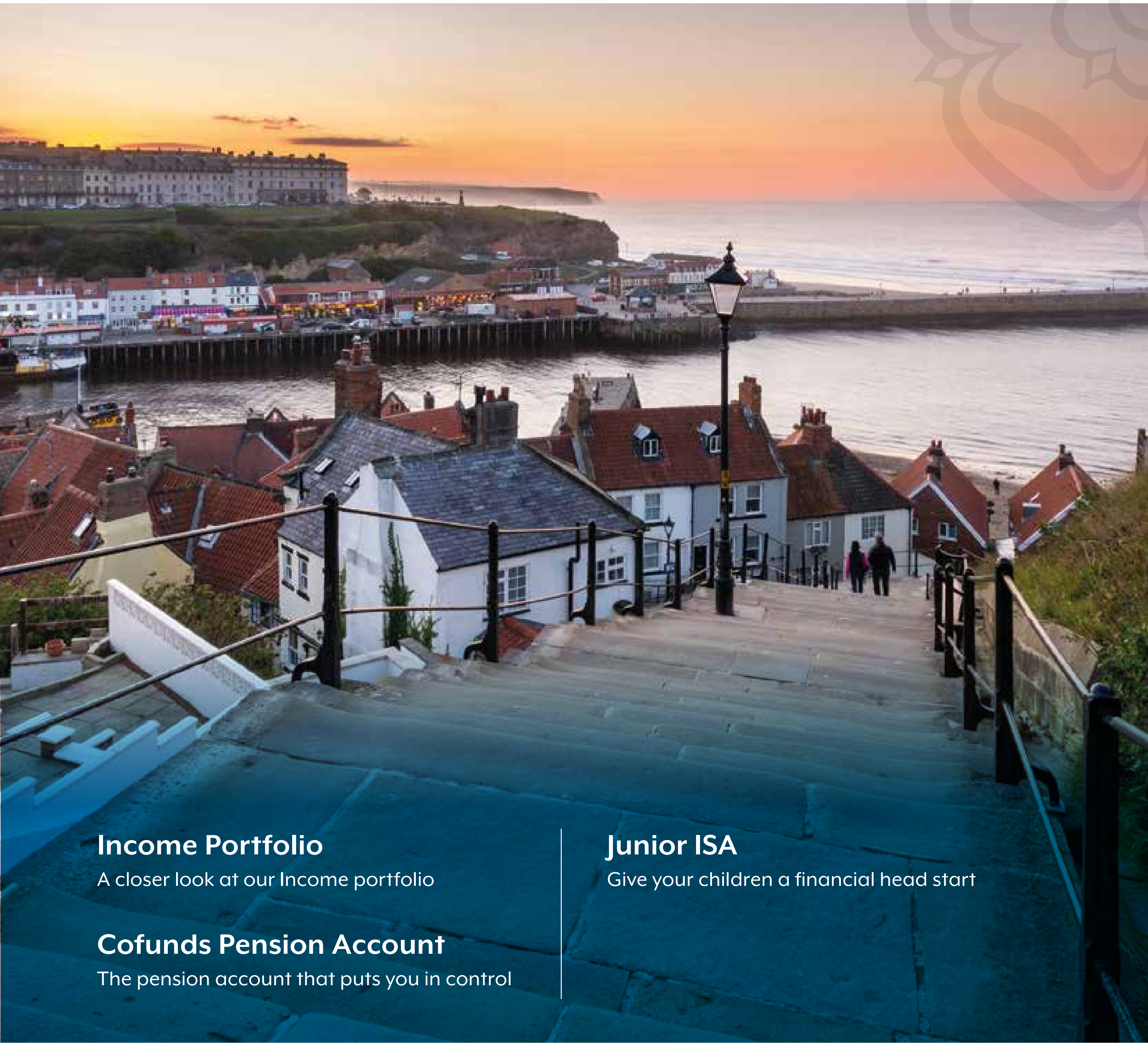
Issue 4 Summer 2017

CHARLES STANLEY INVESTMENT CHOICES NEWS



Income Portfolio

A closer look at our Income portfolio

Cofunds Pension Account

The pension account that puts you in control

Junior ISA

Give your children a financial head start

brought to you by

CHARLES STANLEY
Investment Choices

www.csinvestmentchoices.co.uk

01482 861455

What's inside?

How to invest

The maximum amount you can invest in an ISA is £20,000 for the current tax year (minimum is £500). Alternatively invest from as little as £10 per month.

Complete and return the enclosed ISA/Junior ISA application form along with a cheque made payable to Cofunds Ltd (our platform provider) RE: "your name". Call our Helpdesk if you want to invest outside of an ISA.

If you already have an account with Cofunds, call us with your debit card details and we will buy the fund for you.

Logon to your Cofunds account via the Charles Stanley Investment Choices portal. Alternatively, call us and we will assist with your registration.

Need help?

If you would like to discuss the investments described in this newsletter, or need help completing the application forms, please get in touch - we're here to help!

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Fund Focus:

We have highlighted the following funds in this newsletter.

For more information on these and other funds, please contact us.

Products:

A note from your co-editor...

Stephen Luwero
Client Relationship Manager.

Welcome to the latest edition of the Investment Choices magazine which I hope you will find interesting and informative. We always appreciate feedback from our clients so if you have any suggestions in connection with the content or ideas on how we could improve what we provide to you, please let us know.

If you received the last magazine you will remember that in addition to the growth portfolio, we also covered the need to counter rising inflation by introducing you to our income portfolio which targets a 4% annual yield. Rising inflation continues to be a subject of conversation amongst our clients and as a result we decided to focus almost entirely on the income portfolio by expanding further on the construction and merits of each of the funds.

We also touch on the benefits of starting a Junior ISA as early as possible. These accounts have proven very popular since their introduction and have attracted £1.7 billion since their launch in 2011 according to HMRC. It is often said that when investing in the stock market it is important to think long term and as these accounts cannot be cashed in until the child is 18, a Stocks and Shares Junior ISA is ideally placed to benefit from this. Our graph on page 4 illustrates how markets can fluctuate over time and why you should always think "long-term".

We feature the Cofunds Pension Account as it has proved extremely popular since it was first made available in March this year. Clients have genuinely been surprised to learn how much they can save on charges simply by transferring to the Cofunds Pension Account. If you have an existing pension, why not call us to find out if you are getting value for money from your current pension provider.

