

Your relationship with The Children's Mutual

By applying for a Shariah Baby Bond Child Trust Fund you are also entering into the following agreements with The Children's Mutual. For the purposes of contract law, these agreements are between you (as Registered Contact on behalf of your child) and Forester Fund Management Limited, trading under the name The Children's Mutual. The contract itself is governed by terms and conditions, which you can find in this document. If, once you have read these carefully, anything is not clear, please call us. And, if you don't agree to the terms and conditions, you have the right to cancel the application as explained in the Key Features section of this document.

For all purposes, your relationship to us will be as a 'retail customer'. This means you will enjoy the highest level of consumer protection available under both European and United Kingdom laws and regulations.

1. Client agreement

This is the legal agreement which defines your relationship with us. It covers the following rights and obligations:

Your Rights	Our Obligations
<p>You have the right to be treated fairly with regard to:</p> <ul style="list-style-type: none"> • The ability of the product to match your need • The clearness and accuracy of any and all information we provide • How we describe what the product can do before and after your purchase it • Our maintaining a good quality of support for routine administration and taking effective action if something goes wrong. 	<p>We promise to:</p> <ul style="list-style-type: none"> • Provide fair and accurate descriptions of the product's ability to meet your need • Provide accurate, relevant and understandable information about our product and service • Ensure the product you have performs in the way you have been led to expect • Ensure the service we provide for you is of a good standard.
Your Obligations	Our Rights
<p>We think it is reasonable to expect you to:</p> <ul style="list-style-type: none"> • Take reasonable care when giving us information or instructions • Keep us informed of any relevant change in your circumstances, or those of your child • Use the opportunities provided to become aware of, and to try to understand, the aims of Shariah Baby Bond, and how we have described that these could be achieved. 	<p>We think it is reasonable for us to:</p> <ul style="list-style-type: none"> • Rely and act on the information and instructions you provide • Rely on the information we have about you as being up to date • Act on our belief that you have made reasonable efforts and to try to understand the aims of Shariah Baby Bond, and how you could help these to be achieved.

2. Initial service agreement

This agreement covers how we invest money we receive for payment into your child's Shariah Baby Bond account, once it is open. You authorise us:

- To collect and accept payments into the account from you, or any other person;
- To invest payments in the way described in the Key Features;
- To the extent that investment is linked to shares, to invest payments into the fund described in the Key Investors Information Document (KIID).

The Children's Mutual, PO Box 1137, CHELTENHAM GL50 9QS
 Tel: 0330 024 1210 Email: mail@thechildrensmutual.co.uk Website: thechildrensmutual.co.uk

The Children's Mutual is a trading name of Forester Fund Management Limited. Registered Office: Forester Fund Management Limited, Foresters House, 2 Cromwell Avenue, Bromley BR2 9BF. Registered in England number 4315370. Forester Fund Management Limited is authorised and regulated by the Financial Conduct Authority.

The Financial Conduct Authority (FCA) is a financial services regulator. It requires us, The Children's Mutual, to give you this important information to help you decide whether our Shariah Baby Bond is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safely for future reference. For information about the investment fund, see the Key Investor Information Document available through our website.

Key Features of the Shariah Baby Bond Stakeholder Child Trust Fund account

Its aims

- To provide a tax-efficient way, compliant with Islamic law, to invest for a child by taking advantage of the Government's Child Trust Fund (CTF) scheme.
- To take advantage of the growth potential of company shares to produce a tax-free lump sum for the child at 18.
- To help parents teach their child about savings and investments.

Your commitment

- You use your child's Government CTF voucher to open a Shariah Baby Bond for your child. You do not need to send us the voucher itself.
- You (or someone else who also has parental responsibility for your child) agree to become the 'Registered Contact' – this is the person who makes all the decisions about the Shariah Baby Bond until your child reaches age 16.
- You do not have to make any payments into the account, but adding to the Government contributions could help produce a bigger payout for your child at 18.

Risks

- The value of Shariah Baby Bond is not guaranteed, and will move up and down over time. These movements are outside our control.
- At 18 your child could get back less than has been paid in.
- Your child cannot receive the money until their 18th birthday, even if it might be needed before then.
- The tax rules that apply to Shariah Baby Bond, or to the underlying investment, could change (for example, if there's a change of Government).

Questions and answers

What types of CTF account are there?

There are three types of CTF account. Each child can have only one type of CTF account at any time.

(1) Stakeholder

Shariah Baby Bond is a stakeholder CTF account.

