

## Important Information about the Children's Unit Trust.

This leaflet contains important information about changes that affect the funds in which you can invest if you apply for a Children's Unit Trust. It should be read with the Key Investor Information documents for the funds and the Children's Unit Trust Important Information booklet to help you decide whether this product is right for you. You should read all these documents carefully so you understand what you are buying and then keep them safe for future reference.

At Family Investments, we're committed to providing investments that create the best opportunities for sustainable growth. To help us achieve this aim, we regularly review our investment strategy to assess whether new approaches might provide a better potential outcome for all our customers. Following our most recent review, we're pleased to let you know about some changes that affect the Children's Unit Trust.

### Changing our Investment Adviser.

Our Investment Adviser is responsible for making the day-to-day decisions to buy, hold, or sell the fund's assets (eg the shares held by the fund), subject to our overall direction and in line with the fund's investment objective and policy. Following our investment strategy review, we've decided that from 1st May 2012, the Investment Adviser for all of our funds will change from Santander Asset Management UK Limited to State Street Global Advisers.

State Street Global Advisers are the asset management arm of State Street Corporation, one of the leading providers of financial services to institutional investors throughout the world.

We have chosen State Street Global Advisers because they are one of the world's largest and most well-respected passive fund managers, with many years experience of successfully managing index-tracking funds. They employ more than 460 investment professionals, are focused on serving institutional investors and manage assets worth over £1 trillion on behalf of their clients worldwide.

### A change that affects the Family Asset Trust.

The Family Asset Trust aims to achieve growth by investing in shares that make up the FTSE100 share index in order to closely follow its performance. We've reviewed the performance of this index compared with other similar indices, both over the last year and over the longer term, and we believe that we can improve the fund's performance by changing the index it follows from the FTSE100 to the FTSE350. This index includes the largest 350 companies in the UK valued using their share price.

To make this change, on 8th May 2012 we'll update the fund's investment objective and policy in its Prospectus. Once we've done this, we can start moving the fund's assets, so that eventually the assets held by the fund will reflect the new investment objective and policy. Any additional dealing costs paid by the fund as a result of moving the assets will not exceed the charges we have already disclosed to you. The whole process should be completed by the end of May 2012.

If you would like a copy of the current Prospectus, it can be found on the "Member Information" section of our website [www.family.co.uk](http://www.family.co.uk). Alternatively, please call us on the number below and we can send you a copy.

A copy of the fund's new Key Investor Information document will be available from 8th May 2012, either on our website or by calling us. Please note that if you requested your application pack (by post or online) on or after 8th May, this updated document will already have been provided to you.

### **A change that affects the Family Asset Trust and the Family Charities Ethical Trust.**

There are two types of units you can hold in a unit trust, income units and accumulation units. If you hold income units, the income received by the fund is paid out to you every time the fund "distributes". If you hold accumulation units, the income is not paid out following a distribution; instead, it is rolled up into the value of the units when it is received. All investments into the Family Asset Trust or the Family Charities Ethical Trust as part of a Children's Unit Trust buy accumulation units.

Currently, the Family Asset Trust distributes four times a year and the Family Charities Ethical Trust twice a year. As a mutual, we have to consider the interests of all of our members and are always looking for ways to reduce our administration costs. With this in mind, we've decided to reduce the number of times these funds distribute their income to once a year.

For the Family Asset Trust, this means that following the distribution on 29th February 2012, distributions will only happen on the last working day of February each year.

For the Family Charities Ethical Trust, this means that following the distribution on 31st May 2012, distributions will only happen on the last working day of May each year.

We do not expect this change to have any impact on the performance of the funds.

### **More information?**

Further information about the funds, including information on where they are currently invested, can be found in the funds' factsheets, which are available in the "Daily Prices" section of our website [www.family.co.uk](http://www.family.co.uk) or by contacting us.

If you have any other questions about the information in this leaflet, please call us on **0844 8 920 920\*** and we'll be happy to help.

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Family Investments does not provide advice, if you have any doubts regarding the continued suitability of your investment you should seek independent financial advice. Please remember that as the funds invest in stocks and shares, the value of your investment can go down as well as up, and it is possible to receive less back than invested.

