

**SELF-DIRECTED**

Explicit Pricing Model

# Cofunds Pension Account Customer Agreement

## Version C0714SDE

The Cofunds Pension Account is provided by Suffolk Life Pensions Limited (Suffolk Life) 153 Princes Street, Ipswich, Suffolk IP1 1QJ. Registered in England and Wales number 1180742. Suffolk Life is authorised and regulated by the Financial Conduct Authority (FCA). FCA registration number 116298.

The assets of the Cofunds Pension Account are held on the Cofunds platform provided by Cofunds Limited (Cofunds) One Coleman Street, London EC2R 5AA. Registered in England and Wales No. 3965289. Authorised and regulated by the Financial Conduct Authority (FCA) under FCA Registration No. 194734.

Updated 07/14

# Changes from the last version of the Cofunds Pension Account Customer Agreement (Self-directed Explicit Pricing Model)

This version of the Cofunds Pension Account Customer Agreement (Self-directed Explicit Pricing Model) is 0714, and replaces the previous version 0214. Any changes made to this version override all previous content and are binding on you. This means that the services described will be carried out by Cofunds as explained in this version 0214 and not as explained in any previous version of the Customer Agreement or Cofunds Terms & Conditions you've previously held.

## Overview of changes:

**PAGE 5 SERVICE TYPE:** You no longer need to be assigned to an Advised service type to set up a Cofunds Pension Account and can do so as a Self-directed investor, if your intermediary has been authorised by Cofunds to distribute the Self-directed Cofunds Pension Account.

**A2.5.3:** You no longer need to be assigned to an Advised service type to set up a Cofunds Pension Account and can do so as a Self-directed investor, if your intermediary has been authorised by Cofunds to distribute the Self-directed Cofunds Pension Account.

**NEW A3.2:** We've updated how you apply for a Cofunds Pension Account as a Self-directed investor.

**NEW A3.3:** We've updated the types of Cofunds Accounts you can have as a Self-directed investor.

**A4.2.4:** Service Charge and Subscription Charges, charged on your Cofunds Pension Account will be taken from your Pension Trading Account.

**A2.3:** We've added information about replacement Nominated Intermediaries needing to be acceptable to Cofunds.

**A6.3:** Service Charge and Subscription Charges, charged on your Cofunds Pension Account will be taken from your Pension Trading Account.

**A4.3.1:** We've updated the term pension drawdown to drawdown.

**A5:** We've updated the term pension drawdown to drawdown.

**C1.5:** We've updated who can apply for a Cofunds Pension Account.

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# 1. Definitions

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.

**Advised:** This means the Service Type that applies to you if you receive financial advice from your Nominated Adviser and are signed up to the Advised Terms & Conditions of the Cofunds Platform. Your Adviser will provide you with this service in situations where they make a personal recommendation on an investment which is carried out on your behalf through the Cofunds Platform. Your Adviser has responsibility for ensuring the investment is suitable for you. Your Adviser will charge you a fee for the services they provide and may also receive a commission paid out of your product charges.

**Adviser:** A person authorised by the FCA to conduct investment business, acting as a financial Adviser.

**Annual Management Charge (AMC):** The amount a Fund Manager charges every year for the administration of their Fund. Part of this can sometimes be rebated back to you.

**Applicable Products:** The products that you've agreed with your Nominated Intermediary for their Intermediary Fees and Charges to apply to.

**Application:** An application completed by your Intermediary on your behalf to set up and invest in the Cofunds Pension Account.

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

**Available Balance:** The balance in your Pension Trading Account that you can use to trade on the Cofunds platform. If you choose to pay for a trade from your Pension Trading Account, your Available Balance will be reduced by that amount.

**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 Intermediary or visiting the Cofunds website at [www.cofunds.co.uk/docs/gpub/cofundsiinterestrates/](http://www.cofunds.co.uk/docs/gpub/cofundsiinterestrates/)

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

**Cleared Balance:** The Available Balance plus or minus any outstanding transactions that have been funded by the Cofunds Cash Account or applicable Trading Account (i.e. transactions that have not yet been fully processed). You can only withdraw or transfer money to another Account (e.g. your Nominated Bank Account) from your Cleared Balance. Note: your Cleared Balance may be larger than your Available Balance if you have outstanding buy transactions being paid from the Cash Account, and less than your Available Balance if you have outstanding sale transactions.

**Client Account:** A non-interest paying account held by us, that is only used to hold client money on your behalf.

**Cofunds Cash Account (Cash Account):** An interest-paying Investor Money Trading Account, opened specifically for you when you open an Account with Cofunds.

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

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

**Commission:** A sum taken by an Intermediary for their service on behalf of an investor client in facilitating a transaction, such as the purchase of Funds. This is usually paid by Cofunds as agent for the Fund Manager as a percentage of the transaction amount. It comprises both 'Initial Commission' (taken at point of purchase) and 'Trail Commission' - which is an annual percentage paid to the Intermediary for each year the Intermediary's client holds their investment in the Fund Manager's Fund. It is only payable on Commission-included Share Class Funds.

**Commission-free Share class:** Funds where the Fund Manager does not pay Commission to your Intermediary via Cofunds.

**Commission-included Share class:** A Fund Share Class where the relevant Fund Manager pays an initial and/or ongoing Trail Commission to your Intermediary via Cofunds.

**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.

**Explicit Pricing Model:** A Pricing Model where you pay Cofunds' Platform Charge and your Intermediary's charges separately, outside the purchase price of Commission-free Share Class Funds.

**FCA:** The Financial Conduct Authority, 25 The North Colonnade, Canary Wharf, London E14 5HS, or any successor to all or any part of its functions.

**Fixed Platform Charge:** This annual fixed cash charge may be charged as part of any different charging arrangement agreed with your Nominated Intermediary. It is deducted on a six-monthly basis in addition to the Platform Charge that is calculated on the value of your investments.

**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.

**Fund Manager:** The institution responsible for implementing a Fund's investment strategy and management of its investment portfolio and trading activities.

**Fund Sale for Platform Charges:** A sale of your Assets - the proceeds from which are used to pay the Platform Charge. This is separate from Sale for Regular Payment.

**Fund Sale Instruction:** An instruction to Cofunds agreed by you and set up by your Nominated Intermediary to sell from your largest Commission-free Share Class Fund to cover payments due to go out of the relevant Payment Account, in the event of a shortfall.

**Implicit Pricing Model:** A Pricing Model where you pay Cofunds, your Intermediary's commission and Fund Manager charges as part of the purchase price of Commission-included Share Class Funds. No longer available from 6 April 2014.

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

**Income Choice:** How you would like to use the Income generated by your Funds – either Reinvest or Payaway. This applies to all Income Funds within a product.

**Instruction:** An instruction completed by you or on your behalf with respect to any transaction relating to your Account.

**Intermediary:** A person authorised by the FCA to conduct investment business who is registered to act for Self-directed investors but does not provide financial advice on their transactions.

**Intermediary Fees and Charges:** This is a term used to cover fees and charges agreed with your Nominated Intermediary. This could include (as applicable to you):

- Subscription Charges
- Service Charges
- One-off fees
- Ongoing monthly fees.

**Intermediary Firm:** The Intermediary Firm to which your Nominated Intermediary is attached, with whom Cofunds has entered into an agreement for the provision of the Cofunds platform.

**Investment Service:** A description of Service Type plus Pricing Model.

**Investor Money Trading Account:** Client money that is held on your behalf in relation to cash services on the Cofunds platform. Examples of Investor Money Trading Accounts are the Cash Account and Pension Trading Account.

**Monies:** Any client money held within the Cofunds Cash Account or Pension Trading Account, 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 A3 (see page 5).

**Nominated Adviser:** An Adviser nominated by you, who is authorised by you to give instructions on your behalf on all matters concerning your Account. If you are an Advised investor you will have consulted with this Adviser for advice.

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

**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 Exchange Tower, Harbour Exchange Square, London, E14 9SR.

**Payaway:** A choice you can make to receive any Income generated by your Income Funds. For the CPA this is held on the platform in your Pension Trading Account.

**Payment Account:** A collective name for the Cash Account and the Pension Trading Account. The relevant Payment Account can be the Cash Account or the Pension Trading Account, or both, depending on the circumstances.

**Pending Trade:** a service offered by Cofunds that enables you to place an instruction to buy Units when your Available Balance is not sufficient to fund the trade at that time. You can then pay later, within 14 calendar days from the date of instruction.

**Pension Trading Account:** An Investor Money Trading Account through which you can hold Monies within the Cofunds Pension Account.

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

**Platform Assets:** Investments and cash balances administered by Cofunds.

**Platform Charge:** The price you pay to Cofunds for the use of our platform services under Explicit Pricing.

**Platform Rebate:** This is where Cofunds Rebates to you a percentage of the money we receive from the Fund Manager. It is paid directly to your Cash Account.

**Pricing Model:** The method by which you pay for the services offered through Cofunds.

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

**Rebates:** These are payments back to you of part of the cost of investing in particular Funds, based on what's been agreed with the Fund Manager by Cofunds or by your Nominated Adviser. These can be paid in the form of Units or cash, depending on the Share Class of Funds you hold in the relevant product.

**Rebates Account:** An Investor Money Trading Account where the value of Rebates owed to you accrues, pending payment to you.

**Registered Office:** Cofunds Limited, One Coleman Street, London EC2R 5AA.

**Regular Investments:** A service offered by Cofunds that enables you to set up regular monthly investments into Funds via the Regular Investment Instruction (RII) for the Cofunds Pension Account.

**Reinvest:** An Income Choice you can make so that any Income generated by your Income Funds is used to purchase more Units of those Funds. This choice will apply to all Income Funds held within the same product.

**Sale for Regular Payment:** An optional service you can use to help manage payments you have arranged to go out of your relevant Payment Account(s).

**Self-directed:** This means the Service Type that applies to you if you carry out transactions on Cofunds without receiving financial advice, and are signed up to the Self-directed Terms & Conditions of the Cofunds platform. Your Intermediary will provide you with this service where you choose to make your own investment decisions using the information and support services provided by your Intermediary. Your Intermediary will carry out your instructions through the Cofunds platform. You accept responsibility for ensuring the investment is suitable for you. Your Intermediary may charge you a fee for the services they provide and may also receive a Commission paid out of your product charges.

**Service Charge:** A percentage-based monthly charge that may be applied to your Account by your Intermediary if you've agreed this with them.

**Service Type:** (also sometimes called 'Advice Type' online or on forms). This references the distinction between whether you are accessing Advised or Self-directed services on Cofunds. Your Adviser or Intermediary will have assigned you to the Advised or Self-directed Service Type as appropriate to your circumstances. If you wish to make a new application to set up a Pension Product or investment bond, you must be assigned to the Advised Service Type unless your intermediary has been authorised by Cofunds to distribute the Self-directed Cofunds Pension Account.

**Share Class:** A classification given to different types of mutual Funds. Each class has different characteristics and may include or exclude Commission paid to your Intermediary in the cost.

**Subscription Charge:** A fixed charge taken at an agreed frequency that may be applied to your Account by your Intermediary if you've agreed this with them.

**Suffolk Life:** Suffolk Life Pensions Limited, which 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.

**Tax Year:** A year beginning on 6 April and ending on the following 5 April.

**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:** On a Business Day, 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").