This type of CTF account is designed for inexperienced investors, so it must meet certain Government requirements:

- Investment must be linked to company shares. This is because, in the past, shares have mostly produced better returns over longer periods than cash deposit accounts. But shares in more risky types of company are not allowed.
- Starting no later than the child's 15th birthday, the account must allow for the money to be moved gradually into lower risk investments (like cash and Government bonds). The aim of this is to limit the effect of falling share prices on the value of the account in its later years.
- The CTF account manager can't require contributors to pay in more than £10 at a time.
- The CTF account manager can't charge more than 1.5% of the account's value each year.

But just because it meets these requirements doesn't mean that a stakeholder CTF account is automatically suitable for everyone, or that it's guaranteed to perform well. Remember, past performance isn't a guide to the future.

There are also two types of Non-Stakeholder CTF account, which don't have to meet all the Government requirements. For example, they don't have to move money into lower risk investments from age 15, and there's no upper limit on charges.

(2) Non-Stakeholder Shares

This type of CTF account normally also invests in shares, perhaps including smaller companies, or companies operating in other countries. So, there may be a better chance of getting a good return, but the risk of losing money can also be higher.

(3) Non-Stakeholder Cash

This type of CTF account is similar in many ways to a bank or building society deposit account. The CTF account manager will add interest to the money paid in, but the rate is not normally guaranteed and can be changed. Although the child is sure to get back as much as has been paid in, it could be less than they'd get back from a stakeholder or shares-based CTF account at 18. Inflation will reduce the value of the money paid in.

How can I add to my child's Shariah Baby Bond?

- Anyone can pay into your child's Shariah Baby Bond, and as soon as the money is paid in it belongs to your child. This means that whoever has made the payment cannot change their mind later and have their money back.
- The minimum amount we accept is £10, and payments can be made monthly, yearly or as one-off lump sums.
- The most that can be paid in is £4,080 a year (from birthday to birthday). This is on top of Government contributions.
- We accept payment by:
 - Direct Debit; Direct Credit;
 - Standing Order; Cheque;
 - Debit Card (online or by telephone only)

Please ensure that you always read the latest Key Investor Information Document (KIID) before starting or increasing a Direct Debit, or before making any lump sum payments (see www.thechildrensmutual.co.uk/keydocs)

- Anyone making regular monthly payments by Direct Debit can also arrange to automatically increase their regular savings each year by either £5 or £10. We call this service 'Escalator' and it aims to help contributions keep pace with inflation. By choosing this option, this allows us to increase a Direct Debit payment by a fixed amount each year, following your child's birthday. We'll increase the Direct Debit amount each year until your child reaches 17, or until your total monthly payment reaches £100, if sooner. The 'Escalator' option can be cancelled at any time. Please contact us if you would like more information about this option.

What do you do with the money?

- Until your child reaches age 15, we use the money paid into their Shariah Baby Bond to buy shares in a SICAV. Depending on the time of day we receive a payment, it is invested on either that day or the next working day. A SICAV is a type of fund that offers a simple way to invest in a range of company shares or other types of investment. The SICAV fund we use for Shariah Baby Bond invests in shares of companies which operate in a way that is compliant with Islamic law. For useful information about the SICAV, please also see the two-page KIID, which is available on our website www.thechildrensmutual.co.uk/keydocs. Please note, the KIID is produced and updated at least once a year by

the SICAV fund manager, and the information it contains relates solely to the SICAV, and is not specific to our Shariah Baby Bond. In particular, shares to be held in a Shariah Baby Bond may only be bought by us on behalf of the child (and not directly from the SICAV fund manager), and it is not possible to switch the investment into a different sub-fund.

- All shares are held in our name as the CTF Account Manager.
- Starting on your child's 15th birthday, we will gradually move money into lower risk investments such as Government bonds and cash, or a fund holding those types of investments.
- All money received for investment into your child's Shariah Baby Bond is paid directly into a client money account in our name. We don't add any interest to amounts held in the client money account pending investment.

What might my child get back?

- Table 1 gives examples of what your child might get back from their Shariah Baby Bond at age 18. The figures show the money growing at three different rates, as required by our regulator (the Financial Conduct Authority).
- The figures shown take our charges into account, but are **not** guaranteed – they are not minimum or maximum amounts. Your child could get back more or less than this and may get back less than the amount paid in. Remember that inflation would reduce what could be bought in the future with the amounts shown.

TABLE 1

Type of payment	What your child could get back in 14 years' time if investments grew at:		
	The lower rate of 2% a year	The middle rate of 5% a year	The higher rate of 8% a year
Government contributions of £50 at outset	£53	£80	£119
Government contributions of £50 plus voluntary regular payments of £50 a month	£8,740	£10,800	£13,500

How do the charges work?

