

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

- Tax Exempt Savings (Monthly, annual or lump sum versions)
- Tax Exempt Savings Plan with Life Assurance
- Regular Savings
- Funeral Expenses
- Investment Bond
- Income Bond
- Pension Bond
- Child Trust Fund

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.



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.

STOCKS & SHARES ISA



Your Future is
Our Business



CLIENT WEB

Sheffield Mutual Stocks & Shares ISA



What is an Individual Savings Account (ISA)?

ISAs are investments with tax advantages, which are available if you are resident and ordinarily resident in the UK for tax purposes. There are two types of ISA available – Stocks & Shares ISAs and Cash ISAs. Sheffield Mutual only offers a Stocks & Shares ISA.

ISAs have special tax advantages, which means that your investment fund will grow tax free (with the exception of tax credits on dividends) and, under current legislation, which may change in the future, your returns will be completely free of income or capital gains tax and need not be declared on your tax return.

Can I have different ISAs?

The Government removed the distinction between Mini and Maxi ISAs in April 2008 but you are still able to invest, subject to the limits, in either a Stocks & Shares ISA or a Cash ISA. From 6 April 2011 each adult has an annual ISA investment allowance of £10,680. Up to £5,340 of that allowance can be saved in cash with one provider. The remainder of the £10,680 allowance can be invested in Stocks & Shares with either the same or another provider.

Are there any limits to the amount I can save in a Stocks & Shares ISA?

Yes, the maximum is £10,680 or £890 per month in any tax year (6 April to 5 April). The minimum in the Sheffield Mutual ISA is £30 per month or a single initial premium of £300. However, if you save any part of your annual allowance in a Cash ISA with another provider up to the £5,340 maximum, this should be deducted from the overall limit.

Can I add to my investment?

Yes, providing you don't exceed the maximum annual allowance you can add to your ISA at any time during the year. If you are not paying on a monthly basis by direct debit the minimum additional investment is £100.

Can I stop paying premiums?

Yes, you can stop or vary the level of subscriptions during a tax year. However, if you do not make a payment in the whole of a tax year, and you wanted to start again you would have to make a new application.

Who can save in a Stocks & Shares ISA?

Anyone over the age of 18 or who will be 18 during the tax year in which the ISA is opened. You must also be resident and ordinarily resident in the United Kingdom, or if not be performing duties as a Crown employee serving overseas and paid out of the public revenue of the United Kingdom or married to such a person.

You cannot subscribe to a Stocks & Shares ISA with more than one provider in a single tax year.

Can I select the term of my Stocks & Shares ISA?

There is no specific term but to take full advantage, investing in this type of policy should be viewed on a medium to long term basis.

How do my savings grow?

Depending upon the performance of its investments, the Sheffield Mutual will declare a bonus rate annually in April and this will be applied to your policy. Obviously, the amount of bonus credited will depend upon how much you have saved and for how long. You will receive a statement during April notifying you of the amount of bonus and the present value of your policy. Bonuses are not guaranteed.

Where are the funds invested?

The Stocks & Shares ISA is invested in the Society's with-profits fund, which will include property, equities, fixed interest and cash, to provide a balanced spread of risk. Unlike Stocks & Shares ISAs that are invested directly in shares or a share tracking index, the capital you invest in the Society's with-profits Stocks & Shares ISA will not normally fluctuate from day to day. However, should you wish to close, transfer or withdraw funds from your ISA during adverse investment conditions, the Society may impose a Market Value Reduction, which could result in a loss of capital. Therefore the amount you will receive on repayment is not guaranteed.

Can I withdraw from my Stocks & Shares ISA?

Yes, you can withdraw a minimum of £250 at any time or you can close your plan. However, if you withdraw from or close your policy in times of adverse investment conditions, a Market Value Reduction may be applied which could in some circumstances result in a loss of capital.

Are there any charges?

Yes, the Society will deduct 2.5% of the value of the policy fund in year 1 and 1.5% each year thereafter to cover administration and expenses. The annual charge is normally deducted from the declared annual bonus rate before it is added to your policy.

What happens if I die?

On early death the Society will pay 101% of the policy value to either the surviving spouse or to the individual's estate. Interest will be credited tax-free up to the date of death but from then until the date that the money is paid, it will be subject to tax at the rate applicable at the time.

Can I transfer my Cash or Stocks & Shares ISA with another provider to Sheffield Mutual?

Yes, you can transfer some or all of the money saved in previous tax years with another provider from Cash or Stocks & Shares ISAs to a Stocks & Shares ISA with Sheffield Mutual without affecting your annual ISA investment allowance.

You can also transfer money saved in the current tax year with another provider in Cash ISAs to Stocks & Shares. These transfers must be the whole amount saved in that tax year in the Cash ISA up to the day of transfer.

Once money saved in the current tax year is transferred from a Cash ISA to a Stocks & Shares ISA, it will be treated as if it has been invested directly into a Stocks & Shares ISA in that tax year.

You will then be able to save up to the full remaining balance of the £10,200 allowance for that tax year.

How do I start my Stocks & Shares ISA?