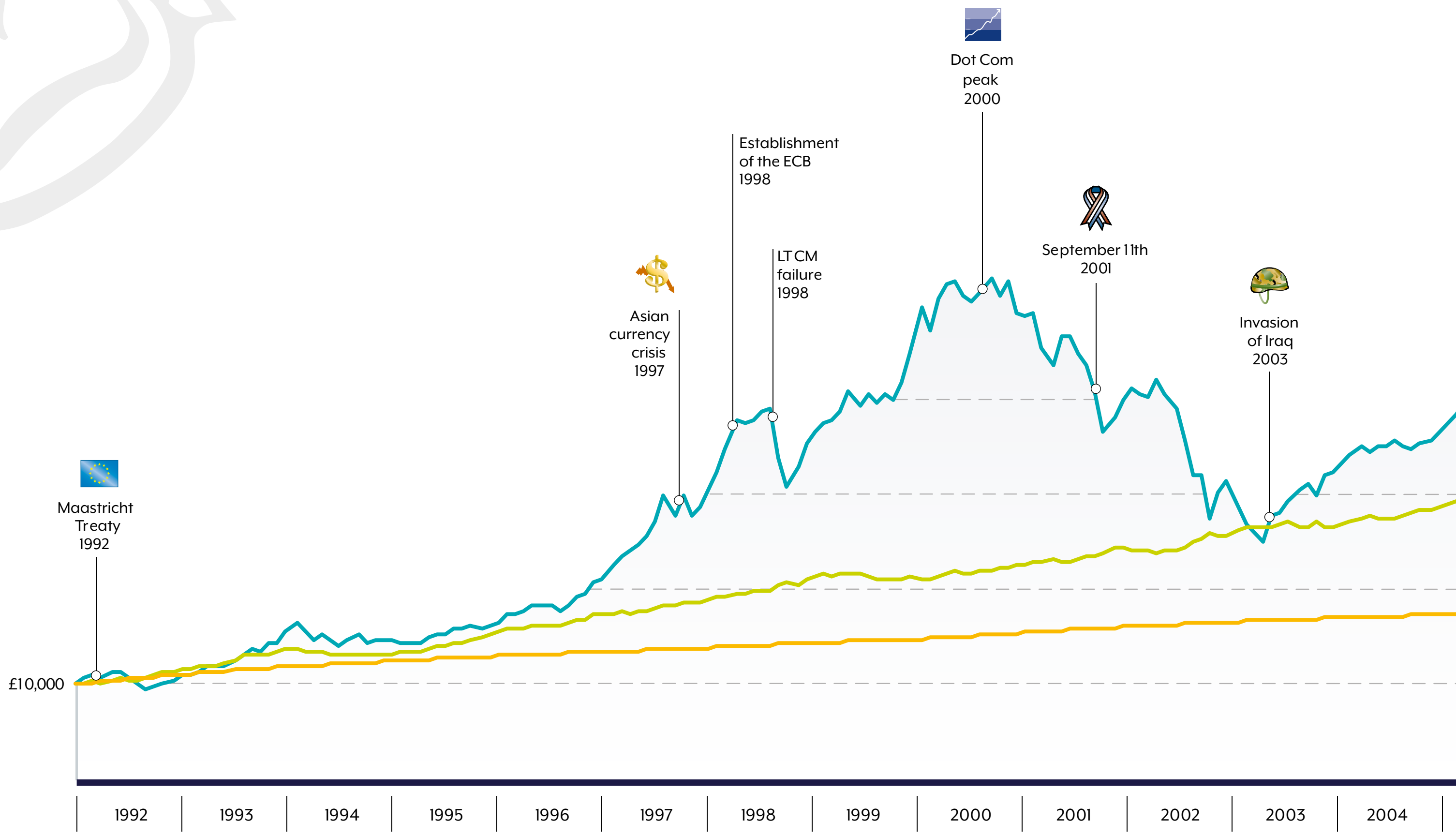
As ever, do not hesitate to contact us with any investment queries you have and we'll be more than happy to assist.

Good luck with your investing!

Stephen.

Investing for the *Long Term*

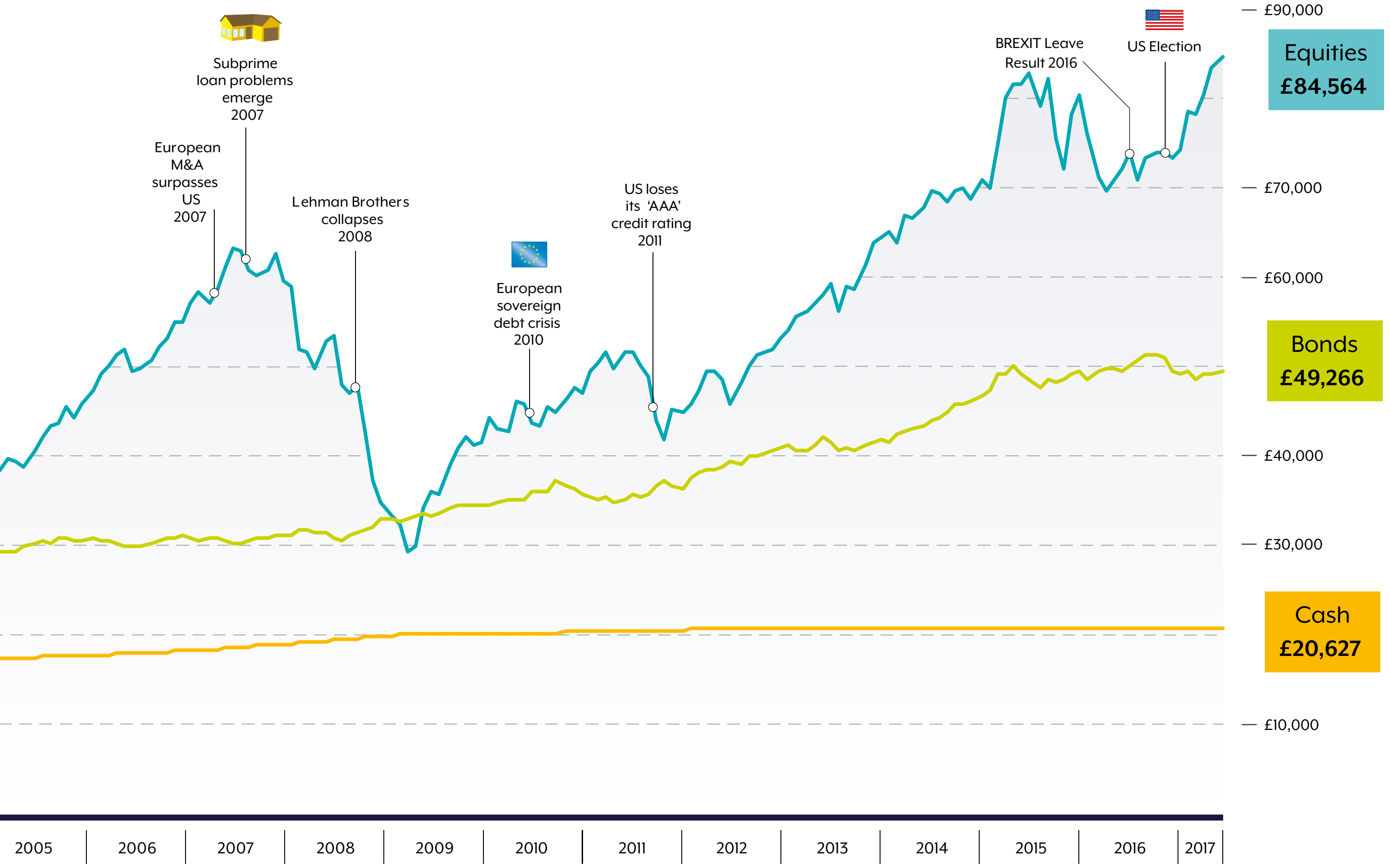
Despite volatility, markets have appreciated over time



