

February 2025

Product Guide and Terms & Conditions of the My Choice policy within the Scottish Friendly Junior ISA

This Product Guide applies to customers investing in a My Choice Junior (ISA).

This Product Guide applies to the tax year 2024/2025.

The My Choice policy is a savings and investment policy which will be held within a Scottish Friendly Junior ISA.

If the child already holds a Scottish Friendly Junior ISA, this Product Guide refers to the My Choice policy which will sit within their existing Scottish Friendly Junior ISA.

If the child does not already hold a Scottish Friendly Junior ISA, this Product Guide refers to the setting up of a Scottish Friendly Junior ISA by a person with parental responsibility for the child within which a My Choice policy will be held.

No advice has been given by Scottish Friendly in respect of this Junior ISA or policy. We have not assessed whether this Junior ISA or the savings and investment policy is suitable for your financial needs and therefore you will not benefit from the protection of the FCA rules on assessing suitability. If you are in any doubt about the suitability of this product for yourself, you should contact your financial adviser.

Helping you decide

What is the purpose of this document?

The Financial Conduct Authority is a financial services regulator. It requires us, Scottish Friendly, to give you this important information to help you to decide whether the My Choice policy within a Scottish Friendly Junior ISA is right for you. You should read this document carefully so that you understand what you are buying and then keep it safe for future reference.

What questions should I ask before I invest?

In this document we have given you the answers to some important questions. You'll find these on pages 3 to 22.

What should I do now?

Please read the:

- Product Guide of the My Choice policy within your Scottish Friendly Junior ISA
- Terms and Conditions on pages 36 to 40

Please keep this document with your investment documentation, which we will send you.

The Terms and Conditions in this document, together with the application form, form our standard client agreement upon which we intend to rely. For your own benefit and protection you should read these terms carefully before completing the application form. If you do not understand any point, please ask for further information.

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Product Guide of the My Choice policy within the Scottish Friendly Junior ISA

Its aims

- To provide a child with a tax-free lump sum at the start of their adult life.
- To enable you to make use of your child's Junior ISA allowance of up to £9,000 in the current tax year.
- To provide potential growth on your investments for a child over the medium to long term (5 years or more) through an investment fund or a choice of investment funds.

Your investment

- You can invest as much as you want provided your total investments in the current tax year (with a Scottish Friendly Junior ISA or a Cash Junior ISA with another Junior ISA manager) do not exceed £9,000.
- You can invest monthly by Direct Debit or you can also make a lump sum payment by single Direct Debit. The minimum monthly payment is £20 and the minimum lump sum is £50.
- You can stop, restart, raise or lower contributions whenever you like.
- Your money will be invested in a My Choice policy (a savings and investment policy), which will be held within the child's Scottish Friendly Junior ISA. Your money will then be invested in the fund or funds specified in the policy schedule and may change at the registered contacts discretion over time. Full details of the funds available are included in this document.
- If you wish, you can arrange for your premiums to automatically increase by 2.5%, 5% or 10% each year. You can stop, increase or reduce the rate of increase at any time.
- Anyone, such as parents, grandparents, uncles, aunts or family friends, may also contribute, and they can each direct their contributions into a single policy within the child's Junior ISA, provided the maximum that is invested does not exceed £9,000 in total in the current tax year.

Risks

- The actual cash in value of the policy will depend on the performance of the fund(s) selected.
- Once money has been paid into the Junior ISA, it is locked in. It can only be taken out by the child when he or she reaches the age of 18. Any payment made to the Junior ISA cannot be returned to the donor.
- As a policy within a Junior ISA, the value of your investment can go down as well as up and therefore the child could get back less than you have invested.
- There will be risks associated with the specific fund(s) and therefore you should carefully consider each of these. You can find out more about the specific risks of each fund in this document on pages 6 to 22.
- You will have 30 days from the set up of the Junior ISA to cancel; any subsequent payments or set up of a new policy within the Junior ISA will not have the right to cancel. If you decide to exercise your right to cancel, you will get back the current value of your investment. This means that you could get back less than you have invested.
- The tax treatment of the arrangement depends on individual circumstances, and tax law may change in the future. This may reduce the amount the child gets back or increase the amount of tax they pay.

Questions & Answers

Who can apply?

You are eligible to apply if your child is under 18, didn't qualify for a Child Trust Fund and is a UK resident.

Is this arrangement right for my child?

The My Choice policy within a Scottish Friendly Junior ISA is for investors wanting to invest monthly or in a lump sum for a child in an arrangement that offers a choice of investment options which are explained on pages 6 to 22 of this document.

Whilst your investment may be locked away on your child's behalf for up to 18 years (depending on the age of your child when you set up your Scottish Friendly Junior ISA) you should be thinking of investing over at least five years.

If you are in any doubt as to the suitability of this plan for your child, you should contact a financial adviser.

What is a Junior ISA?

The Junior ISA is an Individual Savings Account for children. A Junior ISA allows any savings or investment to grow tax-efficiently. It can be taken out by anyone with parental responsibility for a child. When the child turns 18, the policy value can be accessed and becomes the legal property of the child.

Within the tax-free Junior ISA umbrella you can currently invest in one or both of the following two forms:

- A Cash Deposit Account (not offered by Scottish Friendly).
- Stocks and shares – either directly or via a collective investment scheme (such as an Open-Ended Investment Company (OEIC), a unit trust or an investment trust), or via a life insurance fund within a savings and investment policy.

Whilst this investment is legally known as a Stocks and Shares Junior ISA we refer to this as an Investment Junior ISA because you are entitled to invest in a range of assets including property and bonds as well as the stock market.

Your total investments within a Scottish Friendly Junior ISA (or a Cash Junior ISA with another Junior ISA Manager) must not exceed £9,000 in the current tax year. Scottish Friendly only offers investments into an Investment Junior ISA.

What are the tax advantages?

A Junior ISA is a savings or investment plan where the Junior ISA proceeds are free from UK income tax and capital gains tax. However, as with any tax-free investment such as a pension or ISA, any UK dividend income is received after the deduction of corporation tax.

When the Junior ISA plan value is paid out to the child at the age of 18, the lump sum is free of any tax charge. Tax rules may change in the future.

Can my child have more than one Junior ISA?

Children are entitled to have one Cash Junior ISA and one Investment Junior ISA.

They can have a Cash Junior ISA with one plan manager and an Investment Junior ISA with another.

Who can open a Junior ISA?

A Junior ISA can be set up by anyone with parental responsibility for a child who is a UK resident. The person opening the account will be the Account's registered contact until the child turns 16 or the registered contact signs over responsibility to another adult with parental responsibility.

A Scottish Friendly Junior ISA may not be opened in the name of a child who already has a Stocks & Shares Junior ISA or a Child Trust Fund.

Can my child have more than one Investment Junior ISA with Scottish Friendly?

No, however you are allowed to split the child's investment with Scottish Friendly into a number of different policies and an example of this is set out below. This can become important when you wish to keep track of the payments from different family members and friends.

Who can invest in a Junior ISA?

Once set up, anyone can invest in a child's Junior ISA: parents, guardians, grandparents, aunts, uncles or family friends, for example. You must supply the child's client reference and date of birth on any payment application.

When someone other than the person with parental responsibility pays into the Junior ISA, their payments will be invested in a separate policy within the Junior ISA. This provides greater flexibility as well as providing the ability to track and manage the value of each person's contributions.

How can I have more than one policy within my Scottish Friendly Junior ISA?

Whilst your child can only have one Scottish Friendly Junior ISA there are no restrictions on the number of policies they can have within their Junior ISA. This means rather than lumping all of their Junior ISA money into one pot you can split it into different policies leaving the person with parental responsibility more in control of the investment as well as the ability to keep track of the value of each person's contributions.

By splitting the investment into different policies you can tag each one for different saving and investment objectives. For example, mum and dad may want their policy tagged for university fees whilst granny and granddad might want theirs tagged for a deposit on a flat.

Alternatively each policy can just be tagged with the payers name; mum and dad, another from granny and granddad and yet another from individual aunts, uncles and friends.

Who will control the Junior ISA?

The person with parental responsibility will be able to view all of the policies held within the Junior ISA online and manage the allocation of funds for contributions within each policy. They will, of course, not be able to change the payments into each policy other than payments from their own bank account.

Remember there is no limit on the number of policies the child can have within their Scottish Friendly Junior ISA provided the total investment does not exceed the child's annual Junior ISA investment limit less any amount you have subscribed to a Cash Junior ISA.

How do I set up a My Choice policy within my child's Scottish Friendly Junior ISA?

You select at outset how much you initially want to pay in each month. If you wish, you can also select to automatically increase your premiums by 2.5%, 5% or 10% after each 12-month investment period has passed. You can change the rate of annual increases on your premiums (subject to the maximum rate of 10%) whenever you like.

If the child does not already have a Scottish Friendly Junior ISA or a Stocks & Shares Junior ISA with another provider in the current tax year then the child's Junior ISA and policy come into force when the documentation is issued and your first premium is collected. The first policy that is issued is known as the 'primary policy'.

Alternatively, if the child already has a Scottish Friendly Junior ISA, the payer can decide to pay in and set up a new policy (and give it a suitable name, such as 'flat deposit' or 'Uncle Jamie') within the existing Scottish Friendly Junior ISA. This will come into force when the documentation is issued and the first premium is collected.

Once your premiums have been invested in the policy they will then buy units in the funds selected by the person with parental responsibility.

How will any premiums be invested?

Where premiums are being paid to a new policy, the fund selection will initially match the primary policy (the policy that was set up when the Junior ISA was established) but can be changed by the person with parental responsibility.

The person with parent responsibility will not be able to change payments into each policy other than payments from their own bank account.

For premiums from those without parental responsibility, changes to payments can be instructed by contacting Scottish Friendly using the address at the back of this document. Alternatively, if the person making the payments holds a policy with Scottish Friendly, they will be able to make payment changes to the policy they are paying into through My Plans, Scottish Friendly's online policy management service.

You can read about how all the funds work in this document on pages 6 to 22.

How much can I or anyone else pay in?

Anyone can make regular monthly payments from £20 or single lump sum payments from £50.

You can change or top up your contributions online at www.scottishfriendly.co.uk/my-plans or you can write to us or call us to request a change to your payments.

Can anyone make withdrawals from a My Choice policy held with a Scottish Friendly Junior ISA?

Before the child turns 18 there is no legal right of access to the assets within a policy held in a Junior ISA. Therefore, any value within the plan is locked in until the child turns 18.

You can however transfer the full value of their Junior ISA to another Junior ISA provider without charge or penalty. The value of your investments within your policies will be sold and we will transfer the cash value of the Junior ISA to the authorised provider of the person with parental responsibility's choice.

What happens when the child turns 18?

When the child turns 18 the Junior ISA will become an (adult) ISA. All policies held within the Junior ISA will now be held within the (adult) ISA. This means that the assets will become their legal property and the child (now 18) will have full control over the assets within the ISA and can make partial or full withdrawals.

You should note that before we can allow withdrawals or any other activity under the ISA the child will be required to sign our ISA and policy terms and conditions and their identity will be verified in accordance with the money laundering regulations that apply at that time.

You should note that any regular payments into any policy within the Junior ISA by Direct Debit or Standing Order will automatically cease when the child turns 18.

What happens if the child dies?

The death benefit under the child's Scottish Friendly Junior ISA will be paid to the child's estate. The amount payable on death is 101% of the value of units held within all the policies held within their Junior ISA (plus the value of any final bonus in the case of an investment in the With-Profits fund) at the date of death. The tax advantages end from the day the child dies.

Who looks after my money?

When you select to invest some or all of your investment in any of the unit linked funds, your money will be placed with an investment fund manager or range of managers selected by Scottish Friendly. In other words, your money will go into a fund that invests in another underlying fund or combination of funds.

The underlying fund(s) will be selected by Scottish Friendly with the intention of ensuring that the investment meets the performance objectives that we set out in the fund descriptions provided. In addition we will consider the performance of the fund manager(s), charges and the investment process employed by the fund manager(s).

We'll keep all aspects of the underlying fund(s) and the fund manager(s) under review so we may change them in the future.

How does the investment work?

Your money will be invested in a My Choice policy which will be held within a Scottish Friendly Junior ISA. Your money will then be invested in one of any of the funds available within the My Choice policy, full details of which follow.

