

# Child Trust Fund

Supplementary Information Document.  
Child Trust Fund Terms.

# Contents:

Supplementary Information Document	3 – 13
Child Trust Fund Terms	14 – 22

# Supplementary Information Document

## Contents

Child Trust Funds	4
How does the Child Trust Fund work?	4
Who is a Child Trust Fund suitable for?	4
What are the risks?	5
How to invest	5
Cash held	6
Invest by transferring an existing Child Trust Fund	6
Withdrawing from the Child Trust Fund	6
Terminating the Child Trust Fund	7
Charges	7
Potential returns	7
How your child's investment is taxed	8
What happens if you change your mind	8
What to do if you have a complaint	8
Financial Services Compensation Scheme	9
Your classification	9
Your Information	9
Credit reference and fraud prevention agencies	11
Your questions	11
Child Trust Fund Provider	12
The Depositary	13
How to contact us	13

### About this document

This document is designed to provide you with information about the Child Trust Fund. Please read it alongside the two-page Key Investor Information Document (KIID) relating to the Fund and the Child Trust Fund Terms. Together, these documents provide information to help you decide if this investment is right for your child, and answer some important questions.

## Child Trust Funds

Child Trust Funds were introduced by the Government to make saving for your child's future easier. If your child's date of birth is between 1 September 2002 and 2 January 2011, and you were entitled to child benefit, you may have received a Child Trust Fund voucher from the Government worth at least £50. You could use this voucher to open a Child Trust Fund, your child can then access this money when they turn 18.

**The value of the investment and any income can go down as well as up, and you should be aware that your child may not get back the value of your original investment.**

### How does the Child Trust Fund work?

The Child Trust Fund is provided by RBS Collective Investment Funds Limited (“we”, “us” and “our”). Your money will be invested in shares in the RBS Stakeholder Investment Fund, Investment Company with Variable Capital (the “Fund”). The Authorised Corporate Director of the Fund is RBS Collective Investment Funds Limited and Aviva Investors Global Services Limited is the Investment Manager and responsible for making investment management decisions in relation to the Fund.

The Child Trust Fund is designed to grow your child's money in a tax-efficient way by investing in shares in a fund (which is known as a collective investment scheme) which holds a range of assets including stocks and shares, UK Government Bonds and cash.

When the Fund's assets increase in value – or pay a dividend or interest – the value of the Fund increases and so too does the value of your child's investment. If however, those assets decrease in value, so does the value of the Fund, and therefore your child's investment.

The only person able to open a Child Trust Fund was the person with parental responsibility, known as the Registered Contact. The Registered Contact will be contacted by us to deal with the Child Trust Fund until the child reaches 16, when the child may become the Registered Contact. When the child reaches 18, they will be able to take their money out of the Child Trust Fund which results from their holding of shares in the Fund.

Any money that we hold, which is not invested in the Fund's shares, will be held in trust on behalf of the child in a bank account which is separate from the accounts in which we hold our own money. The shares which we hold on behalf of the child will be registered in the name of one or more of our nominees.

### Who is a Child Trust Fund suitable for?

We do not provide advice in relation to the Child Trust Fund, however, it may be suitable for your child if:

- You are aged 16 or over and have parental responsibility for the child
- Your child was born between 1 September 2002 and 2 January 2011
- You are or were entitled to Child Benefit
- You received a Government Child Trust Fund voucher
- You understand that the value of your Child Trust Fund can fall as well as rise
- You recognise that your child could get back less than you put in

## What are the risks?

As this is a stock market based investment, the value of the Child Trust Fund can go down as well as up and your child may get back less than was invested. Growth is not guaranteed and the value of your investments, and the income from them, can fall as well as rise, and you may not get back the full amount you invest.

The value of the Child Trust Fund depends on the amount invested, the performance of the Fund and the charges taken from the Fund. Past performance is no indicator of future performance.

Other risks that you need to know about are:

- The tax advantages of the Child Trust Fund may change or be withdrawn in the future by the Government;
- Contributions are locked into the Child Trust Fund and once made cannot be accessed by anyone other than the child when they reach 18;
- Inflation will reduce the buying power of your money in the future;
- Charges may change in the future;
- The CTF Provider (RBS Collective Investment Funds Limited) currently deducts an ongoing charge of 1.5% from the Fund, which is the maximum permitted. This means that the capital may be reduced over time if the Fund's growth doesn't compensate for it;
- If you make monthly payments but you do not maintain them, you may not achieve any target amount you are aiming for; and
- In the event of RBS Collective Investment Funds Limited being unable to meet its obligations (e.g. if it stops trading or becomes insolvent), you may lose some or all of your money

Before investing, you need to be certain this is the right investment for your child. If in doubt, seek advice from a Financial Adviser. For more information on risks involved please refer to the Key Investor Information document.

## How to invest

To get the Child Trust Fund started, the Government provided you with a Child Trust Fund voucher. This was at least £250 per child where child benefit was first received on or before 2 August 2010. This was reduced to £50 per child where child benefit was first received after this date up to 3 January 2011.

## Your options

There are a number of different ways to make additional contributions into a Child Trust Fund by you, friends or relatives. Whichever option you choose, you should be aware that once the money is invested it becomes the property of the child and cannot be withdrawn until the child reaches 18. You can invest lump sums by cheque or standing order of amounts of £10 or more. You can invest a regular monthly amount from £10 a month.

The maximum amount that can be saved each year is set by the government. A year starts on your child's birthday and runs to the day before their next birthday. For information on this year's limit please contact us using the details noted on page 6.

