



Investment Junior ISA

Tax-free savings for children



Sheffield
Mutual Est.
1892

The simple and flexible way to give your child a solid financial start in life

We all want to give our child the very best start in life, and with our Investment Junior ISA (JISA) you could do just that.

- ✓ Available to all children under the age of 18
- ✓ Save from as little as £10 a month
- ✓ Transfer an existing JISA (or Child Trust Fund) from another provider and let us manage the transfer
- ✓ Potential for tax-free growth through annual and final bonuses
- ✓ Top ups can be made by anyone

About Sheffield Mutual

A warm welcome to Sheffield Mutual. We've been helping our members make the most of their money since 1892. We'd love to do the same for you.

As a mutual society with no shareholders, our members are the people we care about the most. Any surplus profit is distributed to provide you with the best possible returns combined with the highest standards of personal service. Building on the experience of our heritage while always looking to the future, we've developed a selection of straightforward and trusted tax-efficient savings and investment plans.

Risks you should be aware of:

- The JISA value could be reduced if withdrawn during adverse market conditions, but money invested for five years or longer is guaranteed
- Tax treatment depends on individual circumstances and may be subject to change in the future
- Bonuses are not guaranteed



Our (tax-free) Investment Junior ISA could be a great way to give your child a head start in life. Save towards their first car, house deposit or university fees - the choice is yours.

What is a Junior ISA (JISA)?

JISAs are investments with tax advantages for children, which were made available by the government from 1 November 2011. There are two types of JISA available - stocks & shares and cash. Sheffield Mutual offers only a stocks & shares JISA in the form of a with-profits insurance policy, which is designed to be held for a medium to long-term period. We refer to this as an Investment JISA because the with-profits fund invests in a range of different assets including property and bonds as well as the stock market.

Who can have one?

The child must be a resident in the UK when the JISA is opened (or a dependant of a crown servant living overseas). Although the funds belong to the child (the 'policyholder') at all times, the policy must be opened and operated by a 'registered contact' (someone who will manage the plan) until the child reaches at least 16 years of age. The registered contact will be the person with parental responsibility for the child, with the child able to take over their plan, if they wish, at age 16.

Can a child have different JISAs?

Every child can hold both a stocks & shares JISA and a cash JISA at any one time with the same or different product providers, providing the overall investment allowance is not exceeded (see question below).

How much can be saved in a JISA?

The government sets the investment limits and the current allowance for the tax year which runs from 6 April to 5 April is £9,000 or £750 per month. This amount can be split between a stocks & shares JISA and a cash JISA, providing the overall limit is not exceeded in the tax year mentioned above. The minimum amounts you can save in the Sheffield Mutual Investment JISA are £10 per month or a single lump sum of £100.

How long is the money invested?

The JISA will mature when the child reaches 18 years of age. At this time the child can withdraw the funds or rollover the investment into an adult ISA in their own name. Withdrawals are not allowed at any time before age 18.

How are bonuses calculated and paid?

Depending upon the performance of our investments, we will declare a bonus rate annually in March and this will be applied to the JISA at the end of the tax year. The amount of bonus credited to the policy will depend on the amount invested (known as policy premiums) and, as bonuses are calculated daily (after deducting charges) on a compound basis and added monthly (net of charges), the length of time the policy has been running. The registered contact will receive a statement during April each year setting out the amount of bonus and present value of the JISA. There is also the possibility of a final bonus on maturity of the JISA. Bonuses are not guaranteed.



Can I add to my child's JISA?

Yes, providing you don't exceed the maximum annual investment allowance (£9,000) you can add to the JISA at any time during the tax year. If you are not subscribing on a monthly basis by Direct Debit the minimum additional investment is £50. Any person can subscribe to the child's JISA - including parents, grandparents, family members and friends. All subscriptions will be classed as gifts to the child, which means that once premiums have been added, under normal circumstances (except on early death or the diagnosis of a terminal illness), the funds cannot be withdrawn until the child reaches the age of 18.

Can I stop making payments?

