

## **NEWS RELEASE**

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### **ABCUL CREDIT UNIONS HELP MEMBERS INVEST CHILD TRUST FUND VOUCHERS IN NEWLY FORMED PARTNERSHIP WITH SCOTTISH FRIENDLY**

In a bid to help its members benefit from the Government's free Child Trust Fund vouchers, the Association of British Credit Unions Ltd (ABCUL) has teamed up with Scottish Friendly Assurance, one of the UK's leading friendly societies, to introduce its Child Trust Fund via its UK network of Credit Unions.

The Scottish Friendly Child Trust Fund is a Stakeholder Account invested in its Managed Growth Fund which has a consistent quality past performance record reflected in its 4-star rating by Standard & Poor's. The Fund invests in a range of mainly UK stocks and shares with the aim of providing capital growth over the long term. A degree of security is also provided through investment in cash and fixed interest.

The new partnership means that many Credit Unions will be able to offer members a choice of their own cash based Child Trust Fund accounts or the Scottish Friendly Stakeholder Account. For the smaller Credit Unions not offering their own accounts, this partnership means that they will be able to promote the Scottish Friendly account to its members.

ABCUL represents more than 400 credit unions with over 365,000 members across England, Scotland and Wales. Its CEO Mark Lyonette, commented "Credit Unions are already the main trusted savings institutions in many communities. This new partnership will make it easy for more families to use their Child Trust Fund vouchers and ensure their children have some personal assets with which to start their adult life."

Harry Gibb, Marketing Director, Scottish Friendly, said, “Many consumers have yet to invest their Child Trust Fund vouchers in an account. The idea of this partnership is to access Credit Union members directly and help them to set up a manageable investment plan that contributes towards their child’s future.”

The following table estimates in today’s terms what the fund could be worth at age 18 assuming an initial Government contribution of £250 at birth, also assuming a further Government contribution of £250 at age 7, and assuming an investment return of 5.41% after charges (7% before charges).

| <b>Monthly contribution from family/friends</b> | <b>Amount saved at age 18 in today’s terms</b> | <b>Value in today’s terms if allowing for inflation at an annual rate of 2.5%*</b> |
|---|--|--|
| 0   | £1,096   | £703   |
| £10   | £4,731   | £3,033   |
| £25   | £10,183  | £6,529   |

Scottish Friendly is providing leaflets for Credit Unions wishing to take advantage of this partnership, and members will be able to get further information from Scottish Friendly via a dedicated telephone number or web link (Telephone: 0800 955 5995 or [www.scottishfriendly.co.uk/ABCUL](http://www.scottishfriendly.co.uk/ABCUL) ).

Scottish Friendly, one of the UK’s leading friendly societies, provides tax-free savings plans, ISAs, investment plans and term assurance. Scottish Friendly is authorised and regulated by the Financial Services Authority.

The value of shares and the income from them can go down as well as up and the original investment is not guaranteed. Past performance is not a guide to future performance. Standard & Poor’s star ratings measure the consistency of a fund’s performance relative to its peers over 36 months. Five stars is best, one is worst.

\* Source: Scottish Friendly. These figures are examples and are not guaranteed. You could get back more or less than this depending on how your investment grows.

**ENDS**

For further information please contact,

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For ABCUL: Abbie Shelton, PR & Communications Manager on 0161 819 6994 or mobile 07939 014893 or [abbie.shelton@abcul.org](mailto:abbie.shelton@abcul.org)

For further information on credit unions, please contact ABCUL on 0161 832 3694 or visit [www.abcul.org](http://www.abcul.org)