- The Children's Mutual Shariah Baby Bond is a Stakeholder account and as such meets the standard for capped charges.
- There is an annual charge of 1.5% of the value of the funds accumulated. If the fund is valued at £250 throughout the year, this means we charge £3.75 that year. If the fund is valued at £500 throughout the year, this means we charge £7.50 that year.

Will you tell me how my child's Shariah Baby Bond is doing?

- Yes. We'll send the Registered Contact a yearly statement showing what the Shariah Baby Bond account is worth.
- As your child gets older, we hope you'll look at these statements together and talk about why putting money aside for the future is a good idea.

What about tax?

- There is no income tax or capital gains tax for you or your child to pay on growth in the value of the Shariah Baby Bond account. However, the SICAV fund may have paid

tax on dividends earned by the shares it holds, and this can't be reclaimed.

- If the child is resident in the UK when the Shariah Baby Bond ends on their 18th birthday, they will have no tax to pay on the amount paid out.
- The tax treatment of CTF accounts or SICAVs (or both) may change in future. Taxation depends on individual circumstances

Can I change my mind?

- Yes. Once we've accepted your application we'll send you a cancellation notice; you'll have 14 days from when you receive this notice to change your mind. If you do, you must notify us in writing at the address shown under 'How to contact us'. If we haven't heard from you within 14 days, we will start to process your application. We are not allowed to open the Shariah Baby Bond, to claim the Government money, or to invest any other money paid to us until these 14 days have passed.
- Once the Shariah Baby Bond account is open, you can transfer its value to another CTF account manager at any time, or switch to a different type of CTF account from us, without specific charge.

How does my child withdraw their money?

- Shortly before your child's 18th birthday we'll send them information about the options open to them, and what they need to do next. We will also ask them to provide evidence of their identity.
- If the child withdraws their money, we will either pay it directly into a UK bank account in their name, or send them a cheque.
- If they don't withdraw their money straight away, we'll hold it for them in a cash deposit account until they do. We won't add any interest to the money while it's waiting to be withdrawn.

Other information

Complaints and compensation

- If you're not happy about something, please tell us so that we can try to sort out the problem for you. You can either telephone or write to us – see 'How to contact us' below.
- If you're not satisfied with our response, you can complain to:
 - The Financial Ombudsman Service
 - Exchange Tower
 - London
 - E14 9SR
 - Tel: 0300 123 9123
 - Email: complaint.info@financial-ombudsman.org.uk
 - Website: www.financial-ombudsman.org.uk
- You may alternatively submit your complaint to the Online Dispute Resolution (ODR) platform <http://ec.europa.eu/consumers/odr/>.

- A copy of our complaints procedure is available on request.
- We are covered by the Financial Services Compensation Scheme (FSCS). If we cannot meet our obligations your child may be entitled to compensation under the scheme. Most types of investment business are covered for 100% of the first £50,000 (maximum compensation £50,000). For further information telephone 0800 678 1100.

Client Money

- Any payments received that cannot be returned or allocated to a CTF Shariah Baby Bond account will be kept in a client money account (where no interest is paid) until we are contacted by you or the person who made the payment. Under HMRC rules, any payments incorrectly allocated to a CTF Shariah Baby Bond account may have to remain in that account even after the error is discovered.
- Any uninvested cash held on your behalf (for example, money awaiting investment or the proceeds of encashment, transfer out, death or terminal illness) will be held in a specifically designated client money bank account separate from our money in accordance with the FCA's client money rules.
- The purpose of this is to protect your money in the event that either we or the bank fails, but it is not guaranteed. We will not be liable for any losses arising from any acts or omissions of the bank resulting from their negligence, wilful deceit or fraud.
- You will not receive any interest on any money held in a client money account.
- If any amount held for you as client money remains unclaimed (e.g. we send you a cheque and it is not cashed) and there is also no movement on that amount for a period of at least 6 years, the money we are holding may no longer be protected under client money rules. Movement does not include the payment or receipt of charges, interest or other similar items.
- Should any other situation not mentioned above arise where it is necessary to hold money in a client suspense account due to reasons of untraceability or unidentifiability, such monies will remain uninvested whilst held in such an account.

Law and language

- Shariah Baby Bond is governed by the law of England and any dispute would be decided by a court in England or Wales.
- All communications from us will be in English.
- The information in these Key Features is provided only in respect of children who are UK residents (including children of Crown employees serving overseas) at the time the Shariah Baby Bond is opened.

Conflicts of interest

- We aim to run our business so that conflicts of interest don't arise between The Children's Mutual and its customers, or between different types of customer. We have procedures in place to identify and handle any conflicts that do arise. We review these procedures regularly.
- In the unlikely event that we identify a major conflict, we'll tell you about it promptly. We'll also tell you how we expect to resolve the conflict with as little effect as possible on you or our other customers.

