



Your guide to investing for children.



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Introduction



Parents are increasingly expected to meet ever rising costs, particularly for higher education. Research published by the Association of Investment Companies in July 2010 estimated the average graduate debt for those leaving university in 2011 at £21,198, which is an eye-watering figure, particularly for parents who were lucky enough to attend university in the days of free tuition and local authority grants. And with tuition fees set to treble from next year, the problem is only going to get worse.

You may think there is little you can do to help, or fear that the burden of supporting your offspring well into adulthood will leave you facing hardship in your own later years.

However, there are still many ways for parents to invest in their children's future, and it is never too early to start.

This guide is designed to set out some of the options open to parents, clearly, realistically and without unnecessary scaremongering. Of course not every option will suit every family, and you may wish to seek financial advice to ensure you are on the right path. But we hope this guide will encourage you to take the first steps on the road to securing your children's future.

Dear little things

Few parents would dispute that children are expensive, yet you may be surprised to find out just how much the little darlings are likely to cost you.



■ The latest estimate puts the cost of raising a child from birth to age 21 (by which time they will hopefully have finished their education) at a massive £186,032. That works out at an average of £8,859 a year or £738 a month, and these costs are likely to increase.

Indeed, over the last five years the figure – from an annual survey by insurance group LV= has gone up by 33%.

■ Childcare and education (principally university) are the biggest costs at around £50,000 each. And if your child goes to an independent school that will add tens of thousands more to the bill.

■ The cost of a university education has shot up and is set to increase with universities planning to charge up to £9,000 a year in England and Northern Ireland, and in Wales for non-Welsh students.

So while baby equipment might seem expensive, and the seemingly endless activities of school-age children may similarly mount up, the really key time to save for is the university years – and the good news here is that this gives you enough time to make a real difference.

Here's how the £186,032 adds up:

Childcare	£50,538
Education	£47,310
Food	£16,386
Holidays	£13,359
Clothing	£12,650
Hobbies & Toys	£9,822
Babysitting	£9,523
Leisure and Recreation	£7,062
Pocket money	£5,469
Furniture	£2,253
Personal	£988
Other (includes driving lessons, first car, birthday and Christmas presents)	£10,673
Total	£186,032

Source: LV, February 2011

First steps

You may be just starting out as a parent, or you may have children already but are unsure about how to start saving for their future. Either way, you can help both yourself and them by taking a few simple steps.



- Decide what it is you want to achieve. Are you building a nest-egg for the future, a small fund to supplement everyday expenses or both?
- Start as early as you can. Particularly if you are hoping to build a savings pot to help with big expenses like university, you can start smaller if you begin earlier.
- If your plans involve using a children's savings account or similar (see pages 10-11), getting your children involved can be a great way of helping to teach them about money. Encouraging them to put aside some of their pocket money would be a good start.
- Children can manage their own accounts from the age of 7. Some supervision is recommended, however, if you want to avoid the prospect of several years' birthday and Christmas money being blown on trading cards and sweets.
- Remember that children are not automatically classed as non-taxpayers – they have the same personal allowance for income tax as adults, but rarely use it. Fill in form R85 at your bank to ensure interest on their accounts is paid gross.
- If you don't feel confident teaching your children about money, why not take the opportunity to learn together? The weekend newspapers can be a good source of information, and there are specialist books and magazines for all levels of expertise.
- As your children near university or working age, it is more important than ever to be open with them about money: they will soon have to look after their own affairs, so will need a good grounding in budgeting, saving and how to avoid or manage debt.
- If their interest goes beyond the basics, teenagers can try their hand at specialist courses and competitions run by ifs School of Finance. Find out more at www.ifslearning.ac.uk.

Reaching your goals

Once you have decided what it is you are trying to achieve, you can start to plan how you are going to achieve it. How much, and where you save will be dictated by your timescale, your attitude to risk, and the level of return you are hoping to generate.



