

Simplified Prospectus & Terms and Conditions.



Child Trust Fund



Simplified Prospectus of the Scottish Friendly Child Trust Fund

Its Aims

- To provide a fund for a child at age 18.
- To invest Government contributions and additional savings in a range of investments to maximise the value of the child's account at age 18.
- The Child Trust Fund will invest in our Managed Growth Fund with the aim of achieving capital growth.
- Between the child's 13th and 18th birthdays, the funds will gradually be moved into lower risk investments.

Your Investment

- The Child Trust Fund can only be opened with a valid Child Trust Fund voucher issued by the Inland Revenue. Once we receive your voucher we will claim the amount shown on it from the Government and when we receive the money we will invest it on the child's behalf.
- You do not need to make any additional payments. If you do, the minimum one-off or regular payment is £10.
- You can stop payments, change the amount you save or make one-off payments at any time subject to the £10 minimum and £1,200 per year maximum.
- Anyone, such as grandparents, uncles, aunts or family friends may also contribute to the child's Child Trust Fund up to a maximum of £1,200 in any year.
- **Once money has been paid into the Child Trust Fund it is locked in. It can only be taken out by the child on reaching the age of 18 (except under the exceptional circumstances listed in the Child Trust Fund Terms & Conditions). Any payments made to the Child Trust Fund cannot be returned to the donor.**

Risk Factors

- The Scottish Friendly Child Trust Fund is a Stakeholder Child Trust Fund. This means it meets a set of minimum standards set by the Government relating to how the fund is invested and how much we can charge for managing it (see What is a Stakeholder Child Trust Fund?). Satisfying these minimum standards does not mean that the investment is suitable or that there is any guarantee of performance.
- The investment is not guaranteed. The value may fall below the amount originally invested.
- The tax treatment of the Child Trust Fund may change in future.
- No money can be withdrawn from the Child Trust Fund. It will mature and be payable to the child at age 18.
- The Managed Growth Fund is exposed to and can hold currencies other than sterling. As a result, exchange rate movements may affect your investment as well as price movements.
- Details of all the risks are available within the full prospectus, which is available on request.

No advice has been given by Scottish Friendly in respect of this plan. If you are in any doubt as to the suitability of this plan for you and your child's circumstances, you should talk to a professional independent financial adviser.

Your questions answered

What is the Child Trust Fund?

- The Child Trust Fund is a savings and investment account for children born on or after 1st September 2002.
- The Government will make payments into Child Trust Fund accounts to help build up a useful sum for the children when they reach the age of 18.
- Family and friends can also contribute to the account – up to a total of £1,200 each year.

How much will the child get?

- If the child is eligible, a voucher will be sent to the person claiming the Child Benefit, who will usually be the parent, which can be used to open a Child Trust Fund account. The voucher will have a value of £250 (except for children born before 6th April 2004 where it will be slightly higher).
- If the child is part of a household receiving Child Tax Credit with a household income below the Child Tax Credit income limit (currently £13,480), the child will also receive an extra £250 (again slightly more for children born before 6th April 2004). This will be automatically added to the Child Trust Fund account once the Child Tax Credit award has been finalised.

How can additional payments be made into the Child Trust Fund?

- Parents, family and friends can make additional payments into the Child Trust Fund to boost the value of the child's savings. Single payments should be made by cheque and regular payments should be made by setting up a monthly Direct Debit. If you require an additional Direct Debit Form, please contact us. Lump sum contributions should be made in writing.

Can I change my monthly savings?

- Yes. You can increase, decrease or stop your payments at any time without penalty. Just let us know in writing if you wish to alter your monthly payment and we will make the change.

Where will payments be invested?

- All payments into the Scottish Friendly Child Trust Fund buy shares in the Scottish Friendly Managed Growth Fund. The fund invests in shares of carefully selected companies as well as some Government bonds and cash. The fund is designed for long term capital growth.
- Your money is spread over many investments so the risk of it being affected by a single under performing share is reduced. Investment in Government bonds also provides additional security for the child's investment in times of stock market volatility.
- Your shares are held in the name of Scottish Friendly as nominee.
- Any investment income earned is automatically reinvested. Tax reclaimed on this income is also reinvested.
- Scottish Friendly will automatically begin moving the money out of the Managed Growth Fund and into 'safer' investments like cash or increase the amount of Government bonds held once the child reaches the age of 13. This is called 'lifestyling' and it means the value of the child's savings becomes more certain in the approach to the 18th birthday.