Financial markets can be volatile and downturns as well as upturns are part of equity investing. But short-term declines should not detract from the potential of the stock market to help investors meet their goals. In fact, short-term market declines underline the case for a long-term approach to investing.

Of course, the investment choices depend on an investor's specific circumstances, goals, attitude to risk and investing time horizon. This will influence how much money is allocated and, if appropriate, how much of this is invested in growth-oriented equities. All financial investments involve an element of risk, so the value of your initial investment cannot be guaranteed and the historical performance of markets is not a guide to future returns.

The chart shows that even with market volatility, an investment in the FTSE All-Share Index 25 years ago would have grown to more than eight times its original value by April 2017.



Source: Thomson Reuters Datastream. All data from 31 December 1991 to 30 April 2017. The information provided is for illustrative purposes only and is not meant to represent the past or future performance of any particular investment. It is not possible to invest directly in an index. Equities are represented by the FTSE All-Share Index (total return). Bonds are represented by the FTSE Actuaries UK Gilts All Stocks Index (total return). Cash is represented by three-month LIBOR rates. All returns are in sterling terms and are based on monthly closing prices of the respective indices.

Our Income Portfolio – a detailed analysis

The Income Portfolio has proved extremely popular since its launch in March this year. With a target income of 4% and interest rates remaining at historically low levels for the foreseeable future, we believe it could provide an attractive alternative for those clients seeking higher returns from their cash based investments. There are obviously higher levels of risk involved when investing in stock markets and for those that are considering the portfolio please be aware that your investments can fall as well as rise.

So that clients can better understand these risks we have provided more detail on each of the funds in the portfolio on the following pages. Should you wish to find out more please call us and we will be happy to discuss these further. Alternatively, complete the response form enclosed indicating which fund(s) you would like more information on.

How we decided which funds to include in the portfolio

As we do not hold detailed financial information about any of our clients we have taken a very broad brush approach when selecting the funds for the portfolio. It has been constructed so the total portfolio does not have a bias to any one sector or geographic region and we believe that the funds could achieve the results that clients would expect but of course we cannot guarantee this.

In particular you should note that the portfolio has not been constructed using a risk profiling tool but instead focuses on the underlying quality of the funds themselves and the fund managers that are responsible for them.

Use the portfolio as the inspiration for your income investment strategy

If you are unsure where to start when making an investment, the portfolio is a good starting point but you can select any number of the funds to build your own portfolio if you wish. The portfolio is simply a suggestion from us to assist with fund selection. Annual reviews of the portfolio will take place to ensure that the funds are performing as they should be and we will notify clients via this magazine of any changes that are made. If you need to adjust your own fund selection as a result you can do so via the free switching facility available via Cofunds.

Investment Limits

The minimum initial lump sum investment is £500 or £10 per month per fund. The minimum for each portfolio is therefore £2,500 or £50 per month. Apart from the limits on ISA contributions there are no upper limits to the amount you can invest unless it relates to a pension – please contact us for more details regarding this.

Important Notes

Yield – Yield is the percentage return paid on an equity fund in the form of dividends, or the effective rate of interest on a bond fund. This income may be distributed or reinvested according to the requirements of the investor. 'Yield' should not be confused with 'Capital Growth' which occurs when the value of the underlying shares increase. Yields and capital values are not guaranteed and can fall as well as rise.

What do I do next?

Complete the ISA application enclosed and return the form to us along with a cheque made payable to Cofunds Ltd if required. Alternatively, if you wish to transfer an existing ISA (Cash or Stocks and Shares) or invest outside of ISA, please download the applications from our website or request them using the response form enclosed.

Fund Focus

Artemis Strategic Bond MI Fund - Monthly income of 3.91% (variable as at 17th May 2017).

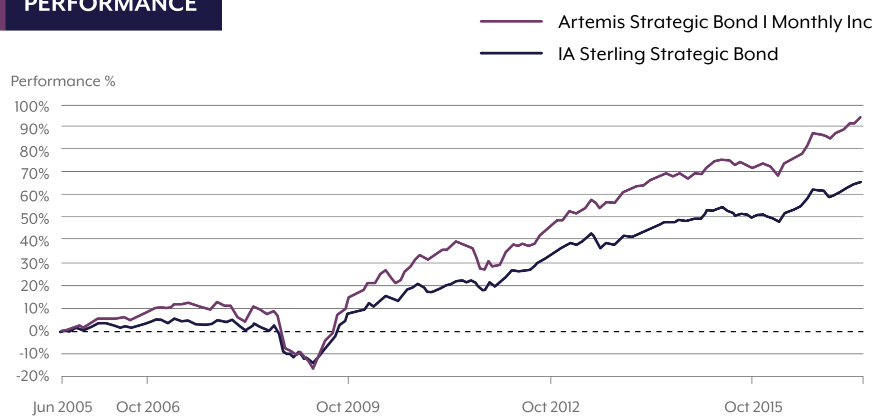
A traditional bond fund manager generally is restricted with regard to the type of investments they can hold within the fund. Strategic bond managers however, are afforded a great deal more freedom allowing them to consider a number of options ranging from government and corporate bonds to high yield bonds. Overseas bonds can also be considered to increase diversification and to potentially benefit from currency fluctuations.

