

**SELF-DIRECTED**

Explicit Pricing Model

# Platform Key Information Document

Including the ISA and Investment Funds Key Features documents

The information that follows is accurate to the best of our knowledge and belief as at 06 April 2015.

## Version 0415SDE

Issued and approved by Cofunds Limited, One Coleman Street,  
London EC2R 5AA. Registered in England and Wales No.3965289.

Authorised and regulated by the Financial Conduct Authority (FCA).  
FCA Registration No. 194734.

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**This document is intended for Self-directed investors who arrange transactions through an intermediary without receiving financial advice.**

It should be read alongside:

- Terms and Conditions of the Cofunds platform (Self-directed Explicit Pricing Model)
- The relevant product Key Features Documents
- The relevant fund specific information, including Fund Key Investor Information Documents, fund prospectuses, or Fund Key Features Documents
- Fees & Charges Schedule.

**Part 1** - Key information on the Cofunds Platform

**Part 2** - Key Features of the Cofunds Investment ISA

**Part 3** - Key Features of Investment Funds on Cofunds

**For more information on investment platforms in general or more specific information on Cofunds, please contact your intermediary.**

# Part 1: Key Information on the Cofunds Platform

## About the Cofunds platform

### Q. What is the Cofunds platform?

The Cofunds platform is a collection of services and tools that you can use to arrange, manage and track your investments more easily. Cofunds helps to keep things simple - one administrator to handle all the paperwork and one site for viewing all your investments at the click of a mouse.

We offer a range of leading investment products, and enable access to over 2,500 individual investment funds from over 100 fund managers, that you can use to achieve whatever investment objective suits your circumstances - whether it's growing your capital or taking a regular income.

### Q. How long has the platform been in operation?

Cofunds was founded in 2001. Cofunds was one of the first platforms to enter the market. As a result, we have a great deal of experience in helping people to manage investments more effectively. Cofunds was founded in direct response to the need for an independent platform provider that administered investment funds.

### Q. Who uses the platform?

Cofunds is the leading general investment platform for advisers and other financial institutions, with assets under administration of over £69bn\*.

We provide flexible administration and management services for advisers and their clients as well as dealing and custody services for financial institutions. Cofunds is wholly owned by Legal & General and provides services to 4,500 businesses, 13,000 users and 800,000 investors.

\* Source: Legal & General Group November 2014

### Q. What is the ownership structure?

Cofunds is a private limited company, and is owned by Legal & General as part of the Legal & General group of companies.

### Q. How financially secure is the platform?

Cofunds is backed by Legal & General, a FTSE 100 company recognised by three of the world's leading independent rating agencies for its financial strength. With this backing, you can be confident of Cofunds' financial security, robust infrastructure, knowledge and expertise.

### Q. What is the role of the platform in my investment?

The Cofunds platform is designed to enable intermediaries and their clients to manage their investments more easily.

Through your intermediary, you can instruct us to buy, sell and switch collective investment funds directly with the fund manager.

We're responsible for holding your investments safely on your behalf. Cofunds has a separate subsidiary company, Cofunds Nominees Ltd, which is dedicated to holding your investments separately from Cofunds' own corporate assets and prevents Cofunds from mixing investors' money with its own.

We also offer an Individual Savings Account (ISA) and act as an ISA plan manager on an investor's behalf.

We don't assess or advise on the suitability or appropriateness of your investments. We don't provide investment management services. This is the role of your nominated intermediary.

#### Others involved in your investment:

**INTERMEDIARY:** Arranges to buy and sell investments on your behalf, and may provide other ongoing services. Cofunds only operates with intermediaries that are authorised and regulated by the Financial Conduct Authority (FCA).

Your intermediary will carry out your instructions through the Cofunds platform. You accept responsibility for ensuring the investment is suitable for you.

**BANK:** Responsible for holding investors' money in separate accounts while the money awaits investment in or settlement by funds. This is protection for you as it ensures that the platform cannot mix investors' money with its own. As a further level of protection we use a number of banks to spread any potential risk.

#### PRODUCT PROVIDERS:

- (a) Parties who offer savings and investment wrappers, such as investment bonds and pensions.
- (b) Fund managers who allow access to their funds, where investors' money is pooled together and invested according to the managers' investment strategies.

