

The Oddfellows  
**Stocks & Shares**  
Flexible ISA

**keyfacts**®



**Key Features and Terms & Conditions**

## What is the purpose of this document?

The Financial Conduct Authority is the independent financial services regulator. It requires us to give you this important information to help you decide whether our Stocks and Shares Flexible 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.

## Key Features

Our Stocks & Shares Flexible Individual Savings Account (ISA) provides you with an easy to access, flexible, tax-efficient way of saving/investing your money.

Your contribution will be invested in our ISA All-Share Tracker Fund, the investment objective of which is to track the capital performance of the FTSE All-Share Index. The proceeds of the investment will be free from Income and Capital Gains taxes under current H.M. Revenue and Customs ISA regulations.

### Its aims are:

- To provide an easily accessible tax efficient method of investing your money;
- To provide the flexibility of making withdrawals without losing any tax free allowance; and
- To maximise long term capital growth by investing in stocks and shares.

### Your commitment is:

- To open a Stocks & Shares Flexible ISA by making an initial investment of £250, with the maximum investment in the 2017/2018 tax year being £20,000; or
- To make regular contributions of at least £25 per month by Direct Debit. You may stop these payments at any time.

### You need to understand the risks:

- The value of your investment is likely to fluctuate and the proceeds will depend on the investment performance of the Fund, which cannot be predicted.
- The value of the money invested can go down as well as up. Growth cannot be guaranteed, and you may receive back less than the value of the contributions paid in and the amount illustrated at outset.
- You should bear in mind that over the mid to long term (5 – 10 years and over), inflation is likely to erode the purchasing power of your investment.
- The Government could change the tax rules for ISAs at any time.





## Important Information

This Stocks & Shares Flexible ISA is being sold on a non-advised basis, no advice given or sought (self sold). Whilst we can provide you with factual information, we cannot advise you what to do. Should you be under any doubt as to whether this product is suitable for you we recommend that you seek the advice of an Independent Financial Advisor (IFA). If you do not have a financial advisor you can find details of a local financial advisor by telephoning IFA Promotion on 020 7833 3131 or via [www.unbiased.co.uk](http://www.unbiased.co.uk) Using the services of a financial advisor may incur charges, please confirm this with the individual financial advisor.

## Questions and answers

### Q.1 What is an ISA?

An ISA is an Individual Savings Account which allows investments to grow tax-free.

The ISA allows for tax free investments to be made, subject to qualifying conditions laid down by HMRC regulations.

There are two types of ISA:

- **Stocks & Shares ISA** – you do not pay tax on any income or Capital Gains you have made on your investments.
- **Cash ISA** – you do not pay tax on savings account interest.

We only offer a Stocks & Shares ISA with a small amount of Life Assurance built in.

### Q.2 Who can open an ISA?

An ISA can only be opened by:

- ✓ someone who is aged 18 or over, and
- ✓ is resident in the UK, or a Crown employee (or their spouse/civil partner) working overseas.

You cannot hold an ISA with, or on behalf of, someone else.

### Q.3 How does an ISA work?

If you complete an annual tax return, you do not need to declare any ISA investment or profits on it.

You can put money into one Cash ISA and one Stocks & Shares ISA In each tax year. A tax year runs from 6th April in any calendar year to 5th April of the following year.

For 2017/18, you can save up to £20,000 in one type of ISA, or split the allowance across both types.

**Example:** You can save £10,000 in a Stocks & Shares ISA and £10,000 in a Cash ISA in a tax year.

Your ISA does not close when the tax year ends. Your savings will retain their tax-free basis for as long as you keep them within your ISA.

The Flexible ISA also takes advantage of current HMRC regulations allowing you to withdraw funds without losing any of your tax free allowance, for the current tax year.

#### **Q.4 What does 'flexibility' actually mean?**

Flexibility provides you with the facility to take money out of your ISA at any point, subject to the criteria detailed in section 14 of the Terms & Conditions, and re-invest it in the same tax year (by 5 April), without it reducing your current year's tax free allowance.

The following example helps to explain flexibility in practice:

You have £40,000 in your ISA which is made up of £35,000 from previous years investments and £5,000 from money deposited in the current tax year, allowing for a further investment of up to £15,000 using the current year's allowance. Flexibility means you could withdraw £10,000, which would then enable you to invest a further £25,000 in this tax year: the £10,000 you took out, plus the remaining £15,000 allowance.

#### **Q.5 How much can be invested?**

The most that can be paid into the Account is £20,000 (current limit as at 6 April 2017) in each tax year. It is anticipated that HMRC may increase this limit in future tax years.