What is the Managed Growth Fund?

- The Managed Growth Fund launched 30th May 1999. The base currency of this fund is Sterling. This Simplified Prospectus contains key information about the Fund which is a sub-fund of Scottish Friendly Investment Funds (the 'Company'). The Company is an investment company with variable capital incorporated under the OEIC regulations. This company is incorporated in Scotland.

Is this investment suitable for my child?

- The Scottish Friendly Child Trust Fund is suitable for those investing who view funds like this as a convenient way of participating in stocks and shares. There may be significant temporary losses which long term investments like these are designed to accommodate. The risks of investing in the Managed Growth Fund are detailed above.

What is the fund's investment policy?

- The investment policy is to achieve medium to long-term capital growth through investment in equities and fixed interest securities both in the UK and in other international stock markets. Fixed interest securities will comprise UK gilts or fixed interest securities denominated in sterling or foreign currencies issued by sovereign governments, supernational bodies, or local authorities. The Fund may also invest in corporate bonds denominated in sterling and other foreign currencies. The use of derivatives, stock lending or borrowing as permitted by the regulations for efficient portfolio management purposes may also take place when deemed appropriate for the achievement of the objectives of the fund.

Will the Child Trust Fund receive income?

- The fund may earn dividends and income on its underlying investments. This fund only issues accumulation shares which means that no dividends will be paid on shares but instead income is automatically reinvested on your behalf. Income will be calculated six-monthly as at 30 November and 31 May, with the appropriate distribution made within four months of these dates.

Will tax be paid on the investments?

- Payments into the Child Trust Fund will be invested free of UK Income Tax and Capital Gains Tax. The fund in which you invest receives UK dividend income net of corporation tax.
- The Child Trust Fund account and the income and gains from that account will not affect family benefit and tax credits during the time the Child Trust Fund account is open.

What is a Stakeholder Child Trust Fund?

- A Stakeholder Child Trust Fund must meet a number of conditions specified by the Government. These conditions are:
 - The fund must include equities (shares in companies);
 - The fund must invest in a diversified range of investments which are suitable for the purpose of the Child Trust Fund;
 - There are certain types of investments which cannot

be held in a Stakeholder Child Trust Fund;

- Unless otherwise instructed by the Registered Contact, the Child Trust Fund must be subject to lifestyle (see "Where will payments be invested?");
- Payment of additional contributions must be accepted by cheque, direct debit, standing order and direct credit;
- The minimum amount which may be subscribed to the account on a single occasion is £10;
- Charges for the management of the Child Trust Fund must not exceed 0.00411 per cent of the value of the investments for each day on which the account is held. This is equivalent to 1.5 per cent per year.
- The Scottish Friendly Child Trust Fund meets the Stakeholder conditions. This does not mean that the investment is suitable or that there is any guarantee of performance. Non-Stakeholder Child Trust Funds such as cash deposit funds are available and these may be more suitable depending on the investment aims for the child.

Can I Cancel the Child Trust Fund?

- You can cancel your agreement with Scottish Friendly Asset Managers to manage the Child Trust Fund if you do so within 14 days of receiving confirmation from us that we have received the voucher. We will not open the Child Trust Fund account until this 14 day period has elapsed.
- Once the Child Trust Fund has been opened you cannot cancel the agreement. You may however transfer the Child Trust Fund to another provider at any time.
- Additional payments paid into the Child Trust Fund cannot be cancelled and once in, must remain there until the child reaches the age of 18 (except under the exceptional circumstances listed in the Child Trust Fund Terms & Conditions).

How can I find out how much is invested in the Child Trust Fund?

- We will send the child a valuation statement of his/her Child Trust Fund once a year. This statement will show the activity that has taken place since any previous statement and include the number of shares the child owns and the value of the investments.
- The price of shares is calculated every working day and quoted daily in the Financial Times and The Herald and on our website www.scottishfriendly.co.uk

How do I transfer the Child Trust Fund to another provider?

- If you decide to transfer the Child Trust Fund to another provider you must contact them and complete a new application form with them.
- Once we have received instructions from the new provider and any cancellation period has expired we will sell the investments in the Child Trust Fund and transfer the proceeds to the new provider.
- We will transfer the Child Trust Fund free of charge except for any costs incurred in selling the investments such as stamp duty or dealing costs.
- We will issue a statement to you showing the amount that has been transferred.