Yes, you can stop or vary the level of payments at any time. However, we retain the right to terminate the policy in circumstances where you have not invested the minimum initial premium of £100 for single premium JISAs or £10 per month for 12 months for regular premium JISAs.

Where will my money be invested?

We invest in a range of different assets with the aim of providing a higher return in the medium to long-term than is achievable with a bank or building society account. Sheffield Mutual's with-profits fund is managed to provide medium to low risk investment, appealing to anyone with a more cautious approach to investment.

Unlike investments that are invested directly in shares or a share tracking index, the money you invest in the Society's with-profits JISA will not normally fluctuate from day to day.

Types of assets we invest in are:

- ✓ **Shares of companies we have global exposure to offer diversification, providing income from dividends and capital growth.**
- ✓ **Fixed interest investments such as government gilts and corporate bonds.**
- ✓ **Property, the Society owns a property portfolio which provides rental income and offers potential capital growth.**
- ✓ **Cash**

The proportion held in each of these will vary depending on market conditions. We can provide you with a guide to the spread of investments. We seek to adopt an ethical approach to investing and it is our policy not to invest knowingly or directly in industries relating to armaments, tobacco, gambling or pornography.

However, should you wish to withdraw (after maturity) or transfer funds from the JISA during adverse investment conditions, the Society may apply a market value reduction to the policy fund, which could in some circumstances, result in the child receiving back less than you paid in. Therefore, the amount you receive on repayment is not guaranteed and you should only invest in an Investment JISA if you are prepared to take some risk to increase the potential returns.





Can I make withdrawals?

You cannot withdraw any monies from a JISA until the child reaches 18. When the plan reaches the maturity date, the proceeds will be paid to the child and not the parent/guardian (registered contact).

Are there any charges?

We will deduct 1.25% of the value of the JISA policy fund each year to cover administration and expenses. The annual charge is normally deducted from the declared annual bonus amount before it is added to the policy. However, it would be deducted from the policy fund should the bonus amount be less than the annual charge.

Are there any guarantees?

We will guarantee a minimum final amount of 100% of the premiums in the event of death, terminal illness or maturity (when the child reaches 18), providing the premiums have been invested for five years. No guarantee is given in respect of premiums paid within five years of the date of the claim or maturity.

What about tax?

Just like adult ISAs, no tax is payable on any of the income or capital gains a child receives from JISA savings and investments. In addition, no tax is payable by a subscriber to the policy on any income or gains generated by the JISA, even where that income exceeds the £100 limit which normally applies to gifts from parents. This is based on current tax legislation, which may vary in the future.

What happens if the child moves abroad?

Provided the monies come from a UK bank account, you and your family and friends can continue to pay money in, subject to the JISA limits.

What if the child dies or is diagnosed with a terminal illness?

In the unfortunate event of early death or the diagnosis of a terminal illness, we will pay the value of the policy plus 1% to the child's estate or personal representative. Closure of the JISA in relation to a terminal illness must be agreed by HM Revenue & Customs. Bonus will be paid tax-free up until the date of death.

What happens if the parent/guardian (registered contact) dies?

In the unfortunate event of the death of the parent/guardian, we will need to see the original (or certified copy) of the death certificate. Another person with parental responsibility for the child (or the child if aged 16 or over) should then apply to become the person responsible for the plan.

Where can I get further help or information?

Need some further assistance? Our team would be more than happy to provide you with factual information about our products and services, so you can make your own decision about how to proceed. However, we are unable to give any financial advice or recommendations on the suitability of our products. If you are unsure, you should seek advice from a qualified financial adviser, which may incur a fee.

Can I transfer the child's JISA with another provider to Sheffield Mutual?

Yes, you can transfer previous years' JISA subscriptions in whole or in part from another provider to us, without it affecting the annual investment allowance. Current tax years' JISA subscriptions must be transferred in full. Transfers can be made either way (i.e. cash to stocks and shares or stocks & shares to cash) and are subject to the child not having more than one JISA of each type at the end of the transfer process. This means that part transfers can only be made to another type, for example, part cash JISA transferred to a stocks & shares JISA. The minimum investment is £100, so if your transfer amount is less, you will need to make it up to £100.

