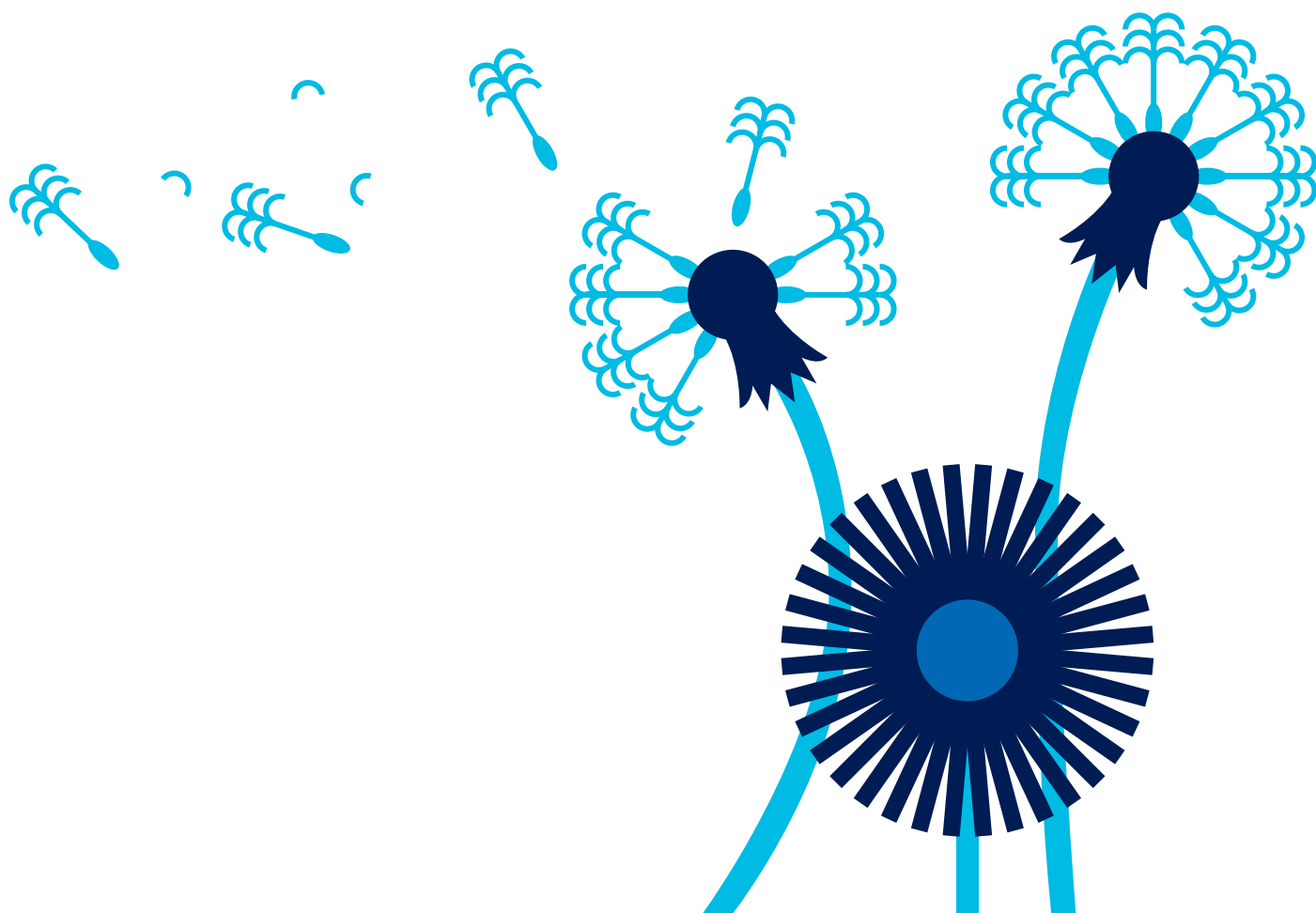


# Family Investments Child Trust Fund

Manager's Interim Report and Accounts.

For the period 1st April 2011  
to 30th September 2011.  
(Interim, Unaudited)



# Manager's Report

## Management and Professional Services

### **Manager and Registrar**

*Family Investment Management Limited*  
16 West Street  
Brighton BN1 2RE  
Tel: 01273 724570  
Fax: 01273 736958

*Registered in England No. 1915516*

The Manager is authorised and regulated by the Financial Services Authority.

The Manager is a member of the IMA (Investment Management Association).

*This report is issued and approved by the Manager.*

### **Investment Advisor**

Santander Asset Management UK Limited  
Abbey National House  
287 St Vincent Street  
Glasgow G2 5BR  
Authorised and regulated by the Financial Services Authority

### **Trustee**

State Street Trustees Limited  
20 Churchill Place  
London E14 5HJ  
Authorised and regulated by the Financial Services Authority

### **Auditors**

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

Family Investments is a trading name for Family Investment Management Limited, which is a wholly owned subsidiary of Family Assurance Friendly Society Limited, a Friendly Society incorporated in England and Wales under the Friendly Societies Act 1992, registration no: 939F.

## Manager's Report - continued

### Investment Objective and Policy

The Family Investments Child Trust Fund aims to achieve long-term capital growth, whilst maintaining some stability, by investing in a global managed portfolio of equities and fixed interest securities. We may also move holdings wholly into, or significantly increase holdings in equities, money market instruments, deposits and/or collective investment schemes.

Currently, the Trust invests wholly in UK and overseas equities direct or via other collectives, and will closely follow the performance of 5 stock market indices, we may change the indices we track:

- FTSE 100 Total Return Index
- FTSE Developed Europe Ex UK Total Return Index
- FTSE All World Japan Index
- FTSE World Asia Pacific Ex Japan Index
- FTSE USA Large Cap Index

Our Investment Adviser will decide how much of the Trust tracks each Index.

Initially, no fixed interest investments will be held, but they could be in the future.

### Trust Performance

This report covers the period 1st April 2011 to 30th September 2011. During this time, the Child Trust Fund fell -12.76% while, over the same period, the benchmark Return Index fell by -10.84%.

	6 months 01/04/2011 – 30/09/2011
Family Investments Child Trust Fund*	-12.76%
FTSE 100 Total Return Index	-11.56%
FTSE Developed Europe Ex UK Total Return Index	-21.84%
FTSE All World Japan Index	-2.72%
FTSE World Asia Pacific Ex Japan Index	-17.83%
FTSE World US Large Cap Index	-0.30%
Benchmark**	-10.84%

Source: Child Trust Fund data sourced from Lipper, basis bid to bid net of tax on dividend. Index data sourced from Bloomberg.

\* Trust performance is based on price movement calculated using a nominal price at close, which will include all charges payable. The benchmark is not affected by any charges, this primarily explains why there is a difference between the performance figures and the benchmark.

\*\* Benchmark comprises 55% FTSE 100 Total Return Index/14.5% FTSE Developed Europe Ex UK Total/8.7% FTSE All World Japan Index/5.8% FTSE World Asia Pacific Ex Japan Index/15% FTSE World US Large Cap Index/1% Cash at State Street.

### Market Background

The period started with no large movements in markets although prices for equities and bonds rose overall. Equity markets continued to weigh up resilient economic data and sustained stimulative monetary policy in the US against pressures from rising oil prices caused by conflict in the Middle East and debt issues in the Eurozone. Bond markets performed well with the UK bond market particularly strong as disappointing growth and below expectation Consumer Price Index data showed a moderation in inflation, driving yields lower.