\*Calls may be monitored or recorded for training purposes. Calls cost 12.5p plus 3p per minute from a BT landline (correct at 01/10/2011). The cost of non-BT landline calls may differ.

Family Investments is the trading name of Family Assurance Friendly Society Limited (Incorporated under the Friendly Societies Act 1992 Reg. No. 939F), Family PEP Managers Limited (Co. No. 2934967), Family Investment Management Limited (Co. No. 1915516) and Family Equity Plan Limited (Co. No. 2208249) which are authorised and regulated by the Financial Services Authority (25 The North Colonnade, Canary Wharf, London E14 5HS). Family Enterprise Limited (Co. No. 2489291) is not authorised or regulated by the Financial Services Authority. Registered in England and Wales at 16-17 West Street, Brighton, East Sussex BN1 2RL.

# Children's Unit Trust

Important information booklet

Including the Key Features &  
Terms and Conditions



Carefully read all the sections of this document.  
Then keep it safely so you can refer to it in the future.

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## Definitions

**CUT**

Children's Unit Trust

**FSA**

- Financial Services Authority
- Regulates financial services companies like Family Investments

**Fund or Funds**

Either or both of the unit trusts (Family Asset Trust and Family Charities Ethical Trust) in which investments can be made

**Fund Manager**

Family Investment Management Limited (trading as Family Investments)

**HMRC**

HM Revenue & Customs

**Money Advice Service**

Set up by the Government, this is a free, independent service that provides clear, unbiased money advice to help people make informed choices

**Rules**

The Financial Services Authority Rules (as amended from time to time)

**Trustee**

The person who opens the CUT and who is responsible for looking after the investments in the CUT on behalf of the child until they reach the age of 18

**Unit**

A unit in a unit trust

**Us/our/we**

Family Investment Management Limited (trading as Family Investments)

**Working day**

Any day of the week not including Saturdays, Sundays and English public (bank) holidays

**You/your**

The Trustee and registered unit holder

**Other technical terms are explained in their relevant sections**

## Key Features of the Children's Unit Trust

This section contains important information which should help you decide whether the Children's Unit Trust (CUT) is right for you. Please read it carefully, along with the Key Investor Information document, so that you understand what you are buying.

### Its aims

- To achieve long-term growth by investing in shares, on behalf of a child
- **To offer a choice of two funds:**

#### **Family Asset Trust**

This fund will closely follow the performance of the FTSE100 Total Return Index.

#### **Family Charities Ethical Trust**

This fund will closely follow the performance of the FTSE4Good UK 50 Total Return Index.

### Your commitment

- You can open a CUT on behalf of a child by committing to invest at least £30 a month by Direct Debit or with a lump sum of at least £250
- You may also make additional one-off payments of at least £50
- You don't have to maintain monthly payments or save for a set period of time, but, as the investment is linked to the stock market, you should be prepared to invest for at least five years


### Risks

- Because the money in the CUT 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 was 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 you decide to cancel and the value of the investment has fallen, the amount returned may be less than the amount invested
- If the value of the CUT 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
- Tax law may change. If this means that the funds will be taxed more, then this will affect the potential growth on the investment

## Your questions answered

### What is the CUT?

- The CUT enables an adult to invest in a unit trust on behalf of a child, using what is called a bare trust
- The units are registered in the name of the adult who sets up the CUT but the bare trust means the investment is beneficially owned by the child. Once the child reaches the age of 18, the investment will be re-registered in their own name, provided we hold the relevant documentation
- Once set up, anyone can pay into the CUT
- Any growth or income from the investment is generally regarded as the child's for tax purposes. However, this may not be the case where a parent has invested on behalf of the child

 For more information on tax, see page 11 in the Terms and Conditions section.

### Who is the CUT designed for?

- The CUT is designed for anyone who would like to invest in a unit trust on behalf of a child
- There is an ethical fund option for ethically-minded investors
- You should only consider a CUT if you are happy to take some risk in order to increase the potential return. It is possible for the child to get back less than you have paid in

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

### Where is my money invested?

Your money will buy units in your chosen 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.

You can choose from two funds:

#### **Family Asset Trust**

The Family Asset Trust invests in shares that closely follow the performance of the FTSE 100 Total Return Index.

