



Re: - Sheffield Mutual Child Trust Fund

Application Checklist and Documents that need returning.

- Complete the Application/Registered Contact Form
- Enclose your voucher
- Sign and return the Non-advised Sale Letter
- Sign and return one copy of the Client Agreement and keep one for your records along with the Key Facts Sheets.

If you require anything further or should you have any questions after reading the information please do not hesitate to contact us by

Telephone: 01226 741000

or email: enquiries@sheffieldmutual.com

Please ask for details of our other products, which include:

- Capital Plan
- Tax Exempt Savings
- Investment Bond
- Income Bond
- Pension Bond
- Stocks and Shares ISA
- Stocks and Shares Junior ISA
- Funeral Expenses

About Us

Sheffield Mutual Friendly Society has been improving the financial wellbeing of its members since 1892. Whilst we remain passionate about our heritage and mutual status, our products and services have been developed to include a simple range of trusted savings, investment and protection plans - with a particular emphasis on tax-efficient savings and investment policies.

Being an independent mutual organisation we have no shareholders to satisfy. This means that our success can be shared with our members through attractive investment returns and good service. Whilst past performance is not an indicator of future performance, our aim is to deliver greater potential returns to members throughout the life of their policy.

The Society is:

- A member of the Association of Financial Mutuals
- Authorised and regulated by the Financial Services Authority
- A member of the Financial Services Compensation Scheme

For further information about the Society and our policies, please contact us.



Child Trust Fund



Savings Account Information



Sheffield Mutual Friendly Society

3 Maple Park · Maple Court · Wentworth Business Park · Tankersley · Barnsley · South Yorkshire · S75 3DP

Tel: 01226 741000 · Fax: 01226 741222 · Url: www.sheffieldmutual.com · Email: enquiries@sheffieldmutual.com.

Authorised and regulated by the Financial Services Authority.

Sept. 2011
Client Web



WHAT IS A CHILD TRUST FUND (CTF)?

This is a savings account which was introduced by the Government for all children who were born on or after 1st September 2002, who receive Child Benefit from them and live in the UK but are not subject to immigration control. An initial investment amount is received from the Government but after that additional contributions up to £1200 per annum (£3,600 from 1st November 2011), can be made by parents, grandparents or others. This booklet should be read in conjunction with the terms and conditions, which appear on the reverse of the application form.

The Government made some important announcements relating to the Child Trust Fund on 24th May 2010, which resulted in the cessation of CTF accounts for children born after 2nd January 2011. You can obtain further details from www.direct.gov.uk or by calling the CTF helpline 0845 3021470.

WHO HAS **RESPONSIBILITY** FOR A CTF ACCOUNT?

To open an account you must have parental responsibility for the child and be over 16 years of age. When you open the account you will be required to nominate a 'Registered Contact' who again must be over 16 and have parental responsibility. The 'Registered Contact' is the person who can make decisions about the account and to whom annual statements will be sent. When the child reaches 16 he/she will become the 'Registered Contact' by completing a declaration at that time. If he/she fails to do so we will continue to manage the account in accordance with the most recent instructions from the previous Registered Contact.

WHEN WILL THE CTF ACCOUNT BE OPENED?

We will open the account when the CTF voucher has been received and the cancellation period has finished.

WHAT IS THE DIFFERENCE BETWEEN A **STAKEHOLDER & NON STAKEHOLDER** ACCOUNT?

The Government has set certain standards which a Stakeholder account must comply with and these are the only type of accounts that can be used when allocated by Her Majesty's Revenue & Customs (HMRC).

The Requirements are:

- **The funds in the account should be invested predominantly in the stock market and in the shares of a spread of companies.**
- **Charges must not be more than 1.5% of the value of the fund in the account each year.**
- **Additional payments of £10.00 or more must be accepted either by cheque, cash, direct debit or standing order.**
- **There must be a facility for life styling when the child reaches 13. This is the process of switching the fund in the account gradually to lower risk investments in order to provide some protection from the possibility of stock market losses as the child approaches 18.**

Non-Stakeholder accounts can invest in different types of assets and are not restricted to maximum charges of 1.5%.

The Sheffield Mutual CTF is a Stakeholder Account.