How to contact us

- The information in these Key Features, the KIID, and on our website, is designed to help you decide for yourself if Shariah Baby Bond could help you with what you want for your child. If you have any questions about how Shariah Baby Bond works, please contact us – we're here to help! But bear in mind that we can't tell you if it is appropriate for your particular circumstances. If you're unsure, you should consider obtaining independent advice. You can find an adviser by visiting www.unbiased.co.uk.
- You can contact us on 0330 024 1210; weekdays 8am to 8pm; Saturday 9am to 1pm, or leave an answerphone message outside these hours. We will record calls for training or security purposes.

Alternatively, you can email:

ctf@thechildrensmutual.co.uk

or write to:

FREEPOST RSLG-JXCL-ZSXB
The Children's Mutual
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Foresters 
Financial

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Terms and Conditions

of The Children's Mutual Shariah Baby Bond Stakeholder Child Trust Fund account

1. Definitions

1.1 In these Terms and Conditions, the words below have the meanings shown (unless the context in which they are used requires otherwise):

The account The Shariah Baby Bond Stakeholder CTF account.

The Children's Mutual is, for the purposes of CTF accounts, a trading name of Forester Fund Management Limited.

Child Trust Fund (CTF) The scheme set up by the Government under the Child Trust Funds Act, 2004.

Contribution Year The first contribution year starts on the day the account is opened and ends on the day before the child's next birthday; each contribution year after that starts on the child's birthday and ends on the day before their next birthday.

CTF Account Manager Forester Fund Management Limited, trading as The Children's Mutual.

Dealing Day Monday to Friday 9.00am to 6.00pm Central European Time (CET) (except for bank holidays in Luxembourg and other days at the Fund Manager's discretion), being a day on which the Luxembourg Banks are open for trading or any other day which the Fund Manager in its discretion may decide.

FCA rules The rules published by the Financial Conduct Authority (FCA).

HMRC Her Majesty's Revenue and Customs.

Investment Manager Aberdeen Asset Fund Management Limited.

KIID Key Investor Information Document.

This is a two-page document, produced and updated at least once a year by the SICAV manager, containing important information about the SICAV fund, including its investment objectives and policy, risk and reward profile, charges and past performance. Before making a lump sum payment, starting a new Direct Debit, or increasing the amount of a Direct Debit regular payment, the Registered Contact should read the latest version of the KIID (available on our website www.thechildrensmutual.co.uk/keydocs).

The Registered Contact The person authorised to control the account. (See Condition 5 'The Registered Contact').

The Regulations The Child Trust Funds Regulations 2004 (as amended from time to time).

SICAV Aberdeen Islamic SICAV. The SICAV (Société d'Investissement à Capital Variable) is an open-ended investment company with variable capital (ICVC), incorporated in Luxembourg. It is regulated by the Luxembourg authority in charge of the supervision of the undertakings for collective investment in the Grand Duchy of Luxembourg. It is an 'umbrella company', which means it is made up of a number of different funds, each of which has its own investment aims.

SICAV fund Aberdeen Global Equity Fund, which is the sub-fund of the SICAV which we offer for investment for the Shariah Baby Bond Stakeholder CTF account. For more information see the KIID.

Stakeholder CTF account A CTF account meeting the Government's Stakeholder CTF requirements.

Valuation Point The time of day on a business day when the Investment Manager calculates the price of shares. This is usually the same time each business day, but may have to change in exceptional circumstances.

Once the account is open, shares are bought and sold at the price on the first valuation point after we receive the payment (where relevant), the instruction and all required paperwork, and have satisfactorily completed any checks which may be necessary to comply with UK anti-money laundering legislation. If it is not possible to deal on that valuation point, we will buy or sell the relevant shares on the valuation point on the next business day.

The address to which the Registered Contact must send instructions is:

FREEPOST RSLG-JXCL-ZSXB,
The Children's Mutual,
PO Box 1137,
Cheltenham,
GL50 9QS
Telephone 0330 024 1210.

Void account An account which does not satisfy the Regulations, and which HMRC instructs us to cancel.

The voucher The voucher issued automatically by HMRC to the person claiming Child Benefit for the child.

We, us The CTF Account Manager, Forester Fund Management Limited trading as The Children's Mutual
You Depending on the context, either the person who receives a voucher to open a CTF account, or the Registered Contact; in each case this must be a person with parental responsibility for the child. 'You' also includes any person who makes a payment into the account.

