

keyfacts®


KEY FEATURES OF THE NFU MUTUAL FLEXIBOND




NFU Mutual
INSURANCE | PENSIONS | INVESTMENTS

The Financial Conduct Authority is a financial services regulator. It requires us, NFU Mutual, to give you this important information to help you decide whether our Flexibond is right for you. You should read the document carefully so that you understand what you are buying, and then keep it safe for future reference. You should also read the illustration provided.

This Key Features Document is intended to give you a brief explanation of the most important features of the Flexibond. The full terms and conditions are in the policy document. If you'd like a sample copy of these, please ask your NFU Mutual Financial Adviser, or:

 call us on 0800 622323

 write to us at: NFU Mutual - Operations (Financial Services), The Lake House, Ryon Hill Park, Warwick Road, Stratford-upon-Avon, Warwickshire, CV37 0UU.

We'll always send you a personalised copy of the policy document when we've set up your Flexibond.

It's important that you also read our fund guide entitled 'Your guide to our funds' provided with this Key Features Document (also available on our website nfumutual.co.uk).

We are here to help

Contact us to have this document sent in large print, braille or audio tape or for whatever reason you're finding it difficult to understand this document. We'll do our best to help.

CONTENTS

- 02 Who should buy this product?
 - Its Aims
 - Your Commitment
 - Risks
- 03 What is the Flexibond?
 - How flexible is it?
 - How much might it pay out?
 - Who can take out a Flexibond?
 - How much can I pay in?
 - How do I make payments?
 - How are my payments invested?
- 04 Can I change my investment choice?
 - Can I take my money out?
 - How will my withdrawals be paid?
- 05 How will units be cashed in when I make a withdrawal?
 - What happens to my Flexibond if I die?
 - Can I transfer ownership of my Flexibond?
 - What are the charges?
- 06 What about tax?
 - Can I change my mind?
- 07 How can I check how my Flexibond is doing?
 - How to contact us
 - Making a complaint
 - Other information:
 - Law and language used
 - Compensation
 - About NFU Mutual
- 08 Our mutuality
 - Financial strength
 - Your policy document
 - Is this product right for you?

WHO SHOULD BUY THIS PRODUCT?

- The Flexibond is an investment designed for people with savings in a bank or building society who are considering an alternative investment with more risk but with the potential for better returns.
- Investors should be prepared to leave their money invested for at least five years.

ITS AIMS

- It aims:
 - to increase the value of your investment
 - to allow you to take withdrawals, if you wish
 - to offer you a choice of investment funds.

YOUR COMMITMENT

- To invest lump sum amount(s) – at least £5,000 (or £20,000 if you are aged between 80 and 84) if opening a new policy or £1,000 for existing policies, and/or
- To invest regular monthly or yearly amounts – at least £25 per month, or £300 per year for policies taken out on or before 21 June 2019, or at least £50 per month, or £600 per year, for policies taken out on or after 22 June 2019.
- There's no fixed investment term, so you can cash in your Flexibond whenever you wish. We recommend you invest for at least five years.

RISKS

What you might get back

- Your money is invested in whichever of our funds you choose. Our fund guide gives details of the funds currently available. Most of our funds invest in the stock market and have different levels of risk. Fund values can go up and down, so there's a risk you could get back less than the amount you invest.

- 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.
- The amount you get back from your investment isn't guaranteed. It may be lower than your illustration shows if:
 - you stop or reduce regular payments
 - our investment performance is lower than we illustrated
 - you take more withdrawals than shown in your illustration
 - our charges increase
 - tax rules change.

About tax

- The tax treatment depends on the individual circumstances of each customer and may be subject to change in future. Please read the section '**What about tax?**' for more information.

Changing your mind

- If you change your mind about your investment you can cancel it within 30 days and have your money back, but you could get back less than you've invested. This could happen if you've invested a lump sum and the value of your investment falls. Please read the section '**Can I change my mind?**' for more information.

QUESTIONS AND ANSWERS

What is the Flexibond?

- It's an investment that doesn't have a fixed investment term.
- We set it up as an insurance policy, so that it can benefit from a favourable tax treatment. 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.
- You can set it up with one owner or up to four joint owners. It can cover one or two lives, which could be someone different to the owner(s).

How flexible is it?

- You can cash it in whenever you wish.
- You can invest lump sums and/or regular payments.
- You can start, stop and restart regular payments, or change the amount, at any time. You can change between monthly and yearly payments.
- You can take regular or occasional withdrawals.
- You can change your investment choice between our different funds.