If you put more than the maximum amount into the Child Trust Fund in one year, the full payment will be returned to you and you will then need to put in the correct amount.

There are 3 ways in which you can make investments in the Child Trust Fund:

### **Online**

You can manage your investment online if you live in the UK, by going to: <https://ctf.rbs.co.uk> and registering your details. Here you can invest by lump sum, make a one-off payment and change your personal details.

### **Post**

All investment forms can be downloaded from the existing customer page of [rbs.co.uk](https://rbs.co.uk) and sent to:  
RBS Collective Investment Funds Ltd  
PO Box 915  
Newport  
NP20 9PF

### **Telephone**

You can also call us on 0345 604 4500 and we will post you a copy of all forms necessary to action your request.

If you have hearing or speech difficulties, please dial Text Relay 18001 0345 604 4500.

Our lines are open Monday to Friday 9:00am-5:30pm (excluding bank holidays). Calls may be recorded.

## **Cash Held**

Interest will not be paid on any money held by us on your behalf that is not invested in Shares at any time.

We reserve the right not to treat any cash balances due to you as client money and make a payment to charity if they remain unclaimed for a period of over 6 years (after exhausting all attempts to contact you). We will continue to accept and process any valid claims against such money during and after this period.

## **Invest by transferring an existing Child Trust Fund**

If you have an existing Child Trust Fund with another provider you can transfer this to RBS Collective Investment Funds Limited. You need to check with your existing provider if any charges or transfer costs will apply. You will also need to consider if the level of risk in the Child Trust Fund is right for you, as the Fund may operate a different level of risk to your existing Child Trust Fund.

There is the potential for loss of income or growth depending on the type of Child Trust Fund you hold following a rise in the markets whilst the transfer is pending.

We will provide you with a transfer application form for you to complete and return, which can be obtained by calling 0345 604 4500.

## **Withdrawing from the Child Trust Fund**

The investment must remain in the Child Trust Fund until your child reaches the age of 18 years. Upon the child's 18th birthday, the account will cease to be a Child Trust Fund. We will write to the child before their 18th birthday to explain their options upon maturity.

The Registered Contact can access the Account on their child's behalf in certain circumstances. If your child becomes terminally ill, you must contact the HM Revenue & Customs Child Trust Fund Office who will inform you and us of their acceptance. In these circumstances, you may withdraw some or all of your child's investment by providing us with written instructions to withdraw. If you are not withdrawing the full amount of the investment the remaining value after withdrawal must be at least £10.

If your child dies, you should contact us with the death certificate. The money in the account will be paid to the child's legal representative, and will form part of their estate.

We will normally sell the shares in the Child Trust Fund no later than the next Business Day following receipt of your request to make a withdrawal. The selling price will normally be the one calculated at the next valuation point following our receipt of your instructions.

Payment of any withdrawals from the Child Trust Fund in these circumstances will be made to your chosen UK Bank or Building Society account by electronic transfer or by cheque payable to you, and this will be posted to you within five Business Days of the sale of the shares.

On rare occasions dealing in the Fund's shares may be suspended. If this happens it may delay withdrawals.

## **Terminating the Child Trust Fund**

Your child's account will cease to be a Child Trust Fund from the date of the child's 18th birthday. On this date the shares in the Fund held in the account will pass to the child.

We reserve the right to terminate your child's investment by giving 30 days' written notice. We are obliged to terminate your child's investment immediately having given notice if it is impossible to administer it in accordance with the the Child Trust Fund Regulations 2004 (the "Regulations").

In the event that we intend to stop acting as a Child Trust Fund provider, the cash value of the investment will be transferred to another provider following the giving of 90 days' notice to you.

The Child Trust Fund will be managed in accordance with the Regulations. We will inform you if, by reason of any failure to satisfy the provisions of the Regulations, the Child Trust Fund becomes void under the Regulations.

## **Charges**

### **Ongoing Charge**

The Ongoing Charge is the annual operating costs of the Fund. It is the total of the annual management charge, service charges, registrar charges and other expenses relating to the management of the Fund. Please note that the Ongoing Charge may vary from year to year.

**IMPORTANT:** Please be aware that RBS Collective Investment Funds Limited is able to vary the charges applied, but we will inform you of any changes in advance.

## **Potential returns**

The Child Trust Fund aims to grow the money you invest up to an 18 year period. The amount your child gets back will be determined by the value of the shares your child holds in the Fund when they reach 18.

You should remember that the amount your child gets back is not guaranteed and will be affected by factors including:

- The amount you invest and the time you allow it to grow
- The performance of the Fund
- Our charges and fees

## How your child's investment is taxed

Currently, there is no need to pay any personal tax on your Child Trust Fund income or any profits the investment may make. Also, the money in the Child Trust Fund will not affect any claims for family benefit or tax credits.

Although Child Trust Funds are tax-efficient investments for individuals, the underlying Fund may have already paid such taxes as Income Tax, Corporation Tax or withholding tax where applicable.

## What happens if you change your mind

Your cancellation rights applied at the time you opened the Child Trust Fund. You do not have the right to cancel an additional investment, as once the money is received, it becomes the property of the child and cannot be withdrawn.

## What to do if you have a complaint

### Complaint Handling

**If you make a complaint we aim to resolve it as soon as possible. However, if we have not been able to resolve your complaint within one working day, we will write to tell you:**

- Why we have not yet resolved your complaint
- Who is dealing with your complaint
- When we will contact you again
- We will contact you regularly until your complaint has been resolved and we aim to resolve your complaint as quickly as possible.

