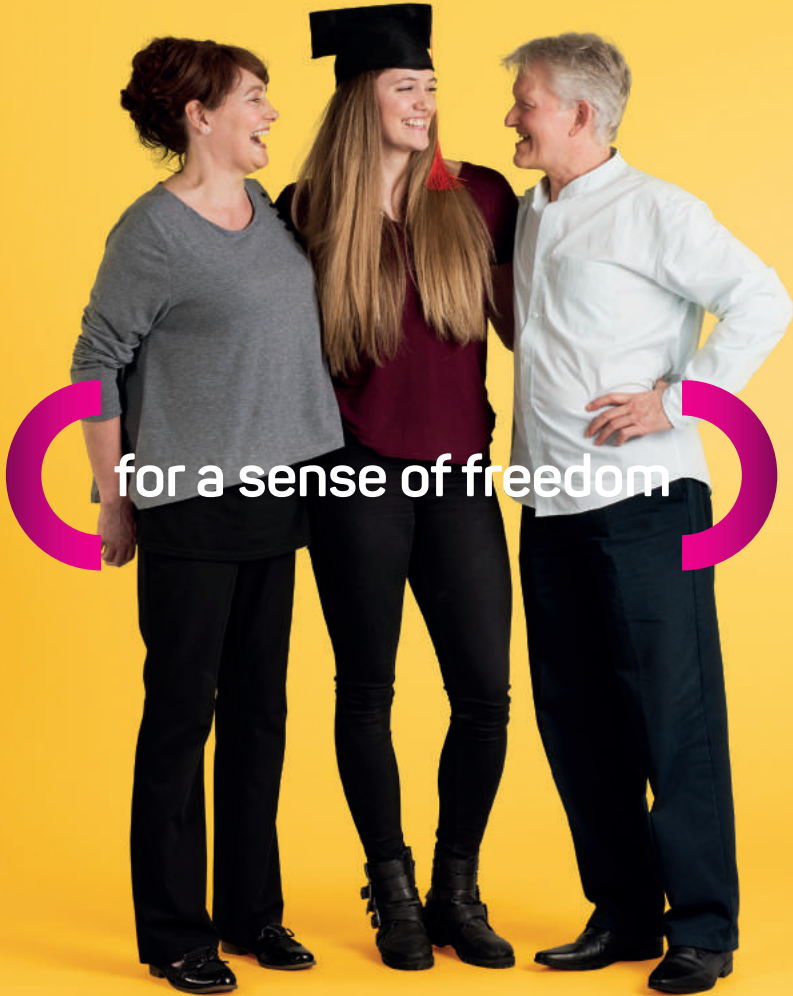




onefamily  
modern family finance



for a sense of freedom

## Junior Bond

Important Information Booklet

Including the Key Features & Terms and Conditions

# Welcome to

# OneFamily Junior Bond

Carefully read all the sections of this document.  
Then keep it safe so you can refer to it in the future.

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# Definitions

## **Bond –**

The Junior Bond

## **Day –**

Calendar days (also see ‘Working day’ below)

## **FCA –**

- Financial Conduct Authority
- The FCA work with the PRA as the UK financial services regulators

## **Fund –**

The unit-linked fund (the Sovereign fund or the Family Charities Ethical Exempt fund) in which the policy invests.

A new Junior Bond invests in the VI Series 1 version of these funds. Please refer to the Key Information Document and the fund factsheet for more details.

## **HMRC –**

HM Revenue & Customs

## **Payer –**

This is the person who opens a Junior Bond on behalf of a child and who makes the fixed payments. Anyone aged 18 or over can open a Junior Bond for any child aged 15 or under

## **Payments –**

Fixed monthly amounts that must be made for at least 10 years

## **Policy –**

The Junior Bond

## **Policyholder –**

The child – who owns the policy and is the life assured and the member

## **PRA –**

- Prudential Regulation Authority
- The PRA work with the FCA as the UK financial services regulators

## **TESP –**

- Tax-exempt savings plan
- A type of policy that only friendly societies can issue

## **Unit –**

A unit in a unit-linked fund

## **Unit-linked fund –**

A fund whose performance is linked to the assets in which it invests, such as stocks and shares

## **We/Us/Our –**

Family Assurance Friendly Society Limited (trading as OneFamily)

## **Working day –**

Any day of the week not including Saturdays, Sundays and English public (bank) holidays

## **You/Your –**

The person applying for the policy

- The Payer

Other technical terms are explained in their relevant sections.

# Key Features of the Junior Bond

This document contains a product summary of the Junior Bond and the Terms and Conditions of the product. You should read this document carefully, alongside the Key Information Document, so that you understand what you are buying, and then keep them safe for future reference. Please contact us before you apply if you have not received a copy of the Key Information Document.

## Demands and Needs

One Family does not offer advice for this product therefore it is important to read the following information to make an informed decision as to whether this product is right for you.