Can I transfer a Child Trust Fund (CTF) to a JISA?

Yes, those with a CTF may transfer to a JISA. This must be the whole amount as partial transfers are not allowed. This type of transfer will not count towards the child's JISA allowance. Don't worry about contacting the current provider, we'll take care of everything for you.

A CTF may be transferred even if, at the time of the transfer, the child would not meet the normal UK residency conditions for a JISA.

All references to taxation are based on the Society's understanding of current tax legislation and practice, which may change in the future.





How do I start an Investment Junior ISA?

Simply decide how much you would like to save and whether you would like to save monthly or a lump sum amount. You should then read the 'All about us' and 'Terms and conditions' sections in this booklet, 'With-Profits Information' sheet and the Key Information Document and, providing you do not need any advice, complete and return:

- ✓ The application form / transfer form
- ✓ 'Is this product right for me?' questionnaire
- ✓ Client agreement / non-advised sale letter
- ✓ Direct Debit Mandate (if applicable)

to the address on page 11 of this brochure along with a cheque made payable to "Sheffield Mutual" for the initial premium (if applicable). If you prefer, you can make your first payment by debit card over the phone, or you can make a payment directly into our bank account (please see the 'About us' page on our website for account details). You can also apply online at www.sheffieldmutual.com.

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

- ✓ Children's Tax Exempt Savings Plan
- ✓ Tax Exempt Savings Plan
- ✓ Tax Exempt Savings Plan with Life Insurance
- ✓ Children's Regular Savings Plan
- ✓ Regular Savings Plan
- ✓ Children's Investment Bond
- ✓ Investment ISA
- ✓ Investment Bond
- ✓ Income Bond
- ✓ Whole of Life Plan
- ✓ Capital Plan

Investment Junior ISA Terms and Conditions

The product brochure and Key Information Document set out how your child's Investment Junior ISA will operate using plain English and a simple 'question and answer' format. Our aim is not to use jargon or small print, but ISA regulations require the Society to set out various standard terms and conditions (the "terms") under which your child's Investment Junior ISA will operate.

These terms come into force when the policy document is issued and the first premium paid. We may amend or vary these terms, if we have a valid reason to change them, by writing to you.

General conditions

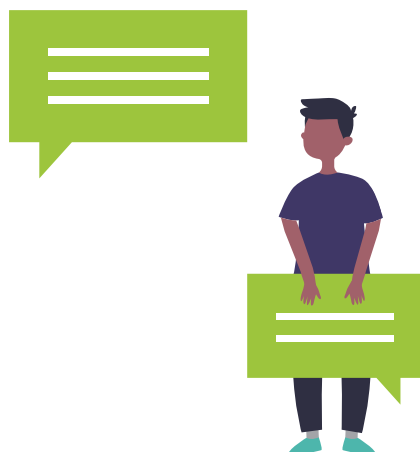
- ✓ A Junior ISA ("JISA") is a type of ISA managed in accordance with the ISA regulations by the provider (Sheffield Mutual Friendly Society, the "Society") under terms agreed between the Society and you (the "Registered Contact").
- ✓ The JISA investments will be, and must remain, in the beneficial ownership of the child and must not be used as security for a loan.
- ✓ The title to the insurance policies shall be vested in the registered contact, and the policy document showing title to the insurance policy shall be held by the registered contact.
- ✓ The Society will satisfy itself that any person to whom we delegate any of our 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 them, the JISA with all rights and obligations shall be transferred to another provider. The Society will do this within a reasonable time period, not exceeding 30 days.
- ✓ The Society will notify the registered contact if, by reason of any failure to satisfy the provisions of the JISA regulations, a JISA has, or will, become void.

