

# Terms and Conditions of the Cofunds Platform

You must take time to read through this booklet,  
as this is a legal contract between you and Cofunds.

## Version 0417SDE

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# Introduction

This version of the Terms and Conditions of the Cofunds Platform (Self-directed) is 0417 and replaces the previous version 1216. 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 and not as explained in any previous version of the Terms and Conditions you've held.

We have made a small number of amendments and clarifications to wordings to ensure that clauses are clear and describe our processes correctly. These changes do not detrimentally affect your existing investment.

## Changes

**A5.2.3** - we have clarified that the Consolidated Income Account pays any interest due monthly.

**A5.6** - the FSCS compensation limit has increased from £75,000 to £85,000.

**C2.2** - we have added wording regarding the Lifetime ISA.

## About this document

Please read this document carefully and keep it in a safe place for future reference. These terms and conditions form the legal agreement between you and Cofunds. They set out what you can expect from the Cofunds Platform and explain your rights and responsibilities.

## How to read this document

This document is split into three parts. You should read all the parts that apply to you.

- Part A** Applies to everyone
- Part B** Also applies if you invest in the Investment Funds Product
- Part C** Also applies if you invest through the Cofunds Investment ISA

## Words and phrases with a particular meaning

In this document, some words and phrases have a particular meaning. That's unless it is obvious from the context that we mean something else. You will find a list of these words and phrases, and an explanation of what they mean (their definitions), on pages 26 to 28. They are part of the Terms and Conditions, so you should take the time to read and understand them.

## Making it clear

We have done our best to make the Terms and Conditions clear. Where you see the k symbol we are giving you extra information to help explain some of the more complicated sections or highlight information you might find useful. We hope you find this helpful, but please note that this extra information is not itself part of the Terms and Conditions.

## If you have questions

If you have questions about anything in this document, please contact your Nominated Intermediary. We can't give you financial advice. You can contact us by writing to our Administration Address at Cofunds Limited, PO Box 1103, Chelmsford CM99 2XY.

# Contents

Page

## Part A

### Applies to everyone

#### Getting started

- A1 About Cofunds** 5  
General • How you can contact us • Information we need from you • Who regulates Cofunds • What that means for your protection
- A2 Your Nominated Intermediary** 5  
The role that your Nominated Intermediary plays • Our right to rely on your Nominated Intermediary • Your right to appoint a new Nominated Intermediary • What a new Nominated Intermediary might mean for you
- A3 Your Cofunds Account** 6  
Making your Application • The types of Cofunds Accounts you can have • Your responsibility to give us information • Getting online access to your Cofunds Account

#### Your money and Cofunds

- A4 Paying money in** 7  
Your Nominated Bank Account • Using your Nominated Bank Account • Your right to change your Nominated Bank Account • Making payments by cheque
- A5 How we hold your money** 7  
Client Money • Situations where we hold client money and pay you interest • The Interest we pay • Situations where we hold client money and do not pay you interest • Tax on your interest • Protection for your money • Dormant accounts • Transfer of Client Money

#### Your investments and Cofunds

- A6 Safe Custody** 8  
Our responsibility to keep your Assets safe • Your ownership of your Assets • Investing on your behalf • Types of units • Changing from one Unit type to another • Rebates • Transferring your investments onto the Cofunds Platform
- A7 Making changes to your investments** 11  
How to make changes • Setting up regular investments • Our Pending Trade service and how it works • ISAs and the Pending Trade service • How moving Service type affects Pending Trades
- A8 Some issues to be aware of when investing** 11  
When we might not be able to place an instruction • If a mistake is made • If you misuse our service • Unpaid amounts • The Funds offered by Cofunds • Suspended Funds • Overseas Funds

#### Fees and charges

- A9 Our charges** 12  
How we are paid • How your Nominated Intermediary is paid through Cofunds • Funding your fees and charges

#### Funding your Fees and charges

- A10 Sale for Regular Payment** 14  
Our Sale for Regular Payment service • How it works • Calculating the Sale for Regular Payment • ISAs and the Sale for Regular Payment Service • Tax implications • If you have online access to your Cofunds Account

Contents	Page
<b>Part A (continued)</b>	
<b>A11 Fund Sale Instruction</b>	16
How it works • How it's different from Sale for Regular Payment •	
<b>A12 If we have to sell Funds to pay your Platform Charge</b>	17
How it works • How it's different from Sale for Regular Payment and Fund Sale Instruction	
<b>A13 How we keep you informed</b>	18
On setting up your Account • As you trade in investments • Statements and tax certificates • Our records • If you hold a joint account	
<b>Taking money out of your Account</b>	
<b>A14 Payments to you</b>	18
Income from Funds • Our process for income distribution • Making regular withdrawals • Our rights when making payments	
<b>A15 Making one off withdrawals and closing your account</b>	19
How to make a withdrawal • Making the withdrawal • Closing your Account • Re-registration off Cofunds • If you owe money	
<b>Other things you need to know</b>	
<b>A16 Changing or ending our agreement with you</b>	21
If we make changes • If you or we want to end this agreement	
<b>A17 Our responsibilities to each other</b>	21
If you cause us to suffer a loss • If something happens that we couldn't control • Making a complaint	
<b>A18 In general</b>	22
When we delegate • Looking after your personal information • A note for Civil Partners • Sending notices to us • The law governing this agreement	
<b>Part B</b>	
Also applies to the Investment Funds product	22
If you are investing into the Investment Fund product jointly • Opening your account • In the event of your death • Tax on rebates	
<b>Part C</b>	
Also applies if you invest through the Cofunds Investment ISA	23
Our role as ISA Manager • Opening your ISA account • Cash Reserve • If your ISA loses its tax exempt status • Information and voting rights for your ISA investments • If you want to transfer your ISA away from Cofunds • In the event of your death • Inheritable ISA allowance	
<b>Definitions</b>	26

# Part A

## Applies to everyone

These Terms and Conditions, together with whichever Customer Agreements apply to the products in which you invest, set out the legal agreement that applies to your investment through the Cofunds Platform.

### Getting started

## A1 About Cofunds

### 1.1 General

Cofunds provides facilities for investing in Funds from a range of different providers and for keeping track of your investment. You must be a UK resident and must not be a citizen of the United States of America in order to invest through Cofunds.

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

Cofunds complements the service provided by your Nominated Intermediary.

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 How you can contact us

You can contact us by writing to Cofunds Limited, PO Box 1103, Chelmsford CM99 2XY.

### 1.3 Information we need from you

We need you to give us information that is relevant to managing your Account.

You must let us know as soon as possible if you change your permanent address and if you change your Nominated Bank Account or Nominated Intermediary. We need confirmation from your Nominated Intermediary of your identity and may request verification of your Bank Account details for certain transactions.

### 1.4 Who Regulates Cofunds?

We are authorised and regulated by the Financial Conduct Authority (the FCA) for investment business.

Our FCA registration number is 194734. You can check this at [www.fca.org.uk/register](http://www.fca.org.uk/register) or by calling the FCA on 0800 111 6768.

### 1.5 What that means for your protection

We treat you as a "retail client" under FCA rules. This means you get the highest level of regulatory protection available under those rules as amended from time to time.

## 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 completing a Change of Adviser/Intermediary form and sending it to us at our Administration Address. You'll need to include your Cofunds Client Reference number. If you have a joint Account all the Joint Holders must sign the form. We'll stop dealing with your old Nominated Intermediary and start dealing with your new one when we receive your completed form and process your instruction at our Administration Address.

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.

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

#### 2.4.1 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 A6.4.1 for more information on Share Class Conversion.

#### 2.4.2 Pending Trades

If you replace your Nominated Intermediary, we'll cancel all Pending Trades on your account (see A7.3 for information about Pending Trades). You'll have to ask your new Nominated Intermediary to set them up again.

### 2.4.3 Different Service Type

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

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.

If you move from an Adviser to an Intermediary you will move from the Advised Service Type to the Self-directed Service Type and new Terms & Conditions would apply.

### 2.4.4 Different Platform Charge

In some circumstances changing your Nominated Intermediary could affect what Platform Charge you pay – please see Section A9.1.

## A3 Your Cofunds Account

### 3.1 Making your Application

To open an Account with Cofunds you complete and sign the relevant application forms. Then you or your Nominated Intermediary must send the completed form(s) to us, along with any payment. We will let you or your Nominated 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 your Nominated Intermediary 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 and these will all be invested in the Commission-free Share Class that is available through your Nominated Intermediary. Please see Section A6 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 A5 for information on how we hold your money).

### 3.2 The types of Cofunds Accounts you can have

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.

If you move from the Advised Service Type to the Self-directed Service Type (by changing from an Adviser to an Intermediary or for another reason), 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. In this circumstance, you will need a new login for your new Client Reference – please speak to your new Nominated Adviser or Intermediary.

### \* How long does it normally take us to ... ?

<b>Change your Nominated Bank Account details (A4.3)</b>	Within five Business Days
<b>Place a buy, sell or switch an instruction on your behalf (A6.3.2)</b>	On the same Business Day, as long as you instruct us by the relevant Dealing Cut-off Time
<b>Complete a Unit or Share Class Conversion on your Account (A6.5)</b>	We issue the instruction by the next Business Day to the Fund Manager following receipt of your instruction, however we are dependent on the Fund Manager response time
<b>Change your Income Mandate (A11.1.2)</b>	Seven Business Days
<b>Make a payment into your Nominated Bank Account (A11.2, A13.2)</b>	Eight Business Days on or shortly after the fifth Business Day, following the deal being placed
<b>Issue a cheque to you (A13.2)</b>	We will issue a cheque to you on the fifth Business Day, following the deal being placed

### 3.3 Your responsibility to give us information

If we ask for information to help manage your Account, and what we are asking for is reasonable, you must give us that information. You must tell us as soon as possible if you change your permanent residential address or want to change your Nominated Intermediary or Nominated Bank Account (see A4 for information on Nominated Bank Accounts).

Your Nominated Intermediary will have to confirm your identity to us. For some instructions we carry out we might also ask for your bank details to be verified.

