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COFUNDS ANNOUNCES STRATEGY FOR FEE-BASED SERVICES

Cofunds, the UK's leading comprehensive investment platform, is now well into piloting its new suite of services for fee-based advisers and now anticipates rolling out its new proposition in the next few months.

The first element of this new approach has involved the setting up of a Cofunds cash account for every client. This is linked to their usual bank or building society account. Cash will be deposited by the client electronically or via cheque into this account and from it settlement will be made for investments into any fund or tax-wrap and for any fees agreed between the client and the adviser.

Second, Cofunds will use this account to collect all payments of income or regular realisations of capital which the client has requested. This will include any dividends, income drawdown from SIPPs, automated withdrawals from insurance bonds and ISAs and regular encashments of funds. This stream of receipts will then be automatically sent on as a single payment to the client's bank every month. Alternatively the client can choose to leave all or part of this in cash to future investments or fund advisor fees that maybe due.

These services will be available to all clients whether their adviser is commission based or whether they have opted for fees.

Thirdly, Cofunds will provide for a flexible menu of adviser remuneration options for fee based firms who will be able to use commission offsets or blend fees and commission offsets, depending on the arrangements they have agreed with their client.

Cofunds intends to continue to charge asset managers whose funds are on the platform rather than follow the more complex route of obtaining rebates from fund managers paid to the client and then clawed back from them in fees. Cofunds anticipates that it will arrange for fee rebate scales to be available on request once common formats are agreed in line with the FSA's wishes.

The final element will enable Cofunds to provide access to those stock exchange listed securities on the platform where there is sufficient adviser demand. Cofunds will continue its guiding principle of making any charges simple, transparent and competitive.

Andy Creak, Cofunds Managing Director, said, "This is another major step in our strategy to support all types of adviser with the products and services which they want to use for their clients. We will be providing fuller details month by month as new releases are made available.

We will be adding functionality at a measured pace starting with a limited number of firms and building up volumes in a controlled way. It is essential that every element is thoroughly road-tested before we open up to the whole market. We are proud of the service standards we have achieved and we will not take any risks to the integrity of our customer processing in the pursuit of over rapid expansion.

We have proven and scaleable systems efficiently supporting almost £15 billion of client assets. In the world of platforms it can be easier to promise services than deliver them.

Once complete later next year, these developments will make us the leading comprehensive platform in the UK catering for all types of business and with a wide choice of investments and tax wraps from a range of major providers. "

- Ends -

For further information please call

Cofunds

Richard Eats 0207 398 7054 or 07775 703 176

Anthony Wolfe 0207 398 7551

Notes To Editors

Cofunds Limited, launched in January 2001, is the leading independent fund platform for intermediaries with assets under administration in excess of £14.6 billion (at 31/10/2007). It is an independent company providing a one-stop fund platform that provides flexible, reliable, convenient administration and management services for intermediaries and their clients. It does not offer investment management or advice, nor does it compete with intermediaries by offering its services direct to the end client. Cofunds exists to serve the needs of fund managers, intermediaries and their clients.

Cofunds is authorised and regulated by the Financial Services Authority.