The summer was challenging with UK and US growth and confidence indicators weakening, raising the question if the decline was a short term soft patch or a more concerning issue.

Default risk in peripheral Europe worsened and increased risk aversion was the main theme. Although larger than expected, the aid package awarded to Greece in June was not sufficient to support markets and default worries re-surfaced. Signs of contagion spreading to other European economies and the political debate over raising the US debt ceiling kept sovereign risk in focus.

## Manager's Report - continued

### Activity

Below is the market capitalisation split of the Trust.

Index	Child Trust Fund September 2011 %	Composite Index September 2011 %
FTSE 100 Total Return Index	54.4%	55%
FTSE Developed Europe Ex UK Total Return Index	12.7%	14.5%
FTSE All World Japan Index	8.7%	8.7%
FTSE World Asia Pacific Ex Japan Index	5.6%	5.8%
FTSE World US Large Cap Index	15.9%	15%
Cash at State Street	2.7%	1%

The Trust's objective is to track the total return of the composite index. Trades were carried out during the period to maintain the Trust's exposure to the benchmark index.

As a part of the Trust's global investment, the Trust invests in UK, US and European equities on a passive basis, managed by Santander Asset Management. There are three different benchmarks for these mandates: FTSE 100 for UK equities, FTSE US Large Caps for US equities and FTSE Developed Europe ex-UK for European equities. The Asian exposure is achieved via two Far East collectives managed by BlackRock Fund Managers Limited. The two benchmarks for these mandates are FTSE All World Japan Index and FTSE World Asia Pacific Ex Japan Index.

For the UK, the Trust tracks accurately the selected benchmark, investing directly in the FTSE 100 constituents in the same weight that they have in the index. In the case of US and European equities, the Trust replicates the selected benchmarks with an optimised portfolio. This is useful when the selected benchmark has a large number of constituents, such as the US benchmark (257 constituents) and the European benchmark (398 constituents).

There were two index re-balances for UK equities, one at the end of June and another at the end of September. Due to these re-balances, there were three inclusions, Tate & Lyle in June and Ashmore Group & Bunzl in September, the three deletions were TUI Travel in June and John Wood Group & 3i Group in September.

For the European equity index, there was a large re-balance at the end of September, with 37 inclusions and 15 deletions and also changes in shares in issue for several constituents. For the US equity index, there were some small changes due to adjustments in shares in issue or corporate actions. As we are using an optimised portfolio to replicate these two benchmarks, it was not necessary to trade all these changes on the Family Investments Child Trust Fund and consequently saving trading and settlement costs. In any case, the relevant changes for the portfolio were put in place at the relevant date.

### Outlook

The slowdown in US growth as well as a lack of resolution of the sovereign crisis in Europe will continue to lead to raised volatility and challenging conditions for risk assets. Whilst we are generally cautious on equities, the downside is limited to a degree given the material sell-off that we have seen. This means that sentiment is already depressed, which is reflected in attractive valuations.

John Bearman

Chief Investment Officer – Santander Asset Management UK LTD

18th November 2011

## Manager's Report - continued

### Ongoing Charges Figure (OCF)

<i>At period ended</i>	<i>OCF %</i>
September 2011*	1.53

\* Annualised

OCF is a measure of the Trust's ongoing charges. Apart from the initial charge, all other expenses are included in the OCF. The OCF is an accepted standard for the comparison of cost for authorised funds, recognised throughout Europe.

### Authorised Status

The Family Investments Child Trust Fund is an Authorised Unit Trust Scheme under section 243 of the Financial Services & Markets Act 2000 and is categorised as a UCITS Scheme under the Collective Investment Schemes Sourcebook (COLL).

### Comparative Table

<b>Trust size</b>	<i>Valuation Basis</i>	<i>Net Asset Value (£)</i>	<i>No. of Units in issue</i>	<i>Net Asset Value per Unit (pence)</i>
<i>At period ended</i>				
March 2009	Bid	175,373,805	99,277,322.9880	176.65
March 2010	Bid	309,233,735	126,161,123.9273	245.11
March 2011	Bid	396,029,788	154,600,952.9117	256.16
September 2011	Bid	371,235,248	166,078,586.7603	223.53

### Unit price range and income history

<i>Year</i>	<i>Unit Prices</i>		<i>Annual Income (Net Allocations) Per Unit (pence)</i>
	<i>Highest Buying (pence)</i>	<i>Lowest Selling (pence)</i>	
2006	247.20	219.80	2.0523
2007	266.70	236.70	3.1451
2008	248.20	168.20	5.2356
2009	232.10	165.30	5.9221
2010	258.60	212.30	2.2548
2011*	263.60	216.60	1.9397

\* to 30th September only

Past performance should not be seen as an indication of future performance.

Investors are reminded that the price of units, and the income from them is not guaranteed and may go down as well as up.

## Manager's Report - continued

### Portfolio Statement

As at 30th September 2011	Holding	Market Value £'000	% of total net assets
<b>Investments</b>			
<b>Equities (72.33%; 76.03%)</b>			
<b>UNITED KINGDOM (44.93%; 47.30%)</b>			
Admiral Group	26,828	339	0.09
Aggreko	34,293	558	0.15
Amec	43,645	356	0.10
Anglo American	173,800	3,874	1.04
Antofagasta	51,000	472	0.13
ARM Holdings	169,300	954	0.26
Ashmore Group	46,800	152	0.04
Associated British Foods	51,569	572	0.15
AstraZeneca	182,800	5,241	1.41
Autonomy Corporation	31,100	792	0.21
Aviva	379,190	1,158	0.31
BAE Systems	454,055	1,214	0.33
Barclays	1,616,965	2,607	0.70
BG Group	444,700	5,519	1.49
BHP Billiton	285,100	4,954	1.33
BP	2,536,583	9,853	2.65
British American Tobacco	263,500	7,190	1.94
British Land	118,003	562	0.15
British Sky Broadcasting	171,650	1,140	0.31
BT Group	1,029,038	1,785	0.48
Bunzl	43,300	333	0.09
Burberry Group	56,482	663	0.18
Cairn Energy	180,600	506	0.14
Capita Group	80,755	571	0.15
Capital Shopping Centres Group	85,300	279	0.08
Carnival	28,011	564	0.15
Centrica	665,600	1,981	0.53
Compass Group	245,453	1,278	0.34
Diageo	329,164	4,054	1.09
Essar Energy	41,900	105	0.03
Eurasian Natural Resources	50,000	287	0.08
Experian	133,792	970	0.26
Fresnillo	27,800	439	0.12
G4S	184,906	493	0.13
GKN	172,766	304	0.08
GlaxoSmithKline	692,542	9,228	2.49
Glencore International	107,300	430	0.12
Hammerson	93,819	355	0.10
Hargreaves Lansdown	31,300	141	0.04
HSBC Holdings	2,393,357	11,893	3.20
ICAP	86,600	357	0.10
IMI	36,800	261	0.07
Imperial Tobacco Group	133,210	2,896	0.78
Inmarsat	60,400	296	0.08
InterContinental Hotels Group	37,647	396	0.11
International Consolidated Airlines Group	217,700	333	0.09
International Power	200,297	614	0.17
Intertek Group	20,600	382	0.10
Investec	70,100	245	0.07
ITV	503,000	298	0.08
Johnson Matthey	28,257	448	0.12
Kazakhmys	23,000	182	0.05
Kingfisher	308,416	765	0.21
Land Securities Group	101,298	650	0.18
Legal & General	786,097	760	0.20
Lloyds Banking Group	5,234,600	1,825	0.49

