

The Financial Conduct Authority is a financial services regulator. It requires us, Forester Life, to give you this important information to help you decide whether our Child Trust Fund (CTF) - Stakeholder Options is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.

Key Features

Its Aims

- To provide your child with a lump sum benefit at age 18.
- To achieve tax-efficient long-term savings growth in a risk-controlled stakeholder environment.

Your Commitment

- If you are the Registered Contact; to act on behalf of your child until your child decides to take over responsibility for the Plan at age 16 or over.
- To invest contributions from yourself, family members, friends and anyone else who wishes to contribute.
- To provide your child with the best start in adult life you should aim to make monthly and/or single contributions.
- Monthly contributions will increase automatically each year to keep pace with inflation (within allowable limits). You have the option to opt out or reduce your contributions at any time.
- All contributions to the Plan are considered a gift to your child and cannot be returned and, except in the event of your child's earlier death or terminal illness, can only be accessed by your child at age 18.

Risk Factors

- The value of the Plan may fluctuate as the value of the investments can go down as well as up. Your child may get back less than has been invested.
- The favourable tax treatment of CTFs may change in the future. This could reduce the potential growth of the investment.
- Tax treatment depends on individual circumstances and may be subject to change in the future.
- Whilst this Plan meets the standards for a stakeholder CTF account this does not necessarily mean that the investment is suitable for you or that there is any guarantee of performance.

Your questions answered

What is a Child Trust Fund?

- A CTF is a long-term, tax-free savings account for children born in the United Kingdom between 1st September 2002 and 2nd January 2011. Eligible children received a voucher from the Government which could be used to open a CTF.
- A CTF is a 'wrapper' that can be put around a wide range of different savings and investments to enable tax-free savings for the benefit of your child.
- Stakeholder CTFs, Non-Stakeholder Cash Deposit CTFs and Non-Stakeholder Stocks and Shares CTFs are available.

What is the Child Trust Fund – Stakeholder Options?

- The Child Trust Fund – Stakeholder Options is a stakeholder product and offers a flexible and simple way to invest in stocks and shares, whatever your budget. Designed for low-cost stakeholder savings, you can invest from £10 up to £4,080 this birthday year (£4,128 from 6th April 2017).
- The Child Trust Fund – Stakeholder Options aims to achieve long-term growth consistent with stakeholder standards for 'risk-controlled' investment.

What should the Registered Contact do?

- The Registered Contact is responsible for managing the Plan so should keep all the paperwork, report changes such as a change of address and is the only person who can change the account or provider.
- As only one person can be the Registered Contact, if a Registered Contact already exists their consent will normally be required for any changes.
- When your child is 16 they can become the Registered Contact and manage their own account if they want to.

Where is Child Trust Fund – Stakeholder Options invested?

- The Child Trust Fund – Stakeholder Options can be invested in one of the following funds :
 - - Aberdeen UK All Share Tracker Fund
 - - Aviva UK Index Tracking Fund
 - - Royal London UK FTSE4Good Tracker Trust Fund
 - - Scottish Widows Balanced Growth Portfolio Fund
- You may also switch fully or partially into the Foresters Stakeholder (Schroders) Managed 1 Fund.

What are the investment objectives of the funds?

- The Foresters Stakeholder (Schroders) Managed 1 Fund follows a conservative fund strategy with growth targeted by an active approach to managing investment risk, whilst protection against inflation is also taken into account. It aims to outperform the IA Mixed Investment 20-60% shares sector median and to generate capital growth over the medium to long-term through an active asset allocation strategy, and the individual performances of underlying investments.

- The Aberdeen UK All Share Tracker Fund aims to achieve long-term capital growth and to produce a return that, before charges and expenses, matches the total return of the FTSE All-Share Index.
- The Aviva UK Index Tracking Fund aims to track the returns of the FTSE All Share Index, an index of over 500 UK shares. Any returns will be lower than that of the index as a result of the effect of charges.
- The Royal London UK FTSE4Good Tracker Trust Fund aims to provide capital growth over the medium to long term principally by tracking the performance of the FTSE4Good™ UK Index.
- The Scottish Widows Balanced Growth Portfolio Fund aims to give long-term capital growth by mainly investing in funds which are currently and/or which have been managed or operated within the Lloyds Banking Group.

