

June 2014

Mr Garry Schonewald
Unit 12
Glover Network Centre
Spire Road
Washington
Tyne And Wear
NE37 3HB

166/177856
32990

Dear Mr Schonewald

Welcome to your Annual Statement as at 31 May 2014

A consolidated view of your portfolio

Please find enclosed your annual statement. This sets out the value of the investments you hold on the Cofunds platform and shows any transactions that took place between 1 June 2013 and 31 May 2014.

It's worth noting that the total value of your investments shown in your annual statement doesn't include any transactions that were partially completed as at 31 May 2014 (e.g. transactions such as switches or transfers) and that the value of your investments can go down as well as up dependent on market conditions.

Need help with your statement?

We appreciate that as rules and regulations around investing change, there may be new terms that appear in your statement. To help you understand what these mean, we've included an Important Information page, which gives you an overview of any changes, and a Glossary to help explain some of the terms we use in this document.

If you have any questions, you can contact your adviser or intermediary - whose details are shown on the next page.

If you'd like to find out more about the funds you're invested in, you can ask your adviser or intermediary or you can access the Fund Prospectuses, Reports & Accounts area at www.cofunds.co.uk/investors.

Thank you for investing through Cofunds.

Yours sincerely



Graham Jackson
Operations Director



Important Information

Keeping track of your investments

To allow you to keep track of your investments and financial goals, we'll send you various information during the course of the year.

Annual statement

This is sent to you in the summer and provides a valuation of your investments and information on unit and cash transactions that have taken place in the statement period.

Confirmation note

This is sent to you following one-off instructions from you to buy, sell or switch funds. It provides essential information on the transaction e.g. date, price and charges.

Consolidated confirmation note

This is sent to you half-yearly where transactions have taken place and a separate confirmation note wasn't issued. This typically includes cash transactions and standing instructions to buy, sell or switch funds e.g. regular saving transactions, reinvestment of income, regular withdrawals and sales to pay for any fees/charges. It provides essential information on the transaction e.g. date, price and charges.

Consolidated tax summary

This is sent to you shortly after the end of the tax year and includes tax vouchers/certificates on your applicable investments. You'll need these when completing your tax return.

Changes to the way you pay for your investments - self-directed investors

Earlier this year, we wrote to you explaining that the Financial Conduct Authority (FCA) has introduced new rules that aim to deliver greater clarity on how you pay for your investments.

In the past, the services you receive from Cofunds and your intermediary have been paid for from a portion of the Annual Management Charge (AMC) of the funds you invest in. As the payment to intermediaries is called commission, these funds are known as **commission-included share class funds**.

Any new investments you make will now be into **commission-free share class funds**. This means that rather than the fund manager making payments to us and your intermediary from the AMC, you'll pay for these services separately and the AMC is therefore lower. You'll pay for our services through a separate Cofunds Platform Charge, and you can also arrange to pay your intermediary through Cofunds as well.

Changes to rebates

New FCA regulations have changed the way that rebates can be paid.

Some funds pay a percentage of their Annual Management Charge back to the investor – this is commonly known as a rebate.

For rebates paid in May 2014 and onwards:

- if you hold **only** commission-included share class funds within a product, **all** rebates will continue to be paid to you in cash.
- once you hold **any** commission-free share class funds within a product, then **all** rebates from funds within that product will be used to purchase new units – rather than given back to you in cash.

This applies to trail commission rebates, AMC rebates and platform rebates. Previously, rebates were paid into your Cofunds Cash Account. Rebates are now paid into a Rebates Account, then either used to purchase new units or paid back to you in cash.

Any rebates that come from funds within an Investment Fund product will have the basic rate of tax deducted before being paid to you. You don't pay tax on rebates that come from funds within an ISA, junior ISA, pension, SIPP or bond.

You'll find explanations of these terms in the Glossary at the back of this document and more detail can be found your Terms and Conditions of the Cofunds Platform and/or the relevant Customer Agreement.

Total Holdings by Product as at 31 May 2014

Client Name Mr Garry Schonewald

Investment Funds (CONEXO01)

Value as at 31 May 2013: £10,287.31

	No. of units/ shares	(p) Price per unit share/asset	(£) Value
Allianz Gilt Yield C Fund Inc	8.5978	156.4700	13.45
Fidelity South East Asia A Fund Acc	369.7743	732.5000	2,708.60
Invesco Perpetual Income Fund Acc	130.6636	2,843.1600	3,714.98
JPM Europe Dynamic (ex-UK) A Fund Acc	952.7266	161.3000	1,536.75
M&G Recovery A Fund Acc	972.8094	301.0500	2,928.64
Total Investment Funds (CONEXO01) Value as at 31 May 2014			10,902.42



Details of Transactions

Client Name Mr Garry Schonewald

Investment Funds (CONEXO01)

Transaction date	Transaction type	Asset type/Fund	Price date	(£) Amount paid in	(p) Price per unit/ share/asset	No. of units/ shares	(£) Amount paid out	(£) Charges
01/11/2013	Dividend Reinvestment	Allianz Gilt Yield C Fund Inc	01/11/2013	0.12	156.9800 XD	0.0765		
02/05/2014	Dividend Reinvestment	Allianz Gilt Yield C Fund Inc	02/05/2014	0.11	155.8100 XD	0.0706		

Transaction type: if any amendments appear in this document, you will already have been notified of these at the time they were made. They generally relate to the correction of a processing error. However occasionally they're used in different circumstances, which we will have explained in the letter sent to you.