## Manager's Report - continued

### Portfolio Statement - continued

As at 30th September 2011	Holding	Market Value £'000	% of total net assets
<b>Investments</b>			
<b>UNITED KINGDOM - continued</b>			
Lonmin	26,200	275	0.07
Man Group	252,347	425	0.11
Marks & Spencer Group	211,146	664	0.18
Morrison (William) Supermarkets	342,526	995	0.27
National Grid	476,609	3,041	0.82
Next	23,900	605	0.16
Old Mutual	722,799	758	0.20
Pearson	107,622	1,225	0.33
Petrofac	33,500	401	0.11
Prudential	341,490	1,902	0.51
Randgold Resources	11,800	740	0.20
Reckitt Benckiser	95,271	3,114	0.84
Reed Elsevier	162,706	804	0.22
Resolution	196,688	487	0.13
Rexam	115,365	358	0.10
Rio Tinto	200,677	5,796	1.56
Rolls Royce Group	245,323	1,460	0.39
Royal Bank of Scotland Group	2,266,500	532	0.14
Royal Dutch Shell 'B'	355,400	7,147	1.93
RSA Insurance Group	470,858	524	0.14
SABMiller	155,600	3,272	0.88
Sage Group	169,100	433	0.12
Sainsbury	249,165	683	0.18
Schroders	18,923	242	0.07
Schroders Non Voting	5,381	56	0.02
Scottish & Southern Energy	127,287	1,647	0.44
Serco Group	63,622	324	0.09
Severn Trent	31,320	482	0.13
Shire	72,300	1,452	0.39
Smith & Nephew	107,913	628	0.17
Smiths Group	50,100	500	0.13
Standard Chartered	316,600	4,073	1.10
Standard Life	308,178	616	0.17
Tate & Lyle	62,129	389	0.10
Tesco	1,074,486	4,060	1.09
The Weir Group	27,200	421	0.11
Tullow Oil	114,300	1,494	0.40
Unilever	174,222	3,517	0.95
United Utilities Group	87,200	543	0.15
Vedanta Resources	14,600	161	0.04
Vodafone Group	6,854,000	11,391	3.07
Whitbread	19,623	311	0.08
Wolseley	36,762	591	0.16
WPP	165,224	992	0.27
Xstrata	290,000	2,378	0.64
		<b>166,783</b>	<b>44.93</b>
<b>AUSTRALIA (nil; nil)</b>			
BGP Holdings (non tradeable private company)	267,258	—	—
<b>AUSTRIA (0.09%; 0.15%)</b>			
Erste Group Bank	6,500	108	0.03
Immofinanz	16,957	31	0.01
OMV	4,300	82	0.02
Raiffeisen International Bank Holding	3,200	60	0.01
Telekom Austria	11,300	73	0.02
		<b>354</b>	<b>0.09</b>

## Manager's Report - continued

### Portfolio Statement - continued

As at 30th September 2011	Holding	Market Value £'000	% of total net assets
<b>Investments</b>			
<b>BELGIUM (0.20%; 0.18%)</b>			
Ageas	17,847	20	0.01
Anheuser Busch InBev	7,600	260	0.07
Belgacom	5,900	115	0.03
Colruyt	2,255	61	0.02
Dexia	17,610	22	—
Groupe Bruxells Lambert	2,200	100	0.03
KBC Groep	1,477	22	—
UCB	4,800	132	0.04
		<b>732</b>	<b>0.20</b>
<b>DENMARK (0.28%; 0.35%)</b>			
A P Moller Maersk	20	72	0.02
Danske Bank	18,900	172	0.05
Novo Nordisk	11,550	743	0.20
Vestas Wind Systems	5,500	58	0.01
		<b>1,045</b>	<b>0.28</b>
<b>FINLAND (0.18%; 0.21%)</b>			
Fortum	15,700	238	0.06
Kone Oyj	8,500	261	0.07
Nokia	53,200	195	0.05
		<b>694</b>	<b>0.18</b>
<b>FRANCE (2.56%; 3.01%)</b>			
Air Liquide	5,200	394	0.10
Alcatel-Lucent	53,800	102	0.03
Alstom	6,000	129	0.03
AXA	38,700	330	0.09
BNP Paribas	14,900	386	0.10
Bouygues	5,400	116	0.03
Cap Gemini	2,200	48	0.01
Carrefour	11,000	162	0.04
Christian Dior	2,400	175	0.05
Compagnie de Saint Gobain	12,000	298	0.08
Credit Agricole	19,063	86	0.02
Danone	12,700	504	0.13
Dassault Systemes	1,300	59	0.02
EDF	4,500	84	0.02
Essilor International	4,400	204	0.06
European Aeronautic Defence and Space Company	9,239	169	0.05
France Telecom	37,400	396	0.11
GDF Suez	26,800	518	0.14
Hermes International	1,800	349	0.09
Lafarge	4,500	101	0.03
L'Oreal	4,600	291	0.08
LVMH Moet Hennessy Louis Vuitton	8,100	695	0.19
Michelin	2,514	98	0.03
Pernod Ricard	5,700	289	0.08
Peugeot	4,400	61	0.02
Renault	4,000	86	0.02
Sanofi Aventis	15,545	661	0.18
Schneider Electric	9,800	342	0.09
Societe Generale	12,250	210	0.06
STMicroelectronics	19,000	81	0.02
Total	38,400	1,099	0.29
Unibail Rodamco	2,200	255	0.07
Veolia Environnement	11,284	107	0.03
Vinci	11,500	321	0.09
Vivendi	22,500	297	0.08
		<b>9,503</b>	<b>2.56</b>

## Manager's Report - continued

### Portfolio Statement - continued

As at 30th September 2011	Holding	Market Value £'000	% of total net assets
<b>Investments</b>			
<b>GERMANY (1.94%; 2.39%)</b>			
Allianz	8,000	485	0.13
BASF	17,400	686	0.18
Bayer	14,200	506	0.14
BMW	4,661	200	0.05
Commerzbank	34,550	56	0.02
Daimler	17,500	505	0.14
Deutsche Bank	13,000	293	0.08
Deutsche Boerse	3,600	117	0.03
Deutsche Post	17,000	140	0.04
Deutsche Telekom	61,400	466	0.13
E.ON	32,500	456	0.12
Fresenius Medical Care	7,600	333	0.09
Henkel	5,300	150	0.04
Infineon Technologies	19,700	94	0.03
K + S	3,700	127	0.03
Linde	3,200	278	0.07
Metro	2,484	68	0.02
Munich Re	3,400	273	0.07
Porsche Automobile Holding	2,100	65	0.02
RWE	7,200	172	0.05
SAP	14,800	485	0.13
Siemens	17,300	1,009	0.27
Thyssenkrupp	7,500	119	0.03
Volkswagen	1,300	105	0.03
		<b>7,188</b>	<b>1.94</b>
<b>GREECE (0.03%; 0.06%)</b>			
Hellenic Telecom	13,300	36	0.01
OPAP	9,700	62	0.02
		<b>98</b>	<b>0.03</b>
<b>IRELAND (0.05%; 0.06%)</b>			
CRH	12,961	130	0.04
Ryanair Holdings	15,715	45	0.01
		<b>175</b>	<b>0.05</b>
<b>ITALY (0.66%; 0.89%)</b>			
Assicurazioni Generali	29,700	300	0.08
Edison	60,270	48	0.01
Enel	128,300	365	0.10
Eni	46,900	530	0.14
Fiat	18,500	65	0.02
Fiat Industrial	18,500	89	0.02
Intesa Sanpaolo	198,642	203	0.06
Saipem	11,100	252	0.07
Snam Rete Gas	43,000	127	0.03
Telecom Italia	274,300	192	0.05
UBI Banca	28,700	69	0.02
UniCredit	316,300	218	0.06
		<b>2,458</b>	<b>0.66</b>
<b>NETHERLANDS (3.26%; 3.44%)</b>			
Aegon	11,472	30	0.01
Akzo Nobel	5,500	158	0.04
Arcelormittal	21,000	218	0.06
ASML Holdings	2,101	47	0.01
Heineken	7,000	202	0.06
ING Group	32,400	149	0.04
Koninklijke Ahold	21,600	164	0.04
Koninklijke Royal KPN	23,700	202	0.05

