

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 name of this product is With Profits Whole of Life. It is provided by Tees Mutual, which is the trading name of The Kensington Friendly Collecting Society Limited. Our website address, where you can find detailed information about us, is www.teesmutual.co.uk and our telephone number is 01642 850022. We are supervised by the Financial Conduct Authority in respect of the production and delivery of this Key Information Document. This KID was produced on 1st January 2018.

What is this product?

It is a With-Profits Whole of Life insurance policy which pays a guaranteed amount on your death and it includes the possibility of investment growth as well. You should aim to pay the premiums on this policy for the rest of your life.

The target customer for this product is people who want to receive a tax-free cash sum when they die which may be used for any purpose, as part of their estate, including paying part or all of the costs of a funeral. No death benefit is payable until 13 weeks contributions are paid. A quarter death benefit is payable after 13 weeks contributions, half death benefit after 26 weeks contributions and after 52 weeks the full insured death benefit is payable.

The objective of this Policy is to provide you with an agreed amount of life insurance cover for the whole of your life, with a share of the bonuses from the Society's members' fund. It invests your premiums in a pooled with-profits fund which is currently invested in a mix of fixed interest stocks, equities and cash. This spread of assets allows a cautious investment strategy to be pursued. The Society's Board, acting upon the Actuary's advice, decide annually how much of the achieved investment return should be distributed as bonuses to Policyholders.

The minimum premium payable is £1 per week. Investors should consider this Policy primarily for life insurance. If investment growth is your main objective this Policy may not be the most appropriate for you.

What are the risks and what could I get in return?
Summary Risk Indicator (SRI)


The Summary Risk Indicator assumes you keep the Plan for 20 years. The actual risk can vary significantly if you cash in at an early stage and you may get back less than you pay in.

The SRI is a guide to the level of risk of this product compared to other products and aims to show you how likely it is that the product will lose money because of the movement in investment markets or because we are not able to pay you.

We have classified this Plan as 3 out of 7 which is "medium low". You are entitled to receive back at least the initial sum insured upon death and having paid 12 months premiums. Annual bonuses if added cannot be taken away. However, these protections against future market performance will not apply in full if you cash in the Plan early or fail to make payments into the Plan on time. Any amount over this, and any additional return, depends on future market performance and is uncertain.

If we are not able to pay you what is owed you may lose some or all of your capital, but you may benefit from a consumer protection scheme (please see later section "What happens if Tees Mutual is unable to pay out?").

Performance scenarios

| Investment £1,000 Insurance premium £785 | | 1 Year | 10 Years | 20 years – Recommended Holding Period |
|--|-------------------------------------|----------|----------|---|
| Survival Scenarios | | | | |
| Stress | What might you get back after costs | £145 | £3,850 | £4,519 |
| | Average return each year | -99.56% | -20.70% | -19.46% |
| Unfavourable | What might you get back after costs | £116 | £6,619 | £20,496 |
| | Average return each year | -99.85% | -8.44% | 0.24% |
| Moderate | What might you get back after costs | £93 | £8,244 | £29,515 |
| | Average return each year | -99.95% | -3.88% | 3.72% |
| Favourable | What might you get back after costs | £65 | £10,351 | £42,177 |
| | Average return each year | -100.00% | 0.68% | 6.93% |
| Accumulated Investment amount | | £928 | £6,663 | £4,308 |
| Death Scenario | | | | |
| What your beneficiaries might get back after costs | | £7,138 | £15,241 | £29,253 |
| Accumulated Insurance Premium | | £785 | £7,850 | £15,692 |

This table shows the money you could get back over the next 20 years, under different scenarios, assuming that you invest £1000 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 investment/product. The stress scenario shows what you might get back in extreme market circumstances.

What happens if The Kensington Friendly Collecting Society Limited is unable to pay out?

We are covered by the Financial Services Compensation Scheme (FSCS) who you can contact at: Telephone 0800 678 1100. Further information is available on their website – www.fscs.org.uk

This product is categorised as a long - term investment and under the above compensation scheme that means you are covered for 100% of loss on this product through the FSCS should Tees Mutual default. The investments underlying this product are managed on behalf of Tees Mutual by a professional investment management firm LGT Vestra LLP, and they use nominees and custodians, in respect of investments purchased and held. The investment manager and their counterparties are not covered by a compensation scheme but were they to default, and this in turn caused Tees Mutual to default, then you would still be covered by the FSCS because your contract is with Tees Mutual.

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 £1,000 per year. The figures are estimates and may change in the future.

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.

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 £1,000 | If you cash in after... | | |
|----------------------------|-------------------------|-----------|---------------------------------------|
| | 1 Year | 10 Years | 20 years - Recommended Holding Period |
| Total costs | £888.84 | £5,292.13 | £18,911.35 |
| Impact on Return each year | -109.53% | -14.70% | -9.80% |

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.

| This table shows the impact on return each year | | | |
|---|-----------------------------|--------|--|
| One-off costs | Entry costs | -0.69% | The impact of the costs you pay when entering into your investment. |
| | Exit costs | 0.00% | The impact of the costs of exiting your investment when it matures. |
| Recurring costs | Portfolio transaction costs | 0.00% | The impact of the costs of us buying and selling underlying investments for the product. |
| | Other ongoing costs | -9.10% | The impact of the costs that we take each year for managing your investments. |
| Incidental costs | Performance/other costs | 0.00% | This product does not have any performance or other incidental fees. |

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

You should keep the Policy and pay the premiums until you die. You cannot take out money from the Policy whenever you want but the Policy pays out a 5 yearly cash amount. You can cancel the Policy early and receive any value built up. The full sum assured is only paid upon death. If you cancel the policy there is a likelihood you will get back less than you paid in.

How can I complain?

If you wish to make a complaint about us, or another person who sold or advised you on this product, then please contact either in writing, or by telephone or by e mail:
 The Chief Executive, Tees Mutual, 1 Kensington Road, Middlesbrough, TS5 6AL: telephone 01642 850022:
 E mail info@teesmutual.co.uk

Other relevant information?

If the policy is maintained until death, policies not exceeding £5.70 per week may qualify as a Tax Exempt Saving plan. The actual tax treatment depends on your individual circumstances and can change in the future.