

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 'With-Profits Bond' 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 the values for a single investment of £10,000 at commencement, on a single life and with no withdrawals or regular income being taken (the example plan).**

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

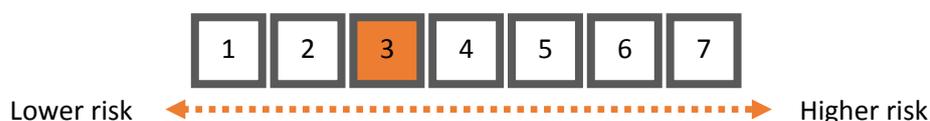
What is this product?

Type	The product is a taxable With-Profits savings plan. It is a single premium savings plan which aims to provide growth in excess of that available for deposit based investments.
Objectives	<p>To increase the value of the money you invest with us. As this is a With-Profits plan, your investment may be enhanced through the addition of regular bonuses and also a possible final (terminal) bonus which may be payable after 5 years.</p> <p>The minimum single lump sum you can invest is £500.</p> <p>The plan is available for individuals up to age 90.</p> <p>A joint life may be named on the plan.</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 5 years and a medium to low appetite for risk.
Insurance benefits and costs	<p>Upon death, the minimum of 101% of your initial investment or the value of your plan (including any bonuses but less any income paid or withdrawals taken) will be paid. Any charges made prior to death will be deducted from the amount paid.</p> <p>If there are joint investors named on the plan, the bond is transferred to the survivor upon death of the first life.</p>
Further information	<p>This product does not have a maturity date.</p> <p>Withdrawals are allowed but any amount withdrawn may be subject to a market value reduction (MVR) if the withdrawal is made during poor investment conditions.</p> <p>Regular tax-free income of up to 5% of the original investment may be taken (subject to a minimum initial investment of £5,000 and only available for up to 20 years for higher rate taxpayers).</p>

The value of the plan may be withdrawn at any time but the value may be subject to a MVR. The encashment value may be less than you paid in, particularly in the early years.

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

Risk Indicator



The summary risk indicator (SRI) assumes you keep the product for 10 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 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 will pay all of your contributions plus bonuses to date subject to any MVR applicable at the date of withdrawal. 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 next 10 years, under different scenarios, assuming that you invest £10,000, on a single life basis and no withdrawals or regular income are taken. 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: £10,000		1 year	5 years	10 years
Survival Scenarios				
Stress scenario	What you might get back after costs (£)	£8,303	£8,070	£7,569
	Average return each year (%)	-17.0%	-4.2%	-2.8%
Unfavourable scenario	What you might get back after costs (£)	£9,573	£11,153	£13,823
	Average return each year (%)	-4.3%	2.2%	3.3%
Moderate scenario	What you might get back after costs (£)	£9,816	£12,254	£15,736
	Average return each year (%)	-1.8%	4.2%	4.6%
Favourable scenario	What you might get back after costs (£)	£9,816	£13,458	£17,971
	Average return each year (%)	-1.8%	6.1%	6.0%

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. The figures assume you invest £10,000 at commencement and that no withdrawals are taken. The figures are estimates and may change in the future.

If you cash in after...	1 year	5 years	10 years
Total Costs (£)	£519	£1,177	£2,406
Impact on return (RIY) per year (%)	5.2%	1.9%	1.5%

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	0.43%	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	1.02%	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. Full and partial withdrawal is allowed at any time but any withdrawal may be subject to a MVR.

There is a charge of 1% per annum of the investment over the first 4 years (subject to a 4% minimum).

Based on the above information the recommended holding period for the product is at least five years. For the example plan the recommended holding period is 10 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 you receive when the Bond is withdrawn 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.

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