OTHER INFORMATION

CANCELLATION RIGHTS

After your proposal is accepted you will receive a notice of your right to cancel. You will then have 14 days in which to change your mind.

LAW

In legal disputes the Law of England and Wales will apply.

LEGISLATION

All or any of the benefits, the premiums, or the policy conditions may be adjusted as deemed appropriate.

- **If there is any change in Law or Taxation affecting the policy**
- **If any levy is imposed on the Society under Statute or statutory authority**
- **As a consequence of any amendment to General Laws**

Notice would be given of any such adjustments.

QUERIES AND COMPLAINTS

For further information or if you wish to complain about any aspect of the service you have received, please contact the Society's Chief Executive at the address shown overleaf. If a complaint is not dealt with to your satisfaction you can then complain to the Financial Services Ombudsman, South Quay Plaza, 183 Marsh Wall, London E14 9SR, or telephone 020 7964 1000. Making a complaint will not prejudice your right to take legal proceedings.

COMPENSATION

We are covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim.

Further information about compensation scheme arrangements is available from the FSCS by visiting www.fscs.org.uk, or by calling 0207 892 7300 or 0800 678 1100.

THE SHEFFIELD MUTUAL FRIENDLY SOCIETY

Was founded in 1892. Total assets exceed £39 million and there are over 30,000 members.

This leaflet is a brief guide to the Key Features of the product.

Full details are contained in the policy document which is the legally binding contract between you and SHEFFIELD MUTUAL FRIENDLY SOCIETY.



QUESTIONS AND ANSWERS

WHAT IS A STAKEHOLDER ACCOUNT?

This type of account has to meet standards set by the Government and relate to:

- A proportion of investments being held in shares.
- Lifestyling from the age of 13.
- Charges being no more than 1.5% of the value of the account each year.
- Additional contributions to be accepted in cash, by cheque, direct debit or standing order.
- The minimum addition to a CTF account should be no more than £10.00. The Society's CTF account complies with these requirements and additional explanation of each standard is contained in the CTF leaflet.

HOW IS THE MONEY INVESTED?

We pool all the money from our CTF accounts and use professional advisers to manage it. They will buy a range of assets in different companies, including stocks and shares in order to spread the risks associated with stock market investments.

IS THERE A GUARANTEED RETURN?

No, because the investments are stock market based the value can go up and down depending upon market performance. We will hold a range of assets to try and benefit from market growth and minimise losses during a downturn but you should only invest in this type of account if you are prepared to take some risk to increase the potential return.

HOW DO I KNOW THE VALUE OF THE CTF ACCOUNT?

Each investment made into the CTF is used to buy units in the fund at the price on that day. You can calculate the value by multiplying the number of units by the appropriate price. In addition we will send out a statement each year around the time of the child's birthday showing any transactions during the year and the current number of units with their value.

ARE THERE ANY CHARGES?

Yes, the society will make a charge of 1.5% of the value of the account each year.

IS THERE ANY TAX PAYABLE WHEN THE CHILD REACHES 18?

No, under current legislation which could change in the future, the proceeds from the account are free of income and capital gains tax.

CAN I TRANSFER THE CTF ACCOUNT?

Yes, you can transfer the CTF account to another provider, once it is open, at any time and we do not make a charge for this. Equally we also accept transfers from an existing provider to us.

HOW DO I KNOW THE VALUE OF THE INVESTMENT IN A CTF?

When the account is opened or additional money added to it, you will be allocated a number of units based upon the unit price on that day. For example if you invested £250.00 and the unit price was £1.00 you would be allocated 250 units.

The unit price will vary depending upon the value of assets within the fund and the number of units issued. However, the number of units allocated to your account will not vary unless additional money is invested. You can therefore calculate the value of your investment by multiplying the unit price at the time by the number of units held. The unit price will be calculated weekly and is available on our website or by contacting our office.

You will also receive an annual statement telling you the number of units and current value.

ARE THERE ANY CHARGES?

YES. The Society makes a charge of 1.5% of the value of the account each year for management and administration. The quoted unit price includes charges and there are no further deductions.

CAN I ADD MONEY INTO THE CTF?