Charges: the column headed 'Charges' refers to any charges that have been applied to your investment. This could include an initial charge (IC) and/or a standard charge if you switched between funds, a dilution levy (DL) applied by the fund manager or a charge for Stamp Duty Reserve Tax (SD) for which the fund is liable. Valuations are based on the bid price as at the date shown and are for indication purposes only. All dealing is on a forward pricing basis. Daily prices are subject to fluctuation.

Fund Changes Summary

Client Name Mr Garry Schonewald



This section shows a summary of fund changes that have taken place during the statement period. There may also be additional information included within this summary, which may not have been available at the time of your investment.

Allianz Global Investors (UK) Ltd

Allianz Gilt Yield C Fund Inc

Fund Provider Name changed from 'Allianz Global Investors (UK) Ltd' to 'Allianz Global Investors Eur GmbH'. Effective date: 31 October 2013

Invesco Perpetual

Invesco Perpetual Income Fund Acc

Rather than applying Annual Management Charges, registration fees and various fund administration costs separately, Invesco Perpetual now takes one fee from their funds - the 'Fund Management Fee'. This change did not lead to an increase in fund fees. Effective date: 1 April 2014

Allianz Global Investors Eur GmbH

Allianz Gilt Yield C Fund Inc

Fund Name amended from 'Allianz Gilt Yield A Fund Inc' to 'Allianz Gilt Yield C Fund Inc'. Effective date: 6 April 2014



Glossary

This is a reference page for terms that may appear in this document

Advised

This service type will apply to you if you receive financial advice from your adviser.

Adviser/Intermediary Fees and Charges

Any types of fees and charges that you have agreed to pay your adviser/intermediary through Cofunds that can include:

- Service Charges
- Subscription Charge
- Intermediary remuneration (one-off fees or ongoing monthly fees).

Commission-free share class funds

A type of share, issued by an investment fund, that will not include a payment of commission to your adviser/intermediary in its charges. They are shown in this document with the symbol ^ in front of the fund name

Commission-included share class funds

A type of share, issued by an investment fund, that will include a payment of commission to your adviser/intermediary in its charges.

Platform Charges

These are the charges you pay for the Cofunds service if you hold commission-free share class funds. They're taken from your Cofunds Cash Account and/or Trading Account, depending on your holdings. There are two types of Platform Charge that you may pay depending on the terms you've agreed with us;

- **Platform Charge** – this is our standard charge which is calculated on the value of your investments and taken monthly.
- **Fixed Platform Charge** – this is an annual fixed cash charge and is deducted on a six-monthly basis.

Rebates

Some funds pay a percentage of their AMC to the investor as cash – this is commonly known as a rebate. For example, trail commission, AMC or platform rebate.

Currently, they are paid into your Cofunds Cash Account. Rebates paid in May 2014 and onwards, will be paid into a rebates account, where we'll either use them to purchase new units (Unit Rebate) or be paid to you as cash into your Cofunds Cash Account – depending on the share class of funds you hold in each product.

- **Platform Rebate** – some commission-free share class funds include a payment to Cofunds. As you already pay for our services through the Platform Charge, we'll return these payments to you as a Platform Rebate.
- **Rebates Account** – rebates will accrue in this product-specific cash account until the total value exceeds £2.50. At which point it's used to purchase new units (see **Unit Rebates**), or paid as cash. The rebates accounts will only appear on your Total Holdings page if you have a balance at the end of the reporting period.
- **Trail Rebate** – your adviser/intermediary can agree to rebate a percentage of their trail commission back to you. This may be used to offset their fees (see **Trail Offset**).
- **Unit Rebate** – if you hold any commission-free share class funds within a product, then all rebates from funds within that product will be used to purchase new units – rather than paid to you in cash as a Cash Rebate.

Re-registration In/Out

This is a transfer of units to or from Cofunds in its current form without the need to convert to cash.

Sale for Regular Payment

A sale of some of your funds to pay for fees, charges or any regular withdrawals in situations where there is not enough money in your Cofunds Cash Account and/or Trading Account.

Self-directed

This service type will apply to you if you carry out transactions on Cofunds without receiving financial advice.

Trail Offset

If your adviser/intermediary is earning trail commission and you also pay a fee to your adviser, this adviser fee can be offset by the trail commission. For example, if your fee amount is £100 per month and trail commission due to your adviser is £25, the actual fee will be £75.

VAT

This appears in Details of Transactions and only shows a value against intermediary remuneration if a portion of the fee relates to advice and is therefore subject to VAT.

Investment Summary



Client name
Mr Garry Schonewald

Client reference
565549

Statement period
1 June 2013 to 31 May 2014

Intermediary details
Mr George Slack
Tait Walker
Bulman House
Regent Centre
Gosforth
Newcastle Upon Tyne
NE3 3LS

Portfolio valuation summary

Summary of your investment values held in your Cofunds Portfolio

Total portfolio value as at 31 May 2014		£10,902.42
Assets held with Cofunds	Value as at 31 May 2013	Value as at 31 May 2014
Cofunds Cash Account	£0.00	£0.00
Investment Funds	£10,287.31	£10,902.42
Total portfolio value	£10,287.31	£10,902.42



Income Summary

Client Name Mr Garry Schonewald



This section details the total income generated from your portfolio, how much was reinvested and how much has been paid to you.

Summary of income generated on your investments during this statement period

01 June 2013 to 31 May 2014

Product	(£) Income reinvested	(£) Income paid out
Cofunds Cash Account	0.00	0.00
Investment Funds	0.23	0.00
Total	0.23	0.00

Income reinvested

Income generated which has been reinvested back into the product. This includes any tax credit reinvestments that have been applied to your account.

Income paid out

This is income that has either been paid out to you or paid into your Cofunds Cash Account or Trading Account.