**You and your:** A person (including trustees, a company and any other legal entity) who invests in an Account through Cofunds.

**In this agreement, unless otherwise stated or the context requires otherwise, where words have been defined in the singular, the same definition shall be applied to the plural, and vice versa.**

# A. Self-directed Explicit Pricing Model Terms & Conditions of the Cofunds Platform for the Cofunds Pension Account

These Terms and Conditions set out the legal agreement that applies to your investments in the Cofunds Pension Account through the Cofunds platform.

If you hold Commission-included Share Class Funds they will be subject to the terms in Section B.

## A1 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 through the Cofunds Pension Account. Within the product you can make additional investments, switch Funds.

Cofunds complements the service provided by your Nominated Intermediary, 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 Intermediary or through online access to Cofunds, where available.

### 1.2 Address

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

### 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/Intermediary.

We will require confirmation of your identity from your Intermediary and may require verification of your bank details for certain transactions.

### 1.4 Regulation

We are authorised and regulated by the FCA for investment business. Our FCA registration number is 194734 and you can check this on the FCA website at [www.fca.gov.uk/register](http://www.fca.gov.uk/register) or by contacting the FCA on 0800 111 6768.

### 1.5 Client Classification

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

### 1.6 Residency

Cofunds is obliged to collect certain information about your tax arrangements under UK law. In order for Cofunds to comply with its obligations you agree to:

- (a) complete the tax residency self-certification section within Cofunds' Application Form or the Self-Certification Form; and
- (b) immediately notify Cofunds if any of the information provided on the tax residency self-certification has changed including, but not limited to, your tax residency.

If you fail to provide Cofunds with a fully completed tax residency self-certification within 90 days of Cofunds receiving your Application Form or from being requested to do so by Cofunds (whichever is the earlier), you acknowledge and accept that Cofunds will report your failure to provide this information to HMRC.

## A2 Your Nominated Intermediary

### 2.1 The role that your Nominated Intermediary plays

You need a Nominated Intermediary to use all the tools and services on Cofunds. You tell us who your Nominated Intermediary is as part of your Application to us, and their role is to deal with Cofunds on your behalf.

### 2.2 Our right to rely on your Nominated Intermediary

We can rely on anything your Nominated Intermediary tells us or asks us to do on your behalf, or that we reasonably think they have told us or asked us to do on your behalf. We can also give your Nominated Intermediary information about you and your Account.

We reserve the right to close your Account if you cease to be represented by a Nominated Intermediary or Nominated Adviser. Once we're made aware that you don't have a Nominated Intermediary or Nominated Adviser we'll write to you to inform you of the available options.

### 2.3 Your right to appoint a new Nominated Intermediary

You can appoint a new Nominated Intermediary whenever you want to by writing to us at our Administration Address. You'll need to include your Cofunds Client Reference number or other clear details to identify yourself, your new Nominated Intermediary and your CPA, and any other products on Cofunds that you hold. Your instruction will be put into effect as soon as reasonably possible after we receive it, from which point Cofunds will cease to act on instructions from your previous Nominated Intermediary, if there is one. Cofunds will acknowledge receipt of your instruction and will inform your new Nominated Intermediary and, where applicable, the previous Nominated Intermediary. Cofunds will also notify Suffolk Life on your behalf.

If you want to replace your Nominated Intermediary we can give you information about other Intermediaries who might be able to help you. This doesn't mean we think they are right for you or will give you suitable advice. Any Nominated Intermediary you appoint must be acceptable to Cofunds. You can contact us by phone or by writing to us at our Administration to confirm their eligibility.

## 2.4 Stopping your Nominated Intermediary from acting on your behalf

You may instruct Cofunds at any time to stop accepting Instructions from your Nominated Intermediary, by writing to Cofunds at the Administration Address. Your letter must include clear details to identify yourself and your SIPP and any other products of ours that you hold. Your instruction will be put into effect as soon as reasonably practicable after Cofunds receives it. Cofunds will acknowledge receipt of your instruction and will inform your Nominated Intermediary and notify Suffolk Life on your behalf.

If you leave your Nominated Intermediary you will lose access to any Share Classes which are exclusive to them. Depending on what Share Classes are available to your new Nominated Intermediary, this may mean that you move onto a standard Share Class, which may be more expensive. You must at all times have a Nominated Intermediary.

If you do not nominate a replacement Intermediary then Cofunds will continue to deal with your existing Nominated Intermediary until such time as you appoint one. In the event that your Nominated Intermediary ceases to be authorised by the FCA, Cofunds can provide you with details of alternative Adviser/Intermediaries but does not make any representation as to the suitability or appropriateness of any Adviser/Intermediary or subsequent advice. In these circumstances we will accept any Instructions received from you directly until you appoint a new Nominated Adviser/Intermediary – please write to us for more information.

## 2.5 What a new Nominated Intermediary might mean for you

### 2.5.1 Different Share Class availability

If you move to a new Nominated Intermediary, the Funds and Share Classes they have available may be different to that of your old Intermediary.

If the cost of a Commission-free Share Class Fund is different with your new Nominated Intermediary (i.e. they have a different Share Class available) from your old Intermediary, we will carry out a Share Class Conversion into the new, differently-priced Commission-free Share Class. See section A9.6.1 for more information on Share Class Conversion.

### 2.5.2 Pending Trades

If you replace your Nominated Intermediary, we'll cancel all Pending Trades on your Account (see A9.4 for information about Pending Trades). You'll have to ask your new Nominated Intermediary to set them up again.

### 2.5.3 Different Service Type

Your new Nominated Intermediary might also use a different Service Type. These Terms & Conditions are for the Self-directed Explicit Pricing Model.

- (1) If you move to the Advised Service Type they'll no longer apply to you. You'll be bound by a set of Advised Service Type Terms & Conditions instead.
- (2) If you move from an Adviser to an Intermediary you will move from the Advised Service Type to the Self-directed Service Type. In this situation we set you up as a new customer on Cofunds and give you a new Account and Cofunds Client Reference number. We will transfer your Assets to this new Account, which could take up to 30 Business Days (but can take less time than this) – during this period

access to your investments will be through your existing Account and Cofunds Client Reference. At all times your Assets will remain in an Account registered to you and you will have access to them as normal. Once you have moved from Advised to Self-directed Service Type you will not be able to see your previous transaction history online. However, you will be able to request your transaction history from your new Nominated Adviser or Intermediary.

We recommend you read the Terms & Conditions that will be relevant to you before you agree to change Service Type. Please ask your new Nominated Intermediary for more information.

Please note Personal Pensions (excluding the Self-directed Cofunds Pension Account) and international investment bonds are only available for new applications by investors associated with the Advised Service Type.

### 2.5.4 Different Platform Charge

In some circumstances changing your Nominated Intermediary could affect what Platform Charge you pay – please see Section A4.1.

## A3 Your Cofunds Account

### 3.1 Your Account with Cofunds

Your Account is associated with the Explicit Pricing Model - you cannot move to the Implicit Pricing Model.

You can have Accounts of different Service Types (Advised and Self-directed) as long as you hold them under different Cofunds Client References. We will require a separate application and agreement to relevant Terms and Conditions for each Account.

You may only have one Advised Account, which will be associated with the Explicit Pricing Model. Once any Account is associated to the Explicit Pricing Model you can't change it to an Implicit Pricing Model Account.

### 3.2 Making your Application

To open an Account with Cofunds you complete and sign the relevant application forms. Then you or your Nominated Adviser/Intermediary must send the completed form(s) to us, along with any payment. We will let you or your Nominated Adviser/Intermediary know as soon as your Application has been accepted.

If for any reason there is a problem with your Application (for example you haven't given us all the information we asked for) we'll let you know as soon as possible. Where this happens it might mean any investment you've asked us to make is delayed or rejected.

When your Application has been accepted, we'll make the investments you've requested under the Explicit Pricing Model - these will all be invested in the Commission-free Share Class that is available through your Nominated Adviser/Intermediary. Please see Section A8 Safe Custody. We'll also set up any Regular Investments or withdrawals you've asked us to. Any money that you haven't told us how to invest will be put into one or more accounts (see A.8 for information on how we hold your money).



### 3.3 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. 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.

The maximum payable in to your pension is £200,000.

### 3.4 Investment into your Cofunds Pension Account

All investments will be made into the Commission-free Share Class Funds that are available to your Nominated Intermediary. Please see Section A7 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 Investor Money Trading Accounts as explained in the next section of these Terms.

### 3.5 How we hold your money

#### Client Money

Any money held in your name prior to or following investment into Funds is held as client money and pooled together with all our clients' money generally held with the Bank. All client money is held separately from our own in trust on your behalf with the Bank. If your money is held in one of the Investor Money Trading Accounts below it may earn interest. See Section A8 for more information on how we hold your assets.

#### Investor Money Trading Accounts

##### 3.5.1 Your Cash Account and Pension Trading Account

When you open a Cofunds Account we open a Cash Account that we hold specifically for you and that pays interest (net of tax). Similarly, we maintain a Pension Trading Account for you which is an Investor Money Trading Account maintained specifically for you to hold money within your Cofunds Pension Account (CPA) and pays interest (gross of tax).

The Available and Cleared Balances relate to the Monies held within your CPA Pension Trading Account.

We apply a Platform Charge for maintaining your Investor Money Trading Account(s). Please refer to Section 4 for further information.

##### 3.5.2 Rebates Account

We pay all Rebates into this Account – see Section A9.8 and Schedule B1.3 for information on whether this applies to you. This Account does not pay interest.

##### 3.5.3 Interest

The rate of interest payable on the Cofunds Cash Account and the Pension Trading Account will fluctuate in line with the Bank of England's base rate, which is published in newspapers and at

[www.bankofengland.co.uk](http://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. Details of Cofunds current interest rates can be found at:

[www.cofunds.co.uk/docs/gpub/cofundssinterestrates/](http://www.cofunds.co.uk/docs/gpub/cofundssinterestrates/)

At the end of each calendar month we'll work out how much interest you are entitled to for money held in your Trading Account and Cash Account, and apply that to the Trading Account and Cash Account by the fifth Business Day of the next calendar month.

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

##### 3.5.5 Taxation

Interest received on the Pension Trading Account is not normally taxable.

### 3.6 Deposit Protection

Cofunds maintains its Client Accounts and Investor Money Trading Accounts with a range of selected leading banking institutions. For more information on the Banks currently selected by Cofunds, please contact your Nominated Intermediary or visit the Cofunds website at [www.cofunds.co.uk/docs/gpub/cofundssinterestrates/](http://www.cofunds.co.uk/docs/gpub/cofundssinterestrates/)

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)/Investor Money Trading Accounts that we maintain for you. However, you may be entitled to claim compensation under the Financial Services Compensation Scheme on up to £85,000 of loss.

The level of compensation will be reduced if you already hold an account with the Bank. For more information see:

[www.cofunds.co.uk/docs/gpub/assetprotect/](http://www.cofunds.co.uk/docs/gpub/assetprotect/)

### 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 Intermediary 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.

## A4 Fees & Charges

### 4.1 Our charges

We take a Platform Charge for providing dealing, custody and administration services for your investments, and providing access and services relating to the different investment products (such as pensions, investment bonds and ISAs) on the Cofunds platform. Our standard charge is calculated on the value of your investments as explained below.