Contributions can be made in a number of ways;

- regular monthly payments by direct debit or standing order
- payments by cheque - made payable to 'The Oddfellows' with your name and ISA number on the back
- payments by direct money transfer – ensuring your ISA number is quoted in the transfer

The minimum additional contribution is £25, and contributions can be stopped or changed at any time without penalty.



## Q.6 Where is the money invested?

The money is invested in the Oddfellows ISA All-Share Tracker Fund. The investment objective of this Fund is to track the capital performance of the FTSE All-Share Index. As the Fund's investments are spread across a wide range of companies the risk of it being affected by a single underperforming company or sector is reduced.

The contributions you pay are used to purchase units in the Fund (refer to sections '1. Definitions' and '18. Unit Prices' within the Terms & Conditions).

The investment performance of the Oddfellows ISA All-Share Tracker Fund will determine the value of your ISA.

## Q.7 What might I get back?

The illustrations below give a guide to how much your investment could be worth in the years ahead in accordance with requirements set by the Financial Conduct Authority (FCA) for illustration purposes. What you will receive depends on how much is invested, the actual rate at which the investment grows and the tax treatment of the investment.

### A. Regular monthly payments

Assuming that £50 per month is invested for 20 years, the table below shows how much your investment would be worth, after charges, if it grows each year by:

2%	5%	8%
£13,200	£18,100	£25,300

### B. Lump sum investment payments

Assuming that a single payment of £5,000 is invested for 20 years, the table below shows how much your investment would be worth, after charges, (see Q8 and section 17 of the Terms & Conditions) if it grows each year by:

2%	5%	8%
£6,080	£10,800	£19,000

Please note that for both illustrations:

These figures are only examples and are not guaranteed. What you will get back depends on how your investment grows and the tax treatment of the investment. You could get back more or less than the figures quoted.

Do not forget that inflation will reduce what you can buy with the proceeds of your ISA in the future.

## Q.8 What are the charges?

We will take a management charge equivalent to 1% per annum of the fund. A proportion of this charge is deducted weekly from the value of the Fund; it is the only charge made by us on the ISA.

**For example**, if the value of the Fund was £1,000 throughout the year, we would deduct £10 in charges for that year.

Other charges may apply as outlined in section 17 of the Terms & Conditions.

### A. Regular monthly payments

The effect of these charges on your monthly payment of £50, assuming an average rate of growth of 5% per year, is set out below:

At end of year	Investments to date	Effect of deductions to date	What the value of the ISA might be
1	£600	£4	£612
2	£1,200	£23	£1,240
3	£1,800	£32	£1,910
4	£2,400	£56	£2,600
5	£3,000	£95	£3,310
10	£6,000	£410	£7,340
15	£9,000	£1,095	£12,200
20	£12,000	£2,273	£18,100

The last line in the table shows that over 20 years the total charges could amount to £2,273.

Putting it another way, this would have the effect of bringing investment growth from 5% a year down to 3.92% a year.

### B. Lump sum investment payments

The effect of these charges on your lump sum of £5,000, assuming an average rate of growth of 5% per year, is set out below:

At end of year	Investments to date	Effect of deductions to date	What the value of the ISA might be
1	£5,000	£60	£5,190
2	£5,000	£113	£5,400
3	£5,000	£178	£5,610
4	£5,000	£238	£5,840
5	£5,000	£311	£6,070
10	£5,000	£774	£7,370
15	£5,000	£1,445	£8,950
20	£5,000	£2,466	£10,800

The last line in the table shows that over 20 years the total charges could amount to £2,466.

Putting it another way, this would have the effect of bringing investment growth from 5% a year down to 3.92% a year.

**Q9 How do I keep track of the investment?**

We will issue a statement annually which will show the value of your ISA.

You can also contact us at any time to ask for a valuation.

**Q.10 Can I make withdrawals from my account?**

You can make any number of withdrawals from your Flexible ISA at any time without losing any tax benefits. See section 14 of the Terms & Conditions.

The Flexible ISA allows you to make withdrawals from current and previous year's subscriptions and pay them back in (within that tax year) without it counting towards your current year's ISA allowance.

If you withdraw funds in one subscription year and reinvest them in a subsequent subscription year, they will count towards that year's allowance.

**Q.11 Can I transfer my ISA?**

Yes, you can transfer an ISA you hold with another organisation to us by completing our Transfer Application Form.

When we receive your application form we will contact the other provider once any cancellation period has expired.

On receipt of your written request your investment in our ISA can be transferred to another ISA provider.