2. About the CTF Account Manager

- 2.1 The CTF Account Manager is Forester Fund Management Limited, Foresters House, 2 Cromwell Avenue, Bromley, BR2 9BF, which is an approved CTF account manager under the Child Trust Funds Regulations 2004. It is authorised and regulated by the Financial Conduct Authority and a member of the Financial Ombudsman Service.
 - 2.2 These Terms and Conditions explain how we manage our CTF business in accordance with the Regulations.
 - 2.3 When we chose the underlying investment vehicle for our Shariah Stakeholder CTF, we took into account the social, ethical and environmental implications of the general type and mix of shares usually selected for investment by the Investment Manager, as well as their potential for producing capital growth.
 - 2.4 If, at any time, Forester Fund Management Limited stops being authorised, we will give the Registered Contact at least one calendar month's notice of this in writing. They will then need to transfer the account to another CTF account manager or Junior Individual Savings Account (Junior ISA) manager. (See Condition 16 '*Transfer to another CTF account manager or Junior ISA manager*').
- ## 3. Stakeholder CTF accounts
- 3.1 The account satisfies all the Government's requirements for Stakeholder CTF accounts.
 - 3.2 If, at any time, the account stops satisfying these requirements, we will tell the Registered Contact as soon as we can. They may then either switch the account to a Non-Stakeholder CTF account offered by us (see Condition 15 below – '*Transfer to The Children's Mutual Non-Stakeholder CTF account*'), or transfer it to another authorised CTF account manager or Junior ISA manager (see Condition 16 below – '*Transfer to another CTF account manager or Junior ISA manager*').

4. Starting an account

- 4.1 The person who will be the Registered Contact (see Condition 5 '*The Registered Contact*'), or any other person with parental responsibility for the child, can apply to start an account. The application can be made via our website, by telephone, or by completing an application form. The person applying must agree to the requirements of HMRC.
- 4.2 An agreement to start an account (including an account transferred from another CTF account manager), or to become the Registered Contact of an existing account (including one allocated by HMRC) under these Terms and Conditions, will be an 'Initial Service Agreement' for the purposes of the European Distance Marketing Directive 2002. This means that the Registered Contact authorises us to carry out regular and/or repeated actions (for example collecting, receiving and investing payments into the account) and there is no right to cancel any such action individually.
- 4.3 For information about when the account starts see the Key Features.

5. The Registered Contact

- 5.1 Only one person may be the Registered Contact at any time.
- 5.2 Until the child's 16th birthday, the Registered Contact must be a person who has parental responsibility for the child; this will normally be a parent or guardian of the child.
- 5.3 At any time before the child's 16th birthday any other person with parental responsibility for the child can replace the Registered Contact. Both persons must complete the form and declaration we provide (except, for example, if the previous Registered Contact has died).
- 5.4 From their 16th birthday, only the child can be the Registered Contact, but they must apply to us to take on this position. If they don't apply, we will continue to invest payments in accordance with the most recent instructions we had from the previous Registered Contact.

6. Ownership

- 6.1 The child is the beneficial owner of the account and the underlying investments, and may not transfer that ownership to anyone else.
- 6.2 All SICAV fund shares and other investments we hold for the account are registered in our name as CTF Account Manager, and we hold evidence of title. Beneficial ownership of the investments may only be transferred to us.
- 6.3 The child's interest in any SICAV fund shares or other investments held for the account may only be disposed of through us.
- 6.4 Neither the account, nor any investment held for it, may be used as security for a loan.
- 6.5 We cannot lend, or borrow against the security of, any investments we hold for the account.

7. Payments exceeding the voluntary contribution limit

- 7.1 If any payment we receive, or are due to request by Direct Debit, would, when added to the amounts already paid in during the contribution year, be more than the contribution limit allowed by the Regulations at that time, we will:
 - if the payment is due to be collected by Direct Debit, reduce the amount we request so that the contribution limit will not be exceeded. Then for the rest of the contribution year we will not collect any more money for the account under any Direct Debit instruction;
 - if the payment is made by Standing Order, Debit Card or Direct Credit, keep as much of it as we can without the account exceeding the contribution limit, and return the balance to the payer's bank or building society;
 - if the payment is made by cheque, return the cheque (uncashed) to the payer or, if we cannot identify the payer, to the issuing bank where possible.

8. Lifestyling

- 8.1 Lifestyling means switching the investments we hold for the account from higher risk to lower risk assets over a period of time. We do this in order to limit the chance of the account losing value if share prices fall as the child's 18th birthday approaches. However, lifestyling cannot ensure that the child gets back as much as has been paid into the account.