Family Assurance Friendly Society Ltd is the insurance provider (undertaking) for this policy. This policy meets some of the demands and needs of customers who would like an element of life cover for a child, whilst investing tax-efficiently in a stocks and shares product, on behalf of the child for ten years or more. The product includes life cover for the child. Life cover will be based on 75% of the total payments due over the initial product term. Life cover will apply as long as payments continue to be made. On death, if the policy is valued less than the sum assured we will pay the sum assured.

This product may not meet the demands and needs of customers:

- who think they may need to access their savings during the initial term
- who think they may be unable to make regular payments throughout the initial term
- where the child may already have maximised their tax exempt savings limit.

## Its aims

- To enable you to invest for a child tax-efficiently over the long term
- To provide a child with a tax-free lump sum at the end of the payment term you select
- To achieve growth by investing mainly in stocks and shares
- To offer a choice of two funds: our Sovereign fund and our Ethical fund.

## Your commitment

- To make a fixed regular annual or monthly payment, which you select at the start, for at least 10 years
- You cannot increase or reduce this amount at any time.

## Risks

- Because the money is invested mostly in stocks and shares, the value of the Bond can go down as well as up. The child may get back less than you have paid in
- You can find more detailed information about the risks associated with this product in the Key Information Document

- Please refer to the Key Information Document to see the risk indicator, which allows a comparison of products based on the likelihood of losing money due to market movements
- Over time, the cost of living will generally rise, reducing the real value of any investment growth. This means that the child may not be able to buy as much in the future with the proceeds of the Bond as they could do today
- Your circumstances may change, and this may mean that the Bond needs to be cashed in early. This will increase the possibility that the child will get back less than you have paid in. If the Bond is cashed in during the first year, the child will not get anything back
- If the Bond is cashed in early, or you do not keep making payments for at least 10 years, any growth may be taxable
- If you do not keep making payments, we will stop providing life cover.
- The tax advantages of the Junior Bond depend on your and the child's individual circumstances. The tax treatment of the Junior Bond may change in the future; if this happens the potential growth on the Bond may be reduced
- Our ethical fund cannot invest in certain sectors and companies because of the ethical screening. This could mean this fund carries greater risk than a fund which has no such restrictions
- The Sovereign fund that the Junior Bond may be invested in may use derivatives when managing the risk or cost of the fund or to try to generate additional income. This could mean the fund carries greater risk than a fund which does not use derivatives for this purpose.

Further information about the risks associated with certain investments made by our funds can be found in the Key Information Document.

## Your questions answered

### What is a Junior Bond?

- A Junior Bond is a tax-exempt savings plan or TESP. TESPs are a way of saving for the long term, tax-efficiently; payments must be paid for at least 10 years. They can only be issued by friendly societies
- Because of the favourable tax treatment, the Government has set maximum limits of £25 per month or £270 per year on the payments that can be made into TESPs
- If it hasn't already been cashed in, a Junior Bond will mature on the child's 85th birthday.

### Who is the Junior Bond designed for?

- The Junior Bond is designed to provide good potential for growth, over the longer term, by investing mainly in stocks and shares on behalf of a child
- There is an ethical option for ethically-minded investors
- You should only consider opening a Junior Bond if you are prepared to save a regular amount for at least 10 years and are happy to take some risk in order to increase the potential return. It is possible to get back less than has been paid in.

Please note that we do not provide advice for this product. If you have any doubts about the suitability of this product, you should seek independent financial advice.

## How much can I pay and for how long?

- You can pay monthly payments of between £15- £25 per month or single annual payments of up to £270 per year
- Payments can be made monthly or yearly by Direct Debit. You can also pay yearly by cheque
- As long as the payment term is at least 10 years, the term you select can run to the child's 18th, 21st or 25th birthday. Alternatively, you can simply select an initial payment term of 10 years
- If you or the child already hold one or more TESP's with us, you may be able to choose a lower payment amount (minimum £10 a month or £100 a year). For more information, please contact us
- If the child already holds one or more TESP's, with us or another friendly society, you must make sure that by taking out a Junior Bond the maximum limits of £25 per month or £270 per year are not exceeded.

For more information about paying into a Junior Bond, please see the 'Paying into the Junior Bond' section in the Terms and Conditions.

## Can I increase my payments?

- No, you can not vary the selected payment once the Bond is set up
- Like any new Junior Bond, the payment term must be for at least 10 years
- The payment term of any existing Junior Bond or Bonds will not be affected.

## Where is my money invested?

- Your payments will buy units in your chosen fund
- You can choose from two funds:

## The Sovereign fund

The Family Sovereign Fund aims to achieve growth by investing mainly in both UK and overseas shares, along with fixed interest investments and property. It may also invest in alternative investments, money market instruments and cash. The Family Sovereign Fund may achieve this by investing in one or more funds. The Sovereign fund may invest in a type of investment called a hedge fund. Please refer to the Key Information Document for more information about where the fund invests.

## The Family Charities Ethical Exempt fund

This fund invests into the Family Charities Ethical Trust. The Family Charities Ethical Trust aims to achieve growth by investing mainly in UK shares of companies that make up the FTSE4Good UK 50 Index in order to closely follow its performance. The fund typically invests in companies that meet globally-recognised social, ethical and environmental corporate responsibility standards. The Index also avoids investment in companies involved in tobacco production, weapon systems and controversial weapons (including nuclear power).

