

Key Information Document

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

This document relates to the 'Tax Exempt Endowment With-Profits Plan' provided by Red Rose Assurance (the Society), which is the trading name of the Red Rose Friendly Society Ltd. Visit <http://www.redroseassurance.co.uk> or call 01254 222700 for more information. The Society is authorised by the Prudential Regulation Authority (PRA) and regulated by both the PRA and the Financial Conduct Authority (FCA). This document was produced on 21 December 2017. **This document shows values for a plan with a 10 year term for an individual aged 30 on their next birthday after the plan commences (the example plan).**

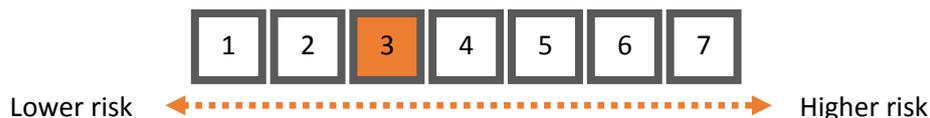
You are about to purchase a product which is not simple and may be difficult to understand.

What is this product?

Type	The product is a tax-exempt With-Profits endowment plan. It is a regular savings plan which is designed to run for a fixed period, which you choose at the start of the plan, to build up a lump sum at maturity. You agree to pay a regular premium for a specified number of years.
Objectives	<p>The product provides a tax-free guaranteed cash sum (sum assured) on a chosen maturity date or if you should die during the term of the plan.</p> <p>As this is a With-Profits plan the sum assured may be enhanced through the addition of annual (reversionary) bonuses and a possible final (terminal) bonus.</p> <p>The minimum you can invest is £10 per month and due to the tax-exempt status, the maximum contribution is £25 per month or £270 per year.</p> <p>The plan is available for individuals aged 17 to 74 at commencement. The minimum term of the plan is 10 years and the maximum term is 30 years.</p> <p>Your contributions are invested within the Red Rose With-Profits fund which invests in a range of assets such as shares, government and corporate bonds, property, infrastructure investments and cash deposits.</p> <p>The addition of bonuses is dependent on the performance of the investments within the With-Profits fund and the level of expenses and claims incurred. Bonus rates are determined each year following a valuation of the With-Profits fund.</p>
Intended retail investor	Individuals with an investment horizon of at least 10 years and a medium to low appetite for risk.
Insurance benefits and costs	<p>Upon your death, the sum assured plus any bonuses to date will be paid.</p> <p>The value of this benefit for the example plan can be found below in the section 'What are the risks and what could I get in return.'</p>
Further information	If you stop paying premiums during the first two years, the plan will lapse with no value. After two years, the plan may have a 'cash-in' value. However it may be less than you have paid in.

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

Risk Indicator



The summary risk indicator (SRI) assumes you keep the product for term of the plan.

The SRI is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product may lose money because of future investment performance or because we are not able to pay you. We have classified this product as 3 out of 7, which is a medium-low risk class. This rates the potential losses from future performance at a medium-low level, and poor financial market conditions could impact the capacity of Red Rose Assurance to pay you. This product guarantees to pay the sum assured plus bonuses to date on maturity or upon your death. If the plan is cashed-in early you may receive less than you've paid in, and you will receive no 'cash-in' value within the first two years. If Red Rose Assurance is not able to pay you what is owed, you could lose your entire investment. However, you may have recourse through the Financial Services Compensation Scheme.

Performance Scenarios

The following table shows the money you could get back over the term of the example plan, under different scenarios, assuming that you invest £1,000 each 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 investments within the With-Profits fund perform and how long you keep the product. The stress scenario shows what you might get back in extreme financial 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, including the costs associated with arranging and setting up the policy. The figures do not take into account your personal tax situation, which may also affect how much you get back.

Investment premium: £998.51, Insurance premium: £1.49 (each year)		1 year	5 years	10 years
Survival Scenarios				
Stress scenario	What you might get back after costs (£)	£0	£3,309	£8,323
	Average return each year (%)	-100.0%	-13.5%	-3.4%
Unfavourable scenario	What you might get back after costs (£)	£0	£4,303	£11,167
	Average return each year (%)	-100.0%	-5.0%	2.0%
Moderate scenario	What you might get back after costs (£)	£0	£4,705	£12,582
	Average return each year (%)	-100.0%	-2.0%	4.1%
Favourable scenario	What you might get back after costs (£)	£0	£5,131	£14,282
	Average return each year (%)	-100.0%	0.9%	6.4%
Death Scenarios				
What your beneficiaries might get back (£)		£7,777	£8,514	£12,582
Accumulated Insurance Premium (£)		£3	£14	£24

What happens if Red Rose Assurance is unable to pay out?

If we are unable to pay you what you are owed under the policy terms, then you will be able to reclaim some of your investment through the Financial Services Compensation Scheme (www.fscs.org.uk).

What are the costs?

Costs over time

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 below are the cumulative costs of the product itself, for the example plan, for three different holding periods. They include potential early exit penalties. The figures assume you invest £1,000 each year. The figures are estimates and may change in the future.

If you cash in after...	1 year	5 years	10 years
Total Costs (£)	£1,117	£1,558	£3,032
Impact on return (RIY) per year (%)	111.7%	9.7%	3.9%

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 term for the example plan. It also includes the meaning of the different cost categories.

This table shows the impact on return per year			
One – off costs	Entry costs	2.09%	The impact of the costs already included in the price (this is the most you will pay and you could pay less). This includes the costs of distribution of your product.
	Exit costs	0.00%	This product does not charge any exit fees on maturity.
Ongoing costs	Portfolio transaction costs	0.06%	The impact of the costs of us buying and selling underlying investments for the product.
	Insurance costs	0.03%	The impact of the costs that we take each year for providing life cover.
	Other ongoing costs	1.68%	The impact of the costs that we take each year for managing your investments.
Incidental costs	Performance fees	0.00%	This product does not charge any performance fees.
	Carried interests	0.00%	This product does not charge any carried interests.

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

The product is a medium to long-term contract. If you decide you no longer want the plan during the first two years then you will not be entitled to any money that you have paid in. After two years, assuming all contributions have been paid, you would have the choice of either leaving the money paid in with a reduced sum assured for the remaining term of the plan or surrendering the plan for its current cash-in value. There is no guarantee on the amount you will receive and it may be less than you have paid in, particularly in the early years.

Based on the above information the recommended holding period for the product is the full term to maturity of the plan.

How can I complain?

To make a complaint about our product, our conduct, or the person advising on or selling our product, contact us with your full name and address, your policy number and details of your complaint. More information can be found at:

<http://www.redroseassurance.co.uk>

You can submit your complaint via post to the Red Rose Friendly Society Ltd, Parkgates, 52a Preston New Road, Blackburn, Lancashire BB2 6AH, or via email to info@redroseassurance.co.uk

Other relevant information

If the plan is maintained in full until death or maturity, the benefits payable are currently free of all UK income and capital gains taxes.

This document has been prepared based on current tax legislation. The tax treatment of the product may change in the future which could reduce the amount you receive or increase the personal tax you pay.

Additional information about the product and policy conditions can be found in our key features document. This is available on our website.

V1. Jan 2018

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