

PRESS RELEASE

*FOR IMMEDIATE RELEASE***Cofunds Concludes Deal With IFDS & Announces Consequent Management Changes****London, 17th February, 2003**

Cofunds is committed to continuous improvement in order that it maintains its position as the fund platform of choice for UK intermediaries, providing an accessible and reliable means for them to consolidate their business.

With Cofunds experiencing unprecedented volumes of consolidation activity, it is vital to implement the next phase of Cofunds' growth programme to meet this rapidly growing demand with cutting edge technology, tools and the highest levels of service. Therefore, Cofunds is increasing its expertise by pulling in the very best technological and operational resource available to them.

The completion of the recent strategic business affiliation with IFDS, the leading provider of administration to mutual fund companies in the UK, will permit Cofunds to take advantage of the expertise and technological resources of IFDS. Charles Eppinger, Chief Executive of IFDS, will become Chairman of Cofunds Limited in place of Graham Pimlott. Stuart Dyer, currently Chief Operating Officer of Cofunds Limited, will take over from Clive Boothman as Chief Executive. Stuart and Charles are some of the most senior and experienced executives in the UK fund administration industry. These appointments are subject to regulatory approval. Cofunds recognises the contributions made by Graham and Clive in bringing the company to its present strong position and thanks them for their services.

Consolidation activity offers intermediaries significant revenue opportunities and therefore is core to Cofunds proposition. While market conditions put a dampener on new business for intermediaries, it is consolidation that will lift the gloom. Demand is huge and, take-up for Cofunds' recently launched CD-Rom software - which simplifies the consolidation process - has been phenomenal. Intermediaries are recognising that this could be a rare revenue opportunity in a challenging year and also that if they do not act quickly, they could be left vulnerable to a competitor consolidating first and taking existing clients out of their control.

Cofunds FACTS & FIGURES [December 2002]

- * 3,400 registered intermediary firms
- * 34% of supermarket ISA sales (Cofunds & IMA)
- * 16% of overall intermediary ISA sales (Cofunds & IMA)
- * 23% of PEP transfers (Cofunds & IMA)

Market potential

- * Consolidation is going to be the catalyst for change in the industry
- * Cofunds is in pole position to be the leading IFA fund supermarket
- * IFAs need to consolidate to gain control of their clients' before someone else does. This will be a key revenue stream for them

INTERNATIONAL FINANCIAL DATA SERVICES

- * Cofunds is a leader in this market, as the first supermarket to offer re-registration and has just launched its Consolidation Assistant software package.

- * **Stuart Dyer**
Stuart joined Cofunds in August 2001 as Chief Operating Officer. During a 25 year career in the Financial Services industry in the UK and offshore, his roles have included Chief Operating Officer of the Save & Prosper Group, Investment Marketing Director of Friends Provident Asset Management, Managing Director of Friends Provident Unit Trust Managers and Operations Director of Schroder Unit Trust Managers. He spent 10 years with KPMG in consulting and audit roles, and qualified as a Chartered Accountant in 1977.
- * **Charles H Eppinger**
Charles is CEO of International Financial Data Services (a State Street Corporation and DST Systems joint venture) and is responsible for all investor record keeping activities. He joined IFDS in 1995 as Managing Director, under Charlie's stewardship IFDS has grown to be the UK's leading provider of services and systems to the UK collective investment industry.
Charles has over 30 years experience in financial services including terms at Ernst & Young, Shawmut National, Bank of Ireland and Boston Financial Data Services and is a Certified Public Accountant.

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For further information, please call:

Rodney Aldridge Sales & Marketing Director Cofunds	rod.aldridge@cofunds.co.uk	020 7398 7081
Louise Hatch/Harriet Moore Penrose Financial	harrietm@penrose.co.uk	020 7786 44885

NOTES TO EDITORS

Cofunds

- Cofunds Limited launched in January 2001 as the independent fundmarket for intermediaries. It is an independent company, backed by four of the largest investment companies in the UK and by IFDS, the UK's leading fund administrator. Cofunds is a one-stop fundmarket 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 offers both Maxi and Mini stocks and shares ISAs. It also offers the Cofunds Consolidation Service allowing IFAs to invest in funds directly or transfer their clients existing PEP & ISA assets onto the platform. The service is free to intermediaries and their clients.

Cofunds is authorised and regulated by the Financial Services Authority.

IFDS: Overview of IFDS, BFDS, State Street and DST

- **International Financial Data Services ("IFDS")**, headquartered in Essex, England (www.ifdsgroup.com) is a 50/50 joint venture between State Street Corporation ("State Street") and DST Systems Inc. ("DST"). IFDS launched in 1995 (previously European Financial Data Services) provides leading edge shareholder record keeping systems and services to the global collective investment industry. IFDS has 1,200 employees in three locations (UK, Canada and Luxembourg) and currently supports over 50 fund companies (including in the UK Gartmore and Jupiter) and manages over 12 million accounts in 10 countries.
- **State Street**, headquartered in Boston, MA (www.statestreet.com), is a world leader in investment servicing and investment management with \$5.7 trillion of assets under custody and \$700 billion of assets under management. State Street's non-US revenues have grown from 24% of total revenue in 1996 to 27% in 2001. One of State Street's strategic priorities is to provide back-office (custody and fund administration) as well as middle-office (trade management and activity record keeping) outsourcing services to the largest investment management companies in the US and Europe. On 5th November 2002, State Street announced a \$1.5 billion acquisition of Deutsche Bank's Global Securities Servicing business, which has EUR 2.2 trillion in assets under custody.
- **DST Systems, Inc.**, headquartered in Kansas City, MO (www.dstsystems.com), is a leading provider of shareholder record keeping services and proprietary systems to the US mutual fund industry. DST is a leading transfer agent in the mutual fund industry, servicing more than 78 million mutual fund accounts on its shareholder record keeping systems.

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International Financial Data Services (UK) Ltd
IFDS House, St. Nicholas Lane, Basildon, Essex SS15 5FS, UK
Tel +44 (0) 870 887 2222 • Fax +44 (0) 870 888 3056 • www.ifdsgroup.com
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