

PRODUCT SUMMARY (COFUNDS).

This communication is intended for advisers only and should not be relied upon by a private investor (known as a 'retail customer' by the Financial Services Authority) or any other person.

The Portfolio Plus Pension, referred to as the 'plan', is a series of arrangements that form part of a Registered Pension Scheme. When a plan first starts it has the facility to invest in a range of over 300 insured funds which are described in the **Portfolio Plus Funds Guide for Insured Funds**.

Once a plan has started the Member may, subject to minimum criteria, exercise an option to allow self investment and income drawdown.

If the option is exercised the Member is able to start income drawdown and/or transfer in funds already designated for income drawdown. The Member would also be given the freedom to decide how some, or all of his/her assets are invested. In addition to insured funds the Member would be able to invest in collective investments available from Cofunds Limited (Cofunds) and in certain other permitted investments, for example, equities and gilts. Further details are provided in the **Self investment and income drawdown option** section on page 4.

Legal & General is the trustee and administrator of the scheme. Cofunds are the owners and operators of the Cofunds Investment Platform. As part of the application for the plan the Member must read the Cofunds Terms and Conditions and sign the application form stating that he/she agrees to the terms in this agreement.

The Cofunds Terms and Conditions gives Cofunds the authority to:

- manage aspects of the administration of the plan,
- hold client money whilst the plan is being set up,
- accept instructions from the Member's adviser.

BASIC PLAN DETAILS

Minimum age at entry	18 years
Maximum age at entry	74 years minus 1 day
Minimum term - for regular contributions - for single contributions and transfer values	5 years 1 years
Selected Retirement Age	Age 55-99

CONTRIBUTION/PAYMENT TYPES

- Regular monthly or annual contributions (Member and/or employer)
- Single contributions (Member and/or employer)
- Transfer payments

MINIMUM CONTRIBUTION/PAYMENT LEVELS

To start a plan

Regular contributions

- £200 (gross) a month or £2,400 (gross) a year into insured funds, or

Single contribution

- £5,000 (gross) into insured funds, or

Transfer value

- £5,000 in respect of undesignated funds into insured funds

Where one of the minimum criteria above is met when starting a plan, additional contributions and/or additional transfer values can be made at the minimum levels shown in the following **To add to an existing plan** section.

To add to an existing plan

Regular contributions

- There is no minimum increase for regular contributions, but the minimum level to start making regular contributions is £200 (gross) a month or £2,400 (gross) a year into insured funds

Single contribution

- £1,000 (gross)

Transfer value

- £1,000 in respect of undesignated funds

Notes applying to 'To start a plan' and 'To add to an existing plan':

- At the start of the plan, and until the option to allow self investment and income drawdown is exercised, investment can only be made into insured funds.
- Where a regular or single contribution comprises both Member and employer contributions the total regular or single contribution must meet the minimum criteria.
- Once the self investment and income drawdown option is exercised the Member will be able to pay transfer values in respect of designated funds and the minimum payment levels for these are shown in the **Transfer values in respect of designated pension funds** section on page 4.
- Member contributions after age 75 do not receive tax relief.

AUTOMATIC ANNUAL INCREMENTS TO REGULAR CONTRIBUTIONS INTO INSURED FUNDS

The Member and/or employer may choose to increase regular contributions (payable monthly or annually by Direct Debit only) automatically. There is a choice of:

- fixed percentage (whole numbers up to a maximum of 10%)
- in line with the annual increase in Average Weekly Earnings[†]
- in line with the Retail Prices Index.[†]

Member and employer regular contributions can automatically increase at different levels or remain level independent of each other.

[†]Contributions will only increase each year in line with the index/factor. If there is a decrease in the index/factor then the contributions will remain the same.

INSURED FUNDS INVESTMENT OPTIONS

Access to over 300 insured funds from over 40 fund managers. See the **Portfolio Plus Funds Guide for Insured Funds** for a full list.

The plan can be invested in a maximum of 100 insured funds. Each contribution/payment type (see **Contribution/payment types** section on page 2) can be invested in a maximum of 50 insured funds.

For details of self investment please see the **Self investment and income drawdown option** section on page 4.

