

## KEY INFORMATION DOCUMENT

### Purpose

This document provides you with key information about this investment product and is required by law to help you understand the nature, risks, costs and potential gains and losses of this product, and also to help you compare it with other products.

### Classic Plus Income Protection Plan (Classic Plus)

You're about to buy a product that may be difficult to understand.

Call us on 0800 0931 535 for more information or speak to your Financial Adviser. Holloway Friendly acts as the insurer for Classic Plus.

Holloway Friendly is the trading name of The Original Holloway Friendly Society Ltd. Holloway Friendly is registered and incorporated under the Friendly Societies Act 1992, registered No. 145F. Registered office: Holloway Friendly, Holloway House, 71 Eastgate Street, Gloucester, GL1 1PW.

Authorised by the Prudential Regulation Authority Regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

The latest version of this KID was produced in January 2023.

### What is this product?

Classic Plus combines income protection insurance with the potential to earn a tax-free lump sum.

If you buy Classic Plus, we'll also provide you with the Terms and Conditions and a Product Guide to help explain the details of this product.

How we deal with your personal information is covered in more detail in the Product Guide and our full Privacy Notice can be viewed at [www.holloway.co.uk](http://www.holloway.co.uk).

### Objectives

Classic Plus aims to:

- Pay you a replacement income if you're unable to work in your normal occupation because you're ill or you've had an accident
- Build a tax-free lump sum to be taken at your chosen retirement age, or sooner

Your illustration is in the format required by the Financial Conduct Authority. The lump sum on the illustration is an example, not necessarily what you'll receive.

### Intended retail investor

If your main objective is investment then Classic Plus isn't suitable for you - it's an insurance contract which includes the potential to build a tax-free lump sum. The tax-free sum can grow over time as Holloway Friendly's board decide each year whether they can give a share of the Society's profits to Classic Plus members, in the form of bonuses. The bonus they can give depends on the Society's investment performance, administration costs and the amount of claims paid.

If you end your insurance early, we may be able to pay some or all of the lump sum that you've built up, though we wouldn't be able to pay you any lump sum in the first four years.

We'll provide annual updates on how the sum is building.

### Currently we invest funds in:

- Deposit Accounts
- Fixed interest
- Long dated government stocks
- Equities

Under current legislation your annual bonuses and any payments we make to you from your insurance are tax free.

## Insurance benefits

The main aim of Classic Plus is to replace your income if you're unable to work because you're ill or you've had an accident.

We can cover up to 60% of your gross annual earnings. You can choose insurance that will pay out between £2,592 to £60,000 each year (£216 - £5,000 a month).

## The term of the Plan

The minimum time you can set up your insurance for is 5 years and you can choose for it to end between your 50th and 70th birthday.

To see if you can buy Classic Plus, please speak to your Financial Advisor.

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



The risk indicator assumes you keep Classic Plus until your chosen retirement age. If you cash it in earlier, you may receive a partial lump sum payment, but if you cancel it before the 4th anniversary you won't receive anything.

The risk indicator is a guide to the risk level compared to other products. It shows how likely Classic Plus is to lose money because of movements in the markets, or because we're not able to pay you.

We've rated Classic Plus as 3 out of 7 which is the 'low-medium' risk class.

Note:

- If you stop paying for Classic Plus you'll no longer be covered
- Cancelling Classic Plus before your chosen retirement age may reduce your tax-free lump sum
- The value of your tax-free lump sum is not guaranteed and depends on the Society's performance, running costs and claims experience
- The current tax treatment of Classic Plus may change

- Any money we pay you from Classic Plus could affect your claim to some means-tested state benefits
- State Benefit rules may change

## Investment Performance

Classic Plus's tax-free lump sum grows each year. How much it grows by depends on how much you pay each month and if you make all your payments. The bonuses we apply are dependent on how well our investments (mentioned above) perform and while some bonuses are a fixed percentage, your final bonus will be determined by how long you've held Classic Plus for. This makes it difficult to provide figures that will work for everyone, so if you'd like a specific example please get in touch.