## Manager's Report - continued

### Portfolio Statement - continued

As at 30th September 2011	Holding	Market Value £'000	% of total net assets
<b>Investments</b>			
<b>NETHERLANDS - continued</b>			
Koninklijke Royal Philips Electronics	19,936	232	0.06
PostNL	10,435	30	0.01
Reed Elsevier	21,935	155	0.04
Royal Dutch Shell 'A'	495,236	9,905	2.67
TNT Express	9,917	45	0.01
Unilever	28,475	583	0.16
		<b>12,120</b>	<b>3.26</b>
<b>NORWAY (0.31%; 0.37%)</b>			
Norsk Hydro	41,800	124	0.03
Orkla	44,400	219	0.06
StatoilHydro	27,500	380	0.10
Telenor	24,600	245	0.07
Yara International	8,000	199	0.05
		<b>1,167</b>	<b>0.31</b>
<b>PORTUGAL (0.08%; 0.08%)</b>			
EDP Energias de Portugal	36,000	72	0.02
Galp Energia	10,400	123	0.03
Portugal Telecom	19,984	94	0.03
		<b>289</b>	<b>0.08</b>
<b>SPAIN (0.95%; 1.07%)</b>			
Abertis Infraestructuras	7,992	80	0.02
Acciona	811	44	0.01
ACS Actividades de Construccion y Servicios	4,300	99	0.03
Banco Bilbao Vizcaya Argentaria	66,305	353	0.10
Banco Popular Espanol	28,179	84	0.02
Banco Santander	145,500	779	0.21
CaixaBank	35,614	102	0.03
Iberdrola	104,600	457	0.13
Inditex	4,300	238	0.06
Repsol YPF	23,900	410	0.11
Saba Infraestructuras	7,612	—	—
Telefonica	66,700	827	0.22
Zardoya Otis	4,799	40	0.01
		<b>3,513</b>	<b>0.95</b>
<b>SWEDEN (0.76%; 0.93%)</b>			
Atlas Copco	28,500	328	0.09
Boliden	11,000	74	0.02
Ericsson	61,850	384	0.10
Hennes & Mauritz	14,200	274	0.07
Nordea Bank	98,500	516	0.14
Sandvik	33,850	253	0.07
Skandinaviska Enskilda Banken	27,450	96	0.02
SSAB	8,600	41	0.01
Svenska Handelsbanken	19,900	326	0.09
TeliaSonera	57,900	247	0.07
Volvo	43,850	280	0.08
		<b>2,819</b>	<b>0.76</b>
<b>SWITZERLAND (2.60%; 2.56%)</b>			
ABB	51,700	576	0.16
Actelion	3,500	74	0.02
Credit Suisse Group	22,550	382	0.10
Holcim	7,050	243	0.07
Kuhne + Nagel International	2,200	159	0.04
Nestle	67,150	2,378	0.64
Novartis	42,850	1,537	0.41
Richemont	22,000	635	0.17
Roche Holdings	13,100	1,361	0.37

## Manager's Report - continued

### Portfolio Statement - continued

As at 30th September 2011	Holding	Market Value £'000	% of total net assets
<b>Investments</b>			
<b>SWITZERLAND - continued</b>			
SGS	250	245	0.07
Swiss Re	10,100	303	0.08
Swisscom	520	136	0.04
Syngenta	2,200	371	0.10
Synthes	1,800	187	0.05
UBS	74,800	557	0.15
Zurich Financial Services	3,700	499	0.13
		<b>9,643</b>	<b>2.60</b>
<b>UNITED STATES (13.45%; 12.85%)</b>			
3M	7,300	336	0.09
Abbott Laboratories	13,800	453	0.12
Accenture	6,700	227	0.06
Ace	3,400	132	0.04
Adobe Systems	3,529	55	0.01
Air Products and Chemicals	2,413	118	0.03
Allergan	2,400	127	0.03
Altria Group	19,712	339	0.09
Amazon.com	3,800	527	0.14
American Express	12,600	363	0.10
American Tower	3,500	121	0.03
Amgen	8,231	290	0.08
Anadarko Petroleum	4,500	182	0.05
Apache	3,800	196	0.05
Apple	8,700	2,129	0.57
Applied Materials	11,700	78	0.02
Archer Daniels Midland	6,030	96	0.03
AT&T	58,700	1,074	0.29
Automatic Data Processing	4,900	148	0.04
Bank of America	109,000	428	0.12
Bank of New York Mellon	13,400	160	0.04
Baxter International	5,400	195	0.05
Becton Dickinson	1,957	92	0.02
Berkshire Hathaway 'A'	9	618	0.17
Berkshire Hathaway 'B'	11,400	520	0.14
Best Buy	4,100	61	0.02
Biogen Idec	2,300	138	0.04
Boeing	7,200	280	0.08
Boston Scientific	8,440	32	0.01
Bristol Myers Squibb	15,300	308	0.08
Caterpillar	6,900	327	0.09
Celgene	4,400	175	0.05
Chevron	19,900	1,182	0.32
Chubb	2,835	109	0.03
Cisco Systems	50,500	502	0.14
Citigroup	31,300	515	0.14
CME Group	700	111	0.03
Coca Cola	23,000	998	0.27
Colgate Palmolive	4,700	267	0.07
Comcast 'A'	24,100	323	0.09
ConcoPhillips	14,200	578	0.16
Corning	14,500	115	0.03
Costco Wholesale	4,800	253	0.07
Covidien	3,900	110	0.03
CSX	10,140	122	0.03
CVS Caremark	14,521	313	0.08
Danaher	7,661	206	0.06
Deere	4,000	166	0.04
Dell	18,200	165	0.04

