



18 June 07

NEW CHILD TRUST FUND FROM NECTAR - A UNIQUE METHOD OF SAVING

Nectar, the UK's leading loyalty card, and Family Investments, the UK's leading Child Trust Fund provider, have joined forces to create the first Child Trust Fund (CTF) that can be topped up with Nectar points, by anyone who has a Nectar Card.

With over 41% of new parents putting off opening their CTF because of confusion about the options and different funds available¹, and one in five parents leaving it to the taxman to manage², the Family Investments CTF from Nectar offers a unique way of saving.

Like all CTF's, monetary contributions can be made to a Family Investments CTF from Nectar by friends and family however, it is the only one of its kind where you can also use your Nectar points to supplement the account in the same way as when redeeming your Nectar points normally – either on line or via the phone line.

Research from Nectar³ shows that for grandparents, who generally don't redeem their points as often as other Nectar cardholders, would welcome the opportunity to invest their Nectar points into their grandchildren's account.

Setting up a Family Investments CTF from Nectar couldn't be simpler, and to give the nation's next generation a head start, customers who open one will earn a contribution of 1,000 Nectar points on application plus another 1,000 points if they set up a regular direct debit to the account.

¹ You Gov survey, 2006

² HM Revenue & Customs figures May 2007

³ Based on results and feedback of Nectar Consumer Focus Group sessions, 2006

Setting up and contributing to the Family Investments CTF from Nectar is very simple:

1. Complete the application form and send off together with your CTF Voucher.
Receive CTF account number, along with the initial 1,000 Nectar points for opening the fund
2. Top up your CTF account with Nectar points by logging onto www.nectar.com/childtrustfund or call the info line on 0844 811 0811 with your Nectar Card number and CTF account number to hand
3. To top up the account via a one-off cash payment, cheque, bank transfer or standing order phone 0844 8 920920

With a Family Investments CTF from Nectar it is possible to spend and save at the same time, earning points for the fund when making purchases on all those essential items that come with being a new parent such as nappies and baby toiletries.

Family Investments provides CTFs for over 400,000 customers and has been helping families save for their future for over 30 years. To date, more than 800,000 people in the UK have entrusted around £1.7 billion with Family Investments.

By using Nectar points to top up a CTF, you could potentially create the following amounts:⁴

NECTAR POINTS REDEEMED INTO THE CTF PER ANNUM	VALUE OF ACCOUNT AT AGE 18
0	£1,090 (standard account based on just the government contributions and no additional top ups)
5,000 Nectar points (£25)	£1,860 (standard account + 5,000 Nectar points per year)
10,000 Nectar points (£50)	£2,630 (standard account + 10,000 Nectar points per year)
20,000 Nectar points (£100)	£4,170 (standard account + 20,000 Nectar points per year)

⁴ Based on a £250 voucher plus an extra £250 at age 7, growing at 6.75% per annum for a full 18-year term with charges of 1.5% deducted. The figures are illustrative and are not guaranteed. The Family Investments CTF from Nectar invests in shares so its value can fall as well as rise and the child may get back less than has been paid in.

Miles Bingham, Marketing Director of Family Investments, said: “The proposition from Nectar is very exciting for new parents and a unique way of adding extra value to their child’s fund. As any parent will know, bringing up a child is an expensive business, however with the Nectar CTF it’s good to know that all those vital purchases are actually helping your child again in the long term as the Nectar points are converted into their fund.”

Money in a CTF can only be accessed by the child and not until they are 18 years old. A maximum of £1,200 (on top of government contributions) may be put into the account each year, whether it’s as cash, Nectar points or a mixture of both.

- ENDS -

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Notes to Editors

- The Family Investments CTF from Nectar opened on 18 June 2007
- Nectar cardholders can redeem Nectar points in multiples of 1,000 Nectar points directly into the Nectar CTF
- To redeem, Nectar Cardholders simply log onto the Nectar website at www.nectar.com/childtrustfund and follow on the onscreen instructions or by phoning **0844 811 0811**(you will need the CTF account number in order to complete the transaction)
- As with Sainsbury’s, Debenhams and Argos 1000 Nectar points are worth £5 when redeemed into the Family Investments CTF from Nectar

- It's easy to collect Nectar points when shopping for groceries, clothes and home furnishings, paying household bills, buying petrol and even eating out. Retailers and service companies involved in Nectar nationwide include Sainsbury's, Debenhams, BP, Ford, EDF Energy, Hertz, Thomson, Brewers Fayre, Beefeater, American Express, Talk Talk, Dollond & Aitchison, the AA Thomson Directories and Gala Bingo.
- In October 2005, LMUK launched Nectar eStores, a shopping portal offering Nectar points for purchases from over 80 online retailers including Amazon, eBay, Dell and CD WOW. To earn Nectar Points through Nectar eStores log onto www.nectar.com
- To find out more about Nectar or to apply for a card, log onto www.nectar.com