### **Q.12 What is the tax situation?**

All investment growth generated by ISA investments is exempt from income tax and capital gains tax for UK residents. The proceeds of the ISA will be tax free as long as you are resident in the UK.

Your Personal Savings Allowance (PSA) of £1,000 for basic rate tax payers, and £500 for higher-rate tax payers is not affected by subscriptions to your Account, and is available to you on-top of your ISA allowance for non-ISA savings.

Taxes and legislation may change in the future. The information given here is based on our understanding of the current situation at the date of publication. If you have any queries or concerns about your personal tax position we recommend you consult your local tax office or an IFA.

### **Q.13 What if I move abroad?**

If you open an ISA in the UK and then move abroad, you cannot pay any more money into it after you move unless you are a Crown employee (or their spouse/civil partner) working overseas.

However, you may keep your ISA open, and you will still be entitled to UK tax relief on any monies held within it.

You can continue making contributions to your ISA once you return to the UK as a resident.



#### **Q.14 What happens to my ISA if I die?**

Your ISA ceases on the date of your death. The amount that can be claimed will be calculated as 101% of the value of units held within your Account using the unit price at the date of death. (Refer to section '18. Unit Prices' of the Terms & Conditions)

There will be no Income Tax or Capital Gains tax to be paid to that date, but the value of your ISA will form part of your estate for the purposes of Inheritance Tax.

#### **Q.15 What happens if my spouse or civil partner dies?**

If your spouse or civil partner dies, you can inherit their ISA and retain its tax benefits.

This means that as well as your normal ISA allowance, you can add a tax free amount up to the value your spouse or civil partner held in their ISA when they died.

**Example:** if your partner had £50,000 in ISA savings when they died, your ISA allowance for the year would be £70,000 (the value of your partner's savings plus your own ISA allowance for 2017/18 tax year, which stands at £20,000).

Contact the ISA provider of your spouse or civil partner for details.

#### **Q.16 Can I change my mind?**

Following receipt of your application you will be given 30 days in which to change your mind, at which point a full refund of any contributions paid will be refunded. After 30 days have lapsed your cancellation rights will expire. Please refer to section 7 of the Terms & Conditions.

#### **Q.17 What if I am unhappy with the service?**

If you wish to complain about any aspect of the service you have received, please contact the Compliance & Risk Officer, The Oddfellows, Oddfellows House, 184-186 Deansgate, Manchester, M3 3WB.

If your complaint is not dealt with to your satisfaction, you can then complain to the Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London E14 9SR.  
Telephone: 0845 080 1800  
Web: [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

Making a complaint will not prejudice your right to take legal proceedings.

#### **Q.18 Are my investments protected?**

We are covered by the Financial Services Compensation Scheme. If we cannot meet our obligations you may be entitled to compensation under the scheme. The compensation limits are 100% of the first £50,000 – with the maximum compensation being £50,000. Further information on the scheme can be obtained from the Financial Services Compensation Scheme. Tel: 0800 678 1100 [www.fscs.org.uk](http://www.fscs.org.uk).

## Terms & Conditions of the Stocks and Shares Flexible ISA

These Terms, together with the Application Form, form a legal agreement between you and us which sets out how the ISA will be operated.

### 1. Definitions

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

**Accounts or ISA** – an Oddfellows Flexible Individual Savings Account governed by these Terms and which is a Stocks and Shares ISA.

**Account investments** – shares, units and any other investments held in the ISA Account.

**Account Manager or Oddfellows** – The Independent Order of Oddfellows Manchester Unity Friendly Society Limited.

**Application Form** – an Oddfellows Flexible ISA Application form or Transfer Application form.

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

**Business day** – any day when the London Stock Exchange is open for business.

**FCA** – Financial Conduct Authority.

**Fund** – Oddfellows ISA All-share Tracker Fund.

**ISA** – an Individual Savings Account managed under the Regulations.

**Nominee** – a person or entity who is appointed by another (the Nominator) to act on its behalf in a limited capacity or in a specific matter in accordance with any legal or regulatory requirements.

**Price** – the price of a unit in a Fund. This is the price determined on a valuation day.

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

**Society** – The Independent Order of Oddfellows Manchester Unity Friendly Society Limited.

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

**Terms** – these Terms & Conditions (as amended from time to time).

**Unit** – a proportion of a relevant Oddfellows Fund, as determined by Oddfellows.

**Valuation day** - any day on which the price of units in a Fund is calculated. Normally each working Monday.

**We, us and our** – The Independent Order of Oddfellows Manchester Unity Friendly Society 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** – an individual who has opened the Account under these Terms.