## Manager's Report - continued

### Portfolio Statement - continued

As at 30th September 2011	Holding	Market Value £'000	% of total net assets
<b>Investments</b>			
<b>UNITED STATES - continued</b>			
Devon Energy	4,000	142	0.04
DIRECTV 'A'	8,492	230	0.06
Dominion Resources	8,300	270	0.07
Duke Energy	18,100	232	0.06
E.I. du Pont de Nemours	11,600	297	0.08
eBay	14,700	278	0.07
Eli Lilly	9,700	230	0.06
EMC	19,500	263	0.07
Emerson Electric	7,800	207	0.06
Entergy	2,900	123	0.03
EOG Resources	2,600	118	0.03
Exelon	10,200	279	0.08
Express Scripts 'A'	4,200	100	0.03
Exxon Mobil	48,600	2,269	0.61
Fedex	3,000	130	0.04
FirstEnergy	5,900	170	0.05
Ford Motor	38,400	238	0.06
Freeport McMoRan Cooper & Gold	10,932	214	0.06
General Dynamics	3,800	139	0.04
General Electric	114,000	1,114	0.30
General Mills	5,500	136	0.04
Gilead Sciences	7,400	184	0.05
Google 'A'	2,300	759	0.20
Haliburton	8,300	162	0.04
Hess	3,000	101	0.03
Hewlett Packard	20,700	298	0.08
Home Depot	18,400	388	0.10
Honeywell International	7,800	220	0.06
Huntington Ingalls Industries	411	6	—
IBM	11,700	1,313	0.35
Illinois Tool Works	4,900	131	0.04
Intel	52,500	719	0.19
Johnson & Johnson	25,900	1,059	0.29
JPMorgan Chase & Company	44,200	855	0.23
Kimberly Clark	3,600	164	0.04
Kohl's	3,100	98	0.03
Kraft Foods	18,000	388	0.10
Kroger	6,800	96	0.03
Lockheed Martin	3,587	167	0.05
Lowe's Companies	14,700	182	0.05
Marathon Oil	6,500	90	0.02
Marathon Petroleum	3,250	56	0.02
Mastercard	1,300	265	0.07
McDonald's	11,900	671	0.18
Medco Health Solutions	3,730	112	0.03
Medtronic	9,619	205	0.06
Merck & Co	27,500	577	0.16
Metlife	8,800	158	0.04
Microsoft	80,600	1,288	0.35
Monsanto	5,300	204	0.05
Morgan Stanley	16,400	142	0.04
Motorola Mobility Holdings	1,929	47	0.01
Motorola Solutions	2,205	59	0.02
National Oilwell Varco	4,000	131	0.04
Newmont Mining	5,482	221	0.06
News Corp 'A'	20,100	200	0.05
Nike 'B'	2,600	143	0.04
Norfolk Southern	3,500	137	0.04

## Manager's Report - continued

### Portfolio Statement - continued

As at 30th September 2011	<i>Holding</i>	<i>Market Value £'000</i>	<i>% of total net assets</i>
<b>Investments</b>			
<b>UNITED STATES - continued</b>			
Northern Trust	1,777	40	0.01
Northrop Grumman	2,471	83	0.02
Nucor	2,904	59	0.02
Occidental Petroleum	7,700	354	0.10
Oracle	47,100	869	0.23
Pepsico	15,800	628	0.17
Pfizer	73,100	830	0.22
PG&E	5,200	141	0.04
Phillip Morris International	18,100	724	0.20
PNC Financial Services Group	5,400	167	0.04
Praxair	3,533	212	0.06
Procter & Gamble	28,800	1,168	0.31
Prudential Financial	5,300	159	0.04
Public Services Enterprise Group	6,651	143	0.04
Qualcomm	15,400	481	0.13
Raytheon	3,023	79	0.02
Schlumberger	13,200	506	0.14
Southern	12,000	326	0.09
St. Jude Medical	3,000	70	0.02
Staples	7,200	61	0.02
State Street	4,900	101	0.03
Symantec	4,823	51	0.01
Sysco	6,000	100	0.03
Target	7,600	239	0.06
Texas Instruments	10,600	181	0.05
The Charles Schwab Corporation	12,000	87	0.02
The Dow Chemical Company	13,100	189	0.05
The Goldman Sachs Group	5,600	340	0.09
The Travellers Companies	4,658	146	0.04
Thermo Fisher Scientific	3,478	113	0.03
Time Warner	11,798	227	0.06
Union Pacific	5,100	268	0.07
United Technologies	9,300	420	0.11
UnitedHealth Group	9,600	284	0.08
UPS	7,600	308	0.08
US Bancorp	20,100	304	0.08
Verizon Communications	26,900	636	0.17
Visa 'A'	5,400	297	0.08
Wal Mart Stores	29,900	996	0.27
Walgreen	10,200	215	0.06
Walt Disney	21,400	414	0.11
Waste Management	3,743	78	0.02
Wellpoint	3,500	147	0.03
Wells Fargo & Co	59,900	927	0.25
Yahoo	9,400	79	0.02
Yum Brands	4,500	143	0.04
		<b>49,925</b>	<b>13.45</b>
<b>Total Equities</b>		<b><u>268,506</u></b>	<b><u>72.33</u></b>
<b>Far East Collective Investment Schemes (14.10%; 13.78%)</b>			
BlackRock Japan Equity Tracker Fund	29,395,006	31,923	8.60
BlackRock Pacific ex Japan Equity Tracker Fund	12,404,136	<u>20,430</u>	<u>5.50</u>
		<b>52,353</b>	<b>14.10</b>
<b>Total Collective Investment Schemes</b>		<b>52,353</b>	<b>14.10</b>

## Manager's Report - continued

### Portfolio Statement - continued

<b>As at 30th September 2011</b>	<i>Holding</i>	<i>Market Value £'000</i>	<i>% of total net assets</i>
<b>Investments</b>			
<b>Rights/Warrants (nil; 0.02%)</b>			
Banco Bilbao Vizcaya Argentaria Rights	66,305	6	—
CaixaBank Rights	35,614	<u>2</u>	<u>—</u>
		<b>8</b>	<b>—</b>
<b>Total Rights/Warrants</b>		<b>8</b>	<b>—</b>
<b>Futures (0.09%; 0.09%)</b>			
DJ Euro Stoxx 50 (EUR)	281	<b>350</b>	<b>0.09</b>
<b>Total Futures Assets</b>		<b>350</b>	<b>0.09</b>
<b>Investment Assets</b>		<b><u>321,217</u></b>	<b><u>86.52</u></b>
<b>Futures (-0.10%; 0.29%)</b>			
Liffe – FTSE 100 (GBP)	480	(214)	(0.06)
S&P EMINI (USD)	207	<u>(174)</u>	<u>(0.04)</u>
		<b>(388)</b>	<b>(0.10)</b>
<b>Total Futures Liabilities</b>		<b>(388)</b>	<b>(0.10)</b>
<b>Investment Liabilities</b>		<b><u>(388)</u></b>	<b><u>(0.10)</u></b>
<b>Portfolio of Investments</b>		<b>320,829</b>	<b>86.42</b>
<b>Net Other Assets</b>		<b><u>50,406</u></b>	<b><u>13.58</u></b>
<b>Total Net Assets at 30th September 2011</b>		<b><u>371,235</u></b>	<b><u>100.00</u></b>

The sector percentage figures give current percentage first followed by the percentage at the Previous Annual Accounting year.

## Statement of Manager's Responsibilities

### In relation to the Report and Accounts of the Trust

The Financial Services Authority's Collective Investment Schemes Sourcebook (COLL) as amended requires the Manager to prepare financial statements for each accounting period, which give a true and fair view of the financial position of the Trust and of its net income and the net losses for the period.

In preparing the financial statements the Manager is required to:

- (a) Select suitable accounting policies and then apply them consistently.
- (b) Comply with the disclosure requirements of the Statement of Recommended Practice for Authorised Funds issued by IMA in October 2010.
- (c) Follow generally accepted accounting principles and applicable accounting standards.
- (d) Keep proper accounting records, which enable it to demonstrate that the financial statements as prepared, comply with the above requirements.
- (e) Make judgements and estimates that are reasonable and prudent.
- (f) Prepare the financial statements on the going concern basis unless it is inappropriate to presume that this Trust will continue in operation.

The Manager confirms that all requirements have been met in preparing the financial statements.

The Manager is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Manager is responsible for the management of the Trust in accordance with its Trust Deed, Full Prospectus and COLL.