Policy conditions

Subject also to the Policy Schedule document:

- ✓ The policy may be owned or held only as a qualifying investment for a JISA.
- ✓ The policy shall terminate automatically if it ceases to be owned or held in the JISA.
- ✓ The life assured is that of the child and title to the policy is vested in the registered contact.
- ✓ The policy shall terminate automatically if it does not satisfy the relevant qualifying conditions in ISA legislation. This is subject to exceptions where a JISA can be 'repaired' or otherwise remedied within a reasonable time.
- ✓ The policy, or the rights conferred by the policy or any share or interest in the policy or rights respectively, other than the cash proceeds from termination or part surrender of the rights conferred, cannot be transferred to the child or registered contact, and;
- ✓ The policy, the rights conferred by the policy and any share or interest in the policy or rights respectively, are not capable of assignment or assignation (other than a transfer to another ISA provider within the normal rules for JISA transfers), and the rights may vest in the personal representatives of a deceased investor.
- ✓ The policy cannot be transferred or assigned to the child or registered contact, except where amounts may be withdrawn from a JISA in accordance with the regulations, the account is transferred to another provider, there is a change in registered contact, or the child turns 18 and the account ceases to be a JISA.
- ✓ The policy is also subject to the Rules of the Society, which can be provided on request along with a copy of the Society's annual Report & Accounts.
- ✓ Policyholders under 18 years of age are not entitled to vote at the Society's AGM and will not receive notification.

These terms, together with the other information contained in this product brochure, Key Information Document and application form, form the basis of the contract between you and the Society upon which we intend to rely. As a member owned organisation we will always aim to communicate clearly and in the best interests of our members, but if you do not understand any points, or you have any questions, please ask for further information.



Jargon Buster

Bonus - an amount we will add to your policy linked to how well the with-profits fund has performed. These can be annual bonuses or a final bonus, added when your JISA is closed or transferred.

Cash JISA - a tax-free deposit account which earns interest. Although less risky and more certain than a stocks & shares JISA, the returns may be relatively modest over the longer term.

Market value reduction - an adjustment made to the amount we pay out, should your policy fund be worth more than your fair share of the with-profits fund.

Stocks & shares JISA - a tax-free wrapper for investments other than cash deposits.

With-profits - the name given to a type of fund which normally contains a mix of assets and which shares the profits with the policyholders. Returns are 'smoothed' whereby some profit is held back in good years to maintain returns in poorer investment years.



All about us...

Sheffield Mutual Friendly Society Ltd is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

You can find out more about us by looking at our entry on the Financial Service Register at <https://register.fca.org.uk/> where our registration number is 139855.

We are an incorporated Friendly Society registered under the 1992 Friendly Societies Act and our number is 810F. For the purposes of the Insurance Distribution Directive we are classified as an insurance undertaking. For FSCS purposes our products are classed as long-term insurance.

Our registered address is **3 Maple Park, Maple Court, Wentworth Business Park, Tankersley, Barnsley, S75 3DP**

How to contact us

Our telephone number is 01226 741 000 and our email address is enquiries@sheffieldmutual.com

Our postal address is Sheffield Mutual Friendly Society, 3 Maple Park, Tankersley, Barnsley. S75 3DP

You may contact us in any way which is best for you, whether it is just to get more information or to apply for new policies with us.

About our service

We will always provide you with all the information you need about our products and services. We do that through this brochure, the conversations we have with you and by providing the Key Information Document for the product which you must read. The products Sheffield Mutual Friendly Society provide are the Society's own products.

We are not a financial advice company and we do not make personal recommendations about the suitability of the product for you. Provided we are satisfied that the product meets your demands and needs, and it is not inappropriate for you to buy it, the information we give enables you to make your own informed decision to proceed with the purchase.

Our team, when they speak with you, ensure that you have all the information you need and are there to answer your questions openly and honestly.

Once a year we will issue you with a bonus statement and covering letter which will explain the financial value of your policy with us, how bonuses have been added and any ongoing management costs charged.

Every year we publish our Solvency and Financial Condition report on our website, the report can be found under the Corporate and Governance section.

We strive to always put your best interests first and as part of that the Board has established a Conflicts of Interest Policy to ensure we continuously try to identify any conflicts that may arise between us, our directors, our employees and representatives, you the customer and our other business connections.



We establish internal processes and procedures to manage possible conflicts and to ensure you will not suffer any detriment or disadvantage should a conflict of interest ever materialise. The full policy can be sent to you by post on request.