INSURED FUNDS CHARGES

Allocation rate

for nil commission or funded commission option	100%
for contribution based commission option	95% to 100%

Annual management charge (AMC)

The table below shows the current range (minimum and maximum) of AMC rates that may apply to the different bands of the total value of the insured fund(s). The range includes any additional AMC for the funded commission option and fund based commission. Please see the **Commission options that apply to insured funds only** section on page 9.

Insured fund(s) value band	AMC applicable to band
Less than £30,000	0.5% to 1.5% a year*
£30,000 and over	0.1% to 1.1% a year

*If the total value of the insured fund(s) is initially less than £15,000, an additional AMC (this may be referred to as Temporary AMC in **Illustrations**) of 0.5% per year will apply until the accumulated value of the insured fund(s) first reaches £15,000 at the start of a plan month. If the total value of the insured fund(s) does not reach, or has not previously reached, £15,000 at the start of a plan month, this charge will continue to apply.

The AMC and additional AMC apply irrespective of the chosen fund(s). The AMC and additional AMC are deducted by explicit unit encashments. The actual rate(s) of AMC applicable to a Member will depend upon the commission option and style selected for the different contribution/payment types. Please see the **Commission options that apply to insured funds only** section on page 9.

Fund management charge

A charge is taken from each fund throughout the lifetime of the plan. The amount of the charge varies by fund and is set out in the **Portfolio Plus Funds Guide for Insured Funds**.

For funds managed by Legal & General, the charge is taken by making a deduction from the value of each fund each calendar month. For funds managed by an external fund manager, the charge is taken by making a deduction from the value of each fund each working day. The unit price for all funds is therefore adjusted to reflect the charge.

Additional fund expenses

Funds managed by Legal & General may also bear additional expenses that are not included in the fund management charge. The amount of these expenses is variable but an appropriate allowance for them is made when calculating the projected benefits shown in **Illustrations**. If and when they become due, Legal & General make the appropriate deduction when calculating the unit price of the fund.

Switching charges

All fund switches are currently free of charge and there is no restriction on the number of switches in a year.

▶ SELF INVESTMENT AND INCOME DRAWDOWN OPTION.

Once a plan has started the Member may exercise an option to allow self investment and income drawdown, subject to the following minimum criteria:

- at least 30 days have elapsed since the plan started, and
- the total value of the insured fund(s) is at least £25,000.

Once the option is exercised the Member will immediately be able to invest in collective investments available from Cofunds and other permitted self investments. However, for:

- income drawdown, and/or
 - continuing to hold self invested assets other than collective investments available from Cofunds
- the minimum criteria detailed in the following three sections must be met.

By signing the application form to exercise this option, Members wishing to invest in collective investments available from Cofunds agree to Legal & General passing all or part of any contribution, transfer value or existing pension fund to Cofunds to invest on the Member's behalf. Cofunds will only administer any collective investments available from Cofunds based on instructions from the Member or the Member's nominated adviser. Whilst Cofunds are the custodians of any collective investments available from Cofunds held within the plan, those assets are the property of Legal & General as trustee of the pension scheme.

TRANSFER VALUES IN RESPECT OF DESIGNATED PENSION FUNDS

Once the self investment and income drawdown option has been exercised the plan can accept transfer values where the pension fund has already been designated for income drawdown. The minimum transfer value in respect of designated pension funds must be:

- the greater of £25,000, or £75,000 less 75% of the existing plan value if the existing pension fund is undesignated, or
- £25,000 if the plan already has a designated pension fund(s).

SELF INVESTMENT – INVESTMENT OPTIONS

Once the self investment and income drawdown option has been exercised the plan may hold self invested assets.

The combined value of the investments in insured funds and/or collective investments available from Cofunds must be at least £25,000, and be maintained at this minimum level, in order for any other form of self investment to be held (unless we agree otherwise).

It is not possible to pay regular contributions or contracting-out rebates directly into self invested assets. Cheques representing regular contributions for self investment will be placed in the Member's SIPP bank account pending investment instructions.

Legal & General will not accept any responsibility for losses, damages, costs and/or legal fees that may be incurred as a result of buying a self invested asset on behalf of a Member.

Legal & General may decline to purchase certain self invested assets.

We don't have a list of recommended discretionary fund managers that we can give you, however, we do require that any discretionary fund manager we use have met our specific requirements and have accepted our terms and conditions.

