

The ISA's Important Information

Before applying for the Foresters Friendly Society ISA, please read the Important Information, which you'll find on the next few pages.

The Important Information explains how the ISA works, its aims, the commitment you will need to make and the risks involved and will help you decide if it's suitable for you. It also includes information on bonuses and how we aim to grow your money.

This section is full of really important information and will hopefully answer any questions you might have.



Foresters Friendly Society Individual Savings Account (ISA) Important Information

Its aims

- To achieve long-term growth by investing in the Foresters Friendly Society with profits Order Insurance Fund. The ISA aims to provide you with more than you may reasonably expect to get back over the long-term from a deposit based Cash ISA.
- To add bonuses to the amounts invested on a yearly basis, with a possible additional bonus being paid when the ISA is fully or partially cashed-in or paid out on your death.
- To provide you with a guaranteed minimum death benefit of 70% of your accumulated fund. Your accumulated fund is the total amount invested (less any withdrawals, adjusted according to the investment conditions at the time of withdrawal) plus any annual bonuses declared.
- To provide you with returns free of Income and Capital Gains Tax under ISA rules

Your commitment

- As the Foresters Friendly Society ISA invests in our Order Insurance Fund it is classified as a Stocks & Shares ISA. If you choose the Foresters Friendly Society Stocks & Shares ISA you are then able to take out a Stocks & Shares ISA or Cash ISA with another provider if you wish and, if eligible, a Lifetime ISA (LISA) either with Foresters Friendly Society or another provider. However you must not exceed the annual limit across all your ISAs. If this ISA is to be your only ISA plan during a tax year, you can invest the full annual limit into it.
- You can contribute either regular monthly amounts or one-off lump sums or a combination of both to your ISA providing you do not exceed the annual limit in any one tax year.
- The minimum monthly contribution payable by Direct Debit is £50 per month.
- The minimum lump sum required to open a ISA is £500 and you are able to make top ups of at least £250 thereafter.
- There are no restrictions on the amount of time you keep your money invested in the ISA, however you should view your ISA as a medium to long-term investment.

Risks

- Bonuses will depend on the future investment performance of the Order Insurance Fund, as well as any deductions and how Foresters Friendly Society decides to distribute any profit.
- The addition of bonuses is not guaranteed and therefore the ISA might not receive any annual and/or final bonus.
- In adverse investment conditions we may apply a Market Value Reduction (MVR). This could mean you get back less than you have paid in.
- The tax rules relating to the ISA may change and depend on your individual circumstances.
- Your circumstances may change forcing you to cash-in your ISA.
- Our deductions may turn out to be higher than expected.
- You should be aware that inflation will reduce what you can buy when you cash-in your ISA.
- If you withdraw money from your ISA, it cannot be replaced.

Your Questions Answered

What is a Individual Savings Account (ISA)?

A savings account that allows you to save tax efficiently.

What are the tax rules that apply?

(All tax years start on the 6th April and end on the 5th April the following year).

Within a tax-efficient ISA you can invest in the following two forms of savings with any providers in addition to investing in a Lifetime ISA (LISA) if eligible:

- Investment in stocks and shares or as part of a life insurance policy.
- Cash deposit account.

The Foresters Friendly Society ISA is an investment into a life insurance policy and is categorised as a Stocks & Shares ISA. This means you can invest in the Foresters Friendly Society ISA if, in this tax year, you already have another Stocks & Shares ISA or with another provider.

Who is the Foresters Friendly Society ISA suitable for?

Providing you are aged between 18 and 80 and a UK resident for tax purposes, the Foresters Friendly Society ISA may be suitable for anyone who can afford to put the lump sum or monthly contributions aside - perhaps to keep it for a rainy day or for long-term savings objectives. You should think carefully about the risks before deciding whether the ISA is right for you.

What happens if I cash-in my ISA?

You can cash-in your ISA whenever you want, but you may get back less than you have paid in. The cash-in value of your ISA will depend upon the amounts invested, the amounts you have withdrawn, and any annual bonuses that have been added i.e. the accumulated fund. Depending on the investment returns that have been achieved and our costs, in favourable investment conditions we may also add a final bonus to the accumulated fund. Conversely, in adverse investment conditions we may apply a Market Value Reduction (MVR) which will reduce the accumulated fund.

What is a Market Value Reduction (MVR)?

This is a deduction we may apply when you make regular or partial withdrawals, fully cash-in your ISA or the ISA is paid out on your death. Its purpose is to be fair to both planholders leaving the fund and those staying by ensuring that the cash-in value is not unfairly higher than the market value of the plan's assets and that a fair share is left for the remaining planholders. This adjustment will reduce the value of your ISA i.e. the accumulated fund at that time and in some circumstances could mean that you get back less than you have paid in. If the ISA is paid out on your death the reduction will not exceed 30% i.e. the minimum guaranteed payment in the event of your death will be 70% of the accumulated fund.