You should study the Key Features literature and, providing you do not need any advice, complete and sign the application form, client agreement, non-advised sale letter and direct debit authority (where applicable) and return them to Sheffield Mutual Friendly Society, FREEPOST RLUC-XKZE-RJAT, 3 Maple Park, Tankersley, Barnsley S75 3DP.



Need any further help or information?

Our friendly and knowledgeable staff would be pleased to provide you with factual information about the Society's products and services, so you can make your own choice about how to proceed. No advice or recommendations will be given and if you are in any doubt as to the suitability of a product, you should seek advice from an Independent Financial Adviser.

Do I need to provide any additional information?

In order to comply with regulations, the Society will require confirmation of your identification and address. We will therefore ask to see documents such as a passport or driving licence and utility bills or bank statements before issuing a policy. If such documents are not available, we may be able to confirm your identity and address using an electronic verification system.

KEY FEATURES OF THE STOCKS & SHARES ISA

WHAT IS THE PURPOSE OF THIS LEAFLET?

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 Stocks & Shares ISA is right for you. You should read this document carefully along with the illustration and product brochure, so that you understand what you are buying and then keep it safe for future reference.

WHO IS IT SUITABLE FOR?

Individuals of 18 or over who would like to save or invest for a minimum of three years in a product which has tax advantages under current legislation.

ITS AIMS

- To provide a straightforward way of investing a monthly or annual amount to build a lump sum with low to medium risk.
- To provide access to a range of different assets, e.g. equities, property, fixed interest and cash through a single with profits fund.
- To add bonuses to your investment.
- To provide proceeds that are paid tax free.
- To give you the option to vary your contributions (subject to ISA limits) if your circumstances change.

YOUR COMMITMENT

- To pay a regular monthly premium between £30 and the maximum permitted or single premiums with a minimum initial investment of £300 and subsequent additions of no less than £100 up to the maximum permitted investment in any one tax year. Please refer to the product brochure for current annual ISA allowances.
- You can withdraw your investment at any time but you should see it as a medium to long term plan from which withdrawals will be made infrequently.
- By investing in a Sheffield Mutual Stocks & Shares ISA you will not be able to start a Stocks & Shares ISA with another provider during the same tax year.

RISK FACTORS

- Your circumstances may change forcing you to cash in early and you may not get back as much as you have paid in.
- Future bonuses are not guaranteed and will depend on the investment performance of the fund.
- A market value reduction may be applied if you withdraw early and the investment returns are less than profits already added.
- The Government could change the way in which ISAs are taxed which may result in the amount which you get back being reduced or that you may have additional tax to pay.

QUESTIONS AND ANSWERS

CAN I SELECT THE TERM OF MY STOCKS AND SHARES ISA?

There is no specific term but to take full advantage, investing in this type of policy should be viewed on a medium to long term basis.

CAN I STOP PAYING PREMIUMS?

Yes, you can stop or vary the level of premiums during a tax year. However, if you do not make a payment in the whole of a tax year and you wanted to start again you would have to make a new application.

WHAT HAPPENS IF I DIE?

On early death the Society will pay 101% of the policy value to either the surviving spouse or the individual's estate. Interest will be credited tax free up to the date of death but from then until the date that the money is paid it will be subject to tax at the rate applicable at the time.

ARE THERE ANY CHARGES?

Yes, the Society will deduct 2.5% of the value of the policy fund in year 1 and 1.5% each year thereafter to cover administration expenses. The annual charge is normally deducted from the declared annual bonus rate before it is added to your policy.

IS THERE A TAX LIABILITY?

One of the benefits of an ISA is that all the money you receive from it will be completely free of tax and where applicable does not need to be entered on your tax return. Investment income (except the tax credit on dividend income which cannot be reclaimed) and Capital Gains made to the fund are currently tax-free, but this information is based on current tax legislation which may vary in the future.

HOW WILL IT WORK FOR ME?

Accompanying this leaflet you will find an illustration which shows how the ISA might benefit you, and you should read this in conjunction with the Key Features as it contains other important information. If you require a specific illustration please contact us.

OTHER INFORMATION

CANCELLATION RIGHTS

After your proposal is accepted you will receive a notice of your right to cancel. You will then have 30 days in which to change your mind.

BONUSES

Bonuses calculated on the basis of the profits of the fund are added to your policy. The bonus rate is decided by Sheffield Mutual Friendly Society acting on the advice of the actuary and is not guaranteed.

LAW

All or any of the benefits, premiums or policy conditions may be adjusted in the event that

- There is a change in law or taxation affecting the policy
- Any levy is imposed on the Society under statute or statutory authority
- There is an amendment to general legislation

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

MARKET VALUE REDUCTION

This could reduce the amount we pay out if you close, transfer or withdraw funds from your ISA at a time of adverse investment conditions. Its purpose is to ensure that you receive your fair share of the fund value at the time when you close, transfer or withdraw from your ISA, which will ensure remaining policyholders are not disadvantaged.

QUERIES AND COMPLAINTS

For further information or if you wish to complain about any aspect of the service you have received, please contact the Chief Executive at the address shown below. 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 £35 million and there are over 30,000 members.

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