For more information about where the funds are invested, please refer to the Key Information Documents for each of the funds.

## What are the charges?

- An initial charge of £60 will be taken from the first year's payments
- We also deduct an Annual Management Charge of 1.5% of the fund value
- The Sovereign fund may also have certain expenses deducted directly from it because it can invest in other funds and alternative investments. These change but are currently estimated to be no greater than 0.6% of the value of the fund each year
- There is also a charge for life cover, which we deduct each year on the Bond's anniversary, depending on the child's age and if the value of the Junior Bond is less than the amount of the life cover.

For more information about the charges, please see the Key Information Document and the 'Charges' section of the Terms and Conditions.

## What happens if I stop making payments?

- You can make up any missed payments as long as you do so within 13 months. You will have to make up any missed payments altogether in one lump sum, you cannot make them up over a period of time
- After 13 months:
  - > we will stop providing life cover with the Bond
  - > if you have made less than one year's worth of payments or the Bond has no value, the Bond will 'lapse'
  - > from year two until the end of the payment term selected at outset, as long as there is a value, the Bond will become 'paid up'

## What do the terms 'lapse' and 'paid up' mean?

Once the status of a Bond is changed to 'lapse' or 'paid up', it cannot be reinstated and any life cover previously provided will be cancelled. A lapsed policy has no value. A policy which has been made 'paid up' will remain invested, and will continue to have variable value, but no further payments can be made.

- If you stop making payments before the 10th anniversary of the Junior Bond, any growth could be taxable.

For more information about stopping your payments early, see the 'Stopping payments early' section in the Terms and Conditions.

## What happens if the Bond is cashed in early?

- In its first year, the Bond will have no cash in value
- From year two to the Bond's 10th anniversary, the amount paid if the Bond is cashed in will be the current value minus an early surrender charge of £50
- If the Bond is cashed in before its 10th anniversary, tax may be payable on any growth.

## How can the Bond be cashed in?

The Bond can be cashed in at any time by contacting us and requesting the appropriate form

Payment will usually be made by cheque

Before the child reaches 18, the policy can only be cashed in on the instruction of the child's nominated parent or legal guardian. Once the child is 18, only the child can cash in the policy

Neither the child nor their parent/guardian can cash in the policy without your permission, before the end of the payment term selected by you when you opened the policy.

For more information, please see the 'Role of the nominated parent or legal guardian' and 'Withdrawals and closing the Junior Bond' sections.

### What about life cover?

- As long as you keep making payments, the Bond includes life cover for the child
- The amount of life cover depends on the amount you are paying and the initial payment term
- If the child dies and the value of the Bond is higher than the amount of life cover, we will pay the current value.

For more information about life cover, please see the 'Life cover' section in the Terms and Conditions.

### What about tax?

- The Junior Bond is invested in a special tax-exempt fund, although income received by the fund may be taxed before we receive it
- The final sum the child receives will be free from Income Tax and Capital Gains Tax as long as you make payments for at least 10 years
- There may be other taxes that are not paid through us or imposed by us.

### How can I track how the Junior Bond is performing?

We provide statements every year, shortly after the anniversary of the Bond's start date

All correspondence is sent to you until the child is 18, when we will start corresponding with the child directly

You can also obtain a current valuation, or other information about the Bond, by phoning us or writing to us. You can obtain this information up until the child is 18, or until the end of any payment term where you are making the payments, whichever is later.

For more information about keeping track of the Junior Bond, please see the 'Keeping track of the Junior Bond' section in the Terms and Conditions.

### What happens at the end of the payment term?

There will be four choices, which we will remind you of nearer the time:

- Extend the payment term by another 10 years
- Leave the money invested in a tax-exempt fund and make no more payments
- Take some of the money
- Take all of the money.

For information about who can provide us with instructions at the end of the payment term, please see 'The role of the nominated parent or legal guardian' and 'Withdrawals and closing the Junior Bond' sections.



### Can I change my mind?

- Yes, you have 30 days to cancel the Bond
- This 30-day period begins from the date you receive your Welcome Pack
- You can cancel by completing and returning the cancellation notice included in your Welcome Pack
- Any money you have paid will be returned to you in full
- A Junior Bond has no cash in value in its first year, so if you do not cancel within the cancellation period and you change your mind, you will not get anything back.



# Other information

## Complaints

If you need to make a complaint, please contact us and we will do what we can to resolve your complaint as quickly as possible.

When we first write to you, we will send you a summary of the procedures that we will follow when resolving your complaint. You can find these procedures on our website, or you can contact us to request a copy at any time.

If you are not satisfied with our response to your complaint, you may be able to refer it to the Financial Ombudsman Service.

There is a central European 'portal' which can redirect a complaint to the appropriate industry Ombudsman (e.g. Financial Ombudsman Service). This is aimed at helping EU residents who purchased a product online from a provider based in another EU country.