#### **Family Charities Ethical Trust**


The Family Charities Ethical Trust invests in shares that closely follow the performance of the FTSE4Good UK 50 Total Return Index.

### What is a Total Return Index?

Shares listed on the various global stock markets can also be included in one or more "indices". There are literally hundreds of different indices across the globe. These indices can provide an indication of how different types of companies are performing.

The FTSE 100 is a very well known UK index. It lists the largest 100 companies in the UK valued using their share price. **The FTSE 100 Total Return Index** includes those same companies but, when valuing those companies, it also includes the value of the dividends paid from their shares. As such, it is considered a more accurate representation of the return an investor would have made had they actually invested in the shares on the Index.

**The FTSE4Good UK 50 Total Return Index** is similar in that it includes the largest 50 companies in the UK that meet the Index's ethical criteria, valued using their share price plus the value of the dividends paid from their shares.


 For more information on the ethical criteria of the FTSE4GoodUK 50 Index visit [www.ftse.co.uk/FTSE4good](http://www.ftse.co.uk/FTSE4good), or contact us.

### **How can I pay money in?**

Money can be paid in by cheque or by setting up a regular Direct Debit.

### **How can I track how the investment is performing?**

Every six months, we will send you a statement showing the number of units held and the value. An up to date valuation can also be obtained by contacting us.

 For more information on paying into and keeping track of the CUT, see pages 9 & 10 in the Terms and Conditions section.

### **What are the charges?**


We deduct an Annual Management Charge (AMC). This is 1% for the Family Asset Trust and 1.5% for the Family Charities Ethical Trust.

There is also an initial charge of 5% on all investments into the Family Asset Trust.

Other expenses and costs may also be paid by the funds.

### **What tax will I pay on my investment?**


- The funds are subject to tax
- Any growth or income from the investment is generally regarded as the child's for tax purposes. However, this may not be the case where a parent has invested on behalf of the child

 For more information about charges and tax, see pages 10 & 11 in the Terms and Conditions section.

### **How can I make a withdrawal?**

You can cash in some or all of the units at any time by writing to us.

The bare trust will still apply even after units have been cashed in. You, as the Trustee, will be responsible for making sure that the proceeds are invested or held for the benefit of the child.

 For more information on withdrawals, see page 11 in the Terms and Conditions section.

### **Can I change my mind?**

Yes, you have 14 days from the date the CUT opens to cancel.

You can cancel by completing and returning the cancellation notice included in your Welcome Pack.

When we receive your instruction to cancel, we will sell any units held. If the value of the investment has fallen, the amount you receive will be less than the amount that has been paid in.

The bare trust will still apply even after you have cancelled. You, as the Trustee, will be responsible for making sure that the money is invested or held for the benefit of the child.

## Terms and Conditions

This section sets out the detailed Terms and Conditions for investments in the Children's Unit Trust. Please make sure you read it carefully as it contains information you need to know.

### General information

#### Family Investments

Family Investments is a trading name used by all the companies within the Family Assurance Friendly Society Group, including Family Investment Management Limited.

The main business of Family Investment Management Limited is arranging investment business.

#### Fund Manager and Registrar

Family Investment Management Limited  
16-17 West Street, Brighton BN1 2RL

#### Investment Adviser

Santander Asset Management UK Limited, 2 Triton Square, Regent's Place, London NW1 3AN.

#### Trustees

State Street Trustees Limited  
20 Churchill Place, London E14 5HJ

#### Auditors

Mazars LLP, Tower Bridge House,  
St Katharine's Way, London E1W 1DD

#### Regulator

The Financial Services Authority (FSA)  
25 The North Colonnade, Canary Wharf,  
London E14 5HS (Tel: 0207 066 1000).

The Family Asset Trust and the Family Charities Ethical Trust are authorised by the Financial Services Authority. Family Investment Management Limited is authorised and regulated by the Financial Services Authority. Family Investment Management Limited is entered on the FSA Register under Registration Number 122394.

The FSA Register can be viewed at  
[www.fsa.gov.uk](http://www.fsa.gov.uk)

## Eligibility

To invest in one of our unit trusts on behalf of a child, you must be aged 18 or over.

Our investments are not open to US persons. This includes citizens or residents of the United States.

