Key Information Document - Junior Individual Savings Accounts

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

The 'Junior ISA' is manufactured by Metropolitan Police Friendly Society Limited (MPFS). Visit www.mpfs.org.uk or call 01689 891454 for more information. The Financial Conduct Authority (FCA) is the competent authority. This KID was produced on 30 September 2024. **You are about to purchase a product that is not simple and may be difficult to understand.**

What is this product?

Type	Junior Stocks and Shares Individual Savings Account (Junior ISA)
Objectives	The Junior ISA's objectives are: • To grow the value of investments over time • To shield the growth from income and capital gains taxes • To allow for flexible savings and encashment on or after the child's 18th birthday The premium is invested in our With-Profits fund which is made up of equities, commercial property, bonds and cash. At the end of each calendar year, we normally add a bonus to all the investments and send a bonus notice to the registered contact. Once added, bonuses are permanent additions to the investment with us. Provided the investment remains over the medium to long term, we normally add a final bonus when it is cashed in. A key factor in determining bonuses is the investment return on the With-Profits fund in recent years.
Intended retail investor	Individual investors who have parental responsibility for a child who is under 16, or who are themselves aged 16 or 17, and where: • If a premium is paid in any month it will be at least £30 • The child is resident in UK for tax purposes and is the close relative of someone who is working, or has worked, for the UK police service • The child does not have another Stocks and Shares Junior ISA nor a Child Trust Fund, unless these are transferred to us • Total contributions will not exceed the Junior ISA maximum limit on contributions
Insurance benefits	On death or terminal illness this plan will cease and the current value of the plan will be paid to the child's estate. The value of the benefits is shown in the section entitled "What are the risks and what could I get in return."
Term	The ISA has a minimum term to the child's 18th birthday and you can then leave it invested for as long as you wish.

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

Risk Indicator

1 2 3 **4** 5 6 7

Lower risk ← → Higher risk

The risk indicator assumes you keep the product for 10 years.

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 4 out of 7, which is a medium risk class. This rates the potential losses from future performance at a medium level, and poor market conditions could 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. If MPFS is 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 MPFS is unable to pay out?'). The indicator shown above does not consider this protection.

Investment performance information

Your investment is in our With-Profits Fund, which primarily invests in a mixture of equities, bonds, commercial property, commodities, and cash. The return on your policy will depend on the investment performance of these assets less any charges.

Approximately half of the fund's assets are invested in a "multi-asset" fund with a broad range of equities, bonds, commodities, and other financial assets, approximately a third in corporate bond funds, and the remainder in four different commercial property funds and cash. By spreading our investments, the Society is not solely dependent on one market, fund manager or asset type and aims to produce more stable returns.

The Society increases the value of your policy by way of an annual bonus declared each year and final bonuses that may be added when you cash in your policy. These bonuses will reflect the way in which the with-profits fund has performed throughout the period of investment. In addition to the returns on the investments held within the fund, any bonuses will depend on other factors such as the profits and losses on the Non-Profit business written.

The Society aims to avoid large changes in the amounts paid on comparable plans from year to year. This is known as "smoothing" and is designed to protect investors from some of the sudden movements in the stock-market. However, 'smoothing' cannot fully protect customers when investment conditions decline significantly or over long periods.

What could affect my return positively?

Your return could be boosted through better performance of investment assets held generating a greater investment return. The greatest impact will be if the "multi-asset" fund held by the With-Profits fund performs particularly well. This could be because investment markets as a whole perform well, or the individual assets selected by the fund managers perform better than the market.

Similarly, the return from the bonds held by the fund could perform well because of a fall in UK or global interest rates, or periods of low inflation, or good credit worthiness of the governments and companies issuing the bonds held within the fund.

If our non-profit business or the Society's inherited estate performs well, this profit may be passed across to the with profits policyholders and could also boost your return. Additional promotional or other bonuses may be added to the value of your investment and enhance your returns at the discretion of the Society.