## Details of the Cofunds platform service

### Q. Who is this platform designed for?

Our service is designed for all UK residents who wish to invest to meet their savings goals. You need to nominate an intermediary in order to use the Cofunds service.

### Q. What investments are available on the Cofunds platform?

**Product wrappers include:** Stocks and Shares Individual Savings Account (ISA).

**Cash Services:** Cofunds Cash Account, Cash accounts within product wrappers: ISA Cash Reserve.

**Asset classes:** UK investment funds, Luxembourg SICAV, Dublin-based OEICs.

The funds available to you on the Cofunds platform depend on the range available through your nominated intermediary.

### Q. How much can I invest/what are the investment limits?

**Investment funds:** You must invest a minimum lump sum of £1,000 per fund or as a regular saver invest £100 per month.

**Investment ISA:** You must invest a minimum lump sum of £1,000 or as a regular saver invest £50 a month. There's a maximum limit you can invest in an ISA each year – you can find it in the ISA Key Features.

### Q. Can I move existing investments onto the platform?

Yes, you can arrange via your intermediary to move your existing investments onto the platform providing your funds and share classes are available.

If your funds are not available to re-register on Cofunds you also have the option to cash transfer an ISA. Please note, as a Cash ISA is not available on the Cofunds platform, if you transfer a Cash ISA it will be converted to a Stocks and Shares ISA.

### Q. How do I pay money into the Cofunds Cash Account?

The Cofunds Cash Account is the central facility for holding cash on the platform. You can add money to the Cofunds Cash Account by:

- Cheque
- Bank Automated Clearing System (BACS)
- Income paid from income-generating funds
- You can set up a Sale for Regular Payment or Fund Sale Instruction via your intermediary to sell your investments to supply regular cash into your Cash Account, which you can use to pay for regular withdrawals, intermediary charges and Cofunds' Platform Charge.

### Q. How can I take my money off the platform?

**Account linking:** You can link your bank account to your platform cash account to make moving your money on and off platform easier and to help you to manage your income.

**One-off withdrawals:** You can request one-off withdrawals from your investments through your intermediary or by writing directly to Cofunds.

You can receive your money:

- Into your Cofunds Cash Account
- Into the nominated bank account held in your name
- By cheque.

Money held in your Cofunds Cash Account can be withdrawn at any time by completing an instruction through your intermediary or by writing directly to Cofunds.

**Regular withdrawals:** You can set up regular withdrawals from your investment via a cash account linked to investment products.

## Details of the Cofunds platform service (continued)

### Q. How do I pay for my investments?

#### Lump sum investments

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

- From your Cofunds Cash Account (via a nominated bank account)
- By cheque (payable to Cofunds Limited)
- By debit card (if you are paying online).

#### Regular investments

You can make regular monthly investments, or 'contributions', directly into investment funds and ISAs. Please refer to Section A7.2 of the applicable Cofunds Terms & Conditions for more details.

### Q. How can I take income from my investments?

**Regular withdrawals:** You can set up regular withdrawals from your investment via a cash account linked to investment products.

**Taking income:** You can select to be paid regular income from your investment products.

**Cashing in/withdrawal:** You can cash in your investment, subject to availability from the fund manager. This can be restricted by fund product/type – check the product and/or fund key features/key investor information for details.

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

### Q. Can I change my investments at any time?

Yes, you can switch between funds within a product wrapper at any time to alter your investment strategy, respond swiftly to market conditions or take advantage of new investment opportunities. Please instruct your nominated intermediary.

All switches will be into commission-free share class funds.

You can also switch/convert from the commission-included share class to the commission-free share class at any time.

### Q. What information will I receive about my investments?

**Confirmation of transactions** – Provided for every transaction that you instruct, on the next business day after completion of the transaction at Cofunds. Where you have arranged regular transactions, we provide a consolidated confirmation if you have not seen confirmation within the last six months.

**Statement(s) and valuation(s)** – annually

**Tax statement** – annually (except for ISAs)

**Distribution tax vouchers** – if requested (not applicable for ISAs)

**Online account information** – 24 hours, 7 days a week; access to this is granted by your intermediary.

### Q. Can I cancel at any time?

Your ability to cancel depends on the specific terms of the underlying product. You can find these terms in the relevant product Key Features Documents and/or Fund Prospectuses/Key Investor Information Documents.

