

## Your relationship with The Children's Mutual

By applying for a Growing Up Bond you are also entering into the following agreements with The Children's Mutual. For the purposes of contract law, these agreements are between you 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 the this document. If, once you have read these carefully, anything is not clear, please call us on the number on the back of this brochure. 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. 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.

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

### 2. Initial service agreement

This agreement covers how we invest money we receive for payment into your Growing Up Bond, once it is open. You authorise us:

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

**The Children's Mutual**, PO Box 1137, CHELTENHAM GL50 9QS  
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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 Growing Up 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 funds available for investment, see the Key Investor Information Documents available through our website.*

*If this product is to be included within a Children's Portfolio, we do not use the name Growing Up Bond, but call it an Open Ended Investment Company Account. However, it is exactly the same product and works as described in these Key Features. For simplicity, we only use the name Growing Up Bond in these Key Features.*

## **Key Features**

### **of The Children's Mutual Growing Up Bond**

### **(Open Ended Investment Company Account)**

#### **Its aims**

- To provide a way for an adult, especially a parent or grandparent, to invest towards the future financial needs of one or more children.
- To take advantage of the potential of company shares to provide growth over the medium to long term, by investing in shares in one or more Open Ended Investment Company (OEIC) fund.

#### **Your commitment**

- To invest at least a minimum amount, either as a lump sum or as regular monthly or yearly payments. See 'How much can I pay into a Growing Up Bond?' in the 'Questions and answers' section.
- Once the plan is open you don't have to make any further payments into it, but the recommended minimum investment period is five years. There is no upper limit on the amount that can be invested, and both lump sum and regular amounts can be paid into the same plan.

#### **Risks**

- The value of a Growing Up Bond is not guaranteed, and will move up and down over time. These movements could be quite sharp, depending on your choice of OEIC fund(s). All movements are outside our control. You can address the risk of the plan losing value due to the prices of shares falling by selecting the Lifestyling option (see 'What do you do with the money?' in the 'Questions and answers' section below, and Condition 11 of the Terms and Conditions). Please note that lifestyling cannot provide full protection of your investment.
- Each of the OEIC funds you can invest in through a Growing Up Bond presents its own particular risks, depending on the fund manager's objectives and investment strategy. For useful information about the OEIC funds, see the two-page (KIIDs), which are available through our website [www.thechildrensmutual.co.uk/keydocs](http://www.thechildrensmutual.co.uk/keydocs). Please note, each KIID is produced and updated at least once a year by the OEIC fund manager, and the information it contains relates solely to the OEIC and sub-fund, and is not specific to Growing Up Bond. In particular, shares to be held in a Growing Up Bond may only be bought by us on your or the trustees' behalf (and not directly from the OEIC manager), and it is not possible to switch the investment into a different sub-fund.
- When you cash-in the plan you (or the child or children you're investing for if you place the plan in trust) could get back less than has been paid in.
- The tax rules that apply to OEICs could change (for example, if there's a change of government).
- Our charges for Growing Up Bond could increase.

## Questions and answers

### What is a Growing Up Bond?

- It's a plan that invests in shares in one or more Open Ended Investment Company (OEIC) funds. An OEIC is a type of collective fund that offers a simple way to invest in a range of company shares or other types of investment. As the aim of the plan is to achieve growth, all investment is in accumulation shares. This means that any income earned by the shares is automatically reinvested in those shares, so increasing their value and that of the plan.
- Growing Up Bond is especially designed to produce a lump sum for the future benefit of one or more children. However, you can use it for any reason you wish, although if you place it in trust you will not normally have access to the money yourself.
- Unless your plan is included in a Children's Portfolio, you can set a target amount and a target date – which must be at least five years from the start of your plan – when you want the money to be available. If you do this we will send you a progress check once a year to show you how the plan is performing towards your target. If the plan is included in a Children's Portfolio, targeting applies at the portfolio level, and progress checks will cover all plans (of whatever type) within that portfolio. Please note, these progress checks will not be sent to you if you have agreed that someone else is to receive all correspondence about the Children's Portfolio.

### Who can pay into a Growing Up Bond?

- Anyone aged 18 or over can open and pay into a Growing Up Bond in their own name. In these Key Features we call this person the plan-owner. Nobody else may pay into that plan.

### How much can I pay into a Growing Up Bond?

- The minimum amounts are:

	Into the plan	Into each individual fund
Lump sums	£250	£250
Regular monthly payments	£50	£25
Regular yearly payments	£250	£250

- There are no maximum amounts.

### How can I pay money into a Growing Up Bond?

- We accept payments by:
  - Direct Debit
  - Direct Credit
  - Cheque (made payable to 'The Children's Mutual for the account of [your name]').
- Please ensure that you always read the latest KIID(s) before starting or increasing a Direct Debit, or making any lump sum payments (see [www.thechildrensmutual.co.uk/keydocs](http://www.thechildrensmutual.co.uk/keydocs)).

### What is the total price of the plan?

- This depends on how much you pay in and, if you make regular payments, how long you pay these for. As an example, if you paid in £100 a month for 8 years, the total price would be £9,600 (£100 x 12 x 8). If you have a personal illustration, it will show you the total price for the plan you have chosen.