How do I withdraw from the Child Trust Fund?

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

1. for stamp duty, stamp duty reserve tax or dealing charges associated with the sale and purchase of investments in the CTF Account;
2. where the Registered Contact has elected to receive a copy of the annual report and accounts or attend meetings of investors, associated charges (see section 12);
3. for charges agreed between the Account Provider and the Registered Contact for the management of the CTF Account;
4. where a terminal illness claim made on behalf of the Child has been confirmed by the Inland Revenue;
5. on closure of the CTF Account.

b) 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 the Inland Revenue.

What happens to the Fund if the child dies?

- In the event of the child's death, investments in the Child Trust Fund account will be sold and the proceeds will be paid to the child's personal representatives.

What could my child's CTF account be worth in future?

The illustrations below give you an idea of how much your child's investment could be worth in the years ahead. But the final amount will depend on how

much is invested on behalf of the child and the actual rate at which the investments grow.

a) Regular contributions.

If you invest a monthly payment of £25 for 18 years, in addition to the initial CTF voucher amount from the government and an additional government endowment of £250 at aged 7, the table below shows how much the fund would be worth, after charges, if it grows each year by:

For the example shown above please note:

At end of year	5%	7%	9%
	£	£	£
1	564	572	580
3	1,220	1,260	1,310
5	1,930	2,040	2,160
10	4,200	4,670	5,200
18	8,260	10,100	12,400

- Includes initial government endowment of £250 and additional government endowment of £250 at aged 7.
- These figures are only examples and are not guaranteed – they are not the minimum or maximum amounts. What your child will receive depends on how the investment grows and the continued favourable tax treatment for CTF accounts.
- Your child could get back more or less than this.
- All CTF managers use the same rates of growth for illustrations but their charges may vary. Scottish Friendly's actual charges have been deducted in calculating the figures shown.
- Don't forget that inflation will reduce what can be bought with the value of your child's CTF fund in the future.

How will charges and expenses affect my child's investment?

- A charge will be made within the Managed Growth Fund. This is called the annual management charge and is 1.5% of the fund value. The estimated effect of this charge is included in the Total Expense Ratio. The fund is valued daily and the amount of the charge is deducted on a daily basis from the value of the fund.
- A number of other expenses and fees may be deducted in full from the CTF Account and do not

count towards the maximum daily charge. These include 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.

- We have taken account of all these charges in the figures shown in these examples. They could increase in the future if our costs increase more than expected.
- In addition, there are transaction expenses incurred by the Fund when the fund manager buys and sells the Fund's investments and these are paid out of the capital of the Fund. These expenses include the commission the fund manager pays its stockbroker.

a) Regular monthly contributions

The following table is based on an initial investment from the government of £250, an additional government endowment of £250 at aged 7, plus monthly payments of £25 into your child's CTF account. This assumes an average growth rate of 7% a year to demonstrate the effect of charges. This growth rate is not guaranteed.

At end of year	Investment to date	Effect of deductions to date	What the CTF might be worth
	£	£	£
1	550	6	570
3	1,150	37	1,260
5	1,750	95	2,040
10	3,500	424	4,670
18	5,900	1,840	10,100

The last line in the table shows the effect of total charges and expenses after 18 years could be £1,840. Putting it another way this would have the same effect as bringing the investment growth down from 7% to 5.4% a year.

What is Total Expense Ratio (TER)?

The Total Expense Ratio (TER) shows the annual operating expenses of the fund and does not include transaction expenses. All European funds highlight the TER to help you compare the annual operating expense of different schemes. The formula for calculating the total TER is as follows:

$$\frac{\text{The scheme's total operating costs}}{\text{divided by the average net assets}}$$