Collective investments available from Cofunds

We have a partnership agreement with Cofunds offering access to over 1,000 unit trusts and Open Ended Investment Companies (OEICs) through the Cofunds Investment Platform. Information on these can be found on www.cofunds.co.uk. The minimum investment is £1,000 per unit trust or OEIC.

Option A and Option B

In addition to collective investments available from Cofunds, there are two other options available for self investment. The permitted investments under each option are listed below.

List of permitted self investments	Option A	Option B
Stocks and shares traded on a recognised UK or overseas stock exchange	✓	✓
Shares quoted on the Alternative Investment Market (AIM)	✓	✓
Authorised unit trusts	✓	✓
Tax exempt unauthorised unit trusts (excluding those holding residential property)	✓	✓
Investment trusts	✓	✓
Open Ended Investment Companies (OEICs)	✓	✓
Insurance company funds, for example, Trustee Investment Plans (TIPs) (only one TIP is allowed under Option A, any number of TIPs are allowed under Option B)	✓	✓
Fixed interest securities	✓	✓
UK gilts	✓	✓
UK Real Estate Investment Trusts (UK REITs)	✓	✓
Debenture stocks		✓
Warrants		✓
Permanent Interest Bearing Shares (PIBS)		✓
Convertible securities		✓
Listed hedge funds		✓
Commodity futures (subject to terms and conditions)		✓
Venture Capital Trusts (VCTs)		✓
Deposit accounts		✓
Undertaking for Collective Investment in Transferable Securities (UCITs)		✓
Rents		✓
Depository interests		✓
Traded Endowment Policies (TEPs)		✓
Individual Pension Accounts (IPAs)		✓
Commercial property and land		✓

SELF INVESTMENT – CHARGES

Installation charge

Collective investments available from Cofunds	Nil
Option A or Option B	£295 plus VAT

The installation charge of £295 plus VAT will only apply once.

If the Member only holds collective investments available from Cofunds and subsequently makes an investment into other self invested assets, the installation charge of £295 plus VAT will apply.

If the Member only holds Option A assets and subsequently makes an investment into Option B assets, the installation charge of £295 plus VAT does not apply for a second time.

Annual charge

An annual charge applies to self investment. Only one annual charge applies to a plan irrespective of the number of arrangements within it.

The amount will be the highest applicable depending on the chosen investments. The annual charge currently applicable is as follows:

Type of self investment	Value of collective investments purchased from Cofunds	Annual charge
Collective investments available from Cofunds	Less than £150,000	£200 plus VAT
	£150,000 up to £274,999	£100 plus VAT
	£275,000 and over	Nil
Option A	N/A	£200 plus VAT
Option B	N/A	£375 plus VAT

Further information about the installation and annual charges plus details of other potential charges, as listed below, can be found in the **Portfolio Plus Pension (with self investment and income drawdown) (CP) Terms Sheet**.

Other potential charges:	<ul style="list-style-type: none"> - Administration fees - Corporate action and voting rights - Switching charges - Additional valuation charges - Stockbroker and custodian fees - Property investment charges
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Property Investment (Permitted in the United Kingdom only)

Property investment and management services are provided by Countrywide property Management.

We will consider any commercial property in the United Kingdom. Each property will be considered on a case-by-case basis to assess whether it is an allowable investment.

The most common types of commercial property acquisition for the Portfolio Plus SIPP include:

- Shops
- Offices
- Industrial Units
- Warehouses
- Factories

Commercial properties that include residential accommodation may only be allowable if they fulfil certain conditions. However most residential properties are not allowable, as they would incur significant tax charges.

If you have any queries about a specific property, please contact us.

INCOME DRAWDOWN CONDITIONS AND CHARGES

Once the self investment and income drawdown option has been exercised, income drawdown is allowed.

Income drawdown conditions

Income drawdown can be taken from self invested assets and/or up to a maximum of 10 insured funds.

Funded and contribution based commission is payable on new contributions and transfer values into insured funds, whether for income drawdown designation or investment only. Fund based commission, already payable, will continue to be paid for any pension funds that remain in insured funds. An adviser fee may be taken at the time of taking income drawdown in respect of any pension funds being designated.

The minimums to transfer designated funds to an existing plan can be found in the **Transfer values in respect of designated pension funds** section on page 4.

We don't currently offer flexible income drawdown, where income is not capped by HMRC, under our Portfolio Plus Pension.