Our range of funds

Scottish Friendly fund risk and reward profiles

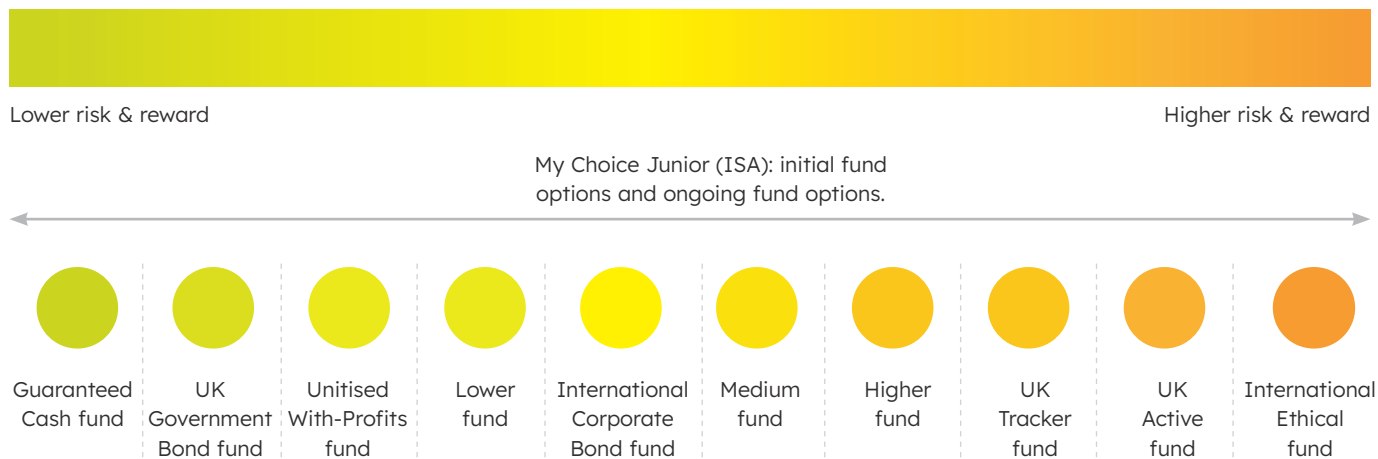
For My Choice Junior (ISA), where you choose from all the funds available to get started, this section provides more information on these funds.

We offer a range of funds so you can choose one or more that suit your needs best.

The funds available to you have a range of objectives and risk and reward profiles. Some funds invest in particular sectors such as UK Government Bonds or the UK Stock market. Others invest in a mix of assets some of which are specifically risk and return graded to help you match your own risk and reward profile to your choice of investment fund.

You can find much more information on each of these funds in the following pages. The diagram below lets you see how we expect the funds to compare against one another in terms of expected risk and return. The risk and reward category may shift over time and is not guaranteed.

Risk and reward profiles



Please note, after you apply your product name will appear as My Choice regardless of which option you choose.

Higher fund

What is the Higher fund?

The Higher fund is designed to achieve long-term growth from a mixed investment which may include the UK and global stock markets, cash and government and company bonds.

It will tend to focus on those assets with higher levels of potential risk and return (e.g. UK and international stock market assets) and is therefore likely to produce a higher but more volatile potential return than the Medium fund or the Lower fund.

Overall the fund will be designed to match the historic level of risk associated with investing in the UK stock market. This does not mean that the fund will track or act like the UK stock market, only that in the past an investor could expect a similar level of risk from this fund.

Fund specific benefits	Fund specific risks
<ul style="list-style-type: none"> ● A higher risk and reward investment linked to a managed basket of assets with emphasis on higher long term expected return assets such as the stock market. ● Higher longer term growth potential than a cash based investment and better potential than the Lower fund or Medium fund. 	<ul style="list-style-type: none"> ● Your cash in value can rise and fall on a daily basis and you could get back less than you have paid in. ● The fund contains a higher degree of risk than an investment in the Lower or Medium fund which means that it is likely to experience greater price rises and falls than the Lower or Medium fund. ● The actual risk and return of the fund will depend on Scottish Friendly's ability to efficiently allocate investments to meet the risk profile of the fund.

What does the Higher fund invest in?

The Higher fund is designed to achieve long-term growth from a mixed investment which may include the US, the UK and other global stock markets, as well as cash, government and company bonds. The funds current mix as at 26/11/24 is:

US equities	68.6%
UK equities	30.0%
Pacific equities	1.4 %
Government bonds	0%
European equities	0%
Cash	0%
Company bonds	0%
Japan equities	0%

This mix may change tactically from time to time as decided by Scottish Friendly. In addition the target mix will be reviewed at least once a year and will be published at: www.scottishfriendly.co.uk/risk-graded-funds

What might the child get back from the policy?

The amount the child will get back from their My Choice policy will depend on how much you have paid in, the length of time it has been invested and the investment performance in the fund(s) over this time.

A. Regular monthly payments

If you invest an initial monthly payment of £30, escalating by 5% each year, for 18 years (total amount invested £10,128), the figures below shows how much your My Choice policy within a Scottish Friendly ISA could be worth, after charges, with a 100% investment in the Higher fund if it grew under three different scenarios:

- If investments grow at 2.0% a year the child would get back £10,600.
- If investments grow at 5.0% a year the child would get back £13,500.
- If investments grow at 8.0% a year the child would get back £17,500.

B. Lump sum investment

If you invest a single payment of £2,000 for 18 years, the figures below show how much the child's My Choice policy within a Scottish Friendly Junior ISA could be worth, after charges, with a 100% investment in the Higher fund if it grows under three different scenarios:

- If investments grow at 2.0% a year the child would get back £2,180.
- If investments grow at 5.0% a year the child would get back £3,680.
- If investments grow at 8.0% a year the child would get back £6,120.

For both the regular monthly payments and lump sum investment examples shown above, please note:

- These figures are only examples and are not guaranteed – they are not minimum or maximum amounts. What the child will get back depends on how your investment grows and the tax treatment of the investment. Tax treatment can change in the future.
- The child could get back more or less than this.
- These yearly growth rates are our reasonable estimate of what the investment returns could be but are subject to the maximum rates specified by the Financial Conduct Authority. Please note that these maximum rates limit the growth rates we can show. This means that whilst we estimate that the Higher fund has a larger expected rate of return than the Medium fund and the Lower fund, all are equal because they are capped at the same maximum permissible rate.
- The charges appropriate to a My Choice policy have been deducted in calculating the figures shown.
- Do not forget that inflation will reduce what the child can buy with the value of their My Choice policy within a Scottish Friendly Junior ISA in the future.
- We will send the person with parental responsibility for the child a statement twice a year. The child’s Junior ISA statement will show the activity that has taken place since the previous statement.

What will the final return be?

The final return will be determined by the mix of funds and their performance over the time of your investment.

What are the guarantees?

As a largely stock market investment, there are no guarantees on the final cash in value and therefore the child could get back less than you have invested.

What are the charges?

Scottish Friendly takes a fee each month to manage your fund. The fee is shown as an annual rate and referred to as an Annual Management Charge (AMC): This fee is applied each month by reducing the number of units in your Unit Linked Funds in line with the tiers outlined. The fee structure varies according to the amount you invest as set out below:

Tier	Total Unit Linked Funds Value	Annual Management Charge (AMC)	Example of how the tiered structure works for a customer with £40,000 invested in Unit Linked Funds in one of our ISA products		
			Fund Value	AMC	Annual Charge Deducted
1	£0 - £5,000	1.5%	£5,000	1.5%	£75
2	£5,001 - £20,000	1.0%	£15,000	1.0%	£150
3	£20,001 and over	0.5%	£20,000	0.5%	£100

This means you’ll pay 1.5% on the first £5,000, 1% on your investment between £5,001 and £20,000, and 0.5% on any amount over £20,000.

As your fund value grows, your overall percentage charge will decrease, giving you lower fees the more you invest.

We have taken account of all these charges in the figures shown in these examples. They could increase in the future if our costs increase more than expected.

A. Regular monthly payments

If you invest an initial monthly payment of £30, escalating by 5% each year, for 18 years (total amount invested £10,128), the effect of these charges on your payments are set out below.

At end of year	Total paid in to date	Total actual deductions to date	Effect of deductions to date	What the child might get back
1	£360	£2	£2	£366
2	£738	£11	£11	£764
3	£1,135	£26	£27	£1,190
4	£1,552	£48	£51	£1,660
5	£1,990	£78	£83	£2,160
10	£4,529	£357	£409	£5,320
15	£7,768	£866	£1,080	£9,890
18	£10,128	£1,300	£1,700	£13,500

The figures apply to investments in the Higher fund. The last two columns assume that your money will grow by 5% a year.

WARNING - if the policy is cashed in especially in the early years, the child could get back less than you have paid in.

B. Lump sum

The effect of these charges on your single payment of £2,000 in the same fund, assuming an average rate of growth of 5% a year, is set out below.

At end of year	Total paid in to date	Total actual deductions to date	Effect of deductions to date	What the child might get back
1	£2,000	£31	£31	£2,060
2	£2,000	£63	£64	£2,140
3	£2,000	£96	£101	£2,210
4	£2,000	£130	£140	£2,290
5	£2,000	£166	£183	£2,360
10	£2,000	£363	£450	£2,800
15	£2,000	£596	£832	£3,320
18	£2,000	£756	£1,130	£3,680

WARNING - if the policy is cashed in especially in the early years, the child could get back less than you have paid in.

What are the deductions for?

The deductions include expenses, charges and any other reductions.

The last line in the regular monthly payments table shows that if the child withdraws their investment after 18 years, the effect of the total deductions could amount to £1,700.

Putting it another way, this would have the same effect as bringing the investment growth from 5% a year down to 3.6% a year.

The last line in the lump sum payments table shows that if the child withdraws their investment after 18 years, the effect of the total deductions could amount to £1,130.

Putting it another way, this would have the same effect as bringing the investment growth from 5% a year down to 3.4% a year.

Which manager currently looks after my money?

The Higher fund is currently linked to:

- Government bonds: Legal & General All Stocks Gilt Index Trust
- UK equities: Legal & General UK Index Trust
- US equities: Legal & General US Index Trust
- Pacific equities: Legal & General Pacific Index Trust

Where can I find out more information?

You can read the Key Information Document and find out more information about this fund at: www.scottishfriendly.co.uk/my-choice-junior-isa-kids

Medium fund

What is the Medium fund?

The Medium fund is designed to achieve long term growth from a mixed investment which may include the UK and global stock markets, cash and government and company bonds.

It will balance its investments across all the above assets but will tend to favour those with greater levels of historic risk and expected return (e.g stock market assets). It is likely to produce a level of potential risk and return which lies between the Higher and Lower funds.

Fund specific benefits	Fund specific risks
<ul style="list-style-type: none"> ● An investment linked to a managed basket of assets which tends to favour assets, such as the stock market, which have greater levels of potential risk and return. ● Greater longer term growth potential than a cash based investment and better potential than the Lower fund but less than that of the Higher fund. 	<ul style="list-style-type: none"> ● The cash in value can rise and fall on a daily basis and the child could get back less than you have paid in. ● The fund contains a greater level of risk than the Lower fund but less than the Higher fund. This means that the Medium fund is likely to experience greater levels of price rises and falls than the Lower fund. ● The actual risk and return of the fund will depend on Scottish Friendly's ability to efficiently allocate investments to meet the risk profile of the fund.

What does the Medium fund invest in?

The Medium fund is designed to achieve long-term growth from a mixed investment which may include the US, the UK and other global stock markets and government bonds, as well as company bonds and cash. The funds current mix as at 26/11/24 is:

This mix may change tactically from time to time as decided by Scottish Friendly. In addition the target mix will be reviewed at least once a year and will be published at: www.scottishfriendly.co.uk/risk-graded-funds

US equities	47.2%
UK equities	22.4%
Government bonds	16.1%
Company bonds	7.3%
Pacific equities	3.3%
European equities	0%
Cash	0%
Japan equities	3.7%

What might the child get back from the policy?

The amount the child will get back from their My Choice policy will depend on how much you have paid in, the length of time it has been invested and the investment performance in the fund(s) over this time.

A. Regular monthly payments

If you invest an initial monthly payment of £30, escalating by 5% each year, for 18 years (total amount invested £10,128), the figures below shows how much the child's My Choice policy within a Scottish Friendly Junior ISA could be

worth, after charges, with a 100% investment in the Medium fund if it grew under three different scenarios:

- If investments grow at 2.0% a year the child would get back £10,600.
- If investments grow at 5.0% a year the child would get back £13,500.
- If investments grow at 8.0% a year the child would get back £17,500.

B. Lump sum investment

If you invest a single payment of £2,000 for 18 years, the figures below show how much the child's My Choice policy within a Scottish Friendly Junior ISA could be worth, after charges, with a 100% investment in the Medium fund if it grows under three different scenarios:

- If investments grow at 2.0% a year the child would get back £2,180.
- If investments grow at 5.0% a year the child would get back £3,680.
- If investments grow at 8.0% a year the child would get back £6,120.

For both the regular monthly payments and lump sum investment examples shown above, please note:

- These figures are only examples and are not guaranteed
 - they are not minimum or maximum amounts. What the child will get back depends on how the investment grows and the tax treatment of the investment. Tax treatment can change in the future.
- The child could get back more or less than this.
- These yearly growth rates are our reasonable estimate of what the investment returns could be but are subject to the maximum rates specified by the

Financial Conduct Authority. Please note that these maximum rates limit the growth rates we can show. This means that whilst we estimate that the Medium fund has a larger expected rate of return than the Lower fund but a lower expected rate of return than the Higher fund, all are equal because they are capped at the same maximum permissible rate.

- The charges appropriate to a My Choice policy have been deducted in calculating the figures shown.
- Do not forget that inflation will reduce what the child can buy with the value of their My Choice policy within a Scottish Friendly Junior ISA in the future.

We will send the person with parental responsibility for the child a statement twice a year. The child’s Junior ISA statement will show the activity that has taken place since the previous statement.

What will the final return be?

The final return will be determined by the mix of funds and their performance over the time of the investment.

What are the guarantees?

