
1	5,000	1,200	374	78	4,970	1,160
3	5,000	3,600	611	315	5,510	3,680
5	5,000	6,000	902	679	6,110	6,480
10	5,000	12,000	1,930	2,340	7,890	14,800

The last line in the table shows that over 10 years the effect of the total charges and expenses could amount to £1,930 (lump sum investment) or £2,340 (monthly saver). Putting it another way, if the growth rate were to be 7.00% per year, which is in no way guaranteed, the total charges would have the effect of reducing the growth rate to 4.20% per year (lump sum investment) or 4.20% per year (monthly saver).

Investment directly into Funds

At end of year	Investment to date £		Effect of deductions to date £		What you might get back at 6.00% £	
	Lump sum investment	Monthly saver	Lump sum investment	Monthly saver	Lump sum investment	Monthly saver
1	5,000	1,200	371	78	4,920	1,160
3	5,000	3,600	595	311	5,350	3,630
5	5,000	6,000	862	661	5,820	6,320
10	5,000	12,000	1,760	2,200	7,180	14,100

The last line in the table shows that over 10 years the effect of the total charges and expenses could amount to £1,760 (lump sum investment) or £2,200 (monthly saver). Putting it another way, if the growth rate were to be 6.00% per year, which is in no way guaranteed, the total charges would have the effect of reducing the growth rate to 3.70% per year (lump sum investment) or 3.20% (monthly saver).

Dilution Levy/Adjustment

When you buy or sell units/shares in a single priced fund, the fund price does not include dealing costs, unlike a typical dual priced fund where costs are included in the spread. Therefore, the fund manager may seek to cover these costs by applying a dilution levy/adjustment to reduce the effect of dilution on the fund value. This amount is paid to the fund and if applied will be shown on your confirmation note.

Stamp Duty Reserve Tax

You may also be charged an amount of Stamp Duty Reserve Tax (SDRT) Provision (currently 0.5%). This is a charge made by the fund manager to be made as a provision for SDRT for which the fund may be liable and this is usually deducted from the fund (under the Stamp Duty and Stamp Duty Reserve Tax Regulations 1999). This is normally charged on withdrawals and certain transfers of Investments. Any amount of SDRT Provision charged to you will be shown separately on your confirmation note.

General Risk Factors

Like any investment there are risks involved in investing in the funds available through Cofunds. There are general risks which apply to all fund investments, as well as additional risks arising as a result of your fund selection. The general risks are listed below. Additional risks are highlighted in subsequent pages of this document.

- The value of your investment is not guaranteed, it may go down as well as up and income from it may fluctuate and you may not get back your original investment.
- Levels of taxation and tax relief are subject to change. The value of any tax relief will depend on your own individual circumstances.
- Funds available through Cofunds are not suited to short-term investment i.e. less than 5 years where, in most instances, investment into a bank or building society deposit account is likely to be more appropriate.
- For newly launched funds there is a risk that, if the assumed size is not achieved, the proportion of charges and expenses allocated to the fund may be higher and the value of the investment consequently reduced.
- Where a fund manager is the operator of an Open Ended Investment Company (OEIC) it is important to note that, although each sub-fund within the OEIC will be treated as being responsible for meeting its own liabilities, the Authorised Corporate Director may reallocate these in a manner which is fair to all the OEIC investors if any such sub-fund is unable to meet its liabilities. A shareholder will not, however, be liable for the debts of the OEIC after paying the purchase price of the shares.

Special Risk Factors

1. Part or all of the Manager's annual management charge and expenses may be charged to capital, rather than income of the fund, which could reduce the potential for capital growth. Your capital could also decrease if withdrawals exceed the growth rate of the fund(s).
2. For funds that invest overseas, exchange rate variations may cause the value of your investment to increase or decrease.
3. Investments in certain funds, including emerging markets, specialist geographical areas, smaller companies and specialist sectors (such as technology and ethical stocks) tend to be more volatile. This is due to factors such as restrictions in those areas or possibly the size of the companies. Additionally, these funds can suffer from partial or total illiquidity, which may lead to considerable price fluctuations and the inability to redeem your investment. For investments in emerging markets these are usually considered to carry a greater degree of risk relating to dealing, settlement and custody practices, than investments in established markets.
4. Funds that invest in fixed interest securities (corporate or government bonds). Unit values are sensitive to interest rate trends and/or inflationary expectations. An increase in medium to long-term interest rates is likely to reduce the value of your investment.
5. Where an investment objective is to provide income, when income is paid out, there is minimal potential for capital growth especially over the medium to long term. Where a bond fund income/running yield is greater than the redemption yield, this may erode capital.
6. Any adverse changes to perceived or actual solvency of organisations in which the fund invests may affect the fund's capital and therefore, any income paid by the fund.
7. For funds comprising mainly Bonds, the Gross Redemption Yield is normally quoted after all charges, but before tax has been deducted.
8. Whilst equity investments carry potential for greater returns over the longer term as opposed to investing in lower risk assets, the volatility on these returns can also be greater and the value of your capital is not guaranteed.
9. Fund managers may use derivative investments as part of their investment strategy. These may increase the fund's volatility, can cause disproportionate price fluctuations and may restrict potential gains in a rising market. Funds that primarily use derivatives as the main investment vehicle are considered higher risk.
10. If a fund invests in capital shares, income shares or zero dividend preference shares (Zeros), their value is at risk if the capital growth of the underlying assets that back these investments is inadequate.
11. The overall fund, or a significant portion of it, is invested in relatively few individual assets. Therefore, the performance of the fund is significantly influenced by the shares, fixed interest securities or properties of a relatively small number of companies or institutions.
12. Where the main objective of the fund is to provide an income, the level of income is not guaranteed and will often vary from one payment to another.
13. Funds that invest in higher risk fixed interest securities, known as subinvestment grade bonds. These bonds have a lower credit rating and a higher risk of default than investment grade bonds. This means there is an increased risk that the value of your investment could fall.
14. Property assets can be difficult to buy or sell, the impact of this could mean cash remains uninvested, disposing of property at an unfavourable price, illiquidity of investments and reduced diversification if the size of the portfolio falls significantly. Investors should be aware that their right to sell units may be suspended by the fund manager in situations where there is insufficient uninvested cash or assets which are readily realisable to meet investor demand for the sale of units. In addition rental growth is not guaranteed, rent default could have an adverse impact on performance. Property valuations are based upon the opinion of independent property experts, not fact, so can be liable to revision, up or down.
15. These funds are unable to invest in certain sectors and companies due to the ethical criteria used to select investments for the fund. This could mean that the fund is more volatile than funds which do not have these restrictions.
16. As this is an aggressively managed fund, investors should be prepared to accept a higher degree of risk than for a fund with a broader investment mandate.
17. The value of units may be adversely affected by insolvency or other financial difficulties affecting the banks and building societies with whom the fund's monies are deposited. These deposits are not protected by the Financial Services Compensation Scheme (FSCS).
18. The value of investment returns will be reduced by a 'performance' fee charged to the fund if the fund outperforms a pre-determined level of return. Full details of how this is calculated and charged is available from your intermediary and within the fund's Scheme particulars, Prospectus or Simplified Prospectus.

19. The Close protected unit trust funds give exposure to the movements of the stockmarket, with either 100% or 95% protection (depending upon fund choice) on a quarterly basis from falls, provided the investment remains intact across two consecutive quarter dates, i.e. for a full three month period. The selling price at the end of each period is to be no lower than the selling price at the start of the period for the 100 Fund, or a maximum of 5% lower for the 95.
20. For the Close 100 and 95 funds at the beginning of each quarter a minimum selling price is set for the Funds representing the protection on the units sold at this price. Instructions to sell must be received to coincide with the quarter days which are the third Fridays in March, June, September and December. Actual returns will depend on the stockmarket. No return is guaranteed and the return in any one quarter can be zero.

WHERE TO GET FURTHER INFORMATION

If you wish to receive further information about the funds or copies of the scheme particulars or prospectuses, you will need to contact your intermediary or the fund management group direct. If you require a simplified prospectus relating to any UCITS scheme held on the Cofunds platform, please request this information directly from your intermediary. This should be supplied to you free of charge.

All fund information has been provided by the respective fund manager. Please note that Cofunds only offers retail funds. The information supplied within this document is an accurate and current as we can make it, but we cannot guarantee that the status of any fund has not changed since this document was published in November 2009.

'FTSE' is a registered trademark of the London Stock Exchange plc and the Financial Times Limited and is used by the FTSE under licence.

The funds included in this schedule were chosen by Chartwell Group Limited, your nominated intermediary. They represent a selection of funds available on the Cofunds platform. Cofunds cannot advise you on which funds to choose or whether the funds selected by Chartwell Group Limited are appropriate for you. Please note that no advice has been given in this offer. If you are in any doubt about the suitability of this investment for you, please contact Chartwell Group Limited.

Supplement to Your guide to investing with Cofunds and the Cofunds Customer Agreement (0210G1)

You should read this supplement if your nominated adviser is Chartwell (IFA) Ltd ("Chartwell").

This document should be read in conjunction with, where applicable, the "Your guide to investing with Cofunds: (Version 0210). If you are purchasing collective investments available on Cofunds within a pension, this needs to be read in conjunction with the relevant "Cofunds Customer Agreement".

Adviser Benefits

Monetary – Cofunds may pay Chartwell a commission payment, relating to operational efficiencies. This will be up to 0.06% of the value of Chartwell's total customer assets held on the Cofunds platform and will depend in part on the average size of customer holdings. Any payments made will not impact the amounts you invest or the performance of your investment.

Your guide to investing with Cofunds

Introducing the platform that makes it easy to plan for your financial future

Including Key Features of the Cofunds Investment ISA, Key Features of Investment Funds and Terms and Conditions of the Cofunds Platform

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Welcome to Cofunds

Your adviser has chosen to use the Cofunds platform to arrange and manage your investments. This guide should provide you with all the information you need to know about Cofunds and how the Cofunds platform works. It explains the features that enable you and your adviser to manage your investments easily and efficiently in one place – and highlights any potential risks you should know about.

If you have any questions or there's anything you don't understand, please speak to your adviser.

Throughout, this guide refers to 'your adviser'. This may range from an adviser who advises on and handles all of your financial planning for you, to someone who provides no advice but simply arranges to buy and sell investments on your behalf. Cofunds only operates with advisers authorised and regulated by the Financial Services Authority (FSA).

What else you should read

To help ensure you make the right choices for your circumstances, please remember to read this guide alongside the important Key Features provided for you in this document. It's part of a set of documents you should read before deciding whether to invest. You should also read:

- Terms and Conditions of the Cofunds Platform
- If you are purchasing new funds, Fund Key Features

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.

Version 0210

Issued and approved by Cofunds Limited, 1st Floor, 1 Minster Court, Mincing Lane, London EC3R 7AA. Registered in England and Wales No.3965289. Authorised and regulated by the Financial Services Authority (FSA) under FSA Registration No. 194734.

To make it easier for you to get all the information you need, look out for these symbols below...



Important



Refer to the document



Please write to



Ring the number provided



Go to the website



Speak to your adviser

1. Introducing Cofunds

Cofunds – a trusted investment partner

Cofunds has been helping advisers to meet their clients' financial goals since 2001. The company was originally set up with backing from four major fund management groups. Now it offers the reassurance of being co-owned by six well established financial services companies.

Cofunds strives to provide a truly market leading investment platform:

Independence – Cofunds is fully independent. It doesn't provide advice or sell its own funds, so is completely impartial. This means you and your adviser have total freedom to decide on the best options for you.

Supporting great advice – Cofunds believes professional financial advice is essential when making investment decisions. Cofunds is therefore fully focused on supporting your adviser with the very best support and range of products. In turn, your adviser can concentrate on giving you the very best advice.

Investment platforms explained

Quite simply, an investment platform is a service that allows different investments to be arranged, managed and tracked in one place. Funds, ISAs, pensions and other financial arrangements can all be held together as one portfolio so it's much easier to plan for your financial needs.

Your adviser can use a platform to arrange new investments for you, or to bring together ('consolidate') investments you already hold.

Benefits of using a platform

Lots of advisers are choosing to use an investment platform to administer their clients' financial plan. Here are some reasons why:

Choice – In one place, your adviser can get access to investment funds, products and other options from across the whole market, from leading-name investment groups to more specialist providers. Your adviser can then create the portfolio that's exactly right for you, using the best investment options available.