- If you are saving up over the short term, for instance to spread the cost of school trips or activities or your family holiday, you will probably be best served by keeping your money in cash-based savings such as bank or building society accounts. These carry no risk to your capital, but returns can be low, particularly at the moment with interest rates so depressed. See pages 10-11 for more on short-term savings options.
- For longer time horizons, you may want to consider investing in shares. Over the long term shares have tended to provide superior returns to cash, but the value of your capital can go down as well as up and you may not get back as much as you invested. See pages 12-13 for more on long-term investing using shares.
- There tends to be a direct relationship between the risk of capital loss and the potential returns on offer. Generally, the highest potential returns come from investments with the highest risk of loss. The excess return over the rate available on cash is called the 'risk premium'.
- Be honest with yourself about your attitude to risk and reward, and remember that investing in shares is best done over the long term – share prices do fluctuate but their long-term trend tends to be upwards.
- Will you be investing a lump sum or regular amounts? This can have a bearing on the kind of investment you choose. You may get a better return on a lump-sum cash deposit, particularly if you are willing to tie it up for a couple of years. However, investing regularly may be more affordable, and investing regularly in shares-based investments can help smooth out the effects of market movements.
- If you don't think you can manage to save much, look at using things like Child Benefit – at just over £20 a week for a first child, it could build up into a very nice little nest egg over time. Please note from 2013 the Government plans to withdraw Child Benefit for those parents paying 40% or 50% higher-rate tax.

The impact of inflation

US President Ronald Reagan once described inflation as “as violent as a mugger, as frightening as an armed robber and as deadly as a hit man”.



This might seem a little extreme these days, after 20 or more years of comparatively gentle inflation. However, the tendency of prices to rise over time still poses a threat to the value of savings, which worsens the longer the time horizon.

The problem with inflation is that it eats away at the buying power of money. If your savings were earning the Bank of England base rate of 0.5% (correct at the time of writing), inflation at the Government’s target rate of 2% would mean negative real (that is, post-inflation) returns on your money. Under the mattress or in a piggy bank, its value would erode even more quickly, as you would not get the benefit of interest payments (however paltry they may seem).

The withdrawal of index-linked National Savings Certificates, cash-based investments which offered a return based on the inflation rate, means savers currently have one less weapon in their armoury in the fight against inflation. At the time of writing we expect NS&I to reintroduce its withdrawn index-linked products in 2011, so keep an eye out at www.nsandi.com.

For long-term investments with the potential to outstrip inflation, you may want to consider riskier assets such as shares, property or commodities like gold and oil. However, returns from these are not guaranteed and their value can go down as well as up.

How inflation affects your savings

If you were to stuff your piggy bank with £10,000, how much would it be worth in 20 years’ time?

Inflation rate	Purchasing power of £10,000 after 20 years
6%	£2,901
5%	£3,585
4%	£4,420
3%	£5,438
2%	£6,676
1%	£8,179
0%	£10,000
-1%	£12,202

Table assumes inflation is constant over the period, applied annually and compounded over time. There is no interest included in the calculation so savings on deposit would not decrease by the same amount, and would increase in value in real terms if the rate of interest was higher than the rate of inflation.

Source: F&C Investments

Get an early start

It has been said that if you already have children, it is too late to start saving for a private education for them.



There may be some truth in this: average independent day school fees stood at £4,090 per term in 2009/10, according to the Independent Schools Council, which would put a sizeable hole in most families' budgets.

However, for the more than 90% of British children educated in the state system, the first major educational cost is likely to be university – and with a potential 18-year run-up, parents have an ideal opportunity to get saving early.

The longer the time horizon you have, the greater the chance of building a meaningful fund for your child – and should they not wish to go to university after all, you could instead decide to give them a leg-up on the housing ladder.

However, don't despair if your children are already at school and you have not yet started saving – anything you can do to help is better than nothing, although the shorter your time horizon, the more carefully you should consider your attitude to investment risk. Anything under five years is usually considered too short a period for investing in shares and the like.