As an investment which favours stock market investments there are no guarantees on the final cash in value and therefore the child could get back less than you have invested.

What are the charges?

Scottish Friendly takes a fee each month to manage your fund. The fee is shown as an annual rate and referred to as an Annual Management Charge (AMC): This fee is applied each month by reducing the number of units in your Unit Linked Funds in line with the tiers outlined. The fee structure varies according to the amount you invest as set out below:

Tier	Total Unit Linked Funds Value	Annual Management Charge (AMC)	Example of how the tiered structure works for a customer with £40,000 invested in Unit Linked Funds in one of our ISA products		
			Fund Value	AMC	Annual Charge Deducted
1	£0 - £5,000	1.5%	£5,000	1.5%	£75
2	£5,001 - £20,000	1.0%	£15,000	1.0%	£150
3	£20,001 and over	0.5%	£20,000	0.5%	£100

This means you’ll pay 1.5% on the first £5,000, 1% on your investment between £5,001 and £20,000, and 0.5% on any amount over £20,000.

As your fund value grows, your overall percentage charge will decrease, giving you lower fees the more you invest.

We have taken account of all these charges in the figures shown in these examples. They could increase in the future if our costs increase more than expected.

A. Regular monthly payments

If you invest an initial monthly payment of £30, escalating by 5% each year, for 18 years (total amount invested £10,128), the effect of these charges on your payments are set out below.

At end of year	Total paid in to date	Total actual deductions to date	Effect of deductions to date	What the child might get back
1	£360	£2	£2	£366
2	£738	£11	£11	£764
3	£1,135	£26	£27	£1,190
4	£1,552	£48	£51	£1,660
5	£1,990	£78	£83	£2,160
10	£4,528	£357	£409	£5,320
15	£7,768	£866	£1,080	£9,890
18	£10,128	£1,300	£1,700	£13,500

The figures apply to investments in the Medium fund. The last two columns assume that your money will grow by 5% a year.

WARNING - if the policy is cashed in especially in the early years, the child could get back less than you have paid in.

B. Lump sum

The effect of these charges on your single payment of £2,000 in the same fund, assuming an average rate of growth of 5% a year, is set out below.

At end of year	Total paid in to date	Total actual deductions to date	Effect of deductions to date	What the child might get back
1	£2,000	£31	£31	£2,060
2	£2,000	£63	£64	£2,140
3	£2,000	£96	£101	£2,210
4	£2,000	£130	£140	£2,290
5	£2,000	£166	£183	£2,360
10	£2,000	£363	£450	£2,800
15	£2,000	£596	£832	£3,320
18	£2,000	£756	£1,130	£3,680

WARNING - if the policy is cashed in especially in the early years, the child could get back less than you have paid in.

What are the deductions for?

The deductions include expenses, charges and any other reductions.

The last line in the regular monthly payments table shows that if the child withdraws their investment after 18 years, the effect of the total deductions could amount to £1,700.

Putting it another way, this would have the same effect as bringing the investment growth from 5.0% a year down to 3.6% a year.

The last line in the lump sum payments table shows that if the child withdraws their investment after 18 years, the effect of the total deductions could amount to £1,130.

Putting it another way, this would have the same effect as bringing the investment growth from 5.0% a year down to 3.4% a year.

Which manager currently looks after my money?

The Medium fund is currently linked to a range of funds:

- Government bonds: Legal & General All Stocks Gilt Index Trust
- Pacific equities: Legal & General Pacific Index Trust
- UK equities: Legal & General UK Index Trust
- US equities: Legal & General US Index Trust

Where can I find out more information?

You can read the Key Information Document and find out more information about this fund at: www.scottishfriendly.co.uk/my-choice-junior-isa-kids

Lower fund

What is the Lower fund?

The Lower fund is designed to achieve long-term growth from a mixed investment which may include UK and global stock markets, cash and government and company bonds.

It will tend to focus on those assets with lower levels of historical risk and expected return (cash and bonds) and is likely to produce a steadier but lower level of potential return than the Medium fund or the Higher fund.

Overall the fund will be designed to match the historic level of risk associated with investing in UK Government long term bonds. This does not mean that the fund will track or act like the UK Government bonds only that in the past an investor could expect a similar level of risk from this fund.

Fund specific benefits	Fund specific risks
<ul style="list-style-type: none"> ● A lower risk and reward investment linked to a managed basket of assets with emphasis on safer assets such as bonds and cash. ● Greater longer term growth potential than a cash based investment. 	<ul style="list-style-type: none"> ● The cash in value can rise and fall on a daily basis and the child could get back less than you have paid in. ● Whilst the fund contains an element of risk it is lower than that of the Higher or Medium fund. This means that the fund is likely to experience a lesser level of price rises and falls than the Higher or Medium fund. ● The actual risk and return of the fund will depend on Scottish Friendly's ability to efficiently allocate investments to meet the risk profile of the fund.

What does the Lower fund invest in?

The Lower fund is designed to achieve long-term growth from a mixed investment which may include company and government bonds, the US, the UK and other global stock markets, as well as cash. The funds current mix as at 26/11/2024 is:

Company bonds	27.7%
Government bonds	28.2%
US equities	27.4%
UK equities	13.1%
Pacific equities	1.9%
European equities	0%
Japan equities	1.7%
Cash	0%

This mix may change tactically from time to time as decided by Scottish Friendly. In addition the target mix will be reviewed at least once a year and will be published at: www.scottishfriendly.co.uk/risk-graded-funds

What might the child get back from the policy?

The amount the child will get back from their My Choice policy will depend on how much you have paid in, the length of time it has been invested and the investment performance in the fund(s) over this time.

A. Regular monthly payments

If you invest an initial monthly payment of £30, escalating by 5% each year, for 18 years (total amount invested £10,128), the figures below shows how much the child's My Choice policy within a Scottish Friendly Junior ISA could be worth, after charges, with a 100% investment in the Lower fund if it grew under three different scenarios:

- If investments grow at 2.0% a year the child would get back £10,600.
- If investments grow at 5.0% a year the child would get back £13,500.
- If investments grow at 8.0% a year the child would get back £17,500.

B. Lump sum investment

If you invest a single payment of £2,000 for 18 years, the figures below show how much the child's My Choice policy within a Scottish Friendly Junior ISA could be worth, after charges, with a 100% investment in the Lower fund if it grows under three different scenarios:

- If investments grow at 2.0% a year the child would get back £2,180.
- If investments grow at 5.0% a year the child would get back £3,680.
- If investments grow at 8.0% a year the child would get back £6,120.

For both the regular monthly payments and lump sum investment examples shown above, please note:

- These figures are only examples and are not guaranteed – they are not minimum or maximum amounts. What the child will get back depends on how the investment grows and the tax treatment of the investment. Tax treatment can change in the future.
- The child could get back more or less than this.
- These yearly growth rates are our reasonable estimate of what the investment returns could be but are subject to the maximum rates specified by the Financial Conduct Authority. Please note that these maximum rates limit the growth rates we can show. This means that whilst we estimate that the Lower fund has a lower expected rate of return than the Medium fund and the Higher fund, all are equal because they are capped at the same maximum permissible rate.
- The charges appropriate to a My Choice policy have been deducted in calculating the figures shown.
- Do not forget that inflation will reduce what the child can buy with the value of the My Choice policy within a Scottish Friendly Junior ISA in the future.
We will send the person with parental responsibility for the child a statement twice a year. The child’s Junior ISA statement will show the activity that has taken place since the previous statement.

What will the final return be?

The final return will be determined by the mix of funds and their performance over the time of the investment.

What are the guarantees?

Despite the lower risk nature of the assets within the Lower fund, there are no guarantees on the final cash in value and therefore the child could get back less than you have invested.

What are the charges?

Scottish Friendly takes a fee each month to manage your fund. The fee is shown as an annual rate and referred to as an Annual Management Charge (AMC): This fee is applied each month by reducing the number of units in your Unit Linked Funds in line with the tiers outlined. The fee structure varies according to the amount you invest as set out below:

Tier	Total Unit Linked Funds Value	Annual Management Charge (AMC)	Example of how the tiered structure works for a customer with £40,000 invested in Unit Linked Funds in one of our ISA products		
			Fund Value	AMC	Annual Charge Deducted
1	£0 - £5,000	1.5%	£5,000	1.5%	£75
2	£5,001 - £20,000	1.0%	£15,000	1.0%	£150
3	£20,001 and over	0.5%	£20,000	0.5%	£100

This means you’ll pay 1.5% on the first £5,000, 1% on your investment between £5,001 and £20,000, and 0.5% on any amount over £20,000.

As your fund value grows, your overall percentage charge will decrease, giving you lower fees the more you invest.

We have taken account of all these charges in the figures shown in these examples. They could increase in the future if our costs increase more than expected.

A. Regular monthly payments

If you invest an initial monthly payment of £30, escalating by 5% each year, for 18 years (total amount invested £10,128), the effect of these charges on your payments are set out below.

At end of year	Total paid in to date	Total actual deductions to date	Effect of deductions to date	What the child might get back
1	£360	£2	£2	£366
2	£738	£11	£11	£764
3	£1,135	£26	£27	£1,190
4	£1,552	£48	£51	£1,660
5	£1,990	£78	£83	£2,160
10	£4,528	£357	£409	£5,320
15	£7,769	£866	£1,080	£9,890
18	£10,128	£1,300	£1,700	£13,500

The figures apply to investments in the Lower fund. The last two columns assume that their money will grow by 5% a year.

WARNING – if the policy is cashed in especially in the early years, the child could get back less than you have paid in.

B. Lump sum

The effect of these charges on your single payment of £2,000 in the same fund, assuming an average rate of growth of 5% a year, is set out in the next column.

At end of year	Total paid in to date	Total actual deductions to date	Effect of deductions to date	What the child might get back
1	£2,000	£31	£31	£2,060
2	£2,000	£63	£64	£2,140
3	£2,000	£96	£101	£2,210
4	£2,000	£130	£140	£2,290
5	£2,000	£166	£183	£2,360
10	£2,000	£363	£450	£2,800
15	£2,000	£596	£832	£3,320
18	£2,000	£756	£1,130	£3,680

WARNING – if the policy is cashed in especially in the early years, the child could get back less than you have paid in.

What are the deductions for?

The deductions include expenses, charges and any other reductions.

The last line in the regular monthly payments table shows that the child withdraws their investment after 18 years, the effect of the total deductions could amount to £1,700.

Putting it another way, this would have the same effect as bringing the investment growth from 5.0% a year down to 3.6% a year.

The last line in the lump sum payments table shows that if the child withdraws their investment after 18 years, the effect of the total deductions could amount to £1,130.

Putting it another way, this would have the same effect as bringing the investment growth from 5.0% a year down to 3.4% a year.

Which manager currently looks after my money?

The Lower fund is currently linked to a range of funds:

- Company bonds: Legal & General High Income Index Trust
- Government bonds: Legal & General All Stocks Gilt Index Trust
- Pacific equities: Legal & General Pacific Index Trust
- UK equities: Legal & General UK Index Trust
- US equities: Legal & General US Index Trust

Where can I find out more information?

You can read the Key Information Document and find out more information about this fund at: www.scottishfriendly.co.uk/my-choice-junior-isa-kids

Unitised With-Profits fund

What is the Scottish Friendly With-Profits fund (Unitised With-Profits)?

The Unitised With-Profits fund is a mixed managed fund from Scottish Friendly where premiums are pooled with those of other clients and returns are linked to the performance of the underlying assets within the fund.

Additionally returns are smoothed to reduce some of the ups and downs of the investment market. The fund also provides a guaranteed capital sum in specific circumstances which are explained below.

Fund specific benefits	Fund specific risks
<ul style="list-style-type: none"> ● An investment linked to a portfolio of stock market, property, cash and bond assets. ● Give your money the long-term growth potential of a fund that invests across stock market, property, cash and bond assets. ● The fund offers a guaranteed capital sum on the child's 18th birthday, and the 10-year and 15-year anniversaries of the start date of the investment. If you transfer or switch out of the fund, the guaranteed capital sum will be reduced and may cease to apply if you fully transfer or switch out of the fund. 	<ul style="list-style-type: none"> ● The cash in value can rise and fall on a daily basis and the child could get back less if the investment is transferred or switched at any date, other than on the child's 18th birthday or on the 10-year or 15-year anniversary of your continuous investment in the fund. ● When the investment is cashed in by the child, the unit value may either be increased by a final bonus or reduced by a market value reduction to bring it into line with the performance of the assets within the With-Profits fund. ● No market value reduction will apply on the child's 18th birthday or on the 10-year or 15-year anniversaries of your continuous investment in the fund. ● Continuous investment means you have maintained at least one full unit in the Unitised With-Profits fund and is measured from the first day you invest.

What might the child get back from the policy?

The amount the child will get back from their My Choice policy will depend on how much you have paid in, the length of time it has been invested and the investment performance in the fund(s) over this time.

A. Regular monthly payments

If you invest an initial monthly payment of £30, escalating by 5% each year, for 18 years (total amount invested £10,128), the figures below show how much the My Choice policy within a Scottish Friendly Junior ISA could be worth, after charges, with a 100% investment in the Unitised With-Profits fund if it grew under three different scenarios:

- If investments grow at 2.0% a year the child would get back £10,700.
- If investments grow at 5.0% a year the child would get back £13,600.
- If investments grow at 8.0% a year the child would get back £17,600.