In addition:

Minimum undesignated pension fund value to start income drawdown	£100,000
Minimum pension fund that can be designated for income drawdown	£1,000
Minimum remaining undesignated pension fund value immediately following a pension fund designation for partial or phased income drawdown	£10,000

Income drawdown charges

These charges apply per arrangement used for income drawdown.

Income drawdown charges depend on how the designated pension fund is invested and where the income is taken from.

Depending on how the pension fund is designated for income drawdown it is possible that more than one set up fee and annual fee will apply. For example, the value of certain pension benefits may have to be held in a separate arrangement(s) to comply with HM Revenue & Customs requirements and charges will apply per arrangement.

Arrangement(s) containing insured funds only	
Setting up income drawdown (full, partial or phased) from an arrangement, defined as taking a cash lump sum (if allowable) and/or starting to take regular income or transferring in pension funds that are already designated for income drawdown.	Nil
Annual fee	Nil
Arrangement(s) containing self invested assets only or both self invested assets and insured funds	
Setting up income drawdown (full, partial or phased) from an arrangement, defined as taking a cash lump sum (if allowable) and/or starting to take regular income or transferring in pension funds that are already designated for income drawdown.	£130 plus VAT
Annual fee, due on each anniversary of setting up income drawdown	
- if no income payments made during the preceding 12 months	Nil
- if income payments made from any self invested assets during the preceding 12 months	£130 plus VAT
- if income payments made from insured funds only during the preceding 12 months	Nil
All arrangements	
Payment by BACS credit to a Member's bank account	Nil
Payments by cheque/CHAPS	£35 plus VAT each payment
One-off (ad hoc) additional income payments	£50 plus VAT
Alterations to income amount or frequency	£50 plus VAT
Designation of an additional sum for income drawdown (from an existing arrangement being used for income drawdown), other than at a relevant anniversary date	£50 plus VAT
All other alterations not specifically identified	£50 plus VAT

Note: For more information about the operation of income drawdown charges please see the **Portfolio Plus Pension (with self investment and income drawdown) (CP) Terms Sheet**.

MEMBER'S SIPP BANK ACCOUNT

When the Member first self invests or elects to take income drawdown, we set up a bank account for the benefit of the Member with the Bank of Scotland. This account is used to:

- pay any charges and fees
- hold cash to facilitate buying and selling of self invested assets
- facilitate income drawdown payments.

The account pays interest monthly. Provided the Bank of Scotland's base rate does not fall below zero, their SIPP bank account will receive the higher of the Bank of Scotland's base rate minus 1%, or zero.

Any interest paid over this will be shared between Cofunds and Legal & General.

NOTES

- All self investment and income drawdown charges are subject to VAT at the rate applicable when the charge becomes due.
- Legal & General may introduce charges or change the type and level of its charges. For more information please see the **Portfolio Plus Pension Member's booklet**.

► COMMISSION OPTIONS THAT APPLY TO INSURED FUNDS ONLY (NO UPLIFT/OVERRIDE).

There are two commission options available under the Portfolio Plus Pension:

Contribution based commission

This is funded by reducing the 100% allocation rate by an amount equivalent to the rate of contribution based commission selected. The minimum allocation rate is 95%.

This option also allows fund based commission of up to 1% which is funded by an identical increase in the annual management charge (AMC). This is included in the range of AMCs shown on page 3.

Funded commission

This is funded by an increase in the AMC of up to 1% of the total value of insured fund(s) a year. This is included in the range of AMCs shown on page 4.

Advisers may choose between contribution based and funded commission options. You cannot mix commission options for a Member. For example, if you choose contribution based commission for regular contributions, the contribution based option must be used for any single contributions and transfer values paid.

Please note these commission payments will only apply to contributions, transfer values and/or contracting-out rebates invested in insured funds available under the plan. (The codes for the commission styles are noted in brackets under the style name in the following tables.)

CONTRIBUTION BASED COMMISSION

The minimum term for the contribution based commission option is five years for regular contributions and one year for single contributions, transfer values and contracting-out rebates.

Up to an additional 1% of fund based commission may also be taken for an identical increase in the AMC.