Control – Because all your investments are in one place, changes can be made to your portfolio easily and swiftly. This means you can quickly take advantage of new investment opportunities or act if unwanted risks arise.

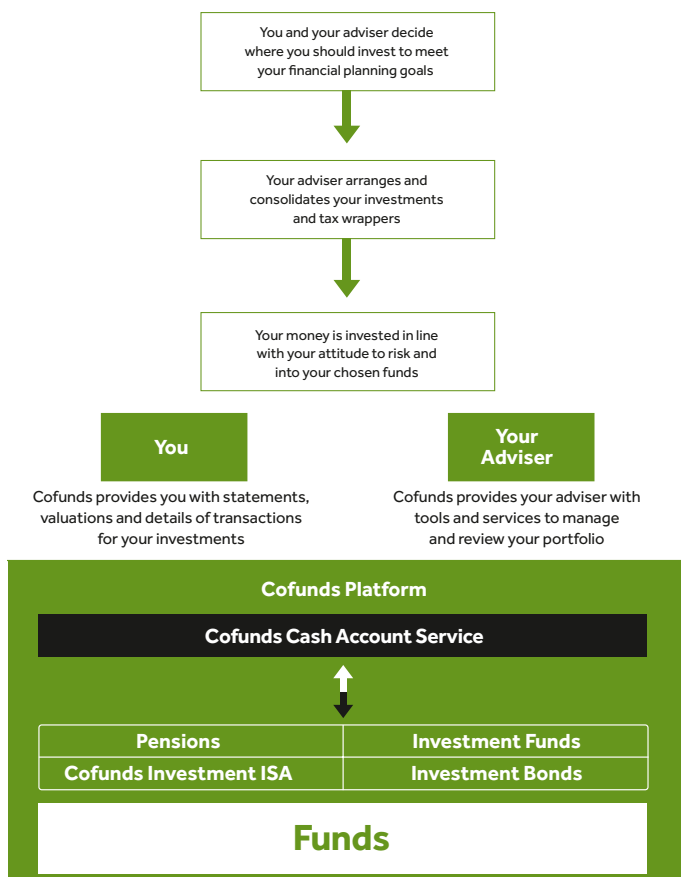
Clarity – With a consolidated view of the performance of all your investments, you and your adviser can quickly see if your investments are performing according to your agreed investment goals and risk profile. Progress of your overall portfolio or individual holdings can be easily assessed at any time.

Flexibility – You and your adviser can develop and maintain a long-term investment strategy, which can be as simple or as complex as you need. This can then be easily adjusted whenever required.

Ease – Instead of receiving paperwork and reports from many different fund groups and product providers, you receive consolidated reports for all your investments. Your paperwork is streamlined and your administration simplified.

How Cofunds works for you

The diagram shows how the Cofunds platform works:



‘Because all your investments are in one place, changes can be made to your portfolio easily and swiftly.’

1. Introducing Cofunds (cont.)

The choice you need to build the right investment portfolio

The Cofunds platform is designed to offer access to a wide range of investment and financial-planning options so your adviser can create a solution that's exactly right for you.

Funds

Funds can offer an easy way to invest, even if you have little investment experience or only a modest amount of money to invest. Funds pool investors' money which is then invested by a professional fund manager across a range of different investments, including shares, securities, property and cash, in line with the fund's investment objectives.

To give you the investment choice you need, Cofunds offers over 1,300 funds which cover a wide range of investment sectors from more than 90 leading and specialist fund management groups (as at 1/2/2010).

Tax wrappers

Funds can be held on their own, 'unwrapped', or they can be held in a choice of tax-efficient 'wrappers' to optimise your financial planning:

- **Individual Savings Account (ISA)** – Cofunds offers a stocks and shares ISA enabling you to hold funds in a tax efficient way to provide capital growth and income over the medium to long term. You can access your money at any time.
- **Personal Pensions and SIPPs** – These personal investment plans are designed specifically to save for and provide income in retirement. You will receive tax relief on the contributions you make into your plan and any growth will be tax efficient.

When you come to take an income, tax may be payable. Benefits cannot be drawn until you reach retirement age, usually 55 at the earliest. Cofunds offers access to self-invested personal pensions (SIPPs) as well as personal pensions such as the Cofunds Pension Account.

- **Investment bonds** – These life-assurance based investments are designed to produce medium to long-term capital growth. Investment bonds can be used to give you an income in the form of a withdrawal in a tax efficient way.

Please note however, the amount you can withdraw tax efficiently is restricted. Any growth or income generated within the investment bond will be subject to tax. Cofunds offers both onshore and offshore bonds from some of the UK's leading providers.

The tax benefits of tax wrappers will depend on your individual circumstances. The tax treatment of tax wrappers could change in the future. Please see the Key Features section to learn more about your chosen tax wrapper.

Cofunds Cash Account service

The Cofunds Cash Account is a service that allows you to temporarily hold money on the Cofunds platform. This gives you the flexibility to move your money in and out of investments without having to take it off the Cofunds platform.

Being able to hold money on platform means you can time your investments, make regular withdrawals easily, collect income payments and if agreed could be used to pay charges made by your adviser.

See Section 3 to learn more.



Further details of the different fund types available on the Cofunds platform can be found in the **Fund Key Features**.



The value of your investment, and income from it, is not guaranteed. It may go down as well as up and you may not get back your original investment.

How Cofunds is paid for its services

Cofunds doesn't charge you for investing through the platform. You pay the same fund charges as you would if you invested directly with the fund manager.

Cofunds receives its income from a number of different sources to help provide you with a market-leading service. This pays for the costs of distributing funds through our platform and the associated administration services we provide to you and your adviser.

a. Client charges

The charges you pay are detailed in section d. 'What charges will I pay?'. These include:

- Switching charges
- Fund manager reports and accounts charges
- Shareholder/unitholder meetings charges

b. Fund Manager payments

Initial charge – Every time you make a new investment, you will pay your chosen fund manager an initial charge. Cofunds will receive a proportion of this charge from the fund manager.

We receive between 0% and 0.75% of the investment amount as our proportion of the fund manager initial charge, with the average being 0.09%.

Annual Management Charge (AMC) – Each year, you will pay each fund manager an annual management charge. The fund manager will pass Cofunds a proportion of this charge.

Cofunds receives between 0.1% and 0.4% of the value of assets in each fund administered by Cofunds, with the average being 0.25%.

Fund management charges are detailed in individual Fund Key Features.

The example in section d. 'What charges will I pay?' demonstrates how Cofunds is paid for its services. The items highlighted in bold are retained by Cofunds.

c. Interest on money held on clients' behalf

Cofunds may earn interest on all money held on clients' behalf, for example money awaiting investment. Depending on the type of account in which the money is held, you may be paid a portion of this interest. The rate of interest earned is based on the current Bank of England base rate.

d. What charges will I pay?

Fund manager charges – These are outlined in section 1b opposite and the example below shows how Cofunds is paid for its services. The items highlighted in bold are retained by Cofunds.

Example - £10,000 invested in an ISA in a typically priced investment fund

Investment amount		£10,000
Fund manager initial charge	5%	£500
Retained by fund manager	1.25%	£125
Commission paid to the adviser by the fund manager	3%	£300
Received by Cofunds	0.75%	£75
Fund manager AMC	1.5%	£150
Retained by fund manager	0.6%	£60
Commission paid to the adviser by the Fund Manager	0.5%	£50
Passed to Cofunds by fund manager	0.4%	£40
Total charges paid by the client		£650
Total amount paid to Cofunds		£115

Switching charge – If you switch your investment between directly-held funds or between funds held in an ISA, Cofunds will apply a charge of 0.25% of the amount of money you are switching.

For example, you might hold £10,000 in an ISA, all invested in one fund. If you wished to switch £5,000 of that investment to a new fund, Cofunds would charge 0.25% of £5,000 – so you would pay £12.50. However, there is no cost to switch funds within the Cofunds Pension Account.

Fund manager reports and accounts – Paper copies of the fund manager reports and accounts are available on request at a charge of £20 per fund.

Shareholder/unitholder meetings – For the Cofunds Investment ISA, you have the right to attend and vote at shareholder meetings of companies in which you hold shares. You can also instruct Cofunds to vote at these meetings on your behalf. For carrying out each such instruction, Cofunds will charge you £20.

Other costs of investment

Adviser charges – You and your adviser will agree the cost of their advice at the outset. To help you keep track of the overall costs of your investments, Cofunds offers a service where your adviser's charges can be deducted from the Cofunds Cash Account.



For current rates of interest paid to investors on money held on the Cofunds platform go to: www.cofunds.co.uk/docs/cofundrates.pdf
If you don't have online access, please ask your adviser for rate details.



For more information on the charges you pay on your selected funds, please see the 'Fund Key Features'.



You can download fund manager reports and accounts free of charge at www.cofunds.co.uk



If you would like specific information on:

- charges received from the fund manager in relation to your investment;
 - how Cofunds is paid for its services;
 - how Cofunds receives interest on client money;
- please write to **Cofunds Administration, PO Box 1103, Chelmsford, CM99 2XY.**

2. Getting you started on Cofunds

Your eligibility and commitments

To make the most of Cofunds' services, you are asked to meet some simple requirements:

Eligibility to invest

To have your investments administered by Cofunds, you must:

- be aged 18 or over
- invest through an adviser authorised by the Financial Services Authority (FSA)

You need to be ordinarily resident in the UK. In some circumstances Cofunds may accept applications from overseas. Speak to your adviser for more information.

Your commitment

- Initially, you must invest a minimum of £1,000 per fund as a lump sum, or £100 per fund (£50 for ISA) if you are making regular savings
- You must keep Cofunds informed of any relevant changes in your personal circumstances, such as a change of address

Setting you up on Cofunds

There are three simple steps to start investing with Cofunds:

Step 1 – You and your adviser identify suitable investments and products on the Cofunds platform. You read all the relevant Key Features documents to ensure these investments and products are right for you.

Step 2 – You complete a Cofunds application form and submit payment. As part of your application you can now nominate a bank account to be linked to your Cofunds Cash Account (see the 'Managing your investments' section).

Step 3 – Cofunds sends you a letter welcoming you to the platform. This will provide two important reference numbers:

- **Client reference** – this number is used to identify you as an investor on the platform and will enable any queries or requests you have to be dealt with swiftly
- **Platform account reference** – this is the number for your Cofunds Cash Account, which is automatically opened for you once your application has been approved. This should be quoted every time you want to move money between your Cofunds Cash Account and your nominated bank account

Why nominate a bank account?

Having a nominated bank account can make it very easy for you to manage your investments. It can:

- minimise the time taken for money to be transferred to and from the Cofunds platform. You can arrange new investments quickly and conveniently, and receive income and withdrawals direct to your bank account
- receive regular withdrawals from your portfolio – important if you require a fixed, periodic payment from your investments
- provide peace of mind – once Cofunds has verified the account belongs to you, it will accept all payments in and out of this account and send all income payments to it. Money can be transferred securely using Banks Automated Clearing Service (BACS).

'By nominating a bank account you can minimise the time taken for money to be transferred to and from the Cofunds platform.'



In some circumstances Cofunds may accept applications from overseas. Speak to your adviser for more information.



For important information on making contributions into the Cofunds Pension Account, please see the **'Key Features of the Cofunds Pension Account Provided by Suffolk Life'**.



Processing your instructions or making payments to you may be delayed if we have not received sufficient proof of your identity, address or where your money has come from.



Additional information may be required, depending on your chosen product. Please speak to your adviser for more information.



For more on how to transfer existing investments to the Cofunds Platform, please see the **Key Features**.

Paying for your investments

Cofunds gives you the flexibility to pay for your investments with lump sums, regular payments or a combination of both.

a. Lump sum investments

You have a choice of ways to pay for lump sum investments:

- from your **Cofunds Cash Account**
- **by cheque** (payable to Cofunds Limited)

If you are investing into an ISA or directly into funds, you can also pay by debit card if you or your adviser are paying online.

b. Regular investments

You can make regular monthly investments, or 'contributions', directly into funds, ISAs or the Cofunds Pension Account. For regular monthly investments into your ISA or directly held funds, payments will be deducted from your chosen bank account on or shortly after the 25th of the month by direct debit.