Please note: This document describes our standard charges. Your Nominated Intermediary may have different charging arrangements that apply to you, including but not limited to paying a fixed monetary amount (a 'Fixed Platform Charge') as well as an investment-based charge. If at any time you stop using your Nominated Intermediary, you'll move onto the standard Cofunds Platform Charge applicable at the time, or move onto the charging arrangement of your new Adviser when you sign up with them.

#### 4.1.1 Cofunds' rates

We take the Platform Charge once a month for as long as you hold Commission-free Share Class Funds. The table below shows our standard annual charge rates – our charges are broken down into tiers based on the value of your investments on Cofunds.

Tier	Investment value	Rate at which we charge	Payment frequency
1	Investment value £0 - £100,000	0.29%	Deducted in monthly instalments
2	Investment value >£100,000 - £250,000	0.26%	
3	Investment value >£250,000 - £500,000	0.23%	
4	Investment value >£500,000 - £1m	0.20%	
5	Investment value >£1m	0.15%	

#### 4.1.2 How we work out your Platform Charge

**Step 1:** We calculate a charging rate to apply to the value of your investments. As you can see above, we have different charging rates depending on the total value you have invested. We calculate the rate to apply to you by multiplying your investment value in each tier by the percentage rate we charge for each tier. This gives the charge value for each tier. We add those charge values together. Then we divide this figure by your total value of investments (taken as an average across the year) on Cofunds to get the overall rate which we use to calculate your Platform Charge.

For example on a portfolio of £150,000:

Platform Charge on first £100,000 = £100,000 x 0.29%	£290
Platform Charge on second £50,000 = £50,000 x 0.26%	£130
Total Amount	£420
Overall Rate = £420/£150,000	0.28%

**Step 2:** We apply the overall rate to your Account. We apply this overall rate only to your Commission-free Share Class Funds, as we already receive payment from the Fund Manager for your Commission-included Share Class Funds.

**Step 3:** We calculate the charge owed that month. The value produced by step 2 is divided by the number of days in the calendar year and then multiplied by the number of days in the previous month to get the Platform Charge we'll deduct.

So using the same example and assuming all the Assets in your portfolio are Commission-free Share Class Funds:

Total value of £150,000 x overall rate of 0.28%	£420
365 days in the calendar year = £420 ÷ 365	£1.15
31 days in the previous month = £1.15 x 31	£35.67
Platform Charge that month	£35.67

But if £50,000 of the portfolio was invested in Commission-included Share Class Funds the Platform Charge would not be applied to those Funds, so:

£100,000 (£150,000 - £50,000) x overall rate of 0.28%	£280
365 days in the calendar year = £280 ÷ 365	£0.77
31 days in the previous month = £0.77 x 31	£23.78
Platform Charge that month	£23.78

#### 4.1.3 Changes to our Platform Charges

Our charges and/or the timing of when they are deducted may be subject to change. If there is to be any change we'll provide you with advance notice of the change and how it may impact you – this notice shall not be less than that provided for in Section 9 of the Customer Agreement (Changing or ending our agreement with you).

#### 4.1.4 How we collect our Platform Charge

We collect our Platform Charge on a monthly basis from the relevant Payment Account(s). The Payment Account depends on your holding of Commission-free Share Class Funds in the products you have. For your CPA, we'll collect the Platform Charge from the Pension Trading Account. Note that if you hold other products, we'll also charge the Platform Charge against the relevant Payment Account for those products (e.g. the Cash Account for ISAs/Investment Funds), in proportion to the amount of Commission-free Share Class Funds you hold in each product.

##### Example 1

Product	Cofunds Pension Account
Proportion of Commission-free Share Class Funds (relative to total holding of Commission-free Share Class Funds)	100% of Commission-free Share Class Funds
Payment Account	Trading Account (100%)

##### Example 2

Product	Cofunds Pension Account	ISA	Investment Funds
Proportion of Commission-free Share Class Funds (relative to total holding of Commission-free Share Class Funds)	50% of Commission-free Share Class Funds	25% of Commission-free Share Class Funds	25% of Commission-free Share Class Funds
Payment Account	Trading Account (50%)	Cash Account (50%)	

First, we work out your Investment-based Platform Charge for the previous month. That's done on the third or fourth Business Day each month (the actual day we work it out doesn't affect the amount you pay).

Then, on the fifth Business Day of the month, if there's enough money in your relevant Payment Account(s) we ring-fence the Platform Charge. If there isn't enough in your relevant Payment Account to take the Platform Charge, what we do next depends on how you've chosen to fund your charges – see section A4.3 below.

We collect the Platform Charge from your relevant Payment Account two Business Days before the last Thursday of the month.

If you don't want us to sell Funds to pay your Platform Charge you need to make sure that you keep enough money in your relevant Payment Account(s) to cover it each month.

## 4.2 Paying your Nominated Intermediary through Cofunds

### 4.2.1 Paying your Nominated Intermediary

Your Nominated Intermediary may charge you through Cofunds in a variety of ways – you will agree the charges that apply to you with them.

Please refer to your Fees & Charges Schedule for the details of the charges that apply to you.

\* If for any reason you don't have a Fees and Charges Schedule, please ask your Nominated Adviser/Intermediary.

You can pay your Nominated Intermediary directly from your relevant Payment Account. If you choose to use the service, Cofunds will:

- automatically calculate any Intermediary Fees and Charges due, based on the terms you've agreed with your Nominated Intermediary ;
- deduct Intermediary Fees and Charges from your Cofunds Cash Account or Pension Trading Account within your CPA and pay them directly to your Nominated Intermediary on your behalf;
- offset/rebate any ongoing Commission against the Intermediary Fees and Charges you've agreed where required;
- show all Intermediary Fees and Charges on your half-yearly consolidated confirmation note and your annual Cofunds statement.

**\* Please note:** It is up to you and your Nominated Intermediary to agree the services they will provide, what these will cost and how payment will be made. If you agree to pay your Nominated Intermediary through Cofunds, we must see that agreement. This can be sent to us via our Fees & Charges Agreement form or through another signed authority.

## 4.2.2 Service Charge

### 4.2.2.1 What a Service Charge is

A Service Charge is taken as a percentage of your Commission-free Share Class Funds (and any cash) held in the Applicable Products, and will be paid in arrears from the relevant Payment Account on a monthly basis.

If your Intermediary has a tiered charge (so different rates apply depending on the value of your investments) we work out an overall rate and apply it to your investments in the same way as we work out the Platform Charge - see Section A4.1.

### 4.2.2.2 What Accounts are covered by a Service Charge

The Accounts covered by a Service Charge depend on what you've agreed to be Applicable Products with your Nominated Intermediary. This could include your CPA and ISAs, Investment Funds (if you have them). If you have ever held a Commission-free Share Class Fund within a product, it will be available to be charged. Your Intermediary can select to apply their charge in relation to cash held within the Cash Account also. If the CPA is selected as an Applicable Product then any cash held in the Pension Trading Account will always be included as part of the charge calculation.

### 4.2.2.3 When a Service Charge is taken from your Account

Three Business Days before the last Thursday of the month, Cofunds will assess whether you hold enough money in your relevant Payment Account to pay the Service Charge. If you do, it will be deducted from your relevant Payment Account on the next Business Day. If there is insufficient money in the relevant Payment Account on this date, the Service Charge will accrue to the next month.

## 4.2.3 Subscription Charges

### 4.2.3.1 What a Subscription Charge is

A Subscription Charge is a fixed cash amount taken monthly, quarterly, half-yearly or yearly. It's paid in arrears when it's set up on a monthly basis, but for all other frequencies of payment it's payable in advance, so you pay at the end of the previous period for the next period (whether it be a quarter, half-year or year).

### 4.2.3.2 What Accounts are covered by a Subscription Charge

If you've agreed to a Subscription Charge it will automatically cover your ISA, Investment Funds and CPA, as well as any cash held in the Pension Trading Account.

A Subscription Charge (if agreed) will apply to you from the first time you hold a Commission-free Share Class Fund. It will continue after you've sold all Commission-free Share Class Funds if you held a Commission-free Share Class Fund (or cash in your Pension Trading Account) at any point during the month before the Subscription Charge is calculated.

### 4.2.3.3 When a Subscription Charge is taken from your Account

Three Business Days before the last Thursday of the month in which the Subscription Charge is to be paid, Cofunds will assess whether you hold enough money in your relevant Payment Account to pay the Subscription Charge. If you do, it will be deducted from your relevant Payment Account on the next Business Day. For example, if you're on an annual Subscription Charge, this will only happen on one month in the year.

## 4.2.4 If you hold a CPA - Service Charges and Subscription Charges taken from the Pension Trading Account

What Payment Account is relevant depends on what services your Intermediary has agreed to provide, what products you have, and what the relevant regulations allow.

\*Please note: If you have a Sale for Regular Payment or Fund Sale Instruction (see Sections 5 and 6), these will be applied to all Service Charges and/or Subscription Charges that you've agreed with your Intermediary.

If you don't want your Funds to be sold to meet charges, you should add enough money to the relevant Payment Accounts to meet all payments due to go out. Please see Section C2.4 for adding money to the Pension Trading Account.

We will confirm the relevant Payment Account at the time your Service Charge and/or Subscription Charge is set up and confirmed.

## 4.2.5 Splitting Fees and Charges between Accounts

If you hold multiple Accounts then we split the Intermediary Fees and Charges between the relevant Payment Accounts in proportion to the amounts charged against in your different Accounts. We calculate the proportions for the previous month on the fifth Business Day of the month in which the Fees and Charges are due to be taken.

Subscription and Service Charges will always be applied to all your Accounts.

## 4.2.6 Confirmation

We won't take any Intermediary Fees and Charges unless we receive confirmation from you that you've agreed to them – this might be you agreeing online or signing an application form or Fees and Charges Agreement form. If there's a gap between when are assigned to Fees and Charges on our systems and when you confirmed to Cofunds that you've agreed to the Fees and Charges, the Fees and Charges will accrue on your Account. We'll send you a letter confirming the arrangement once we've set it up and received your confirmation. If the gap spans several payment periods, this will mean you pay the whole accrued amount in one go.

#### 4.2.7 One-off fees

For some services or transactions, your Nominated Intermediary may charge a one-off fee. Your Nominated Intermediary must provide us with evidence that you've agreed to pay their one-off fee. As soon as we've processed this, where the money is available, the fee will be deducted from the relevant Payment Account. Money is deducted on the Monday of the payment week – except where this is a bank holiday or other public holiday in which case we'll deduct it on the previous Business Day. If you have insufficient money in your relevant Payment Account, we'll try to deduct the amount owed every subsequent payment week until we're successful, or your Nominated Intermediary tells us to cancel the fee. A letter confirming the one-off fee will be sent to you.

#### 4.2.8 Ongoing monthly fees

You can arrange with your Nominated Intermediary to pay them on a monthly basis. This could be a fixed amount or calculated as a percentage of the daily average of the balance for that month. To do this, you first agree the monthly payment with your Nominated Intermediary, who will then instruct Cofunds to set it up. We need you to sign and you/your Nominated Intermediary to send your agreement to the fees, either by fax or post, before the fees can be paid to your Nominated Intermediary. We'll send you a letter confirming the arrangement once we've set it up. Monthly payments can go out of your Pension Trading Account for advice and services relating to the Cofunds Pension Account. The Cash Account can also be used (see Section A4.2.10(c) below.)