How much might it pay out?

- Your illustration shows what you might get back. The amount you get back isn't guaranteed.
- If you haven't received an illustration, or you want an alternative personalised one, please call us on 0800 622323.

Who can take out a Flexibond?

- You can take out a Flexibond if:
 - you're 18 or over. Joint owners must both be 18 or over, and
 - the person whose life the Flexibond is covering is under 85. For Flexibonds covering two lives, this limit only applies to the younger person.

How much can I pay in?

- You can invest lump sums, regular monthly or yearly payments, or a combination of both.
- The minimum payments we'll accept for policies taken out on or before 21 June 2019 are:
 - lump sum payments - £1,000
 - monthly payments - £25
 - yearly payments - £300.
- The minimum payments we'll accept for policies taken out on or after 22 June 2019 are:
 - lump sum policy opening payment - £5,000
 - lump sum payments - £1,000
 - monthly payments - £50
 - yearly payments - £600.
- If you're aged 80 to 84 (or for a Flexibond covering two lives, the younger person is between these ages) you must start your Flexibond with a lump sum of, currently, at least £20,000. You can then pay additional lump sums of at least £1,000, or make regular payments as already explained.

How do I make payments?

- Lump sums - by cheque or direct credit.
- Regular payments - by direct debit.
- If you are paying from a personal account we may make enquiries about the source of the funds being used, or request documents to prove the identity of any individuals, associated with the transaction.
- If you're paying from a business account that's not solely or jointly in your name(s) we might carry out security checks to confirm where the money is coming from. We may require additional information about the business, including evidence of identity for anyone who owns a share in the business, as required under the Money Laundering Regulations.
- We may refuse to accept the payments being proposed, if our requirements are not met.

How are my payments invested?

- We'll invest your payments, after deducting any charges, in the funds you choose. Please read the section 'What are the charges?'. You'll find details of our funds in our fund guide.

- You choose the funds which match your requirements. You can change your choice at any time.
- The Flexibond is unit-linked. Put simply this means we divide each fund into units. Each payment you make buys a number of units in the funds you've chosen.
- Each fund has a unit price which we calculate each working day. We calculate the unit price for any day using the value of investments held by the fund at close of business that day.
- If you pay in a lump sum we'll buy units using the unit price applicable on the date we receive your cheque or direct credit payment at our registered office. For regular payments we'll use the unit price applicable on the date your payment is received.
- We'll work out your Flexibond's value by multiplying the total number of your units in each of your funds by the fund's unit price. If unit prices go up and down, so will your bond value.
- The value of units in the With-Profits Fund depends on any bonuses added. Our fund guide gives more details about how our With-Profits Fund works.

Can I change my investment choice?

- There are two ways you can do this:
 - you can change where your future payments are invested
 - you can switch from one fund to another.
- For switches from one fund to another:
 - We'll cash in units in your existing fund and buy units in your new fund using unit prices that apply for the day we receive your written instructions at our registered office
 - You can make up to 12 fund switches in each policy year without charge. For each subsequent fund switch within the policy year we can take a charge of £20. We are not currently taking this charge. A policy year is 12 months from the start date of your Flexibond and each following year beginning on the anniversary
 - We will review the charge for a fund switch every three years, after which the charge

may rise. Any increase will not be above the change in the Consumer Price Index inflation measure since the last change

- If a fund switch charge would reduce the value of your Flexibond to less than £500, we will not allow the fund switch
- We can delay your fund switch for up to 3 months. If you're switching from a fund that has investments in property, we can delay the fund switch for up to 12 months.

Can I take my money out?

- You can take some or all of your money out, whenever you like. If you take out all of your money your Flexibond will end.
- If you wish, you can set up automatic regular withdrawals. Your regular withdrawals can be up to 10% of the total amount invested, each policy year.
- You can take regular withdrawals monthly, quarterly, half-yearly or yearly.
- You can change the frequency of regular withdrawals. Or you can stop, restart, increase or reduce them.
- Each withdrawal payment must be at least £100, and you must leave at least £500 invested.
- If you've invested in more than one fund, any withdrawal will be split between them. The split will be in proportion to the amounts held in each fund.
- Please read the section **'What about tax?'** for information on how withdrawals may affect your tax position.
- You'll need to let us know in writing if you want to make any withdrawals, or change your regular withdrawals. Please write to the address given under **'How to contact us'**.