Anti-money laundering requirements

To comply with UK Anti Money Laundering regulations your adviser and/or Cofunds may require documented proof of your identity, address and where your money has come from.

We may also require documented evidence that your nominated bank account belongs to you. If insufficient documentary evidence is available, Cofunds may carry out an identity search using credit reference agencies and payment to you may be delayed.

Transferring investments onto Cofunds

As well as making new investments on Cofunds, you can also transfer, or 'consolidate', existing investments onto the platform, provided the funds in question are available on Cofunds and they can be accepted within the relevant tax wrapper(s).

You may also make the transfer in cash, which means the funds within your wrapper will be sold and the proceeds sent to Cofunds. Cofunds then invests them into your chosen funds.

Cofunds can accept transfers of:

- directly-held funds
- ISAs
- pensions assets

Your adviser can assess the suitability of transferring investments to Cofunds. They will then work with Cofunds to transfer them on your behalf.

Why consolidate?

Consolidating your existing investments on the Cofunds platform gives you the convenience of having your financial planning in one place. This can make it easier to follow an investment strategy, make changes across your portfolio as required and monitor your progress against your financial goals.

3. Managing your investments

How and when your money is invested

Cofunds will buy shares and units in your chosen funds on your behalf. It has a strict procedure when carrying out orders to buy, sell, or switch investments to ensure every trade is dealt with fairly and efficiently:

- Cofunds normally buys units or shares in funds at the next available valuation pricing time following receipt of your instruction (or monthly payment if you are a regular saver). This will normally be the same business day providing relevant dealing cut-off times are met.
- Instructions are processed in the order they are received. However, instructions submitted online may be dealt with sooner than postal applications. During busy periods, instructions (either postal or online) may be placed at the next available valuation pricing time on the business day following receipt.

Valuation pricing and dealing cut-off times

Units or shares in your chosen funds are bought, sold and switched directly through the fund manager. The fund manager calculates the price at which these can be bought or sold at a specific 'valuation pricing time' each business day. To be able to buy or sell at that price, orders must be received by a specified dealing cut-off time.

Valuation pricing times and dealing cut-off times can vary between funds.

Switching between funds

There will be times when you and your adviser want to alter your investment strategy or take advantage of new investment opportunities. Cofunds helps by letting you switch between funds at any time. This includes changing your choice of funds within a tax wrapper such as an ISA or pension.

The switch process is made up of two parts:

- Firstly, we sell existing funds at the next available 'valuation pricing time' (see 'How and when your money is invested?')
- Secondly, once we receive confirmation of the sale and price from the fund manager, we will then buy your new funds, again at the next available pricing time

Therefore, whilst your switch is taking place, your money will not be invested and you will not know in advance what prices you will receive.



Please see the **'Fund Key Features'** for dealing cut-off times for specific funds.



Please note that European public holidays may affect the placement of your deals in European Collective Investment Vehicles (ECIVs).



For current interest rates on the Cofunds Cash Account go to: www.cofunds.co.uk/docs/cofundrates.pdf
If you don't have online access, please ask your adviser for rate details.

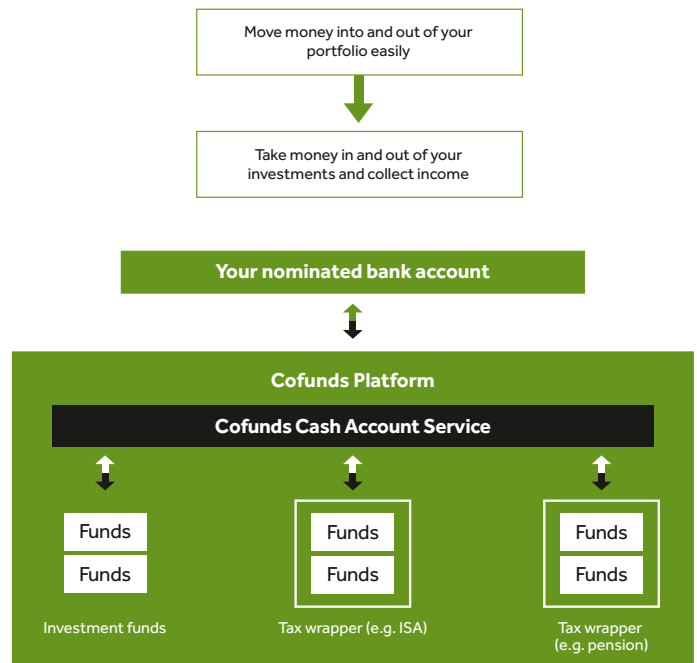
The Cofunds Cash Account

The Cofunds Cash Account allows you to hold money on the Cofunds platform. It's not an investment product or bank account – it's a service that can become central to managing your investments on the Cofunds platform, allowing you and your adviser to manage your investments easily and efficiently. By linking your Cofunds Cash Account to a nominated bank account, it is also easy to make new investments and take withdrawals.

It is opened automatically for you as soon as your application to invest on Cofunds is accepted. A Cash Account will be linked to each different group of investments – for example, for solely and jointly-held investments.

You can deposit money in a Cofunds Cash Account from your nominated bank account using BACS, or by sending a cheque.

The Cofunds Cash Account – at the heart of your portfolio



Note: pensions are subject to strict rules regarding withdrawal of capital and income

Time your investments – Money can be held in the Cofunds Cash Account while you are waiting for a suitable investment opportunity or if you want to take money out of the market for a while. By holding money on platform, it is readily available when you want to invest.

Collect income – You can use the Cofunds Cash Account to collect income paid out by your investments. This could then be used to meet regular withdrawals.

Earn interest – Money held temporarily in the Cofunds Cash Account will earn interest daily, which will be credited monthly in arrears. Please note, if any interest earned in a month is less than £1, no interest will be paid. Interest is paid net of 20% tax.

3. Managing your investments (cont.)

Managing your investment income

If you hold investments that generate an income, you have the freedom to choose whether income is paid out to you, simply held on the platform for future use, or reinvested using accumulation units. The following options all apply to directly-held funds and ISAs.

a. If you want income to be paid out to you

Consolidated monthly income – Income from your directly-held funds and/or ISA can be pooled and paid out to you as a single convenient monthly payment. To do this you will need to nominate a bank account into which payment can be made.

All income received in the previous month will be paid to you on or shortly after the 6th of the month. Any income waiting to be paid out to you will be held securely in a client money account called the Consolidated Income Account, where it will earn interest. Interest of less than £1 a month is not paid.

If you want to set up a regular withdrawal – Income can be used to fund a regular withdrawal – see the 'Accessing your money' section. If you choose to receive a regular withdrawal, any monthly income payments will stop and be used to fund the withdrawal instead.

b. If you want to hold income on the platform

Income from directly-held funds and your ISA can be paid into your Cofunds Cash Account, which means the income stays on the platform. It's made available shortly after it is received from the fund manager and not consolidated into a single payment. Once available you could use it to fund new investments, pay adviser-related costs, or cover regular withdrawal payments.

c. If you want to reinvest income

If you want to reinvest income, you can elect to hold accumulation units or shares. Or if you hold income units or shares, you can request that income is reinvested to buy more units or shares in your chosen fund.

Some fund managers allow you to convert from accumulation to income units or shares (and vice versa) for the same fund, at no charge.

Income vs. accumulation shares

Most funds offer a choice of accumulation units or shares or income units or shares.

Accumulation units/shares – Any income earned on your investment is not paid out. Instead it accumulates within the price of the unit or share, increasing its value.

Income units/shares – Income is paid out. This can be paid out or reinvested to buy more units or shares, thereby increasing the number of units or shares you hold.



Pensions are subject to strict rules regarding withdrawals of income. For income options on the Cofunds Pension Account please see the '**Key Features of the Cofunds Pension Account Provided by Suffolk Life**'.



For current interest rates on the Consolidated Income Account, go to: www.cofunds.co.uk/docs/cofundrates.pdf

If you don't have online access, please ask your adviser for rate details.



If you have investments of more than £100,000 on Cofunds, you can choose for income to be paid to you shortly after it is made available rather than as a consolidated monthly payment. Please speak to your adviser.



Please remember that once income is taken out of an ISA, it will no longer be sheltered from tax. Any further interest earned on it – for example in the Cofunds Cash Account – may be taxable.

Accessing your money

Cofunds makes it easy to access your money at any time, whether you want to make a one-off withdrawal or take withdrawals on a regular basis. The following applies to directly-held funds and ISAs.

a. One-off withdrawals

i. From your investments

You can request one-off withdrawals through your adviser or by writing directly to Cofunds.

You can receive your money in three ways:

- **Into your Cofunds Cash Account** – withdrawals can be available in your Cofunds Cash Account within five business days of the last fund being sold
- **Into your nominated bank account** – Payments will be made to your nominated bank account by BACS within five business days but may take up to eight business days in total to reach your account
- **By cheque** – Cheques will be issued within five business days of the last fund being sold and are then subject to postal delivery times

ii. From your Cofunds Cash Account

Money held in your Cofunds Cash Account can be withdrawn at any time by completing an instruction through your adviser or by writing directly to Cofunds. Instructions are processed within one business day of receipt and the money is transferred by BACS to your nominated bank account within five business days but may take up to eight business days in total to reach your account.

b. Regular withdrawals

If you require the stability and convenience of a regular fixed payment, you can set up a regular withdrawal from your Cofunds Cash Account.

The regular withdrawal facility lets you and your adviser decide the amount you should receive and how often (e.g. monthly, quarterly, half-yearly). This can then be met using income generated by your investments and, where necessary, selling units or shares in your fund(s) to meet the payment. Money is taken out of your Cofunds Cash Account on the 20th of the month the withdrawal is to be paid, or the next business day. It is then paid into your nominated bank account within five business days but may take eight business days to reach your account. You can stop or alter the size or frequency of the withdrawal at any time.

Making up a shortfall

Cofunds will calculate if there is enough money in your Cofunds Cash Account to cover your regular withdrawal. If there isn't enough money in your Cofunds Cash Account to meet your regular withdrawal, Cofunds will automatically meet the shortfall by selling units or shares in your funds and/or ISA holdings (this is known as a 'sell down'). The sale of units or shares to cover regular withdrawals takes place on the 9th of the month or next business day.

Although Cofunds will do this automatically for you, you control which fund units or shares will be sold if required:

Option 1 – Proportional sell-down

The sale of units or shares can be allocated across all funds held directly and/or in an ISA – you can choose from either

Option 2 – Specific sell-down

You can nominate up to five funds, directly held and/or held in an ISA, from which units or shares will be sold



Pensions are subject to strict rules regarding withdrawals of capital. To learn more, see the '**Key Features of the Cofunds Pension Account Provided by Suffolk Life**'.



See '**How and when is my money invested**' for the process Cofunds follows when selling or buying investments on your behalf. Please see the '**Key Features**' and consult your adviser to ensure that taking a regular withdrawal is appropriate for your circumstances.



Selling units or shares to meet a shortfall on your regular withdrawal will reduce the amount of money invested and may even deplete your investment entirely – see the illustration in Section 3. If money is withdrawn from an ISA it can only be reinvested in an ISA as part of your current ISA allowance. Also, if you withdraw from funds you hold directly with Cofunds, this money may be subject to capital gains tax.

Effect of a regular withdrawal facility on investment funds

Assumptions

These are assumptions made for the purposes of this illustration. The actual charges and expenses and growth rates on your chosen funds may be higher or lower.

Initial charge	3%
Annual management charge	1.50%
Additional charges and expenses	0.13%
Annual growth rate	6% a year
Type of units	Accumulation

Selling units or shares on a regular basis to meet a regular income withdrawal will affect how much capital you might get back. The illustration below assumes that a fixed £250 per month regular withdrawal (total £3,000 annually) is 'sold down' from a single holding in an Open-Ended Investment Company (OEIC) fund. The 'Redemptions to date' column represents the total amount redeemed from the investment to help meet the regular withdrawal.