What are the investment risks of the funds?

- Foresters Stakeholder (Schroders) Managed 1 Fund has a medium risk profile. Stakeholder rules mean the fund is managed in a risk-controlled manner, with savings balanced between stocks and shares and fixed interest holdings.
- The Aberdeen UK All Share Tracker Fund has a high-medium risk profile. The value of the underlying investments in this fund is subject to price fluctuations.
- The Aviva UK Index Tracking Fund has a high-medium risk profile. This is because of the historic volatility of its assets.
- The Royal London UK FTSE4Good Tracker Trust Fund has a high- medium risk profile. The value of the fund investments has shown a medium to high level of volatility historically.
- The Scottish Widows Balanced Growth Portfolio Fund has a medium risk profile. The fund investments have experienced medium levels of volatility over the past 5 years.

Can I switch the investment to a different fund?

- Yes. You may switch either part, or all of your child's CTF into the Foresters Stakeholder (Schroders) Managed 1 Fund.
- Forester Life does not charge for fund switches.

How can contributions be paid?

- Single contributions can be made by cheque, debit card or directly from your bank (direct credit).
- Monthly contributions are collected monthly by direct debit or standing order.
- Contributions will be accepted in date order up to the maximum contribution limit.

Can monthly contributions be increased?

- Each year we will automatically increase the amounts received from each monthly contributor to help the Plan keep pace with inflation. The increase will be applied to the first monthly contribution payable after your child's birthday, or the anniversary of an additional payment made by the Registered Contact or other payer.
- There is a minimum increase of 2.5% each year which will provide a boost to the Plan when inflation is low.
- Additional increases can be made at any time subject to a minimum of £5 per month for monthly contributions and £10 for single contributions.
- All increases are subject to HMRC maximum limits.
- If anyone paying a monthly contribution wishes to stop automatic increases to their contribution they should tell us at least 14 days before the increase is due.

Can contributions be stopped?

- Yes. Any person paying a monthly contribution can stop paying or reduce their monthly contribution at any time.
- Reductions are subject to a minimum ongoing contribution of £10.

How will I keep track of the value of the Plan?

- If the Plan has received any contribution in the birthday year, and the Plan value exceeds £300, we will send you a statement showing the payments received, the number of units held and the value of your child's Plan.
- We will also issue statements on your child's 11th and 16th birthdays.
- You can check unit prices at any time by telephoning the Unit Price Information line on 0800 99 00 11, by visiting foresters.com or online at myplans.foresters.co.uk if you have a My Plans account.
- You should monitor the value of the Plan and the level of contributions paid.

Can money be withdrawn from the Plan?

- No. All savings are locked in until your child's 18th birthday.
- At that age the accumulated fund will be payable as a cash lump sum to your child allowing them to spend or reinvest it as they wish.

Is there a death benefit?

- Yes. In the event that your child dies before age 18 we will pay out 101% of the value of the units to their legal personal representatives.
- Payments may also be made in the event of your child suffering a terminal illness, subject to HMRC approval.

What are the charges?

- The Child Trust Fund - Stakeholder Options is a stakeholder account and as such meets the Government standard for 'capped' charges.
- There is an annual management charge of 1.5% of the value of the funds you accumulate.
- If your Fund is valued at £250 throughout the year, this means that we charge £3.75 that year. If your fund is valued at £500 throughout this year, this means that we charge £7.50 that year.
- These charges are deducted from the funds that accumulate and not paid directly by the contributor(s).
- There are no initial or exit charges.

What is the tax situation on the CTF account?

- Growth within the account is completely free of Income and Capital Gains Tax.
- In the event that your child dies, tax benefits cease from the date of their death. Benefits paid out on death form part of the deceased's estate and may be subject to Inheritance Tax.

What is lifestyling?

- Lifestyling is the process which aims to reduce the investment risk to your child's Plan in its later years.

Does my child's Plan have to be lifestyled?

- No. We will write to tell you if your child's Plan will be lifestyled. The decision to lifestyle will depend on investment conditions and CTF rules at the time.