- 8.2 Unless the Registered Contact has told us otherwise, we will start lifestyling on the next valuation point on or after the child's 15th birthday. On that date, we will cash-in SICAV fund shares worth between 14%-15% of the then total value of the account and use the cash-in value to purchase lower risk assets. It is likely that such assets will be mainly Government bonds cash deposits, or a collective investment fund holding such assets.
- 8.3 On the equivalent date in each year after that, unless the Registered Contact has told us otherwise, we will increase the proportion of the account invested in the lower risk assets described in Condition 8.2 above. To do this we will cash-in and reinvest further SICAV fund shares in order to leave between 28%-30% of the account's total value invested in lower risk assets after the child's 16th birthday, and between 42%-45% after their 17th birthday. If, in any year, immediately before we are due to apply lifestyling, the proportion of the account already invested in lower risk assets is equal to or greater than the relevant figures stated above, then we will not proceed with that year's lifestyling.
- 8.4 During the lifestyling period, unless either of Conditions 8.5 or 8.6 below applies, we will invest all new payments into the account partly in SICAV fund shares, and partly in lower risk assets, in the same proportion as the existing investments held for the account at the start of the relevant contribution year. For example, if at the start of a contribution year, and after lifestyling, 85% of the account is invested in SICAV fund shares and 15% in lower risk assets, then we will invest 85% of all new payments received during that contribution year in SICAV fund shares, and 15% in lower risk assets.
- 8.5 At any time after the child's 15th birthday, the Registered Contact can tell us to increase the proportion of the account invested in lower risk assets. To do this, on the next valuation date after receiving this instruction we will cash-in and reinvest however many SICAV fund shares are required to achieve the required new proportion in lower risk assets. We will then continue to invest new payments into the account during the remainder of that contribution year into SICAV fund shares and lower risk assets in the proportions that apply after we have taken this action, unless the Registered Contact instructs us to continue investing in the same proportions as applied at the start of that contribution year.
- 8.6 If, at any time after the child's 15th birthday any lifestyling described in Condition 8.2 or 8.3 above has not happened, the Registered Contact can tell us to start or restart lifestyling. On the next valuation point after we receive their instruction we will cash-in and reinvest however many SICAV fund shares are required to leave the proportion of the account invested in lower risk assets the same as would have been the case if lifestyling had happened on each of the child's preceding birthdays starting on their 15th. We will then continue to invest new payments into the account during the remainder of that contribution year into SICAV fund shares and lower risk assets in the proportions that apply after we have taken this action, unless the Registered Contact instructs us to invest in the same proportions as applied at the start of that contribution year.
- 9. Tax matters**
- 9.1 We will make all necessary claims for repayment of income and capital gains taxes arising on income or gains generated by the SICAV fund shares and any other investments held for the account.
- 9.2 Please see Condition 13 '*Void CTF accounts*' for the tax implications if the account should be made void.
- 10. Fund management charges and expenses**
- 10.1 Fund management charges and expenses, and the circumstances in which they are, or may be, applied by the Investment Manager, are set out in the KIID. To the extent that some or all of these charges are relevant to the Shariah Baby Bond, they are included in our own charges (as shown in the Key Features) and not charged separately to the Shariah Baby Bond.
- 11. Prospectus, reports, meetings and voting rights**
- 11.1 The Registered Contact may ask to receive a copy of the relevant prospectus issued by the Investment Manager. We will not charge for providing this.
- 11.2 The Registered Contact may ask to receive copies of any relevant reports and accounts issued by the Investment Manager. We may make a reasonable charge for providing these. However, such reports and accounts may be available free of charge on request direct to the Investment Manager.
- 11.3 The Registered Contact may ask us to arrange for them to attend any meeting of shareholders in the SICAV fund, but they will not be able to exercise any voting rights. We may make a reasonable charge for making such arrangements.
- 11.4 We will not exercise any voting rights on behalf of the Registered Contact.
- 12. Liability**
- 12.1 We are liable for any act of negligence, or omission, on our part, whether or not it gives rise to a breach of the FCA rules, or the Regulations, or these Terms and Conditions.
- 12.2 We are not liable for any loss the child may suffer due to
- (1) a fall in the value of any SICAV fund shares or other investments held for the account, or
 - (2) a delay in clearing any payment made into the account.
- 12.3 We do not accept any responsibility for the account (or for a CTF account transferred from another CTF account manager) until we have received all relevant cleared funds. Regardless of how money is paid to us, if we do not receive cleared funds within 7 business days of accepting instructions from a payer, we will be entitled to cancel any transaction for the purchase of investments for the account.
- 12.4 The Registered Contact agrees to indemnify us against any liability we may incur in connection with the account arising from any action they have taken or failed to take.
- 13. Void CTF accounts**
- 13.1 If we are told to void the account by HMRC, we will notify the Registered Contact of this as soon as possible. We will cash-in the SICAV fund shares at the price on the first valuation point after we receive the instructions from HMRC. If voiding happens while lifestyling is in progress, we will also cash-in any other investments held for the account at the same time.