#### 3.3.1 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:

- complete the appropriate section within Cofunds' Application Form or the FATCA Self-Certification Form; and
- 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 be obliged to share information about your account(s) with HMRC, who may in turn share this information with any or all participating tax jurisdictions.

### 3.4 Getting online access to your Cofunds Account

Depending what you agree with your Nominated Intermediary you may have online access to Cofunds. This can vary from being able to see your transaction history and checking the value of your investments to being able to give us instructions to buy, sell and switch investments.

If your Nominated Intermediary has given you online access to buy, sell and switch investments please remember that any instructions you give us directly might affect arrangements your Nominated Intermediary has already made on your behalf (for example, a Sale for Regular Payment – see A10 for information on Sale for Regular Payment). If you are not sure how your existing arrangements may be affected, please speak to your Nominated Intermediary before you give us any instructions.

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.

## Your money and Cofunds

### A4 Paying money in

#### 4.1 Your Nominated Bank Account

You choose a Nominated Bank Account for each Cofunds Account you hold in your own name or are a Joint Holder of. If you want you can have different Nominated Bank Accounts for different Cofunds Accounts.

Your Nominated Bank Account is a specified UK bank or building society account where you are a named holder. In order to verify your Nominated Bank Account, we'll need you to send us an original bank statement for the account, issued in the last three months by a regulated financial sector firm in the UK, EU or comparable jurisdiction. Copies or statements printed off the internet must be certified by a suitable person employed in a public regulated service / profession. Alternatively, you can send us a void cheque (ie an unsigned cheque with the amount marked 'void') drawn on the Nominated Bank Account. Please ensure you include your Customer Reference with any statement or cheque. You can then transfer Monies to and from your Cofunds Cash Account.

We'll normally process your transfer instruction within one Business Day of receipt. You can have only one Nominated Bank Account with Cofunds at any time. Please note, if you're paying by cheque, you don't also need to send us a void cheque.

If you are paying money into the Cash Account from your Nominated Bank Account, you must quote your Platform Account Reference (which you can find on your Cash Account confirmation letter from us, confirmation notes, or your annual statement). You can instruct us at any time to change your Nominated Bank Account by providing us with new bank or building society account details. We'll then update our records accordingly. Subject to completing any necessary checks, we'll make this change within five Business Days of receiving your instruction.

#### 4.2 Using your Nominated Bank Account

You can use your Nominated Bank Account to transfer money to and from your Cash Account (see A5 for information about the Cash Account). We normally process transfer instructions within one day of receiving them.

When you are transferring money from your Nominated Bank Account to your Cash Account you must quote your Platform Account Reference.

You can also use your Nominated Bank Account to get payments of income from your investments through your Consolidated Income Account (see 5.2.3 for information about the Consolidated Income Account).

If that is all you are going to use your Nominated Bank Account for, then we don't need your Nominated Intermediary to verify it.

If you set up Regular Investments by Direct Debit (see 7.2 for information about Regular Investments), the Direct Debit must go out of your Nominated Bank Account.

#### 4.3 Your right to change your Nominated Bank Account

You can ask us to change your Nominated Bank Account at any time. As long as everything checks out we will update our records within five Business Days of getting your new bank or building society account details.

#### 4.4 Making payments by cheque

You can make payments to Cofunds by cheque from an account you are a named holder of or the account of a third party that's named in your Application. Cheques must be made out to Cofunds Limited. If you're using a building society cheque your name must be on the front of it (for example, Cofunds Limited: A. B. Smith) or on the back with the building society's official stamp and signature.

We will only accept cheques up to the value of £1 million pounds. For investments over this amount please contact your Nominated Intermediary who will arrange payment for you via 'Clearing House Automated Payment System' (CHAPS payment).

If we are unable to match any payment we receive to an existing account or application we will aim to return it to you within 10 days. In some cases it may take up to a further 5 days to reach you or your account.

### A5 How we hold your money

#### 5.1 Client Money

Any money held in your name is held as client money and pooled together with all our clients' money. All client money is held separately from our own in trust on your behalf with the Bank.

#### 5.2 Situations where we hold client money and pay you interest

The Bank pays interest to us on client money held which we keep to offer this service. You can write to us at our Administration Address if you require specific details on the amount of interest we receive. In certain situations we pay interest to you as follows:

##### 5.2.1 Cofunds Cash Account (interest paying)

When you open an account with Cofunds we open a Cash Account for you. You may decide to leave money in this account for a period of time. This account pays interest monthly provided the total amount of interest due for that month is not less than £1. When we talk about Available and Cleared Balances in these Terms we are talking about the money held in your Cash Account.

##### 5.2.2 ISA Cash Reserve (interest paying)

When you open an ISA with Cofunds you can ask us to open a Cash Reserve for you within the ISA. The Cash Reserve provides the ability to invest in cash within your ISA without exposure to the risk of market movements. This account pays interest monthly provided that you do not withdraw all of your Cash Reserve holding during that month.

### 5.2.3 Consolidated Income Account (interest paying)

Where we pay Consolidated Income from your investments, we will open a Consolidated Income Account for you. You can only use it to collect income from your investments and have that paid to you at regular intervals. This account pays interest monthly.

## 5.3 The interest we pay

You can find out about the current interest rates we pay at [www.cofunds.co.uk/docs/gpub/cofundsinterestrates/](http://www.cofunds.co.uk/docs/gpub/cofundsinterestrates/)

The interest rates we pay go up and down 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)

At the end of each calendar month we'll work out how much interest you are entitled to. We will apply that to the relevant Account by the fifth Business Day of the next calendar month.

## 5.4 Situations where we hold client money and do not pay you interest

### Other client money (non-interest paying)

We may hold your money on your behalf for a number of reasons including when paying for investments we have purchased on your behalf, any rebates paid into your Rebate Account pending reinvestment and money due to be paid to you from investments we have sold on your behalf. In these situations money is ordinarily held on a temporary basis and we do not pay interest to you.

## 5.5 Tax on your interest

Interest paid on the Cash Account or the Consolidated Income Account is taxable. We pay it net of 20% tax, so if you are a basic-rate taxpayer you'll have no more tax to pay on it.

Your Personal Savings Allowance means that if you're a basic-rate taxpayer you'll be able to earn up to £1,000 in savings income tax free. Higher-rate taxpayers will be able to earn up to £500 and if you are a non-taxpayer you are entitled to reclaim any tax deducted. You can find more information at [www.gov.uk/government/publications/personal-savings-allowance-factsheet](http://www.gov.uk/government/publications/personal-savings-allowance-factsheet) or by speaking with a tax adviser.

You can reclaim tax by completing Form R40. If you don't pay tax at all you can register to be paid interest without us deducting tax by completing Form R85 (Forms R40 and R85 should be available from your Nominated Intermediary or the HM Revenue & Customs website: [www.hmrc.gov.uk](http://www.hmrc.gov.uk)). Please send your completed form(s) to us with a note of your Platform Account Reference.

Income tax isn't payable on interest received on the Cash Reserve.

\* Tax depends on your individual circumstances and may change in the future. If you are not sure how it applies to you we recommend you get independent advice. There may be a cost for this.

## 5.6 Protection for your money

We hold all our Client Money with one or more carefully selected UK Banks and we monitor the Banks we use regularly.

If one of these Banks fails it is possible you won't get back all of the money we hold for you. But you might be able to claim compensation under the Financial Services Compensation Scheme. This covers you for up to £85,000 of loss with each Bank, across all the accounts you hold with that Bank. We may use more than one Bank to hold Client Money, if this is the case and one of those Banks failed, your claim will reflect your relative share of the total Client Money held by Cofunds at that Bank when it failed. More information is available at:

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

## 5.7 Dormant Accounts

If at least six years pass and in that time there are no transactions on your Cofunds Account (apart from routine items like payment of interest and charges) we can close it.

We'll write to you and your Nominated Intermediary at your last known address telling you that we plan to stop treating the money in the account as client money. You'll then have 28 days to make a claim for it. After that it will lose the protection of being held in a separate Client Account, but if you make a claim on your money later we will still pay what is due to you.

## 5.8 Transfer of Client Money

If all or part of Cofunds business is transferred to a third party, you agree that we may transfer to the third party any client money we hold on your behalf that relates to the transfer. We agree that in these circumstances we will transfer the money to a third party who is also bound by the FCA's client money rules, or we will exercise all reasonable due skill, care and diligence in assessing whether the third party will otherwise apply adequate protection to that money. We will undertake any transfer in accordance with the prevailing FCA rules. We will notify you of any transfer no less than 7 calendar days after the transfer taking place and you may opt to have the transferred sum returned you.

## Your investments and Cofunds

## A6 Safe Custody

### 6.1 Our responsibility to keep your Assets safe

We are responsible for keeping your Assets safe. We hold your investments' pooled together with those of our other clients, in the name of our Nominee, which is a company owned by Cofunds and with the same Registered Office address. We normally use Cofunds Nominees Limited for this, but sometimes we use other companies. Where that is the case we will let you know the details.

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.

If our Nominee fails and we can't get back all of the investments held in its name, you will share any losses with other investors using the Nominee. Your relative share of any losses will reflect your relative share of the investments held in the Nominee when it failed.

We make arrangements to look after the documents that show you own the investments held in the name of our Nominee. We are not allowed to lend out your investments or use them as security for borrowing.

## 6.2 Your ownership of your Assets

You are and remain beneficial owner of the Assets in your account. Should you, or your Nominated Intermediary request we will provide a statement of the units and shares and/or Client Money, that we hold on your behalf. This may not be identical to your annual statement or consolidated confirmation note, mainly due to timing differences that can arise while transactions are being processed.

If your lender agrees you might be able to use the Assets in your Account to help repay a loan. But you can't give away, sell or transfer any legal interest in them, have or create any kind of charge over them, or use them as security of any kind – including security for a loan.

## 6.3 Investing on your behalf

### 6.3.1 The process we follow

When you or your Nominated Intermediary ask us to buy, switch, convert or sell investments in your Account, you pay us and then we place an instruction with the Fund Manager of the relevant Fund(s).