If you or the child become a US person after your investment has started, you must let us know immediately. This may result in the investment being closed, and the value of the units returned to you.

## The investment

Your money will buy units in your chosen unit trust. You can choose from the Family Asset Trust or the Family Charities Ethical Trust.

All payments buy accumulation units.

Units are priced at 10am each working day.

### What are accumulation units?


There are two types of unit you can hold in a unit trust: income units and accumulation units. If you hold income units, the income received by the fund is paid out to you every time the fund "distributes". If you hold accumulation units, the income is not paid out following a distribution; it remains invested in the fund.

## When do the funds distribute their income?

Distributions will be made on or shortly before the dates in the table below:

	Family Asset Trust	Family Charities Ethical Trust
Distribution 1	Last day of Feb	31st May
Distribution 2	31st May	30th Nov
Distribution 3	31st Aug	
Distribution 4	30th Nov	

This income remains invested and is not paid out to you.

-  For more information on the Family Asset Trust and the Family Charities Ethical Trust, including risk, please see their Key Investor Information documents.

## Accepting your application and opening the CUT

Before you can invest in one of our funds, you must complete an application.

Applications must be completed in writing. We will accept your application on the working day it is received unless:

1. Your application is incomplete, and/or it is necessary to clarify information on the application
2. We need to ask you for proof of identity

The CUT will be opened as soon as an application has been accepted. If we are unable to accept your application, we will write to you and let you know.

If, after the investment has started, we find that any of the details you supplied as part of the application were not correct, we may regard the application as invalid. This may result in the investment being closed, and the value of your units returned to you.

## Keeping track of your investment

### Statements and valuations

Every six months, we will send you a statement.

The statement will show the value of your investment based on the price of the units held as at 30th June and 31st December. You can also contact us directly for a current valuation.

A short report summarising the funds' activities and performance will also be sent to you every six months.

### Daily unit prices

The unit price can be found in the Daily Prices section of our website. The unit price, along with the estimated distribution yield, can also be found on the IMA and Financial Express website [www.fundlistings.com](http://www.fundlistings.com). The price published is the price on the previous working day.

### Other information available to you

You should have been provided with Key Investor Information documents for the funds which, along with these Terms and Conditions, should provide you with enough information so that you can make an informed investment decision. Please contact us before you apply if you have not received a copy of the Key Investor Information documents for the Family Asset Trust and Family Charities Ethical Trust.

We also produce detailed documents about the funds, such as the fund Prospectus, and the annual and half-yearly full Report and Accounts. These documents are designed for experienced investors and contain more technical information about the funds than in the Key Investor Information documents.

If you would like a free copy of these documents, please contact us. They can also be found on our website.

### Investor meetings

You can also attend investor meetings of the unit trust and vote at these meetings. If you would like to attend, please contact us.

## Charges

### Initial charge

There is an initial charge of 5% on all investments into the Family Asset Trust. This is included in the offer price.

There is no initial charge for investments in the Family Charities Ethical Trust.

#### What is an offer price?

The offer price is the price at which you buy your units.

### Annual management charge (AMC)

We apply an AMC of 1.0% of the value of the Family Asset Trust and 1.5% of the value of the Family Charities Ethical Trust. This is deducted directly from the fund.

We calculate the charge on the last working day of each month. The charge is then deducted on a daily basis from the fund's income.

### Other costs paid by the funds

Other annual expenses of approximately 0.1% of the value of the Family Asset Trust will be deducted from the fund's income or capital. This is an approximate figure and is subject to change. Full details of the other expenses are provided in the Full Prospectus.

The Family Charities Ethical Trust is priced using the "mid-market" values of its assets, but the actual costs of buying and selling those assets may be different than this "mid-market price". This is due to dealing costs, taxes and any spread between the buying and selling prices of the assets. These costs are therefore deducted directly from the fund when they are incurred, thereby diluting its value.

The Family Asset Trust has two unit prices, a buying (offer) price and a selling (bid) price; dealing costs and taxes are accounted for when the unit price is calculated, so investors buying and selling units will meet their share of any dealing costs incurred as a result of their transaction.

#### What is a mid-market price?

A price artificially calculated to value an asset using the mid point between its bid (selling) and its offer (buying) price.

Other costs may exist that are not paid through us or imposed by us.

