

Bond

What

- A lump sum investment to save for your future

Why

- Ideal way to save if you have used your ISA allowance for this year
- Your money grows free of immediate liability to Income or Capital Gains Tax
- Potential for long-term growth over 5 years or more
- Bonuses may be added to your investment
- Make a lump sum investment of between £1,000 up to £50,000
- Option to make partial or regular withdrawals
- Automatic Foresters Membership providing additional benefits at no extra cost

How

- Choose how much you want to invest as a lump sum
- Complete and return an Application Form

Save for long-term growth

Open a Foresters Friendly Society Bond today

More reasons

Why

1. No basic rate Income Tax or Capital Gains Tax to pay

2. You can invest from £1,000 up to £50,000 as a **lump sum contribution**

3. **Bonuses** may be added to your investment

4. How much can you expect your Bond to grow?

5. Option to make regular withdrawals for income or partial withdrawals

6. Keep your Bond as long as you want



If you have used your annual ISA entitlement for this year – and have also considered our Tax Exempt Savings Plan – then our **Bond** offers another way of maximising your savings. A Bond provides a way to achieve potential growth in the long term by allowing your money to grow free of any immediate liability to Income Tax or Capital Gains Tax.

Foresters Friendly Society allows you to invest a one-off lump sum into a Bond – from between £1,000 to £50,000. To invest further amounts additional Bonds can be opened.

Your contributions are invested into the Foresters **with profits fund** – with the aim of providing growth over the long term (five years or more). Bonuses may be added to your Bond and the value of these will depend on how much profit the with profits fund makes and how we decide to distribute it. In adverse market conditions a **Market Value Reduction** could be applied when you cash in or make partial withdrawals from your Bond.

With profits funds work differently from a bank or building society account where interest is added because the growth of the Foresters Bond depends on the with profits fund and not on interest rate movements.

The amount you get back will depend on several factors, such as: how much you invested; the amount of any regular or one-off withdrawals you have made; any bonuses that may have been added; the length of time you invested for; the performance of the with profits fund; charges and deductions that we make; any discretionary adjustments that we may make.

You can make partial withdrawals of at least £250 from the Bond at any time provided the value of the remaining accumulated fund does not fall below £250. In adverse market conditions a Market Value Reduction may be applied to partial withdrawals. You can also take regular withdrawals so long as the value of your Bond is at least £5,000 when you start making withdrawals. If the value falls below £5,000, regular withdrawals must not continue. The maximum regular withdrawal is 5% of your initial investment – not including any bonuses that may have been added.

Bonds are best viewed as a long term investment which you should aim to keep for at least five years or more to gain the full benefit. As there are no time restrictions on how long you can keep your money in a Bond, you can let it run for as long as you want - giving your Bond a better chance to benefit from potential growth.

Jargon buster

Or to put it simply... some of the terms explained in plain English:

Bond

A Bond is a lump sum investment that aims to achieve long term capital growth by investing your money in the Foresters Friendly Society with profits fund.

Bonuses

Annual bonuses and a possible final bonus may be added to the value of your Bond depending on the performance of the with profits fund. This will add to the value of the cash payment.

Lump sum contribution

The one-off amount you invest into your Bond. You can invest from £1,000 to £50,000 – you cannot make additional contributions but additional Bonds can be opened.

With profits fund

A fund that invests in a balanced mix of investments such as property and stockmarket investments. In good years, we may hold back some of the investment return and use it to top up bonuses in years when the fund performs less well. This is called "smoothing".

Market Value Reduction

In adverse market conditions, an MVR may be applied when you cash-in or make a partial withdrawal from your Bond meaning that the amount you receive will be reduced and in some investment conditions you may not get back the full amount originally invested.

Who

- Providing you are 18 years or over you can open a Bond.
- Suitable for someone who has taken full advantage of other more tax-efficient investments such as ISAs and Tax Exempt Savings Plans. (See the back cover for details of our other savings products.)

