F&C Management Limited
Exchange House
Primrose Street
London EC2A 2NY

Telephone +44 (0)20 7628 8000
Facsimile +44 (0)20 7628 8188
www.fandc.com

Press Release

For immediate release
5th October 2009

Investing for children: Child Trust Fund is not the whole story

Investing for children has been back in the headlines recently, as the first beneficiaries of the Government's Child Trust Fund scheme turned seven and received an extra £250 voucher from the taxman.

But despite the attractions of 'free money' from the Government, Child Trust Funds are not the end of the story when it comes to investing for children. What if your children were born before 1 September 2002, and so don't qualify for a CTF? Or if you want to invest more than the maximum permitted £1,200 a year? Or if you just want to retain a bit of flexibility?

An investment such as F&C Investments' Children's Investment Plan (CIP) could help in all these scenarios.

Older children

With the potential costs of early adulthood – gap year, university, first car and so on – looming ever closer, it's important not to neglect the savings of older children, particularly as they have not been lucky enough to receive a free handout from the Government. The shorter the time left before the child turns 18, the harder the money is going to have to work to achieve its full potential. An investment like F&C's CIP can be opened with a lump sum or started with as little as £25 a month, and – just as in F&C's Child Trust Fund – you can stop, start or vary your contributions at will. With a range of 14 investment trusts to choose from, there should be something to suit most risk appetites, from income-focused UK specialists to broadly diversified global trusts like Foreign & Colonial Investment Trust, and 'alternative' options such as private equity and commercial property.

Bigger investments

While a fully funded Child Trust Fund could be worth as much as £40,176 (assuming compound growth of 6% a year over 18 years) by the time a child turns 18, university costs are rising so quickly that even this might not be enough to ensure a college career free of debt. With the introduction of tuition fees pushing the bill up even further, an investment plan allowing you to put in more than £100 a month could be a worthwhile option. F&C's CIP has no upper investment limit, though parents should be aware that any income generated in the plan in excess of £100 a year will be taxed as if it is the parent's, not the child's. This is not the case with investments made by grandparents or other family members or friends.

More flexibility

With a Child Trust Fund, the money legally belongs to the child and is paid to them when they reach 18. If you are worried your little darlings may blow the lot on fast living instead of their education, it may be wise to consider an investment that allows you to retain a degree of control. F&C's CIP can be held as a 'designated plan', giving you the right to access it before the child turns 18, or choose when the proceeds are paid out. It can also be held in a bare trust, meaning that, like a CTF, it becomes the property of the child at age 18.

Finding out more

Whether they are interested in F&C's Children's Investment Plan as a standalone investment, or as a complement to a F&C Child Trust Fund, private investors can find out more by visiting www.fandc.co.uk or calling F&C's Investor Services Hotline on 0800 136 420.

The value of investments can go down as well as up and any income from them is not guaranteed. Asset classes such as private equity and property are less liquid and should be viewed as higher risk. Talk to your financial adviser if you are in any doubt as to which is the best investment for you.

- Ends -

Press enquiries – 020 7011 4600

Sarah Godfrey	Communications Manager	+44 (0) 20 7011 4215

Notes to Editors

F&C Management Limited is authorised and regulated by the Financial Services Authority (FSA) FRN: 119230. Limited by shares. Registered in England and Wales, No 517895. Registered address and Head Office: Exchange House, Primrose Street, London EC2A 2NY.

F&C Asset Management plc is the listed holding company of the F&C Group.

F&C Management Limited is a member of the F&C Group and a subsidiary of F&C Asset Management plc.

F&C Investments

- F&C Asset Management (F&C) is an independent London Stock Exchange listed asset management group with around 100,000 shareholders.

- F&C traces its origins to 1868 with the launch of Foreign & Colonial Investment Trust, the first ever publicly listed investment fund. Foreign & Colonial Investment Trust remains a client of F&C.

- F&C is an active fund manager with a multi-specialist investment model where individual teams have strong accountability for their products and processes. The group is also an active shareholder with a leading franchise in governance and sustainable investment.

- F&C manages £88.3 billion (€103.7 billion) of assets* for a diverse range of institutional, insurance and retail clients across all major asset classes – equities, bonds, cash and property – as well as alternative and specialist product classes such as Socially Responsible Investment funds, hedge funds, private equity funds and Liability Driven Investments. F&C invests globally and has been a longstanding investor in emerging markets.

- F&C REIT Asset Management is the group's global property asset management business. It was formed in 2008 from the merger of F&C's property division and REIT Asset Management. F&C REIT operates from offices in London, Dublin, Munich, Mumbai and Stockholm.

- F&C manages assets principally from three investment centres: London, Amsterdam and Edinburgh. The group has a global office network spanning a dozen countries: China (Hong Kong), France (Paris), Germany (Frankfurt & Munich), India (Mumbai), Ireland (Dublin), The Netherlands (Amsterdam), Portugal (Lisbon), Sweden (Stockholm), Switzerland (Geneva), UK (London, Edinburgh, Dorking) and the United States (Boston).

- In March 2009 F&C signed a Memorandum of Agreement with Hua Xia Bank, one of China's twelve nationwide joint stock commercial banks, to establish a joint venture fund management company in China in which F&C will have a 19.5% interest.

  * As at 30 June 2009.