### What do you do with the money?

- We take an initial charge from each payment into Growing Up Bond, and use the remainder to purchase shares in the OEIC fund(s) you have chosen. The OEIC funds we offer for Growing Up Bond invest in different shares (or other assets), to meet different objectives. For information about each OEIC fund, and its aims, see the relevant KIID for that fund (available through our website [www.thechildrensmutual.co.uk/keydocs](http://www.thechildrensmutual.co.uk/keydocs)).

- All OEIC shares are held in our name (Forester Fund Management Limited, trading as The Children's Mutual) as nominee.
- We normally buy and sell shares directly with the OEIC fund manager at the price it is quoting on the day the transaction is carried out. Depending on the time of day we receive a payment, it is invested either on that day or the next working day. We don't buy or sell shares separately for individual customers, but combine orders together. This is our Order Execution Policy. In extreme circumstances, a very large purchase could increase the price of shares, or a very large sale could reduce the price. These changes are outside our control. For more information about how shares are bought and sold see the Terms and Conditions.
- If you have chosen the lifestyling option, starting five years before your chosen target date (and provided you haven't told us otherwise) we will gradually move money into lower risk investments such as government bonds and cash, or a fund holding those types of investments. The proportion of your plan held in lower risk investments will be 20% after the first year's lifestyling, 40% after the second, 60% after the third, 80% after the fourth and 100% (the full plan value) after the fifth. We'll also gradually invest more of any new payments into the plan during the lifestyling period in this way.
- If we can't invest any money paid in by the next working day after we receive it, we'll pay it into an interest bearing client money bank account in our name. We'll then invest the money as soon as possible after that. We don't add any interest to your plan while the money's waiting to be invested.

### What might I get back?

- This will depend on the performance of the OEIC fund or funds the Growing Up Bond invests in, and the effect of charges.
- The tables starting on page 6 give examples of what you might get back from investment in the funds shown.
- If anyone has given you advice about investing in Growing Up Bond, they (or the organisation they work for) should have provided you with a personalised illustration, showing what you might get back.

### How do the charges work?

- The amount we charge for Growing Bond depends on the fund(s) you choose to invest in.
- The OEIC fund managers' charges for each fund are shown in the relevant KIID, and represent the maximum charges that we could pay to the OEIC fund manager. To the extent that some or all of these charges are relevant to investing in the OEIC sub-fund through Growing Up Bond, they are included in our own charges, and not charged separately to the Growing Up Bond.
- We keep the full amount of the initial charge from each payment into Growing Up Bond, and use the remainder to buy shares in your chosen fund(s), as described under 'What do you do with the money?' From that initial charge we use 3.0% to cover the commission we pay to your financial adviser. For more information about commission, see 'Has anyone given me advice, and if they have what will it cost?' below, and also your personal illustration.
- For each fund your Growing Up Bond is invested in we also receive back from the fund manager part of the Annual Management Charge (AMC) on your total investment in that fund.
- We use the charges we keep and receive to meet our costs and expenses, which include:
  - paying advisers' or introducers' commission (where appropriate), as described above and in your personal illustration

- setting up and maintaining records
- issuing plans, statements, progress checks and other documents
- providing protection for our customers and their interests, through our membership of the Financial Ombudsman Service and the Financial Services Compensation Scheme
- collecting and investing customers' payments.
- The Annual Management Charge (AMC) for each fund (and any other expenses) is allowed for in the pricing of the shares. This means the price of shares is slightly lower than it would be if there were no charges, or if charges were applied separately.
- The tables starting on page 6, show how the charges could affect a Growing Up Bond.
- If you have a personalised illustration, it will also show the effect of charges.
- Each OEIC fund manager has the right to alter the charges that apply to its fund(s) at any time, subject to giving at least 90 days notice. If we are told about such a change that affects your Growing Up Bond, we will tell you as soon as we reasonably can after receiving notice from the fund manager.

### What about tax?

- Income Tax. OEIC funds receive two types of payments, interest and dividends (see below). Where your investment is based on 'accumulation shares', both are reinvested automatically by the OEIC fund manager, to increase the value of the shares. Where your investment is based on 'income shares', we will reinvest the net income for you, which will increase the number of shares allocated to your Growing Up Bond.

#### (1) Interest

Interest payments are made after income tax has been deducted. If you are a non-taxpayer you may be able to reclaim all, or part, of the tax deducted from HM Revenue & Customs. If you pay tax at the basic rate you will have nothing further to pay. If you are a higher-rate taxpayer you will have a further 20% tax to pay on the full amount of the interest. From 6 April 2010, if your income is more than £150,000 a year you may also have additional tax to pay.

#### (2) Dividends

Dividend distributions are made with a tax credit. If you are a non-taxpayer you cannot reclaim this credit. If you pay tax at the basic rate you will have nothing further to pay. If you are a higher-rate taxpayer you will have a further 22.5% tax to pay on the full value of the dividend. Since 6 April 2010, if your income is more than £150,000 a year you may also have additional tax to pay.

