

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 Holiday Property Bond is issued by HPB Assurance Limited whose website is www.hpba.co.im. Please call 01624 811666 for more information. The company is authorised by the Isle of Man Financial Services Authority. This document is issued 1st January 2021.

What is this product?

Type

A whole of life assurance policy maturing on the death of the last person named on the policy.

Objectives

To provide holiday benefits by investing partly in holiday properties made available to investors for a no-profit user charge (that covers only actual costs) rather than a commercial rent. To cover management charges and other costs and expenses by investing the balance in a range of securities and other assets to produce an adequate return for that purpose. It is not a principal objective to provide a traditional financial return or traditional life assurance cover. The value of your investment at any time will reflect changes in the value of the properties and other assets and the charges, costs and expenses as offset by investment returns. In risk and reward terms, you should assess the product only in terms of the value of the holiday benefits to you and your family over a period of 10 years.

Intended retail investor

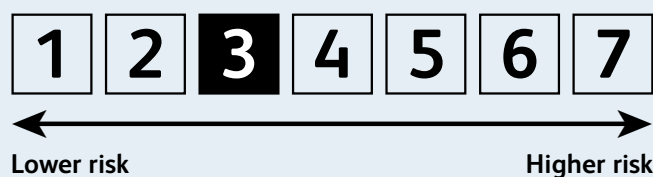
Those who will enjoy the holiday benefits and can afford the invested amount and understand that they should not expect a full return of that amount when cashing in the investment and who will not need to cash in for at least 2 years.

Insurance benefits and costs

The holiday benefits referred to above, ability to cash in after 2 years for the investment's then value and payment on the death of the last person named on the policy of the investment's then value plus a small additional amount depending on the age of that last person to die.

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

Summary risk indicator



The summary risk indicator assumes you keep the product for 10 years. It 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, including currency risk as many of the properties are outside the UK, 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 are unlikely to impact our capacity to pay you.

This product does not include any protection from future market performance so you could lose some or all of your investment. If we are not able to pay you what is owed, you could lose your entire investment. However, you may benefit from a consumer protection scheme (see the section “what happens if we are unable to pay you”). The indicator shown above does not consider this protection.

Performance scenarios

INVESTMENT £10,000

Survival scenarios		1 year	5 years	10 years
Stress Scenario	What you might get back after costs	7,087	6,248	5,773
	Average return each year	-30.2%	-10.4%	-6.9%
Unfavourable Scenario	What you might get back after costs	7,257	7,183	7,282
	Average return each year	-28.5%	-7.8%	-4.5%
Moderate Scenario	What you might get back after costs	7,571	7,900	8,331
	Average return each year	-25.4%	-5.9%	-3.1%
Favourable Scenario	What you might get back after costs	7,889	8,677	9,518
	Average return each year	-22.2%	-4.1%	-1.8%
Death scenario				
Death of last person named on the policy	What your beneficiaries might get back after costs	In addition to the investment value, a percentage of the initial investment amount depending on age of the person at death. Range 160% up to age 34 to 0.5% over age 75		

These scenarios do not take account of the holiday benefits you will be able to enjoy.

What happens if HPB Assurance Limited is unable to pay out

If we are unable to pay out what is due, you may lose all the value of your investment. If that happens you can claim under the Isle of Man’s Life Assurance (Compensation of Policyholders) Regulations 1991. A scheme operated under these Regulations will pay you 90% of the amount due from us.

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 £10,000. The figures are estimates and may change in the future.

Costs over time

A person other than HPB Management Limited selling you this product or any person advising you on its merits 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 £10,000

Scenarios	If you cash in after 1 year	If you cash in after 5 years	If you cash in after 10 years
Total Costs	2,722	3,501	4,359
Impact on return (RIY) per year	28.2%	8.8%	6.1%

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.
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This table shows the impact on return per year

One-off costs	Entry costs	3.0%	The impact of the costs already included in the price. This is the most you will pay, and you could pay less. This includes the costs of distribution of your product.
	Exit costs	0%	The impact of the costs of exiting your investment when it matures
Ongoing costs	Portfolio transaction costs	0.1%	The impact of the costs of us buying and selling underlying investments for the product.
	Other ongoing costs	2.9%	The impact of the costs that we take each year for managing your investments and the other costs and expenses of running the investments.

How long should I hold it and can I take money out early?**Recommended holding period: 10 years**

10 years has been selected as a reasonable period for you or your family to enjoy sufficient holiday benefits to justify the cost of the investment. You can cash in at any time after 2 years (subject to up to 12 months deferral in exceptional circumstances) but the effect of the costs set out in the section above could vary if you hold the investment for less than 10 years.

How can I complain?

If you have a complaint about this life assurance product or our conduct please write to the Compliance Officer, HPB Assurance Limited, Anglo International House, Bank Hill, Douglas, Isle of Man, IM1 4LN or email complaints@hpba.co.im. If you have a complaint about the sale of this product by HPB Management Limited please write to the Compliance Officer, HPB Management Limited, HPB House, Old Station Road, Newmarket, Suffolk, CB8 8EH or email complaints@hpb.co.uk.

Other relevant information

To further understand this product you will also be provided with Product Particulars, the Holiday Property Bond Rules & Regulations, the Trust Deed and the Policy Document.

