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Child Trust Fund

UK Equity Child Trust Fund Key Features

Key Features of the UK Equity Child Trust Fund (CTF) account

This document contains important information which should help you decide whether the UK Equity CTF account is right for the child. Please read it carefully, along with the Key Investor Information document and the Terms and Conditions, so that you understand what you are investing in.

Its aims

- To provide a child with a tax-efficient lump sum at the start of their adult life which they can use to invest in their future
- To achieve growth by closely following the companies listed on the UK FTSE All Share Index

Your commitment

- To open a UK Equity CTF account you must transfer a CTF account to us
- The Registered Contact agrees to be responsible for the child's account until the child is aged 18, unless the child chooses to become the Registered Contact from aged 16

- Anyone can make payments into the account up to the annual limit, but you don't have to make any additional payments if you don't want to
- As the money in the account will be invested in stocks and shares, you should expect the money to remain invested for at least 5 years or until the account matures at age 18
- All payments into a CTF account are considered a gift to the child and cannot be returned
- The money in the account can only be taken out by the child and only once they reach 18

Risks

- Because the money in the account is invested in stocks and shares, its value can go down as well as up
- There is a chance that the child may get back less than has been invested
- Over time, the cost of living will generally rise, reducing the real value of any investment growth. This means that the child may not be able to buy as much in the future with the proceeds of the investment as they could do today
- If the value of the account falls shortly before the child wants or needs to withdraw the money, it could mean that they do not have enough money to meet their needs
- The tax advantages of CTF accounts depend on the child's individual circumstances and their tax treatment may change in the future. If this happens, the potential growth of the account may be reduced

For more information on risk, please see the fund's Key Investor Information document.

Your questions answered

What type of CTF account is this?

- There are three types of CTF account: non-stakeholder cash accounts, non-stakeholder accounts that invest in shares, and stakeholder accounts
- A child can only hold one CTF account at any one time
- This is a Stakeholder CTF account

What is a Stakeholder CTF account?

A Stakeholder CTF account is a type of CTF account that has to meet certain standards which have been laid down by the Government. These rules relate to:

- **How we manage the investment**

We have to make sure that the fund includes a range of different investments which are suitable for a CTF account. There must be some investment in shares

- **What we can charge for providing the account**

We cannot charge more than 1.5% of the value of the account each year

- **How money can be paid in**

Stakeholder accounts have to accept contributions by Direct Debit, bank transfer, standing order and cheque

- **The minimum payment**

Stakeholder accounts have to accept payments from as little as £10

Just because a CTF account meets the stakeholder standards, does not mean it is suitable for everyone or that returns are guaranteed.

Who can transfer a CTF account?

- The existing Registered Contact
- The UK Equity CTF account is not available to children that are US persons (this includes US citizens or those resident in the US for tax purposes)
- We can only accept instructions about the account from the Registered Contact
- To transfer a CTF account to us from another provider, you will need to be the Registered Contact on that account

For more information about eligibility and the Registered Contact, see the 'Eligibility' and the 'The Registered Contact' sections in the Terms and Conditions.

Who is the UK Equity CTF account designed for?

- This account is designed to provide good potential for growth by investing in stocks and shares
- As with all stock market based investments, it is possible to get back less than has been paid in
- You should only consider this account if you are happy to take some risk in order to increase the potential return, and you expect the money to remain invested for at least 5 years or until the account matures at age 18

Please note that we do not provide advice, on this product. If you have any doubts about the suitability of this product, you should seek independent financial advice.

Who can add to the account and how much can be invested?

- Anyone can make payments into the account of at least £10
- There is a maximum amount that can be paid into the account each CTF account year
- This amount is set by the Government
- The amount that can be paid into the account will normally increase on 6th April each year. Current limits are available by contacting us
- Payments can be made by Direct Debit, debit card online, direct credit (bank transfer), standing order and cheque

What is a CTF account year?

The CTF account year runs from the child's last birthday to the day before their next birthday.

For more information on paying into the account, including further information on the annual limit, please see the 'Paying in to the account' and the 'Payment limits' sections in the Terms and Conditions.

Where is the account invested?

The UK Equity CTF account is invested into a unit trust called the L&G (N) Tracker Trust.

For more information about where the fund is invested, please see the fund's Key Investor Information document.

What is a unit trust?

A unit trust is a way of investing, indirectly, in investments like stocks and shares. If you invest in a unit trust, your money will be pooled together with money from other investors and used to buy different investments (assets).

Professionals will then manage these assets on behalf of the investors. By doing this, an individual's money can be invested across a wide range of assets, helping to spread the risks associated with investing in stock-market linked investments. The management of a unit trust is overseen by independent appointed trustees.

What are the charges?

We deduct an Annual Management Charge of 1.5%.

Other costs may also be paid by the fund.

For more information about charges and expenses, please see the 'Charges and expenses' section in the Terms and Conditions.

How can I track how the child's account is performing?

- Register with our online account management service to view both the account's current value and the child's statements online
- Once the account has been opened, we will provide a statement to the child, shortly before their next birthday. Following this, statements will be provided shortly before the child's 11th, 16th and 18th birthdays. We will also provide a statement shortly before the child's other birthdays whenever there have been any payments into the account in that account year

Statements will be addressed ‘care of’ the Registered Contact, unless the child takes over as the Registered Contact.

- You can also phone us for a current valuation

What tax is payable?

- The proceeds from the account are free of Income Tax and Capital Gains Tax
- The fund is subject to tax

For more information about tax, please see the ‘Tax’ section in the Terms and Conditions.

Can this CTF account be transferred?

- Yes, the child’s account can be transferred in **full to another CTF account or Junior ISA** at any time until the child is aged 18
- We do not make a charge for transferring an account

For more information on transferring the child’s CTF account, please see the ‘Transfers’ section in the Terms and Conditions.






The Key Features, Terms and Conditions and the Key Investor Information document, for the fund, are available in large print, Braille or audio by phoning **0344 8 920 920***.

Contact us

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*We're open 9am to 7pm Monday to Friday and 9am to 1pm on Saturdays. We might record your call to help improve our training and for security purposes. We hope you don't mind. Calls are normally free from UK landlines and from mobile phones. For further information please contact your service provider.

OneFamily does not provide advice, on this product. If you have any doubts about the suitability of this product you should seek independent financial advice.

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