OEIC with regular withdrawal facility – direct into fund

At end of year	Investment to date (£)	Redemptions to date (to meet investor's regular withdrawal) (£)	Effect of deductions to date (£)	What you might get back at growth of 6% a year (£)
1	50,000	3,000	2,399	47,520
3	50,000	9,000	4,309	45,432
5	50,000	6,379	6,379	43,160
10	50,000	12,349	12,349	36,575

The bottom line in the table above shows that over 10 years, the total effect of charges and expenses could amount to £12,349 for someone investing a single lump sum of £50,000 directly into the fund. If the growth rate for the fund was 6% a year, which is not guaranteed, these costs could have the effect of reducing the growth rate to 3.85% a year.

Keeping track of your investments

The Cofunds platform is specifically designed to make it easy for you to keep track of your investments and see if you are on course to meet your financial goals.

Your adviser can keep you up to date with the latest information about your investments, their performance and current value. Some advisers may provide you with online access to this information.

In addition, Cofunds will send you:

- **Confirmation notes** – These are sent to you each time investments are bought, switched and sold on your behalf. If you have regular monthly investments, Cofunds will send a confirmation note when it is first set up, not for every investment
- **Annual statements** – Provide information on the value of your investments, the transactions that have taken place since your last statement and any income received
- **Consolidated confirmation notes** – Detailed transactions that aren't included on standard confirmation notes, including all regular saving transactions, reinvestment of income shares or units, 'sell downs' for regular withdrawals, and deductions relating to adviser charges are provided on a consolidated confirmation note. This is provided half-yearly. This information is also provided on your annual statement
- **Corporate actions/changes to funds** – Cofunds will keep you informed in writing of any actions proposed by the fund managers on funds that you are invested in, such as a change in investment objective
- **Consolidated tax voucher/tax deduction certificate** – To help you complete your tax return, these detail the taxable income received on directly-held funds and any tax deducted from interest earned on cash accounts
- **Reports and accounts** – Reports and accounts for funds can be downloaded free of charge at www.cofunds.co.uk. You can also request paper copies of reports and accounts for each fund. There is a £20 charge for each request, per fund



You can also check fund prices daily. These are available in newspapers and online at: www.investmentuk.org/investors

4. Keeping your investments safe & secure

Holding your money and investments

Cofunds is committed to ensuring that money and investments held on the Cofunds platform are secure at all times.

In line with Financial Services Authority (FSA) rules, all client money or investments held with Cofunds are completely segregated ('ring-fenced') from Cofunds' own money and assets. This means they cannot be accessed by Cofunds should the company fall into financial difficulties.

Money – Money held on the Cofunds platform is held securely in a client money account at selected banks.

Investments – Once money is invested with a fund manager, units and shares in the funds are registered in the name of Cofunds Nominees Ltd – a fully-owned subsidiary of Cofunds. This ensures that assets are securely segregated from Cofunds' own assets. Holding all clients assets with a nominee also streamlines administration and enables Cofunds to transact efficiently on behalf of clients.

Cofunds keeps a record of your individual holdings. You remain the beneficial owner of these assets. Cofunds Nominees Ltd is not authorised by the FSA, but Cofunds Limited accepts full responsibility for its subsidiary.

Compensation

Cofunds is covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the scheme if Cofunds cannot meet its obligations.

In general this is when a firm has stopped trading, and has insufficient assets to meet claims, or is in insolvency. This depends on the type of business and the circumstances of the claim. Most types of investment business are covered up to a maximum compensation of 100% of £50,000.



For details of the banks Cofunds holds money with, go to: **www.cofunds.co.uk/docs/cofundrates.pdf**. If you don't have online access, please ask your adviser for details.



For details on the Financial Services Compensation Scheme (FSCS), in relation to Cofunds and any product available on Cofunds go to: **www.cofunds.co.uk/docs/FSCS.pdf**. If you don't have online access, please ask your adviser for details.



Details of Cofunds' conflict of interest policy can be found at: **www.cofunds.co.uk/docs/coi.pdf**. If you don't have online access, please ask your adviser for details.



Each investment and product has its own cancellation policy. Please refer to the relevant **Key Features** for more details.



For further information about the Financial Services Compensation Scheme (FSCS), please speak to your adviser or contact the FSCS: **Financial Services Compensation Scheme 7th Floor, Lloyds Chambers, Portoken Street, London E1 8BN**
www.fscs.org.uk, Tel: 020 7892 7300



Cofunds
Administration
PO Box 1103
Chelmsford
CM99 2XY



The Financial Ombudsman
South Quay Plaza, 183 Marsh Wall,
London E14 9SR
Email: **complaint.info@financial-ombudsman.org.uk**
Tel: **0845 080 1800**

Conflicts of interest

There are some situations where the activities and interests of a company may conflict or potentially compromise the best interests of its customers and clients.

Cofunds is committed to making clear all activities or situations that could give rise to a conflict of interest. The company aims to minimise conflicts as far as possible. Where conflicts cannot be eradicated, Cofunds looks to manage them in the best interests of its clients.

Changing your mind

All investments and products on Cofunds give you a period of time to cancel an application should you change your mind about investing.

Complaints

If you have a complaint about Cofunds, your adviser will be able to make the complaint on your behalf. Alternatively you can contact Cofunds directly by writing to the Head of Retail Operations at its administration address.

Cofunds has a strict complaints procedure to resolve issues quickly and efficiently. Should you feel that a problem hasn't been dealt with satisfactorily, you can take your complaint to the Financial Ombudsman Service.

If you have a complaint relating to an investment fund, you should initially speak to your adviser or the fund manager in question.

Any questions?

We hope this introductory guide has been useful in informing you about the Cofunds platform and how it can support you and your adviser.

If you have any queries about any aspect of Cofunds' service, speak to your adviser. If you would like to contact Cofunds directly, please write to the address below.



Cofunds, PO Box 1103, Chelmsford, CM99 2XY

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.



Part 2: Key Features of the Cofunds Investment ISA

This section provides you with information about the Cofunds Investment ISA (Individual Savings Account). This is a stocks and shares ISA that can be used to hold funds available on the Cofunds platform tax efficiently.

The Financial Services Authority is the independent financial services regulator. It requires Cofunds, to give you this important information to help you to decide if investing through the Cofunds Investment ISA is right for you.

This document is important as it governs your rights as an investor. You should read it carefully so that you understand what you are buying, and then keep it safe for future reference. If you are unsure about any of the information provided, or have any questions, please speak to your adviser who will be able to help you.

Its aims

The Cofunds Investment ISA is a stocks and shares ISA, enabling you to hold funds in a tax efficient way to provide capital growth and income over the medium to long term. You can access your money at any time.

Within the ISA, you can invest in the wide range of funds available on the Cofunds platform, with access to a broad range of underlying investments. Typically, investing in funds is a medium to long-term investment of at least five years.



For charges relating to the Cofunds platform, please see '**Your guide to investing with Cofunds**'.

For charges on your chosen funds, please see '**Fund Key Features**'.

Your commitment

To invest in the Cofunds Investment ISA you need to meet certain requirements as set out by HM Revenue & Customs (HMRC):

- you must be aged 18 or over
- you must be resident and ordinarily resident in the UK for tax purposes, unless you are currently a Crown employee or their spouse or civil partner
- the amount invested must not exceed the current maximum ISA allowance (see 'What's the maximum I can invest?' in the Questions and Answers section.)
- you may not open another stocks and shares ISA with another provider in the same tax year

Charges

Cofunds does not charge you for holding your ISA wrapper on the Cofunds platform, however:

- charges will apply on funds held within your ISA. In addition, there may be charges payable for platform services, such as for switching between funds
- you have the right to attend and vote at shareholder meetings of companies in which you hold shares. You can also instruct Cofunds to vote at these meetings on your behalf. For carrying out each such instruction, Cofunds will charge you £20.
- reports and accounts for funds can be downloaded free of charge at www.cofunds.co.uk. If you would like paper copies of reports and accounts for funds within your ISA, there is a £20 charge per fund, for each paper request

Questions and Answers

Type of ISAs

Q. What type of ISA is the Cofunds Investment ISA?

The Cofunds Investment ISA is a stocks and shares ISA. You can hold a wide range of the collective investments available on the Cofunds platform – giving you a choice of more than 1,300 funds from over 90 fund groups within your ISA.

Q. Does Cofunds offer a cash ISA?

No, but you can allocate up to half of your ISA allowance to a cash ISA with another provider.

Making contributions

Q. What's the minimum I can invest?

The Cofunds Investment ISA gives you the freedom to invest lump sums, regular monthly amounts or a combination of both. The minimum investments you can make are as follows:

Minimum investments in the Cofunds Investment ISA

Lump sum (further top-ups)	£1,000 per fund (£500)
Regular savings	£50 per fund a month

Q. What's the maximum I can invest?

There are strict limits on how much you can invest in an ISA each tax year (6 April to 5 April the next year).

The ISA allowance is being raised from £7,200 to £10,200 a year, so you will be able to invest more cash tax efficiently. This increase has been in effect since 6 October 2009 for investors aged 50 or over during the 2009/2010 tax year. It will be effective for all eligible investors from 6 April 2010.

ISA limits until 5 April 2010	Aged 50 or over	Aged under 50
ISA limit (max)	£10,200	£7,200
The maximum of which can go into a cash ISA	£5,100	£3,600

ISA limits from 6 April 2010	All eligible ISA investors
ISA limit (max)	£10,200
The maximum of which can go into a cash ISA	£5,100

'The ISA allowance is being raised from £7,200 to £10,200 a year, so you will be able to invest more cash tax efficiently.'



There are two types of ISA you can invest in – a stocks and shares ISA and a cash ISA. Stocks and shares ISAs invest in stock market-based investments so the value of your investment can go down as well as up which means you could lose your investment.

This makes them higher risk than cash ISAs, which are generally low risk cash deposits.



For risks relating to stock market-based funds, please see 'Fund Key Features'.



For all methods of paying for your ISA, please see 'Your guide to investing with Cofunds'.



For current interest rates on the Cash Reserve facility, please go to: www.cofunds.co.uk/docs/cofundrates.pdf

If you don't have online access, please ask your adviser for rate details.

Q. How can I allocate my ISA allowance in the current tax year?

You can choose a number of ways to allocate your ISA allowance to suit your investment needs:

- You can invest the whole of your annual ISA allowance in a stocks and shares ISA, such as the Cofunds Investment ISA
- Alternatively, you can invest up to half your allowance in a cash ISA (please remember that Cofunds does not offer a cash ISA)
- If you do not use the whole of your cash ISA allowance in a particular tax year, you can put the remainder in a stocks and shares ISA to bring you up to your annual allowance. In this way, you can tailor your balance of cash and stock-market based investments to meet your needs

Q. Can I use my Cofunds Cash Account to fund my ISA?

Yes, money held in your Cofunds Cash Account can be used to pay for investments in your Cofunds Investment ISA.

Holding cash

Q. Can I hold cash in my Cofunds Investment ISA?

Yes, the Cofunds Investment ISA includes a Cash Reserve. It is not a cash ISA, it is a facility that provides you with extra flexibility and control. For example, it can allow you to:

- temporarily shelter money away from the stock market when you feel conditions are uncertain or too volatile
- secure your ISA allowance for the tax year without having to invest it right away

Money held temporarily in the Cash Reserve may earn interest. It is not a cash ISA, and the rate of interest paid is not intended to compete with rates available on cash ISAs. Interest paid is unlikely to match the potential returns available on stock market-based investments over the long term.

Interest earned on money held within the Cash Reserve facility is payable six monthly and is subject to a 20% HMRC flat-rate charge, which cannot be reclaimed. If interest earned in any accrual period is under £10, no interest will be credited to your Cash Reserve.



If cash held in the Cash Reserve is not invested after a reasonable period of time, HM Revenue & Customs may require Cofunds to return it to you. This means you could lose all or a proportion of your ISA allowance and its associated tax benefits.

Transferring ISAs

Q. Can I transfer other ISAs into my Cofunds Investment ISA?

Yes, you can transfer existing stocks and shares ISAs and cash ISAs held with other providers into the Cofunds Investment ISA. Cofunds does not make a direct charge to you for ISA transfers.

Transferring ISAs to the Cofunds Investment ISA can give you the convenience of having all your ISA investments in one account. This can make it easier to follow your investment performance and to make changes to your portfolio as required. Also, all your ISA investments will be detailed on one consolidated statement.

You can transfer ISAs set up both in previous tax years and the current tax year:

1. Transferring ISAs from previous tax years

You can transfer ISAs set up in previous tax years to the Cofunds Investment ISA without affecting your current ISA allowance. You can transfer as many ISAs as you wish to Cofunds.