We do this after adding up all of the individual buy, switch, convert and sell instructions from all the investors on Cofunds – including you – to work out a total buy or sell instruction for each Fund (this is called 'aggregating orders').

You won't know in advance the price you'll get for the Units in a Fund because Fund Managers revalue Funds and set the Unit prices after all the buy and sell instructions for the day have been received (this is called 'forward pricing').

Because of forward pricing, if you ask us to raise a set amount of money from a sale we have to estimate how many Units to sell. That means we might raise more or less than the amount you asked.

### 6.3.2 The timing and pricing of investments

Each Fund has a set time (called the 'Valuation Pricing Time') at which the pricing is done. So we also have a set time for each Fund (called the 'Dealing Cut-off Time') by which you have to place an instruction if you want to buy or sell at the price being set at the next available Valuation Pricing Time.

For most Funds there is a Valuation Pricing Time each Business Day, but some Funds are priced weekly. Valuation Pricing Times and Dealing Cut-off Times can vary from Fund to Fund. Please see the Fees & Charges Schedule for details. You will get this from your Nominated Intermediary.

If you or your Nominated Intermediary place an instruction and pay us before the Dealing Cut-off Time you will normally get the price set at the Valuation Pricing Time that same Business Day. Sometimes though, for example when we get an unusually large number of instructions, we might not be able to place your instruction before that day's Valuation Pricing Time, but will process it for the next Valuation Pricing Time for the relevant Fund(s). For most Funds, this will be the next Business Day.

In some exceptional circumstances set by a Fund, for example, if a Fund is suspended, we may have to split instructions between Valuation Pricing Times. That means you could get two different prices for parts of the same instruction. In these cases we will make sure our record of your instruction is the same as the Fund Manager's record and that your instruction is dealt with fairly. We always act on instructions by the order we receive them, but instructions given online may be dealt with sooner than those sent in by post.

### 6.3.3 If you are disadvantaged

Our processes for aggregating orders can sometimes act to your disadvantage. But where that happens we will always put you back in the position you would have been had the disadvantage not been suffered.

### 6.3.4 If you make Regular Investments

If you make Regular Investments into your Cofunds Account, each investment will be made at the next available Valuation Pricing Time after we receive your monthly payment.

### 6.3.5 If you sell or switch all your Units in a Fund

If income is to be re-invested into a Fund and you subsequently sell or switch your entire holding in that Fund, then any residual income received after that transaction will be reinvested into the Fund you have switched out of, however if the amount is under £100 then the residual income will be switched into your largest Commission-free Share Class Fund.

### 6.3.6 If you transfer investments to Cofunds

If you transfer holdings to your Cofunds Account from a third party Investment Manager and Cofunds subsequently receives a payment from your old manager, such as a distribution or tax reclaim, the payment will be added to your Account in the following way:

Any residual payment received from the old manager will be reinvested into the largest value Commission-free Share Class Fund 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.

## 6.4 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.

### 6.4.1 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. You'll be unable to transact on affected Units while the conversion is taking place.

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.

#### **6.4.2 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 share class convert into a Fund, we'll always process your trade into the particular Commission-free Share Class that is available through your Nominated Intermediary.

### **6.5 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. You'll be unable to transact on affected Units while the conversion is taking place. 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.

### **6.6 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.

#### **6.6.1 How Rebates are paid**

Rebates are paid on a product-by-product basis. Rebates will be paid as Units.

#### **6.6.2 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 Fund available within each of your products. This usually excludes the Cash Reserve if it's the largest value holding in your ISA (see Section C3), and any Funds which are not priced on a daily basis. If no Funds are available the amount will remain in your Rebate Account until the following month. The Rebate will be invested in Units once a Fund is available to receive it.

#### **6.6.3 Minimum Rebates rule**

If the total amount of Unit Rebates due to you within a product are 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 A6.6.3. 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 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, at which time we'd pay all the Rebates owed.

#### **6.6.4 Rebates in an ISA**

If you hold different types of ISA product (Mini ISA, ISA nee PEP for example), we'll treat each different type of ISA as an individual product. The minimum Rebate amount explained in Section A6.6.3 above will apply to each type of ISA you hold.

#### **6.6.5 Tax on Rebates into Investment Funds**

Please see Section B4 for more information on how this could affect you.

### **6.7 Transferring your investments onto the Cofunds Platform**

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

See the relevant Fund prospectuses or speak to your Nominated Intermediary for more information on Group 1 and Group 2 Units.

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 Adviser.

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

**[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.

**The following applies to ISA and Investment Funds only.** Where available, Discovery can be used which enables Cofunds to obtain details of all holdings in your account. Discovery is only available where your old Plan Manager/Fund Manager is signed up to TeX and supports electronic messaging. Cofunds will then determine which Funds can be Re-registered (i.e. which Funds and Share Classes we support on platform).

## A7 Making Changes to your investments

### 7.1 How to make changes

If you want to make changes to your investments or anything else to do with your Account you must ask your Nominated Intermediary to arrange that for you. Your Nominated Intermediary may give you online access to your Account so you can keep track of it and give investment instructions direct.

### 7.2 Setting up Regular Investments

You can ask us to set up a Regular Investment payment for investing through your Cofunds Investment ISA or Investment Fund Product. Regular Investments can be paid by Direct Debit from any bank or building society account that your Nominated Intermediary has verified belongs to you, but if you want to set up a Regular Investment online the Direct Debit must be from your Nominated Bank Account.

We will aim to collect your first Direct Debit on or shortly after the 25th calendar day of the month in which you applied for your Regular Investment. Depending on when we receive your application, we may not collect until the 25th of the following month. You can also specify which month you want it to start. We'll then continue to take your Direct Debit on or shortly after the 25th calendar day of each month.

You can change a Regular Investment at any time. We have to receive your change request five Business Days before the 25th calendar day of the month if you want the change to take effect that month.

### 7.3 Our Pending Trade service and how it works

If, at any time, you don't have enough Available Balance in your Cash Account to buy Units in a Fund(s) that you'd like to invest in, our Pending Trade Service lets your Nominated Intermediary (or you, if you have online access) set up instructions online to buy the Units and then pay later.

We save your instructions for 14 days. During that time, if you pay us for the Pending Trade we place the buy instruction for you following our usual investment process (see A6.3 Investing on your behalf). If you don't pay within 14 days your instructions expire and we won't place the instruction for you.

Any Pending Trade instructions on your Account also expire immediately if you change your Nominated Intermediary, we are told of your death or the relevant Fund closes or changes as the result of a corporate action.

If you pay us for a Pending Trade that has expired we will update the Available and Cleared Balances in your Cash Account for the amount you have paid us and take no further action.

After you have paid us, we place an instruction for Pending Trades in the priority order you set them up online. If your Available Balance is not enough to place all of your instructions, we place them in the priority order you've asked for, until you no longer have enough Available Balance to pay.

If you don't have enough Available Balance to pay for your top priority Pending Trade, that means we won't then place an instruction for any Pending Trades unless you change your priority order online.

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 we give Pending Trades the highest priority on your relevant Cash Account. This means if you pay money into your relevant Cash Account we'll place an instruction for any Pending Trades before we follow any of the other instructions you've given us. 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 Cash Account – see Section A8.1 and A9.3.1. Unless you add enough money to your Cash Account to pay for charges as well as Pending Trades, your Pending Trade will not be processed.

### 7.4 ISAs and the Pending Trade Service

For ISAs, Pending Trades are valid for 14 calendar days from the date on which they are set up, or until the Tax Year end – whichever falls sooner. If you haven't paid us by the last Dealing Cut-off Time in the current Tax Year for the relevant Funds, we'll cancel your Pending Trades.

You can't set up Pending Trades on an ISA for the current Tax Year within five Business Days of the current Tax Year end.

You can set up Pending Trades to take effect in the next Tax Year between 1st March and 5th April in the current Tax Year. You must pay for those Pending Trades by 20th April of the next Tax Year or they will expire and we won't act on them.

Please note that if you set up a Pending Trade for the next Tax Year and send in a cheque to pay for it before the Tax Year end, this money will be used to pay any charges or payments set up against your Cash Account that have a 'ring-fence' associated with them (see Section A8.1). If you wish to reserve the money to pay for the Pending Trade you should ensure that your Cash Account contains enough to supply all your payments and charges as well as your Pending Trade – one way to help do this is to date the cheque for the next Tax Year.

You can only change the priority of your Pending Trades online during the Tax Year to which they apply, but you can cancel them at any time.

### 7.5 How moving Service Type affects Pending Trades

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 Nominated Intermediary that the Pending Trades you have set up are still appropriate for you. Please note that if you are changing Intermediary your Pending Trade will be cancelled.

## A8 Some issues to be aware of when investing

### 8.1 When we might not be able to place an instruction

When you ask us to buy an investment from your Cash Account we first check you have enough Available Balance to pay for it and that the investment is to be held in the same name(s) as your Cash Account. If either of these isn't the case, we won't place your instruction and we'll let your Nominated Intermediary know.

We keep some money aside in your Cash Account to pay your Platform Charge, your Nominated Intermediary's fees, Service and/or Subscription Charges or regular withdrawals that you've set up (this is known as 'ring-fencing').

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.

For the Cash Account we will use the Available Balance to meet payments in the following order:

- (1) Platform Charge;
- (2) Regular withdrawals;
- (3) Intermediary Fees and Charges (if applicable):

## 8.2 If a mistake is made

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.

## 8.3 If you misuse our service

We monitor trading activity on our Platform for the protection of all Cofunds investors. If, from that monitoring, we believe you have a history of short-term or excessive trading or your trading has been disruptive, we can refuse to accept a new Account application from you or close your existing Account.

## 8.4 Unpaid amounts

If you ask us to buy an investment but don't pay for it – for any reason – that will either delay your investment or mean it has to be reversed later. You will be responsible for any loss because of market movements at that time.

