

DG Mutual - 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

The name of this product is Holloway Income Protection Plan. It is provided by The Dentists' and General Mutual Benefits Society Limited. Our website address, where you can find detailed information about us, is www.dgmutual.co.uk and our telephone number is 0121 452 1066. 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 have no income protection, or who are part of an employer's sick pay scheme which would not pay sufficient income, or for a long enough period, should the person be unable to work because of illness or injury.

The primary objective of the Plan is to provide you with a tax-free income, which will be a proportion of your normal income, if you are unable to work because of illness or injury. 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 your selected retirement age. 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 at all times 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.

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

Summary Risk Indicator (SRI)

1	2	3	4	5	6	7
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Lower risk<----->Higher risk



The Summary Risk Indicator assumes you keep the Plan until your normal retirement age. 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 investment performance as medium low and poor market conditions are unlikely to affect our capacity to pay you..

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 The Dentists' and General Mutual Benefits Society Limited is unable to pay out").

Performance scenarios

Investment £1,000		25 years - recommended holding period		
Insurance premium:£380		1 year	13 years	
Survival Scenarios				
Stress	What might you get back after costs	£0	£1,474	£6,231
	Average return each year	-100.00%	-50.25%	-14.66%
Unfavourable	What might you get back after costs	£0	£2,204	£6,231
	Average return each year	-100.00%	-36.96%	-14.66%
Moderate	What might you get back after costs	£0	£2,663	£6,231
	Average return each year	-100.00%	-31.53%	-14.66%
Favourable	What might you get back after costs	£0	£3,244	£7,269
	Average return each year	-100.00%	-26.39%	-12.49%
Accumulated Investment amount		£218	£2,313	£3,189
Death scenario				
What your beneficiaries might get back after costs		£226	£3,151	£6,231
Accumulated Insurance Premium		£380	£4,940	£9,500

This table shows the money you could get back over the next 25 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 The Dentists' and General Mutual Benefits Society Limited is unable to pay out?

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 policy and under the above compensation scheme that means you are covered for 100% of loss on this product through the FSCS should The Dentists' and General Mutual Benefits Society Limited default. The investments underlying this product are managed on our behalf by the professional investment management firm HSBC Investment Management. They will use other nominees and custodians in the course of their investment work for us. The investment manager and their custodians and nominees are not covered by a compensation scheme but, were they to default, and this in turn caused The Dentists' and General Mutual Benefits Society Limited, then you would still be covered by the FSCS because your contract is with The Dentists' and General Mutual Benefits 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	If you cash in after		
	1 year	13 years	25 years - recommended holding period
Total costs	£1000.00	£10,998.49	£22,082.89
Impact on Return each year	-100.00%	-35.05%	-18.78%

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.

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	-18.78%	The impact of the costs that we take each year for managing your investments and the costs presented in Section 2.
Incidental costs	Performance/other costs	0.00%	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. If you wish to cancel the Plan and you have reached the age of 55 then there are no surrender penalties. If you have not reached the age of 55 then surrender penalties apply as follows –

£10 per share or £30 per bond if having been a member for less than 5 years

£5 per share or £15 per bond if having been a member for at least 5 years

£2 per share or £5 per bond after age 50 and up to age 55 if having been a member for 5 years

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 or by e mail: The Chief Executive, The Dentists' and General Mutual Benefits Society Limited, No.4 Park Farm Barns, Chester Road, Stonebridge, Warwickshire CV7 7TL: Phone 0121 452 1077; Email complaints@dgmatural.co.uk

Other relevant information?

The tax treatment of the Plan may change in the future. This could reduce the amount you receive when the Plan matures or increase the personal tax you pay.

The European Union Solvency II Directive requires us to make available to the public a Solvency and Financial Condition Report each year. This can be found by at <https://www.dgmatural.co.uk/wp-content/uploads/2013/01/dg-mutual-SFCR-Final-Report-to-PRA.pdf>