### Q. Can I move my investments off the platform?

Yes - see below for how it works in different products.

**Investment Funds** – You can re-register your existing assets off the platform if the new provider offers the same share class. This means that you don't need to sell out of the funds in order to invest in them again off the platform – you can simply transfer them across. This can reduce the risk of exit fees and potential tax penalties for some products and make the move faster and more economical. Please check carefully with the platform/fund manager you're intending to move to as to the availability of your funds and share classes at their end.

**ISA** – Assets held within an ISA wrapper can be re-registered within the ISA, preserving your market holdings and the tax benefits of the ISA.

Alternatively, for the ISA you have the option to sell the assets and transfer as cash.

### Q. What happens if I change intermediary?

The funds you have access to vary depending on what your intermediary has agreed with the relevant fund managers. If you move to a new intermediary, the funds and share classes they have available may be different. 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'll carry out a share class conversion into the new, differently-priced commission-free share class. Depending on the circumstances, this could mean you pay more, or less, for the same fund.

## Charges you will pay

### Q. What fund manager charges will I pay?

#### Annual management charge plus additional charges and expenses –

This is the amount a fund manager charges every year for the administration of their fund. This annual management charge may be dependent on your intermediary. Fund managers price their funds after all the sale and purchase orders of the day have been received, so you won't know in advance what price you will receive when buying units in a fund. This is called 'forward pricing'.

There are some circumstances in which you can receive a rebate – which is a payment back to you of some of the cost of investing into a fund. Please see your Terms & Conditions for details on how this process applies.

### Q. What will I pay my intermediary?

You will agree the charges with your Intermediary for the services they provide. The charges applicable to you will appear in your Fees & Charges Schedule. Please speak to your intermediary if you're not sure what charges apply.

### Q. How can I pay my intermediary?

If you and your intermediary have agreed, their charges will be taken from your Cofunds Cash Account on a regular basis. This could be through:

- Service Charge: monthly, percentage-based;
- Subscription Charge: fixed amount, frequency determined by your intermediary;
- one-off fee;
- ongoing fees.

The charges that apply to you are shown on your Fees & Charges Schedule.

### Q. What will I pay Cofunds?

Our standard Platform Charge is calculated on the value of your investments held on the Cofunds platform. The Platform Charge is collected monthly. Because the Platform Charge varies, your specific intermediary will provide you with a Fees & Charges Schedule which is tailored to your specific investment circumstances. The charges you pay may increase in the future as in accordance with the Terms & Conditions. The amount of Platform Charge you pay will vary depending on the total value of your assets on platform, and how much you have invested in commission-free share class funds.

### Q. What happens if I don't have money in my Cash Account to pay charges?

If you don't have enough money in your Cash Account to cover the charges set up against it, our usual process will be that we'll sell from your investments to raise the money needed to meet the shortfall. You can agree with your intermediary to set up a Sale for Regular Payment or Fund Sale Instruction to control how funds are sold to pay fees and charges in the event of a shortfall in your Cash Account. Please check with your intermediary what arrangements apply to you. If you don't want your investments to be sold, you should ensure your Cash Account contains enough money to cover the charges that apply to you each month.

Please see your Terms & Conditions for more information on selling investments to fund charges.

### Q. What are rebates?

There are some circumstances in which you can receive a rebate – which is a payment back to you of some of the cost of investing. Rebates could come from Cofunds, the fund manager, and/or your intermediary.

Rebates are paid on a product-by-product basis. From 1 April 2014, if you hold any commission-free share class funds within a product (for example, within an ISA), then all rebates will be paid as units, which we'll invest into your highest-value commission-free share class fund in that product.

If you hold only commission-included share class funds within your product, rebates will be paid as cash into your Cofunds Cash Account.

## Other important information

### Q. Are there any potential conflicts of interest?

As far as possible, all conflicts are managed to safeguard the interests of the investor.

Details of Cofunds' conflict of interest policy can be found at:

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

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

### Beneficial corrections

Sometimes intermediaries send us instructions that are unclear, open to interpretation or incorrect. If, as a result, a transaction is processed incorrectly, we may consider correcting an investor's holdings – and in some cases Cofunds will bear the cost of the correction. We'll provide details of beneficial corrections that have been made on request – please speak to your intermediary for details.