Regular contribution commission

Commission style	Allocation rate	Commission amount	Effect of sacrifice	Increments	Clawback
Contribution based RC and fund based (TV)	95%	5% + 1% FBC	1% contribution based RC = 1% allocation increase 0.1% FBC = 0.1% AMC	YES	NO

Single contribution, transfer value and contracting-out rebate commission

Commission style	Allocation rate	Commission amount	Effect of sacrifice	Clawback
Contribution based SC and fund based (TW)	95%	5% + 1% FBC	1% contribution based SC = 1% allocation increase 0.1% FBC = 0.1% AMC	NO

Note: FBC = Fund based commission, AMC = Annual management charge, RC = Regular contribution, SC = Single contribution.

FUNDED COMMISSION

Regular contribution commission

The minimum term for the funded commission option for regular contributions is five years to the Member's Selected Retirement Age (SRA) or age 65 if earlier.

In all cases where there is no commission sacrifice, an increase in the AMC of 1% of the total value of insured fund(s) a year will be applied regardless of term, to cover the cost of commission. This is included in the range of AMCs shown on page 3.

The initial plus fund based renewal commission style is not available for contributions over £4,000 a month or £48,000 a year (gross).

Commission style	Allocation rate	Commission amount		Effect of sacrifice		Increments	Clawback
Level and fund based ¹ (TS)	100%	Term (to 65 or SRA if less)	Level	Level	FBC	YES	NO
		5 - <10	2% + 0.5% FBC	NO SACRIFICE ALLOWED	0.1% FBC = 0.1%AMC		
		10 - <15	4% + 0.5% FBC	1% = 0.1% AMC			
		15+	5% + 0.5% FBC				
Initial plus fund based ¹ (TR)	100%	Term (to 65 or SRA if less)	Amount	Initial	FBC	YES	Initial commission clawback 36 months
		5 - <10	1 x MP + 0.5% FBC	NO SACRIFICE ALLOWED	0.1% FBC = 0.1%AMC		
		10 - <15	1.5 x MP + 0.5% FBC				
		15+	2.5 x MP + 0.5% FBC				
Fund based only (TU)	100%	1%		Not applicable		YES	NO

¹Not available on increments if there is less than five years to age 65 or SRA if earlier.

Single contribution and transfer value commission

The minimum term for single contribution and fund based renewal commission is five years to age 75 or the Member's Selected Retirement Age if earlier. The minimum term for fund based renewal commission only is one year.

In all cases where there is no commission sacrifice, an increase in the AMC of 1% of the total value of insured fund(s) a year will be applied, regardless of term, to cover the cost of commission. This is included in the range of AMCs shown on page 3.

Commission style	Allocation rate	Commission amount		Effect of sacrifice		Clawback
Single contribution and fund based renewal commission ¹ (UC)	100%	Term (to 75 or SRA if less)	Amount	Level	FBC	Single contribution only: 1 year = 100% 2 years = 100% 3 years = 100% 4 years = 100%
		5 - <10	2% + 0.5% FBC	NO SACRIFICE ALLOWED	0.1% FBC = 0.1%AMC	
		10 - <15	4% + 0.5% FBC	1% = 0.1% AMC		
		15+	5% + 0.5% FBC			
Fund based only (TU)	100%	1%		Not applicable		NO

¹Not available on increments if there is less than five years to age 75 or SRA if earlier.

Note: AMC = Annual management charge, FBC = Fund based commission, SRA = Selected retirement age, MP = Monthly premium.

ADVISER FEE.

The Member may authorise an adviser fee payment. This fee will be paid from the Member's SIPP bank account. The following payment formats are available:

- one-off payment of an amount in pounds sterling
- percentage of the annual contributions
- percentage of any single contributions/transfer values/amount designated for income drawdown
- percentage of the pension fund value as a one-off or annual payment.

Note: Adviser fee payments may only be made by Members who have self invested assets and/or are taking income drawdown. The earliest time that remuneration can become payable is:

- the date of self investment, or
- the date of taking income drawdown.

Renewal remuneration is payable annually in advance from the anniversary date of the commencement of the adviser fee on receipt of an invoice and signed 'Authority to remunerate an IFA' form.

Any adviser fee will normally be taken from money held in the Member's SIPP bank account.



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Legal & General (Portfolio Management Services) Limited

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This is also where our head office is in the UK

We are authorised and regulated by the Financial Services Authority.

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