How we remunerate our team

We take great care to ensure our employees are remunerated in ways which do not create any conflicts of interest for them or you, and we structure their pay so that there is no inducement for poor sales practices.

We do this by paying our employees by salaries with a bonus element for successfully doing their job. These payments are made by Sheffield Mutual Friendly Society. We do not pay individual sales bonuses.

How we remunerate our third parties

When we receive your application for a product which has been referred to us by a third party (such as a financial adviser) we may pay them a referral fee. We may also pay a commission to a financial adviser who has arranged your policy without giving you a personal recommendation and has simply provided you with information about this service and assisted with your paperwork. If we pay such a fee the amount will be advised within your personal illustration before we process your application.

Your financial protection

We are covered by the Financial Services Compensation Scheme (FSCS) who you can write to at PO Box 300, Mitcheldean, GL17 1DY. Telephone 0800 678 1100. Further information is available on their website – <http://www.fscs.org.uk> or by clicking on the "FSCS protected" link on our website footer.

Some of the investments underlying this product are managed on behalf of Sheffield Mutual Friendly Society by professional investment managers, and they use nominees and custodians, in respect of investments purchased and held. The investment managers and their counterparts are not covered by the compensation scheme but were they to default, and this in turn caused Sheffield Mutual Friendly Society to default, then eligible claims may still be covered by the FSCS because your contract is with Sheffield Mutual Friendly Society. The FSCS does not cover losses arising purely from investment performance.

Your data protection

We are registered with the Information Commissioners Office and our registration number is Z6719617.

We are totally committed to keeping your data safe and secure and we will only use it for the purposes you agreed to when you gave it to us. Our aim is to always put your interests first and we do that by adhering to the requirements of the Data Protection Act 2018.

Our full Privacy Statement can be found here www.sheffieldmutual.com/privacy-policy or we will supply a paper version if you ask us to.

Complaints

If you wish to make a complaint about us, or another person who sold or advised you on this product, then please contact us either in writing to: The Chief Executive, Sheffield Mutual Friendly Society, 3 Maple Park, Tankersley, Barnsley, S75 3DP, by telephone: 01226 741 000 or by email: enquiries@sheffieldmutual.com. A full explanation of our approach to complaints handling can be found on the Help and Support page of our website.

If you remain dissatisfied after we have given you our final response you may refer the matter to the Financial Ombudsman Service whose address is The Financial Ombudsman Service, Exchange Tower, London, E14 9SR and telephone number 0800 0234 567 or 0300 123 9123.



Quick and easy application process, get in touch today:



www.sheffieldmutual.com



enquiries@sheffieldmutual.com



Call our team on **01226 741 000**

Calls may be monitored and recorded for your protection

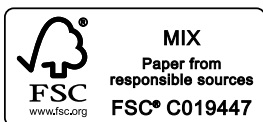


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www.sheffieldmutual.com



enquiries@sheffieldmutual.com



Call our team on **01226 741 000**
Monday - Friday 9am - 5pm

Calls may be monitored and recorded for your protection

Issued by Sheffield Mutual Friendly Society. Sheffield Mutual is the trading name of Sheffield Mutual Friendly Society Limited, 3 Maple Park, Maple Court, Wentworth Business Park, Tankersley, Barnsley S75 3DP. The Society is incorporated and registered under the Friendly Societies Act 1992 (register no 810F) and is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (Financial Services Register Number 139855).



Protected

With-profits information sheet



What is a with-profits policy?

With-profits is a type of investment plan sold in the UK in which extra amounts may be added to the main benefit (known as the sum assured) to reflect profits earned during the course of the contract.

A with-profits policy shares in the profits of the Society through the addition of annual and final bonuses.

The amount of bonus will depend on how the investments in the fund have performed while you have been paying premiums into it. Regular or "reversionary" bonuses may be added, usually each year, and once declared are guaranteed.







A final or "terminal" bonus may be added when the policy is closed after it has run its minimum or set term. The amount of bonus will also depend on the allowance we make for the expenses of setting up and running the policy. The Society is a mutual organisation, which means that there are no shareholders. The Society is, therefore owned by its members, which includes with-profits policyholders.