Additional Information

Can Child Trust Fund accounts be transferred?

- Yes you can transfer your child's CTF account in the following ways:
 - You can transfer your CTF - Stakeholder Options to a Forester Life Junior ISA.
 - You can transfer your CTF - Stakeholder Options to another CTF or Junior ISA provider.
- Forester Life does not charge for any transfers.

What might child get back from the Plan?

The illustrations below give estimated fund values so you can see what could be available in the future. The table indicates what monthly or single contributions could be worth in years to come, assuming an annual investment growth rate of 5% and an annual management charge of 1.5%. Automatic increases in monthly payments of 2.5% per annum to keep pace with inflation are also assumed, where possible.

Monthly Amount	After 5 years		After 12 years	
	Final Monthly Amount	Value	Final Monthly Amount	Value
£20	£22.08	£1,370	£26.24	£4,040
£50	£55.19	£3,430	£65.60	£10,100
£100	£110.38	£6,860	£131.21	£20,200
£340	£368.08*	£23,100	£422.75*	£66,900

Single Amount	Value after 5 years	Value after 12 years
£250	£295	£374
£500	£591	£748
£1,000	£1,180	£1,490
£4,080	£4,820	£6,110

*The Government has announced that the maximum CTF limit will rise in line with the Consumer Price Index, assumed to increase by 2% pa.

Important Notes

- These figures are only examples and are not guaranteed. The actual value could be more or less than shown, and could be less than has been paid in. What you will get back depends on how much the investment grows and on the tax treatment of the investment.
- Inflation would reduce what you could buy in the future.
- These figures assume contributions and investment over 5 and 12 years. Depending on the age of the child the maturity of the Plan may be sooner than this.

How to contact us

Customer Services
Forester Life
Foresters House
2 Cromwell Avenue
Bromley BR2 9BF

T 0333 600 0333
8:30am to 5:00pm weekdays
Calls are charged at local rates
E service@foresters.co.uk
foresters.com

What law is the Plan subject to?

- All Forester Life Plans are subject to the law of England and Wales.
- We will always communicate using the English Language.
- The information in this document is based on our current understanding of legislation and tax regulations as at December 2016, which may change in the future.

How is my personal information used?

- Any personal information which you provide to Forester Life will be used to administer the Plan, for claims management, for complaint analysis (if appropriate), for research purposes, for fraud prevention and for marketing purposes.
- To complete our processes we may have to share such information which other companies in the Foresters group (who may be based outside the European Economic Area) and other financial services companies and our service providers. These organisations will not use the information for any other purpose.
- We will not disclose any of the information to any other body or organisation except to prevent fraud or if required by law.
- We may on occasion send the Registered Contact marketing information about products and services of Forester Life and third parties whose products and services we offer to our customers. The Registered Contact can opt out of receiving this material at any time. If at any time you no longer wish to receive this material please write to the Data Protection Officer, Forester Life, Foresters House, 2 Cromwell Avenue, Bromley, BR2 9BF or email data.protection@foresters.co.uk

What if I am unhappy with the service I receive?

- We take the concerns of our customers very seriously. If you are unhappy with any aspect of the service provided by us, please write to the Customer Relations Officer at Foresters House, 2 Cromwell Avenue, Bromley, BR2 9BF
- If we do not deal with your complaint to your satisfaction, you can write to the Financial Ombudsman Service (FOS), Exchange Tower, London, E14 9SR (telephone 0300 123 9123, email complaint.info@financial-ombudsman.org.uk or visit www.financial-ombudsman.org.uk)
- You can view Forester Life customer complaints procedure at foresters.com or phone 0333 600 0333 for a copy.

Are we covered by the Financial Services Compensation Scheme (FSCS)

- Yes. This means that your child may be entitled to compensation from the FSCS in the unlikely event that we cannot meet our obligations.
- Compensation depends on the type of business and the circumstances of the claim.
- Further information about compensation scheme arrangements is available from the FSCS at fscs.org.uk or by phone on 0800 678 1100.

Where can I find out more?

- Full details are set out in the Terms and Conditions which are provided with the Plan Document. A specimen copy is available on request.