YES. Further payments can be made in addition to contributions from the Government up to the maximum allowed of £1200 (£3,600 from 1st November 2011) per subscription year which runs from one birthday to the next. However, you should remember that once money has been added under normal circumstances (see terminal illness or early death) the money cannot be accessed until the child reaches the age of 18.



WHAT HAPPENS WHEN THE CHILD REACHES 18?

The CTF account ends on the child's 18th birthday and at this stage he/she will be able to use the fund in any way he/she chooses as it will be paid to him/her. If the money is not required the Government has said that it can be transferred into an Individual Savings Account (ISA) in the child's name.

CAN MONEY BE WITHDRAWN FROM A CTF BEFORE THE CHILD REACHES 18?

No, withdrawals are not allowed at any time up to age 18.



WHAT HAPPENS IN THE EVENT OF DEATH OR DIAGNOSIS OF A TERMINAL ILLNESS?

In the case of diagnosis of a terminal illness the Child Trust Fund office may allow early access but they will have to be contacted at their address Waterview Park, Mandarin Way, Washington, NE38 8QG to make a claim. They may agree to some or all of the invested fund being withdrawn but the account will remain open to accept any further payments that may be due.

In the unfortunate event of death the value of the account on the date of death will be paid to the child's estate.

CAN I TRANSFER A CTF INVESTMENT FROM OR TO ANOTHER PROVIDER?

YES. You can transfer either to or from a CTF provider by obtaining and completing a transfer form. This must be the whole amount as partial transfers are not allowed.

CAN I CHANGE MY MIND AFTER MAKING AN APPLICATION?

YES. You will have 14 days in which to change your mind after you receive the initial account opening pack. After this the account will be opened and the money invested.



WHAT DO I DO NEXT?

The 'Registered Contact' will need to complete the application form with the Client Agreement and send this, along with the CTF voucher, to Sheffield Mutual Friendly Society, 3 Maple Park, Maple Court, Tankersley, Barnsley, S75 3DP. We will then send a pack confirming the details of the account.

WILL ANY OTHER INFORMATION BE REQUIRED?

In order to receive additional payments we may require proof of identity and address in order to comply with anti-money laundering regulations. We reserve the right to do this electronically through an external agency.



keyfacts

KEY FEATURES OF THE CHILD TRUST FUND (CTF) ACCOUNT

WHAT IS THE PURPOSE OF THIS BOOKLET?

The Financial Services Authority is the independent financial services regulator. It requires us, Sheffield Mutual Friendly Society, to give you this important information to help you to decide whether our Child Trust Fund account is right for you. You should read this document carefully along with the general product leaflet and terms and conditions, so that you understand what you are buying and then keep it safe for future reference.

WHO IS THE CTF SUITABLE FOR?

Individuals over 16 with parental responsibility for a child, who are seeking to obtain long term growth for money invested on behalf of a child in a stakeholder account, through exposure to a fund whose assets are held predominantly in the shares of companies, the value of which can vary.

ITS AIMS

- To provide a child with a tax free lump sum on reaching the age of 18.
- By investing in a fund which has exposure to stocks and shares to produce a return over the longer term in excess of a deposit based account.

YOUR COMMITMENT

- You must use the CTF voucher or other method prescribed by the Government to open the account and agree to become the Registered Contact.
- You do not have to make any additional payments but can do so up to the maximum of £1200 in any subscription year (£3,600 from 1st November 2011).
- You are not allowed to withdraw any funds invested on behalf of the child by the Government, nor those from family or friends as these are deemed to be gifts to the child.

RISK FACTORS

- Money invested in stocks & shares can fluctuate in value and there may be a possibility of your child receiving back less than was invested because the value of units held in the account may go up or down.
- The tax advantages enjoyed by CTF accounts could be changed by the Government which may affect growth of the investment.
- Inflation may reduce what you could buy in the future.
- The child cannot receive the money until their 18th birthday, even if it might be needed before then.

CTF terms and conditions

A CTF is a scheme of investment managed in accordance with the CTF regulations by us under terms agreed between us and the registered contact. The CTF must be held in the name of the child.

