

Purpose

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

Product

Children's Tax Exempt Plan (CTEP) - Post Office Insurance Society (POIS)

Ancient Order of Foresters Friendly Society Ltd, 29-33 Shirley Road, Southampton, SO15 3EW. Telephone 0800 783 4162. Email memberservices@forestersfriendlysociety.co.uk. Website www.forestersfriendlysociety.co.uk. Authorised by the PRA and regulated by the FCA and PRA (Reg no110029), KID version 1, 01/01/2018.

You are about to purchase a product that is not simple and may be difficult to understand.

What is this product?

Type This is a tax free savings plan for a child with contributions of £25 per month payable for a term selected at commencement. Contributions can be paid by direct debit or employees of Royal Mail and certain employers that allow it can pay contributions weekly or monthly through deductions from pay. The selected term can vary from 10 to 25 years but must not end before the child's 16th birthday. All contributions should be seen as a gift to the child and cannot be returned to the person who paid them. The figures in this document are for a selected term of 18 years.


Objectives Contributions purchase units in the POIS Flexible Growth Fund which invests mainly in stocks and shares. At the end of the selected term the units will be cashed and their value will be paid to the child. This value will be free of tax provided that contributions have been paid for at least 10 years.

Intended retail investor Anyone can take out a CTEP on behalf of a child. The child must be a UK resident under age 16 and not holding any other Friendly Society Tax Exempt Savings Plans. The investor must be able to afford the regular monthly contribution of £25 for the selected term for the child and able to take the risk of losing all or some of the contributions paid.

Insurance benefits Should the child die the CTEP includes free life cover so long as contributions are being paid. If the child is under ten the life cover will equal the contributions paid. From age ten the life cover will equal 75% of the contributions due to be paid over the selected term. In both cases the value of the units will be paid if this is greater. Should the person paying the contributions die someone else can take on the responsibility of paying the remaining contributions.

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

Risk Indicator

1	2	3	4	5	6	7
Lower risk			Higher risk			
 <p>The risk indicator assumes you keep the product for the selected term of 18 years. The actual risk may vary significantly if you cash in at an early stage and you may get back less.</p> <p>The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you. We have classified this product as 5 out of 7, which is a medium-high risk class. This rates the potential losses from future performance at a medium-high level, and poor market conditions will likely impact the capacity to pay you. This product does not include any protection from future market performance so you could lose some or all of your investment.</p> <p>If we are not able to pay you what is owed, you could lose your entire investment. However, you may benefit from a consumer protection scheme (see the section "what happens if we are unable to pay you"). The indicator shown above does not consider this protection.</p>						

Performance Scenarios

Investment £1,000pa
Insurance premium £0pa

1 year

9 years

18 years

Recommended holding period

Survival Scenarios

Stress Scenario	What you might get back after costs	£593	£8,020	£15,500
	Average return each year	-64.81%	-2.55%	-1.64%
Unfavourable Scenario	What you might get back after costs	£602	£10,700	£30,400
	Average return each year	-63.66%	3.80%	5.52%
Moderate Scenario	What you might get back after costs	£648	£12,300	£37,900
	Average return each year	-57.42%	6.85%	7.71%
Favourable Scenario	What you might get back after costs	£698	£14,300	£48,000
	Average return each year	-50.33%	10.05%	10.00%
Accumulated invested amount		£1,000	£9,000	£18,000

Death Scenario (assumes the child is aged 10 or older)

What your beneficiaries might get back after costs	£13,500	£13,500	£37,900
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This table shows the money you could get back over the next 18 years, under different scenarios, assuming that you invest £1,000 per year. The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products. The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies, and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the product. The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where we are not able to pay you. The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

What happens if Foresters Friendly Society is unable to pay out?

The Financial Services Compensation Scheme (FSCS) covers this plan. You may qualify for compensation from the scheme if we are unable to meet our obligations. You can get further information from us or from the FSCS (www.fscs.org.uk).

What are the costs?

Costs over time

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs. The amounts shown here are the cumulative costs of the product itself, for three different holding periods. They include potential early exit penalties. The figures assume you invest £1,000 each year. The figures are estimates and may change in the future.

Table 1 Cost over time

The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs, and show you the impact that all costs will have on your investment over time.

Investment £1,000pa Scenarios	If you cash in after 1 year	If you cash in after 9 years	If you cash in after 18 years (at the recommended holding period)
Total costs	£406	£2,220	£12,100
Impact on return (RIY) per year	67.82%	3.54%	2.68%

Composition of Costs

Table 2 Composition of costs

This table shows:

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

This table shows the impact on return per year			
One-off costs	Entry costs	0%	The impact of the costs you pay when entering your investment.
	Exit costs	0%	The impact of the costs of exiting your investment when it matures.
Ongoing costs	Portfolio transaction costs	0.13%	The impact of the costs of us buying and selling underlying investments for the product.
	Other ongoing costs	2.55%	The impact of the costs that we take each year for managing your investments.
Incidental costs	Performance fees	n/a	The impact of the performance fee.
	Carried interests	n/a	The impact of the carried interests.

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

Recommended holding period: The selected term (18 years)

If the plan is cashed in before the 10th anniversary a charge is deducted from the value of the units. This charge is £125 before the first anniversary and reduces by £25 at each anniversary until it is £25. If monthly payments cease in the first year the plan will be closed and the value of the units less the £125 charge, if any, will be paid to the child. If monthly payments cease after the first year the plan remains invested but the life cover ceases. The monthly administration charge of £1.50 will continue to be deducted and if the the value of the plan falls to £0 the plan will be closed.

How can I complain?

If you wish to complain about this product or the service you have received please contact Foresters Friendly Society on the details given in this document. If the complaint is not dealt with to your satisfaction you may contact the Financial Ombudsman Service at Exchange Tower, Harbour Exchange Square, London E14 9SR. Telephone 0800 023 4567. Email complaint.info@financial-ombudsman.org.uk. Website www.financial-ombudsman.org.uk.

Other relevant information

We provide you with a brochure that includes a section headed important information which we strongly advise you to read. This document together with this KID are available on our website the address for which is included in this document.