## 8.5 The Funds available through Cofunds

We can make changes to the Funds available for investment through Cofunds at any time. If we remove a Fund that you have invested in you'll stay invested in it, but won't be able to put any more money in. The Funds available to you may vary according to what your Nominated Intermediary has arranged with the relevant Fund Managers.

## 8.6 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 the Fund income is reinvested, 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.

## 8.7 Overseas Funds

If you invest in any Fund that has business days that differ from standard UK business days you will be subject to any non-dealing days, for example non-UK national holidays, as specified in the Fund's prospectus.

### Fees and charges

## A9 Our charges

### 9.1 How we are paid

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 ISAs, pensions and investment bonds) 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 Nominated Intermediary when you sign up with them.

#### 9.1.1 Cofunds' Rates

We take our Platform Charge once a month. 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.

#### Cofunds' rates

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%	

#### 9.1.2 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 (Tier 1) = £100,000 x 0.29%	£290
Platform Charge on second £50,000 (Tier 2) = £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.

Total value of £150,000 x overall rate of 0.28%	£420
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**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.

365 days in the calendar year = £420 ÷ 365	£1.15
31 days in the previous month = £1.15 x 31	£35.65

<b>Platform Charge that month</b>	<b>£35.65</b>
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### 9.1.3 How we collect our Platform Charge

We collect our Platform Charge from your Cash Account each month.

First, we work out your 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 Cash Account we ring-fence the Platform Charge. This means that the money available in your Cash Account can't be used for any other purpose.

If there isn't enough in your Cash Account to take the Platform Charge, what we do next depends on how you've chosen to fund your charges – see Section A9.3 below.

\* 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 Cash Account to cover it each month – see Section A4 for ways of paying money into your Cash Account.

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

## 9.2 How your Nominated Intermediary is paid through Cofunds

### 9.2.1 Paying your 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 Intermediary.

### 9.2.2 Service Charge

#### 9.2.2.1 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 your Cash 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 A9.1.2 above).

#### 9.2.2.2 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. 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.

#### 9.2.2.3 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 Cash Account to pay the Service Charge. If you do, it will be deducted from your Cash Account on the next Business Day. If there is insufficient money in the Cash Account on this date, the Service Charge will accrue to the next month.

### 9.2.3 Subscription Charges

#### 9.2.3.1 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).

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

If you've agreed to a Subscription Charge (and hold Commission-free Share Class Funds in each product) it will automatically cover your ISA and/or Investment Funds (and any cash).

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

#### 9.2.3.3 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 the Cash Account to pay the Subscription Charge. If you do, it will be deducted from the Cash 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.

### 9.2.4 Splitting the charges between Accounts

If you hold multiple Accounts (for example, if you have one ISA and then a Joint Holding with someone else), then we split the applicable charges proportionately between the relevant cash accounts applicable to you. We calculate the proportions for the previous month on the fifth Business Day of the month in which the charges are due to be taken.

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

### 9.2.5 Confirmation

We won't take a Service Charge and/or Subscription Charge, for the first time, unless we receive confirmation from you that you've agreed to it – this might be you agreeing online or signing an application form or Fees and Charges Agreement form. If there's a gap between when you sign up with your Intermediary (and so are assigned to their Service Charge and/or Subscription Charge on our systems) and when you confirmed to Cofunds that you've agreed to the Service and/or Subscription Charge, the Service and/or Subscription Charge will accrue on your account.

We'll send you a letter confirming the arrangement once we've received your confirmation. If the gap spans several payment periods, this will mean you pay the whole accrued amount in one go.

#### 9.2.6 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 your Cofunds Cash 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 Cash 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.

#### 9.2.7 Ongoing monthly fees

You can arrange with your Nominated Intermediary to pay them on an ongoing monthly basis in relation to your Applicable Products. This could be a fixed amount or calculated as a percentage of the daily average of the balance for that month. 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 received your confirmation. If your fees are set up but you don't affirm them for several months, you'll pay the whole accrued amount in one lump sum.

#### 9.2.8 VAT

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

#### 9.2.9 Changing your fees arrangement

**Changes made by you** - Please speak to your Nominated Intermediary if you want to change your Intermediary fees arrangement. We need to receive any agreed change at least five working days before a payment is due to be collected from your relevant cash 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.

**Changes made by your Adviser** - Your Nominated Adviser may change or amend their fees and charges from time to time in accordance with the terms and conditions between you and your Nominated Adviser. They will give you and us notice of any change and we will also give you notice of when we will start to calculate and pay any increased charge or fee on your behalf. We will pay the amended charge or fee to the Nominated Adviser on your behalf unless you tell us otherwise.

#### 9.2.10 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 or Subscription Charge, this will usually mean that you have to move to a different Nominated Intermediary.

## 9.3 Funding your fees and charges

### 9.3.1 Payments from your Cash Account

Fees and charges from Cofunds and your Nominated Intermediary are taken from your Cash Account. Other payments which you've set up will also be taken from your Cash Account. The types of payment out of your Cash Account include:

- (1) Platform Charges (paid to Cofunds);
- (2) Regular Withdrawals (paid to you);
- (3) Intermediary Fees and Charges (paid to your Nominated Intermediary if applicable).

It's your responsibility to ensure that there's enough money in your Cash Account to meet all the payments due to go out. See Section A4 for how to pay money into your Cash Account.

### 9.3.2 If you don't have enough money in your Cash Account to cover the payments due

On the fifth Business Day of the month (the Calculation Date), Cofunds will review your Cash 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 Cash 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, Cofunds will follow your specified choice of what Funds to sell from in order to raise the money to meet all your payments out (see Section A10). 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 A11). 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 A12).

## Funding your Fees & Charges

## A10 Sale for Regular Payment

### 10.1 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 Cofunds Cash Account for ISAs and Investment Funds. It gives you the choice of how to sell Funds to meet any fees, charges and payments due to go out of your Cash Account.

You can ask your Nominated Intermediary to set up a Sale for Regular Payment to help manage payment of:

- your Platform Charge;
- any regular withdrawals you make;
- Intermediary Fees and Charges (if applicable).

Where you have instructed us to make payments from your Cash Account, but don't have enough money in that account to meet the payments due to be paid that month, your Sale for Regular Payment will instruct Cofunds to sell a portion of your ISA and/or Investment Funds 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.

## 10.2 How it works

### 10.2.1 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/sdub/sfrp/](http://www.cofunds.co.uk/docs/sdub/sfrp/)) and give it to your Nominated Intermediary. You can set up a Sale for Regular Payment through your Nominated Intermediary, or do it online if they've given you access.

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'll only have the option of both.

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

If you select ISA or Investment Funds only, we'll sell the largest Fund held within the individual product.

If you select to sell across ISA and Investment Funds, we work out the largest value Fund holding across these products. This means that a Fund that you hold in both ISA and Investment Funds could be your largest value Fund, even if it is not individually the largest in either of those products. If you do hold your largest Fund across ISA and Investment Funds, we'll sell Units from the Fund held in both products in proportion to the size of your holding.

### 10.2.3 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.

## 10.3 Calculating the Sale for Regular Payment

### 10.3.1 Calculation

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

If you don't have enough money in your Cash Account, we'll sell Units on the ninth Business Day (or potentially the 10th 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.

### 10.3.2 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.

With the money we do raise, we'll cover payments in this order:

- (1) your Platform Charge;
- (2) any regular withdrawals you make;
- (3) any Intermediary Fees and Charges you've agreed (if applicable).

### 10.3.3 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.

### 10.3.4 If you don't have enough invested to cover any of your payments due

If we can't raise enough from selling your Funds to cover any of your payments due, we'll stop your Sale for Regular Payment instruction for the current month, and we'll permanently stop any regular withdrawal you've set up.

If we raise enough to meet some of your payments, we'll pay as many of the payments as possible from the money raised in order of the payment priority set out in 10.3.2. For example if you owe a Platform Charge, Subscription Charge and Service Charge but only have enough money to pay the Platform Charge and Subscription Charge, these will be paid and the Service Charge will accrue as this is the lowest priority payment.

If we can't cover the Platform Charge or Intermediary Fees & Charges you owe, they will keep building up each month until either we can cover them by selling Units or there is enough money in your Cash Account for us to take what you owe. Please see A15.5 for more information about our rights when you owe us money.

### 10.3.5 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 Cash 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 A10.3.2.

We're not responsible for any shortfall. You'll have to make up the difference.

### 10.3.6 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 Cash 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 10th Business Day of the month.

### **10.3.7 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.

### **10.3.8 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 Cash Account.

### **10.3.9 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 (see Section A9.1), 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 Cash 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 Cash Account. A letter confirming the one-off fee will be sent to you.

### **10.3.10 Keeping money aside to cover your payments – ring-fencing**

If, when we check, there's enough money in your Cash 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 Cash Account to meet your payments due, we'll ring-fence all the money in your Cash 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 reserved for the purpose of meeting your payments, 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.

### **10.3.11 How we make your payments out**

When we're making payments out after a Sale for Regular payment we'll follow the usual process for that kind of payment. You can read more in A9 (Paying for our service), A14 (Payments to you) and A15 (Making one off withdrawals and closing your Account).

## **10.4 ISAs and the Sale for Regular Payment Service**

We treat each type of ISA you hold as part of the same product for your Sale for Regular Payment and your Account level instruction will apply to them all.

## **10.5 Tax implications**

You don't pay capital gains tax on the sale of Units in an ISA, but if you take money out of an ISA you'll lose the future tax benefits on the amount you take out.

You might have to pay capital gains tax on the sale of Units in Funds you hold directly (in the Investment Funds product). For more information, read our Investment Funds Key Features ([www.cofunds.co.uk/docs/sdub/platformkidfund/](http://www.cofunds.co.uk/docs/sdub/platformkidfund/)) and speak to your Nominated Intermediary.

## **10.6 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 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.

## **A11 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 Cash Account, this will sell from your Funds to raise the money to pay Intermediary Fees and Charges, Platform Charges and regular withdrawals, if required, in the same way as described in Section A10.1. Please speak to your Nominated Intermediary if you're not sure what you've agreed with them.