This is because share values can go down as well as up, and if you are investing over a short period, you may not have time to repair the damage done by any sudden falls in value. Equally, when investing in shares or other risky investments, it can be a good idea to 'lock in' some of your gains as you approach the end of your investment period, to avoid any nasty shocks late on. You can

do this by selling some investments and reinvesting in 'risk-free' vehicles such as bank and building society accounts.

A gradual approach to realising your investments can also help you to avoid a large capital gains tax bill at the end of your investment period. Each individual currently has a capital gains tax allowance of £10,600 a year, below which gains are not subject to the tax.

If you were able to save £100 a month from birth to your child's 18th birthday, your nest-egg could grow to £55,893 in shares or £25,738 in cash, though of course these returns are not guaranteed and the actual figure you achieve could be higher or lower. By delaying until your child was five, your



return would be £25,179 less in shares (£8,244 in cash) at £30,714 (£17,494), though you would only have contributed £6,000 less than if you had started at birth. Leave it until age 8 and the gap gets even bigger (see table).

We have used £100 a month as an example. You may feel you can afford to save more – or equally that you cannot

make such a big commitment. When setting long-term savings goals it is important that you do not leave yourself short on a day-to-day basis, as you may find it either difficult or expensive to get your money back quickly. But equally, whatever you can afford to put away now will have the opportunity to grow into something bigger given enough time.

How £100 a month savings build up

Savings Period	Money Invested	Average Savings Account Value	Average Investment Trust Value
18 years	£21,600	£25,738	£55,893
13 years	£15,600	£17,494	£30,714
10 years	£12,000	£13,109	£20,053

Source: Lipper Hindsight. Monthly investment of £100, offer to offer, net income reinvested to 31.03.11.

Short-term savings options

If you think you might need your money back in a hurry, investing in shares may not be the best option for you. Values can fluctuate in the short term, and you do not want to be forced into selling just as prices have dipped. Generally speaking, you should look to hold shares for at least three to five years, although this does not guarantee that their value will have gone up.

Whether you want to hold some short-term cash investments in addition to longer term investment in shares, or you want to keep your assets in cash to avoid risk to your capital, there are lots of options available, both on the high street or by post, telephone or online.

Children's savings accounts

Many banks and building societies offer dedicated children's accounts. These may come with a range of bells and whistles – or, more commonly, calculators and pencil cases – designed to engage the child and encourage them to use the account.

However, the accounts with the most enticing freebies may not pay the most attractive rates of interest, which is what really makes the difference in the long term.

Many of the best rates on offer come from children's regular savings accounts. However, these often have very restrictive terms and conditions, with small maximum contributions and the top rates only available in the first year. If you do not then move to another similar account with another institution, you may find it reverts to an uncompetitive rate.

You can find 'best buy' tables of accounts in the weekend newspapers and online at websites such as www.moneyfacts.co.uk.

Don't forget to fill in form R85 to ensure interest is paid without deduction of tax.





Cash ISAs

You have to be 16 or over to open an Individual Savings Account (18 or over for a stocks and shares ISA), which allows money to grow without liability to income tax or capital gains tax. But while you cannot open an ISA in your child's name (unless they are over 16, when they can open their own), there is nothing to stop you using one in your own name to save for your child's future.

A recent increase in the ISA subscription limit means you can now save up to £5,340 a year (half of the overall £10,680 annual ISA allowance) in a cash ISA.

Cash ISAs often pay better rates of interest than taxable savings accounts, although today's market-leading rate may fall away in time as new products come on stream, so it is worth keeping an eye on the latest offers.

Products from National Savings & Investments (NS&I)

The Government-backed savings institution NS&I offers **Children's Bonus Bonds**, which are a cash investment specifically designed for investing for children. These bonds have a maximum investment of £3,000 per child per issue, and pay a bonus if held for the full five years to maturity. No interest is paid if the bonds are encashed in the first year. At the time of writing, the 34th issue of Children's Bonus Bonds was on sale, paying a tax-free annual equivalent interest rate (AER) of 2.5% including the bonus. Interest rates are set for the term of the bonds at the beginning of the issue.