In pursuing its investment objective set out on page 3 the Trust holds a number of financial instruments. These comprise:

Equity and non-equity shares, debt securities and futures. These are held in accordance with the Trust's investment objective and policies;

Cash, liquid resources and short term debtors and creditors that arise directly from its operations;

Unitholders' funds which represent investors' monies which are invested on their behalf;

Borrowings used to finance investment activity.

It is, and has been throughout the period under review, the Trust's policy that no trading in financial instruments, other than on the Trust's account, shall be undertaken (March 2011: same).

### Director's Statement

This Report is signed in accordance with the requirements of the Collective Investment Schemes Sourcebook.

John Reeve  
Chairman

Keith Meeres  
Director

18th November 2011

## Statement of Total Return

For the period 1st April 2011 to 30th September 2011

	Note	September 2011		September 2010	
		£'000	£'000	£'000	£'000
Income					
Net capital losses	3		(56,519)		(10,090)
Revenue	4	6,590		4,237	
Expenses	5	(3,028)		(2,304)	
Net revenue before taxation		<u>3,562</u>		<u>1,933</u>	
Taxation	6	<u>(271)</u>		<u>—</u>	
Net revenue after taxation for the period			<u>3,291</u>		<u>1,933</u>
<b>Total return before distribution</b>			<u>(53,228)</u>		<u>(8,157)</u>
Finance costs: Distributions	7		<u>—</u>		<u>—</u>
<b>Change in unitholders' funds from investment activities</b>			<u><u>(53,228)</u></u>		<u><u>(8,157)</u></u>

## Statement of Change in Unitholders' Funds

For the period 1st April 2011 to 30th September 2011

	September 2011		September 2010	
	£'000	£'000	£'000	£'000
<b>Opening Net Assets</b>		396,030		309,234
Movement due to sales and repurchases of units:				
Amounts received on creation of units	28,443		38,409	
Less: Amounts paid on cancellation of units	<u>(8)</u>		<u>—</u>	
		28,435		38,409
Stamp duty reserve tax		(2)		(2)
Change in unitholders' funds from investment activities (see above)		(53,228)		(8,157)
Retained distribution on accumulation units		<u>—</u>		<u>—</u>
<b>Closing Net Assets</b>		<u><u>371,235</u></u>		<u><u>339,484</u></u>

## Balance Sheet

As at 30th September 2011

		September 2011		March 2011		September 2010	
	Note	£'000	£'000	£'000	£'000	£'000	£'000
<b>Assets</b>							
<b>Investment Assets</b>			321,217		357,278		280,680
Debtors	8	1,033		1,442		1,177	
Cash and bank balances	9	<u>49,849</u>		<u>37,804</u>		<u>58,354</u>	
<b>Total Other Assets</b>			<u>50,882</u>		<u>39,246</u>		<u>59,531</u>
<b>Total Assets</b>			<u>372,099</u>		<u>396,524</u>		<u>340,211</u>
<b>Liabilities</b>							
<b>Investment Liabilities</b>			388		—		176
Creditors	10	476		494		551	
<b>Total Other Liabilities</b>			<u>476</u>		<u>494</u>		<u>551</u>
<b>Total Liabilities</b>			<u>864</u>		<u>494</u>		<u>727</u>
<b>Net Assets</b>			<u>371,235</u>		<u>396,030</u>		<u>339,484</u>
<b>Unitholders' Funds</b>			<u>371,235</u>		<u>396,030</u>		<u>339,484</u>

# Notes to the Financial Statements

## 1. Accounting Policies

### *(a) Basis of Accounting*

Financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice for Authorised Funds issued by IMA in October 2010 (IMA SORP 2010). As a result of the application of IMA SORP 2010 the units of the Trust have been classified as equity instruments. The unitholders' funds are now shown in the Balance Sheet, with consequent other changes in the presentation only. No changes have been made to accounting policies or to the accounting estimates used in applying these policies.

The property of the Trust is stated as at close of business on the 30th September 2011, being the last business day of the financial period. The difference between the valuation at the close of business and that at the pricing point is disclosed in Note 12. The difference between these valuations is not considered to be significant.

### *(b) Income*

Dividends on equities are recognised when the security is quoted ex-dividend, and are shown net of any attributable tax credits. Interest on debt securities, interest on cash balances and other income are accounted for on an accruals basis. Underwriting commission is recognised when the issue takes place.

Income distribution from collective investment schemes (CIS's) are recognised when the security is quoted ex-dividend, and are shown net of any attributable tax credits. Accumulation distributions from CIS's are also recognised when the security is quoted ex-dividend and are included gross of tax deducted. Equalisations received as part of the distribution from CIS's are included within net capital gains or losses.

### *(c) Valuation*

All investments are valued at their fair value as at close of business on the 30th September 2011, being the last business day of the financial period.

Listed investments have been valued at bid value as at close of business on the Balance Sheet date, and are shown net of any accrued interest which is included in the Balance Sheet as a debtor.

Any unlisted, delisted, suspended or unapproved securities have been valued at the Manager's best estimate.

### *(d) Deferred Taxation*

Deferred tax is provided for on all timing differences that have originated but not reversed by the Balance Sheet date. Any liability to deferred tax is provided at the average rate of tax expected to apply. Deferred tax assets and liabilities are not discounted to reflect the time value of money.

### *(e) Foreign Currencies*

Assets and liabilities have been translated into sterling at the exchange rate prevailing at the valuation point. Non-Sterling receipts and payments are translated at the rates applicable on the date of settlement. Any gains or losses arising from holding assets or liabilities denominated in currencies other than sterling are recognised as capital or income depending on the nature of the underlying item.

### *(f) Dividend Policy*

The net income of the Trust is regarded as the amount available for distribution; no adjustment is made in respect of either management expenses or stock dividends. Management expenses, to the extent that it is permitted, are charged against income.

### *(g) Special Dividends*

These were recognised as either income or capital depending upon the nature and circumstances of the dividend receivable.

### *(h) Treatment of Stock Dividends*

The Trust may elect to take up stock paid in lieu of a cash dividend. These stocks are recorded in the accounts at a value equal to the dividend cash equivalent. These dividends have been recognised as income and form part of the distribution.

In the case of enhanced stock dividends, the amount by which such dividends exceed the cash dividends is treated as capital and does not form part of the distribution.

### *(i) Treatment of stocklending*

Stocklending income is recognised on an accruals basis net of associated costs.

### *(j) Treatment of expenses*

All expenses, except for those relating to the purchases and sales of investments and Stamp Duty Reserve Tax are charged initially against income.

## Notes to the Financial Statements - continued

### 2. Distribution Policy

All revenue received by the Trust less accrued income, revenue expenses and taxation is distributed.

September 2011 £'000	September 2010 £'000
----------------------------	----------------------------

### 3. Net Capital Losses on Investments

The net losses on investments during the period comprise:

Losses on investments	(51,930)	(9,611)
Losses on futures	<u>(4,589)</u>	<u>(479)</u>
Net losses on investments	<u><u>(56,519)</u></u>	<u><u>(10,090)</u></u>

### 4. Revenue

UK dividends	3,426	2,269
UK property income distribution	32	23
CIS franked income	701	—
Overseas dividends	2,278	1,859
Bank interest	75	90
Rebated manager's fees	67	—
Distribution excess	—	(8)
Foreign currency gains	11	4
	<u>6,590</u>	<u>4,237</u>

### 5. Expenses

**Payable to the Manager, associates of the Manager and agents of either of them:**

Manager's periodic charge	<u>3,028</u>	<u>2,304</u>
<b>Total Expenses</b>	<u><u>3,028</u></u>	<u><u>2,304</u></u>

The Manager bears all of the expenses of the Trust out of its own fee, including the auditor's remuneration of £3,420 (September 2010: £2,941).