B. Lump sum investment

If you invest a single payment of £2,000 for 18 years, the figures below show how much the child's My Choice policy within a Scottish Friendly Junior ISA could be worth, after charges, with a 100% investment in the Unitised With-Profits fund if it grows under three different scenarios:

- If investments grow at 2.0% a year the child would get back £2,280.
- If investments grow at 5.0% a year the child would get back £3,840.
- If investments grow at 8.0% a year the child would get back £6,390.

For both the regular monthly payments and lump sum investment examples shown above, please note:

- These figures are only examples and are not guaranteed – they are not minimum or maximum amounts. What the child will get back depends on how the investment grows and the tax treatment of the investment. Tax treatment can change in the future.
- The child could get back more or less than this.
- These yearly growth rates are our reasonable estimate of what the investment returns could be and includes

allowance for the provision of your guaranteed minimum cash value but are subject to the maximum rates specified by the Financial Conduct Authority.

- The charges appropriate to a My Choice policy have been deducted in calculating the figures shown.
- Do not forget that inflation will reduce what the child can buy with the value of their My Choice policy within a Scottish Friendly Junior ISA in the future.

We will send the person with parental responsibility for the child a statement twice a year. The child's Junior ISA statement will show the activity that has taken place since the previous statement.

How does an investment in the Unitised With-Profits fund work?

Uniquely when you invest in the Unitised With-Profits fund the child will not only receive a current cash-in value but also a guaranteed minimum cash-in value on specified future guaranteed dates (the first of which is 10 years from the date you started to invest in the fund).

The investment will purchase units in the Unitised With-Profits fund. The price of these units cannot fall but they can grow over time through a daily growth rate (which could be 0%) which will be applied to the unit price. This is known as a regular bonus.

The value of these units provides the child with their guaranteed minimum cash-in value on their guaranteed date.

The child's current cash-in value is determined by taking the value of their units and applying a final bonus or market value reduction to their holdings and these are explained below.

How is the daily rate of growth determined?

The rate of growth (if any) we apply to the unit price in the Unitised With-Profits fund is usually determined once a year, but in extreme circumstances this could change more frequently and it could fall to zero. This is known as the regular bonus rate.

The amount of regular bonus is set at a level that takes account of the investments within the fund and the projected final pay-out on policies. The level is set with the intention of allowing Scottish Friendly to pay a final bonus.

How are final bonuses or market value reductions determined?

If the performance of the underlying investments within the Unitised With-profits fund has been good then the value of their units may be enhanced by a final bonus. Alternatively, if the performance of the underlying investments within the fund have been poor, a Market Value Reduction (MVR) may apply, which reduces the value of the child's units. In all cases final bonuses and MVRs are subject to smoothing (see below) furthermore all bonuses and MVRs are determined by Scottish Friendly based on the profits we make and how we

decide to distribute them.

Remember that the child's investment will still be subject to a guaranteed minimum cash-in value on their future guaranteed dates.

What will determine the future guaranteed dates?

The policy offers guarantees on the child's 18th birthday, and the 10-year and 15-year anniversaries of the start date of the investment. If you transfer or switch out of the fund, the guaranteed capital sum will be reduced and may cease to apply if you fully transfer or switch out of the fund.

What is smoothing?

When applying a final bonus or MVR, Scottish Friendly aims to ensure that pay-outs remain in line with the amount the child would receive had you invested directly in the underlying assets within the Unitised With-Profits fund. To help smooth out these adjustments, rates are normally rounded to the nearest 5%.

How does Scottish Friendly decide what the Unitised With-Profits fund invests in?

Normally between 20% and 70% of the assets backing their policy will be invested in shares and property with the rest in cash, government and corporate bonds. The value of the underlying assets within the Unitised With-Profits fund is closely monitored against the amount required to pay guaranteed benefits. If the amount should fall close to the minimum value, the proportion of assets held in shares and property could be significantly reduced.

The investment strategy is reviewed at least once a year and the investment outlook and performance monitored at least monthly. The fund will be managed according to the full Principles and Practices of Financial Management available via our website or on request. You will be notified at least 3 months in advance of any changes to principles governing the fund.

Scottish Friendly will always hold more assets than it needs to deliver the benefits promised to members. These support assets are also used to provide additional security and fund policy smoothing.

How does Scottish Friendly manage business risks?

The fund is managed to maximise growth whilst limiting risk to an acceptable level, as well as meeting all legal and regulatory requirements. The risks the fund is exposed to include new business costs, administration costs, other business ventures and supporting guaranteed benefits for specific policyholders, should the assets set aside become unable to support it.

Every year the Board will report to members confirming that the fund has been managed in accordance with its principles and practices, noting any discretion exercised under advice from the fund's With-Profits Actuary.

How do I find out the current cash in value of the investment in the Unitised With-Profits fund?

The cash in value of the holdings with the Unitised With-Profits fund is, broadly, based on the performance of the underlying assets within the With-Profits fund. To calculate this we enhance the value of your units in the With-Profits fund by a Final Bonus or reduce them with a Market Value Reduction to produce the child's cash in value.

You can find out the current cash in value by phoning us on 0333 323 5433 or visiting www.scottishfriendly.co.uk/my-plans

What are the charges?

Investments in our Unitised With-Profits Fund are subject to an annual fee of 1.50% which is reflected in the bonus rates we declare.

Over 2025 we will apply a special offer, reducing your overall charge applied to Unitised With-Profits Funds in your ISA or Junior ISA by 0.25%.

This means bonuses applied over 2025 will reflect a reduced annual fee of 1.25%.

We have taken account of all these charges in the figures shown in these examples. They could increase in the future if our costs increase more than expected.

A. Regular monthly payments

If you invest an initial monthly payment of £30, escalating by 5% each year, for 18 years (total amount invested £10,128), the effect of these charges on your payments are set out in the next column.

At end of year	Total paid in to date	Total actual deductions to date	Effect of deductions to date	What the child might get back
1	£360	£2	£2	£367
2	£738	£9	£10	£766
3	£1,135	£22	£23	£1,190
4	£1,552	£40	£42	£1,660
5	£1,990	£65	£69	£2,170
10	£4,529	£301	£345	£5,380
15	£7,769	£784	£967	£10,000
18	£10,128	£1,230	£1,590	£13,600

The figures apply to investments in the Unitised With-Profits fund. The last two columns assume that the money will grow by 5% a year.

WARNING - if the policy is cashed in especially in the early years, the child could get back less than you have paid in.

B. Lump sum

The effect of these charges on a single payment of £2,000 in the same fund, assuming an average rate of growth of 5% a year, is set out below.

At end of year	Total paid in to date	Total actual deductions to date	Effect of deductions to date	What the child might get back
1	£2,000	£25	£25	£2,070
2	£2,000	£52	£54	£2,150
3	£2,000	£80	£84	£2,230
4	£2,000	£109	£117	£2,310
5	£2,000	£139	£153	£2,390
10	£2,000	£307	£380	£2,870
15	£2,000	£507	£706	£3,450
18	£2,000	£647	£964	£3,840

WARNING - if the policy is cashed in especially in the early years, the child could get back less than you have paid in.

What are the deductions for?

The deductions include expenses, charges and any other reductions.

The last line in the regular monthly payments table shows that if the child withdraws their investment after 18 years, the effect of the total deductions could amount to £1,590.

Putting it another way, this would have the same effect as bringing the investment growth from 5.0% a year down to 3.7% a year.

The last line in the lump sum payments table shows that if the child withdraws their investment after 18 years, the effect of the total deductions could amount to £964.

Putting it another way, this would have the same effect as bringing the investment growth from 5.0% a year down to 3.7% a year.

Who looks after my money?

The fund is managed by Scottish Friendly.

Where can I find out more information?

You can read the Key Information Document and find out more information about this fund at: www.scottishfriendly.co.uk/my-choice-junior-isa-kids

UK Tracker fund

What is the UK Tracker fund?

The UK Tracker fund is designed to closely track the performance of the UK stock market.

Fund specific benefits	Fund specific risks
<ul style="list-style-type: none">● An investment linked to an index of the UK stock market. It is designed to link to well-known high street brands and companies listed in the UK.● Give their money the long term growth potential of the UK stock market.	<ul style="list-style-type: none">● Your cash-in value can rise and fall on a daily basis and your child could get back less than you have paid in.● The fund's performance will be mainly dependent on the movement in the UK stock market.

What does the UK Tracker fund invest in?

To provide flexibility, the fund will not specify the exact index of the UK stock market index which the fund will follow and this may change over time. However any index that we select will be biased towards large well-known companies listed in the UK. For example these currently include Tesco, BSkyB and BT.

Therefore the fund will invest in underlying funds or instruments which are designed to track the movement of an index which broadly represents the largest companies listed on the UK stock market.

What might the child get back from the policy?

The amount the child will get back from their My Choice policy will depend on how much you have paid in, the length of time it has been invested and the investment performance in the fund(s) over this time.

A. Regular monthly payments

If you invest an initial monthly payment of £30, escalating by 5% each year, for 18 years (total amount invested £10,128), the figures below show how much the child's My Choice policy within a Scottish Friendly Junior ISA could be worth, after charges, with a 100% investment in the UK Tracker fund if it grew under three different scenarios:

- If investments grow at 2.0% a year the child would get back £10,600.
- If investments grow at 5.0% a year the child would get back £13,500.
- If investments grow at 8.0% a year the child would get back £17,500.

B. Lump sum investment

If you invest a single payment of £2,000 for 18 years, the figures below show how much the child's My Choice policy within a Scottish Friendly Junior ISA could be worth, after charges, with a 100% investment in the UK Tracker fund if it grows under three different scenarios:

- If investments grow at 2.0% a year the child would get back £2,180.

- If investments grow at 5.0% a year the child would get back £3,680.
- If investments grow at 8.0% a year the child would get back £6,120.

For both the regular monthly payments and lump sum investment examples shown above, please note:

- These figures are only examples and are not guaranteed
 - they are not minimum or maximum amounts. What the child will get back depends on how the investment grows and the tax treatment of your investment. Tax treatment can change in the future.
- The child could get back more or less than this.
- These yearly growth rates are our reasonable estimate of what the investment returns could be but are subject to the maximum rates specified by the Financial Conduct Authority.
- The charges appropriate to a My Choice policy have been deducted in calculating the figures shown.
- Do not forget that inflation will reduce what the child can buy with the value of the My Choice policy within a Scottish Friendly Junior ISA in the future.

We will send the person with parental responsibility for the child a statement twice a year. The child's Junior ISA statement will show the activity that has taken place since the previous statement.

What will the final return be?

The final return from any investment in the UK Tracker fund will be determined by the performance of the underlying fund or instruments we select and how well they track their index. However, broadly the return will be in line with the movement in UK shares over the time you invest in the fund and the time you switch to another fund or the child's policy is cashed in.

What are the guarantees?

As an investment directly linked to the stock market the fund can rise and fall on a daily basis and therefore the child could get back less than you have invested.

What are the charges?

Scottish Friendly takes a fee each month to manage your fund. The fee is shown as an annual rate and referred to as an Annual Management Charge (AMC): This fee is applied each month by reducing the number of units in your Unit Linked Funds in line with the tiers outlined. The fee structure varies according to the amount you invest as set out below:

Tier	Total Unit Linked Funds Value	Annual Management Charge (AMC)	Example of how the tiered structure works for a customer with £40,000 invested in Unit Linked Funds in one of our ISA products		
			Fund Value	AMC	Annual Charge Deducted
1	£0 - £5,000	1.5%	£5,000	1.5%	£75
2	£5,001 - £20,000	1.0%	£15,000	1.0%	£150
3	£20,001 and over	0.5%	£20,000	0.5%	£100

This means you'll pay 1.5% on the first £5,000, 1% on your investment between £5,001 and £20,000, and 0.5% on any amount over £20,000.

As your fund value grows, your overall percentage charge will decrease, giving you lower fees the more you invest.

We have taken account of all these charges in the figures shown in these examples. They could increase in the future if our costs increase more than expected.

A. Regular monthly payments

If you invest an initial monthly payment of £30, escalating by 5% each year, for 18 years (total amount invested £10,128), the effect of these charges on your payments are set out below.

At end of year	Total paid in to date	Total actual deductions to date	Effect of deductions to date	What the child might get back
1	£360	£2	£2	£366
2	£738	£11	£11	£764
3	£1,135	£26	£27	£1,190
4	£1,552	£48	£51	£1,660
5	£1,990	£78	£83	£2,160
10	£4,529	£357	£409	£5,320
15	£7,769	£866	£1,080	£9,890
18	£10,128	£1,300	£1,700	£13,500

The figures apply to investments in the UK Tracker fund. The last two columns assume that your money will grow by 5% a year.

WARNING - if the policy is cashed in especially in the early years, the child could get back less than you have paid in.

B. Lump sum

The effect of these charges on your single payment of £2,000 in the same fund, assuming an average rate of growth of 5% a year, is set out below.

