

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 'Guaranteed Anniversary Bonus Bond' 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 1 January 2023.

What is this product?

Type

With-profits Investment Bond.

Objectives

The Healthy Investment With-profits Investment Bond aims to increase the value of the money you invest through adding bonuses to your investment that reflects the performance of the investments in the Society's Ethical With-profits Fund. By choosing the With-profits Fund it enables you to invest in a mix of UK and global stocks and shares, government and corporate bonds, commercial property and cash deposits through a single fund. This With-profits investment aims to deliver a consistent return and even out some of the short term movement that could be experienced by investing directly in equities by smoothing the amount of bonuses added to your investment. On specific anniversary dates it guarantees that the minimum return will be the amount of your initial investment plus any bonuses that have been added to your investment, less any withdrawals you have made.

Intended retail investor

Individuals who already have some bank or building society savings and who are willing to take a low to medium risk in return for the possibility of higher returns and who are able to invest for the medium to long term.

The minimum is £500. The maximum investment is £250,000 in one name and £500,000 in joint names.

Insurance benefits and costs

On death, the higher of 101% of the amount you invested less any withdrawals or your fund value plus any terminal bonus is paid to your estate. You can nominate a beneficiary to receive up to £5,000 without having to wait for probate when you die. If you take out the bond jointly with someone else, they will become the sole owner of the bond, should you die.

Further information

This product does not have a maturity date and withdrawals can be made at any time.

If you cash in all or part of your policy within the first 5 years a surrender penalty will reduce the amount you receive.

On the 10th anniversary of your investment, and every 5th anniversary after that, your policy will be guaranteed free of a Market Value Reduction which means that you are guaranteed to receive your original investment plus regular bonuses already added, less any withdrawals you have made

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

Summary risk indicator



Description of the risk-reward profile

The summary 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.

A Market Value Reduction could be applied at the time of withdrawal to reflect poor investment performance.

The main factors likely to affect future returns

The performance of the investments within the Healthy Investment Ethical With-profits Fund i.e. the rise or fall in the value of equities, bonds and commercial property and the level of dividend they pay, our expenses that we charge for managing your Investment Bond, interest rates and the financial strength of the Society.

What are the most relevant benchmarks?

We monitor the performance of our With-profits Fund against a benchmark that includes a benchmark for each type of asset we hold based on how much of each type of asset we hold. The most relevant benchmarks are government bonds, corporate bonds and UK equities. We aim to give you a higher return than a bank or building society deposit account, although this is not guaranteed and the features, benefits and risks are different than a cash deposit.

What could affect my return positively?

If investment values rise more than expected, you will receive a higher return through higher reversionary and terminal bonuses.

What could affect my return negatively?

If you withdraw from your Bond within the first five years an early surrender penalty will be applied which will reduce the amount you receive back. If investment values rise less than expected or fall, you will receive a lower return through lower reversionary and terminal bonuses. This might be less than what you would receive in a bank or building society account. We might apply a Market Value Reduction when you withdraw from your Bond if investment values have fallen lower than the amount we can smooth the investment return. If we apply a MVR you might get back less than you have invested, unless you withdraw from your bond on one of the capital and bonus guarantee anniversaries.

What might I get back in severely adverse market conditions?

We would need to apply a higher MVR to reduce what you would get back when you withdraw from your bond. In severely adverse investment markets the rate of reversionary and terminal bonus could be nil.

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 you are covered by the Financial Services Compensation Scheme (FSCS). You can find out more about them from their website www.fscs.org.uk or you can ring them on 0800 678 1100. This product is categorised as an insurance based investment product which means that you are covered for 100% of loss on this product through the FSCS.

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 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 (£)	£590	£873	£1,510
Impact on return (RIY) per year (%)	5.90%	1.59%	1.18%

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%	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%	The impact of the costs of cashing your investment when it matures.
Ongoing costs	Portfolio transaction costs	0.05%	The impact of the costs of us buying and selling underlying investments for the product.
	Other ongoing costs	1.13%	The impact of the costs that we take each year for managing your investments.
Incidental costs	Performance fees	0%	This product does not charge any performance fees.
	Carried interests	0%	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.

Full and partial surrender is allowed at any time, however surrender penalties apply for the first five years of your policy.

If you withdraw all or part of your investment at any time other than on the 10th anniversary, and every 5th anniversary after that, a Market Value Reduction (MVR) may apply and this has been allowed for in the performance scenarios above.

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. This is available on our website.

The Society publishes annually a Solvency and Financial Condition Report which includes important information on the financial performance, solvency and governance of the Society.

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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