## Paying money in

You can open a CUT by committing to invest at least £30 a month by Direct Debit or by investing a lump sum of at least £250. You do not, however, have to maintain monthly payments or save for a set period of time.

Anyone can add to the CUT once it is set up, by sending a cheque for at least £50, or by setting up a Direct Debit of at least £30 a month. If someone other than you wishes to add to the CUT, they must send us a completed third party payer form with their first payment or Direct Debit Instruction, along with two forms of identification.

Direct Debits will be collected on the 6th of each month or on the following working day where the 6th falls on a weekend or a bank holiday.

We do not accept cash or post-dated cheques.

Any payment made will buy units at the next pricing point after it is received.

Payments will be invested in a unit trust for which certificates of title are not issued.

## Withdrawals and closing the CUT

You (as the Trustee) may request any number of withdrawals or close the CUT at any time before the child's 18th birthday by writing to us.

If you ask to withdraw a cash amount, and this amount is 95% or more of the total value of the CUT at the time we process the withdrawal, we may have to sell all the units held and send you the total value.

We do this because we do not know the unit price in advance and if the price of the units falls (between processing your withdrawal and selling your units) the CUT's value may not be enough to meet the withdrawal request. Therefore, the amount you receive could be more or less than the amount you requested.

We will sell the units at the next pricing point after we have received your valid written instruction and send you a cheque:

- on or before the fourth working day after the units are sold;
- as soon as any relevant payments made into the CUT have cleared; or,
- as soon as we have received the necessary authorisation and/or any requested identification;

whichever is later.

Payments will clear and be available for withdrawal 10 working days after they have been accepted (eg proceeds from a payment accepted on a Monday will be available not on the following Monday, but the Monday after that).

Any withdrawal cheques sent to you will always be made out in your name and sent to your verified address.

The bare trust will still apply if you make a withdrawal or close the CUT. You will be responsible for ensuring that the proceeds of any units sold are invested or held for the benefit of the child.

Once the child reaches the age of 18, only they will be able to make withdrawals. We will only be able to process these once the units have been registered in their name.

We may decide to close the CUT if:

a) exceptional circumstances, such as fraud, occur; or,

b) there are commercial or practical reasons which mean we have to close the CUT.

If we decide to close the CUT for the reasons detailed in "b" above, we will give you at least 30 days' notice.

## Death

If you die, the CUT and the bare trust will continue with the child as the beneficial owner of the investment. Your legal representative will assume the role of Trustee or they may decide to appoint another suitable person as Trustee.

If the child dies, the value of the investment will form part of their estate.

We will sell the units held at the next pricing point after we receive all the documents we have requested.

The full value of the investment will still be subject to fluctuations in the unit price until we sell the units.

## Tax

Taxation can have an impact in two different ways: on the funds and on an individual taxpayer.

The following is based on our current understanding of UK tax law.

## Tax payable by the funds

The income of the funds is subject to corporation tax. Capital gains in the funds are, however, exempt from corporation tax.

There is a Stamp Duty Reserve Tax charge of up to 0.5% on the value of units redeemed. This tax is paid by the funds.

## Tax payable by you


As the CUT is an investment on behalf of a child, the tax position depends on who has made the investment.

## Income Tax

If you are the parent and you are liable to Income Tax at the basic rate, there will be no further Income Tax to pay. If you are a higher rate taxpayer, you will have to pay more tax when the fund distributes its income. However, if the income from the investments in the CUT is less than £100 per tax year (or £200 if both parents make separate gifts), then it is treated as your child's income for tax purposes. If the income is more than this, the total income is treated as that of the parent.

Please note, the £100 limit on income for parents includes step-parents and adoptive parents (giving a maximum £400 income limit where each "parent" makes a separate gift), but does not include foster parents.

If you are not the parent, then the income on any investment you make will be treated as that of the child.

 A child's income is subject to Income Tax in the same way as an adult. In most circumstances, the child will be a non taxpayer or subject to basic rate tax and there will be no further tax liability.

## Capital Gains Tax (CGT)

As a general rule, you pay Capital Gains Tax if you sell an investment for more than you paid for it. However, if your total gains each tax year come to less than a specified amount (known as 'the annual CGT exemption amount') you won't have to pay CGT.