These Terms will be governed by and construed in accordance with the law of England and Wales. 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)** The Society agrees to act as Account Manager for your Account. We do not review the Account portfolio and we do not give advice about your Account. We are regulated by the FCA in the conduct of our investment business.
- b)** Our address is The Oddfellows, Oddfellows House, 184-186 Deansgate, Manchester, M3 3WB.
- c)** We may appoint any person to advise on or perform any of its functions or responsibilities under these Terms and may provide information about you and the 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.
- d)** We may amend these Terms by writing to you. Any amendments will comply with the Regulations and the rules of both HMRC and the FCA.

## **3. Application to Open an Account**

- a)** An application to open an Account must be made in writing on an Application Form. Subject to the Regulations, the Account will be managed in accordance with your directions set out in your Application Form.
- b)** These Terms will come into force when your Application Form is accepted by us, and your first investment is made. On acceptance, each new Account will be designated by us as a Stocks & Shares ISA. You can only subscribe to one Stocks & Shares ISA per tax year.
- c)** We reserve the right to reject any application.
- d)** Payments into the Account can be from any source of funds.
- e)** You may invest one or more lump sums in the Account during the Tax Year. In addition, or alternatively, you may make regular contributions by Direct Debit, Standing Order, cheque, direct money transfer, debit/credit card, or any other payment method as agreed with our offices. You must submit with your Application Form a cheque for the full amount of the initial subscription (in the case of a lump sum investment) and/or a Direct Debit Instruction to a Bank or Building Society (in the case of regular contributions).
- f)** You will be sent an acknowledgement when you make a lump sum contribution or set up a monthly contribution.

## **4. Minimum Subscriptions**

### **a) Lump Sums**

The minimum initial investment is as specified in the Application Form. Additional lump sum contributions are subject to a minimum of £25.

### **b) Monthly Contributions**

The minimum monthly contribution is £25. Monthly Direct Debits will normally be collected on the first of each month and invested by us in the relevant fund at the price on the valuation day following receipt of the money. If the first of the month is not a business day the payment will be collected on the next business day.

If new Direct Debit instructions are received before the last 10 business days of the month, the first monthly payment will be collected by Direct Debit on the first of the following month, otherwise it will be collected on the first of the month after next.

## 5. Maximum Subscription

The maximum you can subscribe to the Stocks & Shares Flexible ISA for the tax year 2017/2018 is £20,000.

If we receive a payment which takes the account over this limit within 14 calendar days of the end of the tax year, we will not invest the payment or the part of that payment that exceeds the limit. Instead, it will be held and invested as soon as the new tax year starts. At any other time, we will reject any payment or part of that payment that exceeds the limit and return it.

## 6. Discontinuity in payments

Under current HMRC ISA regulations, if you do not subscribe to your ISA for a whole tax year or longer, you will be required to complete an application to recommence subscriptions.

## 7. Cancellation

You have the right to cancel your application within 30 days of acknowledgement of receipt of your application form.

If you exercise your right to cancel, any contributions you have sent to us will be sent back to you.

If we do not hear from you within the 30 day cancellation period your cancellation rights will expire. Under these circumstances the ISA will remain open.

Any additional contributions paid into the ISA after the cancellation period has expired will have no cancellation rights.

## 8. Investment Strategy

Accounts will be invested in the Fund which has exposure to a diversified range of investment stocks and shares.

## 9. Account Investments

- a)** The Account will hold an Oddfellows life policy, which invests in one or more of the Oddfellows unit-linked life funds.
- b)** The Account includes investments and any cash balances, all income and other rights, and the benefit of any tax relief in respect of such investments.
- c)** Subject to any cancellation period, money received will be invested on the valuation date following the receipt and no interest will be paid on cash held pending investment. We do not accept liability for default by any bank which holds cash for the ISA account.
- d)** We will automatically reinvest all income in respect of Account investments net of any tax liability.

## 10. Title

- a)** The Account Investments shall be, and remain in the beneficial ownership of the Account Holder, and the Account Holder will be a member of the Society.
- b)** No share certificate will be issued. We (or a nominee) will hold any title documents or documents evidencing title to the Account Investments.
- c)** 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.

## **11. Taxation**

We will make all necessary claims for tax relief relating to the Account.

Your Personal Savings Allowance (PSA) of £1,000 for basic rate tax payers, and £500 for higher-rate tax payers is not affected by subscriptions to your Account, and is available to you on-top of your ISA allowance for non-ISA savings.

The tax situation may change in the future.

## **12. Statements**

We will send you a statement before the end of each tax year, showing the value of the Account and details of all transactions in the Account since the previous statement.