At end of year	Total paid in to date	Total actual deductions to date	Effect of deductions to date	What the child might get back
1	£2,000	£31	£31	£2,060
2	£2,000	£63	£64	£2,140
3	£2,000	£96	£101	£2,210
4	£2,000	£130	£140	£2,290
5	£2,000	£166	£183	£2,360
10	£2,000	£363	£450	£2,800
15	£2,000	£596	£832	£3,320
18	£2,000	£756	£1,130	£3,680

WARNING - if the policy is cashed in especially in the early years, the child could get back less than you have paid in.

What are the deductions for?

The deductions include expenses, charges and any other reductions.

The last line in the regular monthly payments table shows that if the child withdraws their investment after 18 years, the effect of the total deductions could amount to £1,700.

Putting it another way, this would have the same effect as bringing the investment growth from 5% a year down to 3.6% a year.

The last line in the lump sum payments table shows that if the child withdraws the investment after 18 years, the effect of the total deductions could amount to £1,130.

Putting it another way, this would have the same effect as bringing the investment growth from 5% a year down to 3.4% a year.

Which manager currently looks after my money?

The fund is currently linked to the Legal & General UK Index Trust.

Where can I find out more information?

You can read the Key Information Document and find out more information about this fund at:
www.scottishfriendly.co.uk/my-choice-junior-isa-kids

Where there are any changes to the fund manager we will inform all investors in writing.

UK Active fund

What is the UK Active fund?

The UK Active fund is designed to invest in shares of companies listed in the UK. The manager of the underlying fund will pick a mix of stocks, that they believe, will outperform and sell those that, they believe, will underperform the overall UK stock market.

Fund specific benefits	Fund specific risks
<ul style="list-style-type: none">● An investment linked to an actively managed investment in UK stocks and shares.● Give your money the long term growth potential of the UK stock market, where stocks and shares are selected by an expert fund manager who will aim to outperform the market.	<ul style="list-style-type: none">● The cash-in value can rise and fall on a daily basis and the child could get back less than you have paid in.● The fund's performance will largely depend on the movement in the UK stock market but will also be dependent on the ability of the fund manager to select stocks and shares that grow.

What does the UK Active fund invest in?

The UK Active fund will normally invest in an underlying fund selected by Scottish Friendly which will have the intention of outperforming the UK stock market.

What might the child get back from the policy?

The amount the child will get back from the My Choice policy will depend on how much you have paid in, the length of time it has been invested and the investment performance in the fund(s) over this time.

A. Regular monthly payments

If you invest an initial monthly payment of £30, escalating by 5% each year, for 18 years (total amount invested £10,128), the figures below show how much the child's My Choice policy within a Scottish Friendly Junior ISA could be worth, after charges, with a 100% investment in the UK Active fund if it grew under three different scenarios:

- If investments grow at 2.0% a year the child would get back £10,600.
- If investments grow at 5.0% a year the child would get back £13,500.
- If investments grow at 8.0% a year the child would get back £17,500.

B. Lump sum investment

If you invest a single payment of £2,000 for 18 years, the figures below show how much the child's My Choice policy within a Scottish Friendly Junior ISA could be worth, after charges, with a 100% investment in the UK Active fund if it grows under three different scenarios:

- If investments grow at 2.0% a year the child would get back £2,180.
- If investments grow at 5.0% a year the child would get back £3,680.

- If investments grow at 8.0% a year the child would get back £6,120.

For both the regular monthly payments and lump sum investment examples shown above, please note:

- These figures are only examples and are not guaranteed
 - they are not minimum or maximum amounts.What the child will get back depends on how your investment grows and the tax treatment of the investment. Tax treatment can change in the future.
- The child could get back more or less than this.
- These yearly growth rates are our reasonable estimate of what the investment returns could be but are subject to the maximum rates specified by the Financial Conduct Authority.
- The charges appropriate to a My Choice policy have been deducted in calculating the figures shown.
- Do not forget that inflation will reduce what the child can buy with the value of their My Choice policy within a Scottish Friendly Junior ISA in the future.

We will send the person with parental responsibility for the child a statement twice a year. The child's Junior ISA statement will show the activity that has taken place since the previous statement.

What will the final return be?

The final return from any investment in the UK Active fund will be determined by the performance of the underlying fund and how well the manager can select stocks that grow and sell stocks before they fall.

The final return will primarily be determined by the general movement in the overall UK stock market but will also depend on the manager's ability to select stocks and shares that can grow.

What are the guarantees?

As an investment linked to the stock market the fund can rise and fall on a daily basis and therefore the child could get back less than you have invested.

What are the charges?

Scottish Friendly takes a fee each month to manage your fund. The fee is shown as an annual rate and referred to as an Annual Management Charge (AMC): This fee is applied each month by reducing the number of units in your Unit Linked Funds in line with the tiers outlined. The fee structure varies according to the amount you invest as set out below:

Tier	Total Unit Linked Funds Value	Annual Management Charge (AMC)	Example of how the tiered structure works for a customer with £40,000 invested in Unit Linked Funds in one of our ISA products		
			Fund Value	AMC	Annual Charge Deducted
1	£0 - £5,000	1.5%	£5,000	1.5%	£75
2	£5,001 - £20,000	1.0%	£15,000	1.0%	£150
3	£20,001 and over	0.5%	£20,000	0.5%	£100

This means you'll pay 1.5% on the first £5,000, 1% on your investment between £5,001 and £20,000, and 0.5% on any amount over £20,000.

As your fund value grows, your overall percentage charge will decrease, giving you lower fees the more you invest.

We have taken account of all these charges in the figures shown in these examples. They could increase in the future if our costs increase more than expected.

A. Regular monthly payments

If you invest an initial monthly payment of £30, escalating by 5% each year, for 18 years (total amount invested £10,128), the effect of these charges on your payments are set out below.

At end of year	Total paid in to date	Total actual deductions to date	Effect of deductions to date	What the child might get back
1	£360	£2	£2	£366
2	£738	£11	£11	£764
3	£1,135	£26	£27	£1,190
4	£1,552	£48	£51	£1,660
5	£1,990	£78	£83	£2,160
10	£4,528	£357	£409	£5,320
15	£7,769	£866	£1,080	£9,890
18	£10,128	£1,300	£1,700	£13,500

The figures apply to investments in the UK Active fund. The last two columns assume that your money will grow by 5.0% a year.

WARNING - if the policy is cashed in especially in the early years, the child could get back less than you have paid in.

B. Lump sum investment

The effect of these charges on your single payment of £2,000 in the same fund, assuming an average rate of growth of 5.0% a year, is set out below.

At end of year	Total paid in to date	Total actual deductions to date	Effect of deductions to date	What the child might get back
1	£2,000	£31	£31	£2,060
2	£2,000	£63	£64	£2,140
3	£2,000	£96	£101	£2,210
4	£2,000	£130	£140	£2,290
5	£2,000	£166	£183	£2,360
10	£2,000	£363	£450	£2,800
15	£2,000	£596	£832	£3,320
18	£2,000	£756	£1,130	£3,680

WARNING - if the policy is cashed in especially in the early years, the child could get back less than you have paid in.

What are the deductions for?

The deductions include expenses, charges and any other reductions.

The last line in the regular monthly payments table shows that if the child withdraws their investment after 18 years, the effect of the total deductions could amount to £1,700.

Putting it another way, this would have the same effect as bringing the investment growth from 5% a year down to 3.6% a year.

The last line in the lump sum payments table shows that if the child withdraws the investment after 18 years, the effect of the total deductions could amount to £1,130.

Putting it another way, this would have the same effect as bringing the investment growth from 5% a year down to 3.4% a year.

Which manager currently looks after my money?

The fund is currently linked to the Legal & General UK Index Trust.

Where can I find out more information?

You can read the Key Information Document and find out more information about this fund at:

www.scottishfriendly.co.uk/my-choice-junior-isa-kids

Where there are any changes to the fund manager we will inform all investors in writing.

UK Government Bond fund

What is the UK Government Bond fund?

The UK Government Bond fund is designed to invest in bonds (gilts) issued by the UK government.

Fund specific benefits	Fund specific risks
<ul style="list-style-type: none"> ● An investment linked to an index of bonds issued by the UK Government. ● Give your money the growth potential and security of long term bonds issued by the UK Government. 	<ul style="list-style-type: none"> ● The cash-in value can rise and fall on a daily basis and the child could get back less than you have paid in. ● The fund's performance will mainly depend on the credit worthiness of the UK Government and the movement in long term interest rates which can raise and lower the value of bonds held in the fund.

What does the UK Government Bond fund invest in?

The UK Government Bond fund will normally invest in an underlying fund selected by Scottish Friendly which will have the intention of investing in UK government bonds with various length terms (durations) and an average term of more than 5 years.

What might the child get back from the policy?

The amount the child will get back from their My Choice policy will depend on how much you have paid in, the length of time it has been invested and the investment performance in the fund(s) over this time.

A. Regular monthly payments

If you invest an initial monthly payment of £30, escalating by 5% each year, for 18 years (total amount invested £10,128), the figures below show how much the child's My Choice policy within a Scottish Friendly Junior ISA could be worth, after charges, with a 100% investment in the UK Government Bond fund if it grew under three different scenarios:

- If investments grow at 1.25% a year the child would get back £10,000.
- If investments grow at 4.25% a year the child would get back £12,700.
- If investments grow at 7.25% a year the child would get back £16,400.

B. Lump sum investment

If you invest a single payment of £2,000 for 18 years, the figures below show how much the My Choice policy within a Scottish Friendly Junior ISA could be worth, after charges, with a 100% investment in the UK Government Bond fund if it grows under three different scenarios:

- If investments grow at 1.25% a year the child would get back £1,910.

- If investments grow at 4.25% a year the child would get back £3,230.
- If investments grow at 7.25% a year the child would get back £5,390.

For both the regular monthly payments and lump sum investment examples shown above, please note:

- These figures are only examples and are not guaranteed – they are not minimum or maximum amounts. What the child will get back depends on how the investment grows and the tax treatment of the investment. Tax treatment can change in the future. The lower projected growth rate of 1.25% provides for a return which is less than the total investment you will make over a 18 year term. This is due to the growth rate and the effect of charges.
- The child could get back more or less than this.
- These yearly growth rates are our reasonable estimate of what the investment returns could be. They are less than the maximum rates specified by the Financial Conduct Authority.
- The charges appropriate to a My Choice policy have been deducted in calculating the figures shown.
- Do not forget that inflation will reduce what the child can buy with the value of their My Choice policy within a Scottish Friendly Junior ISA in the future.

We will send the person with parental responsibility for the child a statement twice a year. The child's Junior ISA statement will show the activity that has taken place since the previous statement.

What will the final return be?

The final return from any investment in the UK Government Bond fund will be determined by the performance of the government bonds within the underlying fund.

What are the guarantees?

All Bonds within the underlying fund will have their face value guaranteed by the government. However the day to day value of these bonds can rise and fall with the movement in interest rates. Therefore whilst this fund is lower risk than say a stock market fund, the capital is not guaranteed and it is possible for the child to get back less than you have invested.

What are the charges?

Scottish Friendly takes a fee each month to manage your fund. The fee is shown as an annual rate and referred to as an Annual Management Charge (AMC): This fee is applied each month by reducing the number of units in your Unit Linked Funds in line with the tiers outlined. The fee structure varies according to the amount you invest as set out below:

Tier	Total Unit Linked Funds Value	Annual Management Charge (AMC)	Example of how the tiered structure works for a customer with £40,000 invested in Unit Linked Funds in one of our ISA products		
			Fund Value	AMC	Annual Charge Deducted
1	£0 - £5,000	1.5%	£5,000	1.5%	£75
2	£5,001 - £20,000	1.0%	£15,000	1.0%	£150
3	£20,001 and over	0.5%	£20,000	0.5%	£100

This means you'll pay 1.5% on the first £5,000, 1% on your investment between £5,001 and £20,000, and 0.5% on any amount over £20,000.

As your fund value grows, your overall percentage charge will decrease, giving you lower fees the more you invest.

A. Regular monthly payments

If you invest an initial monthly payment of £30, escalating by 5% each year, for 18 years (total amount invested £10,128), the effect of these charges on your payments are set out below.

At end of year	Total paid in to date	Total actual deductions to date	Effect of deductions to date	What the child might get back
1	£360	£2	£2	£365
2	£738	£11	£11	£758
3	£1,135	£26	£27	£1,180
4	£1,552	£48	£50	£1,630
5	£1,990	£77	£81	£2,120
10	£4,528	£348	£391	£5,140
15	£7,768	£839	£1,010	£9,390
18	£10,128	£1,250	£1,570	£12,700

The figures apply to investments in the UK Government Bond fund. The last two columns assume that the child's money will grow by 4.25% a year.

WARNING - if the policy is cashed in especially in the early years, the child could get back less than you have paid in.

B. Lump sum

The effect of these charges on your single payment of £2,000 in the same fund, assuming an average rate of growth of 4.25% a year, is set out below.

At end of year	Total paid in to date	Total actual deductions to date	Effect of deductions to date	What the child might get back
1	£2,000	£30	£30	£2,050
2	£2,000	£62	£63	£2,100
3	£2,000	£94	£99	£2,160
4	£2,000	£128	£136	£2,220
5	£2,000	£162	£176	£2,280
10	£2,000	£348	£419	£2,610
15	£2,000	£561	£747	£2,980
18	£2,000	£702	£994	£3,230

WARNING - if the policy is cashed in especially in the early years, the child could get back less than you have paid in.