The CGT rules apply to children too (they have their own CGT exemption amount) and this needs to be considered when any or all of the investment is sold.

## Other information about tax

- Income Tax and Capital Gains Tax liability depend on the personal situation of anyone paying into the CUT and/or the child
- There may be other taxes which are not paid through us or imposed by us
- Those who are unsure about their tax position, should talk to HMRC or seek professional advice

### Why set up a bare trust?

Investments in unit trusts cannot be registered in the name of a child under the age of 18, so a bare trust can be set up to be used as proof of gift to the child. Without this, any income or growth may be viewed by HM Revenue & Customs as belonging to the individual who invested on behalf of the child.


The bare trust also means that the money is considered "gifted" as soon as it is invested, so providing you live for seven years after making the gift, it will be free from inheritance tax.

## Complaints

If you need to make a complaint, please contact us and we will do what we can to resolve your complaint as quickly as possible.

When we first write to you, we will send you a summary of the procedures that we will follow when resolving your complaint. You can also find these procedures on our website, or you can write to us to request a copy at any time.


If you are not satisfied with our response to your complaint, you may be able to refer your complaint to the Financial Ombudsman Service (FOS). Making a complaint won't affect your legal rights.

 For more information about how to make a complaint about a financial product or service, including information on your legal rights, please see the Money Advice Service leaflet "Making a complaint", which is available on their website or by calling their consumer helpline. Contact details for the Money Advice Service and the FOS are on the back page of this document.

## Compensation

You may qualify for compensation from the Financial Services Compensation Scheme (FSCS) if we cannot meet our obligations due to financial difficulties. Circumstances vary, but most types of investment business are covered for 100% of the first £50,000 held.

Further information about compensation arrangements is available from the Financial Services Compensation Scheme (FSCS).

 Contact details for the FSCS are on the back page of this document.

## Data protection

### How do we obtain information about you?

As well as receiving information from you directly, we also receive information about you from third parties.

### How do we use your information?

We use your information to provide you with a high quality service. For example, we use your information to identify you, to maintain records of the Children's Unit Trust, and to answer your queries. We may also use your data to inform you about carefully selected services offered by us or any of the selected partners we work with.

### Security of your data

We will not ask for, nor keep, unnecessary information about you. The data we hold on you will be kept securely and will be up to date and accurate. To help us with this, you must inform us if you change your personal details.

We will keep records about you and the CUT securely after our business relationship with you has ended. This is so that we can deal with any queries from you or a third party.

### Who do we share your data with?

- People you have directly asked us to share your information with or people who we believe are acting with your consent.
- Third party credit reference agencies to help us complete anti-money laundering checks
- Companies which process data on our behalf
- Legal, tax or regulatory authorities at their request
- Subsidiaries or partners for marketing purposes.

## Your rights

You have the right to request a copy of the personal information that we hold on you and the reason we are holding it. To request this information you will need to write to us. We will provide you with this information within 40 days. This is normally provided as a photocopy or computer print out. We may charge you for this information. Currently, this can be no more than £10.


You can contact us in writing at any time to tell us to stop using your information for marketing purposes.

Contact us in writing if you believe that the way we use your information might cause you damage or distress. If so, we will stop using the information for this particular purpose.

Sometimes we use automated software to process information about you or to make decisions which affect our relationship with you. If you are not happy with this please contact us in writing. You have the right to be informed when this kind of automated decision takes place.

## Information we hold about the child

The information about data protection that we have provided in this section also applies to the child. If you are not the child's parent or legal guardian, you must inform them that you are setting up this plan with the details you have provided in your application and give them the opportunity to read the information provided in this section. They should be aware that their child's details will be held for the purposes of setting up and administering this plan. We will not send marketing information to the child using the information you have provided in your application.

 For further general information regarding data protection and your rights you should refer to the Information Commissioner's website [www.ico.gov.uk](http://www.ico.gov.uk) or call their helpline on 0303 123 1113.

## General terms

### Security

You must make sure that the personal details we hold about you are kept up to date, and that arrangements for receiving mail at your address are secure.

You must check any statement carefully and tell us promptly if you think it contains any errors. You must tell us promptly if you think we have made any other mistake in operating the CUT.