When we have completed our investigation, we will issue our final response letter within 8 weeks of your initial complaint. You will also receive a leaflet explaining your referral rights to the Financial Ombudsman Service. If you are not satisfied with our decision or explanation, we will be happy to discuss it further with you. Should you not wish to discuss the outcome of your complaint with us, you can contact the Financial Ombudsman Service directly at Exchange Tower, London E14 9SR.

Alternatively call on 0800 023 4567 or 0300 123 9123 (for mobile users). For more information visit their website at <http://www.financial-ombudsman.org.uk/>

If your complaint is particularly complicated, it may take longer to resolve. If we cannot issue a final response letter 8 weeks after receiving your complaint, we will send you a letter giving our reasons for the delay and an indication of when we expect to provide a resolution. You will then have the choice to await our final response or contact the Financial Ombudsman Service if preferred.

This doesn't affect your legal rights.

### How do I make a complaint?

If you wish to complain about the service you have received, the operation or performance of the Child Trust Fund, please contact:

RBS Collective Investment Funds Ltd  
PO Box 915  
Newport  
NP20 9PF

Telephone: 0345 604 4500



If you have hearing or speech difficulties, please dial Text Relay 18001 0345 604 4500. Our lines are open Monday to Friday 9:00am-5:30pm (excluding bank holidays). Calls may be recorded.

## Financial Services Compensation Scheme

RBS Collective Investments Funds Limited is a member of the Financial Services Compensation Scheme (“FSCS”). The Scheme can pay compensation to customers if they are eligible and a regulated firm is unable to pay claims against it, usually if the company stops trading or is insolvent, as long as the company is registered with the scheme. Compensation limits apply depending on the type of claim. For investments, the maximum is £50,000 per person i.e. 100% of the first £50,000. Most retail customers (this includes private individuals and some small businesses) are eligible under this Scheme. For more details, please visit [www.fscs.org.uk](http://www.fscs.org.uk)

## Your classification

RBS Collective Investment Funds Limited will treat you as a “retail client” (as defined in the FCA Rules) for regulatory purposes. This affords you the highest degree of protection under the UK regulatory system. You may request to be classified differently. However, if we are able to do this, you will be afforded a lower level of client protection. For more information about the protections you would lose please contact us.

## Your information

### Who we are

The organisation responsible for processing your information is RBS Collective Investment Funds Limited, which is a member of The Royal Bank of Scotland Group (“RBS”). For more information about other RBS companies please visit [rbs.com](http://rbs.com) or contact your branch or Relationship Manager.

### The information we hold about you

Your information is made up of all the financial and personal information we hold about you and your transactions. It includes:

- (a) information you give to us;
- (b) information that we receive from third parties (including other Group companies, third parties who provide services to you or us and credit reference or fraud prevention agencies);
- (c) information that we learn about you through our relationship with you and the way you operate your fund and/or services, such as the payments made to and from your fund; and
- (d) information that we gather from the technology which you use to access our services (for example location data from your mobile phone, or an Internet Protocol (IP) address or telephone number); and
- (e) information that we gather from publicly available sources, such as the electoral register.

### Accessing your information

- If you would like a copy of the information we hold about you, please write to: RBS Collective Investment Funds Ltd, PO Box 915, Newport NP20 9PF. A fee of £10 is payable.
- If you believe that any of the information that we hold about you is inaccurate, or if you have any queries about how we use your information which are not answered here, please telephone us on 0345 604 4500. Text Relay 18001 0345 604 4500.

## **Changes to the way we use your information**

From time to time we may change the way we use your information. Where we believe you may not reasonably expect such a change we will notify you and will allow a period of 60 days for you to raise any objections before the change is made. However, please note that in some cases, if you do not agree to such changes it may not be possible for us to continue to provide certain products and services to you.

## **How we use and share your information with other Group companies**

We may use and share your information with other Group companies. This information is used by us and them to:

- assess and process applications, provide you with products and services and manage our (or their) relationship with you, and/or as part of a sale, reorganisation, transfer or other transaction relating to our business;
- understand our customers' preferences, expectations and financial history in order to improve the products and services we offer them;
- carry out financial (including credit) and insurance risk assessments and for risk reporting and risk management;
- develop, test, monitor and review the performance of products, services, internal systems and security arrangements offered by RBS companies;
- assess the quality of our service to customers and to provide staff training;
- improve the relevance of offers of products and services by RBS companies to our customers;
- recover debt;
- confirm your identity; and
- prevent and detect crime, including fraud and money laundering; and
- comply with legal and regulatory obligations; and
- identify our customers' use of third party products and services in order to facilitate the uses of customer information detailed above.

Application decisions may be taken based on solely automated checks of information from credit reference agencies and internal RBS records.

## **Sharing with third parties**

We will not share your information with anyone outside RBS except:

- where we have your permission;
- where required for your product or service;
- where we are required by law and to law enforcement agencies, government entities, tax authorities or regulatory bodies around the world;
- to third parties providing services to us, such as market analysis and benchmarking, and agents and sub-contractors acting on our behalf, such as the companies which print our account statements;
- to debt collection agencies;
- to credit reference and fraud prevention agencies;
- to other companies that provide you with benefits or services (such as insurance cover) associated with your product or service;
- where required for a sale, reorganisation, transfer or other transaction relating to our business;
- in anonymised form as part of statistics or other aggregated data shared with third parties; or
- where permitted by law, it is necessary for our legitimate interests or those of a third party, and it is not inconsistent with the purposes listed above.

