

## **Healthy Investment Suitability Report paragraphs**

Healthy Investment has prepared a number of suitability paragraphs which are designed to help financial advisers prepare a suitability report for clients. They are not intended to form the full content of the suitability letter to clients.

Whilst every care has been taken to ensure the accuracy of the information provided, Healthy Investment accepts neither responsibility nor liability in their use in providing suitability reports.

We hope that you find these useful and welcome any feedback or suggestions for further development.

## **Stocks and Shares ISA**

### **With-profits investment**

The Healthy Investment stocks and shares ISA is a traditional With-profits investment.

The investment grows through the bonuses that are added to it on a regular basis.

The investment performance of your ISA will depend on the level of bonuses added to your investment.

### **ISA investment limit**

The maximum amount that can be invested in a stocks and shares ISA is governed by HM Revenue and Customs.

From 6<sup>th</sup> April 2019 the maximum amount that can be invested in a stocks and shares ISA is £20,000 per tax year.

From 6<sup>th</sup> April 2019 the maximum amount that can be invested in a stocks and shares Junior ISA is £4,368 per tax year.

### **Investment mix**

Healthy Investment's With-profits Fund is invested in a mix of different assets including, UK and overseas equities, government and corporate bonds, commercial property and cash deposits.

This mix or percentage of each asset held changes over time as the Society and its investment managers seek to maximise the return investors receive.

Based on the view of the fund managers and Board the investment mix of the With-profits Fund as at 31 December 2018 was:

Fixed interests – government bonds	45.13%
Fixed interests – corporate bonds	19.45%
UK equities	16.05%
Overseas equities	8.18%
Property	10.01%
Cash deposits	1.17%

The equity and bond elements of the fund are actively managed by Investec.

*If you would like an analysis of the current investment mix which we publish quarterly you can request this direct from Healthy Investment at any time.*

### **Regular bonuses**

The investment grows through the regular bonuses that are added to the policy. Healthy Investment declares a bonus every year.

The declared bonus for the new adviser only series 3 ISA was 2.25%.

Bonus rates can change every year and depend on a number of things including how well the investments in Healthy Investment's With-profits Fund perform. Previous bonus rates are not an indicator of what future bonus rates might be.

The Ethical ISA was launched on 6th April 2019 and has therefore not had a reversionary bonus declared. Based on investment performance, previous series ISA bonuses and product charges we can calculate the level of bonus that would have been paid had the series 3 ISA be available.

*A full history of bonus rates for our series 1 & 2 ISA is available to financial advisers.*

### **Terminal bonuses**

A final or terminal bonus can also be added to the policy when it matures to increase the value you receive. Final bonuses are not guaranteed and can be amended at any time.

*Details of the terminal bonus rates currently in force are available to advisers.*

### **Death benefit**

If you die the current value of the ISA or, if greater, 101% of the original sum assured less any withdrawals or partial encashments, is paid to your estate. There is no maximum age on our ISA, if you are over 80 the death benefit reduces to 100.1%

### **Market Value Reduction (MVR)**

Healthy Investment are not applying any MVRs at present.

Healthy Investment can apply a market value reduction to your ISA when you decide to cash it in. This will reduce the amount you receive back from your investment.

A MVR is designed to ensure that the return you receive is fair and reflects the performance of your investments. It helps to ensure that all investors are treated fairly and that withdrawals from the fund do not adversely affect those who remain investors.

**Guaranteed return**

The Healthy Investment ISA (series 3) includes an important capital and bonus guarantee. If you cash in all or part of your ISA on the 10<sup>th</sup> anniversary of opening the ISA or any 5<sup>th</sup> anniversary thereafter, Healthy Investment guarantees that it will not apply any market value reductions or penalty charges to your withdrawal. This means that you are guaranteed to receive back your original investment plus all the bonuses that have been added.

For authorised investment advisers only, not for use with clients or by introducers.

This document has, in accordance with the Insurance Distribution Directive, been classified as marketing material.