2. Transferring ISAs from the current tax year

Stocks and shares ISA – If you have set up a stocks and shares ISA with another provider in the current tax year and then decide you would prefer to hold it with Cofunds, you must transfer the full amount, as you can only have one stocks and shares ISA in the current tax year. The amount subscribed will be treated as part of your current tax year ISA allowance.

Cash ISA – You can transfer a cash ISA opened in the current tax year to the Cofunds Investment ISA. Again, the amount subscribed will be treated as part of your current tax year ISA allowance.

Q. How do I transfer my existing ISA to Cofunds?

ISA transfers can take place by re-registering funds or as cash.

- **Re-registration of funds:** If you wish to keep the same choice of funds when you transfer your ISA, it may be possible for you to re-register them. This means that the funds will simply be moved to sit within your new Cofunds ISA. To do this the funds will need to be available on the Cofunds platform and your existing ISA manager must support fund re-registration. Your money will remain fully invested in the funds and no initial charges will apply.
- **Cash transfers:** If the existing ISA manager doesn't support fund re-registration or you want to have a different choice of funds, the funds you currently hold in your ISA will be sold. The cash proceeds will then be transferred directly to Cofunds to purchase the funds of your choice.

A 'cash transfer' requires your investments to be sold then reinvested. Please be aware that:

- You may lose out on income or investment growth while your money is not invested during the transfer period
- Initial charges may apply when new funds are purchased through the Cofunds Investment ISA
- You won't have access to your ISA until the cash transfer is complete.

Q. How do I transfer to another provider?

You can transfer your Cofunds Investment ISA to another ISA manager. Cofunds will require a completed transfer authority form from your new ISA manager. You cannot transfer a stocks and shares ISA into a cash ISA.



If you wish to transfer an ISA, you need to make a formal ISA transfer through Cofunds. Do not attempt to cash in your ISA yourself. If you do, your investment will lose its tax-exempt ISA status.



Ask your adviser about the costs of transferring an ISA. Your existing ISA manager may charge an exit fee.



Please note you won't have access to your ISA until the re-registration is complete.

Managing your ISA

Q. Can I take money out of my ISA?

Yes, you can make withdrawals at any time, which can be paid into your bank account, sent to you by cheque or transferred into your Cofunds Cash Account. You can request a withdrawal from your Cofunds Investment ISA through your adviser or by writing directly to Cofunds.

Q. Do I need to complete an application for my existing Cofunds Investment ISA every new tax year?

No, your existing ISA will continue to be invested until you provide Cofunds with instructions otherwise.

Q. Can ISAs be held jointly?

No, ISAs can only be held in a single name. However, each eligible investor has their own ISA allowance. This means that couples may be able to invest up to £20,400 a year, based on the new ISA allowance of £10,200 – see 'What's the maximum I can invest?'.

Tax treatment

Q. What is the tax treatment of ISAs?

All income and growth generated by your ISA investments is free of personal UK income and capital gains tax. There is also no requirement to declare ISA income or profits on your tax return. Any losses made in an ISA cannot be set against gains elsewhere in your portfolio for tax purposes.

Please note, ISAs do not offer protection from inheritance tax. On death ISAs cease but the value of the investment may still be included in an estate for tax purposes.



For details on making withdrawals from the Cofunds platform, please see '**Your guide to investing with Cofunds**'.



You can withdraw money from your ISA, however it will lose its tax efficient status, meaning you have to pay more tax than you would have if it remained in the ISA. Remember that once money is withdrawn from an ISA it can only be reinvested in an ISA as part of your current ISA allowance.



A 10% tax applies on dividend distributions on UK shares. This is not reclaimable under current HMRC ISA rules, even by non-taxpayers. Tax treatment depends on the individual circumstances of each client and may change in the future.



ISA transfers from Cofunds to another provider can only be completed by converting your investment into cash which is then transferred to the new ISA Plan Manager.

Questions and Answers

Changing your mind

Q. What happens if I change my mind about setting up an ISA?

If you wish to cancel your ISA, you must inform Cofunds in writing within 14 days of receipt of your confirmation notice. Please send your cancellation request to:



Cofunds, PO Box 1103, Chelmsford, CM99 2XY

Provided you cancel within the 14-day period, your cash will be returned to you – subject to the conditions below – and your ISA allowance will be unaffected.

Please note:

- If the value of your chosen investment falls between the date your subscription was invested and the date Cofunds receives your instruction to cancel, you may not receive a full refund of the amount you have invested
- If the value of your investment rises between these two dates, you will only receive back the amount invested
- Interest will not be paid on money held in the Cash Reserve

Before sending you your money, Cofunds may need to carry out additional security checks and ensure all payments have been cleared, which may delay payment to you.

Withdrawing after 14 days

You will not be able to cancel your ISA outside of the 14-day period. If you wish to withdraw after this period, your original contribution will count towards your ISA allowance for the current tax year, and fund management charges will apply.

Cancelling an ISA transfer

The 14-day period also applies to ISA transfer requests. Provided you cancel within the 14-day period, you will be given the option of transferring the ISA back to your previous ISA manager or receiving the value of your ISA as cash – which means it will lose its tax-exempt ISA status.

Please note, if you transfer your cash ISA to Cofunds, it will be converted into a stocks and shares ISA. If you then decide to exercise your cancellation rights, it cannot be transferred back into a cash ISA.

Part 3: Key Features of Investment Funds

This section provides you with information about investing into investment funds.

The Financial Services Authority is the independent financial services regulator. It requires Cofunds to give you this important information to help you to decide if investing in investment funds is right for you.

This document is important as it governs your rights as an investor. You should read it carefully so that you understand what you are buying, and then keep it safe for future reference. If you are unsure about any of the information provided, or have any questions, please speak to your adviser who will be able to help you.

Its aims

To allow you to invest directly into a wide range of funds with access to a broad range of underlying investments. Typically, investing in funds is a medium to long-term investment of at least five years, in line with the aims for the fund and the objectives set by the fund manager.

Charges

Cofunds does not charge you for holding investment funds on the Cofunds platform, however specific charges will apply which are made by the fund manager. In addition, there may be charges payable for platform services, such as for switching between funds.



Full details of the fund aims and objectives are available in your chosen investment fund's simplified prospectus which is available from your adviser.



Details of initial and annual management charges for funds and the potential effect of those charges can be found in 'Fund Key Features'.



Applications from overseas for some funds may be refused. Please contact your adviser to confirm your eligibility for your chosen investment. Details of your commitment when investing via the Cofunds Platform are available in Section 2 of 'Your guide to investing with Cofunds'.

Questions and Answers

General

Q. What are the main features of investing directly into investment funds?

- You are not subject to limits on how much you can invest
- You are not usually subject to restrictions on when you can access your money
- Investment funds can be held in a legal trust on behalf of the beneficiaries
- Companies and joint holders can invest, as well as individuals

Q. What's the minimum and maximum I can invest?

Cofunds gives you the freedom to invest lump sums, regular monthly amounts or a combination of both.

The minimum investments you can make are as follows. There is no maximum on how much you can invest directly into funds on Cofunds.

Investment limits	Minimum	Maximum
Lump sum (further top-ups)	£1,000 (£500) per fund	No maximum
Regular savings	£100 per fund a month	No maximum

Q. Can I use my Cofunds Cash Account to pay for my investment?

Yes, money held in your Cofunds Cash Account can be used to pay for investments in directly-held funds.

Types of investors

Q. Can investment funds only be held by individuals?

No, investment funds can also be held by other types of investors, for example:

- **Corporate investors** – companies, looking for investment opportunities
- **Trustees** – managing a portfolio within a legal trust arrangement
- **Pension investors** – using small self-administered schemes (SSAS) or self-invested personal pensions (SIPPs) other than those SIPPs directly available via the Cofunds Platform

Q. Can investments be held jointly by individuals?

Yes, up to four individuals can hold investment funds on Cofunds.



There are risks associated with investing into funds. Please see the 'Fund Key Features'.



For all methods of paying for your investments, please see 'Your guide to investing with Cofunds'.



For more information on these investment options, please speak to your adviser.

Taxation

Q. How will I be taxed on my investment?

1. Income tax

The tax treatment on investment funds will depend on the type of fund you hold. In all instances though, higher-rate taxpayers will have a further tax liability to pay:

Unit trusts and OEICs

The treatment of income will depend on whether a fund is dividend-paying or interest-paying:

- **Income on dividend-paying funds** is paid net of 10% tax which cannot be reclaimed, even by non-taxpayers
- **Income on interest-paying funds** is paid net of 20% tax. If you are a non-taxpayer, this tax can be reclaimed

European Collective Investment Vehicles (ECIVs)

The taxation treatment for unit trusts and OEICs is applicable to ECIVs but distributions may be paid gross, without deduction of any tax. You will need to declare this income on your tax return. It will be subject to tax as overseas dividends at the applicable rate of income tax.

Please speak to your adviser for further information.

2. Capital gains tax

If you sell your investment any growth may be subject to capital gains tax if you exceed your annual capital gains tax allowance. Please speak to your adviser about your annual allowance.

3. Non-personal tax

Different taxation rules apply when investments are held by other types of investors, for example trusts and corporate investors. Please speak to your adviser for further information.

Transfers

Q. Can I transfer funds that I hold elsewhere to Cofunds?

Yes, funds held elsewhere can be transferred to Cofunds provided they are also available on Cofunds. Your money will remain invested and will simply be re-registered in the name of Cofunds Nominees Ltd. This should not incur an initial charge (i.e. the charge that is normally payable to the fund manager when arranging a new fund investment).

Q. Can I transfer (re-register) my funds out of Cofunds?

Yes, you can re-register your investment funds out of Cofunds to another provider.



By investing directly into investment funds, you may have a greater tax liability than if you invest through a tax wrapper such as an ISA or pension. To help you complete your tax return, Cofunds will send you a consolidated tax voucher with your annual statement, detailing all relevant income and tax deductions over the year.



Tax treatment depends on the individual circumstances of each client and may change in the future.



Your existing manager may charge an exit fee. Ask your adviser about the costs of transferring investment funds.

Questions and Answers

Changing your mind

Q. What happens if I change my mind?

Should you wish to cancel your investment, you must inform Cofunds in writing within 14 days of receipt of your confirmation notice. Please send your cancellation request to:



Cofunds, PO Box 1103, Chelmsford, CM99 2XY

Please note:

- If the value of your chosen investment falls between the date your subscription was invested and the date Cofunds receives your instruction to cancel, you may not receive a full refund of the amount you have invested
- If the value of your chosen investment rises between these two dates, you will only receive back the amount invested

Before sending you your money, Cofunds may need to carry out additional security checks and ensure all payments have been cleared, which may delay payment to you.

Withdrawing after 14 days

You will not be able to cancel outside the 14-day period. If you wish to withdraw after this period then all fund management charges will apply and there may be a potential tax liability applied to your investment.

Cancelling an ISA transfer

The 14-day period also applies to re-registration requests. Provided you cancel within the 14-day period, you will be given the following options:

- **Transfer your investment back to the previous fund manager** – Cofunds will require confirmation of your client account number with the fund manager in question. If you do not supply your account number Cofunds may not be able to re-register your investment
- **Cancel the contract and return your money to you** – If you choose this option you may be subject to capital gains tax

Please indicate in your cancellation letter which of these options you would like to follow.

CF10 08/10

Terms and Conditions of the Cofunds Platform

The Terms and Conditions of the Cofunds Platform are divided into 5 sections. You should read Section A and the Definitions in addition to the specific section relevant to the product you have chosen to invest in.

Definitions

These definitions apply to the following sections in the Terms and Conditions of the Cofunds Platform:

A – Terms and Conditions of Cofunds Platform Services

B – Investment Funds Customer Agreement

C – Cofunds Investment ISA Terms and Conditions

D – Customer Agreement for the Cofunds Pension Account

Except where the context requires otherwise, the following expressions have the meanings set out below:

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

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

Adviser: A person authorised by the FSA to conduct investment business, including acting as a financial adviser.

Application: An application completed by you or on your behalf to invest in the Account through an ISA, Investment Funds or the Cofunds Pension Account.