We will only share your information with third parties on a limited basis following due diligence and in accordance with our internal procedures.

In the event that any additional authorised users are added to your account, you and the additional account user authorise us to pass information about you to the other user.

RBS will not share your information with third parties for marketing purposes.

## **Transferring information overseas**

We may transfer your information to organisations in other countries (including to other RBS companies) on the basis that anyone to whom we pass it protects it in the same way we would and in accordance with applicable laws.

## **Marketing information**

If you have permitted us to do so, then we will send you relevant marketing information (including details of other products or services provided by us or other RBS companies which we believe may be of interest to you), by mail, phone, email, text and other forms of electronic communication. If you change your mind about how you would like us to contact you or you no longer wish to receive this information, you can tell us at any time by contacting us at RBS Collective Investment Funds Ltd, PO Box 915, Newport NP20 9PF, by calling 0345 604 4500 or visiting your local RBS branch.

## **Communications about your fund**

We will contact you with information relevant to the operation and maintenance of your fund by a variety of means including via online banking, mobile banking, email, text message, post and/or telephone. If at any point in the future you change your contact details you should tell us promptly about those changes. We may monitor or record calls, emails, text messages or other communications in accordance with applicable laws for the purposes outlined in the above.

## **Credit reference and fraud prevention agencies**

We may access and use information from credit reference agencies periodically to:

- manage and take decisions about your fund;
- prevent fraud and money laundering;
- check your identity; and
- trace debtors and recover debts.

We may share information with credit reference agencies about how you manage your account including your account balance, credit limit and any arrears or default in making payments. This information will be made available to other organisations (including fraud prevention agencies and other financial institutions) so that they can take decisions about you, your associates and members of your household.

If false or inaccurate information is provided and/or fraud is identified or suspected, details will be passed to fraud prevention agencies. Law enforcement agencies may access and use this information.

We and other organisations may access and share fraud prevention agency information about you to prevent fraud and money laundering, for example, when checking:

- (a) applications and managing credit or other facilities and recovering debt;
- (b) insurance proposals and claims; or
- (c) details of job applicants and employees.

We and other organisations may access and use this information from other countries.

If you would like a copy of your information held by the credit reference and fraud prevention agencies we use, please visit [https://www.cifas.org.uk/what\\_are\\_my\\_rights](https://www.cifas.org.uk/what_are_my_rights) where you can obtain their contact details. The agencies may charge a fee.

## **How long we keep your information**

We will keep your information for as long as it is required by us or other RBS companies (even if you close your fund) in order to comply with legal and regulatory requirements, or for other operational reasons, such as dealing with any queries relating to your fund.

## **Security**

We are committed to ensuring that your information is secure with us and with the third parties who act on our behalf. For more information about the steps we are taking to protect your information please visit <http://personal.rbs.co.uk/global/security-centre.html>

## **Your questions**

### **Q: Can I still open a Child Trust Fund?**

A: No. All Child Trust Fund vouchers have now expired. You can however make additional payments into an existing Child Trust Fund.

### **Q: How can I see how my child's investment is performing?**

A: Each year, approximately a month before your child's birthday, we'll send you a statement showing the contributions to the account and its current value.

You can also check the value of your Child Trust Fund investment at any time by calling our helpline on 0345 604 4500 or logging on to <https://ctf.rbs.co.uk>

You can also check the price of the Fund in the Financial Times, published on a daily basis, or on-line at [rbs.co.uk](https://ctf.rbs.co.uk) under Investments or by logging into <https://ctf.rbs.co.uk>

### **Q: How do you protect my child's personal data?**

A: Any personal information obtained by us will be processed and protected in accordance with the Data Protection Act 1998. You can obtain copies of the information we hold about you by writing to: The Chief Operating Officer, SAR Team, Ground Floor, RBS Gogarburn, PO Box 1000, Edinburgh EH12 1HQ. A fee may be payable.

### **Q: My child already has a Child Trust Fund with another provider. Can they transfer this to RBS Collective Investment Funds Limited?**

A: You can transfer an existing Child Trust Fund to RBS Collective Investment Funds Limited.

We will provide you with a transfer application form for you to complete and return. We then organise the transfer with your child's existing Child Trust Fund provider.

You are also able to transfer from RBS Collective Investment Funds Limited to another Child Trust Fund provider. However they will need to provide you with their transfer form and then once completed and returned, agree to the transfer.

We do not charge for Child Trust Fund transfers.

If you are considering transferring an existing Child Trust Fund either to or from RBS Collective Investment Funds Limited you should check and be comfortable with the following:

- The minimum you can transfer into the Child Trust Fund is £1,000
- Your existing provider may charge you a fee to transfer to the Child Trust Fund
- Consider the level of risk if this would be higher than that of your existing Child Trust Fund
- The possibility and effects of a shortfall following cancellation of the existing Child Trust Fund
- That you may lose the potential for growth or income on your child's investment if markets rise during the transfer process.

**Q: Can I transfer my child's Child Trust Fund into a Junior ISA?**

A: From 6 April 2015 you will be permitted to transfer your child's Child Trust Fund into a Junior ISA. To find out more about the Junior ISA, please visit <http://www.rbs.co.uk/JuniorISA>. You can transfer your child's Child Trust Fund, or a child trust fund account held with another provider, to a Royal Bank of Scotland Junior ISA. Other providers may accept transfers of your child's Royal Bank of Scotland Child Trust Fund into their Junior ISA account. Be aware that transfers are not instant and time spent non-invested during transfers will result in potential losses or gains due to market movements.