Another NS&I product popular with those saving for children is **Premium Bonds**. While your capital is secure, Premium Bonds

pay no interest, so your money is at greater risk of being eroded by inflation. However, each £1 bond (which can be bought in blocks of 100, or 50 if you have a monthly standing order) is entered into a prize draw every month, giving the chance to win prizes ranging in value from £25 to £1 million. All prizes are tax-free. Premium Bonds can only be bought for children by post, and anyone other than parents buying bonds for a child will need to supply the parent or guardian's details as well as their own and the child's.

Index-linked savings certificates pay a set percentage rate over and above the rate of inflation. At the time of writing NS&I was not offering these products, but they are expected to be reintroduced in 2011.

Long-term savings options

While cash is a good home for short-term savings, or for capital with which you do not wish to take risks, history suggests that superior long-term growth potential is available from investing – directly or indirectly – in shares.

As a shareholder you are the owner of a stake in a company, and your rewards come in the form of a rising share price and the payment of dividend income on your investments. However, the value of shares can – and does – fall as well as rise, so shares are best held for longer periods to overcome the effects of short-term price fluctuations

Investing directly in shares

You can buy shares in individual companies on behalf of your children. Over 18 years a fairly modest investment could grow into something quite substantial if you pick a company that becomes a major success. However, you may pick a company that goes bust and takes your money with it. Putting all your eggs in one basket in this way is risky, and you may prefer to diversify your investment by holding shares in a number of companies. However, this can be both expensive and time-consuming, with

dealing costs and paperwork to contend with, and unless you are investing a great deal, you are unlikely to be able to spread your investments widely enough to cut your risk substantially.

Collective investments

Because of the difficulty in building your own diversified portfolio of shares, many small investors prefer to use a collective fund, where their money is pooled together with that of other investors to buy shares in many different companies. In a passive, or index-tracking fund, the investors' money will be used to buy shares in the members of an index such as the FTSE 100, with the aim of replicating the index performance. An active fund benefits from the services of a professional fund manager, who may be aiming to beat an index such as the FTSE 100, or who may have a performance target independent of such a benchmark – for example, to beat the return available on cash by a specified amount.

There are thousands of collective funds available in the UK, and choosing one can be tricky, so you may wish to consult a financial adviser. There are also funds that invest in other funds, providing a ready-made diversified portfolio investing in many areas. These are known as multi-manager, or funds of funds.

Several fund management companies offer savings plans aimed specifically at those investing for children. These usually accept lump sum or regular investments, and the minimum contributions are usually quite small, allowing you to put something away for your child's future even if you can't afford a big commitment.

What sort of fund?

Collective funds broadly fall into two types – open-ended and closed-ended. Open-ended funds include unit trusts, open-ended investment companies (OEICs) and offshore funds like Luxembourg SICAVs, which may be authorised for sale in the UK. The best-



known closed-ended funds are investment trusts. Investment trusts were the original collective investments – the first one in the world was Foreign & Colonial Investment Trust, launched in 1868. There are now far more open-ended funds on the market, but both types have their own attractions.

Investment trusts

Investment trusts are listed companies that exist to invest in other companies. They have a fixed number of shares in issue. The price of the shares will reflect not only the value of the underlying assets (the 'net asset value'), but also the price another investor is willing to pay you for your shares. If the trust is very popular, they may be willing to pay more than the underlying value. This is called trading 'at a premium'. More often trusts trade at a slight discount to net asset value, meaning you can buy shares for less than the value of the underlying assets. This can be beneficial, but only if the discount is smaller when you sell the shares than when you bought them.

Because they are listed companies, investment trusts have an independent board of directors whose role is to look after the interests of the shareholders. This separation between the board and the fund management company means investment trusts are arguably less exposed to commercial pressures than open-ended funds.

Investment trusts often have lower fees than open-ended funds, though this may not be the case in specialist asset classes such as property or private equity. They do not pay commission to financial advisers, which means costs are lower for investors, but has also led to a tendency for advisers to recommend open-ended funds.