## **13. Benefits**

Death – on the death of an Account Holder the Account will pay 101% of the 'Bid' value of units held within the Account using the unit price at the date of death.

## **14. Withdrawals**

- a)** Upon your instruction, and subject to the Conditions set out in section '18. Unit Prices', all or part of the investments held in the ISA and proceeds arising from those investments shall be paid to you.
- b)** You may withdraw some or all of your money at any time. Partial withdrawals of at least £250 can be made subject to a minimum balance of £250 remaining within the Account.
- c)** Withdrawals will be met by selling investments at the next Valuation Day following receipt of all necessary information we require to proceed with the withdrawal.
- d)** Withdrawals from your Account will be processed by way of deduction of units calculated as the value of the units on the Valuation Day after we receive all the necessary information to proceed with the withdrawal.
- e)** Partial withdrawals will not affect your annual tax free allowance, subject to the amount withdrawn being reinvested in the same tax year.

## **15. Transfer in from another provider**

- a)** You may transfer an ISA held with another provider to us.
- b)** Upon receipt of a completed Transfer Form, you will have 30 days in which to cancel the transfer. After this period has expired, the transfer will be processed.

## **16. Transfer out to another Provider**

Upon your instruction and within the time stipulated by you, the ISA, or part of the ISA, shall be transferred to another ISA manager in accordance with the ISA regulations relating to transfers. The Account investments will be sold and the proceeds transferred together with all rights and obligations free of charge (except charges such as stamp duty and other dealing costs connected with the disposal or acquisition of investments) to the new provider.

## 17. Charges

Charges for the Account management will be made up to a maximum of 1% per year. The following charges and expenses may be deducted in full from the Account and are not subject to and do not count towards the maximum charge above:

- a)** any stamp duty, stamp duty reserve tax or other charges incurred directly or indirectly in the sale or purchase of investments held under the Account;
- b)** any charges or expenses incurred directly or indirectly in complying with an order of the court or any other requirements imposed by law.

## 18. Unit Prices

- a)** The price of units in the Fund is calculated on a valuation day. Unit prices can be obtained by telephoning us on 0151 724 7130.
- b)** We will buy or sell units for you using the price applying on the valuation day (using the price after valuation has taken place on that day) immediately following receipt of a contribution. Units are single priced i.e. the price at which units are bought or sold is the same.
- c)** The number of units allocated to your account will be calculated by dividing the contribution by the appropriate unit price.
- d)** The price of units at any time reflects the Fund Management charge of up to 1% pa.

## 19. Void Accounts

- a)** The Account will be managed in accordance with the Regulations, which take precedence over these Terms.
- b)** We will notify you if, as a result of any failure to comply with the Regulations, the Account is or becomes void.
- c)** 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. Should this withdrawal result in any tax becoming payable, it will be for you to account for such tax to HM Revenue and Customs.

## 20. Notices and Instructions

- a)** Notices and instructions to us should be in writing and signed by you.
- b)** Notices and other documents will be posted to you at the last registered address and will be considered received two days after posting.
- c)** You must inform us promptly if you change your home address.
- d)** 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 person is an employee or agent of the Account Manager.

## 21. 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 the FCA or of these Terms.
- b)** We are liable for our negligence, knowing default, and for any breach of the rules of the 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 section 22, references to you include your personal representatives and references to the Account Manager including its nominees.
- e)** You agree to indemnify us against any liability we may incur in connection with the Account arising from any action you take or fail to take.

## **22. Data Protection**

- a)** The information you provide us will be held by the Society.
- b)** It will be used for setting up and administering your Account. This may include use of credit reference agencies used to establish your identity in accordance with anti-money laundering rules.
- c)** We may be required by law to disclose information regarding you or your account to the regulatory authorities.
- d)** We will not share your information with other third parties for marketing purposes.
- e)** We may contact you in the future by post, e-mail or telephone regarding your account. Please notify us if you do not wish to be contacted.

## **23. Law**

In legal disputes, the law of England and Wales will apply.

## **24. Language**

The contractual terms and conditions and all communications in relation to the Account will be supplied in English.



## General information

Should you require any additional information please contact our Insurance Department at the following:

**Phone** 0151 724 7130

**Fax** 0151 724 1971

(9am to 5pm Monday to Friday)

**Post** Insurance Department, The Oddfellows, 30 Mather Avenue,  
Liverpool L18 5HT

**Email** [isa@oddfellows.co.uk](mailto:isa@oddfellows.co.uk)

**Web** [www.oddfellows.co.uk](http://www.oddfellows.co.uk)

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