It is always best to contact the product provider first but for further information go to [ec.europa.eu/consumers/odr/](http://ec.europa.eu/consumers/odr/)

Making a complaint won't affect your legal rights. Contact details for the Financial Ombudsman Service can be found on the back page.

## Compensation

You may qualify for compensation from the Financial Services Compensation Scheme (FSCS) if we fail or go bankrupt.

Circumstances vary, but most types of long term insurance (such as TESP's) are covered for 100% of the claim with no upper limit. The Junior Bond is a type of long term insurance.

Further information about compensation arrangements is available from the FSCS.

Contact details for the FSCS are on the back page of this document.



# Fund Information

This section provides detailed information about the funds you can invest in. Please refer to the Key Information Document for further information about the funds.

Further information on how we manage the fund in which the Bond invests is available in the document 'How we manage our unit-linked funds'. This document can be obtained by contacting us.

## The investment

The Junior Bond can invest in either the Sovereign fund or the Family Charities Ethical Exempt fund.

### The Sovereign fund

The Family Sovereign Fund aims to achieve growth by investing mainly in both UK and overseas shares, along with fixed interest investments and property. It may also invest in alternative investments, money market instruments and cash. The Family Sovereign Fund may achieve this by investing in one or more funds. The Sovereign fund may invest in a type of investment called a hedge fund. Hedge funds generally have far more flexibility in where they invest than a traditional fund and tend to use more advanced and varied investment strategies. However, the varied investment strategies used may be riskier than the strategies used by traditional funds, so the risk that an investor could get back less than has been paid in can be greater.

Please refer to the Key Information Document for further information about the fund.

### What are alternative investments and money market instruments?

An investment can be called an 'alternative investment' if it is anything other than one of the traditional investments such as stocks and shares, fixed interest investments or cash.

An example of a type of alternative investment we invest in is the hedge fund. Hedge funds generally have far more flexibility in where they invest than a traditional fund so they tend to use more advanced and varied investment strategies. By using these varied investment strategies, hedge funds try to generate high returns either with the aim of achieving growth regardless of how the markets are performing (this is known as an absolute return fund) or by aiming to outperform a benchmark (in a similar way to many traditional funds).

It is important to remember, however, that these aims are not guarantees; the value of the assets in a hedge fund will rise and fall just like a traditional fund, and it is possible to get back less than is invested. The varied investment strategies used may be riskier than the strategies used by traditional funds, so the risk that an investor could get back less than has been paid in can be greater.

Derivatives are another example of an alternative investment which the Sovereign Fund might invest in. It can use derivatives when managing the risk or cost of the fund or try to generate additional income. You can find out more about derivatives on our website at [onefamily.com/derivatives](https://onefamily.com/derivatives)

Money market instruments are short-term investments that provide a set return on maturity in exchange for investing funds for an agreed time period.

More detailed information about Sovereign's investment in hedge funds, including information about the risks and the impact on charges, can be found in the Key Information document and on our website at [onefamily.com/hedge-funds](https://onefamily.com/hedge-funds), or you can call us and we can send this information to you.

## The Family Charities Ethical Exempt fund

This fund invests in the Family Charities Ethical Trust (FCET). FCET aims to achieve growth by investing mainly in UK shares of companies that make up the FTSE4Good UK 50 Index in order to closely follow its performance. The fund typically invests in companies that meet globally-recognised social, ethical and environmental corporate responsibility standards. The Index also avoids investment in companies involved in tobacco production, weapon systems and controversial weapons (including nuclear power).

Please refer to the Key Information Document for further information about the fund.

## Unit pricing

### Valuing the funds

The assets in a fund will usually have both a bid and an offer price. The bid price is the price at which an asset is sold and the offer price is the price at which an asset is bought.

Currently, the assets in both the Sovereign fund and the Family Charities Ethical Exempt fund are valued using the mid-price of their assets. We calculate the mid-price of the assets by working out the average of the bid and the offer prices.

The assets in both funds are valued daily at 10am. This is known as the pricing point.

### What are assets?

An asset is another name for an investment. Shares, property, fixed interest investments and cash are all examples of assets.

## Calculating the unit price

To calculate the price at which you can buy and sell units, we take the value of the fund and deduct the Annual Management Charge and any other applicable charges or expenses. This is called the Net Asset Value (NAV). The NAV is then divided by the total number of units in issue to give us the price.

### What is a unit?

The value of each fund is divided into 'units'. The 'price' of each unit is based on the value of the fund, divided by the total number of units in issue.

Every payment you make will buy a certain number of units (after any charges have been deducted). The number of units bought will depend on the price of those units on the day the units are bought.

The value of the Bond is calculated by multiplying the number of units held by the current unit price.

## Creating and cancelling units

If, on any particular day, there is more money being taken out of a fund than being invested in it, we will need to cancel some of the units in the fund.

If there is more money being invested in the fund than being taken out, we need to create more units.

