Key Information Document

Purpose

This document provides you with the 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 My Select life policy, is manufactured by Scottish Friendly Assurance Society Limited ('Scottish Friendly').
The investment option is the Lower fund manufactured by Scottish Friendly, and links to a range of Legal & General Index Trusts. Visit www.scottishfriendly.co.uk or call 0333 323 5433 for more information. Scottish Friendly is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Details can be found on the Financial Services Register – Registration No. 110002. This Key Information Document was produced on 29 September 2017.

What is this product?

Type	The product is a unitised whole of life assurance policy held within the Scottish Friendly ISA with a chosen investment option of the Lower insurance fund.
Objectives	My Select is a unit linked whole of life assurance policy that aims to help your investments to grow tax-efficiently. The chosen investment option of a Lower fund aims to achieve long-term growth from a mixed investment, which may include the UK and global stock markets, cash government and company bonds. It will focus on those assets with historically lower levels of risk and expected return, such as cash and bonds, to match the historic level of risk associated with investing in UK Government bonds. This does not mean that the fund will track or act like UK Government bonds, only that an investor could expect a similar level of risk from this fund should its historic performance be repeated. Tax treatment depends on individual circumstances and can change in the future.
Maturity	This product does not have a maturity date. The recommended holding period is at least 5 years. Scottish Friendly cannot unilaterally terminate this product.
Intended retail investor	This product is intended for investors who are prepared to take on a medium-low level of risk, from a mixed asset investment, in a medium to long-term arrangement.
Insurance benefit	The amount payable on death is 101% of the value of units held within the policy.

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

The risk indicator assumes you keep the product for 5 years. The actual risk can vary significantly if you cash in at an early stage and you may get back less.

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 3 out of 7, which is a medium-low risk class. This rates the potential losses from future performance at a medium level and poor market conditions are unlikely to impact our capacity to pay you.

The product does not include any protection from future market performance so you could lose some or all of your investment. 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 section 'What happens if we are unable to pay you'). The indicator shown above does not consider this protection.

Performance scenarios

Investment	£10,000	1 Year	3 Years	5 Years (Recommended holding period)
Survival scenarios				
Stress	**What you might get back after costs** Average return each year	**£7,576** -24.24%	**£7,941** -7.40%	**£7,462** -5.69%
Unfavourable	**What you might get back after costs** Average return each year	**£10,060** 0.60%	**£11,233** 3.95%	**£12,794** 5.05%
Moderate	**What you might get back after costs** Average return each year	**£10,787** 7.87%	**£12,675** 8.22%	**£14,942** 8.36%
Favourable	**What you might get back after costs** Average return each year	**£11,563** 15.63%	**£14,298** 12.66%	**£17,447** 11.77%
Death scenario				
Insured event	**What your beneficiaries might get back after costs**	**£10,895**	**£12,802**	**£15,091**

This table shows the money you could get back over the next 5 years, under different scenarios, assuming that you invest £10,000. 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. The figures do not take into account your personal tax situation, which may also affect how much you get back. Your maximum loss would be that you lose all of your investment.

What happens if Scottish Friendly is unable to pay out?

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

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 at outset. The figures are estimates and may change in the future.

Table 1: Costs over time

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

£10,000	If you cash in after 1 year	If you cash in after 3 years	If you cash in after 5 years (the recommended holding period)
Total costs	**£278**	**£819**	**£1,636**
Impact on return (RIY) per year	2.8%	2.3%	2.3%

Table 2: 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.

One-off costs	**Entry costs**	0.00%	The impact of the costs you pay when entering into your investment.
	Exit costs	£50.00	The impact of the costs of exiting your investment when it matures.
Ongoing costs	**Portfolio transaction costs**	0.60%	The impact of the costs of us buying and selling underlying investments for the product.
	Other ongoing costs	1.5%	The impact of the costs that we take each year for managing your investments.
Incidental costs	**Performance fees**	0.00%	We do not take a performance fee from your investment.
	Carried interests	0.00%	We do not take carried interests from your investment.

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

Recommended minimum holding period: 5 years

This product has no minimum required holding period. It is designed to provide potential growth on investments over the medium to long term, so you should expect to leave your money invested for at least 5 years. You have access to your money at all times but if you make a withdrawal within the first 5 years a £50 deduction applies.

How can I complain?

If you wish to complain about any aspect of the service you have received you can contact us at Scottish Friendly, Scottish Friendly House, 16 Blythswood Square, Glasgow G2 4HJ. Tel: 0333 323 5433.
www.scottishfriendly.co.uk/contact-us/email-enquiry

Other relevant information

Please note that the figures assume you invest £10,000 at outset, which is the required amount we are able to show based on the regulation for this product. As such this Key Information Document should be read in conjunction with the Product Guide and Terms & Conditions, which provides additional examples of what you could get back in the future based on a lower investment amount.

Other policy documentation relating to this product, including the Product Guide and Terms & Conditions are available at www.scottishfriendly.co.uk/isas/my-select-isa