- CTF investments shall be in the beneficial ownership of the child.
- except for cash deposits, National Savings products and certain insurance policies (see below), the title to the CTF investments will be registered in
 - our name, or
 - the name of our nominee.
- where a share certificate or other document evidencing title to a CTF investment is issued, it will be held by us or as we may direct.
- where insurance policies are with an insurer who is also a provider, the title to the policies shall be vested in the registered contact, and the policy document or other document showing title to the insurance policy shall be held by the registered contact.
- we will arrange, if the registered contact elects, for you to receive a copy of the annual report and accounts issued by every company or other concern in respect of shares, securities or units which are held directly in the CTF. (A separate charge may be levied for this service).
- we will arrange, if the registered contact elects, for you to attend shareholders', securities holders' or unit holders' meetings, to vote, and to receive, in addition to the annual report and accounts, any other information issued to shareholders, securities holders or unit holders. (A separate charge may be levied for these services).
- we will satisfy ourselves that any person to whom we delegate any functions or responsibilities under the terms agreed with the registered contact is competent to carry out those functions and responsibilities.
- on the instructions of the registered contact and within the time stipulated by you, the CTF with all rights and obligations shall be transferred free of charge (except charges such as stamp duty and other dealing costs connected with disposal or acquisition of investments) to another provider.
- where an account is transferred to us it will be accepted free of charge (except charges such as stamp duty and other dealing costs associated with disposal or acquisition of investments).
- if we were to offer both types of CTF on the instructions of the registered contact and within the time stipulated by you, the CTF shall become a CTF of the other description (any necessary changes in the investments being made) free of expense (except expenses such as stamp duty and other dealing costs connected with disposal or acquisition of investments).

In addition, we

- may place a minimum period on the time stipulated by the registered contact for transfer. This period must not exceed 30 days, and should represent a reasonable period required for practical implementation of the transfer.
- we will notify the registered contact if, by reason of any failure to satisfy the provisions of the CTF regulations, a CTF has, or will, become void.

THESE TERMS AND CONDITIONS SHOULD BE READ IN CONJUNCTION WITH
THE CTF BOOKLET AND KEY FEATURES DOCUMENT

**SHEFFIELD MUTUAL FRIENDLY SOCIETY, 3 MAPLE PARK, MAPLE COURT, WENTWORTH BUSINESS PARK,
TANKERSLEY, BARNESLEY, SOUTH YORKSHIRE, S75 3DP, TEL: 01226 741000, FAX: 01226 741222**

AUTHORISED AND REGULATED BY THE FINANCIAL SERVICES AUTHORITY
Client Web



about our services and costs



3 Maple Park
Maple Court
Wentworth Business Park
Tankersley
Barnsley
S75 3DP

1. The Financial Services Authority (FSA)

The FSA is the independent watchdog that regulates financial services. This document is designed by the FSA to be given to consumers considering buying certain financial products. You need to read this important document. It explains the service you are being offered and how you will pay for it.

2. Whose products do we offer?

- We offer products from the whole market.
- We only offer products from a limited number of companies.
- We only offer our own products.

3. Which service will we provide you with?

- We will advise and make a recommendation for you after we have assessed your needs.
- You will not receive advice or a recommendation from us. We may ask some questions to narrow down the selection of products that we will provide details on. You will then need to make your own choice about how to proceed.
- We will provide basic advice on a limited range of stakeholder products and in order to do this we will ask some questions about your income, savings and other circumstances, but we will not:
- conduct a full assessment of your needs;
 - offer advice on whether a non-stakeholder product may be more suitable.

When we have agreed the investment service that we will provide, we will require your agreement to the terms and conditions relating to that service before we can proceed.

4. What will you have to pay us for our services?

We will tell you how we get paid and the amount before we carry out business for you, by issuing a specific product illustration.

Please note that there may be other costs, such as taxation, that may arise that are not imposed by us, nor paid by us.

5. Who regulates us?

Sheffield Mutual Friendly Society, 3 Maple Park, Maple Court, Wentworth Business Park, Tankersley, Barnsley, S75 3DP is authorised and regulated by the Financial Services Authority. Our FSA Register number is 139855.

Our permitted business is long term insurance, including savings and protection.

You can check this on the FSA's Register by visiting the FSA's website www.fsa.gov.uk/register or by contacting the FSA on 0845 606 1234.

6. What to do if you have a complaint

If you wish to register a complaint, please contact us:

...in writing Write to the Chief Executive,
Sheffield Mutual Friendly Society,
3 Maple Park, Maple Court,
Wentworth Business Park, Tankersley,
Barnsley, S75 3DP

...by phone Telephone 01226 741000.

