



**TRANSPORT FRIENDLY SOCIETY
JUNIOR INDIVIDUAL SAVINGS ACCOUNT
IMPORTANT INFORMATION DOCUMENT**

**Please read this document and the Key Information Document before
applying for the Transport Friendly Society (TFS) Junior Individual Savings
Account (ISA)**

What is the TFS Junior ISA?

A Junior Stocks and Shares ISA is a tax-efficient investment account for children under the age of 18. Any interest, dividends or growth in your Child's investment account are not liable to Income or Capital Gains Taxes.

Any parent or legal guardian can open and manage a TFS Junior ISA for their child, and even family and friends can add money into it as well, but the money belongs to the Child. The Child can take control of the account when they reach 16, but cannot withdraw the money until they turn 18.

Saving for your child's future is important. Our Stocks and Shares Junior ISA lets you invest in your Child's Junior ISA and save in a way that is easy to understand, flexible and tax-efficient. Your tax-free payments can be made on a regular or one-off basis and you will have the flexibility to make changes as and when you need to.

Our Junior Stocks and Shares ISA is a medium to long-term investment. We want your investment for your child to be saved in the way that suits you best, so we allow you to decide for yourself which funds you wish to invest in. All funds have the added value of showing commitment towards being ethically responsible, aiming to influence positive change to the environment and society.

Who can benefit from the TFS Junior ISA?

You can open a TFS Junior ISA for your Child, which they will be able to access once they turn 18, and help them fund some of their future expenses such as, their further education, driving lessons or job training.

PLEASE NOTE: PAST PERFORMANCE CANNOT GUARANTEE FUTURE RETURNS

Key Features of the World Friendly Stocks and Shares ISA

- Junior Stocks and Shares ISA available
- Tax-efficient saving
- Invest in environmentally friendly funds
- Start investing from £30 a month or a lump sum of £500 or more
- Transfer your Child's existing ISA to a TFS Junior ISA or apply to open a new TFS Junior ISA.

Responsible Investment

The funds are designed to respond to environment, social and governance (ESG) risks such as climate change. They aim to increase exposure to companies with a favourable ESG profile, while decreasing investments in companies with a lower ESG score. By doing so, the funds aim to influence positive change - ensuring companies are actively combatting the issues of climate change, while managing risk and generating sustainable long-term returns.

Unit-linked funds

Our funds are unit-linked, which means that with every contribution you make, your Child's Junior ISA is allocated units. The number of units would depend on the unit price applicable on the date of allocation.

The value of your Child's account is the total number of units held in the account multiplied by the unit price applicable on the date of calculation.

Switching funds

You can switch between funds at no cost.

Based on future pricing

When you contribute to, or switch between funds, the value is calculated based on the next declared unit price. This is a practice that aims to protect the funds.

The unit price is calculated weekly, but this may vary.

Our funds

We offer two funds, both of which aim to provide a combination of growth and income. However, they provide a different level of risk(/return) and approach to investment.

TFS Future World ESG Developed Markets Fund

Invests in:

Shares in companies that demonstrate good environmental, social and governance (ESG) efforts in developed countries. (Asset Class: Equity)

Approach:

Tracking the performance of the ESG Index - focuses investments in companies with a favourable ESG profile compared with others.

Level of risk:

Higher risk / return

Appeals to:

Individuals looking to invest responsibly, by tilting to responsible and sustainable companies.

TFS Future World ESG Multi-Index Fund

Invests in:

Bonds, shares, money market instruments, deposits, cash and indirectly to alternative asset classes and property. (Asset Class: Multi Asset)

Approach:

Invests at least 50% in investments that incorporate environmental, social and governance (ESG) criteria, while staying within its pre-determined risk profile.

Level of risk:

Medium risk / smoother returns

Appeals to:

Individuals with a more cautious approach to investment, who are also looking to incorporate a responsible investment method.

It is important to remember that the value of your Child's investments can go down as well as up, so your Child may get back less than what you pay in.

What is a Junior ISA?

A Junior ISA is a savings account that is set up by a parent or guardian for their child. Contributions can be made by family and friends and money can only be accessed by the child upon their 18th birthday.

The annual allowance for a Junior ISA is £9,000 for the 2023/2024 tax year. The latest Junior ISA allowance is available on www.gov.uk.

What is a Stocks and Shares ISA?

A Stocks and Shares ISA is a type of ISA that allows you to invest your money in a range of assets, such as stocks and shares, bonds and commercial properties. It aims to give you a fair return on your investment into your Child's Junior ISA. A Stocks and shares ISA should be regarded as a medium to long-term investment with a minimum of five years.

While a Stocks and Shares ISA offers the potential of greater growth than a Cash ISA, it also comes with a risk that the value of investments can go down as well as up, so your Child may get back less than what you pay in.

Who can open a Junior ISA?

If your Child is under the age of 18, you can open a Junior ISA for them. Your Child must be resident in the UK and must not have a Child Trust Fund. Your Child can hold only one Junior Cash ISA and one Junior Stocks and Shares ISA at any time.

If your Child is not a resident in the UK, they will only be eligible for a Junior ISA if they are a dependant of a UK Crown Servant.

Who is the Registered Contact on the ISA?