The increased choice of investment options available results in more emphasis being placed on the skill of the fund managers in making the right investment decisions at the right time. James Foster and Alex Ralph have co-managed the fund since its launch in 2005 and have achieved above average returns during this period. Their stock picking approach is geared towards providing a high yield; this can result in the fund suffering from higher levels of volatility than others in this sector. However, the exposure to higher risk high yield bonds is not permitted to exceed 70% of the portfolio.

The fund also has a bias towards bonds in the financial sector which resulted in its underperformance during the financial crisis of 2008. The fund however has recovered well indicating that the bond selections by the fund managers have and are contributing positively to the returns for investors.

Although, the outlook for bond funds is generally not as positive as it has been over the last few years, our research team are confident that flexible products, such as the Artemis Strategic Bond fund, will be best positioned to navigate potential interest rate hikes or a reduction of the central bank bond buying programmes.

PERFORMANCE



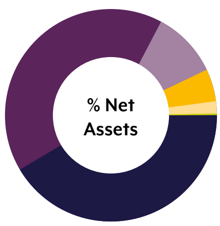
30/06/2005 – 10/05/2017 Source: FE Analytics

DISCRETE ANNUAL PERFORMANCE AS AT 31/03/2017

	0-12m	12-24m	24-36m	36-48m	48-60m
Artemis Strategic Bond I Monthly Inc	+9.8	-0.6	+5.2	+8.3	+10.9
IA Sterling Strategic Bond	+8.0	-1.4	+6.5	+3.3	+10.6

ASSET ALLOCATION

International Bonds	41.41%
UK Corporate Bonds	41.37%
Cash and Equiv.	10.26%
UK Gilts	4.95%
Other	1.16%
International Equities	0.71%



Source: Funds Library

FUND FACTS

Fund Size	**£1060m**
Fund Type	**Unit Trust**
Classification	**Income**
Launch Date	**30/06/2005**
Yield	**3.91%**
Ongoing Charges Figure*	**0.58%**
Initial Charge	**0%**
Annual Management Charge	**0.50%**
Charles Stanley Investment Choices Servicing Fee	**0.37%**
Cofunds Platform Fee	**0.23%**
Dividend Dates	**Monthly**

*The ongoing charges figure will include the cost of investment management and administration, plus other costs of running the fund, such as fees for custodians (organisations that hold the assets safely for the investment managers), regulators and auditors. It will not include stamp duty, which is payable when buying shares in investment trusts, nor any performance fees. However, these fees will be published separately on the Key Investor Information Document.

Fund Focus

First State Global Listed Infrastructure - Half-Yearly income of 2.73% (variable as at 17th May 2017).

The definition of infrastructure is "the basic physical and organisational structures and facilities needed for the operation of a society or enterprise". These include roads, railways, ports, airports and utilities such as water and energy companies. The fact that these are essential to the efficient operation of an economy protects them to a degree from the effects of economic downturns and rising inflation (service costs tend to increase with inflation). However, the downside is that companies in this sector will underperform in strongly rising markets.

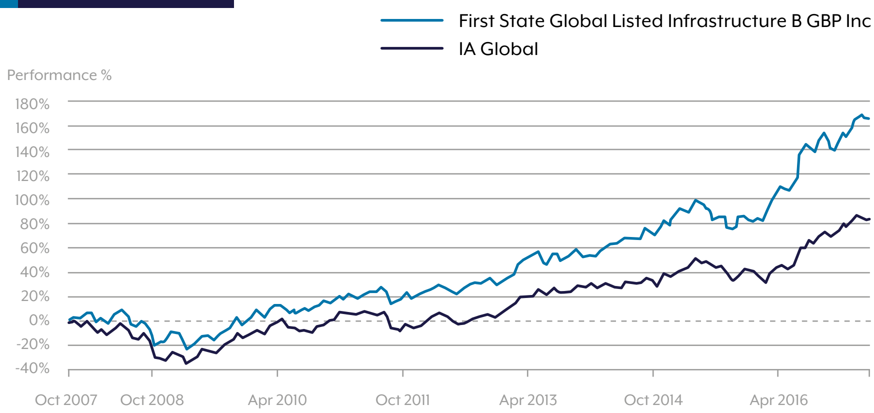
Peter Meany (Head of Global Listed Infrastructure) has been responsible for managing this fund since its launch in 2007 and has more than 19 years' experience as a specialist infrastructure portfolio manager and analyst. He is assisted by a high quality team of investment specialists who have delivered consistent outperformance through a wide range of market conditions.

That's not to say there have not been difficult investment periods for the fund. In 2015 for example, performance was dented by an expectation that interest rates would rise quite quickly affecting the borrowing costs for companies involved in the financing of large infrastructure projects. Although we have seen small rate increases, the view now is that these will remain lower for longer reducing the impact on borrowing costs.

The fund invests in around 40 stocks split between transport related companies (40%), utility related companies (40%) and oil and gas storage and transportation related companies (20%). Although the fund has the option to invest globally, investment is generally restricted to developed markets.

With such a concentrated portfolio of companies, each holding has a greater impact on returns and can increase risk. However, we believe that the current variable yield of 2.73% (as at 17/05/2017) could continue to grow over the long term, accompanied by some modest capital growth.

PERFORMANCE



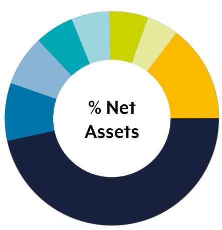
08/10/2007– 10/05/2017 Source: FE Analytics

DISCRETE ANNUAL PERFORMANCE AS AT 31/03/2017

	0-12m	12-24m	24-36m	36-48m	48-60m
First State Global Listed Infrastructure B GBP Inc	+28.6	+6.4	+19.4	+8.8	+17.9
IA Global	+28.6	-3.4	+15.3	+7.1	+14.6

ASSET ALLOCATION

US Equities	48%	Chinese Equities	6%
UK Equities	9%	Australian Equities	6%
Japanese Equities	8%	Canadian Equities	5%
Spanish Equities	6%	Others	15%



Source: FE Analytics

FUND FACTS

Fund Size	£2355m
Fund Type	OEIC
Classification	Income
Launch Date	8/10/2007
Yield	2.73%
Ongoing Charges Figure*	0.82%
Initial Charge	0%
Annual Management Charge	0.75%
Charles Stanley Investment Choices Servicing Fee	0.37%
Cofunds Platform Fee	0.23%
Dividend Dates	31/03/2017 30/09/2017

*The ongoing charges figure will include the cost of investment management and administration, plus other costs of running the fund, such as fees for custodians (organisations that hold the assets safely for the investment managers), regulators and auditors. It will not include stamp duty, which is payable when buying shares in investment trusts, nor any performance fees. However, these fees will be published separately on the Key Investor Information Document.