### **11.1 How it works**

The Fund Sale Instruction process follows the same timeline as Sale for Regular Payment, as described in 10.3 above. The difference is that we apply a default instruction to sell from the largest Commission-free Share Class Fund held across your products.

If you only hold one product – we will sell the largest Commission-free Share Class Fund within this product. If you hold multiple products with no common Funds in any of them – we will sell the largest Commission-free Share Class Fund in your whole portfolio of investments. If you hold multiple products that contain one or more of the same Funds, we will add up you holding per Fund, and sell from the largest Commission-free Share Class fund you hold as a total across all your products.

This means a Commission-free Share Class Fund that you hold in a number of products can be the largest even if it isn't the largest in any individual product. If you do hold your largest Fund in more than one product, we sell Units from each product to reflect the relative size of your Fund holding in it.

\* 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>

## 11.2 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 Cash Account to meet the relevant payments due. This means that Sections A10.3.3 and A10.4 do not apply.

## A12 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 regular withdrawal you have set up.

### 12.1 How it works

A Fund Sale for Platform Charges follows the Sale for Regular Payment process described in Section A10.3, except that we'll always sell from your largest value Fund holding in the Commission-free Share Class. This works as for the Fund Sale Instruction process described in Section A11.1 above – with the difference that we'll only sell to raise money to pay your Platform Charge, rather than other charges/payments as well.

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 Cash Account for us to take what you owe. Please see A15.5 for more information about our rights when you owe us money.

## 12.2 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 Cash Account to meet our Platform Charge. This means that Sections A10.3.3, A10.3.9, A10.3.11 and A10.4 do not apply.

### \* What happens in a Cofunds month

**We work out your Platform charges owed for the previous month (A9.1)** On the third or fourth Business Day of the month

**We work out what Rebates are due to you for that month** On the third Business Day of the month

**We work out what Intermediary Fees & Charges you owe for the previous month (A9.2)** On the fifth Business Day of the month

**We check the balance in your Cash Account for sufficient funds 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** On the fifth Business Day of the month

**We pay out any income for the previous month from your consolidated income Account (A14.1)** On the eighth Business Day of the month

**We sell Units under the processes described in A10, A11 or A12** On the ninth Business Day of the month

**We pay out any regular withdrawals (A14.3)** Taken from your Cash Account on the 20th calendar day of the month (or the next Business Day to that) and paid to your Nominated Bank Account within eight Business Days

**We take a Direct Debit from your Nominated Bank Account for any regular investment you've set up (A7.2)** On the 25th calendar day of the month (or the next Business Day to that)

**We take the Platform charge and any Intermediary Fees & Charges owed from your relevant Payment Account** Two Business Days before the last Thursday of the month, as long as enough money is there the Business Day before.

## A13 How we keep you informed

### 13.1 On setting up your Account

When we set up an Account for you we send you a letter with your Cofunds Client Reference and the Platform Account reference number for your Account which Cofunds require on all correspondence.

### 13.2 As you trade in investments

The Business Day after we complete a purchase, sale, conversion, transfer-in, Re-registration or switch instruction on your behalf we'll send you a confirmation note with the details and make a copy available to your Nominated Intermediary.

That's unless you have set up a Regular Investment, regular withdrawal or Sale for Regular Payment. We won't send a confirmation note for every instruction placed on your behalf under these arrangements, but you will get the details as part of your annual statement and consolidated confirmation note. The same applies for Rebates.

When you set up a Regular Investment or regular withdrawal we acknowledge your instruction to do this. When you set up a Sale for Regular Payment (see Section A10) or a Fund Sale Instruction (see Section A11) has been applied, we'll send you confirmation. However if you have neither of these we will use our default Fund Sale for Platform Charge (see Section A12) and we will not send you confirmation.

Your Nominated Intermediary can give you information about your investments at any time, including valuations and illustrations. If your Nominated Intermediary gives you online access to Cofunds you can also get this information directly.

### 13.3 Statements and tax certificates

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, interest Income and your Platform Charge. 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 move Service Type from Advised to Self-directed you will only see transactions on your statement that relate to the Self-directed Service Type linked to your Account. Transactions prior to this move will be shown on the statement under your previous Service Type.

If you have multiple Cofunds Client References (see A13.5 for some reasons why you might have multiple Accounts) you will receive the corresponding number of statements.

Once a year we'll also send you:

- (1) A certificate confirming the tax we've deducted from your Cash Account in the previous year.
- (2) A tax voucher.

### 13.4 Our 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.

### 13.5 If you hold a joint account

#### Getting documents from us

If you hold a joint account we send all documents to the Primary Holder's address. If you're a secondary holder on an Account you can ask for copies of the documents we issue.

We won't issue individual investment certificates for Assets held in joint names.

#### Giving instructions to us

Where an Account is held jointly, written instructions to Cofunds must normally be signed by all joint holders. In situations where an investment is held in trust, or where a power of attorney or Court of Protection Order is in place, all relevant signatures are required.

#### Your Service Type and Pricing Model

Joint Holdings can only be linked to one Service Type (Advised or Self-directed). This will always be the Service Type and Pricing Model which is linked to the Primary Holder's Account.

If you are a Joint Holder and are named on more than one Account, this means we may need to create a new Account for you with a new Cofunds Client Reference to make sure your Assets stay linked to the appropriate Service Type and Pricing Model. We may need to move your Assets in the Joint Holding between your original Account and the new one.

We never link Accounts of different Service Types and Pricing Models with the same Joint Holding.

If you have multiple Cofunds Client References all of your Accounts are always linked to you. This means that if we do move Assets between your Accounts they will always be in an Account that's linked to you. If your Nominated Intermediary has given you online access to Cofunds, and we've subsequently had to move Assets between your Accounts, you may not be able to see your most up to date Account information. Please speak to your Nominated Intermediary for more information about this.

## Taking money out of your Account

## A14 Payments to you

### 14.1 Income from Funds

#### 14.1.1 Your Income Choices

You tell us what you'd like us to do with any income from your Funds. We apply your most recent income instruction for a product to all the income-paying Funds in that product. So a new income instruction for a product replaces any previous instruction you have given us.

You can ask us to 'Reinvest' or 'Payaway' your income.

If you ask us to Reinvest your income, we'll use it to buy more Units in the Fund it came from. If you ask us to Payaway your income – and you don't have an Income Mandate (find out more about these in A14.1.2 below) – you can ask us to:

- (1) pay your income into your Cash Account; or
- (2) pay it out to you on a monthly basis.

If you ask for your income to be paid on a monthly basis we open a Consolidated Income Account for your income to be paid into. Once income has been paid into your Consolidated Income Account it's yours to use as you see fit. Our Consolidated Monthly Income process is to let your income accumulate within this account over the month, and then we then pay the total balance into your Nominated Bank Account once a month in arrears, on or shortly after the seventh Business Day of each month.

We pay out income which has been paid into this account during the first five Business Days of the month – any income paid into the account after the fifth Business Day of the month will be paid out to you in the following month. Money held in your Consolidated Income Account earns interest (see A5 for the details).

\* Funds can pay income at different intervals. Some pay income once a month. Others pay it every three months, every six months or once a year. So depending on how the Funds you hold pay income, the amount we pay you each month from your Consolidated Income Account could vary quite significantly.

#### 14.1.2 Income Mandates

For ISA and Investment Funds products linked to the same Cash Account, your Income Mandate determines across all products what you want to do with the income which you have elected to Payaway – either hold on platform or take as consolidated monthly income (CMI). This means that at product level you cannot make a Payaway Income Choice that is different from your Payaway Income Mandate – so any income from newly-purchased Funds will automatically follow your Income Mandate.

As part of setting you up on the Cofunds platform we apply a default Payaway Income Mandate of hold on platform. This means that unless you buy an income Fund and select Payaway CMI as part of your first transaction, your Income Mandate will be set to hold on the platform.

To amend your Income Mandate you need to instruct your Nominated Intermediary accordingly – or your Nominated Intermediary may provide you with the ability to amend your Income Mandate online. Upon changing your Income Mandate there may be a short period where payments calculated prior to this date will be paid to you in line with your previous instruction.

#### 14.2 Our process for income distribution

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.

If you've chosen to receive Consolidated Monthly Income (CMI), on the fifth Business Day of the month we consolidate the income payments in your Consolidated Income Account, deduct the required amount, and release the payment to you by BACS. Where you've specifically opted out of CMI in order to be paid each amount individually, we'll make payment to you within eight Business Days of money reaching your Consolidated Income Account.

#### 14.3 Making regular withdrawals

You can ask us to pay a set amount from your Cash Account to your Nominated Bank Account on a monthly, quarterly, half-yearly or annual basis (this is known as a 'regular withdrawal').

Regular withdrawals must be arranged through your Nominated Intermediary, and we can't set up regular withdrawals of less than £25 on any Account.

If you ask us to set up a regular withdrawal this will replace any instruction you've given us to payaway your income each month. You can't have regular withdrawals and a payaway income instruction on an Account at the same time.

If you want to make regular withdrawals you must also set up a Sale for Regular Payment instruction. The details for this are given in A10.

If you had a regular withdrawal set up on your Account before you accepted these Terms & Conditions, your Sale for Regular Payment instruction will continue as before, but the timings for what happens, and when, will now be the ones set out in A10.3. Also, if your Sale for Regular Payment was based on a choice of 'up to five nominated Funds' or 'proportional sell-down', and under these Terms & Conditions you choose to change this to a Fund you nominate or your largest value Fund, you won't be able to go back to your original choice.

We take money for a regular withdrawal out of your Cash Account on the 20th calendar day of the month in which the withdrawal is to be paid, or the next Business Day. We pay it into your Nominated Bank Account within eight Business Days.

You can stop a regular withdrawal, or change the size and frequency of it, at any time.

#### 14.4 Our rights when making payments

We can pay any money that is owed to you into your Nominated Bank Account or to your Nominated Intermediary and this will be a good discharge of our responsibility, under these Terms & Conditions, to pay you that amount.