We will pay the resulting amounts, less any amount we may reasonably deduct to cover the cost of voiding the account (including any tax liability), to the person or persons who had made the payments to the account. If we cannot establish the identity of any payer, the money we will pay the money to the child, care of the Registered Contact. We will repay the Government contribution(s) to HMRC.

- 13.2 If the CTF account is made void, any income or growth it has already earned will be subject to income tax and/or capital gains tax. Any such tax due will be payable by the person(s) who made the payment(s) into the account. If we cannot establish the identity of any payer, any tax due will be payable by the child (to the extent that any relevant personal allowance(s) are exceeded) and the Registered Contact must account for it to HMRC on the child's behalf.

14. Transfer from another CTF account manager

- 14.1 At any time we will accept a transfer from another authorised CTF account manager of an amount equal to the value of a CTF account held with that CTF account manager.
- 14.2 We will only accept transfers from another CTF account manager in the form of a cheque, electronic money transfer or equivalent.
- 14.3 The Registered Contact must complete the transfer application form we provide. We will wait 14 days from receipt of this form before applying to the existing CTF account manager to transfer the value of the CTF account. The Registered Contact will have the right to change their mind during this period.
- 14.4 We do not make a charge for accepting a transfer from another CTF account manager.

15. Transfer to The Children's Mutual Non-Stakeholder CTF account

- 15.1 At any time the Registered Contact can ask us to transfer the Stakeholder CTF account to a Non-Stakeholder CTF account, if we are then offering one.
- 15.2 We will cash-in the SICAV fund shares on the next valuation point after we receive the instruction to transfer. If the transfer happens while lifestyling is in progress, we will also cash-in any other investments held for the account at the same time.
- 15.3 We will immediately use the cash-in value of the SICAV fund shares, and any other investments, to purchase shares in such other collective investment fund or funds, and/or other relevant investments (if the transfer happens while lifestyling is in progress), as the Registered Contact instructs.
- 15.4 We do not make a separate charge for transfer to a Non-Stakeholder CTF account, but as the transfer value will be treated as a new investment our standard charges for Non-Stakeholder CTF accounts will apply.

16. Transfer to another CTF account manager or Junior ISA manager

- 16.1 At any time the Registered Contact can ask us to transfer to another authorised CTF account manager or Junior ISA manager an amount equal to the then total value of the account. In the first instance, the Registered Contact must contact the new account manager, which will provide them with an appropriate form for completion.
- 16.2 We will only make transfers to another CTF account manager or Junior ISA manager in the form of a cheque, electronic money transfer or equivalent.

- 16.3 To make the transfer we will cash-in all SICAV fund shares at the price on the first valuation point after either (1) we receive the instruction to transfer or (2) all payments into the account (other than Government contributions) have been cleared, whichever is the later, or, if the Registered Contact asks to transfer at a later date, the last valuation point before that date. If the transfer happens while lifestyling is in progress, we will also cash-in any other investments held for the account at the same time. We will pay the total resulting amount to the new CTF account manager or Junior ISA manager.
- 16.4 We do not make a charge for making a transfer to another CTF account manager or Junior ISA manager.

17. Withdrawals

- 17.1 Except as explained in Conditions 17.4 and 17.6 below, nobody may make any withdrawals from the account before the child has reached age 18. On their 18th birthday, the child may apply to withdraw the total value of their account. They will have no UK tax to pay on the amount withdrawn. They may reinvest any amount not withdrawn in any suitable product (other than a CTF account) which we then offer, but future income and growth may not be tax-free.
- 17.2 On withdrawal we will cash-in all investments held for the account at that time, and pay the resulting amount to the child. If the investments include any SICAV fund shares, we will cash them in at the price on the next valuation point on or after the child's 18th birthday. We will make payment by cheque drawn in the child's favour, or by direct credit to a UK bank account in their name. We may request evidence of their identity as required by international anti-money laundering regulations.
- 17.3 We will close the account on the child's 18th birthday. If all the money is not then withdrawn, and we have received no instruction for its reinvestment, we will place the cash-in value of the account in a client money account in our name with an appropriate institution authorised under the Financial Services & Markets Act, 2000.
- 17.4 If the child becomes terminally ill at any time before their 18th birthday, HMRC may allow withdrawals to be made from the account by a person with parental responsibility for the child (or by the child if aged 16 or over). The Registered Contact must apply for permission to make withdrawals directly to HMRC. For this purpose, 'terminally ill' means that the child suffers from a progressive disease with an expectation of survival of no longer than six months.
- 17.5 If we receive permission from HMRC, we will allow the withdrawal of any amount(s), requested on behalf of the child (or by the child if aged 16 or over). For each withdrawal we will cash-in however many SICAV fund shares as are needed, at the price on the first valuation point after either (1) we receive the instruction to withdraw or (2) all payments into the account (other than Government contributions) have been cleared, whichever is the later, or, if we are asked to make the withdrawal on a later date, the last valuation point before that date, to produce the requested withdrawal amount. If the withdrawal happens while lifestyling is in progress, we will, if necessary, also cash-in other investments