### Q. How does Cofunds keep my money safe?

Cofunds is committed to ensuring that money and investments held on the Cofunds platform are as secure as possible. In line with Financial Conduct Authority (FCA) rules, all client money or investments held with Cofunds are completely segregated ('ring-fenced') from Cofunds' own money and assets. This means they can't be accessed by Cofunds should the company fall into financial difficulties.

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

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

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

### Q. Are there any other risks?

**Investment risk:** The value of investments, and any income taken from them, can fall as well as rise and you may get back less than you invest. In addition, there's the potential for reduction of your investment as a result of a Sale for Regular Payment. You may also incur Capital Gains Tax liabilities.

**Fund risks:** There are specific risks relating to the funds you can invest in. Generally, the greater the potential reward (investment growth or income) a fund offers, the higher the level of risk to your investment.

**Platform risk:** As you're investing through a platform there is a risk that a fund managers systems and ours may show that you hold differing amounts while transactions are being processed. If the systems weren't aligned and Cofunds went out of business at the same time, you may not get back the full value of your investment.

### Q. 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 send a letter to Head of Customer Experience, Cofunds Limited, PO Box 1103, Chelmsford CM99 2XY.

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)

Tel: 0800 023 4567

Please note that if you have a complaint relating to an investment fund, you should initially speak to your intermediary or the fund manager in question.

### Q. If Cofunds loses my money, can I get compensation from the Financial Services Compensation Scheme?

You may be able to seek compensation from the Financial Services Compensation Scheme for up to £50,000 if we become unable to repay a loss we have caused you. See this factsheet for more information:

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

# Part 2: Key Features of the Cofunds Investment ISA

This section provides you with information about the Cofunds Investment ISA (Individual Savings Account). This is a Stocks and Shares ISA that can be used to hold commission-free share class funds available on the Cofunds platform tax-efficiently.

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

This document is important as it governs your rights as an investor.

You should read it carefully so that you understand what you are buying, and then keep it safe for future reference. If you're unsure about any of the information provided, or have any questions, please speak to your intermediary who will be able to help you.

## Its aims

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

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

## Your commitment

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

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



For charges relating to the Cofunds platform, please refer to the **Fees & Charges Schedule**.

Full details of the fund aims and objectives are available in your chosen investment fund's simplified prospectus/KIID and/or Fund Key Features which is available from your intermediary.

## Types of ISA

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

There are two types of ISA you can invest in – a Stocks and Shares ISA and a Cash ISA. Stocks and Shares ISAs invest in stock market-based investments so the value of your investment can go down as well as up which means you could lose your investment. This makes them higher risk than Cash ISAs, which are generally low risk cash deposits. However, within the Cofunds Investment ISA you do have access to a range of lower risk cash investments, including cash funds and the ISA Cash Reserve, which has no investment risk.

The Cofunds Investment ISA is a Stocks and Shares ISA. It falls within the government's definition of a 'New' ISA, launched in July 2014. You can hold a wide range of the collective investments available on the Cofunds platform – giving you a choice of more than 2,500 funds from over 100 fund groups within your ISA.

For risks relating to stock market-based funds, please see relevant **Fund Key Investor Information Documents and/or Fund Key Features.**

### Q. Does Cofunds offer a Cash ISA?

No. You can invest up to the ISA limit between the Cofunds Investment ISA and a Cash ISA. The Cofunds Stocks & Shares ISA can be used to invest in cash funds, or you can invest in the Cash Reserve.

### Q. What's the maximum I can invest?

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

The current stocks and shares ISA annual allowance is £15,240 for 2015/2016.

#### Sale of funds to pay platform charges

Please note that if platform charges are not paid for from the Cash Account, the selling of funds to pay them is a withdrawal from your ISA. You will only be able to pay the equivalent of this charge back into your ISA as an additional contribution provided you do not exceed your current tax year annual ISA allowance.

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

You can split your ISA allowance between cash and stocks and shares ISAs as best suits your personal circumstances.