- Capital Gains Tax. OEIC funds are exempt from Capital Gains Tax. However, when you cash-in all or part of your Growing Up Bond, you may have to pay Capital Gains Tax if any gain you have made, when added to any other gains you make in the same tax year, exceed your Capital Gains allowance.
- The tax treatment of OEICs may change in future.

### Has anyone given me advice, and if they have what will it cost?

- The organisation that introduced you to The Children's Mutual may or may not have given you advice. If it has, it should have given you a personalised illustration, and full details of the cost of the advice and how it will be paid for. If you don't have a personalised illustration it's unlikely you have been given any advice.

- If you have received advice and agreed to pay for it by a fee, that fee will be on top of our charges. However, you may be able to agree with the adviser that all or part of the commission they will receive from us is paid back into your Growing Up Bond. If so, this should be shown in your personalised illustration.
- If we pay commission to your adviser, full details will be included in the information we send you after we accept your Growing Up Bond application.
- With effect from 31 December 2012, we will pay no further commission to an organisation that gave you advice if any of the following occurs:
  - the amount of a regular Direct debit payment increases
  - a new Direct Debit is set up
  - a one-off lump sum payment is made
  - you switch servicing of the account to a different adviser (in this case we will also pay no commission to the new servicing adviser)
- All payments and benefits shown here are included in the charges described under 'How do the charges work?'

### 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 in which to change your mind. If you do, you must notify us in writing at the address shown under 'How to contact us'. If the value of the Growing Up Bond has fallen during this period, you could get back less than you've paid in.
- If we haven't heard from you within 14 days, your Growing Up Bond will stay open.

### Can I change the OEIC fund(s) I invest in later?

- Yes, you can change OEIC fund(s) at any time.
- The fund(s) can be changed as follows:
  - for money already invested only, or
  - for money already invested and for future payments, or
  - for future payments only.
- Where money already invested is switched into a different OEIC fund, we'll apply our usual initial charge for that fund to the amount switched.
- If you've placed your plan in trust, only the trustees will be able to tell us to change funds.

### Can I stop making regular payments at any time?

- Yes. However, if you stop making regular payments and the value of shares in each OEIC fund you are invested in is less than £250 we may cancel your Growing Up Bond, cash-in your remaining OEIC shares and pay you their value. Otherwise, your Growing Up Bond remains invested for as long as you wish.
- You can start making regular payments again at any time.

### Will you tell me how my Growing Up Bond is doing?

- Yes. We'll send you two statements each year, showing what your Growing Up Bond is worth, and details of all transactions during the previous six months.
- If you have set a target date and amount, and your plan is not included in a Children's Portfolio, we'll also send you a yearly progress check, as described above under 'What is a Growing Up Bond?'

## How do I withdraw my money?

- You can cash-in all or some of your OEIC shares and withdraw the money at any time, without charge.
- Just send us your written instructions telling us how many shares you wish to cash-in, or how much money you wish to withdraw, and from which fund(s).
- The minimum amount you may withdraw from your Growing Up Bond at any time is £250.
- The minimum amount that must remain invested after the withdrawal has been made is £250. If the value of the remaining shares is less than this we may cancel your Growing Up Bond, cash-in all your remaining shares and pay you their value.
- When you withdraw your money, we will either pay it directly into a UK bank account in your name, or send you a cheque.
- If you've placed your plan in trust, only the trustees will be able to cash-in shares and withdraw money.
- We do not make a charge for withdrawals.

## Other information

### Complaints and compensation

- If you're not happy about something we've done, 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 contact:  
The Financial Ombudsman Service  
Exchange Tower  
London  
E14 9SR  
Tel: 0300 123 9123  
Email: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)  
Website: [www.financial-ombudsman.org.uk](http://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 you 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.
- If you're unhappy with the advice or service you've received from the organisation that introduced you to us, you should contact them. If you're not satisfied with their response, you can complain to the Ombudsman at the address above.

## Law and language

- Growing Up 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.

## 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.
- Full details of our conflicts of interest policy are available on request.

## How to contact us

- If you have a financial adviser, he or she will normally be your first point of contact. If you don't have an adviser, and need help to choose a plan that could meet your needs, we can give you details of how to find financial advice. Advisers may charge you for giving advice.
- If you simply have a question, or need more information, about Growing Up Bond, 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 and security purposes.  
Alternatively, you can email:  
[mail@thechildrensmutual.co.uk](mailto:mail@thechildrensmutual.co.uk)  
or write to:  
FREEPOST RSLG-JXCL-ZSXB  
The Children's Mutual  
PO Box 1137  
Cheltenham  
GL50 9QS  
Please note we can only provide you with information; we can't tell you which (if any) of our plans, or the funds they can invest in, is right for you.

The table below shows what you might get back from investment in the OEIC funds we offer for Growing Up Bond if the money were to grow at the rates set by the Financial Services Authority, which, at the time of preparing these Key Features, are 1.5% a year (the 'lower' rate), 4.5% a year (the 'middle' rate), and 7.5% a year (the 'higher' rate). These rates are not guaranteed, although at the time of preparing these Key Features we believed they could be achievable over 10 years.

As the Insight Investment UK Government All Maturities Bond Fund (UK GAMB) does not invest in shares, we have used rates of 1% less than for the other funds.