If you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service.

7. Are we covered by the Financial Services Compensation Scheme (FSCS)?

We are covered by the FSCS. You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim.

The Scheme covers 90% of the value of the claim with no upper limit in the unlikely event that the Society is unable to meet its commitments.

Further information about compensation scheme arrangements is available from the FSCS.



Client Agreement (Client Copy)

**Sheffield Mutual Friendly Society, 3 Maple Park, Maple Court
Wentworth Business Park, Tankersley, Barnsley, South Yorkshire S75 3DP
Tel: 01226 741000**

1. This notice contains items that are common to most of our clients. The firm, whose name, address and telephone number appear above, is regulated and authorised by the Financial Services Authority (FSA). The terms shown in this document are effective from the date shown at the foot of the document. We will not automatically provide you with a revised Client Agreement, but if terms should change the new version will be provided when next we provide you with a service. You are classified as a retail client.
2. As you have neither asked for nor received any advice from the Society in relation to this product, it will be classed as a 'Non-Advised Sale'. This term acknowledges the fact that all decisions in relation to the investment will be and have been made by yourself and that the Society has only provided you with factual information in relation to the product.
3. We will make arrangements for your investments, or other contracts, to be registered in your name unless you first advise us otherwise in writing. We will forward all contract documents to you as soon as practical after we have received them. Where a number of documents relating to a series of transactions are involved, we will normally hold each document until the series is complete and then forward them all to you at the same time.
4. Occasions can arise where we, or one of our other customers, will have some form of interest in business which we are transacting for you. If this happens, or we become aware that our interests or those of our other customers conflict with your interests, we will inform you in writing and obtain your consent before we carry out your instructions.
5. We prefer instructions from you to be in writing – we will, however, accept oral instructions provided they are subsequently confirmed in writing.
6. Should you have any complaint about the firm please write to the Chief Executive at the address above. He will provide you with written information as to how we administer complaints. Complaints we cannot settle may be referred to the Financial Ombudsman Service.
7. If you make a valid claim against the firm in respect of investments we arrange for you to buy or sell and we are unable to meet our liabilities in full, you may be entitled to redress from the Financial Services Compensation Scheme. Details of the cover provided by the scheme are given in a leaflet, which we will send you at your request, or from www.fscs.org.uk.
8. If, under the Money Laundering Regulations, it is necessary to verify your identity, address and source of funds, such verification will be completed before any business is finalised.
9. This Client Agreement may be terminated, without prejudice to the completion of transactions already initiated, by written notice from you or the firm. Such notice will take effect one month from the date of such notice unless otherwise agreed.
10. In order to arrange investments on your behalf, we must obtain certain information from you about your financial and personal circumstances. We will also need to maintain certain other records.

- a. You agree that the information we hold about you can be held on computer and/or paper files.
- b. You agree that any information we hold about you may be disclosed:
- i) To third parties (e.g. credit agencies and product providers) for the purpose of processing your application.
 - ii) The Regulators (mainly the Financial Services Authority who have a legal authority to check all our records).
 - iii) Our Compliance consultants, who help us to ensure that, in your interests, we abide by the Financial Services Act and other regulations.
- but iv) Must not be disclosed to any other parties (even if related) without your express permission in writing.
- c. You agree that we may use the information that we hold about you to contact you from time to time by post, fax, e-mail or telephone to bring to your attention products, services or information about your existing contracts which may be of benefit to you. You may opt out of this condition by putting an **X** in the following box.

- d. You understand that we have a legal obligation to ensure that the information within our records is kept up to date, but can only do so if provided with the up to date information by you.
- e. You understand that you may withdraw the consent given by you to the above paragraphs 10b(iv) and 10c [*not 10b(i) and 10b(ii)*] at any time by informing us in writing.

I confirm receipt of a copy of this Client Agreement and, where appropriate, agree to the statements made. I confirm that I have not received a personal recommendation from Sheffield Mutual Friendly Society.

Name of client:

Signature of client:

Date:

You should read this Client Agreement document in full and with care before signing it.