What could affect my return negatively?

Your return could be negatively affected if the investment assets held by the With-Profits fund perform poorly. This could be that the stock markets give a poor return, or if the assets selected by the fund managers perform more poorly than the investment market as a whole.

Your return may also be impacted by charges you pay for the servicing and administration costs of your plan (see "What are the costs?").

If MPFS experiences losses on its Non-Profit business or the Society's inherited estate, then these losses could also be passed to with profits customers, reducing the return.

The exact amount you will get back will depend on how the fund performs during the period you hold the plan. If you make a withdrawal during first 3 years of your policy or during adverse or severe adverse market conditions, you are likely to get back less than you have invested.

What happens if MPFS is unable to pay out?

We're covered by the Financial Services Compensation Scheme (FSCS). If we can't meet our obligations, you may be entitled to compensation from the Scheme.

This is a long term insurance product, so this means you're entitled to receive 100% of the whole of the claim. The service is free to consumers.

Further information is available from the FSCS: 10th Floor, Beaufort House, 15 St Botolph Street, London EC3A 7QU, 0800 678 1100 (opening hours are: Monday to Friday – 9.00am to 5.00pm), www.fscs.org.uk

What are the costs?

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 £10,000. The figures are estimates based on the Moderate scenario and may change in the future.

Costs 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.

These costs are not fixed and may vary depending on the performance of the underlying fund.

Investment: £10,000 **If you cash in after…**	**1 year**	**5 years**	**10 years**
Total Costs (£)	490	1,390	2,587
Impact on return (RIY) per year (%)	8.95%	2.81%	2.15%

Composition of costs

The table below 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;
- the meaning of the different cost categories.

This table shows the impact on return per year			
One – off costs	Entry costs	0.61%	The impact of the costs you pay when entering your investment. This is the most you will pay and you could pay less. This includes the costs of distribution of your product.
	Exit costs	0.00%	The impact of the costs of exiting your investment when it matures.
Ongoing costs	Portfolio transaction costs	0.15%	The impact of the costs of us buying and selling underlying investments for the product.
	Other ongoing costs	1.39%	The impact of the costs that we take each year for managing your investments. This includes the cost of death benefits.
Incidental costs	Performance fees	0.00%	This product does not charge any performance fees.
	Carried interests	0.00%	This product does not charge any carried interest.

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

Recommended holding period: 10 years

The plan runs until the child's 18th birthday, when it may be cashed in or left invested to grow. The plan can only be taken out for a child who is not yet 18. You should bear in mind that the plan is designed as a medium to long term investment (5 years or more). A 5% penalty is applied on transferring out within one year of opening the plan and a 3% penalty is applied on transferring out during the second year.

How can I complain?

Please call 01689 891 454 to talk to one of our team. Alternatively, you can send your complaint in writing to: MPFS, Central Court, Knoll Rise, Orpington, BR6 0JA or email: complaints@mpfs.org.uk

We will investigate your complaint and send you a written acknowledgement. We will give you a full response seeking to resolve your complaint within eight weeks, or we will indicate when we expect to do so. If you are then still unhappy with our response you may refer your complaint to the Financial Ombudsman Service, Exchange Tower, London, E14 9SR, telephone number 0800 023 4567 or by email complaint.info@financial-ombudsman.org.uk website: www.financial-ombudsman.org.uk

Other relevant information

On taking out this plan the child automatically becomes a member and is subject to our Rules which are available on our website. Further information is included in the product pages of our website. To find out more about our financial strength you can read our Solvency and Financial Condition Report (SFCR) on our website at www.mpfs.org.uk/sfcr. Remuneration: If our overall business targets are met, which could include some relating to the sale of these products, we may pay some of our employees a bonus. The total reward of an employee is the sum of an employee's salary, bonus, benefits and any other component. Employees do not receive any commission, fee or charge, in relation to any insurance distribution activities.