

The **co-operative** investments
good with money

Platinum Bond Plus

An overview of your with-profits investment

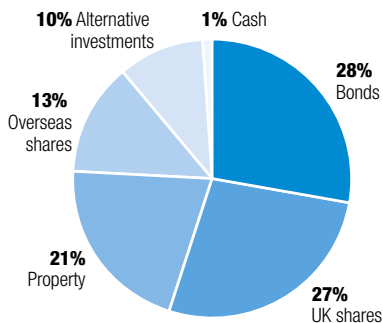


A brief introduction

Platinum Bond Plus invests in a with-profits fund which is made up of the money of thousands of policyholders. We aim to make profits for the fund by investing in a mix of investments such as property, bonds and shares. Our goal is to achieve the best possible returns for you over the long term.

By investing in a mix of investments, we create a diversified portfolio for you, meaning that this product is less risky than, for example, a product that invests solely in the stock market.

The mix of investments as at 24th July 2008 is shown below:



Your returns are 'smoothed' over time, so that you are cushioned from the daily ups and downs of the stock market. In this way, with-profits investments are suitable for cautious, long-term investors looking for better returns than cash savings while not wanting full exposure to stock market volatility.

What you receive each year

We pay out annual bonuses and we aim to keep these rates fairly steady year after year, providing you with returns that don't fully reflect the ups and downs of markets.

What happens when you cash-in

When you cash-in your investment, we ask the question: *'What is a reasonable proportion of the fund for you to receive, which enables other policyholders to also retain their fair share of the fund?'*

We may apply a final bonus which will increase your payment when you cash-in. However, to ensure that those policyholders who leave the fund do not take more than their fair share at the expense of those customers who remain in the fund, we may apply a 'Market Value Reduction' (or MVR) which will reduce your cash-in value.

MVRs explained

MVRs will only apply in certain circumstances such as after deep or prolonged periods of market falls, like the one we have experienced since 2007. When this happens, annual bonuses paid out will be higher than the actual returns earned by the fund. MVRs bring the payout amount back in line with the actual returns earned by the fund.

If we didn't do this, we would pay out more than the policy is worth. This would reduce the amount available for other customers when they leave the fund in the future, which would be unfair.

MVRs ensure that we only pay out what each policy actually earns. This protects customers who remain in the fund while giving a fair value to customers who leave the fund.

MVR rates depend on the bonuses paid and the fund's performance during the life of the policy.

When do MVRs not apply?

Importantly, MVRs only apply if you cash-in your investment. MVRs do not apply:

- From the 10th anniversary of investments made before 1st April 2000
- If you don't cash-in
- To payments on death
- On income payments.

Details of the MVR were provided in the Key Features document you received when you made your investment and can also be found in your Terms and Conditions document.

How does an MVR apply?

When you cash-in your investment, if an MVR applies, we apply a charge to each investment made within a range of dates. The charges and dates that apply from 1st October 2008 are as follows:

| Investments made between | MVR (% of invested capital) |
|--------------------------|-----------------------------|
| 16/12/98-15/03/99 | 4 |
| 16/03/99-15/11/99 | 8 |
| 16/11/99-15/09/00 | 14 |
| 16/09/00-15/11/00 | 13 |
| 16/11/00-15/03/01 | 9 |
| 16/03/01-15/06/01 | 3 |
| 16/12/05-15/09/06 | 6 |
| 16/09/06-15/09/07 | 13 |
| 16/09/07-15/12/07 | 10 |

How do we decide on the level of bonuses and MVRs?

We take decisions about applying an MVR very seriously. All decisions about bonus and MVR rates go through a rigorous governance process which includes obtaining the approval of our Board of Directors. To ensure that we are fair to our policyholders, we follow the Principles and Practices of Financial Management, which is a technical document that defines how we run our with-profits fund. This document is available to all policyholders (see 'How can I find out more information about the with-profits fund?').

How can I find out how bonuses and MVRs affect my current investment?

In the statement we send you each year, we show you the cash-in value that applies to you at that time. You can also phone our Customer Contact Centre on 08457 46 46 46 to obtain and up-to-date cash-in value.

How can I find out more information about the with-profits fund?

The way in which we manage our with-profits fund is explained in detail in a technical document known as the 'Principles and Practices of Financial Management of the CIS Long Term Business Fund'. This document is also available in a 6-page customer-friendly format. You can find these documents on our website at **co-operativeinvestments.co.uk**

How to contact us

Call us on **08457 46 46 46** between 8am-8pm Monday to Friday and 8am-5pm Saturdays.

good with money

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Membership

Please call 08457 46 46 46 if you would like to receive this information in an alternative format such as large print or Braille.

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