### A15 Making one off withdrawals and closing your account

#### 15.1 How to make a withdrawal

You can ask to make a withdrawal from your Account at any time. You can do this through your Nominated Intermediary, online (if your Nominated Intermediary has given you access), or by writing to us at our Administration Address. If you hold an Account jointly with others, we can't let you take money out until we have the signatures of all the joint holders.

## 15.2 Making the withdrawal

You tell us the product(s) and Funds you want to make the withdrawal from, and how many Units you want us to sell in each Fund. If you don't tell us how many Units to sell, forward pricing (which is explained in A6.3) means we'll have to estimate this, and we can't guarantee you'll get the exact amount of money you asked for. You might get more or less. If you don't tell us which product(s) to sell from, we can assume your instruction covers all the products in your Account.

You can ask us to pay your money:

- into your Cash Account, which we'll do within five Business Days of the last Fund being sold;
- into your Nominated Bank Account, when we'll make the payment by BACS (bank transfer) within five Business Days, although it may take up to eight Business Days in total to reach your account;
- by cheque, which we'll issue within five Business Days of the last Fund being sold. We send cheques to you in the post, so please allow for postal delivery times.

Remember, you can take money out of your Cash Account at any time by sending us a signed instruction to our Administration Address. We'll act on your instruction within a Business Day of receiving it and we'll then make the payment into your Nominated Bank Account by BACS within five Business Days, although it may take up to eight Business Days in total to reach your Account.

There might be delays paying you if we haven't:

- received payment from a Fund Manager; or
- got the original signatures of all Joint Holders; or
- been able to complete checks for money laundering and (where this is necessary) to verify the Bank Account you've asked us to pay into.

If you want to make regular withdrawals you can set up a Sale for Regular Payment, as explained in A10.

If the withdrawal you ask us to make means the value of your holding in a Fund goes below £1,000, we can ask you to sell your entire holding in that Fund. You can't withdraw less than £1 of Units from a single Fund.

If you make a full withdrawal from a product, any Rebates (including Unit Rebates) which are pending to be paid on that product or incurred in the subsequent month following withdrawal (see Section A6.6) will be paid as cash into your relevant Cash Account.

Where you hold more than one type of ISA product, if you fully withdraw from only one ISA product then any Rebates (including Unit Rebates) on this will be paid into the Rebates Account of the ISA product that remains with the highest value.

Please note, if you wish to sell your ISA and hold more than one type (i.e. Cofunds Investment ISA, ex-Mini/Maxi, ex-PEP) your instruction will be deemed to cover all types of ISA you hold unless you tell us otherwise.

We'll sell the required percentage/number of Units from the ISA products in the following order: first: PEP; second: Mini ISA; third: Maxi ISA; last: Cofunds Investment ISA.

Please note, if you do not indicate how your investment(s) should be withdrawn within the product, we will automatically withdraw proportionately.

## 15.3 Closing your Account

You can close your Account at any time by asking to withdraw all the Assets in it, or by asking us to transfer them to another manager or (for Assets in a pension) pension provider. We'll still complete any transactions we'd already started for you and these Terms & Conditions will apply until we complete all of those transactions and pay out any money you owe.

When you ask to close your Account, if we've ring-fenced money in your Cash Account to cover any payments due, your Nominated Intermediary can override the ring-fence for everything apart from for money you owe for the Platform Charge and any product charges. Ring-fencing is explained in A8 (Some issues to be aware of when investing).

After you've withdrawn all your Assets we'll pay any income back to you following your original withdrawal payment instructions. If you transferred all your Assets to a new manager (or pension provider if relevant) we'll send any reinvested income of £25 or more on to your account with that new manager, providing they'll accept it.

## 15.4 Re-registration off Cofunds

To Re-register your ISA/Investment Funds to another Plan Manager or Fund Manager, you first of all need to arrange this with your new Plan Manager or Fund Manager.

For Commission-free Share Class Funds, you are able to Re-register them to a new Plan Manager or Fund Manager in their existing Share Class (providing the new Plan Manager/Fund Manager is able to accept these Funds and Share Classes).

A Share Class Conversion may be necessary in order to process your Re-registration – please see A6.4.1 for details on how this works.

Please ensure you quote your Platform Account Reference when transferring off the Cofunds platform.

## 15.5 If you owe money

If you ask us to pay money to you from your Account we can first take off anything you owe in fees, charges and expenses. We can also keep enough money to pay any tax that we reasonably estimate we might have to pay to HM Revenue & Customs on your behalf under the ISA Regulations or for any other reason.

We keep money that's been put aside to pay out to you in a Client Account, separate from your Account. We can delay paying this money on to you until we know that any payments you are making to us have cleared, and that any money you owe us (including for the Platform Charge) has been covered.

We won't make payments to a third party account on your behalf unless it's to the account of another FCA regulated firm.

If you owe us money, we can ask you to pay it to us in good time. We will write to you with details of what you owe, and you can pay us by cheque or bank transfer. Or, if you still have Assets with us, we can sell Assets to cover the amount you owe, or take it from your Cash Account or any withdrawal we're paying to you.

If, after we write to you and more than six months have passed, you still haven't paid us what you owe, then we can take legal action to recover it.

## Other things you need to know

## A16 Changing or ending our agreement with you

### 16.1 If we make changes

We can make changes to these Terms (including the services provided by us) as set out below.

#### 16.1.1 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.

#### 16.1.2 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'll 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, we'll provide you with at least 30 days notice unless we're not able to do so as a result of the change in relevant laws or regulations when we'll give you as much notice of the change as is possible in the circumstances.

#### 16.1.3 Material changes

We can make changes which:

- (a) vary the minimum investment, or minimum or maximum account value, or withdrawal amounts;
- (b) vary the charges that apply to your account;
- (c) we need to make for the ongoing 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'll give you as much notice as possible.

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

If you're 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).

#### 16.1.5 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.

### 16.2 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.

If you invest directly in Funds or through an ISA, unless you agree something else with us at the time, we'll sell all the Units in all your Funds and pay what we raise – along with any other money in your Account – into your Nominated Bank Account.

## A17 Our responsibilities to each other

### 17.1 If you cause us to suffer a loss

If you deliberately break these Terms & Conditions, or give us information for your Account that isn't true or accurate, you are responsible for any loss or liability that we, or our Nominee, suffer as a result (including any tax and reasonable expenses).

But if we or our Nominee are negligent, deliberately default, commit a fraud or don't fulfil our duties, you won't be responsible for any loss or liability we or our Nominee suffer as a result of that.

### 17.2 If something happens that we couldn't control

If you suffer a loss because of events or circumstances that are outside our reasonable control, we are not responsible for that. Examples could be when the loss is the result of a flood or earthquake.

### 17.3 How do I make a complaint?

Cofunds has a strict complaints procedure to resolve issues quickly and efficiently. If you have a complaint about our services or products, please contact us at:

Quality Management Team, Cofunds Ltd, PO Box 1103, Chelmsford, Essex, CM99 2XY

Phone: 0345 604 4001. Calls may be recorded for training and quality purposes. Calls are charged at local rate.

Email: [complaintsteam@cofunds.co.uk](mailto:complaintsteam@cofunds.co.uk)

Details of our complaints policy can be found at:

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

If you're dissatisfied by how we have dealt with your complaint and meet the FCA's criteria, you'll be able to refer your complaint against us to the Financial Ombudsman Service. We'll let you know when and how you can do this.

The Financial Ombudsman, Exchange Tower, Harbour Exchange Square, London, E14 9SR.

Email: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)

Website: [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

Phone: 0800 023 4567

## A18 In general

### 18.1 When we delegate

If we ask one or more third parties to help us provide services under this agreement, we are still responsible for the proper performance of those services.

### 18.2 Looking after your personal information

The way we hold your personal information under this agreement complies with the requirements of data protection legislation.

Cofunds is a registered Data Controller and a fully owned subsidiary of Aegon UK plc. Cofunds 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 Aegon UK Group, 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 Intermediary.

Cofunds may transfer your information to countries outside of the European Economic Area 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.

### 18.3 A note for Civil Partners

When we talk about the rights and benefits of a husband or wife (sometimes referred to as a 'spouse') or a widow or widower in our literature, these rights and benefits also apply to registered civil partners under the Civil Partnership Act 2004.

### 18.4 Sending notices to us

Unless we tell you otherwise, you should send any notices to us at our Administration Address. We'll send any notices to you to your last known address and may also copy them to your Nominated Intermediary.

If you have given us a personal email address to help us provide services to you under this agreement, we can send you notices using that email address. You can give us a new email address at any time, or ask us to stop using email to communicate with you.

### 18.5 The law governing this agreement

These Terms & Conditions are governed by English law. The information in them 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 apply.

## Part B

### Also applies to the Investment Funds product

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

### B1 If you are investing into the Investment Fund product jointly

The first person named on your Application will be the Primary Holder of your Funds. This is just to help with our administration and doesn't affect the legal status of your joint ownership.

We send all communications and documentation to the Primary Holder's address. If you're a secondary holder you can ask for copies.

Your Service Type and Pricing Model can affect your joint holdings. Please read A10.5 for more information.

### B2 Opening your Account

This agreement takes effect if we accept your Application. This normally happens on the day we receive it, but we can reject an Application.

If you don't send us the right application form for your Service Type and Pricing Model, or you don't complete your application form correctly, your investment might be delayed. If you are not sure you have the right documents, please speak to your Nominated Intermediary.

### B3 In the event of your death

In the event of your death, we'll keep holding your Assets and money until we receive an official grant of probate (or the equivalent of one), along with instructions from your personal representatives. These Terms & Conditions will be binding on your personal representatives. We'll stop reinvesting income and keep it as client money until we can pay it as your personal representatives direct. On being told of your death we'll also cancel all Pending Trades set up on your Account.

If a Primary Holder dies then the next named holder becomes the new Primary Holder. We reserve the right to carry out further anti-money laundering checks if the new Primary Holder's Bank Account differs from the original.

If we receive any income on your behalf between when you die and when your personal representatives remove the Assets 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. As long as there is sufficient money in the Cash Account(s) to cover this, the charge will be automatically paid.

