

## Railway Enginemen's Assurance Society: Key Information Document: Saver Plan 10 Years Term

### 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 Saver Plan provided by Railway Enginemen's Assurance Society Limited ("the Society") and was produced on 29 October 2020. If you require further information about this product, the Society's contact details are given at the bottom of each page.

The Society is authorised by the Prudential Regulation Authority. The Society is regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

### What is this Product?

#### Type:

The Saver Plan from Railway Enginemen's Assurance Society Limited is a friendly society, conventional with-profits, endowment assurance policy. It is a regular savings plan which is designed to run for a fixed period, which you choose at the start of the plan, to build up a lump sum at maturity. You agree to pay regular weekly premiums for a specified number of years.

#### What are the objectives of the Plan?

- To provide, during the term, a guaranteed amount of insurance cover payable upon death.
- To provide on maturity a cash payment consisting of the sum assured plus added bonuses.
- To achieve savings in a friendly society tax-exempt savings plan, subject to a minimum term of 10 years and within your tax-exempt entitlement of £5 per week.

#### How are the premiums invested?

- The Society invests in a wide range of government bonds, corporate bonds, equities, collective investment funds, cash deposits and property.
- The Society's investment aims are to maximise long-term growth whilst investing in a range of secure investments to ensure that the Society has sufficient funds to meet its guaranteed liabilities (sums assured plus the bonuses declared) at the times they fall due.

#### How are investment returns determined?

In return for becoming a Saver Plan policyholder, you will automatically participate in the profits of the Railway Enginemen's Assurance Society through the potential addition of reversionary and terminal bonuses. Bonuses are added to policies at the discretion of the Management Committee, acting on the advice of the Actuary. The bonuses aim to provide with-profits policyholders with a fair return that reflects investment returns, whilst smoothing the peaks and troughs by retaining some investment return in the good years to help maintain bonus rates in poorer years. Reversionary bonuses are calculated as a percentage of the policy's sum assured and once added cannot be removed, providing the policy runs for its full term. Terminal bonuses are dependent on a range of factors, including investment returns, the Society's costs and the rate at which reversionary bonuses have been added. They are not guaranteed and can be removed at any time.

#### Intended Retail Investor:

The Saver Plan is an appropriate investment for someone who is not averse to a small amount of risk who would like to take advantage of potential growth in assets not given by deposit accounts. It is suitable for individuals who are looking to build up a lump sum by saving a regular amount for a fixed term of at least 10 years, with the added benefit of a guaranteed sum payable on policyholder death during the term. The maximum age at entry is 60 years, depending on the term selected. The product brochure gives further details.

### Insurance Benefits and Costs:

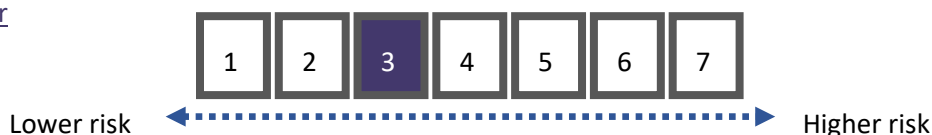
If you die at any time during the agreed term, a minimum sum amounting to at least the sum assured will be paid. This figure could be more due to added bonuses, but will never be less. The value of this benefit is shown in the section below entitled: 'What are the risks and what I could get in return?'

### Maturity Date:

Your policy will mature at the end of your selected term.

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

#### Risk Indicator



The risk indicator assumes you keep the product to the maturity date.

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets 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 market conditions could impact the capacity of Railway Enginemens's Assurance Society Limited to pay you. This product guarantees to pay your sum assured plus reversionary bonuses to date on maturity.

### What could I get in return?

Saver Plan, Term = 10 years		investment premium £999.17, insurance premium £0.83		
Survival Scenario		after 1 year	after 5 years	after 10 years
Stress scenario	What you might get back after costs	£0.00	£3,228	£8,490
	Average return each year	-100%	-14.24%	-3.00%
Unfavourable scenario	What you might get back after costs	£0.00	£3,936	£8,980
	Average return each year	-100%	-7.87%	-1.97%
Moderate scenario	What you might get back after costs	£0.00	£4,289	£10,166
	Average return each year	-100%	-5.07%	0.30%
Favourable scenario	What you might get back after costs	£0.00	£4,698	£11,530
	Average return each year	-100%	-2.07%	2.57%
Death Scenario				
What your beneficiaries might get back		£8,490	£8,575	£10,166
Accumulated Insurance Premium		£1.63	£7.25	£11.19

- This table shows the money you could get back over a term of 10 years, under different scenarios, assuming you invest £1000 per year and that you are age 25 when the policy commences.
- The absolute minimum you could receive is the sum assured, which is £8490, assuming you invest £1000 per year for 10 years and that you are age 25 when the policy commences.
- The scenarios illustrate how your investment could perform.
- 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. They are not minimum or maximum amounts: you could receive less or more than these.
- The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where we are not able to pay you.
- Do not forget that inflation would reduce what you could buy in the future with the amounts shown.

- 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.

### **What happens if Railway Enginemens’s Assurance Society is unable to pay out?**

You are guaranteed to get back the sum assured plus any declared annual bonuses. The Society is a member of the Financial Services Compensation Scheme which compensates investors in the case of insolvency. Members are entitled to the protection of the scheme, details available at <https://www.fscs.org.uk/what-we-cover/>.

### **What are the costs?**

#### Cost 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 are the cumulative costs of the product itself, for three different holding periods. The figures assume you invest £1,000 per year. The figures are estimates and may change in the future.

If you cash in after ....	1 year	5 years	10 years
Total Costs (£)	£1,052	£1,562	£3,289
Impact on return (RIY) per year (%)	105.18%	10.35%	5.03%

#### 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 10 years and the meaning of the different cost categories.

This table shows the impact on return per year.			
One-off costs	Entry costs	1.41%	This is the impact of the cost of expenses incurred in setting up the policy, including the cost of distributing the product. These are deducted from the overall fund and taken into account when we calculate the bonuses we are able to pay.
	Exit costs	0.00%	No charge is made for exiting your policy when it matures.
Ongoing costs	Portfolio transaction costs	0.00%	This is the impact of the costs of us buying and selling underlying investments for the product.
	Other ongoing costs	3.63%	This is the impact of the costs we take each year for managing your investment. These are deducted from the overall fund and taken into account when calculating the level of bonuses we are able to pay.
Incidental costs	Performance fees	0.00%	There is no performance fee.
	Carried interests	0.00%	There is no carried interest fee.

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

In order to receive the full benefits of your policy, you should hold it until the maturity date. At this point, if all premiums have been paid, the Society will make a payment to you of the sum assured plus any added bonuses.

You cannot make any withdrawals from your policy but, if your circumstances change, you can surrender your policy. However, the Saver Plan is designed for medium to long-term investment. If you surrender your policy within the first few years, you are unlikely to get back as much as paid in, or nothing at all in the first year.

### **How can I complain?**

If you have a complaint about any aspect of the service you have received please contact the General Manager at the Society. If your complaint is not dealt with to your satisfaction you can complain to the Financial Ombudsman Service, details available at <http://www.financial-ombudsman.org.uk/consumer/complaints.htm>.