

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 National Farmers Union Mutual Insurance Society Limited – **Flexibond Deposit Series 3**, GB00B8B66379, [nfumutual.co.uk](https://www.nfumutual.co.uk), ☎ 0800 622323 for more information. Regulated by the Financial Conduct Authority and Prudential Regulation Authority. Information in document correct at 01/03/2025.

You are about to purchase a product that is not simple and may be difficult to understand.

What is this product?

Type – The Flexibond product is an investment that doesn't have a fixed investment term. We set it up as an insurance policy. Because it's an insurance policy it has to provide some life cover. But the life cover is only small, as its main purpose is as an investment.

Objectives – The investment objective of the NFU Mutual Deposit Fund is to provide capital stability and a return, before charges, greater than the Bank of England base rate over a rolling 12-month period, by investing in secure UK money market accounts.

Intended retail investor – The Fund is an ideal temporary haven for your money while you're deciding where to invest it for the longer term.

The fund is not intended as a long-term investment.

Insurance benefits – 1% of the investment value of the Flexibond upon day of death.

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

Risk Indicator



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 1 out of 7, which is the lowest risk class.

This rates the potential losses from future performance at a very low level, and poor market conditions are very unlikely to impact the capacity of NFU Mutual 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 section 'What happens if NFU Mutual is unable to pay out?'). The indicator shown does not consider this protection.

Fund Specific Risks

- **Credit** – The issuers of debt securities may default on capital or income payments.

For more information on the risks that may affect this fund please refer to 'Your Guide to Our Funds' available at [nfumutual.co.uk](https://www.nfumutual.co.uk).

What could affect the amount I get back?

What you get back will depend on market interest rates. This product is not intended as a long-term investment.

The fund invests in a portfolio of UK money market (cash) investments. These assets earn interest whilst generally retaining their capital value so provide relatively stable returns with low volatility (variation over time), however the potential for growth is low and may not keep pace with inflation.

Changes in UK interest rates or their expectations directly impact performance; when interest rates rise returns will increase and when interest rates fall they will reduce.

How can I compare this product?

Many funds sold in the UK are grouped into sectors by the Association of British Insurers (ABI), to help investors to compare funds with broadly similar characteristics. This product is classified in the ABI Deposit and Treasury sector.

Funds within the same sector will contain different investments and may perform differently over time, however we expect the sector average to be a reasonable comparator for the fund.

The NFU Mutual Deposit Fund has selected the Bank of England base rate as the basis for its performance objective. Investors can compare the product performance against this measure.

What could affect my return positively?

The key factor leading to higher returns would be:

- Higher UK interest rates

What could affect my return negatively?

Factors leading to lower returns or potential losses would be:

- Lower UK interest rates
- Significantly adverse market conditions or financial difficulties leading to defaults on interest or capital payments by financial institutions previously considered to be secure

Investments are expected to be very low risk, however if cashing-in under severely adverse market conditions you could lose a proportion of your money up to a maximum of your total investment.

The assets the fund is exposed to are largely very liquid so can be sold at short notice without any significant impact, however under extreme circumstances there may be additional costs.

What happens if NFU Mutual is unable to pay out?

If NFU Mutual is unable to pay claims because of financial difficulties, you may qualify for compensation from the Financial Services Compensation Scheme (100% protection of the market value of this product). You can contact the Financial Services Compensation Scheme for further details on ☎ 0800 678 1100 or 020 7741 4100 or [fscs.org.uk](https://www.fscs.org.uk).

What are the costs?

Costs 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 here are the cumulative costs of the product itself, for two different holding periods. The figures assume you invest a lump sum of £10,000 or £1,000 per year. The figures are estimates and may change in the future.

Investment scenarios (£10,000)	If you cash in after 6 months	If you cash in after 1 year
Total costs	£38.17	£76.91
Impact on return per year (RIY)	0.77%	0.77%

Investment scenarios (£1,000 per year)	If you cash in after 6 months	If you cash in after 1 year
Total costs	£3.82	£7.69
Impact on return per year (RIY)	0.78%	0.77%

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.

Composition of costs

The table below shows the impact each year of different types of costs on the investment return you might get at the end of the recommended holding period and the meaning of different cost categories.

One-off costs		
Entry costs	The impact of the costs you pay when entering your investment. (This is the most you will pay and you could pay less).	5%
Exit costs	The impact of the costs of exiting your investment.	0%
Ongoing costs		
Transaction costs	The impact of the costs of us buying and selling underlying investments for the product.	0%
Insurance costs	The impact of insurance costs.	0%
Other ongoing costs	The impact of the costs that we take each year for managing your investments.	0.75%
Incidental costs – We do not charge for carried interests or fees for performance		

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

- We recommend you invest for no more than 1 year as the fund does not offer long term growth potential.
- You can cancel within 30 days. You may get back less than invested if the value of your investment has fallen.
- There's no fixed investment term, so you can cash in your Flexibond whenever you wish.
- If you take money out it could eat into your original capital. This will happen if the growth on your investment isn't enough to make up for the amounts you're taking out.

How can I complain?

- If you need to make a complaint, please write to us at NFU Mutual – Customer Service (Financial Services), Avon House, Ryon Hill Park, Warwick Road, Stratford-upon-Avon, Warwickshire CV37 0UY or visit our website [nfumutual.co.uk](https://www.nfumutual.co.uk). Alternatively, call us on ☎ 0800 622323, and we will do all we can to resolve the complaint to your satisfaction.
- If you're not satisfied with our response to a complaint, you can contact: The Financial Ombudsman Service (FOS), Exchange Tower, London E14 9SR ☎ 0800 023 4567 [financial-ombudsman.org.uk](https://www.financial-ombudsman.org.uk)
- Making a complaint won't affect your legal rights.

Other relevant information

Additional information can be found in the Key Features Document (on request), Policy Document (legal requirement) or at [nfumutual.co.uk](https://www.nfumutual.co.uk)
A detailed policy valuation is provided to the policyholder once every year.
Other funds are available in the Flexibond product.