If a charge starts to accrue due to insufficient money in the relevant Cash 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 A10.2.2. We'll recover our Platform Charge before final settlement of the Executors' instruction.

### Intermediary Fees and Charges

Payment of Intermediary Fees and Charges will stop upon notification of your death. This includes any unpaid amounts relating to the month prior to the notification of your death.

## B4 Tax on rebates

A rebate is a refund of a charge you pay on your investment, and is collected and then refunded to you through Cofunds. Rebates on Investment Funds are subject to income tax.

We automatically deduct basic rate income tax from rebate payments on the Investment Funds you hold, so that any rebates are paid to you net of basic rate income tax.

You may be able to reclaim this tax from HMRC or be liable for additional tax depending on your individual circumstances. Please speak to your Nominated Intermediary for more information.

## Part C

### Also applies if you invest through the Cofunds Investment ISA

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

## C1 Our role as ISA Manager

### 1.1 Our Role

We are the ISA Manager for your ISA Account. We make claims for tax relief relating to your ISA Account and the Assets held in it.

### 1.2 ISA Regulations

We'll manage your ISA as required under the ISA Regulations.

## C2 Opening your ISA account

### 2.1 ISA Applications

We open your ISA Account when we accept your ISA Application and payment. If you don't give us clear instructions on your Application we can put your payment into your Cash Reserve.

Your ISA Application covers the current Tax Year and each Tax Year after that until you don't make any payments into your ISA for one full Tax Year. We can ask you to make a new Application for each new Tax Year.

If you set up a Direct Debit instruction we will collect and invest regular payments for you until you ask us to stop.

If you don't send us the right application form for your Service Type and Pricing Model, or you don't complete your application form correctly, your investment might be delayed. If you are not sure you have the right documents, please speak to your Nominated Intermediary.

### 2.2 ISA transfers in

If you transfer your current Tax Year's ISA investment to us, you can reactivate that ISA by starting payments into it. But you'll have to make a new Application if you don't make any payments into it for one full Tax Year.

Please note we do not currently offer a Lifetime ISA, however you can transfer your Lifetime ISA into a Stocks and Shares ISA. Should you transfer from a Lifetime ISA to this Cofunds Investment ISA (Stocks and Shares), your Lifetime ISA status will be lost along with any other benefits specific to that ISA.

### 2.3 Investment Funds to ISA applications

If you ask us to move Funds from your Investment Fund Holding into your ISA, we sell those Funds and use the money to make a payment into the ISA. We then buy the Funds again in your ISA.

Forward pricing (which is explained in A6.3) means we have to estimate how many Units to sell from each Fund to move the amount you want and we can't guarantee you'll get the exact amount you asked for. You might get more or less. In the event of an oversell of Units, we will apply the proceeds in accordance with your instructions.

When we sell the Units we put the money raised in our Client Account and normally Reinvest it into your ISA in one Business Day. If you want to make sure we Reinvest the money into your ISA in the current Tax Year, you must make sure we get your application no less than five Business Days before the end of the Tax Year.

### 2.4 Tax status

If you're not resident in the UK for tax purposes you can't put money into an ISA Account unless you qualify as a Crown employee or are the spouse or Civil partner of a Crown employee. If you stop being a Crown employee, or the spouse or civil partner of one, you must tell us right away.

\* A Crown employee is a person holding public office or employment under the Crown and paid out of the public revenue of the UK or of Northern Ireland. That might include a diplomat for example, or any other kind of civil servant working for the UK government overseas.

### 2.5 Account type

All ISA Investments held under these Terms and Conditions will be part of the 'Cofunds Investment ISA'.

### 2.6 Timing

These Terms and Conditions take effect if we accept your Application. This normally happens on the day we receive it, but we can reject an application.

If you are transferring your ISA from another manager, the date of transfer is the date agreed between the managers.

## C3 Cash Reserve

You can hold cash in your ISA in the Cash Reserve, which gives you flexibility to take money out of the market and invest in cash as you wish. The Cash Reserve pays interest monthly at the rate disclosed in the interest rates factsheet:

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

See Section A5.5 for more information on how interest is paid on the Cash Reserve. If you switch your entire holding in the Cash Reserve to Funds, then any interest received after that transaction will be reinvested into the Fund in which you have the largest holding in your ISA. If you close your Cash Reserve without having invested in any Funds, interest will not be payable on money withdrawn.

The Platform Charge is calculated as a percentage of Commission-free Share Class Funds as described in Section A9, and is not currently charged against the Cash Reserve.

### 3.1 Cash Reserve and Rebates

Please note that we won't pay Unit Rebates into your Cash Reserve, even if it is the largest holding in the Commission-free Share Class. Instead, we'll pay any Unit Rebates due into the largest Commission-free Share Class Fund held in your ISA.

If you've never invested into Commission-free Share Class Funds within your ISA products, any new money paid into the Cash Reserve will trigger Rebates from within that product to be paid as Units. The Unit Rebate amount will only be invested into your largest Commission-free Share Class Fund following your first investment into Commission-free Share Class Funds. If you don't hold any Commission-free Share Class Funds within your ISA and you only have a Rebate generated from the Cash Reserve itself, we'll process the Unit Rebate into the Cash Reserve.

## C4 If your ISA loses its tax exempt status

Your ISA can lose its tax exempt status if the ISA regulations are not satisfied. If this happens we will write to let you know. We will sell all the investments in the ISA, and after taking off enough money to cover any tax which may be due to HM Revenue & Customs on your behalf, we'll pay you the balance, along with any money left in your Cash Reserve. We won't pay any interest on the money in the Cash Reserve.

If you make a payment into your ISA by a cheque that fails to clear or a Direct Debit that has to be reversed, under these Terms and Conditions and the ISA Regulations we'll treat that payment as though it had never been made.

## C5 Information and voting rights for your ISA investments

### 5.1 Reports, notices, meetings and voting

You can download copies of reports and accounts for investments in your ISA from:

[https://investors.cofunds.co.uk/investors/reports\\_and\\_Accounts\\_investors.aspx](https://investors.cofunds.co.uk/investors/reports_and_Accounts_investors.aspx)

We don't charge for this.

If you'd like paper copies, speak to your Nominated Intermediary, or if you write to us at our Administration Address we can arrange for you to be sent a copy the annual report and accounts for each Fund you are invested in.

We won't exercise voting rights for any of your investments unless you ask us to at the time you buy them. In that case we'll tell you when there is a voting event.

You can vote once per Cofunds Client Reference – so if you have more than one Account with holdings in the same Fund you have voting rights for each Account. The weighting of your vote relates to the number of Units you hold.

We send any other notices from Funds to you direct, or with your statements.

## C6 If you want to transfer your ISA away from Cofunds

Upon your instructions, and in the time specified by you, Cofunds will transfer all or part of your ISA, with all your rights and obligations under it, to another ISA Manager who has agreed to accept the transfer.

24 Terms and Conditions of the Cofunds Platform - Self-directed Service Type

In the case of your current Tax Year payments, you may either transfer these as part of a transfer of the whole of your ISA to another ISA Manager or you may retain them in your Cofunds Investment ISA, for which purpose we may create a Current Tax Year Account. Do not attempt to cash in your ISA yourself. If you do, your investment will lose its tax-efficient ISA status. Cofunds will require a completed transfer instruction from your new ISA manager. You cannot transfer a stocks and shares ISA into a cash ISA.

These Terms continue to apply to the part of your ISA being transferred until the transfer is complete, all outstanding transactions have been settled and all liabilities met. Cofunds will re-register your assets where requested, by your new Plan Manager. See Section A15.4 Re-registration off Cofunds for more details.

## C7 In the event of your death

In the event of your death, your ISA is no longer tax exempt and we will close it. We'll keep holding your Assets and money until we receive a grant of probate (or the equivalent of one), along with instructions from your personal representatives. These Terms & Conditions will be binding on your personal representatives.

We'll stop reinvesting income and keep it as client money until we can pay it as your personal representatives direct. We'll take off any tax that was reclaimed on income paid between the date you died and the date we were told about it. On being told of your death we'll also cancel all Pending Trades set up on your Account.

From the date of your death we will automatically deduct tax paid on any Rebates that have been paid to your Account as a gross amount. See Section B4 for more information.

If we receive any income on your behalf between when you die and when your personal representatives remove the Assets 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. As long as there is sufficient money in the Cash Account to cover this, the charge will be automatically paid.

If a charge starts to accrue due to insufficient money in the Cash 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 A10.2.2. We'll recover our Platform Charge before final settlement of the Executors' instruction.

### Intermediary Fees and Charges

Payment of Intermediary Fees and Charges will stop upon notification of your death. This includes any unpaid amounts relating to the month prior to the notification of your death.

## C8 Inheritable ISA allowance

### 8.1 Additional ISA allowance

In the following circumstances you may make additional investments into an ISA Account held by you, above the normal annual ISA allowance.

- You are the surviving spouse or registered civil partner of an ISA holder who died on or after 3 December 2014. Please note that in this section, we use 'spouse' to mean husbands, wives and registered civil partners;

- You were living with your spouse at the time of their death;
- You make the subscription within the permitted period (see Section 8.4 below for details of the permitted period).

Any additional ISA allowance will be treated as if it existed in the previous tax year. Your current tax year ISA allowance will remain unchanged.

Please note that once you have made an investment into the additional allowance with us, you cannot transfer that allowance to another provider.

## 8.2 Amount of additional ISA allowance

The total potential amount of additional ISA allowance available to you is the total value of your deceased spouse's ISA holdings as at the date of their death. This includes ISAs held with us, past year ISA holdings and ISAs held with different ISA Plan Managers.

The additional ISA allowance available to you with each ISA Plan Manager is the value of all your deceased spouse's ISA holdings with that specific ISA Plan Manager at the date of their death. You can transfer the whole additional ISA allowance from each ISA Plan Managers to us in accordance with Section 8.6 below.