## **Child Trust Fund Provider**

The provider of the CTF is RBS Collective Investment Funds Limited, which is responsible for all aspects of the administration and management of the funds. RBS Collective Investment Funds Limited is authorised and regulated by the Financial Conduct Authority under Financial Services Register number 122139. The Fund is authorised by the Financial Conduct Authority, 25 The North Colonnade, Canary Wharf, London E14 5HS, UK.

## **The Depositary**

The Depositary for the Fund is: JP Morgan Europe Limited, 25 Bank Street, Canary Wharf, London E14 5JP. The Depositary is responsible for the safekeeping of the Fund's assets and ensuring that the Fund is managed in accordance with FCA rules.

## **How to contact us**

If you have any questions, you can write or phone us. For copies of the full Prospectus and annual and interim Report and Accounts of the Fund at no charge, please write to us at:

RBS Collective Investment Funds Ltd  
PO Box 915  
Newport  
NP20 9PF

Telephone: 0345 604 4500

If you have hearing or speech difficulties, please dial Text Relay 18001 0345 604 4500. Our lines are open Monday to Friday 9:00am-5:30pm (excluding bank holidays). Calls may be recorded.

# Child Trust Fund Terms

RBS Collective Investment Funds Limited is providing the Child Trust Fund Account on behalf of The Royal Bank of Scotland Plc.

## 1. Introduction

- 1.1 These Terms form the agreement between you and us, RBS Collective Investment Funds Limited, in respect of our provision of the Account. You should read these Terms along with the other practical information contained in our Child Trust Fund literature, including the Key Investor Information Document and Supplementary Information Document.
- 1.2 You appoint us to manage the Account in accordance with the Regulations. We may delegate any of our functions or responsibilities under the agreement, provided that we are satisfied that the person we delegate to is competent to carry them out.
- 1.3 We are authorised and regulated by the FCA in the conduct of investment business. We are approved by Her Majesty's Revenue and Customs as a Child Trust Fund provider under the Regulations.
- 1.4 Your money will be invested into Shares in a collective investment scheme, the RBS Stakeholder Investment Fund Investment Company with Variable Capital (the "Fund"). The Fund is managed by RBS Collective Investment Funds Limited, and an FCA-authorised investment manager is responsible for making investment management decisions in relation to the Fund. Details about the Fund can be found in the Key Investor Information Document, the Supplementary Information Document and the Fund's prospectus.
- 1.5 The Account can only be held in the name of a single child who is eligible in accordance with the Regulations.

## 2. Definitions

- 2.1 The following words and expressions, when used in these Terms, have the following meanings:
  - 'Account' means an account provided by us in accordance with these Terms to operate a stakeholder Child Trust Fund under the Regulations, which is opened and subscribed to on behalf of the Account Holder.
  - 'Account Holder' means the child named on the application form in respect of the Account and the relevant Voucher.
  - 'Account Number' means the unique reference number for the Account provided to you by us.
  - 'Additional Subscription' means any cleared additional payments made by cheque, Direct Debit, standing order or electronic transfer into the Account after the Account has opened.
  - 'Annual Subscription Limit' means the maximum amount that can be paid into the Account each year determined by the Regulations and further detailed in the Supplementary Information Document.
  - 'Authorised Corporate Director' means RBS Collective Investment Funds Limited who is the authorised corporate director of the Fund.
  - 'Business Day' means any day from Monday to Friday (inclusive) which is not a bank holiday in England and Wales.
  - 'Cancellation Period' means the 14 days following your receipt of our acknowledgement of Account opening.

‘Client Money Rules’ means the rules relating to client money as contained in the FCA Rules which may be updated from time to time.

‘Child Trust Fund’ means a stakeholder child trust fund as referred to and described in the Regulations.

‘FCA’ means the Financial Conduct Authority or any successor regulator.

‘FCA Rules’ means the rules and regulations issued by the FCA from time to time.

‘Fund’ means RBS Stakeholder Investment Fund Investment Company with Variable Capital.

‘Fund Manager’ means the manager of the Fund which is RBS Collective Investment Funds Limited.

‘Group’ means The Royal Bank of Scotland group of companies which includes the Fund Manager and RBS.

‘HMRC’ means Her Majesty’s Revenue and Customs or any successor organisation.

‘Key Investor Information Document’ means the document describing the important characteristics of the Fund including its investment aims and the associated risks by investing in its shares.

‘Nominee’ means one or more nominee companies within the Group, which are wholly-owned non-trading subsidiaries, or a custodian appointed by us which may or may not be a member of the Group, and which may be based in the UK or overseas.

‘OEIC Regulations’ means the Open Ended Investment Companies Regulations 2001 as amended or re-enacted from time to time.

‘Registered Contact’ means the person with parental responsibility for the Account Holder to whom the Voucher has been issued.

‘Regulations’ means the Child Trust Fund Regulations 2004 as amended or re-enacted from time to time and any other regulations and statutes applicable to Child Trust Funds.

‘Shares’ means shares in the Fund, held within the Account.

‘Statement’ means a statement of all transactions and shareholdings within the Account.

‘Supplementary Information Document’ means the document describing the main features of the Account.

‘Voucher’ means a Child Trust Fund voucher issued by HMRC to the Registered Contact.

‘Voucher Number’ means the unique reference number provided by HMRC in respect of the Account Holder and quoted on the Voucher.