Fund Focus

M&G Global Dividend Fund - Quarterly Income of 2.89% (as at 17th May 2017).

The potential to increase their dividends is one of the attributes that Fund Manager, Stuart Rhodes looks for when considering purchasing any company share. So much so, that you will not find this fund listed in the Global Equity Income sector; it is instead listed in the Global Sector because Stuart does not want to be constrained by how much a company currently pays as a dividend and is more interested what it will pay in the future.

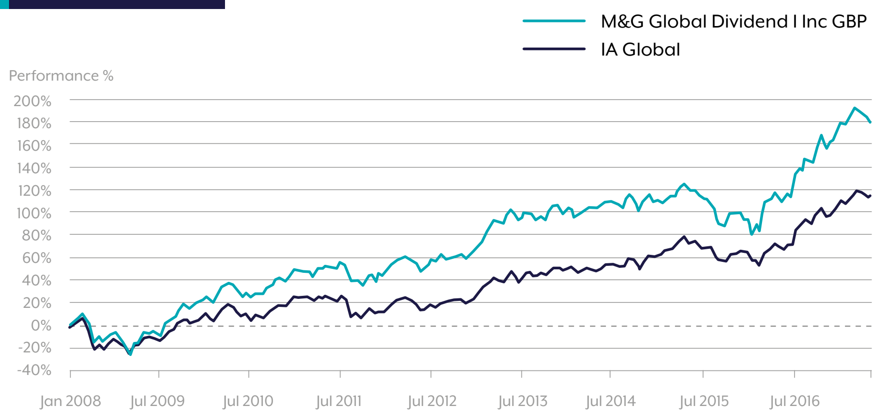
Stuart splits his portfolio into three "buckets".

- **Quality** - companies that have a disciplined and reliable growth strategy that can thrive no matter what is going on in the wider economy. This includes defensive areas such as pharmaceutical companies.
- **Assets** - economically sensitive businesses whose earnings are less consistent but should increase over time. These can include energy or commodity companies for example.
- **Rapid Growth** - companies whose pace of expansion (and dividend growth) has the potential to surge thanks to strong growth in a new market or product line. This is usually the smallest of the three components but differentiates the fund from others.

Since the launch of the fund in 2008, Stuart's philosophy of backing companies that grow their dividends while avoiding those whose distributions are high but don't grow or shrink has been generally successful. At outset, the fund's variable yield was 3.6% and since then he has been able to increase the distributions by in excess of 6% per year on average.

Despite a difficult couple of years, the increasing level of income coupled with Stuart's track record in both rising and falling markets could make this fund an attractive proposition for investors requiring a rising income.

PERFORMANCE



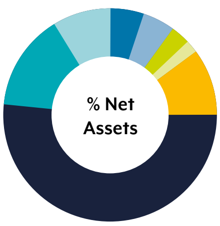
18/07/2008 – 10/05/2017 Source: FE Analytics

DISCRETE ANNUAL PERFORMANCE AS AT 31/03/2017

	0-12m	12-24m	24-36m	36-48m	48-60m
M&G Global Dividend I Inc GBP	+36.2	-3.3	+7.7	+5.7	+21.2
IA Global	+28.6	-3.4	+15.3	+7.1	+14.6

ASSET ALLOCATION

US Equities	52%	Australian Equities	5%
UK Equities	15%	Swiss Equities	3%
Canadian Equities	9%	Finnish Equities	2%
Danish Equities	5%	Others	10%



Source: FE Analytics

FUND FACTS

Fund Size	£6907m
Fund Type	OEIC
Classification	Income
Launch Date	18/07/2008
Yield	2.89%
Ongoing Charges Figure*	0.91%
Initial Charge	0%
Annual Management Charge	0.75%
Charles Stanley Investment Choices Servicing Fee	0.37%
Cofunds Platform Fee	0.23%
Dividend Dates	28/02/2017 31/05/2017 31/08/2017 30/11/2017

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Fund Focus

Schroder Asian Income Maximiser - Quarterly income of 6.98% (as at 17th May 2017).

Asia is home to some of the most dynamic economies in the world. Many countries are not hampered by the same debt levels as those in the west and are now benefitting from increased inter-country trading in the region. The driving force behind this is an emerging middle class which has resulted in less of a reliance on exports to the West and more of a reliance on consumption and services. Consequently there has been a rapid growth in the number of companies servicing these sectors providing opportunities for funds that invest in the region.

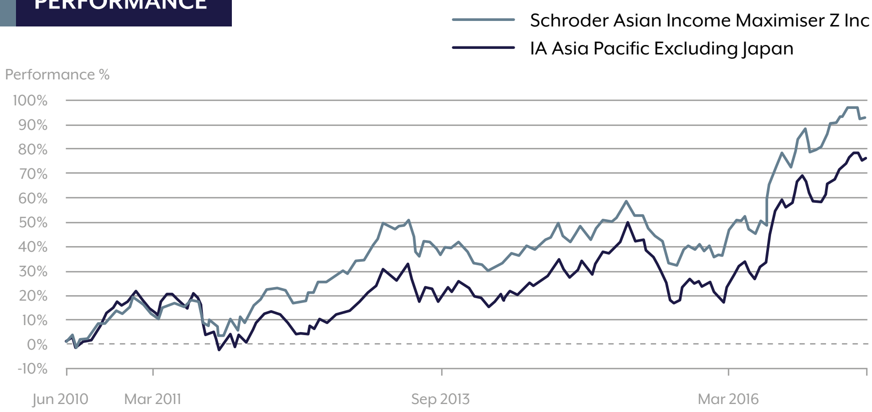
The Asian Income Maximiser fund aims to distribute an income of 7% per annum (although not guaranteed). At least 80% of assets are invested in Asian companies (excluding Japan) with the high level of income generated from two sources; the dividends from the underlying shares (which accounts for approximately 50% of the income) and a series of "call options" linked to some of the portfolio of companies.

To seek to enhance the yield, the Fund Manager selectively sells short dated call options over individual securities, portfolios of securities or indices held by the Fund, by agreeing strike prices above which potential capital growth is sold.

The equity portfolio is managed by Richard Sennitt since the fund's launch in 2010. Richard has 19 years of investment experience, all of which has been at Schroders and all spent covering Asian markets. The call option strategy is the responsibility of Schroders' head of risk managed investments and structuring, Mike Hodgson. The portfolio has a heavy skew towards good dividend payers, who are able to generate strong cash flows and are run by good quality management teams. For balance Richard also likes to have some exposure to "dividend surprises", companies where there is no lengthy history of dividend growth but where he foresees a change.