Investment trusts may also have the freedom to borrow money to invest – this is known as 'gearing'. When stockmarkets are going up, gearing can be beneficial as the rising value of the assets outstrips the fixed amount borrowed. In a falling market the reverse is true, as the liability is still fixed but the value of the assets goes down.

Unit trusts and OEICs

Unit trusts and OEICs do not share the distinctive features of investment trusts – they trade at net asset value, are generally unable to gear and are under the direct control of the fund management company.

'Open-ended' means that the funds can issue shares or units to meet demand from new investors, and cancel shares or units that are sold.

Charges are typically higher than on investment trusts, although investors may be able to get a discount, particularly on the initial charge, by buying through certain financial advisers who rebate the upfront commission they receive.

The relative simplicity of open-ended funds, together with their ready availability through financial advisers, has led to significant growth in the market, and there is now a huge range of funds available covering just about every imaginable asset class.

F&C's Children's Investment Plan

The Children's Investment Plan (CIP) from F&C Investments is based on the Private Investor Plan, which became the UK's first investment trust savings scheme when it was introduced by F&C in 1984.

The Children's Investment Plan allows the holder to access F&C's range of investment trusts, which cover a wide variety of markets and asset classes, from the global diversification of Foreign & Colonial Investment Trust, to smaller company specialists and alternative asset classes like private equity and commercial property.

A Children's Investment Plan can be held in one of two ways – as a designated account or within a bare trust. Each of these options has its own particular features.

Designated account

You can open an account in your own name but designate it for the benefit of a child. This will usually be done by putting their name or initials on the account name – for instance 'Mr R Brown for HB'. With a designated account the money remains legally yours. This means you are liable for any tax to be paid on income or gains, but it also means you retain control over when the child eventually receives the money. You may prefer this kind of control if you are worried

your child might squander the fund you have built up for them. Having the plan as your legal property also means you will be able to dip into it in times of need. This flexibility could be seen as a good or a bad thing, depending on your level of self-discipline.

Bare trust

By choosing to hold an investment for a child in a bare trust, the money becomes legally their property, and they can access it from the age of 18 (16 in Scotland). You will need to fill in a bare trust form (available as part of the CIP application form) and choose whether you or someone else will act as a trustee. Money held in a bare trust is no longer deemed part of the donor's estate, although if you die within seven years of setting up the trust, it will be deemed a 'potentially exempt transfer' for inheritance tax purposes and may be liable to tax.

As a trust is a legal structure it may be worth talking to a solicitor to ascertain whether it is the right move for you.





Lump sum or regular investment?

F&C's Children's Investment Plan is suitable for both lump sum and regular investments. There is no maximum investment, and the minimum investments are £500 or £25 per month. These minimums apply for each investment trust held through the plan, so for instance if you wanted to split your investment between two trusts, you would need to invest at least £1,000, or £50 a month.

By investing regularly, you have a chance to counter the ups and downs of the stockmarket: when markets dip and share prices go down, your fixed monthly investment will buy more shares, meaning you have a greater pool from which to benefit when prices rise again. With a lump sum, more of your money is at work from day one, allowing you to benefit from the compounding of returns over time. Do remember, though, that investment trusts are shares-based investments whose value will fluctuate over time, and that returns are not guaranteed.

You can make a mixture of lump sum and regular contributions if you wish, which could be useful if your income is irregular, and contributions can be stopped, started or changed at any time.

CIP or Child Trust Fund?

For those parents of children born between 1 September 2002 and the end of 2010, who qualify for the Child Trust Fund, an investment such as the Children's Investment Plan can still form a useful adjunct. The tax benefits of a CTF, which are not liable to income or capital gains tax, are not available to CIP investors, but at the same time, the CIP allows greater flexibility and control (if held through a designated account) and is not restricted to the £100 a month maximum contribution of the CTF. (See overleaf for more on Child Trust Funds.)

All your eggs in one basket?

