pg mutual
income protection plus

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

Income Protection Plus is manufactured by Pharmaceutical and General Provident Society Limited ("PG Mutual", "Society"). Visit **https://www.pgmutual.co.uk/** contact or call **0800 146 307** for more information. PG Mutual is authorised by the Prudential Regulation Authority, regulated by the Financial Conduct Authority and the Prudential Regulation Authority. This KID was produced on 05 December 2022.

What is this product?

Type	The PG Mutual Income Protection Plus Product ("Product") is an income protection contract and provides for a Cash Sum (investment) benefit to you. (Also known as a "Holloway" sickness policy).
Objectives	To help replace the income you may lose if you are unable to work due to illness or injury and the potential to build a Cash Sum over the plan term.
Intended retail investor	This Product is available to current or prospective retail customers of PG Mutual, who are over 18 years old and under 60 years old, who live in the UK and whose primary objective is to replace their income if they are unable to work through injury or illness.
Insurance benefits	This Product is primarily personal income protection insurance, it pays you regular benefit payments (up to 70% of your income or £1,200 per week, whichever is lower) to help replace the income that you may lose if you are unable to work due to illness or injury. The Product has customisable benefits to suit your needs, these may affect the premium we charge. Any Cash Sum benefit payable will be a result of PG Mutual making an allocation of profits to Product members at a rate agreed by the PG Mutual Board. Any allocation depends upon PG Mutual's investment performance, administration costs and the level of claims paid. Any cash sum payable will accrue within your Account and PG Mutual will provide you with annual updates on how any lump sum is performing. It is possible, subject to the full terms and conditions as referred above,that a payment of some or all your Account may also be available if you cancel the plan before the plan end date. If you no longer pay for, nor are you entitled to claim, Income Benefit under the Product, you can maintain your Cash Sum with the potential for further growth. If you end your policy before you are 60, then your Cash Sum will be subject to a penalty of equal to the value of the last two annual payments and interest to your Cash Sum. If you have been a member for less than two years as of the end date, you will not be entitled to any return.
Further information	Your Income Protection Plus policy cannot be terminated by the Society unilaterally provided you observe the terms of your contract. You can end the policy yourself by giving us appropriate notice of your intention to do so.

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

Risk Indicator

1 2 3 **4** 5 6 7

Lower Risk — Higher Risk

The risk indicator assumes you keep the product for 20 years.

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 4 out of 7, which is a medium risk class. This rates the potential losses from future performance at a medium level, and poor market conditions could impact the capacity of PG Mutual to pay you.

This product does not include any protection from future market performance so you could lose some or all your investment. If PG Mutual is not able to pay you what is owed, you could lose your entire investment. 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 Pharmaceutical and General Provident Society Limited is unable to pay out").

Investment performance information

The Society invests accrued surpluses from Income Protection Plus business collectively in a mix of equities, government gilts, corporate bonds, property and cash. Future returns will depend on the performance of each investment less any charges. Performance of equities and corporate bonds will typically have more impact on the performance of the fund over the medium term than those that of other investments.

The return on equities and corporate bonds will be affected by the current and future expectations of the strength of the UK and global economy, levels of inflation and interest rates. The performance of the organisations invested in will also affect the return. The charges are detailed in the 'Composition of costs' section.

The shares, bonds, and property investments will aim to broadly follow or exceed:

- **FTSE All Share Total Return GBP Index**
- **FTSE World Total Return GBP Index**
- **MSCI/AREF UK All Balanced Quarterly Property Fund Index**
- **Box Sterling Non-Gilts Total Return GBP Index**

What could affect my returns positively?

Periods of economic growth in the UK and abroad will help contribute to higher returns for the equities held. This in turn could lead to higher total returns, as the performance of equities will typically have more impact on how the fund performs than the performance of other investments. A fall in UK or global interest rates, or periods of low inflation, could lead to higher returns for the bonds held.

What could affect my returns negatively?

Periods of sudden and unexpected change in the prices of investments, low economic growth or recession could have a negative impact on equities and lead to low total returns or losses. Increases to interest rates or high inflation could have a negative impact on bonds and lead to low total returns or losses. Withdrawing before the recommended holding period may also negatively impact your return.

The lump sum paid does not contain any guarantees, and its value can go down as well as up. If you withdraw before your maturity date, you may be subject to a penalty fee. The exact lump sum you receive will depend on how the investments perform during the period you hold the plan. If you take your lump sum during adverse or severe adverse market conditions, the amount is likely to be lower than the amount you have saved.

What happens if PG Mutual 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.

You are covered for 100% of loss on this product up to £85,000 through the FSCS should Pharmaceutical and General Provident Society Limited default. The investments underlying this product are managed on our behalf by the professional investment management firm Royal London Asset Management. They will use other nominees and custodians in the course of their investment work for us. The investment managers and their custodians and nominees are not covered by a compensation scheme but, were they to default, and this in turn caused Pharmaceutical and General Provident Society Limited to default, then you would still be covered by the FSCS because your contract is with Pharmaceutical and General Provident 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 consider 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.

Costs 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 per year if you cash in after...	1 year	10 years	20 years
Total costs (£)	£1,162	£3,812	£10,729
Impact on Return (RIY) per year (%)	116.20%	8.89%	8.55%

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

This table shows the impact on return per year

One-off costs	Entry costs	0.00%	This product does not charge any entry fees.
	Exit costs	0.00%	This product does not charge any exit fees when the product matures. You may be charged an exit penalty if you exit before the maturity date.
Ongoing costs	Portfolio transaction costs	0.39%	The impact of the costs of us managing the underlying investments for the product.
	Insurance costs	0.00%	This table does not include the costs of your income protection insurance benefit.
	Other ongoing costs	8.16%	This is the total ongoing cost of administering this product.
Incidental costs	Performance fees	0.00%	This product does not charge any performance fees.
	Carried interests	0.00%	This product does not charge any carried interest.

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

Recommended required minimum holding period: 20 years

You should hold the Plan for as long as the income protection it provides is needed by you. By holding the policy for the medium to long term there is a greater probability that you will achieve the level of lump sum that you expected at the beginning of the policy. If you cancel the policy, or fall into arrears before your 60th birthday, the accumulated sum will be subject to a deduction of the previous two years bonuses. If you cancel your policy after less than two years subscriptions, or if you are expelled from the Society at any time, you may forfeit all your accumulated funds. You can withdraw up to £500 for specified purposes agreed with us such as medical treatment, death of a close relative or financial distress, without a penalty charge.

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: **The Secretary, Pharmaceutical and General Provident Society Limited, PG Mutual, 11 Parkway, Porters Wood, St. Albans, Herts, AL3 6PA; Telephone: 01727 840095.**

Other relevant information

- Income Protection Policy Document
- Services and Costs Disclosure Information
- Your personal quotation for Income Protection Plus