We believe the fund could perform relatively consistently compared to the sector as a whole. For investors seeking a high level of income, this fund merits consideration.

PERFORMANCE



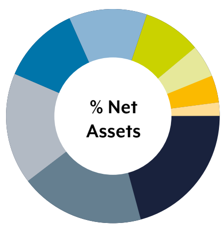
01/06/2010 – 10/05/2017 Source: FE Analytics

DISCRETE ANNUAL PERFORMANCE AS AT 31/03/2017

	0-12m	12-24m	24-36m	36-48m	48-60m
Schroder Asian Income Maximiser Z Inc	+31.2	-2.5	+13.6	-8.4	+21.7
IA Asia Pacific Excluding Japan	+35.1	-8.1	+19.4	-6.9	+16.0

ASSET ALLOCATION

Hong Kong Equities	21%
Australian Equities	19%
Taiwanese Equities	17%
Chinese Equities	12%
Singapore Equities	12%
South Korean Equities	9%
Thai Equities	5%
Money Market	4%
Others	2%



Source: FE Analytics

FUND FACTS

Fund Size	**£332m**
Fund Type	**Unit Trust**
Classification	**Income**
Launch Date	**01/06/2010**
Yield	**6.98%**
Ongoing Charges Figure*	**0.95%**
Initial Charge	**0%**
Annual Management Charge	**0.75%**
Charles Stanley Investment Choices Servicing Fee	**0.37%**
Cofunds Platform Fee	**0.23%**
Dividend Dates	**28/02/2017 31/05/2017 31/08/2017 30/11/2017**

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Fund Focus

CF Woodford Equity Income Fund – Quarterly income of 2.98% per annum (as at 17/05/2017).

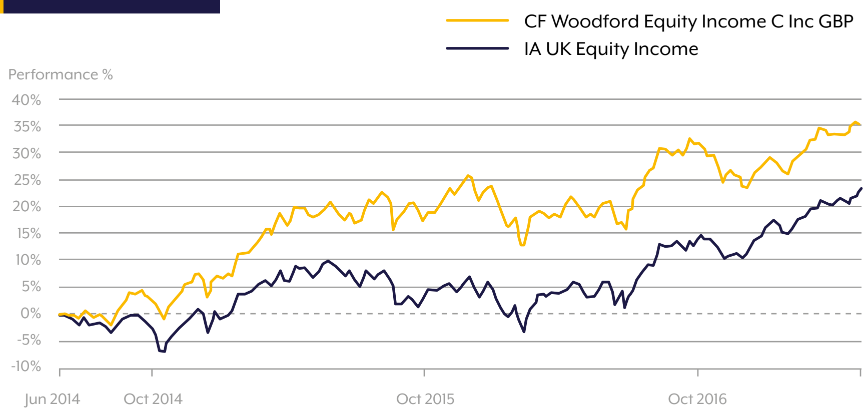
By the time you read the magazine, this fund will have passed its third anniversary. It was the first fund that Neil Woodford launched following his departure from Invesco Perpetual and the setting up of his own company, Woodford Investment Management. During his time at Invesco Perpetual, Neil built up an enviable reputation as one of the most successful and well-known fund managers in the UK. Customer loyalty and, to a certain degree, expectations have led the fund to rapidly grow to over £10bn.

Neil has a disciplined approach to investing and is what is termed as a *contrarian* investor, seeking out companies that are out of favour but still offer good long term prospects. He likes those that have the ability to generate high levels of cash flow and will invest in companies of all sizes across the UK. He can also take up the option of investing up to 20% of the assets in overseas equities should an attractive opportunity present itself.

Neil will tend to hold stocks for a long time; this approach is beneficial for the companies that he invests in. Due to the size of the fund the percentage of the issued share capital of the company he holds can be quite high – this can help to stabilise the share price of the company, providing certainty for investors.

Since launch the fund has returned over 35% which is in line with Neil's stated annual objective of "high single digit returns". With a current yield of just under 3% (variable and not guaranteed), the fund remains potentially attractive to income seeking investors in our current low interest rate environment.

PERFORMANCE



02/06/2014 – 10/05/2017 Source: FE Analytics

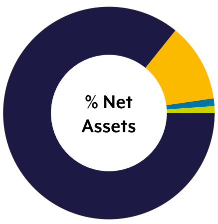
DISCRETE ANNUAL PERFORMANCE AS AT 31/03/2017

	0-12m	12-24m	24-36m	36-48m	48-60m
CF Woodford Equity Income C Inc GBP	+12.5	+2.6	n/a	n/a	n/a
IA UK Equity Income	+15.1	-1.2	+8.4	+14.0	+18.5

ASSET ALLOCATION

UK Equities	86%
US Equities	12%
Norwegian Equities	1%
Irish Equities	1%

Source: FE Analytics



FUND FACTS

Fund Size	£10037m
Fund Type	OEIC
Classification	Income
Launch Date	02/06/2014
Yield	3.01%
Ongoing Charges Figure*	0.75%
Initial Charge	0%
Annual Management Charge	0.75%
Charles Stanley Investment Choices Servicing Fee	0.37%
Cofunds Platform Fee	0.23%
Dividend Dates	28/02/2017 31/05/2017 31/08/2017 30/11/2017

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Junior ISAs

give your children the perfect start

Going to university, buying a first car and putting a deposit down on a house are just a few of the expenses your children could face in the future. The earlier you start to save the more time your money has to grow to help towards these costs. Investing in a Junior ISA is a good place to start.

What is a Junior ISA?

A Junior ISA is a tax free savings account into which up to £4,128 can be invested in the current tax year. They were first introduced in 2011, replacing Child Trust Funds and to date over £1.7 billion has been invested with many parents also opting to transfer Child Trust Funds into the more flexible replacement. If your child was born between the 1st September 2002 and the 2nd January 2011 they will have a Child Trust Fund but you may not be aware that it exists - contact us to find out how you can trace it.

Two versions of the Junior ISA are available – Cash or Stocks & Shares. Junior Cash ISAs are generally available from banks and building societies with returns linked directly to interest rates which can be fixed or variable.

Stocks & Shares Junior ISAs are widely available (including via Charles Stanley Investment Choices) providing an extensive range of investment options linked to the stock market. Investments linked to the stock market have historically outperformed cash over the long term but this of course cannot be guaranteed for the future.

Should I choose a Cash or Stocks & Shares Junior ISA?