## Notes to the Financial Statements - continued

	September 2011 £'000	September 2010 £'000
<b>6. Taxation</b>		
a.) Analysis of charge in the period		
Current tax:		
UK corporation tax on net income	—	—
Adjustment in respect of prior periods	<u>—</u>	<u>—</u>
	—	—
Foreign tax	<u>271</u>	<u>—</u>
Total current tax (note b)	271	—
Deferred tax (note c)	<u>—</u>	<u>—</u>
Total Taxation	<u>271</u>	<u>—</u>

Corporation tax has been provided at a rate of 20% (March 2011: 20%)

b.) Factors affecting current tax charge for the period

The tax assessed for the period is different than the standard rate of corporation tax in the UK for an Authorised Unit Trust (20%). The differences are explained below.

Net income before tax	<u>3,562</u>	<u>1,934</u>
Tax at standard rate of 20%	712	386
Non taxable income*	(1,281)	(874)
Net accruals	—	(1)
Creation of tax losses	569	439
Overseas withholding tax suffered	<u>271</u>	<u>50</u>
Current tax charge for period (note a)	<u>271</u>	<u>—</u>
c.) Provision for deferred tax		
Provision at start of period	—	—
Deferred tax charge in P & L for period (note c)	<u>—</u>	<u>—</u>
Provision at end of period	<u>—</u>	<u>—</u>

\*As an Authorised Unit Trust these items are not subject to Corporation Tax.

The Trust is exempt from Capital Gains Tax.

The Trust has not recognised a deferred tax asset of £2,086k (March 2011: £1,517k), which has arisen as a result of having unutilised management expenses. These expenses will only be utilised if the tax treatment of capital gains or the Trust's investment profile changes.

## 7. Finance Costs

### Distributions

Distributions are accumulated on an annual basis at the year end accounting date.

## Notes to the Financial Statements - continued

	September 2011 £'000	March 2011 £'000	September 2010 £'000
<b>8. Debtors</b>			
Amount due for creation of units	9	23	10
Accrued income - UK dividends	744	1,154	605
Accrued income - overseas dividends	94	118	470
UK property income distributions	12	21	6
Accrued bank interest	14	13	13
Rebated manager's fees	33	16	—
Foreign gain	14	—	—
Overseas tax recoverable	<u>113</u>	<u>97</u>	<u>73</u>
	<u>1,033</u>	<u>1,442</u>	<u>1,177</u>
<b>9. Cash and Bank Balances</b>			
Cash held for futures	2,461	631	3,117
Cash and bank balances*	<u>47,388</u>	<u>37,173</u>	<u>55,237</u>
Total cash and bank balances	<u>49,849</u>	<u>37,804</u>	<u>58,354</u>
* Large cash balances are being held to cover the futures contracts.			
<b>10. Creditors</b>			
Amount due for cancellation of units	8	—	—
Accrued expenses	468	498	383
Foreign (loss)	<u>—</u>	<u>(4)</u>	<u>168</u>
	<u>476</u>	<u>494</u>	<u>551</u>

### 11. Related Party Transactions

The Manager of Family Investments Child Trust Fund, Family Investment Management Limited, is a wholly owned subsidiary of Family Assurance Friendly Society Limited ("the Society"), being the ultimate controlling party. The Society and Family Investments Child Trust Fund are deemed to be related parties. In addition, State Street Trustees Limited, as Trustee, is also regarded as a related party.

All unit creations and cancellations, and all balances due as at 30th September 2011 in respect of creations and cancellations, as disclosed in the Balance Sheet, are executed with the Manager (March 2011: Same).

Total management charges incurred during the period are disclosed in note 5. Family Investment Management Limited have paid £73,430 (September 2010: £54,867) on behalf of the Trust in Trustee Fees since the start of the period.

All bank balances are with the Trustee as at 30th September 2011 and are disclosed in the Balance Sheet.

Family Equity Plan limited, being a subsidiary of Family Assurance Friendly Society Limited, is deemed to be a related party of Family Investments Child Trust Fund. As at 30th September 2011, Family Equity Plan holds in a nominee account on behalf of the Child Trust Fund holders, all of the units in issue of the Trust.

### 12. Risk Management

Financial Instruments are valued at fair value in accordance with Financial Reporting Standard 26 as disclosed in note 1(c).

#### Management of risk

The principal risks arising from the Trust's financial instruments are market price and credit risks. The Manager reviews (and agrees with the Trustee) policies for managing each of these risks. These policies have remained unchanged since the beginning of the period to which these financial statements relate, and the preceding period.

## Notes to the Financial Statements - continued

### Fair values of financial instruments

All of the financial assets of the Trust are held at fair value.

#### *Financial liabilities and equity instruments*

The units of the Trust are puttable equity instruments and the main liability of the Trust is that due to the unitholders. Puttable means that the unitholder can sell at their discretion the units they hold back to the Fund for cash for the price quoted that day.

- At the Balance Sheet date the liability to redeem units to the unitholders was £371,235,248 (March 2011: £396,029,788).

The fair value of the Trust is derived from the cancellation price of the units as at 30th September 2011, which is the lowest redeemable value of the Trust.

Set out below is a comparison by category of book values and fair values of the Trust's financial liabilities and equity instruments as at 30th September 2011.

	<b>Book Value</b> <b>(fair value at close)</b> £	<b>Fair Value</b> <b>(at pricing point)</b> £
<b>Primary financial liabilities and equity instruments held or issued to finance the Trust's operations:</b>		
Liability to redeem units		
September 2011	371,235,248	374,503,422
March 2011	396,029,788	397,628,331

### Market price risk

Market risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Trust might suffer through holding market positions in the face of price movements.

The Investment Advisor meets monthly (or more often if appropriate) to consider the asset allocation of the portfolio in order to minimise the risk associated with particular countries or industry sectors whilst continuing to follow the investment objective. An individual fund manager has responsibility for monitoring the existing portfolio selected in accordance with the overall asset allocation parameter described above and seeks to ensure that the individual stocks also meet the risk reward profile that is acceptable.

### Derivative Risk

The Manager may employ derivatives solely for the purposes of Efficient Portfolio Management with the aim of reducing the risk profile of the Trust.

## Notes to the Financial Statements - continued

### Interest rate risk

The Trust may invest in debt securities. Any change to the interest rates relevant for particular securities may result in either income increasing or decreasing, or the Investment Advisor being unable to secure similar returns on the expiry of contracts or the sale of securities. In addition changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held.

In general if interest rates rise the income potential of the Trust also rises but the value of the debt securities will decline (along with certain expenses calculated by reference to the assets of the Trust). A decline in interest rates will in general have the opposite effect.

### Currency rate risk

The Trust invests in foreign equities and may invest in foreign debt securities, which are priced in local currency. The local value is converted to sterling at the prevailing exchange rate for valuation purposes. The Trust is exposed to the possibility of sharp currency movements, which can affect the value of the portfolio on a daily basis.

The Trust may be subject to short term exposure to exchange rate movement, for instance where there is a difference between the date when the investment purchase or sale is entered into and the date when settlement of the proceeds occurs. When the Trust enters into such a transaction which will involve the buying and selling of foreign currency in order to complete, a forward contract is entered into at the same time as the initial transaction in order to eliminate exchange rate risk.