The figures are only examples. They take our charges into account, but are not guaranteed – they are not minimum or maximum amounts. You could get back more or less than this. Remember that inflation would reduce what could be bought in the future with the amounts shown.

What you might get back after 10 years – all funds						
Type of payment	Initial investment of £5,000			Regular payments of £100 a month		
What you might get back after 10 years if investments grew at	Lower rate	Middle rate	Higher rate	Lower rate	Middle rate	Higher rate
<b>Henderson Global Investors</b>						
Cautious Managed Fund	£4,840	£6,480	£8,600	£11,600	£13,400	£15,700
European Selected Opportunities Fund	£4,640	£6,210	£8,240	£11,200	£13,000	£15,200
US Growth Fund	£4,640	£6,210	£8,240	£11,200	£13,000	£15,200
Global Care Growth Fund	£4,700	£6,290	£8,350	£11,300	£13,200	£15,300
<b>Insight Investment</b>						
UK Government All Maturities Bond Fund	£5,010	£6,700	£8,890	£11,700	£13,600	£15,900
<b>INVESCO PERPETUAL</b>						
Income Fund	£4,660	£6,230	£8,270	£11,200	£13,100	£15,200
Managed Growth Fund	£4,550	£6,090	£8,090	£11,100	£12,900	£15,000
UK Smaller Companies Equity Fund	£4,650	£6,220	£8,260	£11,200	£13,100	£15,200

The tables below show, for each fund, how the charges would affect a Growing Up Bond invested in that fund over 10 years, based on the middle assumed growth rate (4.5% a year for all funds except the UK GAMB, for which the assumed growth rate is 3.5% a year). For details of the charges applicable to each fund, see the relevant KIID. The purpose of these tables is to show the effect of charges

and expenses on the investment, rather than to give an indication of what you might get back. However, the figures in the column headed 'What the value might be' in each table show what a Growing Up Bond could be worth if cashed-in at the end of the year shown. These figures are not guaranteed – the value of the Growing Up Bond in the example could be more or less than this.

Effect of Deduction for Charges Henderson Global Investors Cautious Managed Fund						
At end of year	Initial investment of £5,000			Regular payments of £100 a month		
	Investment to date	Effect of deductions to date	What the value might be	Investment to date	Effect of deductions to date	What the value might be
1	£5,000	£255	£4,960	£1,200	£52	£1,170
3	£5,000	£434	£5,270	£3,600	£218	£3,630
5	£5,000	£638	£5,590	£6,000	£476	£6,240
7	£5,000	£871	£5,930	£8,400	£840	£9,010
10	£5,000	£1,280	£6,480	£12,000	£1,610	£13,400
	The last line of the table above shows that over 10 years the effect of the total charges and expenses could amount to £1,280. Putting it another way, this would have the effect of bringing investment growth from 4.5% a year down to 2.6% a year.			The last line of the table above shows that over 10 years the effect of the total charges and expenses could amount to £1,610. Putting it another way, this would have the effect of bringing investment growth from 4.5% a year down to 2.2% a year.		

Effect of Deduction for Charges Henderson Global Investors European Selected Opportunities Fund						
At end of year	Initial investment of £5,000			Regular payments of £100 a month		
	Investment to date	Effect of deductions to date	What the value might be	Investment to date	Effect of deductions to date	What the value might be
1	£5,000	£345	£4,870	£1,200	£72	£1,150
3	£5,000	£556	£5,140	£3,600	£289	£3,560
5	£5,000	£796	£5,430	£6,000	£615	£6,100
7	£5,000	£1,060	£5,730	£8,400	£1,060	£8,790
10	£5,000	£1,540	£6,210	£12,000	£2,000	£13,000
	The last line of the table above shows that over 10 years the effect of the total charges and expenses could amount to £1,540. Putting it another way, this would have the effect of bringing investment growth from 4.5% a year down to 2.2% a year.			The last line of the table above shows that over 10 years the effect of the total charges and expenses could amount to £2,000. Putting it another way, this would have the effect of bringing investment growth from 4.5% a year down to 1.6% a year.		

**Effect of Deduction for Charges  
Henderson Global Investors US Growth Fund**

At end of year	Initial investment of £5,000			Regular payments of £100 a month		
	Investment to date	Effect of deductions to date	What the value might be	Investment to date	Effect of deductions to date	What the value might be
1	£5,000	£345	£4,870	£1,200	£72	£1,150
3	£5,000	£557	£5,140	£3,600	£290	£3,560
5	£5,000	£799	£5,430	£6,000	£617	£6,100
7	£5,000	£1,070	£5,730	£8,400	£1,060	£8,780
10	£5,000	£1,550	£6,210	£12,000	£2,010	£13,000
	The last line of the table above shows that over 10 years the effect of the total charges and expenses could amount to £1,550. Putting it another way, this would have the effect of bringing investment growth from 4.5% a year down to 2.2% a year.			The last line of the table above shows that over 10 years the effect of the total charges and expenses could amount to £2,010. Putting it another way, this would have the effect of bringing investment growth from 4.5% a year down to 1.6% a year.		