While the Children's Investment Plan could be likened to a basket in which to keep your nest egg, you can avoid the 'all your eggs in

one basket' conundrum by diversifying across different investment trusts. An investment trust already offers a diversified portfolio of shares, but by investing in more than one trust, you can spread your risk further among a greater number of holdings in different markets and asset classes. See pages 18-19 for the full range of investment options available through the CIP.

Who can take out a Children's Investment Plan?

Although savings plans like the CIP are most popular with parents and grandparents, they can be set up by any adult on behalf of a child, making them potentially suitable for godparents, aunts and uncles, other family members and friends. Plans can be set up individually or by up to three people together.

To find out more about F&C's Children's Investment Plan, visit www.fandc.co.uk or call 0800 136 420.

The Child Trust Fund



Junior ISA replaces the Child Trust Fund in 2011.

What does the abolition of Child Trust Fund Vouchers mean for existing CTF holders?

Anyone who has a CTF account (and this includes those children born between 2 August and 31 December 2010) can continue to contribute up to £100 a month, which will grow free of income tax and capital gains tax until the child's 18th birthday. Family and friends can also pay into the account, as long as the £1,200 annual contribution limit is not breached.

The government payments at age 7 have ceased with effect from 1 August 2010, and additional payments for disabled children will no longer be made after 5 April 2011.

Transferring a CTF

While no new Child Trust Fund accounts can be set up, parents are still free to transfer their child's CTF from one provider to another – perhaps because they want to move from cash to shares (or the other way round) or from a stakeholder to a non-stakeholder product.

If you want to transfer a CTF, you will need to get a transfer form from your new provider. They will normally communicate with your old provider on your behalf, which should make the process as painless as possible.

F&C's Child Trust Fund

F&C offers both stakeholder and non-stakeholder CTFs. The stakeholder product invests in an open-ended fund, the F&C FTSE All-Share Tracker OEIC. The non-stakeholder product offers the same wide choice of investment trusts as the Children's Investment Plan.

Coming soon – Junior ISA

The Government has announced its intention to put in place a new tax favoured saving scheme for children, currently known as 'Junior ISA'. Although details of the new scheme have not yet been finalised, it is expected to be introduced before the end of 2011 and replaces the Child Trust Fund.

To find out more about F&C's Child Trust Fund, visit www.fandc.co.uk or call 0800 136 420.

Children and tax



You might think ‘Children don’t pay tax, do they?’ But tax is a factor to consider when investing for children. Here’s a brief summary of the key issues.

Facts to consider about tax when investing...

Income tax

Where the money comes from has an impact on how it is taxed.

Money from parents

In order to stop parents from sheltering their own money from tax in investments they say are made on behalf of their children, any income generated on investments made by parents will be taxed as the parent’s if it exceeds £100 a year. This £100 is per parent, so if each parent sets up an investment for the child, they could generate interest or income of £200 a year without triggering the liability.

Money from grandparents and other adults

Any interest or income generated on investments made by adults other than the child’s parents is taxed as the child’s income. Contrary to popular belief, children

are not exempt from paying tax – they have the same personal income tax allowance as adults, currently £7,475 (2011/12 tax year). However, as few children will have an income above this level, most are effectively non-taxpayers.

Remember to fill in form R85 at your bank or building society to have interest on children’s savings accounts paid without deduction of tax.

Capital gains tax

Just as with income tax, children have the same capital gains tax allowance as adults. Currently, this means they can realise gains of up to £10,600 (2011/12 tax year) a year before tax is payable. This allowance applies whatever the source of the original capital. Capital gains tax liability only kicks in when a gain is ‘realised’ – that is, usually, when the investment is sold. Losses can be offset against gains when calculating a liability.

Inheritance tax

Inheritance tax (IHT) is currently levied on all assets above the ‘nil rate band’ threshold of £325,000. Assets passed to a spouse are exempt from inheritance tax and the nil-rate band is transferable between husband and wife, so the surviving partner can leave an estate of up to £650,000 without liability to tax. There are a variety of ways in which inheritance tax liability for beneficiaries other than the spouse (including children) can be lessened or avoided. Careful financial planning and legal advice is crucial, with the use of trusts and gifting the most common ways of taking assets outside the IHT net.

