

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, potential gains and losses of this product and to help you compare it with other products.

Product

The 'Ethical Child Trust Fund' is manufactured by Healthy Investment, which is the trading name of The Rechabite Friendly Society Limited. Visit www.healthyinvestment.co.uk or call 0161 762 5790 for more information. The Financial Conduct Authority (FCA) is the competent authority of Healthy Investment. This Key Information Document was produced on 8th December 2017.

What is this product?

Type

Ethical Child Trust Fund.

Objectives

To provide a method of saving for a child by investing government contributions and additional amounts in order to provide the child with a cash sum on their 18th birthday. Your contributions are invested into the Healthy Investment Ethical Fund. The fund invests in a range of assets such as stocks and shares, government bonds, corporate bonds and cash deposits in UK and overseas companies. The value of the policy fully reflects the investment return in the fund. The return on your investments is dependent on the performance of the fund as well as any expenses incurred by the society. Your investment return is added to your account in the form of an annual bonus which is determined in conjunction with the Actuary.

Intended retail investor

Individuals over 16 with parental responsibility for a child born between 1st September 2002 to 3rd January 2011. Note that you can no longer open a new CTF account – you can only transfer an existing CTF from another provider.

You do not have to make additional contributions, but you can do so as long as they are greater than £10 and, in total, do not exceed £1,200 in any subscription year (birthday to birthday).

Insurance benefits

If your child should die before they reach 18 years of age, then 101% of value of the account at the date of death will be paid to the child's estate.

The value of other benefits can be found below in the section 'What are the risks and what could I get in return?'

Further information

The maturity date of this product is the 18th birthday of the policyholder. Before this date, money cannot be withdrawn from the account.

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

Risk Indicator



The risk indicator assumes that you keep the product for 10 years and is a guide to the level of risk of this product compared to others. We have classified this product as 3 out of 7 which represents a low to medium level of risk. This rating shows how likely it is that you could lose money because of market movements affecting the value of your investment or in the event of business failure of the Society. There are no guarantees on the sum which will be paid to the policyholder on their 18th birthday. It is important to remember that they may receive less than what were paid in premiums. If Healthy Investment is not able to pay you what is owed, you could lose your entire investment.

Performance scenarios

This table shows the money you could get back over the next 10 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 but will not include any costs of your financial adviser.

Investment: £10,000 Insurance premium: £0		1 year	5 years	10 years
Stress scenario	What you might get back after costs (£)	£6,965	£6,490	£5,469
	Average return each year (%)	-30.35%	-8.28%	-5.86%
Unfavourable scenario	What you might get back after costs (£)	£9,242	£10,988	£14,531
	Average return each year (%)	-7.58%	1.90%	3.81%
Moderate scenario	What you might get back after costs (£)	£10,241	£13,815	£20,083
	Average return each year (%)	2.41%	6.68%	7.22%
Favourable scenario	What you might get back after costs (£)	£11,336	£17,351	£27,726
	Average return each year (%)	13.36%	11.65%	10.74%

What happens if Healthy Investment is unable to pay out?

If we are unable to pay you what you are owed under the terms and conditions of the investment, then you may be able to reclaim some of your investment through the Financial Services Compensation Scheme. There are no limitations or conditions attached to this scheme. There are no limitations or conditions attached to this scheme.

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 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.

Investment: £10,000 If you cash in after....	1 year	5 years	10 years
Total Costs (£)	£709	£1,908	£4,629
Impact on return (RIY) per year (%)	7.09%	2.80%	2.25%

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	0.560%	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	0.000%	The impact of the costs of cashing your investment when it matures.
Ongoing costs	Portfolio transaction costs	0.055%	The impact of the costs of us buying and selling underlying investments for the product.
	Insurance costs	0.000%	This product does not charge any insurance costs.
	Other ongoing costs	1.642%	The impact of the costs that we take each year for managing your investments.
Incidental costs	Performance fees	0.000%	This product does not charge any performance fees.
	Carried interests	0.000%	This product does not charge any carried interests.

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

The recommended minimum holding period is 10 years.

The recommended holding period has been selected to enable investors to benefit from long term growth whilst avoiding short term volatility.

You cannot take money out before the policyholder's 18th birthday, and on their 18th birthday they have full control of their account.

How can I complain?

To make a complaint about our product or conduct, please contact us.

Details of our complaints procedure are available on our website www.healthyinvestment.co.uk.

You can submit your complaint via post to Healthy Investment, 2 The Old Court House, Tenterden Street, Bury, BL9 0AL, or via email to enquiries@healthyinvestment.co.uk.

Other relevant information

Additional information about the product and policy conditions can be found in our Terms and Conditions for this policy. This is available on our website.

Healthy Investment is the trading name of the Rechabite Friendly Society Limited, an incorporated Society within the meaning of the Friendly Societies Act 1992. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Financial Services Register 109994

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