Please note: Once you've been set up to pay monthly fees on our system, your Nominated Intermediary's fees will add up against your Account until your Intermediary confirms to Cofunds that you've agreed to them. This means that if your fees are set up but you don't affirm the fees for several months, several months of fees will be taken in one lump sum.

With your Nominated Intermediary you should complete a Fees & Charges Agreement Form for us to be able to process the monthly payments. Alternatively, your Intermediary, with your agreement, may provide us with evidence of your authority for us to take fees using a separate document. Please ask your Nominated Intermediary if you're not sure.

#### 4.2.9 Initial fees for the CPA

For the CPA your Intermediary can take an initial fee at the point of your application for the CPA. When you sign the declaration that you are agreeing to the CPA, you agree to the fee being taken. We will seek to take the money for the fee from your Pension Trading Account in accordance with the process for one-off fees described above in Section A4.2.7.

#### 4.2.10 Different levels of fees

You have a choice of the level at which you wish to pay your fees – this affects where your fees come from within your Cofunds Account.

- (a) You can choose to have fees calculated on all of your Accounts (current and future) where you are the Primary Holder with the ability to deduct fees from one chosen Cash Account.
- (b) You can choose Account level fees which give you the flexibility to pay different fees for each of your Accounts.
- (c) You can choose to have fees charged in relation to your total assets held on platform, which will be deducted from your Cash Account as either a fixed amount or a percentage of your holding on platform.

- (d) You can choose to have fees taken from the Pension Trading Account in relation to ongoing advice or services provided in relation to your CPA. A product fee is taken as a percentage of the amount invested/held in the CPA.

Please speak to your Nominated Intermediary to agree the most suitable arrangement for your circumstances.

#### 4.2.11 VAT

VAT may be payable in some circumstances. If VAT is payable it will be calculated on the charges due after any Commission (on Commission-included Share Class Funds) has been offset. Please speak to your Nominated Intermediary for more information.

#### 4.2.12 Changing your fees arrangement

Please speak to your Nominated Intermediary if you want to change your Intermediary fees arrangement. Please make sure you send your request so that we receive it at least five working days before a payment is due to be collected from your relevant Payment Account(s) (that's three Business Days before the last Thursday of the month), or we won't be able to process it in time.

#### 4.2.13 Stopping your fees

You can stop an Intermediary fees arrangement at any time by either instructing Cofunds directly or speaking to your Nominated Intermediary (who will then stop the arrangement on your behalf). To instruct Cofunds, please write to our Administration Address. Please also write to us at our Administration Address if charges are taken from your Cofunds Account that you have not authorised. If you stop a Service Charge or Subscription Charge usually this will mean that you have to leave your current Nominated Intermediary and instruct a new one.

### 4.3 Funding your fees and charges

#### 4.3.1 Payments from your Cash/Pension Trading Account

Fees and charges from Cofunds and your Nominated Intermediary can be taken from your Cash Account and/or your Pension Trading Account, depending on which is your relevant Payment Account for the type of charge. The payments which you've set up will also be taken from your Pension Trading Account. The types of payment out of your Pension Trading Account include:

- (1) Product Charges for the CPA (paid to the product provider, Suffolk Life);
- (2) Platform Charges (paid to Cofunds);
- (3) CPA drawdown (paid to you);
- (4) Intermediary Fees and Charges (paid to your Nominated Intermediary if applicable).

It's your responsibility to ensure that there's enough money in your relevant Payment Account to meet all the payments due to go out. See Section A3.2-3.3 for how to pay money into your Cash Account, and Section C2.4 for how to pay money into the CPA.

#### 4.3.2 If you don't have enough money in your relevant Payment Account to cover the payments due

On the fifth Business Day of the month (the Calculation Date), Cofunds will review your relevant Payment Account to check you have enough money to meet any payments that are due to go out that month. If you don't have enough money in your relevant Payment Account to meet these payments, there are a few options as to what Cofunds might do:

- (1) Follow your instruction: if you have set up a Sale for Regular Payment mandate with your Nominated Intermediary (see Section A5), Cofunds will follow your choice of Nominated or Largest Fund to sell from in order to raise the money to meet all your payments out. This takes priority over any other options (i.e. (2) or (3) below);
- (2) Follow your Nominated Intermediary's default setting: if you haven't set up a Sale for Regular Payment, your Nominated Intermediary may have applied a Fund Sale Instruction on your Account to sell your largest Commission-free Share Class Fund to raise the money to meet your payments out (see Section A6). Please speak to your Nominated Intermediary if you're not sure;
- (3) Follow our default process: if you haven't set up a Sale for Regular Payment and there's no Fund Sale Instruction set up on your Account, Cofunds will sell your largest Commission-free Share Class Fund following the Fund Sale for Platform Charges process to raise the money to pay for our Platform Charges only (see Section A7).

## Funding your Fees & Charges

### A5 Sale for Regular Payment

#### 5.1 Our Sale for Regular Payment service

A Sale for Regular Payment is a service to help manage payments you have arranged to go out of your relevant Payment Account.

For the Cofunds Pension Account, you can use a Sale for Regular Payment to help manage payment of:

- Product charges on the CPA;
- Cofunds' Platform Charge relating to your CPA;
- Drawdown;
- Any applicable Intermediary Fees and Charges you've agreed to pay.

Where you have instructed us to make payments from the relevant Payment Account, but don't have enough money in that account to meet the payments due to be paid that month, you can set up a Sale for Regular Payment to instruct Cofunds to sell a portion of your Assets to raise the required amounts.

You and your Nominated Intermediary must agree all Intermediary Fees and Charges being paid from your Account to your Nominated Intermediary. We'll automatically use any Sale for Regular Payment that's set up on your Account to cover any Intermediary Fees and Charges you've agreed to pay your Nominated Intermediary. If you change your mind, and you don't want us to do this, please give us a clear instruction to this effect, but first of all speak to your Nominated Intermediary.

#### 5.2 How it works

##### 5.2.1 Setting up your Sale for Regular Payment

To set up a Sale for Regular Payment, you fill in and sign a Sale for Regular Payment Instruction form ([www.cofunds.co.uk/docs/aub/sfrp/](http://www.cofunds.co.uk/docs/aub/sfrp/)) and give it to your Nominated Intermediary. You can only set up a Sale for Regular Payment through your Nominated Intermediary.

On the form, you state whether you'd prefer we sell Units:

- (a) from your largest value Fund holding across your selected products; or
- (b) from a Fund nominated by you.

This is your Account level instruction.

On the form, you also have to tell us whether you want your Sale for Regular Payment instruction to apply to your ISA products, Investment Funds product or both. If you hold a joint Account you will only have the option of both. If you hold a CPA you must still fill out the form as above – your Account level choice will automatically be applied to the Sale for Regular Payment Instruction on the CPA to cover product charges, Platform Charge, drawdown and/or Intermediary Fees and Charges, as appropriate.

##### 5.2.2 If you ask us to sell Units from your largest value Fund holding

Your largest value Fund holding within your CPA is the largest value Fund held within that product.

If you select ISA or Investment Funds we follow a different rule for determining the largest Fund – please see the relevant Terms & Conditions for the Cofunds Platform for those products.

##### 5.2.3 If you ask us to sell Units from a Fund you nominate

If you hold the Fund you nominate in more than one of your selected products, we sell Units from each product to reflect the relative size of your Fund holding in it.

##### 5.2.4 Selling for Service Charges and Subscription Charges on your CPA

If we're selling to meet a Service Charge or Subscription Charge on your CPA, we may not be able to take the charge from within your CPA (see Section 4.2.4). In this case we will look to take the relevant payments from your Cash Account. If you don't have enough in your Cash Account, we'll use Sale for Regular Payment to sell from your Account level instruction of nominated or largest Fund from your ISA and/or Investment Funds products - or use the Model Portfolio process if they're linked to a Model Portfolio.

#### 5.3 Calculating the Sale for Regular Payment

On the fifth Business Day of the month we check if you have enough money in the relevant Payment Account(s) to cover any relevant payments due that month.

If you don't have enough money in the relevant Payment Account(s), we'll sell Units on the ninth Business Day (or potentially the tenth Business Day or next available Valuation Pricing Time if we are unusually busy with investment instructions). We sell enough Units to cover your payments, plus 10%. The extra 10% is in case Unit prices go down between when we work out the Units to sell, and when they are actually sold. The price we use when selling Units is the price based on the next Valuation Pricing Time.

##### 5.3.1 Payment priority

We'll always try to raise enough money by selling Units to cover all the relevant payments due, but if that isn't possible then some or all of your payments may not be met.



For the Cofunds Pension Account, we'll cover payments in this order:

- (1) product charges on the CPA;
- (2) our Platform Charge in relation to the CPA;
- (3) drawdown you want to take as a regular withdrawal;
- (4) any applicable Fees and Charges you've agreed to pay your Nominated Intermediary.

### **5.3.2 If we can't raise enough from the Fund you nominate**

If we can't raise enough to cover payments due by selling Units from the Fund nominated by you (or that Fund isn't available for trading at the time) we'll check if we can cover them by selling Units from your largest value Fund instead. If we can, we'll change your Account level instruction to sell from your largest value Fund from now on. We will confirm in writing if we do this, and let your Nominated Intermediary know.

### **5.3.3 If we can't raise enough to cover any of your payments due**

If we can't raise enough to cover any of your payments due, Cofunds will stop your Sale for Regular Payment instruction for the current month, and will permanently end any pension drawdown mandates you have in place.

Cofunds will notify you in writing of any changes that are made to your Account.

Any product charges or Intermediary Fees & Charges you've agreed to pay your Nominated Intermediary will build up until the next month when we'll try again to sell Units to cover the amounts due.

If we can't cover the Platform Charge you owe in relation to any particular product, it will keep building up each month until either we can cover it by selling Units or there is enough money in your relevant Payment Account for us to take what you owe. Please see Section A10.5 for more information about our rights when you owe us money.

### **5.3.4 If we can't cover your payments because Unit prices have gone down**

There are usually four Business Days between the time we check if you have enough money in your relevant Payment Account to cover any relevant payments due (on the fifth Business Day) and the time we actually sell Units (usually on the ninth Business Day). If Unit prices go down in that time we may not actually raise enough to cover your payments. In that case we'll follow the payment priority order explained in A5.3.1.

We'll pay as many of the payments as we can from the money raised in order of the payment priority order set out in Section A5.3.1.

We are not responsible for any shortfall. Payments not paid will accrue and add up against your relevant Payment Account. You will have to make up the difference.

### **5.3.5 If we can't sell Units because an instruction has been placed**

If you ask us to sell or switch investments, or carry out a conversion, between when we check your relevant Payment Account (on the fifth Business Day) and the time we actually sell Units (usually on the ninth Business Day) this might mean that Units we planned to sell under the automatic Sale for Regular Payment are no longer available. In these cases Unit sales for the Sale for Regular Payment might be delayed until the tenth Business Day of the month. However, we will backdate sales for Regular Withdrawals to ensure that the withdrawal reaches you on time.

### **5.3.6 What we'll include when working out your Sale for Regular Payment**

We'll review all your selected products when working out your Sale for Regular Payment, but we'll only include Funds that are priced daily. Weekly-priced Funds won't be included, even if they are large enough to cover your payments due.

### **5.3.7 The minimum we'll sell under a Sale for Regular Payment**

The minimum we'll sell from a single Fund is £1 of Units.