For our Sovereign fund and our Family Charities Ethical Exempt fund we will both create and cancel units using the mid-price

## Dealing costs

The funds are valued using the mid-price of their assets, but the actual costs of buying and selling those assets may be different than the price used. This is due to dealing costs, taxes and any spread (or difference) between the buying and selling prices of the assets. These costs are therefore deducted directly from the fund when they are incurred, thereby diluting its value.



# Terms and Conditions

This section sets out the Terms and Conditions of our Junior Bond. The Terms and Conditions explain how the child's Junior Bond will be managed, and sets out both your, and our, rights. Please make sure you read the Terms and Conditions carefully as they contain information you need to know.

## Eligibility

You can open a policy as long as you are aged 18 or over and wish to open the Bond for a child who is aged 15 or under.

If the child already holds one or more TESP's, with us or another friendly society, you must make sure that by taking out a Junior Bond, the maximum limits of £25 per month or £270 per year are not exceeded.

## Accepting your application and opening the Junior Bond

An application can be completed over the phone, online or in writing. When applying you must provide the details of one of the child's parents or legal guardians who will look after the Bond on the child's behalf until they reach the age of 18.

We will accept your application on the working day it is received, unless:

- your application is incomplete, and/or it is necessary to clarify information on the application
- we need to ask you for proof of identity.

If we are unable to accept your application, we will write to you to let you know.

The Junior Bond will be opened on the working day after your application has been accepted.

If, after the Bond has been opened, we find that any of the details you supplied in your application were not correct, we may:

- change some of the benefits offered by the Bond in line with the amended details; or,
- consider the policy invalid if the nature of the incorrect details makes it necessary to do so.

If the child dies and we subsequently find that any of the details you supplied in your application were not correct, we may not pay out the amount of life cover, or we may reduce the amount we pay. If this happens, we would still pay the current value of the policy.

If we are unable to open the Bond within three weeks of receiving your application, any payments you have sent us will be returned without growth or interest within 4 working days of the end of this period.

## The role of the nominated parent or legal guardian

Until the child is 18, the Bond is looked after by the child's parent or legal guardian. You must nominate a parent or legal guardian when you apply.

Until the child is 18, we will only be able to accept instructions from the nominated parent or legal guardian. This includes withdrawal instructions, instructions to extend the payment term of the Bond, and instructions to switch funds.

Once the child is 18, we will only be able to accept instructions from the child.

## Life cover

As long as you keep making payments, the Junior Bond includes life cover for the child.

The amount of life cover included depends on the amount you choose to save and the initial payment term you select. It is calculated at 75% of the payments you are due to make over the initial payment term.

If the child dies and the value of the Junior Bond is higher than the amount of life cover, we will pay the current value.

A charge is made for life cover. For details, please see the Key Information Document and 'Charges' section.

## Keeping track of the Junior Bond

### Other information available to you

You should have been provided with a Key Information Document which, along with this Important Information booklet, should provide you with enough information so that you can make an informed investment decision. Please contact us before you apply if you have not received a copy of the Key Information Documents.

### Daily unit prices

You can see the daily unit prices for our funds on our website at [onefamily.com/daily-prices](http://onefamily.com/daily-prices). The published price is the price from the previous working day.

## Statements and valuations

Every year, we will send a statement shortly after the anniversary of the Junior Bond's start date.

This statement will include details of the number of units purchased with the payments you have made, the number of units held and the valuation at the end of the statement period.

A current valuation, or other information about the Bond, can also be obtained by contacting us directly:

- before the child is 18, we can only provide this information to you or the child's nominated parent or legal guardian
- if the child is 18, and the payment term you selected in your application has not yet ended, we can only provide this information to you and the child
- if the child is 18 or over, and the payment term you selected in your application has ended, we can only provide information to the child.

You cannot prevent information being passed to the child or the parent or guardian, but we will only provide this information to them on their request subject to the restrictions outlined in the three bullets above.

All correspondence will be sent to you until the child is 18, when we will start corresponding with the child directly.

## Paying into the Junior Bond

### Payment methods

We accept payments monthly or yearly by Direct Debit or yearly by cheque. We do not accept cash, standing orders or post-dated cheques.

If you decide to pay yearly by cheque, you can either send the cheque directly to us, or you can pay over the counter at your bank or building society using a bank giro credit slip that we will send to you with your yearly payment reminder. We will not accept cheques or cash paid over the counter without the bank giro credit slip.

We only accept payments (or any post, including instructions to sell units) on working days.

Direct Debits can only be set up on and cheques drawn from UK personal bank or building society accounts on which you are solely or jointly named.

If you decide to pay by Direct Debit, you can tell us the day you would like payments to be debited from your account on your application form. Once the Bond has started, this date cannot be changed.

If you decide to start paying by Direct Debit after the Bond has already started, the payment will be collected on:

- for monthly payments – the same day of the month on which the Bond started
- for annual payments – the anniversary of the policy each year.

### Investing your payments

After deductions for charges, payments will buy units in your chosen fund. This will be either the Sovereign fund or the Family Charities Ethical Exempt fund.

