

CENTURY EARNINGS REPLACEMENT PLAN
Key Information Document

Public

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

The name of this product is Century Earnings Replacement Plan. It is provided by British Friendly Society Limited. Our website address, where you can find detailed information about us, is www.britishfriendly.com and our telephone number is 01234 358344. We are supervised by the Financial Conduct Authority in respect of the production and delivery of this Key Information Document. This KID was produced on 1st January 2018.

What is this product?

It is a friendly society income protection plan (categorised as a long-term product) which additionally may pay you a tax-free lump sum when the policy ends. It is called a Holloway Income Protection Plan. The Plan is intended for people who want income protection should they be unable to work because of illness or injury, and the opportunity to build up a tax-free cash sum receivable at maturity of the Plan.

The primary objective of the Plan is to provide you with sickness and/or accident benefit if you are unable to work until age 60. When the sickness benefit will commence, how much it will be and how long it will be paid for is agreed with you when the Plan starts. A secondary objective of the Plan is to pay you a tax-free lump sum when the Plan reaches its maturity date at age 60. This amount may vary dependent upon you paying all premiums, the period for which the Plan runs, the investment results achieved by us, our administration expenses and the level of sickness claims experienced across all of our Holloway Income Protection Plans. The tax-free lump sum is built up over the years by the addition of bonus amounts, at the discretion of the Board of the Society each year, taking into consideration the advice of the Appointed Actuary.

It invests your premiums in a pooled fund which is invested in a mix of equities, government gilts, corporate bonds, property and cash. This spread of assets allows a cautious investment strategy to be pursued and is designed to reduce the level of investment market risk, the level of credit risk and to ensure the fund is always liquid enough to make payments when requested to do so by Plan holders.

The Plan cannot be terminated by us unilaterally provided the Rules of the Society are not broken by you. You can end the Plan yourself by giving us notice of your intention to do so.

Summary			
Client	BFS		Costs
Product	BFS - Century Earnings Replacement Plan		Initial Charge
Recommended Holding Period (years)	21		Charge on Premiums (after initial charge)
Sum Assured	0.00		FMC
Premium	1000		AMC
Category	2		Key Outputs
Years Data	5		VeV
Data Frequency	Daily		Model used
Fund statistics			Market Risk Measure
Av annualised daily return (proxy)	5.69%		SRI
SD (annual)	0.09		

*What are the risks and what could I get in return?***Summary Risk Indicator (SRI)****Lower Risk****Higher Risk**

The Summary Risk Indicator assumes you keep the Plan until age 60. The actual risk can vary significantly if you end the Plan early.

The SRI is a guide to the level of risk of this product compared to other products and aims to show you how likely it is that the product will lose money because of the movement in investment markets or because we are not able to pay you.

We have classified this plan as 3 out of 7 which is “medium low”. This rates potential losses from future performance as unlikely.

The amount of the tax-free cash sum built up will depend primarily on the Society’s investment performance and the level of sickness claims made by all Members who have Holloway Income Protection Plans with us. If investment performance is poor over a long period and sickness claims are significantly higher than expected, then it is possible that no tax-free cash sum would build up.

If you do not hold this Plan until its original maturity date the risk of getting back less than originally advised to you at outset is significantly higher.

If we are not able to pay you what is owed you may lose some or all your capital but you may benefit from a consumer protection scheme (please see the later section “What happens if British Friendly Society Limited is unable to pay out).

Performance Scenarios

Investment £1,000 Insurance premium: £215		1 year	11 years	21 years Recommended Holding Period
Survival Scenarios				
Stress	What might you get back after costs	£0	£3,689	£14,131
	Average return each year	-100.0%	-22.7%	-4.0%
Unfavourable	What might you get back after costs	£0	£6,172	£14,519
	Average return each year	-100.0%	-11.2%	-3.7%
Moderate	What might you get back after costs	£0	£7,653	£19,542
	Average return each year	-100.0%	-6.9%	-0.7%
Favourable	What might you get back after costs	£0	£9,574	£26,849
	Average return each year	-100.0%	-2.6%	2.3%
Accumulated Investment amount		£588	£6,340	£11,558
Death scenario				
What your beneficiaries might get back after costs		£599	£8,209	£19,542
Accumulated Insurance Premium		£200	£2,247	£4,506

This table shows the money you could get back over the next 21 years, under different scenarios, assuming that you invest £1000 per 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 the market performs and how long you keep the investment/product. The stress scenario shows what you might get back in extreme market circumstances.

What happens if British Friendly Limited is unable to pay?

We are covered by the Financial Services Compensation Scheme (FSCS) who you can write to at PO Box 300, Mitcheldean, GL17 1DY. Telephone 0800 678 1100. Further information is available on their website - www.fscs.org.uk

This product is categorised as a long-term investment and under the above compensation scheme that means you are covered for 100% of loss on this product through the FSCS should British Friendly Society Limited default. The investments underlying this product are managed on our behalf by the professional investment management firm LGT Vestra LLP. They will use other nominees and custodians in the course of their investment work for us. The investment managers and their custodians and nominees are not covered by a compensation scheme but, were they to default, and this in turn caused British Friendly Society Limited to default, then you would still be covered by the FSCS because your contract is with British Friendly Society Limited.

What are the costs

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

The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your advisor or distributor.

Table 1**Cost over time**

The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs, and show you the impact that all costs will have on your investment over time.

Investment £1,000 Scenarios	If you cash in after		
	1 year	11 years	21 years (at the recommended holding period)
Total costs	£1,012.47	£5,527.23	£10,762.66
Impact on Return each year	-105.5%	-12.3%	-6.1%

Table 2**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 recommended holding period;
- the meaning of the different cost categories.

This table shows the impact on return each year			
One-off costs	Entry costs	0.0%	The impact of the costs you pay when entering into your investment.
	Exit costs	0.0%	The impact of the costs of exiting your investment when it matures.
Ongoing costs	Portfolio transaction costs	-0.9%	The impact of the costs of us buying and selling underlying investments for the product.
	Other ongoing costs	-5.2%	The impact of the costs that we take each year for managing your investments.
Incidental costs	Performance/other costs	0.0%	This product does not have any performance or other incidental fees.

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

You should hold the Plan for as long as the income protection it provides is needed by you. By holding the Plan for the medium to long term there is a greater probability that you will achieve the level of tax free cash lump sum that you expected when commencing the Plan.

You can make early withdrawals from the Plan provided your Plan has sufficient capital value to allow them and they are for specified reasons.

If you wish to cancel the policy before the end of the initial agreed term you can by giving 14 days' notice but early surrender penalties may apply. If you have bonuses and you cancel your Plan before you reach age 60 a penalty will incur which is as follows: During the first 10 years of membership a penalty will be imposed which is equal to the last two years Apportionment on Units held; after 10 years membership a penalty will be imposed which is equal to the preceding year's Apportionment on Units held; after 10 years membership and within five years of maturity of the policy, a penalty will be imposed which is equal to the preceding six months Apportionment on Units held. At this stage, Membership shall then be terminated.

How can I complain?

If you wish to make a complaint about us, or another person who sold or advised you on this product, then please contact either in writing, or by telephone: British Friendly Society Limited, Activ House, 45 Bromham Rd, Bedford MK40 2AA; Phone 01234 358344.