If you hold a lot of Funds, and a sale between them to cover your payments due would work out as less than £1 from each Fund, we'll actually sell £1 from each Fund and pay the extra into your relevant Payment Account.

### **5.3.8 Sale for Regular Payment and one-off Intermediary fees**

If you have a Sale for Regular Payment mandate and you haven't paid a one-off Intermediary fee which is due (usually paid weekly, see Schedule A4.2), we'll add the amount of the unpaid fee to the Sale for Regular Payment calculation on the fifth Business Day of the month. Your Funds will be sold accordingly so that the one-off fee will be paid at the end of the month as part of that month's Sale for Regular Payment.

If you subsequently add money to pay for the fee to your relevant Payment Account, we'll still sell the extra Funds that we calculated were needed to pay for the fee. The surplus money raised will be retained in your relevant Payment Account. A letter confirming the one-off fee will be sent to you.

### **5.3.9 Keeping money aside to cover your payments**

If, when we check, there's enough money in your relevant Payment Account to meet your payments due, we keep that money aside to cover those payments (this is known as 'ring-fencing').

If you don't have enough money in your relevant Payment Account to meet your payments due, we'll ring-fence all the money in your relevant Payment Account. Then, after we've completed your Sale for Regular Payment we'll also ring-fence the amount we need from what has been raised to cover all your payments due.

Money that is ring-fenced is not available for investment and reduces your Available Balance. Sometimes that means we cannot place an instruction to buy for you even if it looks like there is enough money in your Account.

## **5.4 Payments out**

The payments linked to a Sale for Regular Payment will follow their usual process – see sections A10 (Payments to you), A12 (Withdrawals and closing your Account), C5 (CPA regular withdrawals) B1 and C6 (Fees, charges and expenses) of these Terms.

## **5.5 Tax implications**

Within a CPA there is no capital gains tax for the sale of Units.

## **5.6 How we'll use your Sale for Regular Payment**

If you set up a Sale for Regular Payment to meet regular withdrawals or Platform Charges and then later agree with your Intermediary to pay Intermediary Fees and Charges through Cofunds, we'll add your Intermediary Fees and Charges onto your existing Sale for Regular Payment instruction. If you don't want this to happen, please speak to your Nominated Intermediary and instruct us accordingly.

## 5.7 If you have online access to your Cofunds Account

Depending on what you agree with your Nominated Intermediary you may have online access to Cofunds and be able to place your investment instruction directly with us.

Please be aware that any instruction you give us may affect your Sale for Regular Payment and, as a result, any regular withdrawal or other payment made from your Account.

For example, if you ask us to switch, convert or sell out of the Fund you have nominated for your Sale for Regular Payment, at your next Sale for Regular Payment we'll start selling Units from your largest value Fund instead.

If you are not sure, please speak to your Nominated Intermediary before you give us any instructions.

## A6 Fund Sale Instruction

You can agree for your Nominated Intermediary to set up a Fund Sale Instruction. Where you don't have enough money in your relevant Payment Account, this will sell from your Funds to raise the money to meet your payments out, if required, in the same way as described in Section A5.1. Please speak to your Nominated Intermediary if you're not sure what you've agreed with them.

### 6.1 How it works

The Fund Sale Instruction process follows the same timeline as Sale for Regular Payment, as described in Section A5.3 above. The difference is that we apply a default instruction to sell from the largest Commission-free Share Class Fund held across your products.

#### 6.1.1 Your largest value Commission-free Share Class Fund holding

Your largest value Commission-free Share Class Fund holding within your CPA is the Commission-free Share Class Fund of the highest value held within the product.

If you hold ISA and Investment Funds we work out the largest value Commission-free Share Class Fund holding differently – please see the Terms & Conditions of the Cofunds Platform – Advised Explicit Pricing if you hold these products.

\* Here's an example of what we mean.

	Fund A Value	Fund B Value	Fund C Value
Product 1	£5,000	£8,000	£10,000
Product 2	£6,000	£2,000	£2,000
<b>Total</b>	<b>£11,000</b>	<b>£10,000</b>	<b>£12,000</b>

This makes Fund C the largest value Commission-free Share Class Fund holding.

If we work out that £100 worth of Units of Fund C have to be sold to pay your charges/withdrawals (plus 10%) the value of the Units we'd sell from each product would be as shown.

	Fund C value	% of the total of Fund C value	Value sold for Platform Charge
Product 1	£10,000	83%	£91
Product 2	£2,000	17%	£19
<b>Total</b>	<b>£12,000</b>	<b>100%</b>	<b>£110</b>

## 6.2 How it's different from Sale for Regular Payment

This is a default instruction by your Nominated Intermediary to sell your largest Commission-free Share Class Fund when there's a shortfall in your relevant Payment Account to meet the applicable payments out. This means that Sections A5.2 and A5.3.2 don't apply.

## 6.3 Service Charges and Subscription Charges for your CPA

If you have a CPA and you've agreed Service Charges or Subscription Charges with your Intermediary, we may not be able to take them from within your CPA (see Section A4.2.4) using a Fund Sale Instruction. In this case we'll try to raise the required amounts from your Pension Trading Account. If you don't have enough money in your Pension Trading Account, we'll try to raise the money from selling from your ISA and/or Investment Funds instead. We'll use the largest Commission-free Share Class Fund in your ISA and/or Investment Funds, unless the relevant ISA/Investment Funds product is linked to a Model Portfolio, in which case we'll use the Model Portfolio process described in Section A5.3.1.

## A7 If we have to sell Funds to pay your Platform Charge

If you haven't set up a Sale for Regular Payment and if your Nominated Intermediary hasn't applied a Fund Sale Instruction to your Account, we'll use the Fund Sale for Platform Charges process to raise money to meet our Platform Charge. We only use this process to meet our Platform Charge – we won't use this process for any other charges or any pension drawdown you have set up.

### 7.1 How it works

A Fund Sale for Platform Charges follows the same process described in Section A6.1, and sells from your largest Commission-free Share Class Fund.

If you don't have enough Units available to sell on the fifth Business Day of the month to cover the Platform Charge you owe, it will keep building up each month until either you do have enough Units to sell or there is enough money in your relevant Payment Account for us to take what you owe. Please see Schedule A10.5 for more information about our rights when you owe us money.

## 7.2 How it's different from Sale for Regular Payment and Fund Sale Instruction

This is Cofunds' standard default process to sell your largest Commission-free Share Class Fund when there's a shortfall in your relevant Payment Account to meet our Platform Charge. This means that Sections A5.2, 5.3.2 and 5.3.8 don't apply.

## 7.3 Relevant Payment Account

Which Payment Account is relevant depends on the proportion of your holdings in Commission-free Share Class Funds in your CPA and other products. Please note that even if you hold enough money to cover the Platform Charge in one of your Payment Accounts, because we charge proportionately across your products we will sell your Funds to pay for the Platform Charge if you do not hold enough money in the Payment Account relevant to the applicable product. Please see the diagram below for more information.

### Example 1

Product	Cofunds Pension Account	ISA	Investment Funds
Proportion of Commission-free Share Class Funds (relative to total holding of Commission-free Share Class Funds)	50% Commission-free Share Class Funds	25% of Commission-free Share Class Funds	25% of Commission-free Share Class Funds
Payment Account	Trading Account (50%)	Cofunds Cash Account (50%)	
Amount charged against Payment Account for an example Platform Charge of £100	£50	£50	
Money held in Payment Account	£100	£0	
Funds sold?	No, £50 taken from Trading Account	Yes, £55 worth of Funds sold across ISA and Investment Funds (£50 plus 10%)	

### Example 2

Product	Cofunds Pension Account	ISA	Investment Funds
Proportion of Commission-free Share Class Funds (relative to total holding of Commission-free Share Class Funds)	50% of Commission-free Share Class Funds	25% of Commission-free Share Class Funds	25% of Commission-free Share Class Funds
Payment Account	Trading Account (50%)	Cofunds Cash Account (50%)	
Amount charged against Payment Account for an example Platform Charge of £100	£50	£50	
Money held in Payment Account	£0	£100	
Funds sold?	Yes, £55 of Funds sold from CPA (£50 plus 10%)	No, £50 taken from Cash Account	

### \* What happens in a Cofunds month

<b>We work out your Platform Charge owed for the previous month (A4.1)</b>	On the third or fourth Business Day of the month
<b>We work out what Rebates are due to you that month</b>	On the third Business Day of the month
<b>We work out what Intermediary Fees &amp; Charges you owe for the previous month (A4.2)</b>	On the fifth Business Day of the month
<b>We check the balance in your relevant Payment Account(s) for sufficient funds to to cover payments due, and if necessary start (1) a Sale for Regular Payment; (2) a Fund Sale Instruction; or (3) a Fund Sale for Platform Charges</b>	On the fifth Business Day of the month
<b>We sell Units when Fund sales are required (A5, A6, A7)</b>	On the ninth Business Day of the month
<b>We pay out any regular withdrawals (Section C5)</b>	The last Business Day of the month.

## A8 Custody of Investments

### 8.1 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. Cofunds Nominees Ltd is the legal owner of all assets held on behalf of retail investors.

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. This means that in the event of an irreconcilable shortfall following the default of our Nominee, you will share the shortfall proportionally with our other investors. 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.

For Accounts held within the Cofunds Pension Account, the Assets in your Account (including the cash in your Pension Trading Account) are legally held by Suffolk Life Trustees Limited, who hold them on your behalf.



## A9 Dealing in investments through Cofunds

### 9.1 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 Intermediary who will make the necessary arrangement with Cofunds.

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

### 9.2 Pension Trading Account

When Cofunds is instructed to use Monies from your Pension Trading Account to pay for an investment, Cofunds will check whether there are sufficient Monies in the Account (i.e. sufficient Available Balance). If the amount available is not sufficient, Cofunds will not process your instruction and will notify your Nominated Intermediary accordingly.

### 9.3 Payment priority and ring-fencing

If you have Intermediary Fees & Charges or pension drawdown set up to go out of your Pension Trading Account, certain Monies will be 'ring-fenced' to pay for them. Money that is ring-fenced is reserved for covering specific payments, is not available for investment and effectively reduces your Available Balance. Sometimes that might mean we can't place a buy instruction for you even if it looks like there is enough money in your Account. Please note that for CPA investors we also ring-fence regular contributions. See Section C3 for more information.

For the Pension Trading Account (CPA) we will use the Available Balance to meet payments in the following order:

- (1) product charges;
- (2) Platform charges;
- (3) pension drawdown;
- (4) Intermediary Fees & Charges (if applicable).

### 9.4 Pending Trades

#### 9.4.1 Pending Trade service

The Pending Trade service allows you to set up instructions online to buy Units in a Fund or Funds now and pay later – at which point the trade will be processed. Please check with your Nominated Intermediary whether you have access to do this directly. Pending Trades can only be set up when the Available Balance in your Pension Trading Account is less than the value of the Pending Trade.

The Pending Trade instructions will be saved on the Cofunds system until we receive payment for the Pending Trades from you – when payment is received we will process your transaction(s) following our usual dealing procedures described in Section A9.5.

Pending Trades are valid for 14 calendar days from the date on which they are set up. You must arrange to make payment within this time frame accordingly. If there is not sufficient money in the Pension Trading Account within 14 calendar days to pay for your Pending Trades, they

will expire on our system and we will not process them. Your Available Balance and Cleared Balance will be updated to reflect the additional money we have received from you. Pending Trades will also expire immediately if you change your Nominated Intermediary or if Cofunds is notified of your death.