The TER for the Managed Growth Fund is
1.58%

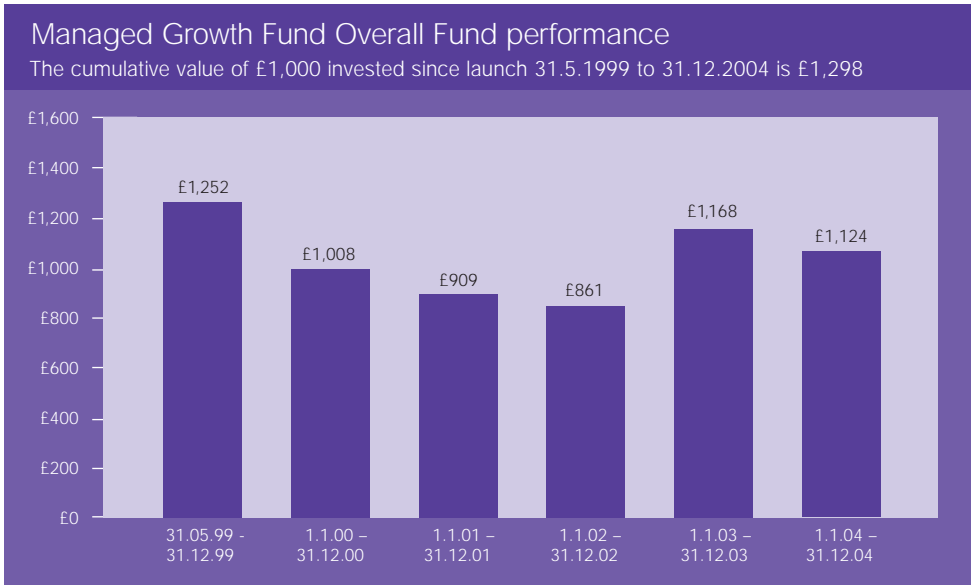
What is the Portfolio Turnover Rate (PTR)?

A Portfolio Turnover Rate (PTR) reflects the volume of dealing within a fund using a special formula. The PTR is calculated on the basis of the following formula:

$$\frac{\text{Total transactions in securities} + \text{the total transactions in units of the fund}}{\text{divided by average of total net assets}}$$

The PTR for the Managed Growth Fund is
111%

Scottish Friendly Managed Growth Fund - past performance record



Performance figures are on a bid-bid basis, inclusive of net reinvested income. This basis does not take into account the initial charge (Source: Standard & Poor's). Past performance is not a guide to future performance.

The value of shares and the income from them can go down as well as up and you may not get back the amount you originally invested.

Further Information

Stamp Duty Reserve Tax

The Finance Act 1999 introduced, from 6 February 2000, a new system of Stamp Duty Reserve Tax (SDRT) or certain deals in the shares of Open Ended Investment Companies (OEIC). The liability for payment of his duty lies with the OEIC and the regulations permit that payments of SDRT may either be paid from the property of the fund or for the company to levy an SDRT provision against the individual purchase and sale of shares. This would, if imposed, increase the cost of buying shares and lessen the proceeds of sales by the investor. It is not Scottish Friendly's intention to apply the SDRT charge against deals, our policy is that SDRT will be charged as an expense to the property of the fund.

Depository

The Depository of the Scottish Friendly Investment

Funds OEIC is HSBC Bank plc, Mariner House, Pepys Street, London, EC3N 4DA.

Auditors

KPMG Audit Plc, 191 West George Street, Glasgow G2 2LJ.

Supervisory Authority

The Financial Services Authority, 25 The North Colonnade, Canary Wharf, London E14 5HS.

Further Information

Further information about the Scottish Friendly OEIC can be found in the Prospectus. A copy of the Fund's annual reports and accounts and full prospectus can be obtained on request. If you would like a copy, please contact our Customer Services department on 08456 00 54 33.

Scottish Friendly Child Trust Fund

Terms & Conditions

These Terms, together with the Application Form, form a legal agreement between you and Scottish Friendly Asset Managers Limited (the Account Manager) which sets out how the Child Trust Fund will be operated.

1. Definitions

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

Account or CTF – a Scottish Friendly Child Trust Fund governed by these Terms;

Account Investments – Shares, Units and any other investments held in the CTF Account;

Account Manager or Scottish Friendly – Scottish Friendly Asset Managers Limited;

Application Form – a Scottish Friendly CTF application form or transfer application form;

Associate – any holding company of the Account Manager or a subsidiary of any such holding company (as defined in the Companies Act 1985);

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

Bank – the Governor and Company of the Bank of Scotland, having its Head Office at The Mound, Edinburgh, EH1 1YZ, an authorised institution under the Banking Act 1987;

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

Client Account – a bank account held by us with the Bank under the Financial Services (Client Money) Regulations 1991;

The Child – the child named on the CTF Voucher;

CTF – a Child Trust Fund under the Regulations;

