

Healthy Investment Suitability Report Paragraphs

Healthy Investment has prepared a number of suitability paragraphs which are designed to help financial advisers prepare a suitability report for clients. They are not intended to form the full content of the suitability letter to clients.

Whilst every care has been taken to ensure the accuracy of the information provided, Healthy Investment accepts neither responsibility nor liability in their use in providing suitability reports.

We hope that you find these useful and welcome any feedback or suggestions for further development.

Investment Bond

With-profits bond

The Healthy Investment Bond is a traditional With-profits bond, single premium whole of life contract.

The investment grows through the bonuses that are added to it on a regular basis.

The investment performance will depend on the level of bonuses added to the investment.

Fund management

The equity and fixed interest bond elements of Healthy Investment's With-profits Fund are actively managed by abrdrn. They are an established and well respected international firm with a solid reputation as successful investment fund managers.

Investment mix

Healthy Investment's With-profits Fund is invested in a mix of different assets including, UK and overseas equities, government and corporate bonds, commercial property and cash deposits.

This mix or percentage of each asset held changes over time as the Society and its investment managers seek to maximise the return investors receive within acceptable agreed levels of risk.

Based on the view of the fund managers and Board the investment mix of the With-profits Fund as at 31 December 2022 was:

Fixed interests – government bonds	60.15%
Fixed interests – corporate bonds	9.28%
UK equities	3.63%
Overseas equities	1.48%
Property	2.00%
Cash deposits	23.46%

The equity and bond elements of the fund are actively managed by abrdn.

If you would like an analysis of the current investment mix which we publish quarterly you can request this direct from Healthy Investment at any time.

Regular bonuses

The investment grows through the regular bonuses that are added to the policy. Healthy Investment declares a bonus every year.

The declared bonus for the adviser only series 4 Investment Bond was 2.00%.

Bonus rates can change every year and depend on a number of things including how well the investments in Healthy Investment's With-profits Fund perform. Previous bonus rates are not an indicator of what future bonus rates might be.

A full history of bonus rates is available to financial advisers.

Terminal bonuses

A final or terminal bonus can also be added to the policy when the policy is cashed in to increase the value investors receive. Final bonuses are not guaranteed and can be amended at any time.

Healthy Investment currently review the terminal bonuses each month.

Details of the terminal bonus rates currently in force are available to financial advisers.

Income withdrawals

Investors in the Healthy Investment Bond can choose to take a regular income of up to 5% of the original investment per annum without any early surrender penalties or market value reduction being applied. Income withdrawals can start immediately or can be commenced at any time.

You can withdraw up to 5% of the original investment every year without any tax consequences at the time of the payment.

For tax purposes the 5% withdrawal limit can be rolled over to future years.

Single or regular withdrawals over the 5% limit can be made but may generate an immediate tax liability.

Taxation

The funds within the bond are subject to tax on investment income received and on capital gains. Healthy Investment pays this tax and you cannot reclaim it.

You may have to pay tax when you take money from your bond above certain limits or if you cash in any of your bond whilst you are a higher rate tax payer or you become a higher rate tax payer due to the money you receive from your bond.

Death benefit

If you die the current value of the bond or, if greater, 101% of the original sum assured less any withdrawals of course, is paid to your estate. There is no maximum age on our bond, if you are over 80 the death benefit reduces to 100.1%

When the Healthy Investment Bond is written in joint names, on the death of one of the bondholders, the investment transfers to the sole name of the survivor.

Market Value Reduction (MVR)

Healthy Investment review its MVRs on a monthly basis.

Healthy Investment can apply a market value reduction to your bond when you decide to cash it in. This will reduce the amount you receive back from your investment.

A MVR is designed to ensure that the return you receive is fair and reflects the performance of your investments. It helps to ensure that all investors are treated fairly and that withdrawals from the fund do not adversely affect those who remain investors.

Healthy Investment never applies a MVR to regular withdrawals up to the 5% annual limit and never applies a MVR in the event of the death of the investor.

Guaranteed return

The Healthy Investment series 4 bond includes an important capital and growth guarantees. If you cash in all or part of your Bond on the 10th anniversary of the investment or any 5th anniversary thereafter, Healthy Investment guarantees that it will not apply any market value reductions. This means that you are guaranteed to receive your original investment and all the bonuses that have been added.

For authorised investment advisers only, not for use with clients or by introducers.

This document has, in accordance with the Insurance Distribution Directive, been classified as marketing material.