The Trust receives income in currencies other than sterling and movements in exchange rates can affect the sterling values of this income. The Trust converts all receipts of income into sterling on or near the date of receipt. However it does not hedge or otherwise seek to avoid rate movement risk on income accrued but not received.

On the basis of the Manager's analysis, it is estimated that a rise/fall of 1 per cent in the strength of sterling throughout the period would have reduced/increased the value of investments by approximately 0.25% (March 2011: 0.26%). The effect on the income of the Trust would be negligible. This is well within the ranges that the Manager regards as acceptable.

### Liquidity risk

The Trust's assets comprise mainly of readily realisable securities, which can be readily sold. The main liability of the Trust is the redemption of any units that investors wish to sell.

### Credit risk

Certain security transactions that the Trust enters into expose it to the risk that the counter-party will not deliver the investment (purchase) or cash (sale) after the Trust has fulfilled its responsibilities.

The Trust only buys and sells investments through brokers, which have been approved by the Investment Advisor as an acceptable counter-party. The Manager undertakes periodic visits to the Investment Advisor to confirm that delegated functions are being performed in accordance with Financial Services Authority's rules.

Cash balances are held only with institutions that have the highest credit ratings.

## Notes to the Financial Statements - continued

### Foreign currency exposure

The currency profile of the Trust's financial instruments at the Balance Sheet date was:

At period end 30th September 2011

Currency	Net Current Assets (Liabilities) £'000	Futures £'000	Investments £'000	Total £'000	31st March 2011 £'000
Australian Dollar	—	—	—	—	28
Danish Krone	—	—	1,045	1,045	1,470
Euro	312	350	27,227	27,889	36,214
Japanese Yen	—	—	—	—	2
Korean Won	2	—	—	2	2
Norwegian Krona	—	—	1,167	1,167	1,446
Swedish Krona	—	—	2,819	2,819	3,696
Swiss Franc	46	—	9,643	9,689	10,215
US Dollar	<u>773</u>	<u>(174)</u>	<u>49,925</u>	<u>50,524</u>	<u>51,715</u>
	1,133	176	91,826	93,135	104,788
UK Sterling	<u>49,273</u>	<u>(214)</u>	<u>229,041</u>	<u>278,100</u>	<u>291,242</u>
Total	<u>50,406</u>	<u>(38)</u>	<u>320,867</u>	<u>371,235</u>	<u>396,030</u>

### 13. Portfolio Transaction Costs

	September 2011 £'000	September 2010 £'000
Analysis of total purchase costs		
Purchases in period before transaction costs	20,226	33,084
Commissions	20	57
Taxes	<u>15</u>	<u>96</u>
Total purchase costs	35	153
Gross purchase total	<u>20,261</u>	<u>33,237</u>
Analysis of total sale costs		
Gross sales in period before transaction costs	4,820	3,095
Commissions	(4)	(6)
Taxes	<u>(1)</u>	<u>—</u>
Total sales costs	(5)	(6)
Total sales net of transaction costs	<u>4,815</u>	<u>3,089</u>

## Notes to the Financial Statements - continued

### 14. Contingent Liabilities

As at 30th September 2011 there were no contingent liabilities. As at 31st March 2011 there were two contingent liabilities, the holding of 6,233 Danske Bank rights which had a call price of DKK 86, which gave a call payment due of DKK 536,038, giving a sterling equivalent of £63,647. There was also the holding of 2,100 Porsche Automobile Holdings rights which had a call price of EUR 38 and a ratio of 0.75:1, giving a call payment of EUR 59,850, this gave a sterling equivalent of £52,983.

### 15. Non – Authorised Markets

As at 30th September 2011 there were no transferable assets held that trade on non-authorised markets (31st March 2011 none).

### 16. Stamp Duty Reserve Tax

The Stamp Duty Reserve Tax (SDRT) regime generally imposes a 0.5% charge on the value of redemptions of units to the Manager, which is potentially reduced by two ratios.

1. If more units are redeemed than issued during the two week period, which consists of the week the redemption occurs and the following week, then the liability is reduced by multiplying it by the ratio  $I/R$  (where I and R are the number of units issued and redeemed in the two week period).
2. If a trust has investments in exempt assets, the liability is (further) reduced by multiplying it by the ratio  $N/(N+E)$  (where N and E are the average market values of the non-exempt and exempt assets of the fund over the two week period).

SDRT is calculated on a two week rolling basis (the charging period is one week: the level of SDRT ultimately payable will depend on the number of issues and redemptions of units dealt during the charging week and the following week) and charged to the property of the Trust via a weekly accrual. Although legally the Trustee is liable for the tax, it is the Manager who collects and administers it.

### 17. Unit Classes

The Trust only issues accumulation units. The annual management charge for these units is 1.5% of the Trust's Net Asset Value, calculated monthly.

## General Information

### Launch:

The Trust was launched on 6th April 2005 at an initial offer price of 200p.

### Distributions:

The annual accounting year ends on 31st March with an interim accounting date on 30th September.

It is the policy of the Manager to only distribute income following the annual accounting date. Income is paid net of Income Tax, and distribution certificates are distributed on 31st May.

### Reports:

Manager's reports for the Family Investments Child Trust Fund are published every six months on 31st May and 30th November.

### Prices:

The Trust is priced on a single pricing basis. This single price is the price at which you can sell your units back to the Manager, and also the price at which you can buy units from the Manager (subject to possible initial charges if the units are not for a Child Trust Fund).

Prices are calculated as at 10.00am on each business day.

Prices and the estimated yield generated by the Trust are published on the IMA and Financial Express website [www.fundlistings.com](http://www.fundlistings.com). Prices are also available on [www.family.co.uk](http://www.family.co.uk), or by contacting our Customer Services Team on 0808 100 7654 (telephone calls may be recorded or monitored).

### Units:

The Family Investments Child Trust Fund issues only accumulation units. Accumulation units ensure that any distribution is added to the value of the investment.

### Buying and selling units:

The Manager can receive written requests to buy or sell units during normal business hours. The units will be bought and sold following the next price calculation.

### Cancellation rights:

Investors entering into a contract to purchase units will have the right to cancel said purchase within 14 days of receipt of the cancellation notice. Please note that, for lump sum investments, clients who exercise their right to cancel may be charged for any market loss (shortfall) incurred.

### Full Prospectus:

The Full Prospectus for the Family Investments Child Trust Fund is available on request from the Manager.

### Yield:

The historical yield of the Trust is quoted on the IMA and Financial Express website [www.fundlistings.com](http://www.fundlistings.com). The yield shown reflects the distributions paid or declared by the Trust over the past twelve months, as a percentage of the unit price of the Trust. It does not include any initial sum paid in order to invest in the Trust and investors may be subject to tax on distributions.

### Other Authorised Funds managed by Family Investment Management Limited:

The Full Prospectuses and latest Report and Accounts for any of the Authorised Funds managed by Family Investment Management Limited are available upon request.

**Managed by**

Family Investment Management Limited

16 West Street

Brighton

East Sussex BN1 2RE

Tel: 01273 724570

Fax: 01273 736958

Member of the IMA

Authorised and regulated by the Financial Services Authority

Family Investments is the trading name of Family Assurance Friendly Society (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 all authorised and regulated by the Financial Services Authority (25 The North Colonnade, Canary Wharf, London E14 5HS). Registered in England at: 16-17 West Street, Brighton, East Sussex BN1 2RL.