What are the deductions for?

The deductions include expenses, charges and any other reductions.

The last line in the regular monthly payments table shows that if they withdraw the investment after 18 years, the effect of the total deductions could amount to £1,570.

Putting it another way, this would have the same effect as bringing the investment growth from 4.25% a year down to 2.9% a year.

The last line in the lump sum payments table shows that if the child withdraws the investment after 18 years, the effect of the total deductions could amount to £994.

Putting it another way, this would have the same effect as bringing the investment growth from 4.25% a year down to 2.7% a year.

Which manager currently looks after my money?

The fund is currently linked to the L&G All Stocks Gilt Index.

Where can I find out more information?

You can read the Key Information Document and find out more information about this fund at:

www.scottishfriendly.co.uk/my-choice-junior-isa-kids

Where there are any changes to the fund manager we will inform all investors in writing.

International Company Bond fund

What is the International Company Bond fund?

The International Company Bond fund is designed to invest in bonds issued by companies throughout the world.

Fund specific benefits	Fund specific risks
<ul style="list-style-type: none"> ● An investment linked to a portfolio of bonds issued by companies throughout the world, selected by an expert fund manager. ● Give your money the growth potential and security of long term bonds issued by companies throughout the world. 	<ul style="list-style-type: none"> ● The cash-in value can rise and fall on a daily basis and the child could get back less than you have paid in. ● The funds' performance will depend on the credit worthiness of the company bonds purchased by the fund manager, the movement in long term interest rates and the movement in currency exchange rates.

What does the International Company Bond fund invest in?

The International Company Bond fund will normally invest in an underlying fund selected by Scottish Friendly which will have the intention of actively managing a portfolio of bonds issued by companies, a large proportion of which will be UK based companies and the remainder overseas.

What might the child get back from the policy?

The amount the child will get back from their My Choice policy will depend on how much you have paid in, the length of time it has been invested and the investment performance in the fund(s) over this time.

A. Regular monthly payments

If you invest an initial monthly payment of £30, escalating by 5% each year, for 18 years (total amount invested £10,128), the figures below show how much the child's My Choice policy within a Scottish Friendly Junior ISA could be worth, after charges, with a 100% investment in the International Company Bond fund if it grew under three different scenarios:

- If investments grow at 2.0% a year the child would get back £10,600.
- If investments grow at 5.0% a year the child would get back £13,500.
- If investments grow at 8.0% a year the child would get back £17,500.

B. Lump sum investment

If you invest a single payment of £2,000 for 18 years, the figures below show how much the child's My Choice policy within a Scottish Friendly Junior ISA could be worth, after charges, with a 100% investment in the International Company Bond fund if it grows under three different scenarios:

- If investments grow at 2.0% a year the child would get back £2,180.
- If investments grow at 5.0% a year the child would get back £3,680.
- If investments grow at 8.0% a year the child would get back £6,120.

For both the regular monthly payments and lump sum investment examples shown above, please note:

- These figures are only examples and are not guaranteed – they are not minimum or maximum amounts. What the child will get back depends on how your investment grows and the tax treatment of the investment. Tax treatment can change in the future.
- The child could get back more or less than this.
- These yearly growth rates are our reasonable estimate of what the investment returns could be. They are less than the maximum rates specified by the Financial Conduct Authority.
- The charges appropriate to a My Choice policy have been deducted in calculating the figures shown.
- Do not forget that inflation will reduce what the child can buy with the value of their My Choice policy within a Scottish Friendly Junior ISA in the future.

We will send the person with parental responsibility for the child a statement twice a year. The child's Junior ISA statement will show the activity that has taken place since the previous statement.

What will the final return be?

Your final return from any investment in the International Company Bond fund will be determined by the performance and value of the underlying bonds within the fund, which will be related to the level of interest rates, the ability of the companies to pay and (as the fund also invests outside the UK) the relative movement of exchange rates.

What are the guarantees?

The bonds within the fund will be guaranteed by the underlying companies but they could of course fail to make their payments or become bankrupt. Therefore, the day to day value of these bonds can rise and fall with a number of factors and it is possible for the child to get back less than you have invested.

What are the charges?

Scottish Friendly takes a fee each month to manage your fund. The fee is shown as an annual rate and referred to as an Annual Management Charge (AMC): This fee is applied each month by reducing the number of units in your Unit Linked Funds in line with the tiers outlined. The fee structure varies according to the amount you invest as set out below:

Tier	Total Unit Linked Funds Value	Annual Management Charge (AMC)	Example of how the tiered structure works for a customer with £40,000 invested in Unit Linked Funds in one of our ISA products		
			Fund Value	AMC	Annual Charge Deducted
1	£0 - £5,000	1.5%	£5,000	1.5%	£75
2	£5,001 - £20,000	1.0%	£15,000	1.0%	£150
3	£20,001 and over	0.5%	£20,000	0.5%	£100

This means you'll pay 1.5% on the first £5,000, 1% on your investment between £5,001 and £20,000, and 0.5% on any amount over £20,000.

As your fund value grows, your overall percentage charge will decrease, giving you lower fees the more you invest.

We have taken account of all these charges in the figures shown in these examples. They could increase in the future if our costs increase more than expected.

A. Regular monthly payments

If you invest an initial monthly payment of £30, escalating by 5% each year, for 18 years (total amount invested £10,128), the effect of these charges on your payments are set out below.

At end of year	Total paid in to date	Total actual deductions to date	Effect of deductions to date	What the child might get back
1	£360	£2	£2	£366
2	£738	£11	£11	£764
3	£1,135	£26	£27	£1,190
4	£1,552	£48	£51	£1,660
5	£1,990	£78	£83	£2,160
10	£4,528	£357	£409	£5,320
15	£7,769	£866	£1,080	£9,890
18	£10,128	£1,300	£1,700	£13,500

The figures apply to investments in the International Company Bond fund. The last two columns assume that your money will grow by 5.0% a year.

WARNING - if the policy is cashed in especially in the early years, the child could get back less than you have paid in.

B. Lump sum

The effect of these charges on your single payment of £2,000 in the same fund, assuming an average rate of growth of 5.0% a year, is set out below.

At end of year	Total paid in to date	Total actual deductions to date	Effect of deductions to date	What the child might get back
1	£2,000	£31	£31	£2,060
2	£2,000	£63	£64	£2,140
3	£2,000	£96	£101	£2,210
4	£2,000	£130	£140	£2,290
5	£2,000	£166	£183	£2,360
10	£2,000	£363	£450	£2,800
15	£2,000	£596	£832	£3,320
18	£2,000	£756	£1,130	£3,680

WARNING - if the policy is cashed in especially in the early years, the child could get back less than you have paid in.

What are the deductions for?

The deductions include expenses, charges and any other reductions.

The last line in the regular monthly payments table shows that if the child withdraws their investment after 18 years, the effect of the total deductions could amount to £1,700.

Putting it another way, this would have the same effect as bringing the investment growth from 5.0% a year down to 3.6% a year.

The last line in the lump sum payments table shows that if the child withdraws their investment after 18 years, the effect of the total deductions could amount to £1,130.

Putting it another way, this would have the same effect as bringing the investment growth from 5.0% a year down to 3.4% a year.

Which manager currently looks after my money?

The fund is currently linked to the L&G Fixed Interest fund.

Where can I find out more information?

You can read the Key Information Document and find out more information about this fund at:
www.scottishfriendly.co.uk/my-choice-junior-isa-kids

Where there are any changes to the fund manager we will inform all investors in writing.

International Ethical fund

What is the International Ethical fund?

The International Ethical fund is designed to invest in shares of global companies that have been assessed to meet ethical criteria.

Fund specific benefits	Fund specific risks
<ul style="list-style-type: none"> • An investment linked to an index that includes global companies but with no or minimal exposure to non-renewable energy, adult entertainment, alcohol, gambling, tobacco or weapons and companies that do not meet the UN Global Compact Principles. • Give your money the long-term growth potential of ethical global growth potential. 	<ul style="list-style-type: none"> • The cash-in value can rise and fall on a daily basis and the child could get back less than you have paid in. • The fund's performance will depend mainly on the movement in global stock markets but will also on the specific value of the qualifying stocks and shares contained within the fund. Also, as a fund which is linked to international stocks and shares, the child's return will also be exposed to movements in the currency markets. • The fund's ethical criteria do not reduce the investment risk associated with this form of investment. • Your own views on ethical investing, may change over time and therefore this fund may no longer meet your own personal views of ethical investing.

What does the International Ethical fund invest in?

The International Ethical fund invests in an underlying fund selected by Scottish Friendly with the intention of passively managing a portfolio of shares issued by companies or investments linked to the shares of companies throughout the world that have minimal, if any, direct exposure to Controversies (i.e. against the UN Global Compact Principles), Non-renewable energy (Fossil Fuel and Nuclear Power), Vice products (Adult Entertainment, Alcohol, Gambling and Tobacco) and Weapons.

What might the child get back from the policy?

The amount the child will get back from the My Choice policy will depend on how much you have paid in, the length of time it has been invested, the investment performance in the fund(s) over this time.

A. Regular monthly payments

If you invest an initial monthly payment of £30, escalating by 5% each year, for 18 years (total amount invested £10,128) with a 100% investment in the International Ethical fund, the figures below shows how much the child's My Choice policy could be worth after charges, growing under three different scenarios:

- If investments grew at 2.0% a year you would get back £10,600.
- If investments grew at 5.0% a year you would get back £13,500.
- If investments grew at 8.0% a year you would get back £17,500.

B. Lump sum investment

If you invest a single payment of £2,000 for 18 years, the figures below shows how much the child's My Choice policy within a Scottish Friendly Junior ISA could be worth, after charges, with a 100% investment in the International Ethical fund if it grows under three different scenarios:

- If investments grew at 2.0% a year you would get back £2,180.
- If investments grew at 5.0% a year you would get back £3,680.
- If investments grew at 8.0% a year you would get back £6,120.

For both the regular monthly payments and lump sum investment examples shown in the previous column, please note:

- These figures are only examples and are not guaranteed – they are not minimum or maximum amounts. What the child will get back depends on how your investment grows and the tax treatment of your investment. Tax treatment can change in future.
- The child could get back more or less than this.
- These yearly growth rates are our reasonable estimate of what the investment returns could be but are subject to the maximum rates specified by the Financial Conduct Authority.
- The charges appropriate to a My Choice policy have been deducted in calculating the figures shown.

- Do not forget that inflation will reduce what the child can buy with the value of their My Choice policy within a Scottish Friendly Junior SA in the future.

We will send the person with parental responsibility for the child a statement twice a year. The child's Junior ISA statement will show the activity that has taken place since the previous statement.

What will my final return be?

The final return from any investment in the International Ethical fund will be determined by the performance of the underlying fund or instruments we select and how well they track their index. Broadly however, the return will be in line with the movement in global stock markets and the movement in currency exchange rates.

What are my guarantees?

As an investment directly linked to the stock market your fund can rise and fall on a daily basis and therefore you could get back less than you have invested.

What are my charges?

Scottish Friendly takes a fee each month to manage your fund. The fee is shown as an annual rate and referred to as an Annual Management Charge (AMC): This fee is applied each month by reducing the number of units in your Unit Linked Funds in line with the tiers outlined. The fee structure varies according to the amount you invest as set out below:

Tier	Total Unit Linked Funds Value	Annual Management Charge (AMC)	Example of how the tiered structure works for a customer with £40,000 invested in Unit Linked Funds in one of our ISA products		
			Fund Value	AMC	Annual Charge Deducted
1	£0 - £5,000	1.5%	£5,000	1.5%	£75
2	£5,001 - £20,000	1.0%	£15,000	1.0%	£150
3	£20,001 and over	0.5%	£20,000	0.5%	£100

This means you'll pay 1.5% on the first £5,000, 1% on your investment between £5,001 and £20,000, and 0.5% on any amount over £20,000.

As your fund value grows, your overall percentage charge will decrease, giving you lower fees the more you invest.

We have taken account of all these charges in the figures shown in these examples. They could increase in the future if our costs increase more than expected.

A. Regular monthly payments

If you invest an initial monthly payment of £30, escalating by 5% each year, for 18 years (total amount invested £10,128), the effect of these charges on your payments are set out below.

At end of year	Total paid in to date	Total actual deductions to date	Effect of deductions to date	What the child might get back
1	£360	£2	£2	£366
2	£738	£11	£11	£764
3	£1,135	£26	£27	£1,190
4	£1,552	£48	£51	£1,660
5	£1,990	£78	£83	£2,160
10	£4,528	£357	£409	£5,320
15	£7,768	£866	£1,080	£9,890
18	£10,128	£1,300	£1,700	£13,500

The figures apply to investments in the International Ethical fund. The last two columns assume that your money will grow by 5% a year.

WARNING - if the policy is cashed in especially in the early years, the child could get back less than you have paid in.

B. Lump sum

The effect of charges on your single payment of £2,000 in the same fund, assuming an average rate of growth of 5% a year, is set out below.