Payments received by Direct Debit will purchase units on the working day the Direct Debit is accepted. Payments received by cheque will purchase units on the working day after the cheque is accepted.

### Payment amounts and frequency

You can choose to pay from £15 to £25 per month or from £165 to £270 per year.

If you or the child already hold one or more TESP's with us, you may be able to choose a lower payment amount (minimum £10 a month or £100 a year), as long as the maximum limits of £25 a month or £270 a year are not exceeded. For more information, please contact us.

Once you have selected a payment amount and frequency, you cannot change it.

For Junior Bonds paid monthly, payments are due on the day of the month on which the Junior Bond started.

For Junior Bonds paid yearly, payments are due on the anniversary of the Bond each year.

### Payment term

As long as the initial payment term is at least 10 years, the term you select can run to the child's 18th, 21st or 25th birthday.

Alternatively, you can simply select an initial payment term of 10 years. If you do not select a term on the application form, the Bond will be set up to run for 10 years, or to the child's 18th birthday, whichever is longer.



## Stopping payments early

If you stop making payments before the end of the initial payment term, you have 13 months to make up the missing payments and continue paying into the Bond.

You will have to make up any missed payments altogether in one lump sum, you cannot make them up over a period of time.

If, at the end of 13 months, you have not made up the missing payments, the following will apply:

- if you have made less than one year's worth of payments, or the Bond has no value, the Bond will lapse and it will close with no value
- from year two until the end of the payment term selected at outset, as long as there is a value, the Bond will become 'paid up'. This means that it will remain invested with no further payments being made until it is cashed in. The Bond's value will continue to fluctuate in line with the movement of the unit price
- life cover will cease so, if the child dies, the only payment made will be the value of the Bond.

We may deduct a £50 charge when a Bond is made paid up within the first 10 years.

If the Bond is made 'paid up', when it is cashed in tax may be payable on any growth.

For more information, including details of the early surrender charge, please see the 'Cashing in the Junior Bond early' section.

## Switching

Once you have selected the fund you would like to invest in, it is not possible to switch fund until the Bond has reached its 10th anniversary.

The only exception to this is that after the Bond has reached its ninth anniversary, it can be switched into our Safety First Fund.

After the Bond's 10th anniversary, the Bond can be switched into a number of different funds made available at the time.

Instructions to switch funds will be processed on the working day after they are received.

For information about who we can accept switch instructions from, please see 'The role of the nominated parent or legal guardian'. For more information about the funds and how to switch, please contact us.

## Charges

Please refer to the Key Information Document for detailed costs and charges for this product.

An initial charge of £60 will be deducted from the payments you make in the first year.

There is also an Annual Management Charge of 1.5% of the value of the fund. This charge is deducted directly from the fund on a daily basis.

As the Sovereign fund may invest in other funds and/or alternative investments, additional charges may be incurred by the fund. These charges are variable but are currently estimated to be no greater than 0.6% of the value of the fund each year.

A charge will also be taken for life cover whenever the current value of the Junior Bond is lower than the sum assured. This charge is taken yearly on the anniversary of the Bond by cashing in units. The charge we make for life cover depends on the child's age, and the difference between the current value and sum assured, at the time we take the charge.

We may deduct a £50 charge if the Bond is made 'paid up'. We do not currently apply this charge, but may do so in the future if our actuary advises us to do so to protect the interests of all our members.

An early surrender charge will be deducted if the Bond is cashed in before its 10th anniversary. This £50 charge will not be deducted if we have already deducted £50 because the Bond has been made 'paid up'.

Additional costs may be incurred by the fund for the safe keeping of certain assets.

There may be other costs that are not paid through us or imposed by us.

For more information on the charges applied to these funds, please see the Key Information Document

## Withdrawals and closing the Junior Bond

The Junior Bond can be cashed in at any time by completing a withdrawal form, which is available by contacting us (but please see the section on cashing in the Bond early).

The units will be sold the working day after the form is received.

If we receive a withdrawal form that cannot be processed until a future date (e.g. where the Bond has not yet reached the end of its payment term), it will be processed using the unit price on that future date (or the next working day if the 'future date' is not a working day).

Before the child reaches 18, any withdrawal form must be signed by the parent or legal guardian nominated in your application.

Once the child is over 18, any withdrawal form must be signed by the child.

Neither the child nor the nominated parent or legal guardian can cash in the Bond without your permission before the end of the payment term selected by you in your application.

Payment will usually be made by cheque, payable to the person who signs the withdrawal form. The withdrawal amount will be sent within 4 working days of the day the units are sold and all requested identification is received.

The child is the owner of the policy at all times during the life of the Bond, and therefore the proceeds of the policy should always be given to the child, or held, invested or used for their benefit.

Any payments which have not cleared when we process a withdrawal request will be forwarded to you separately within 4 working days of the day they clear. Payments take up to 6 working days to clear.

The Junior Bond will mature on the child's 85th birthday. If it has not already been cashed in by this date, the Bond will cease and we will cash in the units. We will hold the proceeds until we receive the relevant form. We will send a form to the child shortly before their 85th birthday. A form can also be obtained by contacting us.