Please note: due to the values being calculated at different times, the amount of additional ISA allowance available to you may not be the same as the value of any assets that you may inherit. You can also use your own money or assets to invest up to the full additional allowance (see Section 8.3.3).

## 8.3 Using any additional ISA allowance

### 8.3.1 Investing inherited investment funds (from a Cofunds Investment ISA Account)

If you inherit part or all of the investment funds your spouse had in an ISA Account with us at the date of their death, as long as we've continuously held those funds since your spouse date of death, you can Re-register them directly (up to the value of your additional allowance) into your ISA Account without incurring an exposure to Capital Gains Tax.

### 8.3.2 Investing inherited investment funds (unit trusts/OEICs)

If you inherit any investment funds that your spouse held outside of an ISA, you can use our existing process (see section A6.7 of the Terms and Conditions) to create an equivalent holding (up to the value of your additional allowance) in your ISA Account. Note that this process may expose you to a Capital Gains Tax liability.

### 8.3.3 Investing cash or non-inherited assets

You can also invest cash, or money raised from selling your own investment funds, into your ISA Account up to the value of your additional allowance.

### 8.3.4 Inherited investment funds (from an ISA Plan Manager other than Cofunds)

Please see Section 8.6 for an explanation of the process for transferring an additional ISA allowance from another ISA Plan Manager to us.

## 8.4 Permitted period in which to use any additional ISA allowance

The permitted period is different for investment funds and for cash.

Investment funds: you must make any additional investments within 180 days of receiving the assets from your deceased spouse/civil partner's estate.

If your spouse died between 3 December 2014 and 5 April 2015 (inclusive), we will (for the purpose of calculating the permitted period)

treat you as having received the assets from their estate on either 6 April 2015, or the actual date of receipt, whichever is the later.

Cash: you must make any additional investments within three years of the date of your spouse's death or within 180 days of the completion of administration of your deceased spouse's estate, whichever is the later.

If your spouse died between 3 December 2014 and 5 April 2015 (inclusive), for cash investments we will (for the purpose of calculating the permitted period) treat 6 April 2015 as the date of death.

## 8.5 Information we need from you when requesting to use an additional allowance

In order to process your request to make an investment using your additional ISA allowance, we will require certain information and declarations from you relating to your marriage/civil partnership as required by applicable law. This information will be specifically requested in our application form.

## 8.6 Transferring an additional allowance to us from another ISA Plan Manager

If your deceased spouse/civil partner held one or more ISAs with another ISA Plan Manager(s), you are allowed to make additional cash investments only up to the value of those ISAs into your ISA Account with us. To do this you will need to:

- Provide us with all the information required in order to process your request (see Section 8.5 above);
- Provide the name of the ISA Manager(s) where your deceased spouse held their ISA(s) and as many details of their holding (eg. account number) as you can;
- Confirm that you have not made any investments which make use of your additional ISA allowance in respect of the transferring ISA in any other account.

If you've already used part of your additional ISA allowance in respect of a particular ISA with another ISA Plan Manager, any unused allowance cannot be transferred. The unused allowance will remain with your existing manager.

Within 30 calendar days of receiving your request the previous ISA manager(s) is required to confirm to us the value of the additional subscriptions that are permitted, and we will enable additional subscriptions to your ISA up to this value, as described in Sections 8.1 to 8.4 above.

Once you have made use of any additional ISA allowance with us, in respect of a particular ISA, you may not transfer any unused allowance to another provider.

## 8.7 Transferring an allowance to another ISA Plan Manager

If your deceased spouse held an ISA/ISAs with us, but you wish to make cash investments into your ISA held with another ISA Plan Manager, you may do so as long as you have not made any investments which use any part of your additional ISA allowance in an ISA account with us.

Contact your chosen ISA Plan Manager and they will tell you what you need to do.

# Definitions

**In this document, where words are defined in the singular, they're defined the same way in the plural. The same applies the other way round. That's unless it's obvious from the context that we don't mean it.**

**Whenever we say we, us, our or Cofunds we mean Cofunds Limited.**

**Whenever we say you or your we mean a person (including trustees, a company and any other legal entity) who invests in an Account through Cofunds.**

**Account:** An 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:** The Service Type that applies to you if you receive financial advice from your Nominated Adviser about investments made through the Cofunds platform. Your Adviser is responsible for making sure the investments are suitable for you. Your Adviser may charge you a fee. They may also be paid a Commission from the charges you pay on your investment.

**Adviser:** A person authorised by the FCA to conduct investment business, including 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. Charges can be applied to cash held within an Applicable Product.

**Application:** An application completed by you or on your behalf to invest in the Account through an ISA or directly into Funds.

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

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

**Bank:** The bank or banks appointed by Cofunds to provide banking services to the Cofunds Platform. you can get details of the banks we hold money in by contacting your Nominated Intermediary or at [www.cofunds.co.uk/docs/gb/cofunds-rates-cg19-gb.pdf](http://www.cofunds.co.uk/docs/gb/cofunds-rates-cg19-gb.pdf)

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

**Cash Reserve:** An interest paying facility in your ISA, used for holding cash within your ISA.

**Cleared Balance:** The Available Balance plus or minus the value of any transactions from your Cash Account that have started, but not completed yet. You can only withdraw or transfer money to another account from the Cleared Balance of your Cash Account.

**Client Account:** An 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 given to the Account we hold in your name to record investments you make through Cofunds.

**Commission:** A sum paid to an Intermediary by a Fund Manager for arranging investments in Funds that they manage. 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. Only payable on Commission-included Share Class Funds.

**Commission-free Share Class:** A Fund Share Class where the Fund Manager does not pay Commission to your Intermediary.

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

**Consolidated Income Account:** An interest paying account which holds income paid out to you by Funds until we pay it to your Nominated Bank Account.

**Dealing Cut-off Time:** The time by which you need to have given us an investment instruction so that We can act on it by the Valuation Pricing Time.

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

**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.

**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.

**Fund(s):** An authorised unit trust, recognised scheme or open-ended investment company (or sub-Fund thereof) we make available for investment through 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 your Cash Account, in the event of a shortfall.

**Group 1 Units:** Are Units you've held for the whole of a Fund's distribution period.

**Group 2 Units:** Are Units you've bought during the Fund's distribution period. They automatically become Group 1 Units at the end of the distribution period. You get the same income from Group 1 and Group 2 Units but it is treated slightly differently for tax purposes. If you want to know more, please speak to your Nominated Intermediary or read the Fund prospectuses for the Funds you are transferring.

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

**Income Choice:** How you would like to use the income generated by your Funds – either Reinvest or Payaway.

**Income Mandate:** A choice for all products linked to the same Cash Account that tells us how you would like us to Payaway your Income – either keep it for you in your Cash Account, or pay it out to you through your Consolidated Income 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:** Any types of fees and charges that you have agreed to pay your Intermediary, including:

- 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:** A client money account 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 Cash Reserve.

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

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

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

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

**Money:** Any client money held in the Cash Account, Consolidated Income Account and Cash Reserve for the purposes of future investment into and withdrawal from Funds.

**Nominated Adviser:** An Adviser that has been chosen by you to give instructions on your behalf on all matters to do with your Cofunds Account.

**Nominated Bank Account:** A UK bank or building society account of yours which is associated with your Cofunds Account.

**Nominated Intermediary:** An Intermediary that has been chosen by you to give instructions on your behalf on all matters to do with your Cofunds Account.

**Nominee:** A wholly owned subsidiary of Cofunds Limited which acts as a nominee company and for which we accept full responsibility.

**Payaway:** A choice you can make to receive any income generated by your income Funds. You can choose to have it paid out to you as consolidated monthly income, or held on the platform in your Cash Account.

**Pending Trade:** a service that means you can give us an instruction to buy Units when your Available Balance isn't enough to pay for them. You then have up to 14 calendar days to pay, and when you do we go ahead and buy the Units. If you set up a Pending Trade through an ISA you have to pay within 14 calendar days or by the Tax Year end – whichever is sooner.

**Platform Account reference:** The number given to your Cash Account and used for payments into and out of the Cash Account.

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

**Pricing Model:** The way you pay for the services offered through Cofunds.

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

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

**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 Intermediary. These can be paid in the form of Units or cash, depending on the Share Class of Funds you hold in the relevant product.

**Registered Office:** Cofunds Limited, Level 43, The Leadenhall Building, 122 Leadenhall Street, London, EC3V 4AB.

**Regular Investments:** A service that lets you set up regular monthly Investments into Funds via the Regular Savings Facility (RSF) for ISA and Funds.

**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.

**Re-registration:** This means transferring your Investment Funds or ISA onto or off Cofunds, without selling them to cash i.e. transferring the product from one provider to another.

**Sale for Regular Payment:** A service to help manage the payments you ask us to make out of your Cash Account. You can set up a Sale for Regular Payment to ask us to sell some of your Funds to meet these payments in situations where there otherwise wouldn't be enough money in your Cash Account.

**Self-directed:** The Service Type that applies to you if you don't get financial advice and choose to make your own investment decisions using the information and support services provided by your Intermediary. Your Intermediary will carry out your investment instructions through the Cofunds platform. You are responsible for making sure the investment is suitable for you. Your Intermediary may charge you a fee. They may also be paid a Commission from the charges you pay on your investment.

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

**Service Type:** (also sometimes called 'Advice Type' online or on forms). The type of Cofunds service that your Adviser or Intermediary has linked your Account to on the Cofunds Platform - either Advised or Self-directed. A new application to set up a Cofunds Pension Account, another pension product or an investment bond, your Account has to be linked to the Advised Service Type.

**Share Class:** A classification given to different types of mutual Fund. 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 agree this with them.

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

**Terms:** These Terms and Conditions, as changed from time to time, together with your Application. These Terms and Conditions take priority if there are any differences or contradictions with your Application.

**TISA Exchange (TeX):** An association established by the Tax Incentivised Savings Association (TISA) to help facilitate Re-registration via the electronic transfer of wrappers and assets between Fund Managers, Platforms, wealth managers and any firm which holds assets on behalf of investors.

**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 Manager when a Fund is valued and the price of Units set.