FSA – Financial Services Authority;

Government Contributions – amounts received by the Account Manager from the Inland Revenue in respect of the CTF Account;

Scottish Friendly OEIC – the open-ended investment company Scottish Friendly Investment Funds ICVC, operated by the Account Manager (and, in the case of

an umbrella company, a sub-fund of such company);

OEIC Shares – shares in a Scottish Friendly OEIC which may be held in the CTF Account;

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 Child Trust Fund Regulations 2004, as from time to time amended and in force;

Subscription – a payment in sterling to be applied to an Account from your own resources or resources of another person;

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;

Voucher – The CTF voucher issued by the Inland Revenue to the Child Benefit claimant;

We, us and our – the Account Manager, Scottish Friendly Asset Managers Limited;

You and your – an individual who has opened an Account under these Terms.

These Terms will be governed by and construed in accordance with Scottish Law. 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.

2. Account Manager

a) Scottish Friendly Asset Managers Limited agrees to

act as Account Manager for the CTF Account. We do not review the portfolio and we do not give advice about the CTF Account. We are regulated by the Financial Services Authority in the conduct of our investment business.

b) Our address is Scottish Friendly Asset Managers Limited, Scottish Friendly House, 16 Blythswood Square, Glasgow, G2 4HJ.

c) We may assign to any appropriate Associate all of the benefits and obligations under these Terms. The Registered Contact will be notified of any such assignment.

d) We may appoint any person (whether or not an Associate) 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.

e) We may amend these Terms by writing to the Registered Contact. Any amendments will comply with the Regulations and the rules of the FSA.

3. Application to Open an Account

a) An application to open a CTF Account must be made in writing on an Application Form and it must be accompanied by the original Voucher. 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 Form 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 or might not be genuine, or that false information has been given on the Application Form.

c) 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 Direct Debit under a monthly savings plan.

d) An acknowledgement will be sent when you or anyone else makes a lump sum subscription or sets up a monthly savings plan.

4. Minimum Subscriptions

a) Lump Sums

The minimum lump sum subscription is £10.

b) Monthly Savings Plans

The minimum monthly subscription is £10. Monthly Direct Debits will normally be collected on the 1st of each month and invested by us on the same day. If the 1st of the month is not a Business Day the payment will be invested on the next Business Day. If new Direct Debit instructions are received at least five Business Days on or before the last day of the month, the first monthly payment will be collected by Direct Debit on the 1st of the following month, otherwise it will be collected on the 1st of the month after next.



Direct Debit Guarantee:

This guarantee is offered by all Banks and Building Societies that take part in the Direct Debit Scheme. The efficiency and security of the Scheme is monitored and protected by your own Bank or Building Society. If the amounts to be paid or the payment dates change, Scottish Friendly will notify you 5 Business Days in advance of the CTF Account being debited or as otherwise agreed. If an error is made by Scottish Friendly or your Bank or Building Society, you are guaranteed a full and immediate refund from your branch of the amount paid. You can cancel a Direct Debit at any time by writing to your Bank or Building Society. Please also send a copy of your letter to Scottish Friendly. You should inform us in writing if you wish to increase or decrease your monthly subscription, or to stop saving (either temporarily or completely). If your instructions are received at least 10 Business Days before the next collection date, we will normally give effect from that date.

5. Maximum Subscriptions

a) No more than £1,200 can be invested in the CTF Account in any one Subscription Year. Government contributions are not included in the £1,200 limit on subscriptions.

b) If any oversubscriptions are received by us we will make all reasonable endeavours 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 14 days after receiving confirmation that we have received

your Voucher. The CTF Account will not be opened until the 14 day cancellation period has expired.

b) If you exercise your right to cancel, the Voucher and any subscriptions you have sent to us will be sent back to you. Any subscriptions sent to us for the CTF Account 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.

7. Investment Strategy

a) The CTF Account will be invested in shares of the Scottish Friendly Managed Growth Fund, a sub-fund of the Scottish Friendly OEIC. The Account will have exposure to a diversified range of investments including equities.

b) On the Child's 13th birthday, unless otherwise instructed to do so by the Registered Contact at that time, 'lifestyling' of the CTF Account will begin. The CTF Account will then adopt an investment strategy which aims to progressively reduce the volatility, or potential volatility, in the value of the investments held in the CTF as the Child reaches the age of 18.