If we need to request identification after receiving a request to sell units, we will sell those units within the timescales stated above and hold onto the proceeds until acceptable identification has been received.

We may also decide to close the Bond if:

- we find out that the payment limits for TESPs have been exceeded or,
- exceptional circumstances, such as fraud, occur.

## Cashing in the Junior Bond early

In its first year, the Bond will have no cash-in value.

From year two to the Bond's 10th anniversary, the amount paid if the Bond is cashed in will be the current value minus a £50 early surrender charge. This £50 charge will not be deducted if we have already deducted £50 because the Bond has been made 'paid up'.

If the Bond is cashed in before its 10th anniversary or before a full 10 years' worth of payments have been made, tax may be payable on any growth.

## Death

The working day after we are notified of the death, the Bond will be switched into our Safety First Fund.

We will cash in the units and close the Junior Bond on the working day after we receive all the documents we have requested, which must include proof of the death.

Any growth on the investment from the working day after we are notified of the death until the date of closure will be subject to Income Tax.

Payment will be sent within 4 working days of the day:

- the units are sold; or,
- all relevant payments have cleared;

whichever is later.

If the payer dies before the end of any payment term:

- we will write to the nominated parent or legal guardian and ask if they, or someone else, wishes to take over the payments
- the right of the payer to prevent the child or the nominated parent/guardian from cashing in the Bond before the end of the payment term selected in the application will cease.

For more information about the Safety First Fund, please contact us.

## Moving overseas and commutation

If you, as the payer, move overseas, you can either:

- continue to make payments through a UK bank account; or,
- make a single payment that will cover all future payments due (this is called 'commutation').

If you decide to commute the Bond, you can do this no earlier than one month before the time you intend to leave the UK.

You can also commute the Bond:

- when 50% of the term to maturity (the child's 85th birthday) has been completed (or 10 years, whichever is less)

## Data protection

The information that you provide will be held by Family Assurance Friendly Society Limited, part of the OneFamily Group, in line with our Privacy Notice.

The information we collect is necessary for the performance of our contract with you, or to prepare for this contract.

Your data will be shared with our group of companies for administration purposes and we will also share your data with service providers, business partners and other agencies who assist us with providing the product and ongoing servicing to you where there is a business reason to do so.

Where you have provided your consent, we will use your data to email you about selected products or services offered by us or selected partners we work with. You may unsubscribe from email marketing communications at any time.

We may also use your information to identify and prevent fraud, to provide postal communications which we think may be of interest to you, and to improve our services to you, for example by market research, if we have a legitimate business interest to do so.

If you would like more details about how we process your personal data and your rights as a data subject before you provide your personal information to us, please read our Privacy Notice which is available on our website at [www.onefamily.com/privacy](http://www.onefamily.com/privacy).

A copy is also available by writing to OneFamily, 16-17 West Street Brighton, BN1 2RL; by calling Customer Services on 0344 8 920 920 or, by email to [customerservices@onefamily.com](mailto:customerservices@onefamily.com).

## General terms

### Security

You must make sure that the personal details we hold about you are kept up-to-date, and that arrangements for receiving mail at your address are secure.

You must check any statement carefully and tell us promptly if you think it contains any errors. You must tell us promptly if you think we have made any other mistake in operating the Bond.

You must tell us immediately if you know, believe or suspect that the security information we have recorded for you has been compromised, or if you believe that an unauthorised withdrawal has been made from the Bond.

If you act fraudulently or without reasonable care, you may be responsible for any losses incurred as a direct result.

All instructions you send us in writing must be signed.

### Proof of identity

To comply with anti-money laundering legislation, we may need to verify the identity of you, the child, or the nominated parent or legal guardian. This verification could happen at any time, including when an investment or a withdrawal is made.

We may use a credit reference agency to help us do this. By completing the application you are agreeing for these checks to take place.

We may also ask for identification to be provided. If we do not receive adequate identification when we ask for it, we may not be able to open a new Bond or accept payments, and we may withhold the proceeds of any withdrawal.

If you provide false or inaccurate information at any time and fraud is identified, details can be passed to fraud prevention agencies. We and other organisations may also access and use this information to prevent fraud and money laundering.

### **Your FCA categorisation and what this means**

The Financial Conduct Authority (FCA), one of our regulators, requires us to categorise all our customers.

We have categorised you as a 'retail client'. This means you will get the highest level of protection available within the rules and guidance set out by the FCA.

Your right to refer complaints to the Financial Ombudsman Service or to claim compensation from the Financial Services Compensation Scheme (FSCS) is not determined by our categorisation.

For more information, please contact either the Financial Ombudsman Service or the FSCS directly. Please see the back page for their contact details.

### **Corporate governance**

On opening a Junior Bond, the child will become a member of Family Assurance Friendly Society Limited (Family Assurance).

We are committed to complying with the UK Corporate Governance Code as relevant to mutual insurers. The Code sets out good practice standards in terms of how we manage the company as well as the rights of our customers.