Investing in the stock market should always be viewed as a long-term investment (over 5 years) so the age of your child and what is likely to happen to the accumulated fund when they are able to access the money are key considerations.

If for example your child is likely to want to withdraw the savings when they reach 18 and are less than 5 years away from that date you may want to consider a Cash ISA. If however, you anticipate the ISA continuing into adulthood, the Stocks & Shares version might be more appropriate. Historical data indicates that the volatility of the stock market could be "ironed out" the longer the investment is held.

What return could I expect from a Junior ISA?

This will very much depend on where you invest and for how long. However, cash has returned less than an investment linked to the stock market for many years. Our graph "Investing for the Long Term" on pages 4 and 5 illustrates this and provides you with guidance to help you decide which version of the Junior ISA to invest into.

What else do I need to know?

- Invest from as little as £25 per month or a lump sum of £500 (this reduces to £100 once the Junior ISA is established)
- The child must be under the age of 18 to open a Junior ISA
- You can transfer an existing Child Trust Fund to a Junior ISA (contact us for further details on how you can find out if a Child Trust Fund already exists
- Only parents and guardians are permitted to open a Junior ISA after which anyone including relatives and grandparents can contribute
- Once invested the money is locked in. No withdrawals are allowable until the child reaches the age of 18.
- When the child turns 18 they get direct access to the account and it is theirs to do with as they wish
- At age 18 the Junior ISA is converted automatically to an "Adult" ISA
- Junior ISA allowances cannot be carried over into the next tax year – use it or lose it!
- Only one Junior Cash ISA and one Junior Stocks & Shares ISA can be opened during each tax year.

What do I do next?

To contribute to a Junior Stocks & Shares ISA you will first need to select the funds(s) you wish to invest into. Making your investment choice can be a daunting task with over 3,000 funds available on the Cofunds platform. If you need some assistance with this, contact us and we will be happy to help. Alternatively we do feature a number of funds in the magazine which may be of interest as well as the Jupiter India fund opposite for the more adventurous.

Fund Focus

Jupiter India Fund

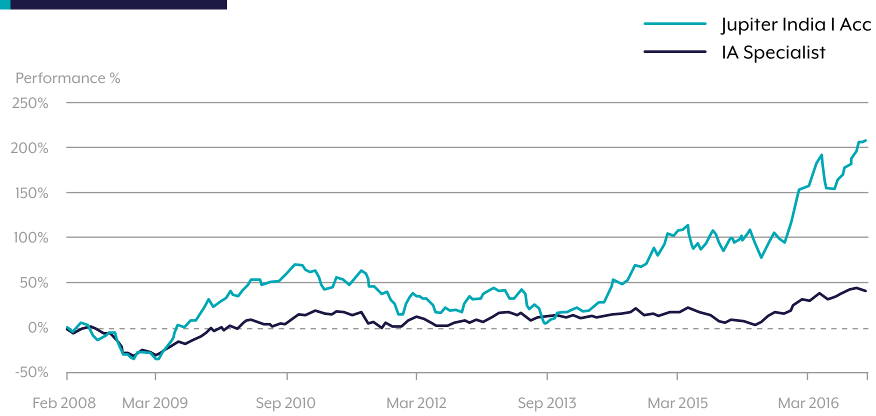
India is one of the fastest growing economies in the world. Current projections suggest that in terms of size, India will account for 15% of world GDP by 2050, second only to China. The working population is dynamic and more importantly young (a quarter of the world's under 25's live there) which has led to the emergence of a huge number of entrepreneurs as the country moves away from the traditional agricultural based economy to one that is more urban based.

The modernization of the economy is further driven by the policies of Prime Minister Modi whose reforms are slowing beginning to feed through. One recent example was banning lower denomination currency notes in an effort to stifle the black economy and this has led to increasing income tax revenues. With additional money available focus is being placed on improving the infrastructure of the country which increases employment and opportunity for the working population. The popularity of Mr Modi means that he will likely be re-elected as Prime Minister in 2019 which will enable him to continue with his reforms.

The Jupiter India fund is well placed to take advantage of the entrepreneurial nature of the population with its focus on small and medium sized companies. Avinash Vazirani has managed the fund since its launch in 2008 and long term investors have been rewarded with substantial returns. There have however been periods of underperformance because of its investment bias and the fund suffered during the financial crisis of 2008 and again in 2011. It is likely during periods of market uncertainty or falls this fund will suffer more than most although it will likely outperform during periods of strong market growth.

Because of the long-term view that investors need to take when investing in this fund, it is a potentially attractive option for those considering a Junior ISA for their children.

PERFORMANCE



29/02/2008 – 10/05/2017 Source: FE Analytics

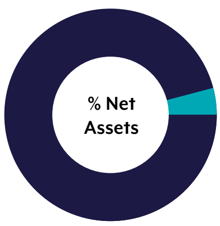
DISCRETE ANNUAL PERFORMANCE AS AT 31/03/2017

	0-12m	12-24m	24-36m	36-48m	48-60m
Jupiter India I Acc	+54.1	-4.2	+60.4	-4.4	+1.5
IA Specialist	+26.2	-5.0	+6.4	-3.9	+6.4

ASSET ALLOCATION

Indian Equities	96%
Money Market	4%

Source: FE Analytics



FUND FACTS

Fund Size	£941m
Fund Type	Unit Trust
Classification	Accumulation
Launch Date	29/02/2008
Yield	0.3%
Ongoing Charges Figure*	1.09%
Initial Charge	0%
Annual Management Charge	0.75%
Charles Stanley Investment Choices Servicing Fee	0.37%
Cofunds Platform Fee	0.23%
Dividend Dates	30/09/2017

*The ongoing charges figure will include the cost of investment management and administration, plus other costs of running the fund, such as fees for custodians (organisations that hold the assets safely for the investment managers), regulators and auditors. It will not include stamp duty, which is payable when buying shares in investment trusts, nor any performance fees. However, these fees will be published separately on the Key Investor Information Document.

The Cofunds Pension Account

As an existing client you may already be using Cofunds to manage your ISAs and Investment Funds. Now there's a flexible way to manage your retirement plans too.

The Cofunds Pension Account is a pension plan that lets you access a wide range of investment funds within a tax-efficient pension wrapper. Linked with Cofunds is the pension administrative expertise of Suffolk Life. If you are confident about managing your pension and making your own investment decisions, with some help and guidance from us if you need it, this plan could be what you're looking for.