Client Copy



Client Agreement

**Sheffield Mutual Friendly Society, 3 Maple Park, Maple Court
Wentworth Business Park, Tankersley, Barnsley, South Yorkshire S75 3DP
Tel: 01226 741000**

1. This notice contains items that are common to most of our clients. The firm, whose name, address and telephone number appear above, is regulated and authorised by the Financial Services Authority (FSA). The terms shown in this document are effective from the date shown at the foot of the document. We will not automatically provide you with a revised Client Agreement, but if terms should change the new version will be provided when next we provide you with a service. You are classified as a retail client.
2. As you have neither asked for nor received any advice from the Society in relation to this product, it will be classed as a 'Non-Advised Sale'. This term acknowledges the fact that all decisions in relation to the investment will be and have been made by yourself and that the Society has only provided you with factual information in relation to the product.
3. We will make arrangements for your investments, or other contracts, to be registered in your name unless you first advise us otherwise in writing. We will forward all contract documents to you as soon as practical after we have received them. Where a number of documents relating to a series of transactions are involved, we will normally hold each document until the series is complete and then forward them all to you at the same time.
4. Occasions can arise where we, or one of our other customers, will have some form of interest in business which we are transacting for you. If this happens, or we become aware that our interests or those of our other customers conflict with your interests, we will inform you in writing and obtain your consent before we carry out your instructions.
5. We prefer instructions from you to be in writing – we will, however, accept oral instructions provided they are subsequently confirmed in writing.
6. Should you have any complaint about the firm please write to the Chief Executive at the address above. He will provide you with written information as to how we administer complaints. Complaints we cannot settle may be referred to the Financial Ombudsman Service.
7. If you make a valid claim against the firm in respect of investments we arrange for you to buy or sell and we are unable to meet our liabilities in full, you may be entitled to redress from the Financial Services Compensation Scheme. Details of the cover provided by the scheme are given in a leaflet, which we will send you at your request, or from www.fscs.org.uk.
8. If, under the Money Laundering Regulations, it is necessary to verify your identity, address and source of funds, such verification will be completed before any business is finalised.
9. This Client Agreement may be terminated, without prejudice to the completion of transactions already initiated, by written notice from you or the firm. Such notice will take effect one month from the date of such notice unless otherwise agreed.
10. In order to arrange investments on your behalf, we must obtain certain information from you about your financial and personal circumstances. We will also need to maintain certain other records.

- a. You agree that the information we hold about you can be held on computer and/or paper files.
- b. You agree that any information we hold about you may be disclosed:
 - i) To third parties (e.g. credit agencies and product providers) for the purpose of processing your application.
 - ii) The Regulators (mainly the Financial Services Authority who have a legal authority to check all our records).
 - iii) Our Compliance consultants, who help us to ensure that, in your interests, we abide by the Financial Services Act and other regulations.
 - but iv) Must not be disclosed to any other parties (even if related) without your express permission in writing.
- c. You agree that we may use the information that we hold about you to contact you from time to time by post, fax, e-mail or telephone to bring to your attention products, services or information about your existing contracts which may be of benefit to you. You may opt out of this condition by putting an **X** in the following box.

- d. You understand that we have a legal obligation to ensure that the information within our records is kept up to date, but can only do so if provided with the up to date information by you.
- e. You understand that you may withdraw the consent given by you to the above paragraphs 10b(iv) and 10c [*not 10b(i) and 10b(ii)*] at any time by informing us in writing.

I confirm receipt of a copy of this Client Agreement and, where appropriate, agree to the statements made. I confirm that I have not received a personal recommendation from Sheffield Mutual Friendly Society.

Name of client:

Signature of client:

Date:

You should read this Client Agreement document in full and with care before signing it.

Non-Advised Sale Letter

Sheffield Mutual Friendly Society

Thank you for your enquiry regarding Sheffield Mutual

As you have neither asked for nor received any advice from the Society in relation to this product, it will be classed as a 'Non-Advised Sale'. This term acknowledges the fact that all decisions in relation to the investment will be and have been made by yourself and that the Society has only provided you with factual information in relation to the product.

You understand that as this is a 'Non-Advised Sale' you lose some of the regulatory protection which you might otherwise have. Specifically, it is unlikely that you will be able to make a complaint against the Society.

Signed.....**Date**.....