‘we’, ‘us’, and ‘our’ means RBS Collective Investment Funds Limited which provides the Child Trust Fund on behalf of The Royal Bank of Scotland plc.

‘you’ and ‘your’ means the Registered Contact.

Words and expressions used in these Terms in the singular include the plural. The opposite also applies.

### **3. Additional subscriptions**

3.1 Additional Subscriptions can be made into the Account providing the Annual Subscription Limit is not exceeded. The minimum Additional Subscription amount is £10.

- 3.2 Additional Subscriptions made by cheque and standing order will only be accepted if the Voucher Number or the Account Number is quoted in the payee reference of the payment or on any correspondence attached to the payment. This payment should be addressed to Royal Bank of Scotland Child Trust Fund.
- 3.3 Payments by credit card or in cash are not accepted.
- 3.4 If we cannot accept any Additional Subscriptions because all our requirements or the requirements of the Regulations have not been met, they will be returned to the payer and an explanation of the rejection will be sent to you.
- 3.5 If the Account is already opened, Additional Subscriptions received will be invested no later than the next Business Day following receipt of the Additional Subscription by us.
- 3.6 You will receive confirmation of the Shares purchased in respect of Additional Subscriptions made by cheque and standing order. For Direct Debit payments, a confirmation will only be issued for the first Direct Debit payment made, but all payments will be detailed in the Statement sent to you each year.
- 3.7 If any Additional Subscription results in the Annual Subscription Limit being exceeded then the full amount of the Additional Subscription will be rejected and returned to you.

#### **4. Valuation points**

- 4.1 The Fund Manager calculates the value and price of the Shares at 12 noon on every Business Day in accordance with the OEIC Regulations and the Fund's instrument of incorporation.
- 4.2 Shares that we purchase for you will be purchased at the price calculated by the Fund Manager for that Business Day in accordance with clause 4.1 above.

#### **5. Cash held**

- 5.1 To ensure your money is protected when we hold it as cash (typically when an investment is pending or during the encashment of an investment), we hold this in a client money bank account. This bank account is held by us in trust for clients only and is separate from any account holding our own money. At all times, our records reflect the money that we hold for you and we also ensure that the bank account balances mirror those of our internal records. We check daily to ensure they remain accurate. This is in accordance with the Client Money Rules. Situations in which we might hold such money on the Account Holder's behalf include:
  - 5.1.1 where a Child Trust Fund account is transferred to us from another Child Trust Fund provider;
  - 5.1.2 where you have asked us to transfer the Account to another Child Trust Fund provider and we have sold the Shares and are holding the proceeds of sale pending its transfer to the other provider; or
  - 5.1.3 money awaiting payment out of the Account in the event of the terminal illness or death of the Account Holder.
- 5.2 Under the Client Money Rules, although the money is held separately from our own money, all money held with the same bank will be "pooled" with the money of our other customers that we hold with the same bank.
- 5.3 Interest will not be paid on any money held by us on the Account Holder's behalf that is not invested in Shares at any time.



- 5.4 We reserve the right not to treat any cash balances due to the Account Holder as client money if they remain unclaimed for a period of six years. We will continue to accept and process any valid claims against such money. After this period, the money may not be held in accordance with the Client Money Rules. We will comply with all the relevant requirements under the FCA Rules before exercising this right, which will include attempting to contact you in advance to notify you of our intention to do so.

## **6. How the Fund Manager holds the shares and management of accounts**

- 6.1 Shares held on behalf of the Account Holder will be registered in the name of one or more of our Nominees. Although the Shares will be legally owned by the Nominee, they will be held for the Account Holder's benefit and the Nominee will have a duty to deal with them on the Account Holder's behalf. The Nominee will only accept instructions from us or our delegates. You and the Account Holder are not entitled to sell or dispose of, or transfer any interest in the Shares or use them as security or create any legal charge over them.
- 6.2 Shares held on the Account Holder's behalf may be pooled with the Shares of other account holders. This may mean that the Account Holder's entitlement may not be individually identifiable on the Fund's shareholder register. We will keep records to show that the Shares are being held on the Account Holder's behalf and do not belong to us. If there is a default by a Nominee which results in a shortfall, you and our other clients may have to share in the shortfall in proportion to the value of your investments.
- 6.3 Any certificates or other documents of title relating to the Shares will not be lent by us or the Fund Manager to third parties or used as security for borrowing.
- 6.4 When we buy or sell Shares on the Account Holder's behalf we may combine the order with orders for our other clients or our own orders.

## **7. Transfer of Child Trust Fund Account to another Child Trust Fund**

- 7.1 You may transfer to us a Child Trust Fund account that is managed by another Child Trust Fund provider, provided the value to be transferred is at least £10. Transfers will only be accepted in the form of payment by cheque from the previous Child Trust Fund provider. Once the account has been transferred you and the Account Holder will be subject to these Terms.
- 7.2 Any distributions (including tax reclaims) received from a previous Child Trust Fund provider after the transfer to us will be accepted and used to purchase additional Shares.
- 7.3 You may transfer all of the Account to another Child Trust Fund provider who is prepared to accept the transfer. Only the cash value of the Account can be transferred. The new Child Trust Fund provider will have to provide us with your written authority for the transfer before it can take place. We do not make any charge for the transfer. The Account will be transferred to another Child Trust Fund provider on your instructions and within the time stipulated in the Regulations, which is currently 30 days.
- 7.4 It is not possible to transfer part of the Account.