At end of year	Total paid in to date	Total actual deductions to date	Effect of deductions to date	What the child might get back
1	£2,000	£31	£31	£2,060
2	£2,000	£63	£64	£2,140
3	£2,000	£96	£101	£2,210
4	£2,000	£130	£140	£2,290
5	£2,000	£166	£183	£2,360
10	£2,000	£363	£450	£2,800
15	£2,000	£596	£832	£3,320
18	£2,000	£756	£1,130	£3,680

WARNING - if the policy is cashed in especially in the early years, the child could get back less than you have paid in

What are the deductions for?

The deductions include expenses, charges and any other reductions.

The last line in the regular monthly payments table shows that if the child withdraws their investment after 18 years, the effect of the total deductions could amount to £1,700.

Putting it another way, this would have the same effect as bringing the investment growth from 5% a year down to 3.6% a year.

The last line in the lump sum payments table shows that if the child withdraws their investment after 18 years, the effect of the total deductions could amount to £1,130.

Putting it another way, this would have the same effect as bringing the investment growth from 5% a year down to 3.4% a year.

Which manager currently looks after my money?

The International Ethical fund is currently linked to the Vanguard ESG Developed World All Cap Equity Index (UK) fund.

Where can I find out more information?

You can read the Key Information Document and find out more information about this fund at: www.scottishfriendly.co.uk/my-choice-junior-isa-kids

Where there are any changes to the fund manager or the ethical criteria we will inform all investors in writing.

Further information

Unit prices

The unit price of the funds available within policies within the child's Scottish Friendly Junior ISA are published every day. If you have parental responsibility for the child, you can check the current unit price and check the child's Junior ISA value on our website www.scottishfriendly.co.uk/my-plans or by telephoning our Customer Services Team on 0333 323 5433*.

Cancellation rights

If you decide to exercise your right to cancel, you will get back the current value of your investment, this means that you could get back less than you invested. You can only cancel your Junior ISA, and any policies within it 30 days from the set up of your Junior ISA. Thereafter there is no right to cancel additional investments or the set up of new policies.

Withdrawals

You cannot make withdrawals from this investment within the Junior ISA, although you may transfer to another authorised provider.

Fund switching

If you are the person with parental responsibility for the child, you can make changes to the investments held in a My Choice policy by registering for our online service at www.scottishfriendly.co.uk/my-plans or in writing to Scottish Friendly.

There is no charge for a reasonable number of fund switches made per calendar year. However, excessive usage of more than 60 switches within a calendar year will incur a charge of £25 per subsequent switch. All switch instructions received by 12 noon each day will be processed at the next valuation point, which is normally the same day.

Transfer in

If you hold one or more Junior ISAs or a Child Trust Fund with another account manager, you can transfer these to Scottish Friendly by asking for our Junior ISA Transfer Application Form or Child Trust Fund to Junior ISA Transfer Application Form. Transfers can only take place in cash and will be invested into a My Choice policy within the child's Scottish Friendly Junior ISA. Once you have filled in the details and returned the form to us, we will take care of the rest. To find out more, contact us on 0333 323 5433*.

Transfer out

At your written request, we will transfer the child's investment to another Junior ISA Manager without the loss of tax relief in line with current Junior ISA rules. Transfer payments will be met by selling units in each policy following receipt of completed written instructions from your new Junior ISA Manager. We will then pay the proceeds to the new Manager within 4 working days.

Taxation

All income and capital gains generated within the funds within your Scottish Friendly Junior ISA are free of UK income tax and capital gains tax. Income allocations will be in the form of interest or dividend distributions. Interest distributions are received net of a 10% Income Tax credit.

The funds in which you invest will receive UK dividend income after the deduction of UK corporation tax.

All references to taxation are to UK taxation and are issued on the basis of Scottish Friendly Asset Managers' understanding of current tax law and practice. The tax treatment of your investment depends on your individual circumstances and tax law may change in the future.

Money laundering regulations 2019

Under these regulations, there is a requirement to prove the identity of people who wish to take out a life, pension or investment contract. You may therefore be asked to supply documents as evidence of your identity and/or your address and we may check your identity with a credit checking agency.

Solvency II Directive information

Under this directive, we are required to provide you with a Solvency and Financial Condition Report which you can access via our website at www.scottishfriendly.co.uk/about-us/solvency-two

What happens if Scottish Friendly becomes insolvent?

If you buy a policy within a Scottish Friendly Junior ISA and we cannot pay the full amount due, you may be entitled to compensation under the Financial Services Compensation Scheme. The maximum level of compensation for claims against firms declared in default is 100% of the claim with no upper limit. You can get further information from the Financial Services Compensation Scheme at: Financial Services

Compensation Scheme,
10th Floor, Beaufort House, 15 St Botolph
Street, London EC3A 7QU. Tel 0800 678 1100**
www.fscs.org.uk

Further information

Unit prices

The unit price of the funds available within policies within the child's Scottish Friendly Junior ISA are published every day. If you have parental responsibility for the child, you can check the current unit price and check the child's Junior ISA value on our website www.scottishfriendly.co.uk/my-plans or by telephoning our Customer Services Team on 0333 323 5433*.

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Withdrawals

You cannot make withdrawals from this investment within the Junior ISA, although you may transfer to another authorised provider.

Fund switching

If you are the person with parental responsibility for the child, you can make changes to the investments held in a My Choice policy by registering for our online service at www.scottishfriendly.co.uk/my-plans or in writing to Scottish Friendly.

There is no charge for a reasonable number of fund switches made per calendar year. However, excessive usage of more than 60 switches within a calendar year will incur a charge of £25 per subsequent switch. All switch instructions received by 12 noon each day will be processed at the next valuation point, which is normally the same day.

Transfer in

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Transfer out

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Taxation

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The funds in which you invest will receive UK dividend income after the deduction of UK corporation tax.

All references to taxation are to UK taxation and are issued on the basis of Scottish Friendly Asset Managers' understanding of current tax law and practice. The tax treatment of your investment depends on your individual circumstances and tax law may change in the future.

Money laundering regulations 2019

Under these regulations, there is a requirement to prove the identity of people who wish to take out a life, pension or investment contract. You may therefore be asked to supply documents as evidence of your identity and/or your address and we may check your identity with a credit checking agency.

Solvency II Directive information

Under this directive, we are required to provide you with a Solvency and Financial Condition Report which you can access via our website at www.scottishfriendly.co.uk/about-us/solvency-two

What happens if Scottish Friendly becomes insolvent?

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Compensation Scheme,
10th Floor, Beaufort House, 15 St Botolph Street, London EC3A 7QU. Tel 0800 678 1100**
www.fscs.org.uk

Scottish Friendly ISA Terms & Conditions

These Terms, together with the Application Form, form a legal agreement between you and Scottish Friendly Asset Managers Limited (the Account Manager) which sets out how your Individual Savings Account will be operated. These Terms & Conditions form the basis of the agreement with you upon which we intend to rely. If you have any questions about these, please contact us.

1. Definitions

The following words and expressions, when used in these Terms, have the meanings set out opposite them:

Accounts or Junior ISA – a Scottish Friendly Individual Savings Account governed by these Terms and which is a Stocks & Shares Junior ISA;

Account Investments – Shares, Units, policies and any other investments held in an Account;

Account Manager or Scottish Friendly – Scottish Friendly Asset Managers Limited;

AMC: Annual Management Charge;

Application Form – a Scottish Friendly Junior ISA application form or transfer application form, in paper or electronic form;

Assets – investments, income, interest, policies, cash deposits and any other rights and entitlement from time to time held within the Account;

Associate – any holding company of the Account Manager or a subsidiary of any such holding company (as defined in the Companies Act 1985);

Bank – Lloyds Banking Group plc, having its Head Office at the Mound, Edinburgh, EH1 1YZ, incorporated in Scotland with registered number 95000;

Business Day – any day except a Saturday, Sunday, a Bank Holiday in England and other days at the Account Managers discretion;

Cash Junior ISA – a Cash Individual Savings Account managed under the Regulations;

Child – the child under who's name the Junior ISA will be set up and who does not have a Child Trust Fund opened in their name.

FCA – the Financial Conduct Authority;

Junior ISA – a Junior Individual Savings Account managed under the Regulations;

Investment Junior ISA – a Stocks & Shares Individual Savings Account managed under the Regulations;

Policyholder – the Child who owns each policy as part of an Investment Junior ISA;

Policy – a savings and investment policy issued by Scottish Friendly Assurance Society;

Primary policy – the first Policy set up when the Investment Junior ISA is established;

Registered contact – the person taking out the Junior ISA for the child, normally the person with parental responsibility;

Regulations – the Individual Savings Account Regulations 1998, as from time to time amended and in force;

Society – Scottish Friendly Assurance Society Limited, the parent company of the Account Manager;

Subscription – a payment, in sterling, to be applied to the Account;

Terms – these Terms (as amended from time to time), together with the Application Form;

United Linked Funds: Your money will be invested in an investment policy within our ISA or Junior ISA. The policy then invests in a choice of fund(s) – with a range of varying risk and reward profiles;

We, us and our – the Account Manager, Scottish Friendly Asset Managers Limited;

Year – a tax year beginning on 6 April in any calendar year and ending on 5 April in the following year;

You and your – a registered contact who has opened an Account on behalf of a child under these Terms.

These Terms will be governed by and construed in accordance with Scottish law.

Reference to any statutory provision or regulation includes any modification or re-enactment.

Any headings and subheadings are not a legally binding part of these Terms.

Where appropriate, the words in the singular will include the plural, and the masculine will include the feminine.

2. Account Manager

A. Scottish Friendly Asset Managers Limited agrees to act as Account Manager for the Account. We do not review the portfolio and we do not give advice about the Account. We are regulated by FCA in the conduct of our investment business.

B. Our address is Scottish Friendly Asset Managers Limited, Galbraith House, 16 Blythswood Square, Glasgow, G2 4HJ.

C. We may assign to any appropriate Associate all of its benefits and obligations under these Terms. You will be notified of any such assignment.

D. We may appoint any person (whether or not an Associate) to advise on or perform any of its functions

or responsibilities under these Terms and may provide information about you and your Account to any such person. We will satisfy ourselves that any person to whom we delegate any of our functions or responsibilities under these Terms is competent to carry out those functions or responsibilities.

E. We may amend these Terms by writing to you. Any amendments will comply with the Regulations, principles and the rules of the FCA in particular the principles of Treating Customers Fairly. You will receive at least 3 months'

notice of any change with an explanation of why the change is necessary and its potential impact on you. You will also be reminded of your right to transfer or end your policy before the change is implemented.

3. Application to Open an Account

A. An application to open an Account must be made in writing or through our website on an Application Form. Subject to the Regulations, the Account will be managed in accordance with your directions set out in your Application Form and any subsequent instructions provided by you.

B. These Terms will come into force when the policy document is issued and your first payment is successfully collected. On acceptance, each new Account will be designated by us as an Investment Junior ISA. You can only subscribe to one Investment Junior ISA each Year for each child for which you are the registered contact. We reserve the right to reject any application.

C. Payments into the Account can be from any source of funds.

D. You may invest one or more lump sums in the Account during the Year. In addition, or alternatively, when provided in the Application Form you may make regular contributions by Direct Debit under a monthly payment plan. You must submit with your Application Form a Direct Debit Instruction to a bank or building society.

E. You will be sent an acknowledgement when you make a lump sum contribution or set up a monthly payment plan. This will be sent to you on the day following your application being accepted by us.

4. Minimum Subscription

A. Lump sums

The minimum initial investment is as specified in the Application Form. Additional lump sum contributions are subject to the minimum specified in the Application Form. You may direct additional lump sums to be paid into a separate policy as part of your Account Investments at the point of payment along with your investment instructions.

B. Monthly payment plans

The minimum monthly contribution is as specified in the Application Form.

C. Monthly Direct Debits will normally be collected on

the date you specify each month and invested by us on the next dealing day for contributions under investment plans. If your application and Direct Debit Instructions are received 10 working days before the payment date you specified, your first monthly payment will be collected by Direct Debit on the date you specified, otherwise it will be collected on the date you specified of the following month.

D. You may direct additional regular contributions to be paid into a separate policy as part of your Account Investments at the point of setting up a new additional regular contribution with your investment instructions.

E. There is no limit to the number of policies that may be held within the Account provided the overall contributions remain within the child's Junior ISA allowance for the year in which they are paid and provided the contributions meet the minimum requirements of each individual policy.

F. We reserve the right to reduce or waive the minimum subscription.

Direct Debit Guarantee

This Guarantee is offered by all banks and building societies that accept instructions to pay Direct Debits. If there are any changes to the amount, date or frequency of your Direct Debit Scottish Friendly will notify you 5 working days in advance of your account being debited or as otherwise agreed. If you request Scottish Friendly to collect a payment, confirmation of the amount and date will be given to you at the time of the request. If an error is made in the payment of your Direct Debit, by Scottish Friendly or your bank or building society, you are entitled to a full and immediate refund of the amount paid from your bank or building society. If you receive a refund you are not entitled to, you must pay it back when Scottish Friendly asks you to.

You can cancel a Direct Debit at any time by simply contacting your bank or building society. Written confirmation may be required. Please also notify us.

5. Maximum Subscription

The maximum you can subscribe in either a Cash or Stocks and Shares Junior ISA for the tax year 2024/2025 is £9,000.