For example, you could have £12,000 in stocks and shares and £3,000 in cash. You could transfer that £3,000 into stocks and shares and have £15,000 in stocks and shares. Or vice versa. The rule is that you mustn't have more than the annual allowance split between one cash ISA and one stocks and shares ISA.

## Making contributions

### Q. What's the minimum I can invest?

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

#### Minimum investments in the Cofunds Investment ISA

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

## Making contributions - continued

### Q. How do pending trades work with ISAs and tax year end?

The pending trade service allows you to set up an instruction online to buy units in a fund or funds, and then pay for the trade within 14 days, at which point it will be processed. Please check with your nominated intermediary whether you have access to this.

For ISAs, pending trades in the current tax year are valid for 14 calendar days from the date on which they are set up, or until tax year end – whichever falls sooner. You must arrange to make payment within this time frame accordingly and you need to ensure you have sufficient monies in your Cash Account.

If we haven't received the money to pay for a current tax year pending trade by tax year end (5th April at latest) your pending trade will be cancelled. This overrides the 14 calendar day expiry period you'd usually have for the pending trade – we'd have to receive payment by tax year end in order to carry out your pending deal (subject to our usual dealing procedures).

Pending trades can't be set up in the current tax year if they're created within five business days of the end of the current tax year.

Pending trades for the current tax year are prioritised in the order in which the deals are created. You can amend the priority order of current tax year pending trades online. Once we've received sufficient money from you, we'll process the pending trades for the current tax year in the order in which you've prioritised them. You can't prioritise pending trades for the next tax year.

Pending trades can't be set up to pend into the next tax year except between 1 March and 5 April in the current tax year. During this period you can set up an instruction to buy units in a fund or funds in the next tax year.

You must pay for the pending trade by 20 April of the new tax year – if we don't receive sufficient money to fund the deal by then your pending trade will expire and we will not carry it out. You can only amend the priority order of pending trades in the current tax year – next tax year pending trades will appear in the order in which they were set up, although you can cancel them if you wish. Once the new tax year commences you'll be able to amend the priority order of your pending trades as normal.

Pending trades count towards your ISA allowance once they are paid for.



For all methods of paying for your ISA, please see **The Cofunds Platform Key Information Document - Self-directed Explicit Pricing Model**.



For current interest rates on the Cash Reserve facility, please go to: [www.cofunds.co.uk/docs/gbub/cofundsinterestrates/](http://www.cofunds.co.uk/docs/gbub/cofundsinterestrates/)

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

## Holding cash

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

Yes, the Cofunds Investment ISA includes an interest-paying Cash Reserve. It isn't a Cash ISA, it's a facility that provides you with extra flexibility and control. For example, it can allow you to:

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

Money in the Cash Reserve earns interest – you can find the rate of interest paid on [www.cofunds.co.uk/docs/gbub/cofundsinterestrates/](http://www.cofunds.co.uk/docs/gbub/cofundsinterestrates/)

Interest paid on the Cash Reserve is not subject to tax.

Interest paid is unlikely to match the potential returns available on stock market-based investments over the long term, and may not outpace inflation.

A variety of cash funds are also available to invest in through the Cofunds Investment ISA.

Please speak to your intermediary about what type of cash investment is best for your circumstances.

## Transferring ISAs

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

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

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

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

#### 1. Transferring ISAs from previous tax years

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

#### 2. Transferring ISAs from the current tax year

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

**Cash ISA** – You can transfer a Cash ISA opened in the current tax year to the Cofunds Investment ISA. Again, the amount subscribed will be treated as part of your current tax year ISA allowance. A Cash ISA will be converted into a stocks and shares ISA with Cofunds.



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



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



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

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

ISA transfers can take place by re-registering funds or as cash. Cash funds formerly held within a Cash ISA can be re-registered into the Cofunds Stocks & Shares ISA.

- **Re-registration of funds:** If you wish to keep the same choice of funds when you transfer your ISA, it may be possible for you to re-register them. This means that the funds will simply be moved to sit within your new Cofunds ISA. To do this the funds will need to be available on the Cofunds platform and your existing ISA manager must support fund re-registration. Your money will remain fully invested in the funds.

If we receive commission-included funds we will convert these to commission-free funds if there is an equivalent available to your intermediary. If there's no commission-free share class fund equivalent available this transfer will be rejected - however, you also have the option to transfer as cash.