We believe that it is important for our directors to listen to the views of our customers and understand how they affect the running of our business. We invite you to talk to our directors and take an active interest in the governance of Family Assurance.

For more information, please go to the member relations section of **onefamily.com**. You can also email us with feedback at **members@onefamily.com** or write to us at the Member Relations Team, OneFamily, 16-17 West Street, Brighton BN1 2RL. These contact details should not be used for enquiries about the Junior Bond.

### **Liability**

If, having made reasonable attempts to do so, we cannot provide services because of something beyond our control (including strikes, industrial action, or the failure of equipment or power supplies), we will not be liable to you for any loss that you may suffer as a direct result.

We have no liability for any action we have taken, or not taken, in good faith unless there has been negligence by us. This does not restrict or exclude any liability that we may have by law or under the PRA or FCA Rules.

### **Solvency and Financial Condition Report**

We will publish a Solvency and Financial Condition Report (SFCR). This is available on our website.

## Important information

OneFamily is a trading name of Family Assurance Friendly Society Limited who are entered on the Financial Services Register under Registration Number 110067. You can view the register at [fca.org.uk](http://fca.org.uk)

This Junior Bond is a TESP and unit-linked endowment assurance policy.

The main business of Family Assurance Friendly Society Limited is providing friendly society TESP's.

The information in the Important Information booklet and the Key Information Documents is based on our understanding of current law (including tax law), the PRA and FCA Rules and PRA, FCA and HMRC guidance. These could change in the future and could affect the benefits enjoyed by this Bond.

These Terms and Conditions, together with the Key Information Document terms outlined in the Fund Information and the Key Features sections of this booklet, along with the application, form the Agreement between you and us. All documentation provided to you should be read in accordance with these Terms and Conditions.

The Junior Bond will be issued under the Rules of Family Assurance, and Table XXVIII A of the Tables of Contributions and Benefits of Family Assurance. None of the contents of this booklet forms part of, or varies, the Rules and Tables of Family Assurance. If you would like a copy of the Rules and Tables, please contact us.

The Junior Bond is a qualifying policy within the meaning of Schedule 15 to the Income and Corporation Taxes Act 1988. Where the Table allows options to be exercised on the policy, these will only be permitted if this policy, or any resulting policy, will be qualifying once the option is exercised.

The law of England and Wales will apply to the Junior Bond and this Agreement, which will be written in English. We will always write and speak to you in English and all financial transactions will be in pounds sterling.

## Changes to the Agreement

We will not make a change to the Agreement which is to your disadvantage before the Junior Bond has passed its 10th anniversary.

After the 10th anniversary, if we make a change which is to your disadvantage, we will notify you personally at least 30 days before we make the change. You will then be able to close the Junior Bond without incurring any financial penalty relating to the change for up to 60 days from the date of the notice.

We may, however, have to make changes to the Agreement to reflect changes to the law, or PRA or FCA Rules, or PRA, FCA or HMRC guidance at any time during the life of the Bond. These may be made without prior notice and the above two conditions may not apply.

We may make any other type of change to the Agreement immediately. We will tell you about these changes within 30 days if the change is important.

## Useful contacts

### Financial Ombudsman Service

Exchange Tower,  
London E14 9SR

t 0800 023 4 567  
e [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)  
w [financial-ombudsman.org.uk](http://financial-ombudsman.org.uk)

### Financial Services Compensation Scheme (FSCS)

10th Floor, Beaufort House,  
15 St Botolph Street, London EC3A 7QU

t 0800 678 1100  
w [fscs.org.uk](http://fscs.org.uk)





**onefamily**  
modern family finance

This document is available in large print, Braille or audio by phoning **0344 892 0920**. Lines open 9am to 7pm weekdays and 9am to 1pm Saturday. Calls may be monitored and recorded for training purposes. Calls to 0344 numbers are charged at local rate and will normally be part of any inclusive minutes provided with phone packages, even when calling from a mobile. The actual cost will depend on your provider's tariff. For more information please contact your provider.

## Contact us

 16-17 West Street, Brighton, BN1 2RL

 0344 8 920 920\*

 [onefamily.com/juniorbond](https://onefamily.com/juniorbond)

\*Open 9am to 7pm Monday to Friday, 9am to 1pm Saturday. Calls may be monitored and recorded for training purposes. Calls to 0344 numbers are charged at local rate and will normally be part of any inclusive minutes provided with phone packages, even when calling from a mobile. The actual cost will depend on your provider's tariff. For more information please contact your provider.

**The information we provide should help you to make an informed decision as OneFamily doesn't provide advice for this product. If you're not sure whether our Junior Bond is suitable for you or the child, it's worth speaking to an independent financial advisor (IFA). You can find one at [unbiased.co.uk](https://unbiased.co.uk)**

OneFamily is a trading name of Family Assurance Friendly Society Limited (incorporated under the Friendly Societies Act 1992, Reg. No. 939F) Registered in England & Wales at 16-17 West Street, Brighton, BN1 2RL, United Kingdom. Family Assurance Friendly Society Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

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All information in this document is correct as of May 2018.

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