You must tell us immediately if you know, believe or suspect that the security information we have recorded for you has been compromised, or if you believe that a withdrawal has been made from the CUT that you did not authorise.

If you act fraudulently or without reasonable care, you may be responsible for any losses incurred as a direct result.

All instructions you send us in writing must be signed.

### Proof of identity

To comply with anti-money laundering legislation, we will need to verify your identity before you can open a CUT. So that we can do this, you must send us two forms of identification with your application.

We may also use a credit reference agency. By completing the application you are agreeing for these checks to take place.

We may also ask for identification to be provided at other times from you, anyone who pays into the CUT, or the child. If we do not receive adequate identification when asked we may not be able to accept payments, and we may withhold the proceeds of any redemption or transfer.

If you provide false or inaccurate information at any time and fraud is identified, details can be passed to fraud prevention agencies. We and other organisations may also access and use this information to prevent fraud and money laundering.

### **Pricing errors, dealing errors and compensation**

Compensation may be paid to the funds, the CUT or to individuals in response to an error we have made which has resulted in a financial loss, whether or not the affected person has complained.

Where there is an error which affects only one person, we will only pay compensation where the financial loss incurred by that person is calculated to be £1.00 or more at the time of the error.

Where a pricing or dealing error has occurred which affects the unit price by less than 0.1%, compensation would not normally be paid.

Where a pricing or dealing error occurs which affects the unit price between 0.1% and 0.5%, compensation may be considered.

Where a pricing or dealing error occurs which affects the unit price by more than 0.5%, compensation will be paid.

Where compensation is by means of a cash payment, no compensation would normally be paid unless the amount due is £10.00 or more.

Wherever possible we attempt to calculate any compensation payments consistently in line with guidance provided by the Financial Ombudsman Service.

### **Conflicts of interest**

We aim to run our business so that conflicts of interest do not arise; however, we have in place a Conflicts of Interest policy to help us identify and record any actual or potential conflicts that may arise between you, us, our employees, our associated companies and/or any companies to whom we delegate any of our functions.

A summary of this policy is detailed below:

- We will consider the interests of all our customers and treat them fairly
- We have in place procedures to ensure that employees identify and report any new conflicts
- We will keep a written record of any conflicts or potential conflicts
- If appropriate, we will disclose any relevant conflict to a customer before undertaking business with that customer
- We will carry out regular reviews to identify any new conflicts.


In the unlikely event that a conflict of interest occurs, we will manage it to ensure that all customers are treated consistently and fairly and to minimise any possible negative effect this could have on you or other customers.

Our full Conflicts of Interest policy is available on request.

### **Your FSA categorisation and what this means**

Our regulator, the Financial Services Authority (FSA) requires us to categorise all our customers. We have categorised you as a "retail client". This means you will get the highest level of protection available within the rules and guidance set out by the FSA.

Your right to refer complaints to the Financial Ombudsman Service (FOS) or to claim compensation from the Financial Services Compensation Scheme (FSCS) is not determined by our categorisation.

 For more information please contact either the FOS or the FSCS directly. Please see the back page for contact details.

## **Corporate governance**

Family Investments is the trading name of a group of companies which include the friendly society (a type of mutual insurer), Family Assurance Friendly Society Limited (Family Assurance).

We are committed to complying with the UK Corporate Governance Code as relevant to mutual insurers. The Code sets out good practice standards in terms of how a company is managed as well as the rights of its customers.

We believe it is important for our directors to listen to the views of our customers and understand how they affect the running of our business. We encourage you to talk to us and take an active interest in the governance of Family Assurance.

For more information, please go to the members information section of [www.family.co.uk](http://www.family.co.uk). You can also email us with feedback at [members@family.co.uk](mailto:members@family.co.uk), or write to us at the Member Relations Team, Family Investments, 16-17 West Street, Brighton, East Sussex, BN1 2RL. These contact details should not be used for enquiries about the CUT.

## **Client money**

Any uninvested cash held on your behalf (eg money awaiting investment or the proceeds of encashment) will be held in a specifically designated client money bank account separate from our money in accordance with the FSA's client money rules.

The purpose of this is to protect your money in the event of a failure of Family Investments, but this 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 (eg we send you a withdrawal cheque and it is not cashed), and there is also no "movement" on that amount for a period of at least six years, the money we are holding may no longer be protected under the client money rules. "Movement" does not include the payment or receipt of charges, interest or other similar items.

