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These Terms, together with the Application Form, form a legal agreement between you and us which sets out how the Child Trust Fund (CTF) is operated.

## 1. Definitions

The following words and expressions, when used in these Terms, have the meanings set out opposite them:

**Account or CTF** – a Unity Mutual CTF governed by these Terms.

**Account investments** – shares, units and any other investments held in the CTF Account.

**Account Manager** – Unity Mutual.

**Application Form** – a CTF application form or transfer application form;

**Assets** – investments, income, interest, cash deposits and any other rights and entitlement from time to time held within the CTF Account.

**Business day** – any day when the London Stock Exchange is open for business;

**Child** – the child named on the CTF voucher.

**CTF** – a CTF taken out with The Oddfellows, Schoolteachers Friendly Society or Druids Sheffield Friendly Society under the regulations and managed by the Society.

**FCA** – Financial Conduct Authority.

**Fund** – any of the following unit-linked fund managed by Unity Mutual:

- The Oddfellows CTF Equity Fund
- Schoolteachers Friendly Society CTF Equity Fund
- Druids Sheffield Society CTF Equity Fund

**Government Contributions** – amounts received by the Account Manager from HM Revenue & Customs in respect of the CTF Account.

**PRA** – Prudential Regulation Authority.

**Price** – the price of a unit in a fund. This is the price determined on a Valuation Day.

**Registered Contact** – you, the applicant named on the Application Form or another person with parental responsibility for the Child who subsequently applies to be the registered Contact or the Child on reaching the age of 16.

**Regulations** – the CTF Regulations 2004, as from time to time amended and in force.

**Society** – The Independent Order of Odd Fellows Manchester Unity Friendly Society Limited, trading as Unity Mutual.

**Subscription** – a payment, in sterling, to be applied to the Account.

**Subscription Year** – a year running from the Child's previous birthday to the day before the next birthday. For the year in which the CTF opens the Subscription Year starts from the date of opening and ends on the day before the Child's next birthday.

**Terms** – these Terms (as amended from time to time), together with the Application Form.

**Unit** – a proportion of a relevant Unity Mutual fund, as determined by Unity Mutual.

**Valuation day** – any day on which the price of units in a fund is calculated. Normally the first working day of the week.

**Voucher** – the CTF voucher issued by HM Revenue & Customs to the Child Benefit claimant.

**We, us and our** – the Account Manager, Unity Mutual.

**You and your** – the Registered Contact who is authorised to manage the Account under these Terms.

These Terms will be governed by and construed in accordance with the law of England and Wales. Reference to any statutory provision or regulation includes any modification or re-enactment.

Any headings and subheadings are not a legally binding part of these Terms. Where appropriate, the words in the singular will include the plural, and the masculine will include the feminine.

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## 2. Account Manager

- a) Unity Mutual agrees to act as Account Manager for the CTF Account. We do not review the Account portfolio and we do not give advice about the CTF Account. We are authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the conduct of our investment business.
- b) Our address is Unity Mutual, c/o 30 Mather Avenue, Liverpool, L18 5HT.
- c) We may appoint any person to advise on or to perform any of our functions or responsibilities under these Terms and may provide information about the Child, the Registered Contact and the CTF Account to any such person. We will satisfy ourselves that any person to whom we delegate any of our functions or responsibilities under these Terms is competent to carry out those functions or responsibilities.
- d) We may amend these Terms by writing to you. Any amendments will comply with the regulations and the rules of the FCA and PRA.

## 3. Application to Open an Account

- a) An application to open a CTF Account must be made in writing on an Application Form unless your child's Account has been opened by Her Majesty's Revenue and Customs. Subject to the Regulations, the CTF Account will be managed in accordance with your directions so long as you remain the Registered Contact for the CTF Account.
- b) These terms will come into force when your application is accepted by us, which will normally be on the day of its receipt. We reserve the right to reject any application where we have reason to believe that the Voucher has expired, is not or might not be genuine, is illegible or that false information has been given on the telephone or on the Application Form.
- c) If the CTF Account has been opened with us by Her Majesty's Revenue and Customs these terms come into force on receipt of the instructions from HM Revenue and Customs to open a CTF Account for your child.
- d) You or anyone else may invest one or more lump sums in the CTF Account during each Subscription Year. In addition or alternatively, you or anyone else may make regular subscriptions by monthly Direct Debit.
- e) An acknowledgement will be sent when you or anyone else makes a lump sum subscription or sets up a monthly Direct Debit.

## 4. Minimum Subscriptions

### a) Lump Sums

The minimum subscription is £10. Subject to the cancellation period, the amount will be invested by us in the relevant Fund at the Price on the Valuation Day following receipt of the money.

