

## Addendum to the Cofunds Platform Key Features (1108F) – Customer Agreed Remuneration on Cofunds

**This addendum should be read in conjunction with the Key Features of the Cofunds Platform 1108. It should be read by investors who have agreed to pay Customer Agreed Remuneration to their nominated intermediary via Cofunds.**

### What is customer agreed remuneration (CAR)?

'CAR' is the total cost of initial and/or ongoing advice/services provided by your nominated intermediary to you and agreed at outset. Total cost may be paid by commission, fees or a combination of both.

### What is CAR on Cofunds?

'CAR on Cofunds' is a facility that enables remuneration to be paid to your nominated intermediary from your Cofunds Cash Account.

This payment is usually collected by your nominated intermediary to pay for the cost of advice and/or services provided to you. Your nominated intermediary will agree this remuneration with you in advance as part of their service.

Specifically, Cofunds role is to:

- Calculate any CAR payments on behalf of your nominated intermediary;
- Deduct CAR payments from your cash account;
- Distribute payments to your nominated intermediary.

The details of your CAR payment will be provided to you by Cofunds. Full details of CAR payments can be found on your Consolidated Confirmation Note.

### Payment options

There are two payment options available.

You need to ensure sufficient monies are available in your cash account at the payment date.

Cofunds will not affect an automated sell down to fund CAR payments if sufficient monies are not available in your cash account to meet the full payment. CAR payments will accrue until sufficient monies are available.

The examples below are for illustrative purposes only.

- 1) Specific (one-off) remuneration** - Specific remuneration is a one-off, specific monetary lump sum payment option. For example, you agree to pay your nominated intermediary a fixed £500 payment for services provided. To instruct a specific remuneration payment, you will need to complete and sign the Intermediary Remuneration Application Form provided by your nominated intermediary.

**WARNING:** Specific remuneration payments may affect the monies available for regular withdrawals. Not having sufficient monies available to cover your regular withdrawal may result in Cofunds initiating a sale of units from your investments. For information on sell downs, please see 'Addendum to the Cofunds Platform Key Features (1108R) – Cofunds Cash Account Regular Withdrawal Facility.'

Cofunds will send a letter confirming that the payment will be deducted from your cash account.

- 2) Regular remuneration** - You may agree with your nominated intermediary to set up a regular, ongoing monthly CAR payment. This can either be a fixed amount or an annual percentage of your investment (see rate models below). Please note that Cofunds will accept instructions directly from your nominated intermediary. If you have authorised a regular remuneration or have requested a change to your payment plan with your nominated intermediary, Cofunds will send you a letter which outlines the details of your payment plan.

## Regular remuneration models

Your nominated intermediary can choose between two regular remuneration payment models.

- 1) Fixed model** – a fixed amount deducted from your cash account on a monthly basis.
- 2) Rate model** – a monthly deduction from your cash account, which is based on an annual percentage of your portfolio. The calculation is based on the average value of your portfolio per month. This fee can be based on all Cofunds collective investments within your portfolio (other than for Legal & General and Legal & General International products) or can be applied to a specific group of holdings.

For example, if you agree to pay your nominated intermediary 0.75% per annum on an average investment balance of £10,000, this would equate to £6.36 typically per month.

If you have any queries regarding the model applied to your cash account, please refer to your nominated intermediary.

Your liability to pay the appropriate amount for either specific or each individual regular remuneration is considered met once it has been deducted from your cash account.

## Commission offset

Your nominated intermediary may agree with you to deduct from your payment all of the renewal commission that they may ordinarily receive. For example, if your regular remuneration is £100 per month and renewal commission due to your nominated intermediary is £25, the actual fee withdrawn from your cash account will be £75.

## Value Added Tax (VAT)

If your nominated intermediary deems that VAT is applicable with regard to your CAR payment, it will be incorporated minus any commission offset (see above).

## Payment levels

There are two payment level options available to you and your nominated intermediary.

**Client level** – the payment will be deducted from a specific cash account chosen by you.

**Account level** – the payment will be deducted from each cash account attached to each of your holdings.

## Payment dates

**Specific (one-off) remuneration** – Cofunds will deduct monies from your Cofunds Cash Account on the Monday prior to the last Thursday of the month in which the instruction is received.

**Regular remuneration** – Your nominated intermediary will be paid in arrears, on the last Thursday of the month for payments due from the previous month. For example, payments relevant to May will be deducted in June. Monies must be available in the relevant cash account and will be deducted on the Monday prior to the last Thursday of the month.

## How do I cancel my CAR payment?

You should speak to your nominated intermediary to cancel your CAR payment.

Alternatively, you can also cancel by writing to Cofunds at the administration address:  
Cofunds Limited, PO Box 1103,  
Chelmsford CM99 2XY.

Please note that Cofunds must receive your cancellation request at least one business day prior to the day the CAR payment is collected.