

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 'Junior Individual Savings Account' 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 3 January 2019. **This document shows the values for regular investments of £1,000 per year for a child aged 3 at commencement and with no withdrawals being taken (the example plan).**

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

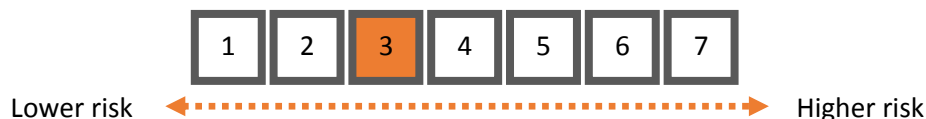
What is this product?

With-Profits ISA

Type	The product is a Junior Individual Savings Account (ISA). It is a tax-efficient way in which you and other people with an interest in your child's financial future can save for your child. The ISA is a Stocks and Shares ISA.
Objectives	<p>To increase the value of the money invested with us and which can be withdrawn from age 18, free of income tax and capital gains tax.</p> <p>As this is a With-Profits plan, the investment may be enhanced through the addition of regular bonuses and a possible final (terminal) bonus.</p> <p>The minimum single lump sum which can be invested is £50. The minimum regular investment is £10 per month. There is a maximum amount you can invest in a Junior ISA which may change each tax year. The current total Junior ISA allowance for the 2019/20 tax year is £4,368 which includes investments in both a Junior Stocks and Shares ISA and a Junior Cash ISA.</p> <p>The plan is available for individuals aged under 18 who do not hold a Child Trust Fund.</p> <p>The 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 5 years and a medium to low appetite for risk.
Insurance benefits and costs	Upon the death of your child, the minimum of 101% of your initial investment or the value of your ISA (including any bonuses) will be paid.
Further information	<p>The proceeds from the plan cannot be withdrawn until the child reaches age 18. The amount payable may be subject to a market value reduction (MVR) if the withdrawal is made during poor investment conditions.</p> <p>The child can become responsible for the plan from age 16.</p>

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

Risk Indicator



The summary risk indicator (SRI) assumes the product is kept for 15 years.

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 the proceeds when they are claimed. 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 a claim. This product will pay all of the contributions plus bonuses to date subject to any MVR applicable at the date of claim or transfer. If Red Rose Assurance is not able to pay what is owed, your child could lose the entire investment. However, you or your child may have recourse through the Financial Services Compensation Scheme.

Performance Scenarios

The following table shows the money your child could get back over the next 15 years for the example plan, under different scenarios, assuming that £1,000 per year is invested. The scenarios shown illustrate how the investments 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 your child may get will vary depending on how investments within the With-Profits fund perform and how long the product is kept with the Society. The stress scenario shows what your child might get back in extreme financial market circumstances, and it does not take into account the situation where we are not able to pay the claim. 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 any personal tax situation, which may also affect how much your child gets back.

Investment premium: £1,000 (each year)		1 year	8 years	15 years
Survival Scenarios				
Stress scenario	What you might get back after costs (£)	£971	£7,898	£15,070
	Average return each year (%)	-2.9%	-0.3%	0.1%
Unfavourable scenario	What you might get back after costs (£)	£992	£9,347	£21,163
	Average return each year (%)	-0.8%	3.5%	4.2%
Moderate scenario	What you might get back after costs (£)	£1,028	£10,459	£24,710
	Average return each year (%)	2.8%	5.9%	6.0%
Favourable scenario	What you might get back after costs (£)	£1,028	£11,756	£29,031
	Average return each year (%)	2.8%	8.5%	7.9%

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

If we are unable to pay you or your child what is owed under the policy terms, then you or they will be able to reclaim some of the 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 that are paid will have on the investment return your child 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. The figures assume £1,000 per year is invested. The figures are estimates and may change in the future.

If you cash in after...	1 year	8 years	15 years
Total Costs (£)	£10	£830	£3,855
Impact on return (RIY) per year (%)	1.0%	1.7%	1.7%

Composition of costs

The table below shows the impact each year of the different types of costs, on the investment return your child 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	0.00%	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	0.05%	The impact of the costs of us buying and selling underlying investments for the product.
	Insurance costs	0.00%	The impact of the costs that we take each year for providing life cover.
	Other ongoing costs	1.63%	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. Withdrawal is only allowed after age 18 and the proceeds may be subject to a MVR.

The Junior ISA may be transferred to another provider but the transfer value may be subject to a MVR.

Based on the above information, the recommended holding period is the term from commencement to age 18. For the example plan the recommended holding period is 15 years.

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

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 received when the ISA is withdrawn or increase the personal tax to be paid.

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

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