



# Forester Life Child Trust Fund Extra

Saving for your child's future

## Child Trust Fund Extra

The Child Trust Fund Extra is a simple and affordable way of building up a tax-free lump sum for your child's future.

It's never too early to start putting money aside for your child. You may not know what they want to be when they grow up, but one thing is for certain, a lump sum pay out when they reach 18 could open up more choices and opportunities for them – from a helping hand with university costs, whilst they are completing an apprenticeship, a deposit on a new home or paying for their first car.

## Choose how you do business

You, family and friends can choose to do business in a way that suits you – online, email, over the phone, by post or with a Forester Life Financial Adviser.

## The investment

The Child Trust Fund Extra is a unit-linked life plan and meets Government standards required to be a stakeholder product.

Each time we receive a contribution into the Child Trust Fund (CTF), we will invest it on your child's behalf into the fund. The unit price changes directly in line with the investment performance of the fund.

The Child Trust Fund Extra invests in the Halifax FTSE 100 Tracker, and also has the option to invest in the Foresters Stakeholder (Schroders) Managed 1 Fund by making a fund switch or through a process called [Lifestyling](#).

As with all stock market investments the value may fall as well as rise and they may get back less than has been paid in.

## Halifax UK FTSE 100 Tracking Fund

The Halifax UK FTSE 100 Tracking Fund aims to achieve long-term capital growth and provide a return that matches as closely as possible the performance of the FTSE 100 Index.

The fund invests 100% shares into companies listed on the FTSE 100. The FTSE 100 is an index that measures the performance of the 100 largest companies listed on the London Stock Exchange. The Halifax UK FTSE 100 Tracking Fund invests 100% in companies listed on this index, and by doing so it spreads the investment across the top 100 companies listed in the UK.

Tracker funds (also known as Index funds) are collective investment schemes that follow the movement of a market index, such as the FTSE 100. As the fund tracks the index, investment decisions are made on movements within the index, offering a cost-effective way of diversifying your investment.

## Foresters Stakeholder (Schroders) Managed 1 Fund

The Foresters Stakeholder (Schroders) Managed 1 Fund gives access to a professionally managed portfolio of UK and international company shares, along with global government and corporate securities and cash. This means that, unlike a tracker, there is a team of analysts making investment decisions and choosing where to invest.

The aim of the Foresters Stakeholder (Schroders) Managed 1 Fund is to outperform the Investment Association (IA) Mixed Investment 20-60% median, which means that the fund must hold between 20%-60% of the investment in shares and the rest in other assets such as Government and corporate bonds to reduce the risk. As there will be no more than 60% invested in shares the fund has a risk-controlled approach with the opportunity for growth.

It aims to generate capital growth over the medium to long-term through an active asset allocation strategy, and the individual performances of underlying investments.

The Child Trust Fund Extra has the option to invest into this fund and has the option to opt into Lifestyling. As the fund is actively managed the annual management charge is 1.5%.

## Contributing to their future

Anyone can make a contribution all that is needed is the child's Plan number and date of birth. Both monthly and/or single contributions can be made into the Child Trust Fund Extra – either by direct debit for monthly contributions, or by cheque, debit card and/or direct from your bank (direct credit) for single contributions.

For monthly contributions you can choose the Direct Debit collection date and the number of Direct Debits set each month to suit your payment needs.

Payments into the Plan are completely flexible, and you can increase your direct debit at any time, subject to a minimum of £5 per month and/or £10 for single contributions. You will not be able to increase your contributions to more than the HM Revenue & Customs (HMRC) maximum allowable limit of £9,000.

To help your savings keep pace with inflation we will automatically increase the amount of your monthly contributions in line with the Retail Price Index, subject to a minimum of 2.5%. We will write to you each year to let you know this is happening. If you do not wish for your contribution to increase, just let us know 14 days before this is due.

Contributions can be made online, over the phone, by post and face-to-face. To learn more about ways to contribute to a child's Plan, visit [foresters.com/gift](#)

All contributions to the Child Trust Fund Extra are considered a gift and cannot be returned.

## Managing their tomorrow, online today

You have online access to view and manage the CTF by creating a [MyPlans account](#). With MyPlans you can make monthly and single contributions, view the Plan value, past performance of the fund, contact your Financial Adviser and access all documents online 24/7.