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

Bank: The bank or banks appointed from time to time by Cofunds to provide banking services to the Cofunds Platform. Full, up to date details of the banks with which money is held can be obtained by contacting your Nominated Adviser or visiting the Cofunds website at www.cofunds.co.uk/docs/cofundrates.pdf.

Business Day: Any day when the London Stock Exchange is open for business.

Cash Reserve: A Client Account within your ISA 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, which is only used to hold client money.

Cofunds Cash Account: An interest paying Client Account.

Cofunds Client Reference: The number assigned to the account we hold in your name to record investments you make through Cofunds.

Cofunds Pension Account: A personal pension arrangement under the Suffolk Life Appropriate SIPP scheme, a registered pension scheme.

Consolidated Income Account: A Client Account which temporarily holds distributions pending payment to your Nominated Bank Account.

Current Year Account: A separate ISA 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 be placed at the next Valuation Pricing Time.

Fund(s): An authorised unit trust, recognised scheme 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.

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

ISA Manager: Cofunds Limited, acting in its capacity as manager of your ISA.

ISA Regulations: The Individual Savings Account Regulations 1998, as amended, supplemented and modified from time to time.

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

Monies: Any client money held within the Cofunds Cash Account, Pension Trading Account, Consolidated Income Account and Cash Reserve for the purposes of future investment into and withdrawal from Funds.

Nominated Bank Account: A UK bank or building society account of yours which is associated with your Account at Cofunds as in section A.3 (see below).

Nominated Adviser: An Adviser nominated by you, who is authorised by you to give instructions on your behalf on all matters concerning your Account. You may or may not have consulted with this Adviser for advice and may deal with them on an execution only basis.

Nominee: A wholly owned subsidiary of Cofunds Limited which acts as a nominee company and 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.

Pension Trading Account: A Client Account through which you can hold Monies within the Cofunds Pension Account.

Platform Account Reference: The number assigned to your Cofunds Cash Account used for payments into and out of the Cofunds Cash Account.

Primary Holder: The first named applicant on a Cofunds Application form.

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

Regular Investment Instruction: An instruction that will automatically invest contributions paid into the Cofunds Cash Account into Investment Funds and/or Cofunds Investment ISA on the Cofunds Platform.

Suffolk Life: Suffolk Life Pensions Limited who provides, operates and administers the Cofunds Pension Account.

Standing Investment Instruction: An instruction that will automatically invest contributions paid into the Pension Trading Account into Funds on the Cofunds Platform.

Terms: These Terms and Conditions, as from time to time amended, together with your Application. The Terms and Conditions will take precedence if the two differ.

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

Valuation Pricing Time: The time set by the fund managers, when the Fund is valued and the price of units set.

We, us and our: Cofunds Limited ("Cofunds").

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 (including trustees, a company and any other legal entity) who invests in an Account through Cofunds.

A. Terms and Conditions of Cofunds Platform Services

These Terms and Conditions, together with whichever may be applicable of the Investment Funds Customer Agreement, Cofunds Investment ISA Terms and Conditions and the Customer Agreement for the Cofunds Pension Account, set out the legal agreement that applies to your investment through the Cofunds Platform.

A.1 Our Role

1.1 General

Cofunds provides facilities for investing in Funds from a range of different providers and for keeping track of your investment.

You can use Cofunds to invest in Funds directly or through the Cofunds Investment ISA or the Cofunds Pension Account. Within each product you can make additional investments, switch Funds and (where permitted under tax legislation) arrange to receive regular income from your investments.

Cofunds complements the service provided by your Nominated Adviser, who is responsible for all advice and financial planning services that you require. Cofunds does not review your portfolio and does not give advice about investments.

All transactions through Cofunds, and all reporting by Cofunds on your investments, are arranged through your Nominated Adviser or through online access to Cofunds, where available.

1.2 Address

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

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1.3 Information required by Cofunds

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 Adviser.

1.4 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 or by contacting the FSA on 0845 606 1234.

1.5 Client Classification

We classify you as a "retail client" under FSA rules. This means you'll receive the highest level of regulatory protection available under those rules.

A.2 Opening an Account with Cofunds

2.1 Making your Application

You set up your Account with Cofunds by completing and signing the relevant application forms and submitting them (with payment, if applicable) to us directly or through your Nominated Adviser. We will inform you or your Nominated Adviser promptly if there are any problems with your Application or, alternatively, that your Application has been accepted.

2.2 Cheques

All payments by cheque must be made payable to Cofunds Limited and must be drawn on an account in your name or a joint account on which you are one of the joint account holders. In the case of contributions to the Cofunds Pension Account, we will accept a cheque drawn on your employer's account. For building society cheques, your name must appear on the front of the cheque (e.g. Cofunds Limited: A.B Smith) or on the back accompanied by the building society's official stamp and signature.

2.3 Initial investment

Your initial investment(s) will be made in accordance with your Application. Please see section A.4 of these Terms for further details of how money is invested. We will also set up any arrangements for regular investments or regular withdrawals that you request in your Application. Any Monies which we do not have immediate instructions to invest will be held in one or more Client Accounts as explained in the next section of these Terms.

A.3 Cofunds Client Accounts

3.1 Client Accounts

We deposit all Monies that we hold for you in one or more Client Accounts that we maintain specifically for you or for our clients generally. We do not currently pay interest on Monies held in the Client Accounts that we maintain for our clients generally, but we reserve the right to do so in the future. We keep all Monies that we hold in a Client Account separate from our own money and hold it under trust with the Bank.

3.2 Client Accounts that we maintain specifically for you

When you open an Account for your investments with Cofunds, we also open a Cofunds Cash Account for you, which is a Client Account maintained specifically for you. Similarly, when you open an ISA with Cofunds, you can instruct us to open a Cash Reserve for you; and when you open a Cofunds Pension Account, we open a Pension Trading Account for you. The Cash Reserve is a Client Account maintained specifically for you to hold Monies within your Cofunds Investment ISA. The Pension Trading Account is a Client Account maintained specifically for you to hold Monies within your Cofunds Pension Account. Each of these Client Accounts pays interest.

Where you request us to pay Consolidated Income from your investments, we will open a Consolidated Income Account for you. This is an interest bearing Client Account maintained specifically for you and used solely for the purpose of collecting income received from your investments and paying that income to you at regular intervals.

3.3 Interest

The rate of interest payable on the Cofunds Cash Account, the Cash Reserve, the Pension Trading Account and the Consolidated Income Account will fluctuate in line with the Bank of England's base rate, which is published in newspapers and at www.bankofengland.co.uk. If the total amount of interest accruing on the Cofunds Cash Account or Pension Trading Account in any month is £1 or less, no interest will be credited to that account for that month. Interest on the Cash Reserve is payable every six months. If interest earned in any accrual period is less than £10, no interest will be credited to your Cash Reserve. Details of Cofunds current interest rates can be found at: www.cofunds.co.uk/docs/cofundrates.pdf

Cofunds will receive interest from the Bank with which each Client Account is held and will be entitled to retain that interest. Details are available on request by writing to Cofunds at our Administration Address.

3.4 Taxation

Interest received on the Cofunds Cash Account or the Consolidated Income Account is taxable. It is paid net of 20% tax so basic-rate taxpayers have no further tax to pay on it. Higher-rate taxpayers will have an additional tax liability. Tax treatment will depend on your individual circumstances and may change in the future.

Individuals who qualify for the 10% starting tax rate on savings can reclaim tax by completing Form R40. Non-taxpayers can register to receive interest without tax deducted by completing Form R85 (Forms R40 and R85 should be available from your Nominated Adviser or the HM Revenue & Customs website www.hmrc.gov.uk). When the forms are sent to us, you must quote the relevant Platform Account Reference.

Interest received on the Cash Reserve and the Pension Trading Account is not normally taxable. However, interest received on the Cash Reserve is subject to a HMRC flat-rate charge of 20%.

3.5 Nominated Bank Account

Your Nominated Bank Account is a UK bank or building society account of which you are a named holder and which you specify. Your Nominated Adviser can verify that the account belongs to you and provide confirmation to Cofunds. You can then make payments to Cofunds and receive payments from Cofunds through this account.

You may have only one Nominated Bank Account with Cofunds at any given time. It must be a bank or building society account held with a branch in the United Kingdom and held in your name.

If paying Monies into the Cash Account from your Nominated Bank Account, you must quote your Platform Account Reference. Your Nominated Bank Account can also be used to receive income from your investments. If you are only using your Nominated Bank Account to receive income, we do not require verification.

Once your Nominated Account has been verified, it can be used to transfer Monies to and from your Cofunds Cash Account. Cofunds will normally process your transfer instruction within one Business Day of receipt.

You can instruct us at any time to change your Nominated Bank Account. If you provide us with new bank or building society account details we will update our records and replace your Nominated Bank Account. Subject to completing any necessary checks, we will make this change within five Business Days of receipt of your instruction.

3.6 Deposit Protection

Cofunds maintains its Client Accounts with a range of selected leading banking institutions. For more information on the Banks currently selected by Cofunds, please contact your Nominated Adviser or visit the Cofunds website at www.cofunds.co.uk/docs/cofundrates.pdf.

If one of those Banks fails or becomes insolvent you may not be able to recover all the Monies deposited in the Client Account(s) that we maintain for you. However, you may be entitled to claim compensation under the Financial Services Compensation Scheme on up to £50,000 of loss. The level of compensation will be reduced if you already hold an account with the Bank.

3.7 Dormant balances

If there have been no transactions in a Client Account that we maintain for you, for a period of at least six years (other than routine charges, interest and similar items), we may write to you and your Nominated Adviser at your last known addresses informing you of our intention to cease treating that balance as client money. You will have 28 days to make a claim for the Monies held on your behalf, after which they will lose the protection of being held in a separate Client Account. However, we will still pay what is due to you if you subsequently claim payment.

A.4 Dealing in investments through Cofunds

4.1 Reviewing and/or changing your Investments

At any time when you wish to make an additional investment into your Account, or switch existing investments between Funds, or change the existing arrangements that apply to your Account, you should instruct your Nominated Adviser who will make the necessary arrangement with Cofunds.

Your Nominated Adviser may provide you with the ability to carry out some transactions and/or check information for yourself using online tools provided through the internet. Please refer to your Nominated Adviser for details.

4.2 Cofunds Cash Account

When Cofunds is instructed to use Monies from your Cofunds Cash Account to pay for an investment, Cofunds will check whether there are sufficient Monies in the account and that the investment is to be held in the same name or names as the Cofunds Cash Account. If the amount available is not sufficient or the holders are not the same, Cofunds will not process your instruction and will notify your Nominated Adviser accordingly.

4.3 Regular Investments into ISAs and Investment Funds

You can give instructions at any time to start regular monthly investments into your Cofunds Investment ISA or your Cofunds Investment Funds Account, or to change an existing arrangement for regular investments.

If your Nominated Adviser 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 be made by direct debit.

For applications received up to 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 Nominated Adviser 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 the same account as the one from which direct debits will be paid. Thereafter, Cofunds will automatically collect payments on or just after the 25th day of each month.

For regular contributions into the Cofunds Pension Account, please see sections D.3 and D.4 of these Terms.

4.4 How your money is invested

When you instruct Cofunds to buy, switch or sell investments on the Platform, Cofunds will place a corresponding deal with the fund manager of the relevant Fund(s).

Units in your chosen Funds are bought, sold and switched directly through the fund manager. The fund manager sets Unit prices at a specific 'Valuation Pricing Time' each Business Day. The 'Dealing Cut-off Time' is the time by which Cofunds must receive an instruction in order to be able to place an order with the fund manager before the next Valuation Pricing Time. Valuation Pricing Times and Dealing Cut-off Times can vary from Fund to Fund.

Cofunds normally buys and sells Units in Funds at the next available Valuation Pricing Time following receipt of your instruction, providing the relevant Dealing Cut-off time is met. (In a busy period, the purchase may be deferred to the next practicable opportunity.)

If you make regular monthly investments into your Cofunds Account, each investment will be made at the next available Valuation Pricing Time following receipt by Cofunds of your monthly payment.

If you have chosen to reinvest income into a Fund and subsequently sell or switch your entire holding in that Fund, then any residual income received after that transaction will be reinvested into the Fund in which you have the largest holding in the relevant part of your Account.

