

## The Healthy Investment Ethical stocks and shares ISA (series 4)

The Society has undertaken a review of its Ethical ISA (series 4). The Board is satisfied that that it fulfils the product and service, price and value, customer understanding and customer support outcomes of the FCA's Consumer Duty regulations.

<b>Product information:</b>	<table> <tr> <td>Minimum premium (monthly)</td> <td>£25</td> </tr> <tr> <td>Minimum premium (single)</td> <td>£500</td> </tr> <tr> <td>Maximum premium (monthly)</td> <td>£1,666</td> </tr> <tr> <td>Maximum premium (single)</td> <td>£20,000</td> </tr> <tr> <td>Minimum age</td> <td>18</td> </tr> <tr> <td>Maximum age</td> <td>No maximum</td> </tr> <tr> <td>Term</td> <td>No fixed term</td> </tr> <tr> <td>Minimum withdrawal</td> <td>£100</td> </tr> <tr> <td>Guarantees</td> <td>Capital and bonus guarantee on death</td> </tr> </table>	Minimum premium (monthly)	£25	Minimum premium (single)	£500	Maximum premium (monthly)	£1,666	Maximum premium (single)	£20,000	Minimum age	18	Maximum age	No maximum	Term	No fixed term	Minimum withdrawal	£100	Guarantees	Capital and bonus guarantee on death
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<b>Target market:</b>	<ul style="list-style-type: none"> <li>• The Healthy Investment stocks and shares ISA has been designed to be appropriate for a wide range of adult investors, across a broad age range and mix of economic backgrounds.</li> <li>• It is available to UK residents only.</li> <li>• It is a cautious to medium risk investment for mass market distribution.</li> <li>• The product is aimed at investors looking for a single multi-asset ethical With-profits Fund for whom direct investing in a range of diversified assets would not be possible or prohibitively expensive.</li> </ul> <p>This ISA would be appropriate for investors who:</p> <ul style="list-style-type: none"> <li>• Have sufficient bank or building society savings for their regular requirements that they can access immediately.</li> <li>• Have a surplus lump sum between £500 and £20,000 or want to invest £25 per month or more.</li> <li>• Are able to invest for the medium to long term.</li> <li>• Are willing to take some risk that they might get back less than they have invested if the value of investments in the With-profits Fund have fallen below that which the Society can smooth the investment return.</li> </ul>																		
<b>This ISA would be especially appropriate for:</b>	<ul style="list-style-type: none"> <li>• Investors who are able to access or pay for professional financial advice.</li> <li>• Older investors looking to guarantee their capital in the event of their death.</li> <li>• Investors with moderate and large deposits in cash ISAs who are prepared to accept some risk.</li> <li>• Investors with higher risk stocks and shares ISA looking to reduce risk and volatility.</li> <li>• Investors who are keen to do business with a mutual provider that has no shareholders and is run solely for the benefit of its investor members.</li> <li>• Investors looking for traditional personal service from named and experienced policy administrators.</li> <li>• Investors wanting an ethical investment that avoids investing their money in industries that do harm.</li> </ul>																		

<p>This ISA would be especially unsuitable for investors who:</p>	<ul style="list-style-type: none"> <li>• Do not currently have bank or building society deposits or other liquid investment that they can access.</li> <li>• Are not willing to take the risk that they may get back less than they have invested in adverse market conditions.</li> <li>• Are saving to buy their first home or for retirement and are eligible to invest in a lifetime ISA.</li> <li>• Are saving for a significant purchase or life event within the near future.</li> <li>• Are looking for a high-risk investment.</li> </ul>
<p>Underlying investment fund:</p>	<ul style="list-style-type: none"> <li>• The Healthy Investment Ethical With-profits Fund is a multi asset fund including government and corporate bonds, UK and overseas equities, REITS and commercial deposits.</li> <li>• The Society uses external fund managers to maximise growth opportunities within agreed risk tolerances.</li> <li>• The current asset allocation is published on the Society's website quarterly.</li> </ul>
<p>We have not identified any information or metrics that indicate this product does not meet the needs of the target market. The Society's product governance policies and procedures have been followed in the development and review of this product, including professional input from the Society's With-profits Actuary and scrutiny by the independent With-profits Committee.</p>	
<p>Benefits (financial):</p>	<ul style="list-style-type: none"> <li>• The ISA grows through the addition of annual reversionary bonuses based primarily on the investment return of the Ethical With-profits Fund.</li> <li>• On part or full withdrawal additional final bonuses may be added.</li> <li>• In 2022 a reversionary bonus of 2% was declared.</li> <li>• The ISA includes a capital and bonus guarantee on death.</li> <li>• As an insurance based investment there is no limit on the FSCS cover.</li> </ul>
<p>Costs (financial):</p>	<ul style="list-style-type: none"> <li>• Annual Management Charge (AMC) – 1.4%</li> </ul>
<p>Risks:</p>	<ul style="list-style-type: none"> <li>• In adverse market conditions it might be necessary to apply a Market Value Reduction only when withdrawals from the ISA are made.</li> <li>• In exceptional market conditions the gross reversionary bonus may not be sufficient to cover the AMC in which case a nil bonus may be declared or the AMC deducted from capital.</li> </ul>
<p>After undertaking a review of the Ethical ISA Series 4 the Board of the Society is satisfied that, when benchmarked against similar products, the costs and benefits provide fair value to investors and fall within expected tolerance levels.</p>	
<p>Customer understanding:</p>	<ul style="list-style-type: none"> <li>• The Society produces pre and post-sales literature that is written in plain English.</li> <li>• This includes full terms and conditions, Key Information Documents and explanatory leaflets on bonuses and market value reductions all of which are available on the Society's website.</li> <li>• There is an ongoing process involving member feedback to ensure the information needs of members and advisers are met.</li> </ul>
<p>Vulnerable customers:</p>	<ul style="list-style-type: none"> <li>• Where members have disclosed, or the Society is aware that an individual might be vulnerable we will assess their ongoing needs to see if any further support can be provided.</li> <li>• This can include different forms of communications, providing further explanatory information and signposting to external agencies for support.</li> </ul>

The Board is satisfied that, based on internal review and member testing and feedback that member and adviser communications are clear, fair and understandable and where necessary tailored to the needs of members.	
Customer support:	<ul style="list-style-type: none"> <li>• The Society provides a personal service to members and advisers. We do not use call centres or third-party administrators.</li> <li>• Calls, emails and webchats are answered personally.</li> <li>• Employees are well trained and knowledgeable. All staff are expected to hold or work towards recognised financial services qualifications.</li> <li>• All members are invited to leave reviews of the service they receive.</li> </ul>
Complaints:	<ul style="list-style-type: none"> <li>• We recognise that on occasion things can go wrong. The Society has a formal complaints procedure which ensures prompt and fair resolution of any problems, and which is fully compliant with FCA compliant handling rules.</li> <li>• We work in partnership with financial advisers to resolve complaints.</li> </ul>
Working in partnership	<ul style="list-style-type: none"> <li>• As part of our commitment to working in partnership with financial advisers we will always keep advisers up to date with product and service developments.</li> <li>• If you, as an adviser, believe that there is any information we should be aware of then please let us know.</li> </ul>
Based on the agreed metrics the Board is satisfied that the level of service and ongoing support available to members and financial advisers meets their needs.	
Assessment Date:	April 2023
Expected date of next assessment:	April 2024 or sooner following significant change in market or distribution strategy.



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Healthy Investment is the trading name of The Rechabite Friendly Society Limited, an incorporated friendly society (register no. 218f).  
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