## Family and friends can contribute too

Anyone from grandparents to other family members or even friends can also contribute to the child's CTF – making it an ideal place for investing birthday money or any other financial gifts the child may receive.

Family and friends can also create their own [MyPlans gifter account](#). They can see their payments, past performance of the fund, access personal correspondence and make further contributions online 24/7.

You can also check the unit price any time through MyPlans or by simply visiting the [Unit Prices](#) page on our website.

## The role of the Registered Contact

The Registered Contact is responsible for managing the Plan so should keep all of the paperwork, report changes such as change of address and is the only person who can change the account or provider.

As only one person can be the Registered Contact, their consent will normally be required for any changes.

When the Planholder (the child) turns 16 they can become

the Registered Contact and manage their own account if they want to.

## Accessing the money at age 18

At least a month before the Planholder reaches 18 we will write to them providing the details of the options available following their birthday.

On their 18<sup>th</sup> birthday the CTF will mature and automatically be transferred to an ISA in their name. The ISA will continue to invest in the same fund as before, with the same charges.

From age 18 onwards the Planholder will have a variety of options. The money can be left in the Plan before deciding whether to withdraw the money, or reinvest all or some of the money in an Adult ISA.

They will be able to do this online, over the phone, or get face-to-face advice should they wish. For more information, visit [foresters.com/ctfhub](https://foresters.com/ctfhub)

## Reducing investment risk

We offer an optional benefit called **Lifestyling** which changes the way that the Plan is invested from the child's 15<sup>th</sup> birthday up until maturity.

Lifestyling continues to provide potential for growth, whilst progressively reducing investment risk, by moving a proportion of any contributions and the fund value from the existing fund into the Foresters Stakeholder (Schroders) Managed 1 Fund, a lower risk managed fund, with less exposure to equities. For more details about the fund see page 2, Foresters Stakeholder (Schroders) Managed 1 Fund.

We will provide more information before your child's 15<sup>th</sup> birthday to enable you to choose to opt into this benefit.

## Tax treatment

The amount paid to the Planholder at age 18 is completely free from Income and Capital Gains Tax.

Tax treatment depends on individual circumstances and may be subject to change in the future.

## If you wish to transfer out

Forester Life do not charge for any transfers. A Child Trust Fund Extra can be transferred to a Forester Life Junior ISA, another Junior ISA provider, or to another CTF provider.

## Keeping you informed

If the Plan has received any contributions in the birthday year, and the Plan value exceeds £300, we will send a statement to the Registered Contact showing the payments received, the number of units held and the value of the child's Plan. In any event statements will always be sent on the child's 11<sup>th</sup> and 16<sup>th</sup> birthday, and just before they reach 18.

The Registered Contact can view the value of the Plan at any time online with their MyPlans account, and you have the option to discuss the Plan with our Financial Advisers face-to-face, who are on hand to provide you with any information you require.

## If you are unhappy with our service

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, Forester Life, Foresters House, 2 Cromwell Avenue, Bromley BR2 9BF.

If we do not deal with your complaint to your satisfaction, you can complain to: The Financial Ombudsman Service, Exchange Tower, London E14 9SR (telephone 0300 123 9123, email [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk) or visit [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)). Making a complaint will not prejudice your right to take legal action.

You can view the Forester Life customer complaints procedure at [foresters.com](https://foresters.com) or phone 0333 600 0333 for a copy.

## We are covered by the FSCS

The Child Trust Fund Extra is covered by the Financial Services Compensation Scheme (FSCS). This means if in the unlikely event that we cannot meet our obligations, your child will be entitled to 100% of the value of their Child Trust Fund.

Further information about compensation scheme arrangements is available from the FSCS at [fscs.org.uk](https://fscs.org.uk) or by phone on 0800 678 1100.

## Important information

All Forester Life Plans are subject to the law of England and Wales. We will always communicate with you using the English language.

Forester Life fulfils the EU standards for meeting financial obligations. You may view our Solvency and Financial Condition Report on our website at [foresters.com/SFCR](https://foresters.com/SFCR)

If there is anything in this brochure you don't understand, or you have special needs, please let us know.

This brochure is issued by Forester Life Limited, Foresters House, 2 Cromwell Avenue, Bromley BR2 9BF. Information is based on our current understanding of legislation and tax practice as at March 2020, which may change in the future.