**Effect of Deduction for Charges  
Henderson Global Investors Global Care Growth Fund**

At end of year	Initial investment of £5,000			Regular payments of £100 a month		
	Investment to date	Effect of deductions to date	What the value might be	Investment to date	Effect of deductions to date	What the value might be
1	£5,000	£315	£4,900	£1,200	£65	£1,160
3	£5,000	£516	£5,180	£3,600	£266	£3,580
5	£5,000	£746	£5,480	£6,000	£570	£6,150
7	£5,000	£1,000	£5,790	£8,400	£992	£8,860
10	£5,000	£1,460	£6,300	£12,000	£1,880	£13,200
	The last line of the table above shows that over 10 years the effect of the total charges and expenses could amount to £1,460. Putting it another way, this would have the effect of bringing investment growth from 4.5% a year down to 2.3% a year.			The last line of the table above shows that over 10 years the effect of the total charges and expenses could amount to £1,880. Putting it another way, this would have the effect of bringing investment growth from 4.5% a year down to 1.9% a year.		

**Effect of Deduction for Charges  
Insight Investment UK Government All Maturities Bond Fund**

At end of year	Initial investment of £5,000			Regular payments of £100 a month		
	Investment to date	Effect of deductions to date	What the value might be	Investment to date	Effect of deductions to date	What the value might be
1	£5,000	£259	£4,910	£1,200	£55	£1,160
3	£5,000	£388	£5,150	£3,600	£211	£3,580
5	£5,000	£531	£5,400	£6,000	£433	£6,120
7	£5,000	£691	£5,670	£8,400	£727	£8,780
10	£5,000	£963	£6,080	£12,000	£1,320	£13,000
	The last line of the table above shows that over 10 years the effect of the total charges and expenses could amount to £963. Putting it another way, this would have the effect of bringing investment growth from 3.5% a year down to 2.0% a year.			The last line of the table above shows that over 10 years the effect of the total charges and expenses could amount to £1,320. Putting it another way, this would have the effect of bringing investment growth from 3.5% a year down to 1.6% a year.		

**Effect of Deduction for Charges  
INVESCO PERPETUAL Income Fund**

At end of year	Initial investment of £5,000			Regular payments of £100 a month		
	Investment to date	Effect of deductions to date	What the value might be	Investment to date	Effect of deductions to date	What the value might be
1	£5,000	£343	£4,880	£1,200	£72	£1,150
3	£5,000	£551	£5,150	£3,600	£287	£3,560
5	£5,000	£788	£5,440	£6,000	£610	£6,110
7	£5,000	£1,050	£5,740	£8,400	£1,050	£8,800
10	£5,000	£1,520	£6,230	£12,000	£1,980	£13,100
	The last line of the table above shows that over 10 years the effect of the total charges and expenses could amount to £1,520. Putting it another way, this would have the effect of bringing investment growth from 4.5% a year down to 2.2% a year.			The last line of the table above shows that over 10 years the effect of the total charges and expenses could amount to £1,980. Putting it another way, this would have the effect of bringing investment growth from 4.5% a year down to 1.7% a year.		

**Effect of Deduction for Charges  
INVESCO PERPETUAL Managed Growth Fund**

At end of year	Initial investment of £5,000			Regular payments of £100 a month		
	Investment to date	Effect of deductions to date	What the value might be	Investment to date	Effect of deductions to date	What the value might be
1	£5,000	£354	£4,870	£1,200	£73	£1,150
3	£5,000	£585	£5,120	£3,600	£300	£3,550
5	£5,000	£848	£5,380	£6,000	£645	£6,070
7	£5,000	£1,140	£5,650	£8,400	£1,120	£8,730
10	£5,000	£1,660	£6,100	£12,000	£2,130	£12,900
	The last line of the table above shows that over 10 years the effect of the total charges and expenses could amount to £1,660. Putting it another way, this would have the effect of bringing investment growth from 4.5% a year down to 2.0% a year.			The last line of the table above shows that over 10 years the effect of the total charges and expenses could amount to £2,130. Putting it another way, this would have the effect of bringing investment growth from 4.5% a year down to 1.4% a year.		

**Effect of Deduction for Charges  
INVESCO PERPETUAL UK Smaller Companies Equity Fund**

At end of year	Initial investment of £5,000			Regular payments of £100 a month		
	Investment to date	Effect of deductions to date	What the value might be	Investment to date	Effect of deductions to date	What the value might be
1	£5,000	£344	£4,880	£1,200	£72	£1,150
3	£5,000	£553	£5,150	£3,600	£288	£3,560
5	£5,000	£791	£5,430	£6,000	£612	£6,110
7	£5,000	£1,060	£5,740	£8,400	£1,050	£8,790
10	£5,000	£1,530	£6,220	£12,000	£1,990	£13,100
	The last line of the table above shows that over 10 years the effect of the total charges and expenses could amount to £1,530. Putting it another way, this would have the effect of bringing investment growth from 4.5% a year down to 2.2% a year.			The last line of the table above shows that over 10 years the effect of the total charges and expenses could amount to £1,990. Putting it another way, this would have the effect of bringing investment growth from 4.5% a year down to 1.7% a year.		