8. Account Investments

a) The CTF Account includes the Account Investments and any cash balances, all income and other rights, and the benefit of any tax relief in respect of such investments.

b) Any cash subscriptions and any other cash held under the Account will be deposited, pending investment. We segregate all Client Account money from our funds and hold it with the Bank. 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.

c) We will automatically reinvest all income in respect of CTF Account investments and all related tax reclaims.

9. Title

a) The CTF Account Investments shall be in the beneficial ownership of the Child at all times.

b) OEIC Shares will be registered in the name of the Account Manager or of a nominee of the Account Manager (which may be an Associate).

c) No OEIC share certificates will be issued to the Registered Contact or the Child. We (or a nominee, which may be an Associate) will hold any title documents or documents evidencing title to the CTF

Account Investments.

d) 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

We will make all necessary claims for tax relief relating to the CTF Account. We are no longer able to reclaim the tax credit pre-paid on dividend income from UK equities.

11. Statements

We will send the Child a statement every year 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.

12. Reports and Voting

a) If the Registered Contact so elects, we will arrange for them to receive copies of the annual reports and accounts available to investors in any Scottish Friendly OEIC in which the CTF Account is invested. We reserve the right to debit the CTF Account with our standard charge for making such arrangements (currently £20 per communication).

b) Subject to any applicable law or regulation and if the Registered Contact so requests, we will arrange for them to be able to attend any meetings of investors in any Scottish Friendly OEIC in which the CTF Account is invested, to exercise voting rights, and to receive, in addition to the documents referred to in paragraph a) above, any other information issued to investors. We reserve the right to debit the CTF Account with our standard charge for making such arrangements (see paragraph a) above).

c) Subject to any applicable law or regulation, we may exercise any voting rights attaching to CTF Account Investments unless the Registered Contact has elected to exercise such rights themselves.

13. Transfers 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.

14. Charges

Charges for CTF Account management and other expenses will be made up to a maximum of 0.00411% of the value of the CTF Account for each day in which the CTF Account is held. This is the equivalent to 1.5% per year. The following charges and expenses may be deducted in full from the CTF Account and are not subject to and do not count towards the maximum daily 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.

15. Share Prices

- a) The price of shares is calculated every working day by dividing the total value of the assets of The Scottish Friendly Managed Growth Fund by the number of shares in existence. Share prices are quoted daily in the Financial Times and The Herald and on our website www.scottishfriendly.co.uk
- b) We will buy shares for you at the next 12-noon valuation following receipt of your instructions. This is known as forward pricing.

16. Void Accounts

The CTF Account will be managed in accordance with the Regulations, which take precedence over these Terms. We will notify the Registered Contact if, by reason or any failure to satisfy the provisions of the CTF regulations, a CTF has, or will, become void.

17. 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.
- 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) 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.

18. 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 FSA or of these Terms.

- b) We are liable for our negligence, knowing default, and for any breach of the rules of the FSA 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 18, references to you include your personal representatives and references to the Account Manager include its nominees.

19. Authorised Corporate Director

The Authorised Corporate Director of the Scottish Friendly Investment Funds OEIC is Scottish Friendly Asset Managers Ltd, Scottish Friendly House, 16 Blythswood Square, Glasgow G2 4HJ. The Scottish Friendly OEIC is incorporated in the United Kingdom.

20. Law

In legal disputes, the law of Scotland will apply.

21. Language

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

22. Complaints

If you wish to complain about any aspect of the service you have received, please contact Scottish Friendly Asset Managers Ltd, Scottish Friendly House, 16 Blythswood Square, Glasgow G2 4HJ. If your complaint is not dealt with to your satisfaction you can write to the Financial Ombudsman Scheme; please contact us for this address. This will not affect your right to take legal action.

23. Compensation

If Scottish Friendly is unable to meet its liabilities, compensation may be payable by the Financial Services Compensation Scheme. The first £30,000 of a claim in relation to the value of the CTF Account is protected in full. Above this, the scheme covers up to 90% of the next £20,000 subject to a maximum of £48,000. Further information on the Scheme can be obtained from the Financial Services Compensation Scheme. Tel: 020 7892 7300 www.fscs.org.uk



Scottish Friendly Asset Managers Limited, Scottish Friendly House, 16 Blythswood Square, Glasgow, G2 4HJ.
Telephone: 08456 00 54 33. www.scottishfriendly.co.uk

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