Where is my money invested?

Any money you contribute into a Foresters Friendly Society ISA is invested in the Order Insurance Fund. This is a with profits fund. By spreading the money paid into the fund across a number of different types of investments you benefit from the exposure to a range of asset classes. The Society's Board of Directors reviews and approves the asset classes that the Society is permitted to hold in pursuit of its

investment strategy, taking recommendations from the Investment Committee. A further advantage of this approach is that if the return of any one particular asset type is poor, your investment may be protected from the full impact of this fall as the other assets forming part of the overall investment may perform better. Thus the fall in value of one asset class (e.g. shares) may be cushioned by the potentially better performance in another asset class (e.g. property).

Please see the Principles and Practices of Financial Management (PPFM) for the latest information on our investment strategy.

How do I make withdrawals?

It is possible to make regular (frequent) and partial (one-off) withdrawals from your ISA. Withdrawing money from your ISA will reduce the value of your remaining investment i.e. the accumulated fund. We may change the minimum withdrawal amount at any time. If this happens, we will give you reasonable notice. In adverse investment conditions we may apply a Market Value Reduction (MVR) at withdrawal. At these times the accumulated fund will be reduced by more than the amounts withdrawn. Conversely, if there is an entitlement to a final bonus, the accumulated fund will be reduced by less than the amounts withdrawn. See the section above for details of the Market Value Reduction.

Regular Withdrawals - After two years, you can make regular withdrawals from your ISA. The minimum regular withdrawal you can make is £50, so long as the accumulated fund after the withdrawal is at least £500. You can make regular withdrawals on a monthly, quarterly, half yearly or annual basis. If you decide to change the withdrawal amount or stop the withdrawal, you must contact our Claims team to provide one month's notice.

Partial Withdrawals - You can make partial withdrawals from your ISA at any time. The minimum withdrawal that can be made is £250 and the accumulated fund after the withdrawal must not fall below £500.

To make a withdrawal please contact our Claims team on 0800 101 8312.

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Can I transfer my ISA?

Yes, you can transfer into and out of a Foresters ISA. If you wish to transfer a ISA for the current tax year, this tax year's payments will count towards your annual ISA investment allowance and can be transferred in full or in part. If you wish to transfer ISAs from previous tax years this will not count towards this year's allowance and you can choose to move all or part of your balance. Depending on the investment conditions we may apply an MVR when you transfer to another ISA Manager.

How are bonuses decided?

Depending on how the underlying assets in the fund perform, and the costs incurred, at the end of each year we aim to declare an annual bonus to add to your accumulated fund. In addition, when you decide to cash-in your Foresters Friendly Society ISA we may add a final bonus depending on the overall investment growth that has been achieved and expenses incurred.

This is different from a Bank or Building Society account where interest is added, because any growth on the investment with Foresters depends on the performance of the underlying fund.

Although in some investment conditions the growth in the ISA might not be as much as that on an interest-paying account, investing in this way means there is the potential for growth over and above the level which might be achieved on interest-paying accounts.

The addition of bonuses is not guaranteed and therefore it is possible that your ISA might not receive any annual and/or final bonus and in some investment conditions if a Market Value Reduction (MVR) is applied you may get back less than you have paid in.

Further information

Cancellation rights

- After your application is accepted you will receive a statutory notice of your right to cancel. You will then have 30 days from the commencement date of the ISA, or the date the notice is received, whichever is later, in which to change your mind.

- If this was a non-advised sale a full refund of all monies will be paid
- If this was an advised sale where an adviser fee was paid from your investment, all the money invested into the ISA will be returned, excluding any fee which will have already been paid to your Financial Adviser.

You can cancel your ISA by completing and returning the cancellation form to Foresters Friendly Society, Third Floor, Enterprise House, Ocean Way, Ocean Village, Southampton, Hampshire, SO14 3XB.

Financial advice

We do not offer financial advice. You should contact a Financial Adviser if you have any doubts about the ISA's suitability. You may have to pay a fee for this advice.

Tax

The tax treatment of the proceeds received from this ISA is determined by the rules governing the operation of all ISAs. These rules and the tax legislation may change in the future. The money invested in this ISA is currently invested in a tax exempt fund, although dividends earned on equities within the fund will have been taxed at source and that tax cannot be reclaimed.

Law

This contract is governed by English Law. We will communicate with you in English.

Legislation

All or any of the benefits, the contribution or the plan conditions may be adjusted as deemed appropriate:

- If there is any change in law or taxation affecting ISAs.
- If any levy is imposed on Foresters Friendly Society under statute or statutory authority.

Three months' notice would be given of any such adjustment.

Client categorisation

We are required under the Financial Conduct Authority (FCA) and Prudential Regulation Authority (PRA) rules to categorise our clients. All of our clients are categorised as 'Retail Clients', which affords our clients the highest level of protection under the FCA and PRA rules.