- **Cash transfers:** If the existing ISA manager doesn't support fund re-registration or you want to have a different choice of funds, the funds you currently hold in your ISA will be sold. The cash proceeds will then be transferred directly to Cofunds to purchase the funds of your choice.

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

- You may lose out on income or investment growth while your money is not invested during the transfer period
- You won't have access to the transferred assets in your ISA until the cash transfer is complete.

### Q. How do I transfer to another provider?

Assets held within an ISA wrapper can be re-registered within the ISA, preserving your market holdings and the tax benefits of the ISA.

**Commission-free share class funds:** You can re-register commission-free share class funds off the platform if the new provider offers the same share class. Please check carefully with the platform/fund manager you're intending to move to as to the availability of your funds at their end.

You can transfer out of the Cofunds Investment ISA into a Cash ISA.

## Managing your ISA

### Q. Can I take money out of my ISA?

Yes, you can make withdrawals at any time, which can be paid into your bank account, sent to you by cheque or transferred into your Cofunds Cash Account.

You can request a withdrawal from your Cofunds Investment ISA through your intermediary or by writing directly to Cofunds.

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

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

### Q. Can ISAs be held jointly?

No, ISAs can only be held in a single name. However, each eligible investor has their own ISA allowance – see 'What's the maximum I can invest?'

### Q. Can I inherit an ISA?

You can inherit assets that were held in an ISA. You can also inherit the ability to make investments into an additional ISA allowance (also known as an Additional Permitted Subscription or APS) on the death of your spouse or registered civil partner if they hold an ISA at the time of their death. Whether you inherit assets or not, you'd be entitled to an additional ISA allowance equal to the amount your spouse/civil partner had in their ISA(s). Please see the Terms and Conditions or speak to your intermediary for more information on inheritable ISA allowances.



For details on making withdrawals from the Cofunds platform, please see **The Cofunds Platform Key Information Document - Self-directed Explicit Pricing Model**.



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



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

## Tax treatment

### Q. What is the tax treatment of ISAs?

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

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

## Changing your mind

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

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



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

Provided you cancel within the 14-day period, your cash, any intermediary fees or charges and any Cofunds Platform Charge will be returned to you – subject to the conditions below – and your ISA allowance will be unaffected.

#### Please note:

- If the value of your chosen investment falls between the date your subscription was invested and the date Cofunds receives your instruction to cancel, you may not receive a full refund of the amount you have invested
- If the value of your investment rises between these two dates, you'll only receive back the amount invested
- Interest will not be paid on money held in the Cash Reserve
- One-off intermediary fees requested at or around the time of the original investment will not be returned to you – please contact your intermediary to arrange refund of one-off fees.

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

### Withdrawing after 14 days

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

### Cancelling an ISA transfer

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

Please note, if you transfer your Cash ISA to Cofunds, it will be converted into a Stocks and Shares ISA. If you then decide to exercise your cancellation rights, it can't be transferred back into a Cash ISA.

### Q. Can I get compensation from the Financial Services Compensation Scheme?

If you meet the eligibility criteria of the Financial Services Compensation Scheme you'll be able to seek compensation from the Financial Services Compensation Scheme for up to £50,000 should we become unable to meet our liabilities to you. See this factsheet for more information:

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

# Part 3: Key Features of Investment Funds on Cofunds

This section provides you with information about investing into commission-free share class investment funds.

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

This document is important as it governs your rights as an investor.

You should read it carefully so that you understand what you are buying, and then keep it safe for future reference. If you are unsure about any of the information provided, or have any questions, please speak to your intermediary, who will be able to help you.

## Its aims

To allow you to invest directly into a wide range of funds with access to a broad range of underlying investments.

## Your commitment

Typically, investing in funds is a medium to long-term investment of at least five years, in line with the aims for the fund and the objectives set by the fund manager.

## Risks

When you use our Investment Funds product your main risk is that the value of your investment and the income from it can go down as well as up. If a fund falls in value, you may not get back the amount you invested.

For risks specific to each fund, please see the relevant fund specific information, including Fund Key Investor Information Documents, fund prospectuses, or Fund Key Features Documents.