### b) Monthly Direct Debits

The minimum monthly subscription is £10. Monthly Direct Debits will normally be collected during the first week of each month and invested by us in the relevant Fund at the Price on the Valuation Day following receipt of the money. If the usual collection date is not a Business Day the payment will be collected on the next Business Day. If new Direct Debit instructions are received before the last ten Business Days of the month, the first monthly payment will be collected by Direct Debit in the following month, otherwise it will be collected in the month after next.

### Direct Debit Guarantee

This Guarantee is offered by all banks and building societies that accept instructions to pay Direct Debits.

- If there are any changes to the amount, date or frequency of your Direct Debit we will notify you 10 working days in advance of your Account being debited or as otherwise agreed. If you request us to collect a payment, confirmation of the amount and date will be given to you at the time of the request.
- If an error is made in the payment of your Direct Debit by us or your bank or building society, you are entitled to a full and immediate refund of the amount paid from your bank or building society.
- If you receive a refund you are not entitled to, you must pay it back when we ask you to.
- You can cancel a Direct Debit at any time by simply contacting your bank or building society. Written confirmation may be required. Please also notify us.

You should inform us in writing if you wish to increase or decrease your monthly contribution, or to stop saving (either temporarily or completely). If your instructions are received at least 10 working days before the next collection date, we will normally give effect from that date.

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## 5. Maximum Subscription

- a) The maximum you can invest in the CTF Account in any one Subscription Year, excluding Government contribution, is set by HMRC. The current limit can be found at <https://www.unitymutual.co.uk/customer-centre/contribution-limits/>.
- b) If any oversubscriptions are received by us we will make all reasonable endeavors to return the payment to the sender. If we are unable to trace the sender of the oversubscription the payment will be returned to the Registered Contact.

## 6. Cancellation

- a) You have the right to cancel your initial management agreement with the Account Manager. If you wish to cancel you must do so within 30 days of confirmation that we have received your Voucher. The CTF Account will be opened when the 30 day cancellation period expires.
- b) If you exercise your right to cancel, the Voucher and any subscriptions you have sent to us will be sent back to you, and any subscriptions sent by anyone else will be sent back to them.
- c) Any additional subscriptions paid into the CTF Account after the cancellation period has expired will have no cancellation rights.
- d) If your child's account has been opened with us by HM Revenue and Customs you cannot cancel the CTF.

## 7. Investment Strategy

Accounts will be invested in one of our Equity Funds. The investment objective of these Funds is to track the capital performance of the UK stock market by investing in over 600 UK companies. As the Fund's investments are spread across a wide range of companies, the risk of it being affected by a single underperforming company or sector is reduced.

## 8. Account Investments

- a) The CTF Account will hold a Unity Mutual life policy, which invests in one or more of the Unity Mutual unit-linked life funds.
- b) The CTF Account includes investments and any cash balances, all income and other rights, and the benefit of any tax relief in respect of such investments.
- c) Subject to any cancellation period, money received will be invested on the valuation date following the receipt and no interest will be paid on cash held pending investment. We do not accept liability for default by any bank which holds cash for the CTF Account.
- d) We will automatically reinvest all income in respect of CTF Account investments net of any tax liability.

## 9. Title

- a) The CTF Account investments shall be in the beneficial ownership of the child at all times and the child will be a member of the Society. Children under the age of 16 are not entitled to a vote within the Society.
- b) No share certificate will be issued to the registered contact of the child. We (or a nominee) will hold any title documents or documents evidencing title to the CTF Account investments.
- c) We will not lend CTF Account investments or the title documents to a third party and will not borrow against the security of CTF Account investments or such documents.

## 10. Taxation

The income from investments in Child Trust Funds is free of personal tax. This situation may change in future.

## 11. Statements

In accordance with HMRC guidelines we will send the child a statement every year around their birthday showing the value of the CTF Account and details of all transactions in the CTF Account since the previous statement. The statements will not include a measure of performance.

The value of the CTF Account at any time shall be equal to the number of the units held to the credit of the Account in the Fund multiplied by the unit value at that time plus the value of any money held by us and not yet credited to the Account.

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### 13. Benefits

**Maturity** – on the child’s 18th birthday the CTF Account will mature and the child will be entitled to the benefits. The benefits will be calculated as the value of units using the unit price at the next Valuation Day after the child’s 18th birthday.

**Death** – on the death of the child before their 18th birthday the CTF Account will pay 101% of the value of units using the unit price at the date of death. Note; for former Druids Sheffield CTF Accounts the amount paid shall not be less than Two Thousand pounds.