With-profit funds are typically invested in a mixture of equities, property and fixed income investments (see overleaf). Under poor market conditions a "market value reduction" (MVR) may be applied to the value of the policy. An MVR is designed to protect members who are not taking their money out of the Society during adverse market conditions and ensures that all members receive their fair share of the with-profits fund.

An MVR reduces the amount of payout you receive when withdrawing your monies during exceptional circumstances.

You will only see the effect of an MVR should you wish to withdraw your monies at the time there is an MVR in place. An MVR can be added, removed, increased or decreased at any time.

The following policy types are classed as with-profits:-

-  **Tax Exempt Savings Plan (TESP)**
- with or without life insurance
-  **Regular Savings Plan**
-  **Investment Bond**
-  **Income Bond**
-  **Individual Savings Account (ISA)**
-  **Junior Individual Savings Account (JISA)**

Understanding the with-profits fund

Sheffield Mutual's with-profits fund is managed to provide a medium to low risk investment, appealing to individuals with a more cautious approach to investing. When you invest with us, we pool your money together with other members' in the with-profits fund.

The with-profits fund invests in commercial property, shares, fixed interest, cash, bonds and government gilts. With-profits aims to offer a better return than a typical bank or building society account, but is not as risky as investing all your money directly on the stock market as we 'smooth' returns.

Explaining smoothing

A particular feature of with-profits is 'smoothing'. This is the process where we hold back some surplus profit in good years so we can top up policy bonuses in years where the performance is not as strong. Smoothing aims to even out the short term ups and downs that is often associated when investing directly in the stock market and has enabled the Society to maintain stable bonus rates even in volatile markets.

The payment of policy bonuses is not guaranteed and depends on the performance of the with-profits fund.

Glossary

Annual bonus

This is the bonus we may add to your policy each year. It is sometimes called a reversionary or regular bonus.

Assets

These are the investments held within the Society's long-term business fund.

Equities

Equities are investments made in shares of a company that is (typically) traded on the stock market.

Final bonus

This is the bonus that we may add at the end of the investment. It is sometimes called a terminal bonus.

Market value reduction

This describes an adjustment to the value of your policy in adverse investment conditions, in order to ensure you receive your fair share of the fund on surrender or encashment.

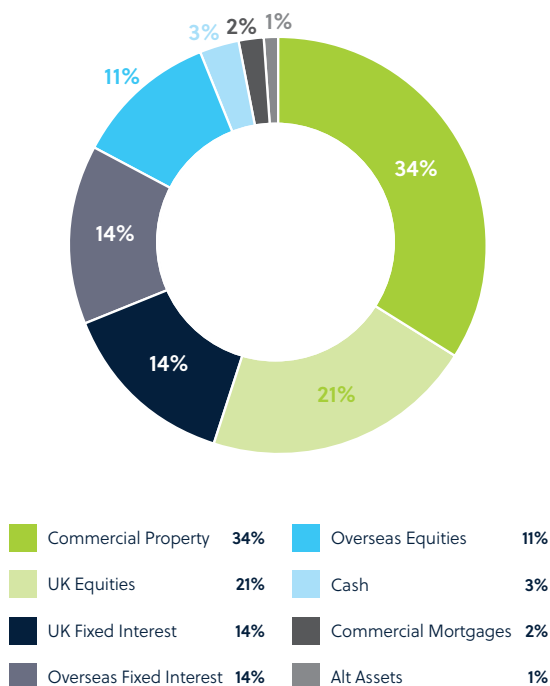
Sum assured

This is the amount shown on your illustration and is the guaranteed minimum you will receive on maturity and death (depending on the type of policy), providing you continue to pay all the premiums due.

Surrender

To cash in your policy before the end of its term.

Asset allocation



As at 31/12/2022

Our strategy is to achieve a balanced return of income and capital growth through a combination of good quality assets. We hold a higher proportion of commercial property as we can generate healthy yields from long-term leases with reputable tenants. We maintain a reasonable exposure to shares in order to preserve the value of investments over time but hold some of the funds in other assets to improve diversification and spread risk.



www.sheffieldmutual.com



enquiries@sheffieldmutual.com



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