## **8. Death**

- 8.1 The Account will cease to qualify for tax exemption under the Regulations from the date of the Account Holder's death.
- 8.2 On the death of the Account Holder legal title in the Shares within the Account will be held by the Account Holder's personal representatives. We will sell the Shares in the Account by the end of the next Business Day following receipt by us of the evidence we require to make payment. The proceeds of any sale will be paid by cheque and this will be posted to the Account Holder's personal representatives within 5 Business Days of the sale. These Terms are binding on the Account Holder's personal representatives.

## **9. Transfer of Child Trust Fund Account to Junior ISA**

- 9.1 You may transfer the funds held in the Account to a Junior ISA account, managed by us or by another Junior ISA provider, which you have opened on behalf of the Account Holder. Only the cash value of the Account can be transferred. The new Junior ISA provider will have to provide us with your written authority for the transfer before it can take place. We do not make any charge for such transfer. The Account will be transferred to the Junior ISA provider on your instructions and within the time stipulated in the Regulations.
- 9.2 It is not possible to transfer to a Junior ISA account only part of the funds held in the Account.
- 9.3 Following the transfer, we shall close the Account and issue to you a statement confirming the closing balance and the date of transfer.

## **10. Withdrawal**

- 10.1 It is only possible to make withdrawals from the Account if the Account Holder is terminally ill. You will need to make a claim to HMRC's Child Trust Fund Office. Please contact us if you require their details. You will need to wait for HMRC to inform you and us of their acceptance of this claim before you can make such withdrawals. If HMRC accept your claim, you may withdraw some or all of the Account by providing us with written instructions to withdraw. If you are not withdrawing the full amount of the Account, the remaining value of the Account after the withdrawal must be at least £10.
- 10.2 Upon receipt of authority from HMRC and written instructions to withdraw, we will sell the Shares in respect of the Account no later than the next Business Day following receipt of your request to make a withdrawal. The selling price will normally be calculated at the next valuation point (in accordance with clause 4.1) following our receipt of your instructions in accordance with clause 23.2.
- 10.3 Payment of withdrawal monies will be made by electronic transfer to your chosen UK Bank or Building Society account or by cheque payable to you within 5 Business Days of the sale of the Shares.
- 10.4 On rare occasions dealing in the Shares may be suspended. If this happens it may delay withdrawals being taken.

## **11. Maturity**

- 11.1 From their 16th birthday the Account Holder may choose to manage and give instructions relating to the Account themselves, failing which the Account will continue to be managed by the Registered Contact.

- 11.2 We will write to the Account Holder before their 18th birthday to explain their options upon maturity.
- 11.3 The Account will cease to be a Child Trust Fund from the date of the Account Holder's 18th birthday. On this date, the rights to give instructions and receive information in respect of the Shares, or such other assets that were held in the Child Trust Fund immediately before the Account Holder's 18th birthday, will pass to the Account Holder.

## **12. Closure**

- 12.1 We reserve the right to close the Account by giving 30 days' prior written notice to you. We are obliged to close the Account immediately having given notice if we are of the opinion that it is impossible to administer it in accordance with the Regulations.
- 12.2 In the event that we intend to stop acting as a Child Trust Fund provider, the Account will be closed following us giving 90 days' prior written notice to you. You will be required to transfer the cash value of the Account to another Child Trust Fund provider.
- 12.3 When your Account is closed, the Shares held within it will be sold. After we have started selling your Shares we will not accept any further instructions from you concerning the Account. If any transactions were instructed prior to closure of the Account, these will be completed.
- 12.4 The Account will be managed in accordance with the Regulations. We will inform you if, by reason of any failure to satisfy the provisions of the Regulations, the Account becomes void under the Regulations. If this happens, we may deduct our unpaid charges and any tax liabilities from the Account.

## **13. Charges and expenses**

- 13.1 The ongoing charge is the annual operating costs of the Fund. It is the total of the annual management charge, service charges, registrar charges and other expenses relating to the management of the Fund. Please note that the ongoing charge may vary from year to year.
- 13.2 When Shares are purchased or sold, the Fund Manager may impose a dilution levy in circumstances where remaining investors might otherwise be adversely affected. Further details of the dilution levy are detailed in the prospectus of the Fund.
- 13.3 We may increase or reduce the ongoing charge by giving you written notice. We will give you not less than 60 days' notice of an increase.
- 13.4 We will only increase the Ongoing Charge:
  - 13.4.1 to reflect an increase in the charges made by the Fund Manager under its agreement with the Fund; or
  - 13.4.2 to cover the management and other expenses we reasonably incur in carrying out our functions as a Child Trust Fund provider at any time when the charges made by the Fund Manager are less than the maximum permitted for a stakeholder Child Trust Fund.
- 13.5 We reserve the right to pay commission to authorised intermediaries, including Group companies, where permitted by applicable law. Such commission will be disclosed in the confirmations of investments supplied to you. This commission is paid out of our charges. Information about commission is available from us on request.

## **14. Income accumulation and tax reclaims**

Any income arising in respect of the Shares held within the Account will automatically accumulate within the Fund and is reflected in the price of each Share. Any tax reclaims which are received from HMRC in respect of holdings of Shares will be reinvested to buy additional Shares. Tax reclaims will be reinvested once we have received monies from HMRC.

## **15. Taxation**

- 15.1 Child Trust Funds are not currently subject to personal taxes. Any income or capital gains arising from the Account do not incur United Kingdom income or capital gains taxes. Neither the income nor any capital gains need to be declared on your or the Account Holder's tax return. Although Child Trust Funds are considered tax-efficient investments for individuals, the underlying funds may have already paid such taxes as income tax, corporation tax or withholding tax where applicable.
- 15.2 The Account complies with HMRC requirements and the Regulations. You authorise us to provide HMRC with relevant information about the Account.