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**Foresters**   
Financial

**The Children's Mutual**

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This document contains the Terms and Conditions of our Growing Up Bond. If this product is included within a Children's Portfolio, we do not use the name Growing Up Bond, but call it an Open Ended Investment Company Account. The document should be read in conjunction with the relevant brochure, Key Features and Key Investor Information Document. Please read it carefully, and keep it in a safe place.

# Terms and Conditions of The Children's Mutual Growing Up Bond (Open Ended Investment Company Account)

## Definitions

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

**The account** The Growing Up Bond, or (if included within a Children's Portfolio) Open Ended Investment Company Account. The account offers a method of accessing the investment potential of one or more OEIC funds through The Children's Mutual.

**Account Manager** Forester Fund Management Limited, trading as The Children's Mutual. It is a wholly owned subsidiary of Forester Life UK Limited, is authorised and regulated by the Financial Conduct Authority and a member of the Financial Ombudsman Service.

Our address for all instructions is:

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

**The Children's Mutual** For the purposes of the account, a trading name of Forester Fund Management Limited.

**FCA rules** The rules published from time to time by the Financial Conduct Authority (FCA).

**KIID** Key Investor Information Document.

This is a two-page document, produced and updated at least once a year by the OEIC Manager for each OEIC fund, containing important information about the OEIC fund, including its investment objectives and policy, risk and reward profile, charges and past performance. Before making a lump sum payment, starting a Direct Debit, or increasing the amount of a Direct Debit regular payment, you should read the latest version of the KIID for each OEIC fund in which money is being invested (available on our website [www.thechildrensmutual.co.uk/keydocs](http://www.thechildrensmutual.co.uk/keydocs)).

**OEIC** An OEIC is an open ended investment company with variable capital (ICVC). It is made up of a number of different sub-funds, with each having its own investment objective. Details of the OEICs and their sub-funds that we offer for investment through the account are shown in the KIIDs.

**OEIC fund** A sub-fund of an OEIC.

**OEIC Manager** The Authorised Corporate Director (ACD) of an OEIC. Details of the OEIC Managers are shown in the KIIDs.

The ACD's responsibilities include the day-to-day operation of the OEIC, such as managing its investments, buying and selling shares and pricing the shares.

**Valuation Point** The time on a business day when the OEIC Manager calculates the price of shares. This is usually the same time on 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), your instruction, and all required paperwork or equivalent, 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.

**We, us** Forester Fund Management Limited, trading as The Children's Mutual, and acting as Account Manager.

**You** The person investing in the OEIC fund(s) through the account (the account owner), including, if the account is placed in trust, the trustee(s).

## 1. General

- 1.1 We agree to act as the Account Manager and will manage your account in accordance with your instructions and these Terms and Conditions. We do not provide any advice as to the suitability or appropriateness of the account for your needs and circumstances.
- 1.2 Regulations require that we take appropriate steps to verify the identity of customers to prevent money laundering and to reduce the possibility of fraud. We may conduct searches of databases and other credit data in order to do this.
- 1.3 An agreement to set up an account under these Terms and Conditions will be an 'Initial Service Agreement' for the purposes of the European Distance Marketing Directive 2002. This means that, from outset, the Account Manager is authorised to carry out regular and/or repeated actions (for example collecting, receiving and investing payments into the account) in accordance with your instructions. Under such an agreement no cancellation rights attach to any payment you make, other than the first.

## **2. Starting an account**

- 2.0 Conditions 2.1 to 2.6 inclusive below ceased to apply with effect from 24 June 2010. As of that date we did not accept any new application for a Growing Up Bond account.
- 2.1 Anyone aged 18 or over may apply for an account.
- 2.2 You must provide us with the following:
- (1) a completed application form;
  - (2) for a lump sum investment, a cheque for the relevant amount, in pounds sterling;
  - (3) to start regular payments, a completed Direct Debit Instruction for payments to be withdrawn from a United Kingdom bank or building society branch account;
  - (4) any relevant documentation we may ask for to verify your identity.
- 2.3 We do not accept applications by telephone or electronic means (internet).
- 2.4 When we have received all of the items listed in Condition 2.2 above, we will open the account, invest the initial payment and provide a contract note as described in the Key Features.
- 2.5 If payment of your initial investment (whether lump sum or first regular payment) is not honoured by your bank or building society, the share purchase transaction will be reversed and we will sell any OEIC fund shares already purchased. We may ask you to reimburse us for any loss that we may incur as a result of such action.
- 2.6 Any money we hold on your behalf awaiting investment will be paid into an interest bearing client money account in our name with an approved bank or authorised deposit-taking institution in accordance with the relevant FCA rules. We will not pay you interest on any money held in such account.

## **3. Ownership**

- 3.1 Legal ownership of the account, and beneficial ownership of the rights to the OEIC fund shares and any other assets we purchase or hold for it, belong to you.
- 3.2 You may not transfer beneficial ownership of the assets to anyone else, other than us, nor dispose of your beneficial ownership through anyone other than us.
- 3.3 You may 'designate' your beneficial interest in the account to someone else by completing the relevant section of the application form, or by giving us written instructions if you wish to make a designation after the account has started. You will still retain legal ownership of the account.
- 3.4 As an alternative to designation, you may place the account in trust for the benefit of someone else. Legal ownership of the account will pass to the trustee(s). We recommend that you speak with a financial or legal adviser about the types of trust that are available.
- 3.5 Legal ownership of the OEIC fund shares and any other assets purchased or held for the account belongs to us as nominee. We hold all share certificates and other title documents.
- 3.6 We hold all OEIC fund shares and other assets in a pooled account. We identify individual investor rights and interests only within our safe custody records.