F&C's investment trust range

Why choose F&C investment trusts?

- F&C's sole activity is asset management. We are not a bank. We are not an insurance company. We are an active international investor.
- We have a long and outstanding heritage, spanning over 140 years.
- We pioneered the concept of investment trusts back in 1868 with the launch of Foreign & Colonial Investment Trust. It remains one of the world's largest investment trusts, with assets of £2.3bn (correct at 28 February 2011).

Our award-winning range of 13 investment trusts offers a number of benefits and is a simple and effective way to access the potential of the stockmarket. At F&C we offer investment trusts that are designed for capital growth, income or a combination of the two. Some of our trusts aim to target a specific region, such as the UK, or a specific area of the market, such as smaller companies. We also have trusts investing in the alternative asset classes of commercial property and private equity.

Our 13 investment trusts are divided into three categories: **Core**, **Specialist** and **Alternative**.

Core trusts – building a solid foundation

British Assets Trust	International, aims for growth and quarterly income
F&C Capital and Income Investment Trust	Mainly UK, aims for income and growth
Foreign & Colonial Investment Trust	International, aims for long-term growth in capital and income
Investors Capital Trust	Mainly UK, aims for income with prospect of growth

Specialist trusts – enjoy the potential for greater returns

European Assets Trust	Continental Europe, growth from small and mid-cap European companies
F&C Global Smaller Companies	International, long-term growth in capital and income
F&C Managed Portfolio Trust	International 'fund of funds', choice of income or growth
F&C US Smaller Companies	North America, long-term growth from small and mid-cap companies

Alternative trusts – look beyond the mainstream

F&C Commercial Property Trust	A diversified UK property portfolio
IRP Property Investments Ltd	A diversified UK property portfolio
F&C Private Equity Trust	Unquoted companies worldwide
Graphite Enterprise Trust	Unquoted and quoted companies both direct and through specialist funds
Thames River Hedge+	Portfolio of both directional and non-directional hedge managers



Ways to access F&C's investment trusts

There are five plans through which you can invest in our investment trusts. Please note that not all the trusts mentioned may be available in every plan. All our savings plans will accept either regular or lump sum contributions.

Individual savings account – flexible, tax-free wrapper for the over-16s

Private Investor Plan – the UK's first investment trust savings scheme

Child Trust Fund – must be opened with a CTF voucher or by transfer from another CTF

Children's Investment Plan – flexible savings plan for children with the benefit of tax relief

Pension Savings Plan – save for your retirement with the benefit of tax relief

For more detailed information

Detailed individual trust profiles, statistics, performance indicators and key features documents for all our investment trusts can be found at www.fandc.co.uk. You can also invest in any of our trusts online, using a debit card.

You can request a brochure and application form by calling our Investor Services team on the number shown overleaf. Please note that our Investor Services team cannot give any advice on the suitability of investing in our plans. If you are in any doubt about your investment choices you should contact your financial adviser.

F&C. An award winning investment provider.

- Over 120,000 investors are building a brighter financial future for children with F&C (as at 31 March 2011).
- We have been looking after people's money since 1868 and have a proven track record.
- We manage over £100 billion for more than three million customers (as at 31 December 2010).



WINNER

Gold Standard Award for fund management 2006-2010



Best Children's Investment Provider 2007, 2008 & 2010



Best Investment Trust Children's Savings Plan, 2011



Rated 1st overall in the UK, 2009 & 2010

Contact us.



Call us on **0800 136 420** (8.30am - 5.30pm, weekdays, calls may be recorded)



Email us at **info@fandc.com**



Visit **www.fandc.co.uk/ifcguide**

Please note that we cannot give you any advice on the suitability of investing in our plans.

If you have difficulty reading this pack and need a copy in large print, please contact us.

If you are deaf or hard of hearing, remember you can use the Typetalk facility.

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