## The main factors likely to affect your tax-free lump sum are:

- Investment performance
- The cost of running the Society
- How much we pay out in claims
- How much of your contributions we allocate to the investment and protection parts of Classic Plus and how this could change over time
- The profits and losses we make on our other products

## Other factors which could have a material impact on performance:

- How long you keep Classic Plus for

## What could affect my return positively?

- Positive market performance
- Lower than expected Society running costs
- Lower than expected claims
- Keeping Classic Plus until your chosen retirement age

## What could affect my return negatively?

- A downturn in investment performance
- Increased running costs of the society

- Increased claim pay-outs
- Stopping your direct debit, without cancelling Classic Plus. In this scenario we'll continue to take charges from the tax-free lump sum you've built up
- Ending Classic Plus before your chosen retirement age, as we may apply a penalty to your tax-free lump sum
- Changes to the current tax treatment of Classic Plus's benefits

## What can I expect if Classic Plus matures or I cash it in under severely adverse market conditions?

Each year we add bonuses to the investment part of Classic Plus and pay them out as a tax-free amount when Classic Plus ends. Each year we add a guaranteed bonus, which can't be taken away in the future, and a discretionary bonus which is an amount we'll pay you, if market conditions are what we expect them to be. This means that your tax-free payout is partly, but not completely protected if the market performs a lot worse than expected.

## What happens if Holloway Friendly is unable to pay out?

We're covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the scheme if we can't meet our obligations under this policy.

Further information about the compensation scheme is available from:

The Financial Services Compensation Scheme  
PO Box 300  
Mitcheldean  
GL17 1DY

Tel. 0800 678 1100  
fscs.org.uk

## What are the costs?

Classic Plus's main aim is to pay you a replacement income if you're unable to work because of illness or accident. Most of each monthly payment you make goes towards the cost of this insurance. We also aim to help you build a tax-free lump sum through bonuses, as described earlier.

The following table shows the impact of taking your lump sum at different times. This is based on a £1000 per year investment and includes the estimated cumulative costs and potential early exit penalties.

Your adviser may charge you other costs. If they

do, they'll provide you with information about these costs and show you the impact that all costs will have on your investment over time.

Costs over time	1 Year	15 Years	30 Years (recommended)
Total costs	£1000	£15,572.92	£28,473.76
Impact on return	103.97%	39.28%	22.74%

One-off costs	Entry costs	0.00%	The impact of the costs you pay when entering into your investment
	Exit costs	0.00%	The impact of the costs of exiting your investment when it matures
Recurring costs	Portfolio transaction costs	0.00%	The impact of the costs of us buying and selling underlying investments for the product
	Other ongoing costs	21.68%	The impact of the costs that we take each year for managing your investments
Incidental costs	Performance/other costs	0.00%	This product does not have any performance or other incidental fees

## Composition of costs

The impact of the ongoing costs we take each year to manage your investments is 22.74%.

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

To get the full benefit of the investment, you'll need to keep Classic Plus until your chosen retirement age. If you cash in earlier, you may only receive part of the lump sum you've built up. If you cancel before the 4th anniversary of your insurance, you won't receive anything.

## Recommend holding period

The minimum time we recommend you have your insurance for is 5 years, but your investment will be worth more if you hold it until your chosen retirement age.

## How can I complain?

Please contact our Head of Member Services (details shown above). However, if your complaint involves the sale or suitability of Classic Plus for your needs, you should contact your Financial Adviser. If we can't resolve your complaint, or deal with it to your satisfaction, you can complain to:

The Financial Ombudsman Services  
Exchange Tower  
London E14 9SR  
Tel. 0800 023 4 567  
Making a complaint will not affect your legal rights.

## Other relevant information

Full terms, conditions and rules are available upon request.

Holloway Friendly cannot give you advice on its own or any other providers' products. If you're in any doubt whether Classic Plus is suitable for you, you should contact your Financial Adviser for advice, or if you don't have a financial adviser visit [www.unbiased.co.uk](http://www.unbiased.co.uk).