held for the account at the same time, so as to produce the requested withdrawal amount. We will maintain the account in force until the child's 18th birthday, regardless of how much it is worth after the withdrawal(s) have been made. New payments may continue to be made into the account, subject to the limits shown in the Key Features.

17.6 We will make withdrawals from the account in respect of our charges. These are explained in the Key Features.

18. Death of the child

18.1 If the child dies before they reach age 18, the account will end and we will close it as explained in Condition 18.3. The value of the account on closure will pass to the child's estate and form part of that estate for inheritance tax (IHT) purposes.

18.2 Before we can pay out the value of the account to the child's personal representative(s), they will have to provide (at their own expense) documentary evidence of the child's death and of their entitlement to claim payment. An original Registrar's copy Death Certificate will normally be sufficient evidence of death. If the child was old enough to make a will and had done so, when a copy of the will (or Grant of Probate) will also normally be required as evidence of entitlement to claim. We will return all original documents provided to the person(s) claiming, after making copies of these which we will keep.

18.3 We will close the account by cashing-in all SICAV fund shares held for account at the price on the first valuation point after we receive evidence of the child's death. If death happens while lifestyling is in progress, we will also cash-in any other investments held for the account at the same time. We will pay the resulting amount into an interest bearing account with an appropriate institution authorised under the Financial Services & Markets Act 2000. We will pay the amount due to the child's personal representative(s) when we have received the documentary evidence referred to in Condition 18.2 above.

18.4 All growth in the value of the investments held for the account up to and including the date of the child's death will be free from tax. Any income or growth arising after the date of death, but before we can pay out the value of the account to the child's personal representative(s), will be subject to tax. We will deduct such tax from the amount we pay them and account for it to HMRC.

19. Schemes of arrangement

19.1 If the SICAV fund is subject to a scheme of arrangement (for example, it is transferred to or merged with another SICAV fund), the holding will continue into the new SICAV fund unless we do

not offer that new SICAV fund for Stakeholder CTF accounts. If this happens the Registered Contact will have to switch the holding to another collective investment scheme that we do offer for Stakeholder CTF accounts, or transfer the value of the account to another authorised CTF account manager or Junior ISA manager.

20. Data Protection

20.1 The Data Protection Act 1998 regulates the way we can use data we have collected from anyone, and requires us to obtain their consent before we can use their personal data. The Registered Contact gives this consent in respect of both themselves and the child by making the declaration in the application. Consent covers all organisations trading under The Children's Mutual name, their agents and administrators, and also (for marketing purposes only) selected third parties.

20.2 We use personal data solely for the purposes of

- (1) setting up and administering any investments with any organisation trading as The Children's Mutual, and
- (2) for business analysis purposes, and
- (3) for the prevention of fraud, and
- (4) to send details of other goods and services we can offer or promote (unless you have indicated that you do not wish to receive such material).

21. Rights of third parties

21.1 Neither the Registered Contact, nor any person making payments into the account for, or on behalf of, the child, will obtain any rights under the Contracts (Rights of Third Parties) Act, 1999 to the account or to any of the investments we hold for it.

22. Changing these Conditions

22.1 Subject to the FCA rules and the Regulations, and to giving the Registered Contact written notice at least 30 days beforehand, we have the right to change, or add to, these Terms and Conditions at any time.

22.2 The purpose of any change will be to

- (a) make the Terms and Conditions fairer, or easier to understand, or
- (b) correct any mistake or omission, or
- (c) give effect to any change to the FCA rules and/or the Regulations, or
- (d) reflect new practices or developments, or
- (e) reflect operational changes, or
- (f) protect the interests of the child, or
- (g) enable us to take remedial action in the event that the SICAV fund (or any other asset in which, as the result of lifestyling, the account is invested) becomes unavailable or, in our opinion, unsuitable, for investment by Stakeholder CTF accounts.

Foresters 
Financial

The Children's Mutual

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