### 14. Withdrawals

The CTF Account can only be closed on the Child reaching his or her 18th birthday, on the death of the Child or on direct instruction from HM Revenue & Customs.

Investments in the CTF Account may only be withdrawn in the following circumstances:

- a) Terminal illness – where a terminal illness claim made on behalf of the child has been confirmed by HM Revenue and Customs.
- b) Transfer – on transfer to another CTF or Junior ISA provider the amount transferred will be calculated as the value of the units on the valuation day after we receive all the necessary information to proceed with the transfer.
- c) For stamp duty, stamp duty reserve tax or dealing charges associated with the sale and purchase of investments in the Account.
- d) For charges agreed between the Account Manager and the Registered Contact for the management of the CTF Account.
- e) On closure of the Account.

### 15. Transfer in from another provider

- a) You may transfer a CTF, held with another provider to our Junior ISA. Transfers will only be accepted in the form of payment by cheque from the previous CTF provider.
- b) Upon receipt of a completed transfer form, you will have 30 days in which to cancel the transfer. After this period has expired, the transfer will be processed.

### 16. Transfer out to another Provider

On the instructions of the new provider and within a reasonable business period subject to a maximum of 30 days, the CTF investments will be sold and the proceeds transferred together with all rights and obligations free of charge (except charges such as stamp duty and other dealing costs connected with the disposal or acquisition of investments) to the new provider.

### 17. Charges

Charges for CTF Account management and other expenses will be made up to a maximum of 1.5% per year.

The following charges and expenses may be deducted in full from the Account and are not subject to and do not count towards the maximum charge above:

- a) any stamp duty, stamp duty reserve tax or other charges incurred directly or indirectly in the sale or purchase of investments held under the CTF Account;
- b) any charges or expenses incurred directly or indirectly in complying with an order of the court or any other requirements imposed by law.

### 18. Unit Prices

- a) The price of units in the Fund is calculated on the valuation date. Unit prices are published weekly on Unity Mutual’s website at [www.unitymutual.co.uk/customer-centre/fund-prices/](http://www.unitymutual.co.uk/customer-centre/fund-prices/) and can also be obtained by telephoning the office on 0151 724 1930.
- b) We will buy or sell units for you using the price applying on the valuation day (using the price after valuation has taken place on that day) immediately following receipt of a Government Contribution/Subscription. Units are single priced i.e. the price at which units are bought or sold is the same.
- c) The number of units allocated to your Account will be calculated by dividing the Government Contribution/Subscription by the appropriate unit price.
- d) The price of units at any time reflects the fund management charge of up to 1.5% pa.

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## 19. Void Accounts

The CTF Account will be managed in accordance with the Regulations, which take precedence over these Terms. Where the Registered Contact is the Official Solicitor or Accountant of Court we will inform them when the CTF is closed because the CTF has been voided.

## 20. Notices and Instructions

- a) Notices and instructions to us should be in writing and signed by the Registered Contact. Notices and instructions sent by facsimile will be accepted provided they are signed.
- b) Notices and other documents to be given to the Child will be posted to the Registered Contact at the last registered address and will be considered received two days after posting.
- c) You must inform us promptly if you change your home address.
- d) We are entitled to treat as valid instructions given by the Registered Contact or on their behalf even if that is not the case because of the wrongdoing of another person, unless that person is an employee or agent of the Account Manager.

## 21. Liability

- a) You indemnify us against all liabilities incurred by us in connection with the CTF Account, other than liabilities caused as a direct result of our negligence, knowing default, or breach of the rules of the FCA and PRA or of these Terms.
- b) We are liable for our negligence, knowing default, and for any breach of the rules of the FCA and PRA or of these Terms. We are not liable for any loss caused through a fall in value of CTF Account Investments.
- c) We accept no responsibility for the CTF Account until cleared funds are received, nor for any loss or delay caused in the payment of funds to us.
- d) For the purposes of this paragraph 21, references to you include your (or the child's) personal representatives and references to the Account Manager include its nominees.

## 22. Data Protection

- a) The information you provide us with will be held by the Society.
- b) It will be used for setting up and administering your Account.
- c) We may be required by law to disclose information regarding you or your Account to the regulatory authorities.
- d) We will not share your information with other third parties for marketing purposes.

## 23. Law

In legal disputes, the law of England and Wales will apply.

## 24. Language

The contractual terms and conditions and all communications in relation to the CTF Account will be supplied in English.

### General information

Should you require any additional information please contact our Insurance Department at the following:

**Phone 0151 724 1930**

**Fax 0151 724 1971**

**Email [info@unitymutual.co.uk](mailto:info@unitymutual.co.uk)**

Office hours are 9am to 5pm Monday to Friday

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