## **16. Statements**

We will send you a valuation of the Shares held in the Account based on the price calculated by the Fund Manager, together with a Statement which will show details of all transactions and holdings since the previous Statement. The valuation and Statement will be issued annually at least 30 days prior to the Account Holder's birthday.

## **17. Company information and voting rights in relation to the Fund**

- 17.1 Copies of the Fund's annual and half yearly Managers' Reports and Prospectus and any other information issued to Fund shareholders are available on request.
- 17.2 You or the Account Holder will receive notice of any general meeting held in respect of the Fund if Shares in the Fund are held on behalf of the Account Holder seven days before the notice is sent out. You, or the Account Holder once they reach the age of 16, will be entitled to vote only if Shares are held on behalf of the Account Holder on the date of the meeting. RBS Collective Investment Funds Limited as Authorised Corporate Director is entitled to attend any general meeting in respect of the Fund but, except in relation to third party Shares, may not vote or be counted in the quorum for such a meeting and any Shares we hold will be treated as not being in issue for the purposes of the meeting.

## **18. Conflicts of interest**

- 18.1 We are a member of the Group and will either avoid any conflicts of interest arising with other members of the Group or, where conflicts arise, will ensure fair treatment of all Group clients either by disclosure, compliance with internal rules of confidentiality, declining to act, or otherwise as we consider appropriate.  
The Group will not improperly place its interests above those of its clients and, where a properly informed client would reasonably expect that the Group would place his interests above its own, the Group aims to live up to that expectation. We will provide a copy of our conflicts of interest policy on request. Please contact us should you wish a copy of our policy.
- 18.2 We may, without further reference to you:
- 18.2.1 arrange or advise upon transactions in which we or any of our Group companies act as principal;

- 18.2.2 arrange, or offer advice on, transactions in which we or any Group company may have, directly or indirectly, a material interest which may involve a conflict with the duty we owe you. However, we will use all reasonable endeavours to ensure that any such conflict is resolved fairly;
- 18.2.3 acquire for you investments of which the issue or offer for sale has been underwritten, managed or arranged by us or any of our Group companies during the preceding 12 months; or
- 18.2.4 retain any profit, commission or remuneration made or received from or by reason of any transaction in which we have a material interest.

## **19. Changes to the terms**

- 19.1 We may vary these Terms for any of the following reasons:
  - 19.1.1 to reflect a change in any requirements or guidance from HMRC or the FCA or any other regulatory authority;
  - 19.1.2 to reflect a change in the law, or a decision by a court or ombudsman;
  - 19.1.3 to enable us to make reasonable changes to the way the Account is managed as a result of changes in technology or in the systems used by us or by anyone appointed to provide administrative services in relation to the Account on our behalf;
  - 19.1.4 to provide for the improvement of any services or facilities we offer in connection with the Account, or the introduction of any new service or facility;
  - 19.1.5 to make these Terms clearer or fairer to you.
- 19.2 We will normally give you not less than 30 days' written notice of any change we make under this clause. If we are legally obliged to implement the change immediately, or by a date which does not leave us enough time to give you 30 days' notice, we will instead give you written notice of the change as soon we can.

## **20. Transfer to another provider**

- 20.1 You agree that we may transfer (subject to any necessary FCA and HMRC approval) our rights and obligations under the agreement to another company provided we give you no less than 30 days' prior written notice.
- 20.2 We may appoint another company to be the provider of your Child Trust Fund under these Terms having given you 30 days' prior written notice. The new provider must be approved to act as a Child Trust Fund provider by HMRC.

## **21. Risk warnings**

- 21.1 The value of the Shares held in the Account can go down as well as up and the Account Holder may not receive the amount of the original investment. The Shares can be affected by changes in interest rates and inflation, credit, political, social and economic factors.
- 21.2 These Terms and associated documents are based on our current understanding of HMRC practice, which may or may not change in the future. If HMRC practice does change in the future, this may have an impact on your and the Account Holder's tax liabilities.

## **22. Communication**

- 22.1 We will send any notices or other correspondence to the address you have given us in the application form, or to a new permanent residential address provided you have notified us in writing of the change.
- 22.2 You should send any notices, instructions, or requests for further information, to us at:  
RBS Collective Investment Funds Ltd, PO Box 915, Newport NP20 9PF.  
Telephone 0345 604 4500.
- 22.3 If you telephone us then your call may be monitored/recorded for training purposes.

## **23. Third party rights**

Nothing in the Terms confers or purports to confer on any third party any benefit or any right to enforce any term of these Terms.

## **24. Governing law and jurisdiction**

- 24.1 If these Terms conflict with the Regulations then the Regulations will take priority and apply.
- 24.2 English law will apply to these Terms and to any communications between us under these Terms, and the courts of England and Wales will have non-exclusive jurisdiction over any disputes arising between you and us.



## 🔍 **Braille, large print or audio format?**

If you'd like this information in another format, call us on **0345 604 4500** (Text Relay 18001 0345 604 4500)

The Child Trust Fund is provided by RBS Collective Investment Funds Limited.  
Registered in Scotland No. SC46694. Registered Office: 24-25 St Andrew Square, Edinburgh EH2 2YB.  
Authorised and regulated by the Financial Conduct Authority. Financial Services Register Number 122139.

RBS45606 September 2017