- 3.7 We may not lend any OEIC fund shares or other assets we hold for the account to anyone else, or borrow against the security of any such shares or assets or their title documents.

## **4. Subsequent payments into the account**

- 4.1 Once the account is open, we will invest any and each subsequent payment you make as shown in the Key Features.
- 4.2 Instructions to make subsequent lump sum payments must be made in writing; we do not accept instructions by telephone or electronic means (internet).
- 4.3 We will provide a contract note in respect of each subsequent lump sum investment as shown in the Key Features. We will not provide contract notes in respect of subsequent regular payments.
- 4.4 If payment of any investment amount (whether lump sum or regular payment) is not honoured by your bank or building society, the relevant share purchase transaction will be reversed and we will sell any OEIC fund shares already purchased in respect of that payment. We may ask you to reimburse us for any loss that we may incur as a result of such action.
- 4.5 Any money we hold on your behalf awaiting investment will be paid into an interest bearing client money account in our name with an approved bank or authorised deposit-taking institution in accordance with the relevant FCA rules. We will not pay you interest on any money held in such account.

## **5. Targeting and Lifestyling**

- 5.1 Although the account is an open-ended plan, you can set a Target Date when you expect to need to withdraw, or start to withdraw, money. The Target Date must be at least five years after the start date of your account. If you set a Target Date you can also choose to apply lifestyling to the account.
- 5.2 Lifestyling means gradually switching the assets we hold for the account from OEIC fund shares to lower risk assets over a period of time. The aim of lifestyling is to limit the effect on the value of the account of any fall in the price of OEIC fund shares as the Target Date approaches.
- 5.3 If you choose the lifestyling option, unless you tell us otherwise we will start the lifestyling process on the valuation point closest to five years before your selected Target Date.
- 5.4 On the valuation point described in Condition 5.3 above we will cash-in however many OEIC fund shares are worth 20% of the then value of the account, and use the cash-in value to purchase lower risk assets such as government stocks, fixed interest instruments and cash, or shares in a collective investment fund holding only such assets. We will only purchase assets that we believe to be appropriate for the purposes for which we offered the account.
- 5.5 On the equivalent valuation point in each year after that, unless you tell us otherwise, we will increase the proportion of the account invested in the lower risk assets described in Condition 5.4 above. To do this we will cash-in and reinvest however many OEIC fund shares are required to leave 40% of the account's total value invested in lower risk assets after the 2nd lifestyling process, 60% after the 3rd such process, 80% after the 4th, and 100% after the 5th. This means the account will be wholly invested in lower risk assets for the final year until the Target Date.

