

A Guide to your Unit Linked Savings Plan

This guide is based on the most frequently asked questions we receive about our Unit Linked savings plans. Information on the specific fund that your plan is linked to, is in the enclosed Investors' Report. The information in this guide applies to all our non-pension funds.

We hope you find both documents helpful. If you have any further questions please contact your financial adviser if you have one, or call our Customer Services Team on 0845 609 0085. We're open Monday to Friday from 8am to 6pm.

Q. What does Unit Linked mean?

A. Basically, the money you invest with us is used to buy units in a fund.

The value of these units depends on the value of the investments held by the fund. The units bought are added to your plan. The value of your plan, at any given time, is linked to the value of all the units added. This means that your plan's value will vary according to the number of units held and the value of the investments held by the fund.

Q. What does the fund invest in?

A. The fund is invested in the UBS UK Select Fund OEIC (an Open Ended Investment Company) managed by UBS Global Asset Management.

This OEIC invests in a wide range of companies, although the actual mix of companies changes from time to time. The enclosed Investors' Report gives more detail about the investments held by this fund.

Q. Who looks after my money?

A. Our Investment Committee is responsible for monitoring the performance of the OEIC, and its fund manager, UBS Global Asset Management.

Performance is measured against a 'benchmark', which is currently the FTSE All-Share Index.

Q. How has the stock market performed?

A. In 2009 stock markets around the world recovered some, but not all, of the losses made during 2008.

The graph opposite shows how the value of the FTSE All-Share Index has moved during the last 10 years. This shows that whilst the Index continued to fall during the first three months of 2009, there was sustained growth from then until the end of the year.

Performance of the FTSE All-Share Index from January 2000 to December 2009



Performance ignores any impact of dividend payments

Q. How has the fund been performing?

A. Please see the enclosed Investors' Report.

Q. What is the outlook for the stock market?

A. As the economy begins to move out of recession, a period of low growth is a distinct possibility with attendant consequences for UK company profits. The stock market is likely to be impacted by two major events during 2010 – the general election and any removal of Government support for the economy (the reduction of quantitative easing).

Although difficult to foresee the short-term impact, we still believe that, over the medium-to longer-term, shares still offer good value.

Timing is a critical factor

A key point to remember is that timing often has a major influence on the way market fluctuations affect the value of your plan. For example, a market rise or fall towards the end of a plan would normally have more effect on the final payout than the same rise or fall in the early years. A plan has time to recover from a market fall in the early years. There is less time for recovery in the final years, and the number of units affected could be far greater.

If you have any questions, please contact your Financial Adviser if you have one, or call our Customer Services Team on 0845 609 0085. Lines are open Monday to Friday from 8am to 6pm.

'FTSE' is a trade mark of the London Stock Exchange Plc and The Financial Times Limited and is used by FTSE International Limited ('FTSE') under licence. All-Share is a trade mark of FTSE.

The Children's Mutual, PO Box 2090, Gloucester GL4 3WR

Tel: 0845 609 0085 Fax: 0845 609 0073 Email: mail@thechildrensmutual.co.uk

Website: thechildrensmutual.co.uk

The Children's Mutual is a trading name of the Tunbridge Wells Equitable Group, which includes Tunbridge Wells Equitable Friendly Society Limited, incorporated in the United Kingdom under the Friendly Societies Act 1992, registered no. 190F, FSA registered no. 109990. Authorised and regulated by the Financial Services Authority and members of the Financial Ombudsman Service. Registered Office: Brockbourne House, 77 Mount Ephraim, Tunbridge Wells, Kent TN4 8GN. You can check the details of our authorisation on the FSA's register by visiting the FSA's website www.fsa.gov.uk/register/home.do or by contacting the FSA on 0845 606 1234. Tunbridge Wells Equitable Friendly Society Limited was established in 1881.