The Pending Trade will also expire if the Fund closes or changes due to a corporate action. Pending Trades are prioritised in the order in which the deals are created. You can amend the priority order of Pending Trades online. Once sufficient money is in the Available Balance, we will process the Pending Trades in the order in which you have prioritised them.

If the Available Balance is not enough to process all your Pending Trades, we will process the Pending Trades in order of priority, so long as there is sufficient Available Balance to pay for them.

If the Available Balance is insufficient to process the highest priority Pending Trade, we will not process any of your Pending Trades, even if the Available Balance is enough to pay for lower priority Pending Trades. In this situation, lower priority Pending Trades can expire. If you want us to process the Pending Trades for which there is enough money, you must change the priority order of the Pending Trades to reflect this.

You can cancel Pending Trades at any time before you pay for them, but confirmed trades can only be cancelled in line with your cancellation rights for the product you're buying.

During the Business Day, Pending Trades are the highest priority transactions. This means that if we receive Monies into your Account which increase your Available Balance sufficiently to pay for your Pending Trade(s), we will process your Pending Trades before any other types of transaction. See section A9.3 above on 'Payment priority and ring-fencing' for more information. Please note that if you decide to sell some of your existing Funds in order to raise the money for a Pending Trade, some of the proceeds may be 'ring-fenced' to meet any charges or payments that are set up to go out of your Pension Trading Account – see Sections A4 and C5. Unless you add enough money to your Pension Trading Account to pay for charges as well as Pending Trades, your Pending Trade will not be processed.

#### 9.4.2 If you move to the Advised Explicit Investment Service

If you change Service Type for your Account when you have Pending Trades set up we will still act on them. The Terms & Conditions that apply to those Pending Trades will be the Terms & Conditions that apply to your Account at the time you pay us for the Pending Trade.

If you are changing Service Type we recommend you check with your new Nominated Adviser/Intermediary that the Pending Trades you have set up are still appropriate for you. Please note that if you are changing Adviser your Pending Trade will be cancelled.

### 9.5 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) once we have received payment from you.

Units in your chosen Funds are bought, sold, switched and converted directly through the Fund Manager through a process of 'aggregating orders' (adding up all individual instructions to come up with a total purchase or sale and/or conversion with that Fund Manager). The Fund Manager sets Unit prices at a specific 'Valuation Pricing Time' each Business Day (although some Funds are priced weekly).

Fund managers price Units and shares after the sale and purchase orders of the day have been received and the Funds have been revalued (forward pricing), so you will not know in advance what price you will receive. If you have specified a cash value to raise from a sale we will 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 an over-sell or under-sell of Units. We will pay all Monies, including any excess raised, into your Pension Trading Account.

To be able to buy or sell at the price set at the Valuation Pricing Time, orders and payment must be received by Cofunds by a specified 'Dealing Cut-off Time'.

Valuation Pricing Times and Dealing Cut-off Times can vary from Fund to Fund. Please see the Fees & Charges Schedule for details.

Each individual deal is usually processed in full and aggregated for the first Valuation Pricing Time following receipt of your instruction and payment (see (a) below), and all deals for that Valuation Pricing Time are met by the Fund Manager. We will not split deals between Valuation Pricing Times (splitting could mean you receive two different prices for parts of the same order or, in an aggregated deal, some investors could get one price and others, another price), except in exceptional circumstances dictated by the Fund, for example, if the Fund is suspended. In these cases we ensure our records of your instructions match the Fund Manager's records and that your instruction is fairly processed. In all circumstances, we process instructions in the order in which we receive them. However, instructions submitted online may be dealt with sooner than postal applications.

It is possible, in theory, for our process of aggregating deals to act to your disadvantage. However, in practice, we always make sure that you are not disadvantaged, and will place you in the position you would have been in if the disadvantageous process had not taken place.

It is Cofunds' normal business practice to buy/sell Units in Funds at the Valuation Pricing Time following receipt of your instruction and payment. This will normally be the same Business Day, providing the relevant Dealing Cut-off Time is met. However, in some instances, including but not limited to when unusually large numbers of instructions are received, your instruction may be placed on the subsequent Business Day at the next available Valuation Pricing Time.

If you make Regular 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.

## 9.6 Types of Units

**Income Units** are Units which pay distributions of Income to the holder from the Fund.

**Accumulation Units** are Units which automatically Reinvest all Income back into the underlying 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 but Income Units are not available, Cofunds will purchase Accumulation Units.

### 9.6.1 Commission-free Share Class and Commission-included Share Class

**Commission-free Share Class** - A Fund Share Class where the Fund Manager does not pay Commission to Intermediaries or Cofunds.

**Commission-included Share Class** - A Fund Share Class where the Fund Manager pays Commission from its Fund management charges to Intermediaries.

**Share Class conversion** - Cofunds offers the ability to convert Commission-included Share Classes to Commission-free Share Classes.

A Share Class conversion is a two-step process, with the first step at Cofunds and the second step with the Fund Manager.

It is Cofunds' normal business practice to process your Share Class conversion following receipt of your instruction. The instruction to convert is then passed to the Fund Manager on the next Business Day. The Fund Manager will then convert your Share Class and will normally issue confirmation to Cofunds two days from receipt.

Cofunds upon receipt of confirmation will then reflect the Share Class change(s) to your Account. The above mentioned process is subject to change dependant on volumes and individual Fund Manager processing procedures.

### 9.6.2 Types of Commission-free Share Class

Commission-free Share Class Funds don't pay Commission to Intermediaries. The type of Commission-free Share Class Funds available to you on Cofunds will depend on what your Nominated Intermediary has agreed with the Fund Managers. If you request to buy, switch or convert into a Fund, we'll always process your trade into the particular Commission-free Share Class that is available through your Nominated Intermediary.

## 9.7 Changing from one Unit type to another

Fund Managers may allow you to convert Income Units to Accumulation Units, or the other way round. When you ask us to arrange a Unit conversion we send your instruction to the Fund Manager. The Fund Manager converts your Units and lets us know when this has been done. We then update your Account. Usually this is the next Business Day after we receive your instruction, but that can vary depending on business volumes and Fund Manager procedures. There is no charge for Unit conversion.

If you ask us to arrange a Unit conversion and a Share Class conversion at the same time, we'll deal with the Unit conversion first. Once this is done, we'll deal with the Share Class conversion.

## 9.8 Rebates

There are some circumstances where you can receive a Rebate – which is a payment back to you of some of the cost of investing into a Fund. Rebates are triggered on particular Funds depending on what Cofunds and/or your Intermediary have agreed with the Fund Manager.

### 9.8.1 How Rebates are paid – until 1 April 2014

Platform Rebates - where a Fund Manager does not provide a totally Commission-free Share Class of that Fund, (i.e. one which pays no Intermediary Commission but still contains a payment to Cofunds bundled in the purchase price of the Fund), Cofunds will pay a Platform Rebate to you as cash in your Pension Trading Account each month. This Platform Rebate (if applicable) will be credited to your Pension Trading Account by the sixth Business Day of every month. Any Fund Manager Rebates or Intermediary Commission Rebates will follow the same process.

### 9.8.2 How Rebates are paid – from 1 April 2014

Rebates are paid on a product-by-product basis. If you hold (or have ever held) any Commission-free Share Class Funds within a product (for example, within your CPA), then all Rebates will be paid as Units, which we'll invest into your highest-value Commission-free Share Class Fund in that product.

If you hold only Commission-included Share Class Funds within your product, please see Section B1.4 for information on how we'll process your Rebates.

### 9.8.3 Unit Rebates process

On the third Business Day of the month, we'll calculate the total Rebates due to you for the previous month on your investments in each product you hold. From this date we'll place the appropriate amount of money in the Rebates Account. You won't be able to access this money, it's simply held on your behalf. On the 21st calendar day of the month (or the Business Day before if the 21st is not a Business Day), we'll use this money to invest into Units in the highest value Commission-free Share Class Fund which you hold within each of your products.

### 9.8.4 Minimum Rebates rule

If the total amount of Unit Rebates due to you within a product is less than £2.50, we won't invest them that month, but we'll continue to hold the value owed in the Rebates Account. This will accrue until the value of Unit Rebates owed to you for the product is equal to or over £2.50. We'll then follow the process described above in Section A9.8.3. We'll only invest Unit Rebates once the value owed reaches the £2.50 minimum.

For example, if in June your Funds in a product triggered £1.50 of Rebates, we'd hold this amount in the Rebates Account on your behalf and not pay it out on 21 July. If in July your Funds triggered another £1.50, we'd pay £3.00 of Units into your largest Commission-free Share Class Fund in that product on 21 August. In August your Funds might trigger another £1.50 - we'd hold this in the Rebates Account until you were owed £2.50 or more, in which case we'd pay all the Rebates owed.

## 9.9 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 in which case this amount will not be processed or kept by Cofunds but will be paid into a charity account.

If a process error has a consequential impact on corrections to Intermediary Fees & Charges, Cofunds Platform Charges and/or Rebates of £1 or less, we will take no further action.

## 9.10 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.

## 9.11 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.

## A10 Payments to you

### 10.1 Income

#### 10.1.1 Income Choices

On your Application or as part of a purchase instruction you are required to select an Income Choice for any Funds that pay Income. This choice will apply to all Income-paying Funds held within the same product and overrides any previous instruction for the treatment of Income.

There are two options for treatment of Income: Reinvest and Payaway.

From 6 April 2014, your choice to Reinvest will apply to all Commission-free Share Class Income-paying Funds held within your CPA and override any previous instruction for the treatment of Income. See Section B2.5 for information on how this process works for any Commission-included Share Class Funds that you hold.

If you select Payaway the Income will be held on platform within your Pension Trading Account.

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.

Income from pensions cannot be paid out to you – it will always be held on platform within the appropriate Pension Trading Account.

Our processing of Income from Income-paying Funds is dependent on full and accurate information being received from the Fund Manager(s). Cofunds has agreed service level timeframes with Fund Managers.

Where the relevant information is received within these timeframes we will Reinvest your Income or Payaway Income to you (as per your Income Choice) within five Business Days of receiving the distribution of Income from the Fund Manager. Where the relevant information is not provided by the Fund Managers within the agreed timeframes we contact the relevant Fund Managers and process the Income distribution as soon as we can. For month-end Income payments (where accurate information is received within the agreed timeframe) we'll pay out Income on the Friday prior to the fifth Business Day of the month.

## 10.2 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 the Pension Trading Account.

## 10.3 Residual payments

If you transfer holdings to your Cofunds Pension 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.

## 10.4 Treatment of payments we owe to you

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 Intermediary for the time being. Any such payment will be a good discharge of our obligation to pay the relevant amount. Any payments will go via Suffolk Life as scheme administrators.

## 10.5 Monies owed to us

In the event of an outstanding amount being due to Cofunds we reserve the right to request settlement in a timely manner. Alternatively, where assets are still held on platform we may instigate a sell-down from your Account or remove a value to that amount from your Cash Account, or from any withdrawal proceeds due to you.

If the debt remains outstanding for a period in excess of six months from our first request we reserve the right to take legal proceedings to recover the sums due.