4.5 Income and Accumulation Units

Units in a Fund can be income units/shares, which pay distributions of income to the holder, or accumulation units/shares, which reinvest all income back into the Fund. If you do not complete the income section in your Application or other instruction to invest and do not specify whether you want income or accumulation Units, Cofunds will invest in accumulation Units where available, and otherwise will invest in income Units and arrange for any income generated to be reinvested back into the Fund.

If you request accumulation Units and these are not available, Cofunds will purchase income Units and arrange for any income generated to be reinvested into the Fund. If you request income Units and ask to have income reinvested, but income Units are not available, Cofunds will purchase accumulation Units.

4.6 Transfer of investments onto the Platform

If you transfer an existing holding of Funds onto the Platform, we will request the fund manager to register your investment with Cofunds with the same split between Group 1 and Group 2 Units that applied to your previous holding. This avoids an unnecessary change in your tax position arising as a result of the transfer onto the Platform.

4.7 Dealing errors

If a fund manager error occurs in relation to a transaction that we carry out for you (for example, the fund manager calculates the Unit price incorrectly), we will amend our records to reflect the correct position as soon as practicable. However, we reserve the right to take no action and leave the record as it is if the amount of the adjustment required to your holding is £5 or less.

4.8 Unpaid amounts

If you fail for any reason to pay into your Account an amount required to settle the purchase of an investment, with the result that the transaction is delayed or is entered into and has to be reversed later, you will be responsible for any loss that may arise due to market movements.

4.9 Excessive trading

Levels of trading are actively monitored to identify and prevent activities which aim to take unfair advantage of system weaknesses to the detriment of Cofunds and/or other Fund investors. In the case of an investor who is considered to have a history of short-term or excessive trading or whose

trading has been disruptive, Cofunds reserves the right to refuse to accept an Account or to close an existing Account.

Please refer to the section A.7 of these Terms for more information regarding the timing of withdrawals/selling your investment.

A.5 Your Nominated Adviser

5.1 Role of your Nominated Adviser

As part of your Application to set up an Account with Cofunds, you appoint an Adviser as your Nominated Adviser with authority to deal with Cofunds on your behalf. In order to use the full facilities of Cofunds, you need to appoint a Nominated Adviser to represent you.

5.2 Reliance on your Nominated Adviser

We are entitled to rely on the accuracy of and act on any instruction or information given to us by your Nominated Adviser on your behalf, or which we reasonably believe has been given in this way. You allow us to give your Nominated Adviser information about you and your Account from time to time.

We reserve the right to close your Account if you cease to be represented by a Nominated Adviser. Any instructions we receive from you in these circumstances will be dealt with on an execution-only basis.

5.3 Appointing a new Nominated Adviser

You may at any time inform us in writing to stop accepting instructions from your current Nominated Adviser and appoint a new Nominated Adviser in their place. Your instruction will take effect when we receive it at our Administration Address. Your letter must include your Cofunds Client Reference or, failing that, clear details to identify yourself and your Account with Cofunds. Where a Cofunds Account is held in joint names, a change of Adviser notification must be signed by all Joint Holders.

If you wish to replace your Nominated Adviser for any reason, Cofunds can provide you with details of alternative Advisers, but does not make any representation as to the suitability or appropriateness of any Adviser or subsequent advice.

A.6 Custody of Investments

6.1 Safe Custody

We are responsible for the safe custody of all Assets held in your Account. We register investments in the name of our Nominee, which is a wholly owned subsidiary of Cofunds Limited and has the same registered office address. Our principal Nominee is Cofunds Nominees Limited. We may use other nominee companies as Nominee for certain customers. If this affects you we will provide you with details of the alternative nominee company that we are using.

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.

We register your investments in the same name as those of other Cofunds investors and do not identify each investor's holdings by separate certificates. All documents evidencing title to investments in your Account are held by us or as we direct. We may not lend any of your investments to a third party and we cannot use them as security for borrowing.

6.2 Beneficial ownership

You are and remain the beneficial owner of the Assets in your Account. Investments made by you will be held on your behalf as owner, but you must not use them as security for a loan. 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 while it is held in your Account and you may not create (or have outstanding) any charge or security on or over any such Asset.

A.7 Payments to you

7.1 Consolidated Income

Through your Nominated Adviser, you can instruct Cofunds at any time to pay all income received on your directly held investment funds and/or your Cofunds Investment ISA to you at monthly intervals. We open a Consolidated Income Account for you and transfer the relevant income into that account as and when it is received. We then pay the accumulated balance on that account into your Nominated Bank Account on a monthly basis. If any of your Client Accounts is overdrawn, we reserve the right to reclaim the amount owed to us before making a monthly payment.

The frequency of distributions paid by the Funds in which you invest will affect the amount you receive on a monthly basis. If the Funds you hold only pay income quarterly, half-yearly or annually, then in some months a payment may not be made at all.

7.2 Regular withdrawals

Through your Nominated Adviser, you can instruct Cofunds at any time to pay a specific amount from your Cofunds Cash Account to your Nominated Bank Account on a monthly, quarterly, half-yearly or annual basis. An instruction to take regular withdrawals will automatically replace any existing arrangement for payment of Consolidated Income.

If you elect to take regular withdrawals from your Cofunds Cash Account in this way and, on the 6th day of any month (or the next Business Day if that is not a Business Day) you do not have sufficient funds in the account to meet the next regular withdrawal, Cofunds will effect a sale of your investments (in line with your instruction) sufficient to fund the withdrawal on the 9th of the relevant month or next available Business Day. (In a busy period, the sale may be deferred to the next practicable opportunity.)

7.3 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 may pay that income to you.

7.4 Residual payments

If you transfer holdings to your Cofunds Account from a third party investment manager and Cofunds subsequently receives a payment from your old manager, such as a distribution or tax reclaim, the payment will be added to your Account in the following way: Any residual payment received from the old manager will be reinvested into the largest value holding within the relevant part of your Account, regardless of any mandate instructions received upon transfer to Cofunds or subsequently. Cofunds reserves the right to return any residual payment to the old manager if the amount is below £25.

7.5 Good discharge

We will be entitled to pay any amounts owing to you under or in connection with these Terms into your Nominated Bank Account or to your Nominated Adviser for the time being. Any such payment will be a good discharge of our obligation to pay the relevant amount.

A.8 Documentation

8.1 Platform confirmation

Once your Client Account has been set up, we will send you a letter confirming your Cofunds Client Reference and Platform Account Reference.

8.2 Information on your Investments

You can obtain further information on your investments, such as valuations and illustrations, from your Nominated Adviser. Your Nominated Adviser may provide you with online access to valuations and transactional information. Please refer to your Nominated Adviser for details.

8.3 Confirmation notes

A confirmation note will be sent to you, and a copy made available to your Nominated Adviser, on the next Business Day following completion of each investment transaction carried out at your instruction. This will include the essential details of the transaction. For regular savings and withdrawals, we will acknowledge receipt of your application or instruction, but will not send confirmation notes each time a regular investment or sale of units for a regular withdrawal is made. Details of all transactions will be included within your annual statement and consolidated confirmation note.

8.4 Tax documentation

A certificate will be sent to you annually detailing the deduction of tax from your Cofunds Cash Account for the previous tax year. A tax voucher will also be sent to you annually.

8.5 Statements

At least annually we will 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 Adviser. Valuations are based on the bid price as at the date shown on your statement.

8.6 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 at least six years.

8.7 Joint Holders

Where an Account is held jointly, all documentation will be sent to the Primary Holder's address. Secondary holders can request copies of all documentation. Certificates for individual investments will not be issued in the case of Assets held in joint names.

Where an Account is held jointly, written instructions to Cofunds must normally be signed by all joint holders.

A.9 Withdrawals and closing your account

9.1 Requesting a withdrawal

Requests for withdrawals can be made via your Nominated Adviser or by writing to our Administration Address. Please note Cofunds cannot accept withdrawal instructions by telephone, fax or email.

Proceeds will normally be sent out by cheque or by bank transfer within five Business Days of the Valuation Pricing Time of the last Fund sold or, if later, when the relevant Monies have actually been received from the fund manager. Cheque withdrawal timings are subject to postal delivery. If you have requested your withdrawal to be paid to your Nominated Bank Account, it may take up to eight Business Days to reach your account.

9.2 Withdrawals

You must specify the product(s) and Funds from which the withdrawal is to be taken and, because units are forward priced, how many Units you wish to encash from each holding. If you do not specify a number of units we may need to estimate how many to sell on your behalf and we cannot precisely guarantee the amount that your deal will realise, which may result in an over/under payment in respect of the withdrawal amount you require. If no product is quoted your instruction may be deemed to cover all products held.

9.3 Minimum amount

Should the value of your holding in a Fund fall below £1,000 as a result of your instruction to sell, we may require you to sell your entire holding in that Fund.

9.4 Closing your Account

You may close your Account at any time by withdrawing all the Assets, or transferring them to another manager or pension provider as appropriate. 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.

9.5 Withdrawals and closing payments

We may deduct from any amount to be paid to you any outstanding fees, charges and expenses due from you. In addition, we may keep an amount which we reasonably estimate will be enough for us to meet any tax liability for which we must account to HM Revenue & Customs for you under the ISA Regulations or otherwise. We will hold any Monies awaiting payment to you 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.

You agree that upon closure of your Account, any payment subsequently received by us of £1 or less will not be paid over to you and will be retained by Cofunds for its own account.

A.10 Fees, Charges and Expenses

10.1 Our remuneration

We do not charge you a fee for investing through us. The only additional charges are those described in this section A.10 and in section C.5 of these Terms. We do however receive fees from fund managers for administration services provided to fund managers connected with your investments. If you require details of these fees, please write to us at our Administration Address.

10.2 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.

10.3 Payments to your Nominated Adviser

Commissions payable to your Nominated Adviser 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.

10.4 Switch fees and unit conversion

We will allow you to switch Funds within your Account. For Funds held within your ISA and investment funds, you normally pay a switching charge of 0.25% of the value of the switch. Commission on switches may be added if agreed with your Nominated Adviser. The maximum switching charge or commission will not exceed the Fund's standard initial charge.

Unit conversion: Where available, Fund managers offer the facility 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.11 Variation, Termination and Amendment of Terms

11.1 Funds offered by Cofunds

Cofunds reserves the right to introduce new Funds to the Platform and to withdraw existing Funds. Where a Fund in which you have invested is withdrawn, you will remain invested in it but will be unable to add to your investment.

11.2 Suspended Funds

If a Fund is suspended by the Fund Manager, Cofunds may hold or reject instructions to deal until the suspension is lifted. Should a Fund pay income during a period of suspension and you have instructed us to reinvest we may not be able to fulfil your request. In the event that we are unable to fulfil your request we will communicate with you on how income will be treated.

11.3 Changes to these Terms

We may introduce changes to our services and to these Terms from time to time. We will give you at least 30 days advance notice of any change, except where the change does not disadvantage you or is required in order to comply with a legal or regulatory requirement.

If you are not happy with a change, you can contact your Adviser or write to our Administration Address for a more detailed explanation of the change. If you are still unhappy with the change you can close your Account by encashing your Assets at any time or transferring them to another ISA manager or pension provider, as appropriate.

11.4 Termination

Cofunds may terminate this Agreement at any time by giving you a minimum of three months notice. You may also terminate this Agreement by writing to the Cofunds Administration Address.

For ISA and Investment Fund investors only:

Upon termination, unless otherwise agreed at the time, we will realise all your Units and will pay the proceeds, together with any other Monies in your Account, to your Nominated Bank Account.

For Cofunds Pension Account investors only:

Cofunds will notify Suffolk Life on your behalf that your Account is to be terminated. Suffolk Life will contact you directly to explain your options.

A.12 Liability

12.1 Loss caused to Cofunds

You will be responsible for any liability or loss suffered or incurred by Cofunds or our Nominee (including taxes for which you are primarily liable and any expenses reasonably and properly incurred) as a result of you deliberately breaching these Terms or providing untrue or inaccurate information to Cofunds in connection with your Account. This clause will not apply if and to the extent that any liability or loss arises from any negligence, wilful default, fraud or breach of duty on the part of Cofunds or our Nominee.

12.2 Circumstances beyond our control

Cofunds will not be responsible for any loss that you suffer as a result of events or circumstances which are beyond the reasonable control of Cofunds. Examples of when these circumstances apply could be when the loss occurred as a result of a flood or earthquake.