6. Cancellation

You will have 30 days from the set up of the Junior ISA to cancel the Account. You should note that should you cancel you will receive the market value of your investment which means that you might get back less than you have invested.

7. Investment Objective

The investment objective of the Account will correspond to the qualifying investments specified in your Application Form (either online or on paper) or will match the Primary Policy held within the Junior ISA until such time as they are changed by the Registered Contact. These will be noted in a personalised illustration which is issued to the Registered Contact on completion

of the application.

8. Account Investments

A. Your Account includes your Account Investments and any cash balances, all income and other rights, and the benefit of any tax relief in respect of such investments.

B. Your cash contributions and any other cash held under the Account will be deposited, pending investment.

C. We will automatically reinvest all income in respect of Account Investments net of any tax liability.⁹ Title

A. The Account Investments will be beneficially owned by the child at all times, including any policies held within the Account. Note that the assets within any policies will be beneficially owned by the issuing life company.

B. We will not lend Account Investments or the title documents to a third party and will not borrow against the security of Account Investments or such documents.

10. Taxation

We will make all necessary claims for tax relief relating to the Account. The fund(s) in which you invest will receive UK dividend income (if any) net of corporation tax.

11. Statements

We will send the registered contact a statement twice a year, showing the value of the child's Junior ISA and details of all transactions in the Account since the previous statement. The statements will not include a measure of performance. We may produce a consolidated statement if you have more than one Account.

12. Withdrawals

A. You cannot make any withdrawals from a Junior ISA. When the child turns 18 and the Junior ISA becomes an ISA then withdrawals can be made by the child. Before making any payments to the child, they have to verify their identity.

B. You can however transfer your Junior ISA to another Junior ISA provider (see section 16).

13. Charges

A. Management fees and charges for the Scottish Friendly Junior ISA are deducted from your investments according to the terms set out in the Product Guide.

B. We reserve the right to discount or waive any charges.

C. We may increase charges but only after giving you three months' written notice.

D. We shall be entitled to deduct and retain all charges payable under these Terms and may apply any cash or sell any Account Investments to pay such charges or to pay any tax liabilities under the Account.

14. Death

A. The Account ceases to be exempt from tax on the death of the child and will terminate. When written

notification of the death is received, we will sell the Account Investments and hold the proceeds on deposit in Sterling (earning interest).

B. Upon receipt of the death certificate, the grant of probate or appropriate legal confirmation, we will transfer the cash balance of the Account to the child's personal representatives. These Terms are binding on the child's personal representatives. We may at our discretion accept or reject instructions received from the child's personal representatives.

15. Void Accounts

The Account will be managed in accordance with the Regulations, which take precedence over these Terms. We will notify you if, as a result of any failure to comply with the Regulations, the Account is or becomes void. When an Account is voided, we will sell the Account Investments and pay you the proceeds together with any cash balance held in the Account. We may deduct any charges or other amounts due to us, any tax liabilities under the Account, and any additional expenses incurred in terminating the Account.

16. Transfer to new Junior ISA Account Manager

A. The registered contact may instruct us to transfer the whole of the Account to another approved account manager, within such time as shall be agreed subject to and in accordance with the Regulations.

B. Only cash may be transferred, and we will convert Account Investments into cash after receiving your instructions. We may deduct from the transfer any sums due to it.

17. Information for the Account Manager

You must provide us with all information which we reasonably request for the purposes of the Account and, in particular, you must immediately inform us in writing of any change of tax status or other material change in circumstance.

18. Notices and Instructions

A. Notices and instructions to us should be in writing and signed by you or presented to us through our secure website www.scottishfriendly.co.uk/my-plans. Notices and instructions sent by facsimile will be accepted.

B. Notices and other documents to be given to the registered contact will be posted to your last registered address for the Account and will be considered received by you two days after posting. Alternatively if you have registered for online access you will be emailed that your notice is available to view once you log in to our secure website www.scottishfriendly.co.uk/my-plans. Such notices will be considered to have been received by you immediately after your email notification has been sent.

C. We are entitled to treat as valid instructions given by you or on your behalf even if that is not the case because of the wrongdoing of another person, unless that other person is an employee or agent of the Account Manager.

19. Liability

A. You indemnify us against all liabilities incurred by us in connection with the Account, other than liabilities caused as a direct result of our negligence, knowing default, or breach of the rules of FCA or of these Terms.

B. We are liable for our negligence, knowing default, and for any breach of the rules of FCA or of these Terms. We are not liable for any loss caused through a fall in value of Account Investments.

C. We accept no responsibility for the Account until cleared funds are received, nor for any loss or delay caused in the payment of funds to us.

D. For the purposes of this paragraph 19, references to you include your (or the child's) personal representatives, and references to the Account Manager includes its nominees.

20. Complaints

We have established procedures in accordance with FCA's requirements for the consideration of complaints. Details of those procedures and of your rights to compensation if we are unable to meet our liabilities to you are available from us on request. In addition, if your

complaint is not dealt with to your satisfaction, you can write to the Financial Ombudsman Service; see page 26 for details. This will not affect your right to take legal action.

21. Compensation Rights

If Scottish Friendly is unable to meet its liabilities, compensation may be payable by the Financial Services Compensation Scheme. The maximum level of compensation for claims against firms declared in default is 100% of the claim with no upper limit.

Further information on the Scheme can be obtained from the Financial Services Compensation Scheme. Tel: 0800 678 1100 www.fscs.org.uk

Additional condition for the My Choice policy held within the Scottish Friendly Junior ISA

The following additional policy conditions apply to any My Choice policy held within a Scottish Friendly Junior ISA.

L.1 The Policy

A. The Policy is a recurrent single premium unitised whole of life assurance contract issued by Scottish Friendly Assurance Society Limited ('The Society') on the child's life alone and is subject to these Policy Conditions.

B. Whilst the Policy remains in force and subject to such conditions as the Society may from time to time determine, additional premiums of not less than such minimum amount as the Society shall from time to time determine may be paid by the Policyholder.

C. The investment content of each additional premium will be specified by the Society and units will be allocated as in Condition L.5.

D. This Policy may only be held as part of a qualifying investment for a Junior ISA and the policy shall cease if it ceases to be held within a Junior ISA.

E. The Policy, the rights conferred by the Policy or any share or interest in the Policy or rights respectively, other than the cash proceeds when the policy is cashed in or through a withdrawal cannot be transferred to you or the child.

F. 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.

G. The Policy may be cancelled by the Policyholder within 30 days of the issue of the Policy Schedule. The full value of any investment in that period shall be refunded to the Policyholder through a withdrawal from their Scottish Friendly Junior ISA.

L.2 Junior ISA funds

A. The Society will maintain a range of funds for the purpose of determining the benefits payable under this and certain other policies.

B. Each fund will be divided into Accumulation Units and such other units as the Society may from time to time determine. Within each individual fund, units of any particular type will be of equal value, although the value of units of each fund may vary.

C. The benefit under this policy will be specified in terms of Accumulation Units, which will be allocated to the Policy as described in the Policy Schedule. Such allocation will be made purely for the purposes of calculating the benefit and does not affect the ownership of the assets of the fund, which remain the absolute property of the Society. D. The investment of the funds will be at the discretion of the Society, which may reinsure the fund in whole or in part and may at its

discretion introduce alternative funds from time to time to which benefits may be linked.

E. No units will be created in the funds unless assets equivalent to such units are added at the same time to the fund. No assets will be withdrawn from the funds except for the purpose of meeting the charges described in Condition 13 or for the purpose of reinvestment, unless at the same time units equivalent to the assets withdrawn are cancelled.

F. The income from the assets of each fund will be credited to that fund.

G. For the purposes of the Policy, any investment within the Unitised With-Profits fund shall be eligible for regular and final bonus additions as declared by the Society for this particular fund.

H. The policy is eligible only as regards units of the Unitised With-Profits fund allocated to it, to participate in the profits of the Ordinary Branch of the Society in accordance with the Rules from time to time of the Society.

I. The assets of the Unitised With-Profits fund shall not be separately identifiable from the remainder of the assets of the long-term business of the Society.

J. The assets of any other fund shall be separately identifiable from the remainder of the assets of the long-term business of the Society.

L.3 Charges against the funds

The Society will be entitled to deduct from the funds at each valuation such amounts as shall be determined by the Society in respect of:

A. expenses, taxes, duties and other charges incurred in acquiring, managing, valuing and disposing of assets;

B. any tax due on the income from the assets of the fund and on capital gains in respect of the assets of the fund;

C. interest on any money borrowed for the account of the fund;

D. any expenses, taxes, duties and other charges incurred in connection with the fund and not previously taken into account;

E. an appropriate part of any tax, levy or other charge on the Society.

L.4 Unit Prices of funds

A. The Unit Price of the Unitised With-Profits fund is increased by way of regular bonus addition at such daily rate of interest (if any) as the Society shall determine in its absolute discretion and then rounded by not more than one tenth of a penny.

B. The Unit Price of the Unitised With-Profits fund shall

be the price at which the Society allocates units to the Junior ISA Life Insurance policy and at which units shall be cancelled by the Society.

C. All other assets within funds (other than the Unitised With-Profits fund) will be valued at least once in each calendar month. Scottish Friendly will derive the maximum and minimum value of each fund from the corresponding values of the assets backing each fund reduced by all loans charged against the fund and with appropriate allowances for uninvested cash, accrued income and accrued or prospective charges. The maximum value of an asset of a fund will not exceed the market price at which it might be purchased and the minimum value will not be less than the market price at which it might be sold. The values of Stock Exchange securities will be based on quoted prices. The values of real or heritable property will be based on valuations prepared and certified by an independent valuer appointed by Scottish Friendly and adjusted to allow for variations in property prices since the last such valuation. The values of all other assets will be determined by Scottish Friendly.

D. The Unit Price of a fund will be calculated by Scottish Friendly and will be no less than the minimum value, and no more than the maximum value, of the part of the fund attributable to that type of unit after deduction of management charges divided by the number of units of that type in the fund, the result being rounded down by not more than 0.1p. The actual price may vary above this level.

E. All rounding reductions to unit prices and any other reductions will accrue to the Society.

F. Units of the funds may be consolidated or subdivided at any time at the discretion of the Society.

G. Where units of the funds are cancelled, the value of the units so cancelled may be subject to increase by way of further bonus additions (i.e. Final Bonus in the case of the Unitised With-Profits fund) at the discretion of the Society of such amount as the Society shall determine.

L.5 Allocation and cancellation of units

A. The number of units initially attributed to this Policy has been calculated by reference to the Unit Price calculated on the day the initial investment was deemed to have been received by the Society. The Units attributed to this Policy on payment of an additional premium shall be increased by the number of units calculated by dividing the percentage of the investment allocated to Units (as determined by the Society) by the Unit Price calculated on the day the additional premium is deemed to have been received by the Society.

B. In the event of the subdivision of all units in a fund, there shall be allocated to the Policy a number of units which shall represent as a proportion of the total units in the fund following such subdivision the number of units in the fund attributed to the policy prior to such subdivision.

C. Units shall be cancelled at the Unit Price calculated at the next valuation point following receipt of the appropriate form or verified electronic instruction at the Society's Head Office. L.6 Market Value Reduction (MVR) (Unitised With-Profits fund only)

A. If the Registered Contact instructs the Society to cancel some or all of the Units of the Unitised With-Profits fund allocated to the Policy, the Society may make a deduction, known as the Market Value Reduction (MVR), from the value of the Units cancelled. The amount of any deduction to be made shall be determined by the Society with reference to the Society's overall bonus philosophy and in particular, taking account of the reasonable expectations of all its Policyholders.

B. No MVR will apply where units are cancelled in the following circumstances:

- 1) To meet a death claim under Policy Condition L.7;
- 2) On either the 10th or 15th anniversary from commencement of a continual investment in the Unitised With-Profits fund;
- 3) At maturity on the child's 18th birthday.

In each of these circumstances the Policyholder shall be entitled to a value which is at least equal to the unit value of the units cancelled.

L.7 Death benefit

The death benefit under the policy shall be 101% of the value of the Units attributed to the Policy at the date of written notification of the death subject to any special factor specified in the Policy Schedule or any authorised endorsement thereto. Units allocated to the Policy shall be cancelled at the next Unit Price calculated following receipt of written notification of death by the Society.

L.8 General

A. By payment of the first premium and issue of the Policy, the Policyholder, as detailed in the Policy Schedule, becomes a member of the Society under Rule 2 of the Society.

B. If at any time during the life of the Policy, as a result of legislation or otherwise, it becomes impracticable or impossible to give full effect to the Policy Conditions or if the basis of taxation applicable to the Society or the Policy is altered, the Society will make such alterations in the Policy Conditions as the Society deems appropriate in the circumstances.

C. If the Society is required by statute to pay any sum to any Government agency on behalf of the Policyholder, the Society will cancel Units equal in value to such amounts as may be required.

Scottish Friendly Asset Managers Limited,
Galbraith House,
16 Blythswood Square, Glasgow G2 4HJ.

www.scottishfriendly.co.uk

Authorised and regulated by
the Financial Conduct Authority.
Details can be found on the FS register
- Registration No. 188832.
Member of The Investment Association
MYCHOJISAKFD0423