## **Liability**

If, having made reasonable attempts to do so, we cannot provide services because of something beyond our control (including strikes, industrial action, or the failure of equipment or power supplies), we will not be liable to you for any loss that you may suffer as a direct result.

We have no liability for any action we have taken, or not taken, in good faith unless there has been negligence by us. This does not restrict or exclude any liability that we may have by law or under the Rules and Regulations.

## Important information

These Terms and Conditions, together with the terms outlined in the Key Features and the Key Investor Information document, along with the application form, form the Agreement between you and us.

We will operate the CUT in accordance with the Agreement and the Rules. We will operate the bare trust in accordance with trust law. In the event that any of the terms or conditions outlined in the Agreement conflict with the Rules and/or trust law, the Rules and/or trust law will prevail.

The information in the Key Features, Key Investor Information document and Terms and Conditions is based on our understanding of current law (including tax law and trust law), the Rules and HMRC guidance. These could change in the future and could affect the benefits enjoyed by the CUT.

The law of England & Wales will apply to the CUT and this Agreement, which will be written in English. We will always write and speak to you in English and all financial transactions will be in Pounds Sterling.

## Changes to the funds or the Agreement

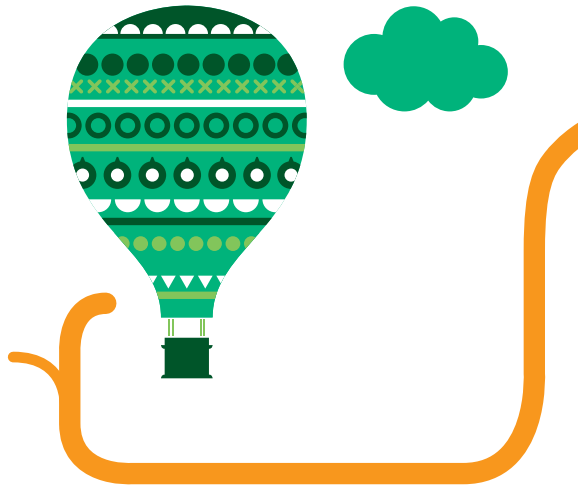
Any change to the funds will be made in accordance with the Rules.

If we make a change to the Agreement which is to your disadvantage, we will notify you personally at least 30 days before we make the change. You will then be able to cash in your investment without incurring any financial penalty relating to the change for up to 60 days from the date of the notice.

We may, however, have to make changes to the Agreement to reflect changes to the law, or the Rules, or HMRC guidance. These may be made without prior notice.

We may make any other type of change to the Agreement immediately. We will tell you about these changes within 30 days, if the change is important.





**This document, and the Key Investor Information documents for the funds, are available in large print, Braille or audiotape by phoning 0844 8 920 920. Lines open 9am-5.30pm weekdays and 9am to midday Saturday. Telephone calls may be monitored or recorded for training purposes. Calls cost 12.5p plus 3p per minute from a BT landline (correct at 01/10/2011). The cost of non-BT landline calls may differ.**

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## Contact us

# Phone 0844 8 920 920

9am to 5.30pm Monday to Friday

9am to midday Saturday

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The cost of non-BT landline calls may differ.

[www.family.co.uk](http://www.family.co.uk)

Family Investments  
16-17 West Street  
Brighton  
BN1 2RL

## Useful contacts

### The Financial Services Authority (FSA)

Telephone  
0845 606 1234

Website  
[www.fsa.gov.uk](http://www.fsa.gov.uk)

### The Financial Ombudsman Service (FOS)

South Quay Plaza,  
183 Marsh Wall,  
London E14 9SR

Telephone  
0800 023 4567

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)

### Money Advice Service

Telephone  
0300 500 5000

Website  
[www.moneyadvice.org.uk](http://www.moneyadvice.org.uk)

### Financial Services Compensation Scheme

7th Floor Lloyds Chambers,  
Portsoken Street,  
London E1 8BN

Telephone  
0800 678 1100

Website  
[www.fscs.org.uk](http://www.fscs.org.uk)

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

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All information in this document is correct as of Nov 11.