A.13 General

13.1 Delegation

We may appoint one or more third parties to assist us in providing our services under this Agreement. Cofunds Limited will remain personally responsible at all times for the proper performance of those services.

13.2 Data Protection

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.

Cofunds Limited will use your information for the administration and servicing of your investments and other related activities. We may disclose your information to our agents and service providers for these purposes. We may disclose information concerning you and your Account to your Nominated Adviser. We may also disclose your information to third parties where required in order to comply with legal and regulatory requirements. With the exception of the preceding provisions, we will not pass on your information to any other third party without your permission.

Cofunds may transfer your information to countries outside of the EEA for the servicing of your investments. In such cases, contracts will be put in place to ensure that the service providers protect your information in accordance with the requirements of Data Protection legislation.

13.3 Civil Partnership Act

The Civil Partnership Act 2004 (CP Act) came into force on 5 December 2005. The CP Act is designed to provide a system of registration for same sex relationships. Registered civil partners will be in a relationship akin to marriage in respect of the laws of survivorship and benefits. As such, all references to the rights and benefits of a spouse or widow(er) in any Cofunds literature will apply equally to married couples and registered civil partners.

13.4 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 Adviser.

A.15 Governing law

These Terms and 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 and Conditions and the ISA Regulations or other legislation relating to your Account, the ISA Regulations and/or other legislation will prevail.

B. Investment Funds Customer Agreement

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

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

B.2 Opening Your Account

This agreement will take effect if Cofunds accepts your Application, which normally takes place on the day we receive it. Cofunds has discretion to reject an Application.

B.3 If you die

Upon your death, we will continue to hold your Assets and Monies 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.

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.

C. Cofunds Investment ISA Terms and Conditions

Additional terms to those stated in Section A, to be read by all clients investing in the Cofunds Investment ISA.

C.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 ISA Regulations

Your ISA will be managed in accordance with the ISA Regulations.

C.2 Opening your account

2.1 ISA Applications

Your Cofunds Investment ISA Account is opened when we accept your correctly completed ISA Application and payment. If there is no clear instruction on your Application, your subscription will be automatically placed into the Cofunds Cash Reserve.

Your ISA Application covers the current Year and each subsequent Year until we receive no payments into your ISA 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.

2.2 ISA transfers in

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

2.3 Investment Funds to ISA applications

In order to place your investment fund in an ISA, we will sell your investment funds and apply the proceeds as a payment into your ISA. New funds will then be purchased within your ISA. As we do not know prices in advance we use an estimation process in order to determine how many Units to sell in order to raise the amount of money required. Depending on market movement this will result in either a slight over or under sale of Units. In the event of an oversell of Units, we will apply the proceeds in accordance with your instructions.

All sell proceeds will be held by Cofunds and will normally be reinvested into your ISA one Business Day from when Cofunds initiate the transaction. In order to ensure that this transaction is processed in the current tax Year, your application must be received at Cofunds no less than five Business Days before the end of the tax Year.

2.4 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 resident and ordinarily resident in the UK for tax purposes, or if as a non-resident you stop being a Crown employee, their spouse or civil partner.

2.5 Account type

For an investment held under these Terms, all ISA investments will be designated "Cofunds Investment ISA".

2.6 Timing

These Terms will take effect if Cofunds accepts your Application, which normally takes place on the day of receipt. Cofunds has discretion to reject an Application.

In the case of an ISA transfer, the date of transfer is the date agreed between the Plan Managers.

C.3 Cash Reserve

The Cash Reserve provides a temporary shelter for your Investment. Monies held in this way must be destined for investment in one or more of the Funds offered by Cofunds. If you close your Cash Reserve without having invested in any Funds, interest will not be payable on money withdrawn.

C.4 Void Accounts

We will notify you if, by reason of any failure to satisfy the provisions of the Regulations, your Cofunds Investment ISA has or will become no longer exempt from tax. If your ISA 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 ISA. 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 due to an error on your part.

If you pay a subscription to your ISA by a cheque that fails to clear or a direct debit that is subsequently reversed, that subscription will be treated as if it had never been made for the purposes of these Terms and the ISA Regulations.

C.5 Report and 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 and exercise voting rights

Your instruction should be given on your Application. Availability of these facilities will be subject to a charge of £20 per communication to cover our costs, although copies of report and accounts can be downloaded free from the Cofunds website www.cofunds.co.uk. The charge may be deducted from Monies in your Account.

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

C.6 Transferring out of Cofunds

6.1 ISA 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 retain 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 all Assets and deducting any amounts due to us. If we subsequently receive any Income arising from Investments transferred out, we will send 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 have been settled and all liabilities met.

C.7 If you die

Upon your death, your ISA 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. Any tax reclaimed on income distributions paid between the date of your death and notification of your death will be deducted by us.

D. Customer Agreement for the Cofunds Pension Account

Additional terms to those stated in Section A, to be read by all clients investing in The Cofunds Pension Account. These terms relate to the services Cofunds provides for the Cofunds Pension Account. You must also read the Cofunds Pension Account Terms and Conditions provided by Suffolk Life.

D.1 General

1.1 Our role

Cofunds Limited provides fund dealing, administration, settlement, cash management and custody services in respect of Assets held by a Cofunds Pension Account.

1.2 Suffolk Life

The Cofunds Pension Account is a personal pension arrangement under the Suffolk Life Appropriate SIPP scheme, a registered pension scheme. Suffolk Life Pensions Limited is the provider, operator and scheme administrator of the arrangement and Suffolk Life Trustees Limited is the trustee.

1.3 Point of contact

Cofunds is the point of contact for your Nominated Adviser for all queries relating to your Cofunds Pension Account. Depending on the nature of the enquiry, Cofunds may from time to time refer your Nominated Adviser to Suffolk Life.

1.4 Information for Cofunds

You must give Cofunds all information which it reasonably requests to enable Cofunds to provide its services under these Terms. You must tell Cofunds promptly if any of your personal details given in your Application change. Cofunds will notify Suffolk Life of any relevant changes on your behalf.

1.5 Valuations

If you require a valuation of your Cofunds Pension Account, please contact your Nominated Adviser.

1.6 Transferring or drawing benefits from your pension

If you wish either to transfer your pension to another provider or draw all or part of the benefits from it, you should instruct your Nominated Adviser, who will make the necessary arrangements.

1.7 Death claim

If it is necessary to make a claim under the Cofunds Pension Account, the personal representatives should contact Cofunds by writing to our Administration Address.

D.2 Pension Trading Account

2.1 General

The Pension Trading Account is a facility that allows Funds to be traded on the Cofunds Platform within your Cofunds Pension Account. It enables you (where your Nominated Adviser has given you online access) or your Nominated Adviser to:

- Buy/sell Funds on your behalf
- Hold Monies destined for purchasing Funds on the Cofunds platform
- Create a Standing Investment Instruction
- Create a Regular Investment Instruction

You can only have one Pension Trading Account linked to your Cofunds Pension Account at any given time.

2.2 Taxation

Interest on the Pension Trading Account is paid without deduction of tax.

2.3 Dealing in Funds within the Cofunds Pension Account

To purchase Funds on Cofunds using Monies held within your Pension Trading Account, or to sell existing Funds held within the Cofunds Pension Account, please refer to your Nominated Adviser who will deal with your request. Cofunds will process the transaction upon receipt of a valid instruction.

2.4 Monies in

All new contributions to your Cofunds Pension Account must come via your Cofunds Cash Account, direct debit or by a cheque made payable to Cofunds Limited, which will then be paid to your Pension Trading Account.

All income and proceeds from the sale of Funds from within the Cofunds Pension Account will be paid into the Pension Trading Account.

2.5 Payments out

Monies held in the Pension Trading Account may only be used to purchase Funds on Cofunds or transferred directly to Suffolk Life, where they will be available to provide pension benefits for you. Monies may also be transferred to Suffolk Life to purchase an annuity on the open market or to transfer out of your pension.

D.3 Regular Investment Instruction

3.1 Instruction

If you wish to make regular investments into Funds within your Cofunds Pension Account, please contact your Nominated Adviser who will make the necessary arrangements.

3.2 Timing

Monies to fund regular investments will be collected from your Pension Trading Account on the 11th of each month. Cofunds must receive your instruction on the first Business Day of the month prior to the 11th for your instruction to take effect that month.

If you wish to alter your regular investment into Funds, the amendment instruction will also need to be received at Cofunds on the first Business Day of the month prior to the collection date.

Note: Providing an instruction to commence, amend or stop a regular investment into Funds will not alter any existing regular pension contribution being paid to your Cofunds Pension Account. A separate instruction must be provided if you wish to commence, amend, or cancel a regular contribution payment.

D.4 Standing Investment Instruction

A Standing Investment Instruction makes ongoing investment in your Cofunds Pension Account much easier. By simply choosing the Funds that you wish to invest in and what percentage of new money you want to allocate to each Fund, you can create a Standing Investment Instruction that automatically applies to all new single contributions or transfer payments deposited into the Pension Trading Account connected to your Cofunds Pension Account. This will continue to apply until you or your Nominated Adviser amend your instruction.

- Your Standing Investment Instruction can only be created, edited or stopped online. Cofunds will not accept instructions in any other form. Your Nominated Adviser may provide you with online access electronically through the Internet.
- Once a Standing Investment Instruction has been created, all new Monies paid into the Pension Trading Account will automatically be invested into Funds in line with your instruction. However, Cofunds will not automatically invest other Monies received into your Pension Trading Account, including income, interest or proceeds of a repurchase of Units.
- Standing Investment Instruction trades are collated on each Business Day at 16:30 and executed at the next available Valuation Pricing Time. For more information, refer to section A.4 of these Terms.
- Monies held in the Pension Trading Account at the time when you give or amend a Standing Investment Instruction will not be invested under that instruction. Any such Monies will remain in the Pension Trading Account.
- The minimum dealing amount per Fund is £5. At the time of investment, if the calculated amount for a Fund is less than £5, the Fund will be omitted from the deal and the relevant Monies will remain in the Pension Trading Account.
- If a Fund closes, it is up to your Nominated Adviser to amend your Standing Investment Instruction. If no action is taken by the next time a contribution is paid, then the Monies destined for this closed Fund will remain in the Pension Trading Account until instructed otherwise. The remainder of your Standing Investment Instruction will be unaffected.
- If a Fund merges, we will replace this Fund with the newly merged Fund when we receive your next contribution.

D.5 Regular withdrawals within your Cofunds Pension Account

The regular withdrawal facility allows you to pay a predetermined fixed amount of Monies from your Pension Trading Account, linked to your Cofunds Pension Account, to the Suffolk Life Pooled Client Bank Account. This facility can only be used in conjunction with income drawdown.

- Requests for regular withdrawals must be made in writing. Your regular withdrawal can be paid monthly, quarterly or half yearly. Regular withdrawals can only be paid to the Suffolk Life Pooled Client Bank Account.
- On the calculation date (12th of the month or next available Business Day), the required amount for your regular withdrawal must be available in your Pension Trading Account. Your regular withdrawal will take place six Business Days after the calculation date, and the regular withdrawal will be paid to the Suffolk Life Pooled Client Bank Account five Business Days before the end of the month. Income will be paid to you on the last Business Day of the month.
- If between the calculation and payment dates Monies are moved out of your Pension Trading Account and insufficient Monies are available to cover your regular withdrawal, we will transfer whatever Monies are available to your Suffolk Life Pooled Client Bank Account.
- If there are insufficient Monies available on the calculation date, we will sell Units from your Funds on the calculation date. In this situation you have two options: you can opt for the sale of Units proportionally across all your Funds, or you can nominate up to five Funds from which Units are to be sold.
- If there are insufficient Units available to cover your regular withdrawal in full, we will sell your remaining holdings and transfer the entire amount to your Suffolk Life Pooled Client Bank Account.

D.6 Fees charges and expenses

The charges payable under the Cofunds Pension Account are described in the Key Features of the Cofunds Pension Account Provided by Suffolk Life and associated documentation. Cofunds may pay a fee to Suffolk Life for administration services that it provides in relation to the Cofunds Pension Account. Cofunds may be paid a fee by Suffolk Life for administration services that Cofunds provides in relation to the Cofunds Pension Account.