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Key Features of the Child Trust Fund (CTF) - Stakeholder Options

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.

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 £9,000 each birthday year.
- 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 the Child Trust Fund – Stakeholder Options invested?

- The Child Trust Fund – Stakeholder Options can be invested in one of the following funds:
  - Foresters UK All Share Tracker Fund
  - Aviva UK Index Tracking Fund
  - Royal London UK FTSE4Good Tracker Trust Fund (updated to the Royal London UK Equity Tracker Trust) Fund closed as of 31st July 2025.
  - Foresters Global Multi-Asset Fund

With the options of also investing in both of the following funds:
  - Foresters Stakeholder (Schroders) Managed Fund
  - Foresters Stakeholder (Schroders) Sustainable Future Managed Fund

What are the investment objectives of the funds?

- The Foresters UK All Share Tracker Fund aims to provide capital growth and income in line with the FTSE All Share Total Return index, before fees have been deducted, over a three to five year period by investing in equity and equity related securities of UK companies.

Foresters Financial

- 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 fund has a high-medium risk profile.
- The Foresters Stakeholder (Schroders) Managed Fund is professionally managed by Schroders with the aim to generate capital growth over the medium to long-term by investing in a diversified range of assets and markets worldwide. No more than 60% of the portfolio is invested in stocks and shares. The fund has a medium-low risk profile.
- The Foresters Stakeholder (Schroders) Sustainable Future Managed Fund is professionally managed by Schroders with the aim to achieve medium to long-term capital growth, by investing in a diversified range of assets and markets worldwide. At least 70% is invested in companies and countries that are working to lower carbon emissions or are already producing low levels of carbon. The fund has a medium-low risk profile.
- The Royal London UK FTSE4Good Tracker Trust Fund (also known as the Royal London UK Equity Tracker Trust) closed as of 31st July 2025.
- The Foresters Global Multi-Asset Fund aims to provide capital growth and income by investing in a diversified range of assets and markets worldwide with a target average annual volatility (a measure of how much the fund's returns may vary over a year) over a rolling five-year period of between 50% to 65% of that of global stock markets (represented by the MSCI All Country World index).

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 and/or the Foresters Stakeholder (Schroders) Sustainable Future Managed 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.
- The minimum decrease amount is £5 and the Direct Debit cannot be less than £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 16th birthday and just before they reach 18.
- You can check unit prices at any time 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.
- The Planholder will be contacted at least a month before their 18th birthday with details on how to access their savings. After their 18th birthday they will have the choice to leave the money where it is, withdraw the money, or reinvest all or some of the money in an Adult ISA. For more information, visit **foresters.com/MaturedCTF**

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?

- The amount paid to the Planholder at age 18 is completely free from UK Income and Capital Gains Tax. Benefits paid out on death could be subject to inheritance tax.
- Tax treatment depends on individual circumstances and may be subject to change in the future.
- 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.

Can Child Trust Fund accounts be transferred?

- You are entitled to transfer between CTF providers and our Forester Life CTF can be transferred at no charge. We accept transfers from both Stocks and Shares and Cash CTFs. Any transfer needs to be made in full and the transfer can only be made by the Registered Contact.
- If you are transferring from a Cash CTF you should note that there will now be some risk to the investment.
- Forester Life does not give advice on transfers. If you are in any doubt about a transfer you should seek full financial advice.

What might my 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 3% per annum to keep pace with inflation are also assumed, where possible.

Monthly Amount	After 5 years	
	Final Monthly Amount	Value
£20	£22.52	£1,380
£50	£56.28	£3,460
£100	£112.55	£6,930
£340	£393.93	£24,200
£750*		£49,000

Single Amount	Value after 5 years
£1,000	£1,180
£3,000	£3,550
£9,000	£10,600

*Monthly contributions are assumed to be increased by 3% pa. *No increase is applied when the contribution is at the maximum allowed.*

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 your child will get back depends on how much the investment grows and on the tax treatment of the investment. Investments can go down as well as up.
- Inflation would reduce what you could buy in the future.
- These figures assume contributions and investment over 5 years including any annual increase of 3% for inflation. Contributions to existing Plans may be invested for a shorter period depending on the age of the child at the time.
- These figures do not take into account any Government payments made into the Child Trust Fund.
- All payments are locked into the Plan until the child's 18th birthday and cannot be reclaimed by any gifter(s).

Additional Information

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.

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 required standards for meeting financial obligations. You may view our Solvency and Financial Condition Report on our website at **foresters.com/SFCR**
- Full details are set out in the Terms and Conditions. A copy of the Terms and Conditions are available on request or online.
- At Foresters Financial we provide products, advice and service that embrace financial sense and simplicity. If there is anything in this document you don't understand, or you have specific requirements, please let us know.
- This information 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 June 2026, which may change in the future.

How to contact us

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8:30am to 5:00pm weekdays
Calls are charged at local rates
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