## Charges

For information of your specific charges please refer to the Fees & Charges Schedule.



Applications from overseas for some funds may be refused. Please contact your intermediary to confirm your eligibility for your chosen investment.

Details of your commitment when investing via the Cofunds Platform are available in **The Cofunds Platform Key Information Document – Self-directed Explicit Pricing Model**.



Full details of the fund aims and objectives are available in your chosen investment fund's simplified prospectus/KIID and/or Fund Key Features which is available from your intermediary.

## Your investment

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

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

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

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

The minimum investments you can make are as follows. There isn't a maximum on how much you can invest directly into funds on Cofunds.

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

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

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



There are risks associated with investing into funds. Please see relevant investment funds' **Simplified Prospectus/Fund Key Investor Information Documents** and/or **Fund Key Features**.



For all methods of paying for your investments, please see **The Cofunds Platform Key Information Document – Self-directed Explicit Pricing Model**.



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

## Types of investors

### Q. Can investment funds only be held by individuals?

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

- **Corporate investors:** Companies, looking for investment opportunities
- **Trustees:** Managing a portfolio within a legal trust arrangement
- **Pension investors:** Using small self-administered schemes (SSAS) or self-invested personal pensions (SIPPs) other than those SIPPs directly available via the Cofunds platform.

### Q. Can investments be held jointly by individuals?

Yes, up to four individuals can hold investment funds on Cofunds as long as they share the same Investment Service.

## Taxation

### Q. How will I be taxed on my investment?

#### 1. Income Tax

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

##### Unit trusts and OEICs

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

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

##### European Collective Investment Vehicles (ECIVs)

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

Please speak to your intermediary for further information.

#### 2. Capital Gains Tax

If you sell your investment any growth may be subject to Capital Gains Tax if you exceed your annual Capital Gains Tax allowance. Please speak to your intermediary about your annual allowance.

##### Sale of funds to pay platform charges

Please note that if platform charges are not paid for from the Cash Account, the selling of funds to pay them is a withdrawal from your investment and will create a potential capital gains tax liability.

#### 3. Non-personal tax

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



By investing directly into investment funds, you may have a greater tax liability than if you invest through a tax wrapper such as an ISA or pension.

To help you complete your tax return, Cofunds will send you a consolidated tax voucher with your annual statement, detailing all relevant income and tax deductions over the year.

#### 4. Tax on rebates

Rebates in investment funds are taxed at the basic rate of 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 intermediary for more information.

Rebates in an ISA are free from tax.

## Transfers

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

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

If we receive commission-included share class funds we'll convert these to commission-free share class funds if there is an equivalent available to your intermediary. If there is no commission-free share class equivalent available, then the instruction will be rejected. However, you do also have the option to transfer in cash.

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

Yes, you can re-register your investment funds out of Cofunds to another provider in the case that they offer these funds.



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



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

## Changing your mind

### Q. What happens if I change my mind?

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



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

Provided you cancel within the 14-day period, your cash, any intermediary fees and charges and any Cofunds Platform Charge will be returned to you – subject to the conditions below.

#### Please note:

- If the value of your chosen investment falls between the date your subscription was invested and the date Cofunds receives your instruction to cancel, you may not receive a full refund of the amount you have invested
- If the value of your chosen investment rises between these two dates, you'll only receive back the amount invested
- One-off intermediary fees requested at or around the time of the original investment will not be returned to you - please contact your intermediary to arrange refund of one-off fees.

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

### Withdrawing after 14 days

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

### Cancelling a fund transfer

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

- **Transfer your investment back to the previous fund manager**  
Cofunds will require confirmation of your client account number with the fund manager in question. If you don't supply your account number Cofunds may not be able to re-register your investment
- **Cancel the contract and return your money to you**  
If you choose this option you may be subject to Capital Gains Tax.

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

### Q. Can I get compensation from the Financial Services Compensation Scheme?

If you meet the eligibility criteria of the Financial Services Compensation Scheme you will be able to seek compensation from the Financial Services Compensation Scheme for up to £50,000 should we become unable to meet our liabilities to you. See this factsheet for more information: [www.cofunds.co.uk/docs/gb/assetprotect/](http://www.cofunds.co.uk/docs/gb/assetprotect/)