How it works

You

It's your responsibility to:

- Decide if the plan is right for you
- Decide on your contribution levels
- Decide whether to transfer other pension plan(s) into the Cofunds Pension Account
- Decide your retirement planning aims
- Choose which investment funds to invest in to achieve your retirement aims
- Regularly review and manage your fund choices and contributions in response to your needs and changing market conditions

Charles Stanley Investment Choices

Charles Stanley Investment Choices, who do not provide advice, will:

- Give you important product information about the plan
- Provide you with a Personal Illustration and associated documents, should you wish to consider applying for the Cofunds Pension Account
- Inform you of your investment fund options
- Answer any questions you have about the plan
- Check your application before it's sent to Cofunds
- Help you buy the plan

Cofunds

Suffolk Life

Cofunds

- Provides the investment platform to allow you to buy and sell investments within your plan
- Deals with all correspondence and enquiries from you and your intermediary about your plan

Suffolk Life

Provides the plan, which includes:

- Setting up the plan and providing the ongoing management of it
- Dealing with all payments in (including claiming tax relief on contributions)
- Transfer money to Cofunds for investment
- Paying your pension benefits out

A pension plan that puts you in control

- **Contributions and Transfers**
  Start your pension with a minimum of £5,000 (after tax relief). This can include the transfer of existing personal pensions. Monthly contributions start from £100 provided the balance of your account is at least £5,000. Once established these can then be increased, decreased, stopped and started again, without penalty. Employers can also contribute.
- **Investment Control**
  Choose from over 3000 funds available from 200 fund managers on the Cofunds platform. (Contact Charles Stanley Investment Choices for more detail on the fund choice that you have). Switching between funds is free of charge and your funds will benefit from tax-free growth.
- **Freedom at retirement**
  Choose how you want to take your pension benefits from the age of 55 onwards. This can include a tax-free lump sum, using the drawdown option (accessing your pension pot as and when you need it) and buying an annuity.

The experts behind the plan

- Cofunds is the UK's largest investment platform and part of Aegon UK plc. Its award-winning services are used by around 8,000 professional adviser and intermediary firms, plus many major institutional investors. Launched in 2001, Cofunds has spent 15 years creating and developing online technology and services to help investors look after all their investment funds easily and securely in one place. As at 30th June 2016, Cofunds administered £77.5bn of assets.
- Aegon was founded in 1831 and is a global savings and investment provider serving 30 million customers in over 20 countries. As at 30th June 2016, the total value of assets managed on behalf of savers and investors worldwide was £607bn.
- Suffolk Life (the pension plan administrator) is one of the UK's leading providers and administrators of specialist pension products, primarily Self-Invested Personal Pensions (SIPPs). It looks after over 26,500 SIPPs with £8.7bn of assets under administration. Established in 1971 and based in Ipswich, they employ over 250 people.

Our Charges

- Cofunds Pension Account set up costs – no charge.
- Charles Stanley Investment Choices Servicing Fee – 0.37% per annum based on the value of your investments and payable monthly.
- Cofunds Platform Fee – 0.23% per annum based on the value of your investments and payable monthly.
- For details of charges applicable when you start to take your pension benefits please contact us for further details.

Is this plan suitable for you?

The Cofunds Pension Account is only available on a non-advised basis and it's up to you to decide whether it is suitable for you. Here are some important factors to consider.

It may be suitable if:

- You have at least £5,000 gross (after tax relief) to invest or transfer from another pension plan.
- You wish to invest in investment funds for the long term and are comfortable making your own investment decisions.
- You accept that you can't access your pension before age 55.
- You want flexibility to choose how and when to take your pension benefits.
- You understand that investments can fall as well as rise.

It may not be suitable if:

- You need personal advice on choosing the funds to invest in.
- You need personal advice on deciding whether to add or transfer existing pension arrangements or advice in choosing how to take your pension benefits.
- You don't want to take the risks of investing in investment funds.
- You need access to your money before age 55.

What do I do next?

If you want to take the first step to set up your pension with Cofunds (via Charles Stanley Investment Choices), please complete the relevant section on the enclosed response form and we will send you a pension questionnaire for completion and return. Once received we will be able to provide you with a Cofunds Pension Account quotation along with an application form for signature should you wish to proceed.

If you have any questions please do not hesitate to get in touch.


Whitby Harbour, North Yorkshire.

How to invest

1. **Identify the fund(s)** you wish to invest into – feel free to call us to discuss these funds in more detail.

2. **Complete the ISA/Junior ISA application form** enclosed and return them to us in the pre-paid envelope provided. Alternatively, logon to your account online or call us with your debit card details. If you want to invest monthly please also complete the Direct Debit Mandate attached to the ISA application form.

3. Should you wish to invest outside of an ISA please either contact us for an application form or download one from our website at **www.csinvestmentchoices.co.uk**. You will find them in the Important Documents section under the Investing With Us tab on the menu bar at the top of the screen.

Get in touch

If you would like to discuss the investments described in this newsletter, or need help completing the application forms, please get in touch - we're here to help!

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Important Information

This document is a marketing communication. The information does not constitute advice or a personal recommendation or take into account the particular investment objectives, financial situations or needs of individual investors. If you are unsure as to whether an investment or a pension is suitable for you, please seek professional financial advice.

Investors should also be aware that past performance is not a reliable indicator of future results and that the value of investments and the income from them may fall as well as rise. The capital invested is therefore at risk and the amount realised may be less than the original sum invested. Investments should be considered for the medium/long term (5 years or longer).

Before you invest and for your own protection, please ensure you have read carefully the documents enclosed with this publication (the Cofunds application and other documents).

It is recommended that you also review the available product literature. On receipt of your application, where relevant, a Key Investors Information Document (KIID) will be sent to you containing further specific information on each of the funds in which you wish to invest. If you are investing online, the Funds Key Features/KIID will be available at the point of purchase.

For funds that invest overseas, exchange rate variations may cause the value of your investments to rise or fall. Investments in certain funds, including emerging markets, specialist geographical areas, smaller companies and specialist sectors (such as technology and ethical stocks) tend to be more volatile. Where a fund's objective is to provide income and the income is paid out, there can be a reduced potential for capital growth, especially over the medium to long term. The level of income payments can vary and where a bond fund's running yield is greater than the redemption yield, this may erode capital.

Some funds invest in higher risk fixed interest securities, known as sub-investment grade bonds. These bonds have a low credit rating and higher risk of default than investment grade bonds. This means that there is an increased risk that the value of your investment could fall. The tax treatment of investments and pensions depends on individual circumstances and may be subject to change in the future. Fund switches outside of an ISA wrapper constitute a realisation for capital gains tax purposes.

CHARLES STANLEY
Investment Choices

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FCA Register No. 114956, see https://register.fca.org.uk for registration details.