How

- Choose the amount you want to invest as a lump sum (from £1,000 to £50,000)
- Decide if you want to make regular withdrawals (subject to conditions)
- Complete and return an Application Form
- More detailed and technical information about how we manage the fund can be found in our brochure 'How you share in the profits of Foresters' which is available on request

Don't forget

- A Bank or Building Society account has greater certainty of growth than a Foresters Friendly Society Bond. The addition of bonuses is not guaranteed and therefore it is possible that the Bond might not receive any annual and/or final bonus.
- The exact amount of money that you get back from your Bond cannot be predicted, because this will depend on the amount of money you invest and the length of time you keep your Bond. Depending on the investment growth we achieve, we may or may not also pay out a final bonus.
- You may not get back the amount of your original investment.
- When calculating how much to give you back when you cash-in your Bond, in adverse investment conditions a Market Value Reduction may be applied. If applied, this would reduce the value of your Bond. We would only do this to ensure fairness between Members leaving the fund at different times. We will not apply an MVR on death.
- You should be aware that inflation will reduce what you can buy in the future with the fund.
- The Annual Management Charge is initially set at 2% per annum of the value of your Bond. It will not exceed 3% of the value of your Bond in any one year.
- The rules and legislation covering the operation of Bonds may change in the future which could affect the tax status of your Bond.
- If you are unsure as to the suitability of this product you should seek advice from an Independent Financial Adviser. You may have to pay for this advice.
- You should keep your documents in a safe place – they contain important information about the Bond. You will also receive an annual statement showing how the Fund is performing.
- You must read the Key Features before applying.

7.

Foresters Membership brings you access to a unique range of members' savings and discounts, social events, discretionary grants and more - **at no extra cost!**

When you take out our Bond, you will automatically enjoy the extra social and protection benefits of Foresters Membership. Benefits are continually reviewed to ensure we offer the best options to our Members.

Social and Community Events
Members Savings & Discounts
Discretionary Grants
Support with Illness or Disability
Telephone Advice Line
Convalescent Home Respite
Discounted Will Writing Service
And much more...



For more information about the benefits available visit:

www.forestersfriendlysociety.co.uk

Membership benefits are not regulated by the Financial Services Authority

Why Foresters Friendly Society?

Over 175 years of looking after people and their money

As a mutual society, Foresters Friendly Society has no shareholders and profits are retained for our Members' benefit. You will automatically enjoy Foresters Membership once your Bond is opened.

A shared set of values

Our aim is to provide our Members with a range of easily accessible, relevant and affordable financial products – built on a foundation of caring values. We believe in treating you not simply as another Member but as an individual with particular needs. We always strive to be open, approachable, honest and fair – and to look after your interests at all times.

Straightforward approach with a human touch

Foresters Friendly Society has been joining together with people in the community to offer them care and protection since 1834. As a Friendly Society, we have been committed to looking after the best interests and well being of our Members ever since.

Proven investment expertise

The **with profits fund** has produced steady growth for our Members and our financial position remains strong. But do remember that past performance is not a guide to future performance.

How else can we help you?

ISA

An Individual Savings Account lets you take advantage of tax-efficient savings and the potential for investment growth.

Ethical Child Trust Fund

The Government is giving at least £250 to be invested into a Child Trust Fund for eligible children - with the aim of providing a valuable cash payout when they turn 18. Our Ethical Child Trust Fund invests in ways that aim to make the world a better place to grow up in.

Tax Exempt Savings Plan

Monthly savings plan allowing you to build up a tax-exempt lump sum. Only available through a Friendly Society such as Foresters Friendly Society.

Child Tax Exempt Savings Plan

If your child is too old for a Child Trust Fund – or you have already opened one – you can still provide a tax-exempt cash lump sum for when they're older. Only available through a Friendly Society such as Foresters Friendly Society.

50+ Life Cover

Pays a cash lump sum to your loved ones after you die to help with final expenses.

Sickness Policy

Pays a regular amount if you are off work due to sickness or injury.



How to get in touch

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Information, including a copy of this Brochure, is available in large print, audio and Braille upon request.

Foresters Friendly Society is the trading name of The Ancient Order of Foresters Friendly Society Limited.

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Foresters Friendly Society is an incorporated branch society registered in the United Kingdom.