

Key Information Document

Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

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Product

Stakeholder Child Trust Fund (CTF)
Transport Friendly Society Limited
(www.tfs.uk.com)



Call 020 7833 2616 for more information

Transport Friendly Society is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority

What is this product?

The CTF is a tax-free unit-linked savings account for children.

Objectives

- To provide a method of saving for a child by investing government contributions and additional amounts in order to provide the child with a cash sum on his/her 18th birthday.
- To achieve medium to long term growth in a fund that invests mainly in stocks and shares. Your contributions are invested with Legal & General Investment Management with the objective of tracking the capital of the UK equity market (FTSE All Share Index).
- The return is based on the price of the units when they are cashed in on the child's 18th birthday. Before this date, money cannot be withdrawn from the account.

Intended Retail Investor

Individuals over 16 with parental responsibility for a child born between 1 September 2002 and 3 January 2011. You do not have to make additional contributions, but you can do so as long as they do not exceed £4128 in total in any subscription year (birthday to birthday).

NB You can no longer open a new CTF account – you can only transfer an existing CTF from another provider.

Insurance benefits

If the child should die before reaching 18 years of age then the value of the account at the date of death would be paid to the child's estate.

What are the risks and what could I get in return?



←.....→
Lower risk Higher Risk



The Summary Risk Indicator (SRI) assumes you keep the product for 10 years. However, the child cannot cash in the CTF before the child's 18th birthday.

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

We have classified this product as 4 out of 7 which is a medium risk class. This rates the potential loss from future investment performance at a medium level, and market conditions could impact the capacity of Transport Friendly Society to pay you. This product does not include any protection against future market performance so you could lose some or all of your investment.

Performance Scenarios for the Child's Savings Plan				
Investment: £10,000 single premium				
Survival Scenarios		1 year	5 years	10 years
Stress Scenario	What you might get back after costs	£5,881	£5,482	£4,141
	Average return each year	-41.19%	-11.33%	-8.44%
Unfavourable Scenario	What you might get back after costs	£8,966	£8,873	£9,633
	Average return each year	-10.34%	-2.36%	-0.37%
Moderate Scenario	What you might get back after costs	£10,466	£12,527	£15,683
	Average return each year	4.66%	4.61%	4.60%
Favourable Scenario	What you might get back after costs	£12,193	£17,651	£25,481
	Average return each year	21.93%	12.03%	9.80%
Accumulated invested amount		£10,000	£10,000	£10,000
Death Scenario				
Insured event	What your beneficiaries might get back after costs	£10,466	£12,527	£15,683
Accumulated insurance premium		£0	£0	£0
<ul style="list-style-type: none"> This table shows the money you could get back over the next 10 years, under different scenarios, assuming that you invest £10,000. The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products. The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies and are not an exact indicator. What you get back will vary depending on how the market performs and how long you keep the plan. The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where we are not able to pay you. The figures shown include all the costs of the product itself. As with all stock market investments the value may fall as well as rise and you may get back less than has been invested. 				
What happens if Transport Friendly Society is unable to pay out?				
<p>If Transport Friendly Society is unable to meet its liabilities, compensation may be payable by the Financial Services Compensation Scheme. Further information on the Scheme is available from the Financial Services Compensation Scheme on 020 7892 7300 or at www.fscs.org.uk.</p>				
What are the costs?				
<p>The reduction in yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs.</p> <p>The amounts shown here are the cumulative costs of the plan itself, for three different holding periods. They include potential early exit penalties. The figures assume that you invest a single contribution of £10,000. The figures are estimates and may change in the future.</p>				
Costs over Time				
Investment Scenarios	If you cash in after 1 year	If you cash in after 5 years	If you cash in after 10 years	
Total Costs	£159	£983	£2,559	
Impact on return (RIY) per year	1.59%	1.59%	1.59%	

Composition of costs

The table below shows:

- The impact each year of the different types of costs on the investment return you might get at the end of the recommended holding period;
- The meaning of the different categories.

This table shows the impact on return per year

One-off costs	Entry costs	0.00%	The impact of the costs already included in the price. (This is the most you will pay, and you could pay less).
	Exit costs	0.00%	The impact of the costs of exiting your investment when it matures.
Ongoing costs	Portfolio transaction costs	0.00%	The impact of the costs of us buying and selling underlying investments for the product.
	Other ongoing costs	1.59%	The impact of the costs that we take each year for managing your investments.
Incidental costs	Performance fees	0.00%	The impact of performance fees.
	Carried interests	0.00%	The impact of carried interests.

How long should I hold it and can I take the money out early?

- The recommended minimum holding period is 10 years.
- The recommended holding period has been selected to enable investors to benefit from long term growth whilst avoiding short term volatility.
- The plan cannot be cashed in before the child's 18th birthday and on his/her 18th birthday he/she has full control of the account.

How can I complain?

If you have a complaint, feel that you have been treated unfairly or are not satisfied with any aspect of the Society, its products or its services please contact us at Transport Friendly Society Limited, Derbyshire House, St. Chad's Street, London WC1H 8AG. Telephone 020 7833 2616.

If the complaint is not dealt with to your satisfaction, you can refer your complaint to the Financial Ombudsman Service, Exchange Tower, London E14 9SR (Telephone 0800 023 4567). Following this complaints procedure does not affect your rights to take legal action.

Other relevant information

Contributions payable

Please note that the figures assume that you invest a lump sum of £10,000, which is the amount we are required to show based on current regulations. As such, this KID should be read in conjunction with the product guide, which provides additional examples of what you could get back based on a lower investment amount.

Advice - No advice will be given to you by the Society regarding this Plan. It is your responsibility to ensure that the Plan meets your needs. If advice is required, you should consult an independent financial advisor.

Tax - If the Plan is maintained in full force until death or maturity, the benefits payable are currently free of all UK income and capital gains taxes.

Friendly Society - A friendly society is a mutual organisation which has no shareholders. It is run by its members for its members. TFS is a member of the Association of Financial Mutuals.

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

Contract - This leaflet is based on the Society's understanding of current law and Inland Revenue Practice which may be subject to change. This document provides a guide to the Plan in a format prescribed by the European Union. Full details are contained in the policy schedule, terms and conditions which is the legally binding contract between you and the Transport Friendly Society Limited.