## A11 Documentation

### 11.1 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.

### 11.2 Information on your Investments

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

### 11.3 Confirmation notes

A confirmation note will be sent to you, and a copy made available to your Nominated Intermediary, 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. For Sales for Regular Payment, we will not notify you or acknowledge receipt of your instruction at the time, but will follow your instruction as set out in section A8 of these Terms. Details of all transactions (including Sales for Regular Payment) will be included within your annual statement and consolidated confirmation note.

### 11.4 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.

### 11.5 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 Nominated Intermediary. Valuations are based on the bid price as at the date shown on your statement.

If you have moved Service Type from Advised to Self-directed, your statement will not show transactions that relate to your old Service Type. You can obtain information on your old transactions from your Nominated Intermediary.

If you have two Cofunds Client References for an Advised Account and a Self-directed Account, you will receive two sets of statements.

### 11.6 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.

## A12 Withdrawals and closing your Account

### 12.1 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.

The minimum amount of a withdrawal is £1 of Units from a single Fund.

### 12.2 Closing your Account

You can close your Account at any time by requesting the transfer of your Assets to another manager or pension provider as appropriate. If you wish to transfer your CPA to another pension provider, please make the request to Suffolk Life.

Closing your Account does not affect any transactions which were started before the closure began. These Terms continue to apply until we complete all outstanding transactions and meet all liabilities.

If you request to transfer all Assets from Cofunds before payments due to go out of your Pension Trading Account are made, the ring-fence associated with these payments can be over-ridden by your Nominated Intermediary to allow the money to be paid out to Suffolk Life. However, Monies ring-fenced for product charges will be paid as scheduled. Please see Section A9.3 of these Terms for details on ring-fencing and how it affects your Account.

## 12.3 Withdrawals and closing payments

We may deduct from any amount to be paid to you any outstanding fees, charges and expenses due from you. We will hold any Monies awaiting payment to you outside your Account in a Client Account. Any money owed will be paid to Suffolk Life as your pension provider.

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 FCA regulated firm.

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

If you make a full withdrawal from your CPA, any Rebates (including Unit Rebates) which are pending to be paid or incurred in the subsequent month following withdrawal (see Section A9.8) will be paid as cash into your Pension Trading Account.

## A13 Use of the Website

Depending on what you have agreed with your Nominated Intermediary, you may have online access to the Cofunds Website. This can vary from being able to see your transaction history and valuation to being able to perform trades.

If you have been given online access to the Website by your Intermediary, please be aware that switching or selling out of Funds may affect your investments or services that your Nominated Intermediary has arranged. See Section A5 for terms relating to Sale for Regular Payment, and please speak to your Intermediary if you are not sure about how your transaction online will affect your investment holdings.

Additionally, on moving from the Advised Service Type to the Self-directed Service Type (by changing from an Adviser to an Intermediary or for another reason), you will need to re-register on the Cofunds Website with your new Client Reference in order to maintain online access. Your transaction history and current valuation will be available from your new Intermediary, but you will no longer be able to see your transaction history online for when you were on the Advised Service Type.

If you forget to log off after accessing our website, or your computer remains inactive for a period of time during a session, then our systems automatically log you off.

You are responsible for unauthorised instructions and or activity (including but not limited to placing trades) by a third party if facilitated by negligence on your part. Cofunds will not be liable and accepts no responsibility for any such unauthorised instructions and/or activity.

## A14 Funds on Cofunds

### 14.1 Funds available on 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. The Funds available to you may vary according to what your Nominated Intermediary has arranged with the relevant Fund Managers.

## 14.2 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. If a Pending Trade is set up to invest into a Fund which closes as the result of a corporate action, this will cause the Pending Trade to expire.

## A15 Changing or ending our agreement with you

### 15.1.1 Regulatory changes

We can make changes which are required to respond to changes in relevant laws or regulations. If the change will operate to your benefit, we will not provide notice to you except in so far as we provide you with the revised Terms at the point where you carry out a trade or other function on the Cofunds platform which requires you to agree to the new Terms. If the change will operate to your disadvantage or is a material change we will provide you with at least 30 days notice unless we are not able to do so as a result of the change in relevant laws or regulations when we will give you as much notice of the change as is possible in the circumstances.

#### 15.1.2 Non-material changes

We can make changes which operate to your benefit in order to:

- (a) provide additional services, facilities or options to your Account;
- (b) make minor amendments which are not material to the meaning of these Terms;
- (c) make clarifications which are not material to the meaning of these Terms;

without providing notice to you except that we will provide notice of any change under point (a), in so far as we provide you with the revised Terms at the point where you use the relevant new service, facility or option.

#### 15.1.3 Material changes

We can make changes which:

- (a) vary the minimum investment, maximum or minimum account value, or withdrawal amounts;
- (b) vary the charges that apply to your Account;
- (c) we need to make for the on-going provision of our service but which may operate to your disadvantage;

by providing you with at least 30 calendar days' notice of that change, unless the change is as a result of something outside our control or it's not possible to do so. If we're not able to give you 30 days' notice, we will give you as much notice as possible.

#### 15.1.4 What to do if you are unhappy with a change

If you are not happy with a change to your Terms, speak to your Nominated Intermediary or write to us at our Administration Address to ask for a more detailed explanation of it. If you're still unhappy or you decide you would like to close your Account immediately as a result of the change, you can instruct us to close your Account by withdrawing all your Assets or transferring to another manager or (for Assets in a pension) pension provider. This will be at no additional cost to you (although we will



deduct all outstanding charges). If you instruct us to close your Account prior to the expiration of the notice period, the amended terms under A15.1.3 will not apply to you if the changes are due to take effect before the transfer of your Fund transfer is complete.

#### **15.1.5 Changing Investment Service**

You agree your Service Type for the Cofunds Platform with your Nominated Adviser or Nominated Intermediary. These Terms are for the Self-directed Service Type. If you change Service Type you have to agree to the Terms that apply to your new Service Type. If you are considering changing Service Type please speak to your Nominated Intermediary.

### **15.2 If you or we want to end this agreement**

You can end this agreement by writing to us at our Administration Address. We can end this agreement by giving you at least three months notice.

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.

## **A16 Liability**

### **16.1 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.

### **16.2 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.

## **A17 General**

### **17.1 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.

### **17.2 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 is a registered Data Controller and a fully owned subsidiary of Legal & General Group Plc. Cofunds Limited will use your information for the administration and servicing of your investments and all other related activities. We may disclose your information to other companies within the Legal & General group of companies, future owners of our business, and suppliers we engage to process data on our behalf for these purposes. We may also disclose your information to organisations for compliance with legal and regulatory requirements.

With the exception of the above provisions, we will not pass on your details to any other third party without your permission, but we will disclose information concerning your investment to your Nominated Adviser.

Cofunds may transfer your information to countries outside of the EEA for the administration and 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 the Data Protection Act or any legislation that may be enacted to replace that Act.

### **17.3 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.

### **17.4 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 Intermediary.

## **A18 Complaints and compensation**

### **18.1 Complaints**

We operate a written complaints procedure in accordance with FCA rules. If you have a complaint about our services or products, please send a letter to Head of Customer Experience, Cofunds Limited, PO Box 1103, Chelmsford CM99 2XY. If you are unsatisfied by how we have dealt with your complaint and meet the FCA's criteria, you will be able to refer your complaint against us to the Financial Ombudsman Service, which may be contacted at Exchange Tower, Harbour Exchange Square, London, E14 9SR. We will let you know when and how you can do this.

Further details of our complaints policy can be found at:

[www.cofunds.co.uk/docs/gpub/customercomplaints/](http://www.cofunds.co.uk/docs/gpub/customercomplaints/)

Alternatively you may wish to make a complaint through your Nominated Intermediary.

### **18.2 Compensation claims**

Cofunds is covered by the Financial Services Compensation Scheme. You may be entitled to compensation from the scheme in relation to the premium Cofunds temporarily holds as client money. Most types of investment business are covered up to a maximum compensation of 100% of £50,000.

Further information about the compensation arrangements is available from the Financial Services Compensation Scheme.

For more information see:

[www.cofunds.co.uk/docs/gpub/assetprotect/](http://www.cofunds.co.uk/docs/gpub/assetprotect/)

Cofunds can give you full details of your right to lodge a claim with the scheme.

## A19 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. Additional terms for Funds held in Commission-included Share Classes within the Explicit Pricing Model

These terms are in addition to those terms stated in Section A and apply to investors who hold Commission-included Share Class Funds under the Explicit Pricing Model.

### B1 Fees, Charges and Expenses

#### 1.1 Our remuneration

We do not charge you a fee (including the Platform Charge) for investing through us if you only hold Commission-included Share Class Funds. We do however receive fees from Fund Managers for administration services provided to Fund Managers connected with your investments. An indication of these is shown on the Fees & Charges Schedule, and you can get full details of these payments by writing to us at our Administration Address.

Any additional charges that apply to you, and all payments we receive from the Fund Managers, are also detailed in the Fees and Charges Schedule – available from your Nominated Intermediary.

#### 1.2 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.

#### 1.3 Payments to your Nominated Intermediary

**Trail Commission Rebates:** if you only hold Commission-included Share Class Funds in a product your Nominated Intermediary may receive Trail Commission from Fund Managers on your investments in Commission-included Share Class Funds. Your Nominated Intermediary may choose to rebate this Commission back to you within any of the products you hold. If you only hold Commission-included Share Class Funds within a product, this will be paid via Cofunds as cash into your Pension Trading Account each month.

From the fifth Business Day of the month we'll place the appropriate amount of money in the Rebates Account. You won't be able to access this money, it's simply held on your behalf. We'll pay all Trail Commission Rebates to the Pension Trading Account on the 21st calendar day of every month (or the Business Day before if the 21st is not a Business Day). The minimum Rebates rule (see Section A9.8.4) does not apply to cash Rebates – all amounts due will be paid each month.

This will appear on your annual statement or consolidated confirmation note as a 'Trail Rebate'.

From 1 April 2014, once you purchase a Commission-free Share Class Fund within a product, all further Trail Commission Rebates within that product will be paid in Units, as described in Section A9.8.

## B2 How moving to the Self-directed Explicit pricing model affects you

### 2.1 Switching, Unit and Share Class conversions

We will allow you to switch Funds within your Account, but since you are assigned to the Explicit Pricing Model, any Commission-included Share Class Funds that you hold can only be switched with Commission-free Share Class Funds.

**Unit conversion:** where available, Fund Managers offer the facility to convert Accumulation Units to Income Units or vice versa within the same Fund.

**Share Class conversion:** Cofunds offers the facility to convert Commission-included Share Classes to Commission-free Share Classes. A Share Class conversion is a two-step process, with the first step at Cofunds and the second step with the Fund Manager.

It is Cofunds' normal business practice to process your Share Class conversion within one Business Day of receipt of your instruction. The instruction to convert is then passed to the Fund Manager who will convert your Share Class and confirm back to Cofunds the next Business Day. Cofunds upon receipt of confirmation will then reflect the Share Class change(s) to your Account.

The above mentioned process is subject to change dependant on volumes and individual Fund Manager processing procedures.

If a Unit conversion and a Share Class conversion are both requested at the same time, the Unit conversion will be processed first by Cofunds. Once the Unit conversion is completed the Share Class conversion will be processed (as outlined above).

No Commission is paid on Unit/Share Class conversion. Should you wish to exercise this facility, there is no charge for Unit and Share Class conversion.