- 5.6 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 figure in Condition 5.4 or Condition 5.5 above, then we will not proceed with that year's lifestyling.
- 5.7 During the lifestyling period, we will invest all new payments into the account partly in OEIC fund shares and partly in lower risk assets, in the same proportions as applied to the total assets held for the account immediately before we last applied lifestyling.
- 6. Withdrawals**
- 6.1 You can make withdrawals from the account at any time. You can ask to withdraw either a specified amount of money, or the value of a specified number of OEIC fund shares.
- 6.2 The minimum amount you may withdraw at any time is £250.
- 6.3 To effect the withdrawal we will cash-in the necessary number of OEIC fund shares at the price on the first valuation point after we receive your instructions. If the withdrawal happens during the lifestyling period we will also cash-in such other assets held for the account as necessary to meet your instruction. We will send you a cheque for the amount withdrawn within five working days of completing these actions. Alternatively, we can, if you ask us, pay directly to your bank or building society account but we may charge a reasonable fee for paying this way; we will deduct any such fee from the amount we credit to your bank or building society account. We can only make payments direct to a bank or building society account if we have been receiving regular payments from that account by Direct Debit, or if the original investment was made by a cheque drawn on that account, or, if the account is held in trust, the bank or building society account is a trustee account.
- 6.4 The minimum amount that must remain invested in the account after the withdrawal is £250. If the value of the remaining assets is less than this may cancel your account, cash-in all your remaining OEIC fund shares (if any), and realise any other assets held for your account, and pay you their value.
- 6.5 We will provide a contract note for each encashment of OEIC fund shares.
- 7. Switching OEIC funds**
- 7.1 You may switch all or part of your account between OEIC funds at any time.
- 7.2 You may only switch just part of the amount invested in any one OEIC fund if the value of shares remaining in that fund after the switch is £250 or more.
- 7.3 To make the switch we will cash-in however many OEIC fund shares are required at the price on the first valuation point after we receive your instructions. We will use the cash-in value to purchase shares in whichever other OEIC fund(s) you instruct, at the price(s) on the valuation point two working days later. The usual OEIC fund initial charges will apply to the new share purchases.
- 7.4 We do not currently charge for switches, but this could change in future. If we should need to introduce a charge we will let you know about this at least 30 days before we do so.
- 7.5 After the switch we will continue to invest any new payments into the account between OEIC funds in the same proportions as before the switch, unless you tell us to invest such payments in different proportions.
- 7.6 You may tell us at any time (even if you have not switched OEIC funds) to change the proportion of new payments into the account invested in different OEIC funds.
- 8. Closing the account**
- 8.1 You may close your account at any time by withdrawing all your money. You must send us written instructions to do this.
- 8.2 We will cash-in your OEIC fund shares at the price on the first valuation point after we receive your instructions. If the account is closed during the lifestyling period we will also realise all other assets we hold for it. We will send you a cheque for the realised value of the account within five working days of completing these actions. Alternatively, we can, if you ask us, pay directly to your bank or building society account but we may charge a reasonable fee for paying this way; we will deduct any such fee from the amount we credit to your bank or building society account. We can only make payments direct to a bank or building society account if we have been receiving regular payments from that account by Direct Debit, or if the original investment was made by a cheque drawn on that account, or, if the account is held in trust, the bank or building society account is a trustee account.
- 8.3 We will provide a contract note for the encashment of OEIC fund shares. We will also provide a statement showing the value of the account on closure.
- 9. Death**
- 9.1 If you should die, legal ownership of the account, and beneficial ownership of the rights to the OEIC fund shares and any other assets we hold for it, will pass to your estate. If the account is held in trust, both legal and beneficial ownership will already be vested in the trustee(s), and this will not change.
- 9.2 Before we can pay out the value of the account to the person(s) claiming title, they will have to provide (at their own expense) documentary evidence of your death and of their entitlement to claim payment. Such evidence will include the original Registrar's copy Death Certificate, and, except where the account is held in trust, a certified copy Grant of Probate (if you leave a Will) or certified copy Letters of Administration (if there is no Will).
- 9.3 On receipt of the documentation described in Condition 9.2 above, we will cash-in the OEIC fund shares at the price on the next valuation point. If you should die during the lifestyling period we will also realise all other assets held for the account. We will send the claimant(s) a cheque for the realised value of the account within five working days.
- 9.4 We will provide a contract note for the encashment of OEIC fund shares. We will also provide a statement showing the value of the account on closure.
- 10. Prospectus, reports, meetings and voting rights**
- 10.1 You may ask us to provide you with a copy of the relevant Prospectus issued by the OEIC Manager any OEIC fund in which the account is invested. We will not charge for providing this.

- 10.2 You may ask us to arrange for you to receive copies of any yearly or periodic reports and accounts issued by the OEIC Manager in respect of an OEIC fund. We may make a reasonable charge for this service. However, such reports and accounts may be available free of charge on request direct to the OEIC Manager.
- 10.3 You may ask us to arrange for you to attend any meeting of shareholders in an OEIC fund, but you will not be able to exercise any voting rights. We may make a reasonable charge for providing this service.
- 10.4 We will not exercise any voting rights on your behalf.

### 11. Liability

- 11.1 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 these Terms and Conditions.
- 11.2 We are not liable for:
- (1) any costs, claims, demands, losses or expenses caused by or arising from any decrease in the value of your account or any assets we hold for it, or
  - (2) a delay in clearing any payment made into the account.

### 12. Fund management charges and expenses

- 12.1 Fund management charges and expenses, and the circumstances in which they are, or may be, applied by the OEIC Manager, are set out in the KIIDs. To the extent that some or all of these charges are relevant to the account, they are included in our own charges (as shown in the Key Features) and not charged separately to the account.

### 13. Tax vouchers

- 13.1 At, or shortly after, the end of April each year, we will provide you with a consolidated tax voucher for the financial year ended on the preceding 5th April.

### 14. Schemes of arrangement

- 14.1 If an OEIC fund is subject to a scheme of arrangement (for example, it is transferred to or merged with another OEIC fund), the holding will continue into the new OEIC fund unless we do not offer such OEIC fund for investment through the account. If this happens you will have to switch the holding to another OEIC fund or other collective investment scheme that we offer for the account, or close the account.

### 15. Data Protection

- 15.1 The Data Protection Act 1998 regulates the way we can use data we have collected from you, and requires us to obtain your consent before we can use your personal data. You give this consent by making the declaration in the application form. Consent covers all organisations trading under The Children's Mutual name, their agents and administrators, and also (for marketing purposes only) selected third parties.
- 15.2 We will use your personal data solely for the purposes of
- (1) setting up and administering your 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).

### 16. Rights of third parties

- 16.1 Nobody will obtain any rights under the Contracts (Rights of Third Parties) Act, 1999 to your account or to any of the assets we hold for it.

### 17. Changing these Conditions

- 17.1 Subject to the FCA rules and to giving you written notice at least 30 days beforehand, we have the right to change, or add to, these Terms and Conditions at any time.
- 17.2 The purpose of any change will be to
- (1) make the Terms and Conditions fairer, or easier to understand, or
  - (2) correct any mistake or omission, or
  - (3) give effect to any change to the FCA rules, or
  - (4) reflect new practices or developments, or
  - (5) reflect operational changes, or
  - (6) protect your interests, or those of our other customers.