The Registered Contact is the individual with the parental responsibility for the Child and is usually a parent or legal guardian of the Child under the age of 16. When the Child reaches the age of 16, they can apply to become the Registered Contact on the ISA.

Can I transfer my Child's existing Junior ISA to a TFS Junior ISA?

Yes, you can transfer your Child's existing Junior ISA or Child Trust Fund to a TFS Junior ISA by completing a Transfer Form, which we will send to your Child's current provider, to ensure your Child's tax exemption is not lost.

Please do not close or withdraw the money from your Child's existing Junior ISA yourself when transferring your Child's existing Junior ISA, as your Child will lose the tax benefit.

Can my Child have more than one ISA?

Your Child may only have one Junior Cash ISA and one Junior Stocks and Shares ISA. The TFS Junior ISA is a Stocks and Shares ISA.

Can my Child have a TFS Tax-Free Children's Savings Plan and a TFS Junior ISA?

Yes, your Child can have both, as their annual ISA allowance is separate from their TFS Tax-Free Savings Plan's tax-exempt allowance.

How do I invest into my Child's TFS Junior ISA?

You can invest regular monthly amounts and/or lump sum investments into your Child's Stocks and Shares ISA up to the maximum annual limit for the particular tax year.

How much can I invest in my Child's TFS Junior ISA?

The minimum monthly payment is £30 a month, which can be increased at any time.

The minimum initial lump-sum payment into your Child's Junior ISA is £500. Additional lump-sum payments of at least £30 can be made at any time.

Can I stop or change my payments?

The TFS Junior Stocks and Shares ISA is flexible so you can change or suspend the amount of your payments into your Child's Junior ISA at any time. However, the money in the Junior ISA can only be accessed by the Child when they are 18.

Can I make withdrawals?

No – any money you pay into the Junior ISA is a gift to the Child and cannot be repaid to you after the 14 day cancellation period has expired. Your Child can take control of their Junior ISA account when they are 16 by becoming the Registered Contact, but they cannot withdraw the money until they are 18.

Where will my contributions into my Child's Junior ISA be invested?

The TFS Stocks and Shares ISA is currently invested in funds managed by Legal & General (L&G) Investment Management. The investments are in assets that demonstrate good environmental, social and governance (ESG) efforts. You can find out more about the L&G funds from the funds fact sheets.

How do I choose a fund?

You can choose to allocate your policy to a mixture of funds and to switch at no cost between fund holdings. The application form will allow you to invest solely in one fund or spread your contributions into your Child's Junior ISA into both funds.

How will my Child's investments grow?

Stocks and Shares Junior ISA money is invested in stock markets over a long period of time which usually delivers better returns than cash accounts.

Past performance is not a guide to future returns, and stock market investments can go down in value as well as up. If you invest in the stock market you could get back less than you put in.

How will I know what my Child's Junior ISA is worth?

We will send your Child an annual statement detailing any payments in, and charges deducted by the Society and the current value of your Child's Junior ISA as at the date of their annual statement.

Are there any charges?

We will charge an annual fee of 1.5% of the value of your Child's Junior ISA, in order to cover the costs of managing your Child's Junior ISA.

Will my Child pay tax?

There is no liability for Income or Capital Gains Taxes during the life of the ISA, or on cashing it in.

What happens when my Child is 16?

When your Child becomes 16, they can apply to become the Registered Contact so that all future communications are addressed to them, BUT they will not be able to withdraw any money from their TFS Junior ISA until they are 18.

What happens when my Child is 18?

Shortly before your Child becomes 18, we will send them details of the options available to them upon reaching 18, including transferring their investment in the TFS Junior ISA into the TFS Adult Stocks and Shares ISA or withdrawing the money.

What are the risks?

While the aim of the funds is to give your Child a fair return on your contributions into their Junior ISA, it is important to remember that the value of investments can go down as well as up, so your Child may get back less than what you pay in.

Can I cancel my Child's TFS Junior ISA if I change my mind?

You have the right to change your mind about your investment up to no later than 14 days after you receive TFS's Cancellation Form, which you are advised to read carefully.

If you decide to cancel your investment, you are entitled to have repaid to you any money you have invested in your Child's TFS Junior ISA subject to a deduction of the amount (if any) by which the value of your investment has fallen at the time when your Cancellation Form is received by the TFS.

Cancellation within 14 days

If you cancel within the 14 day cancellation period your cancelled subscription does not count as a subscription to a Junior ISA and you can subscribe to another Junior ISA of the same type in the same tax year.

Cancellation after 14 days

The Junior ISA cannot be cancelled once the 14 day cancellation period has expired, as the ISA becomes valid and any money you have invested in your Child's TFS Junior ISA will not be repaid to you. The account will be frozen until the Child turns 18 or the Junior ISA is transferred to another provider. Your subscription into the Junior ISA will not be repaid to you.

How do I complain?

If You have a complaint or are not satisfied with any aspect of the Society, its products or services you can in the first instance complain to the TFS and if you are not happy with our response you can complain to the Financial Ombudsman Service.

What would happen if my Child died?

If unfortunately, your Child dies, their Junior ISA would terminate and all the investments in the Junior ISA would be sold by TFS and 101% of the value of all the proceeds would be forwarded to the Registered Contact to be added to the Child's estate.