#### 2.1.1 Fund Manager Events

A Fund Manager event/corporate action may cause your Commission-included Share Class Fund to be converted to the Commission-free Share Class. In this case you will be subject to the terms in Section A, including the application of the Cofunds Platform Charge.

### 2.2 Pending Trades

If you change Service Type and/or Pricing Model after posting a Pending Trade but before the deal is processed, we will process the Pending Trade as instructed under the Service Type and Pricing Model that you held at the time of the placement.

### 2.3 Transferring investments to the Cofunds platform

From 6 April 2014, where we receive Commission-included Share Class Funds and there is a Commission-free Share Class equivalent, we'll Share Class convert the Commission-included Share Class Funds to Commission-free Share Class Funds available to your Nominated Intermediary.

A list of Funds and their Share Classes available on Cofunds can be found at the following links:

[https://www.cofunds.co.uk/Investors/Reports\\_and\\_Accounts\\_Investors.aspx](https://www.cofunds.co.uk/Investors/Reports_and_Accounts_Investors.aspx)

Where we don't hold the Commission-free Share Class equivalent of the Commission-included Share Class Fund we'll be unable to accept the Re-registration.

### 2.4 Charges and how they work

All charges in relation to your CPA are taken from your Pension Trading Account. The Platform Charge will be taken from your Pension Trading Account in proportion to the value of Commission-free Share Class Funds you hold within the CPA relative to your entire holding of Commission-free Share Class Funds on the Cofunds platform. Please see Section A4 for more information on how we collect the Platform Charge.

### 2.5 Income Choices

From 6 April 2014, if you change your Income Choice from Payaway to Reinvest, it will only be applied to the Commission-free Share Class Funds you hold. Any Commission-included Share Class Funds will continue to Payaway and follow your Income Mandate. If you would like all of your Income to Reinvest you can convert into a Commission-free Share Class Fund in Accumulation Units using the Unit Conversion application form.



## C. Specific Terms 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.

### C1 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. Suffolk Life Trustees Limited is the legal owner of the assets and any funds held within the CPA, which they hold in trust for you.

#### 1.3 Point of contact

Cofunds is the point of contact for your Nominated Intermediary 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 Intermediary 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 Who can apply for a CPA

You must be a UK resident and must not be a citizen of the United States of America in order to apply for the CPA. Applications which do not meet these criteria will be rejected.

#### 1.6 Valuations

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

#### 1.7 How to transfer Investments into your Cofunds Pension Account

If you are re-registering Commission-included Share Class Funds to Cofunds from your current pension provider, from 6 April 2014 these will be subject to a Share Class conversion to Commission-free Share Class Funds when received from your old plan manager/Fund Manager. See Section B2.3 for more information.

#### 1.8 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 Intermediary, who will make the necessary arrangements.

#### 1.9 In the event of your death

##### 1.9.1 Death claim

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

##### 1.9.2 Payment of charges on deceased clients' Accounts:

In the event of your death we'll keep holding your assets and money until we receive further instructions from Suffolk Life. We'll stop reinvesting Income and keep it in the Pension Trading Account until we have received further instructions from Suffolk Life. On being told of your death we'll also cancel all Pending Trades set up on your Account. If we receive any Income on your behalf between when you die and the payment of death benefits from your Account, we'd use this to pay any charges owed, including any Platform Charge.

##### Platform Charges

The Platform Charge will continue to be charged as long as Commission-free Share Class Funds are held on the platform under Account. Whilst there are sufficient Monies in the Pension Trading Account to cover this, the charge will be automatically paid. Should a charge then start to accrue due to insufficient Monies in the Pension Trading Account, Cofunds will raise the money to pay for any outstanding Platform Charge by selling assets held in the Largest Fund in the deceased client's Account (this is separate from and will not follow any previously agreed Sale for Regular Payment instruction). For what 'Largest Fund' means, see Section A5.3.1. We will recover our Platform Charge before final settlement of the Executors instruction.

##### Intermediary Fees & Charges

We'll pay out any fees and charges owed to your Nominated Intermediary until the month we are notified of your death, and no further payments will be made.

## C2 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 Intermediary has given you online access) or your Nominated Intermediary to:

- Buy/sell Funds on your behalf
- Hold Monies destined for purchasing Funds on the Cofunds platform
- Create Pending Trades

- Create a Standing Investment Instruction
- Create a Regular Investment Instruction
- Facilitate Platform Charges, Intermediary Fees and Charges and product charges

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 Commission-free Share Class Funds on Cofunds using Monies held within your Pension Trading Account, or to sell existing Funds held within the CPA, please refer to your Nominated Intermediary 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.

## 2.6 Charges and how they work

The Platform Charge will be charged against your Pension Trading Account in proportion to the value of Commission-free Share Class Funds you hold within the CPA relative to your entire holding of Commission-free Share Class Funds on the Cofunds platform. Please see Section A4 for more information on how we collect the Platform Charge. To assist with payment of charges you can fill out a Sale for Regular Payment or agree a Fund Sale Instruction with your Intermediary, as per the processes described in Sections A5 and 6 of these Terms. The relevant instruction will apply to product charges, the Platform Charge, and any regular withdrawal (pension drawdown) and applicable Intermediary Fees and Charges.

Cofunds' Platform Charge covers the cost of providing our dealing and custody service to investors using our platform. This includes all ongoing administration costs related to hosting the products on our platform. For the Cofunds Pension Account (CPA) this includes an annual payment to Suffolk Life, our Legal & General Group partner of £75 per CPA customer per year to cover the ongoing administration costs of the pension. This does not affect the price you pay through Cofunds or for your CPA.

## C3 Regular Investment Instruction (RII)

The RII is an instruction you can set up on the Cofunds Pension Account to automatically invest into Funds, on a monthly basis, a specified amount of the Monies available in your Pension Trading Account.

### 3.1 Instruction

If you wish to make Regular Investments into Funds within your Cofunds Pension Account, please contact your Nominated Intermediary who will make the necessary arrangements. Your Intermediary may provide you with online access where you will be able to amend your RII online.

### 3.2 Timing and calculation of the RII

#### 3.2.1 When we take money to pay for an RII

The money to pay for your RII will be taken from the Pension Trading Account on the 11th of each month, or the next available Business Day (the Investment Date). We must receive your instruction by the first Business Day of the month prior to the 11th for your instruction to take effect that month. Even if you also have a Cash Account, the money for an RII will always be taken from your Pension Trading Account, so you must have a sufficient Available Balance in this Account.

#### 3.2.2 RII and 'ring-fencing'

We start the RII investment process three Business Days before the Investment Date (the Processing Date).

Monies received into the Pension Trading Account in respect of regular member/employer contributions at any time in the month before the Processing Date will be reserved for the purpose of paying the RII ('ring-fenced') along with any previously ring-fenced member/employer regular contributions (and associated tax relief) up to the maximum of your RII amount. Regular member/employer contributions into the Pension Trading Account received after the Processing Date won't be ring-fenced.

Any tax relief received on regular contributions will be ring-fenced for the next available RII along with any previously ring-fenced member/employer regular contributions (and associated tax relief) up to the maximum of the RII amount.

If regular member/employer contributions (and associated tax relief) that are ring-fenced for RII purposes are cancelled, this will reduce the ring-fenced amount for the RII by the equivalent amount. If this reduces the amount ring-fenced for RII to less than zero, the effective ring-fenced amount will be zero.

The ring-fence for your RII is removed from the Pension Trading Account on the Processing Date, or if the RII is ended.

If there isn't enough money ring-fenced to pay your RII in addition to the Cleared Balance available in the Pension Trading Account on the Processing Date, the RII will fail to invest and the ring-fence will be removed.

Money in the Pension Trading Account that is ring-fenced for paying your RII will reduce the Available Balance and can't be used for any other purpose – for example the payment of the Platform Charge or Intermediary Fees & Charges.

If you adjust the amount of your RII, we'll adjust the ring-fenced amount to match.

### 3.2.3 What happens if you don't have enough money to pay for your RII

If, on the first Investment Date of your RII, you have insufficient money within your Pension Trading Account to Fund your first investment, we'll suspend your RII until the next month. If on the first Investment Date you do hold some (but not enough) money in your Pension Trading Account, it will not be used to part-pay the RII, but will remain unaffected until the next month's RII, when we will pay out the required amount if you have enough money in there at that time.

### 3.2.4 Amending your RII

If you wish to change the details of your RII, you need to send us an amendment instruction so that it arrives at Cofunds five Business Days before the Investment Date on the 11th of the month, so that we have time to process your changes so that they take effect in that month's RII.

Please note: If you provide an instruction to start, change or stop a RII, this will not alter any existing regular pension contribution being paid to your CPA. You must provide a separate instruction if you wish to start, change or stop a regular contribution payment.

## 3.3 When we'll cancel an RII

If on the Investment Date on three consecutive months we cannot make the necessary investment because you do not have enough money in your Pension Trading Account, we will cancel your RII.

If you still wish to make Regular Investments, you must ask your Nominated Intermediary to send us a new RII form.

## C4 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 Intermediary 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 Intermediary 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 A9 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 to new investment, it is up to your Nominated Intermediary 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.
- Upon agreeing to these terms any existing Standing Investment Instruction to invest in Commission-included Share Classes will be terminated.

## C5 Regular withdrawals within your Cofunds Pension Account (drawdown)

The regular withdrawal (drawdown) 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 drawdown.

Requests for regular withdrawals must be made in writing. Your regular withdrawal (drawdown) can be paid monthly, quarterly, half- yearly or annually. Regular withdrawals can only be paid to the Suffolk Life Pooled Client Bank Account.

If you choose to take a regular withdrawal (drawdown), you must set up a Sale for Regular Payment instruction. Cofunds will reject requests for regular withdrawals without a Sale for Regular Payment instruction.

Please see section A5 of these Terms for the terms and conditions relating to the Sale for Regular Payment service, to understand how this process will apply to the regular withdrawal (drawdown).

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 you have an existing regular withdrawal set up on your Account, your Sale for Regular Payment instruction will follow your existing choice of up to five nominated Funds, or proportional sell-down, though the timings we will follow will be those disclosed in section A5.3.

Please note that if you choose to change your existing mandate to Nominated or Largest Fund, this will be permanent - you will no longer have the option to change back to your original choice of up to five nominated Funds or proportional sell-down.

## C6 Fees, charges and expenses

The charges payable under the CPA are described in the Key Features of the CPA Provided by Suffolk Life and associated documentation. The product charges for the CPA will be deducted automatically from your Account in accordance with your relevant Sale for Regular Payment or Fund Sale Instruction, following the processes described in Sections A5 and A6 of these Terms.

### **What does the Platform Charge cover?**

Cofunds' Platform Charge is for providing our dealing and custody service to investors and hosting products on our platform. For each investor with a Cofunds Pension Account (CPA), we pay £75 each year to Suffolk Life for administering the CPA plan.

We'll also pay Suffolk Life for providing pension and technical expertise and services, and maintaining computer systems and other services related to the pension scheme. The amounts we pay to Suffolk Life in this respect may change. If you want more information, please write to us at our Administration Address for details.

This is a commercial arrangement between Cofunds and Suffolk Life - the only payments by you are the Platform Charges described in Section A4. Cofunds and Suffolk Life are both parts of Legal & General Group Plc.



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