How will my withdrawals be paid?

- We'll pay them into your UK bank or building society account. We won't make payments to third parties, apart from firms regulated by the Financial Conduct Authority, the Solicitors Regulation Authority or the Law Society of Scotland or Northern Ireland.
- After we process your withdrawal, it will take three working days to reach your account.

How will units be cashed in when I make a withdrawal?

- We cash in units in your fund(s) using the unit prices that apply for the date we receive your written instructions at our registered office, or the date your regular withdrawal is due.

What happens to my Flexibond if I die?

- If it's been set up to cover your life, we'll pay the lump sum death benefit to your estate when you die. The death benefit is the value of your Flexibond on the day you die (if this falls over a weekend or bank holiday, we'll use the value for the next working day) plus an extra 1%. It's not a guaranteed amount, as unit prices go up and down. The Flexibond will end when we pay the death benefit.
- If your Flexibond is set up to cover two lives, it will continue after the first person's death. When the second person dies we'll pay the death benefit to the legal owner(s), and the Flexibond will end.
- If it's been set up to cover someone else's life, when that person dies we'll pay the death benefit to the legal owners(s), and the Flexibond will end.

Can I transfer ownership of my Flexibond?

- You can transfer ownership to another person or company. In legal terms this is known as an 'assignment'.
- If you do this you should let us know who is legally entitled to the benefits.

WHAT ARE THE CHARGES?

Charges paid directly from the funds

- We charge for managing your Flexibond and the investment funds. We take money from the funds to pay:
 - the costs of buying and selling assets in the funds
 - any tax due on those assets
 - any fees, levies and other charges we have to pay to operate and manage the fund.
- Your illustration shows our charges and the effect they have on reducing the value of your Flexibond over its lifetime.

Advice charge

- If you've received advice from an NFU Mutual Financial adviser, they'll charge for this.
- Any advice charge to be deducted from your lump sum or regular payments will be taken before investment into the Flexibond, and so before any product charges mentioned in the following section.

Product Charges

Initial charge

- We may deduct an initial charge from each payment you make. Any initial charge we're deducting from your Flexibond will be shown in the illustration provided.
- At the moment we're not deducting an initial charge. However, we may introduce an initial charge, or change an existing initial charge, if the cost of managing your Flexibond changes. This could happen, for example, if there are changes to:
 - administration costs
 - taxation
 - regulation
 - the law
 - fund management costs.
- The maximum initial charge we can deduct from each lump sum or regular payment (after any initial advice charge has been deducted) is 5%.
- We'll give you 30 days advance notice if we introduce or change an initial charge.

Annual charge

- Over the course of each year, for the life of your Flexibond, we take a charge out of the units in your Flexibond. The level of the charge depends on when your policy started, which type of fund you are invested in and when you invested in that fund.

With-Profits Fund:

The annual charge is:

- 1.1% for policies that commenced on or after 22nd May 2017

- 1.1% for new investments made into the With-Profits Fund on or after 2 October 2017 where the policy started before 22nd May 2017. New investments in this context include lump sums, new regular premiums, increases to existing regular premiums and switches into the With-Profits Fund.
- 1% for all other with-profits investments.

All other funds:

The annual charge is 1%.

Changes to the annual charge

- We may change the annual charge if the cost of managing your Flexibond changes. This could happen, for example, if there are changes to:
 - administration costs
 - taxation
 - regulation
 - the law
 - fund management costs.
- There may be additional charges depending on the fund(s) you choose. Please see our 'Your Guide to Our Funds' document for more information.
- The maximum annual charge we can make is 1.5% a year, but the current charge is lower than this. We'll give you 30 days advance notice if the annual charge changes.

What about tax?

- The tax treatment depends on your individual circumstances. It may change in future.
- Under current tax rules you won't have to pay basic rate income tax or capital gains tax on your Flexibond.
- NFU Mutual pays tax on income and capital gains within the funds. Non tax payers can't reclaim this.
- Each policy year, you can withdraw up to 5% of the total amount you've invested, without having to pay any tax at that time (this does not apply if the Flexibond is owned by a company). This is a cumulative allowance, so if you don't use it in any policy year you can carry it forward to future years, up to a maximum of 100% of the total amount you've

invested. A policy year is 12 months from the start date of your Flexibond, and each following year beginning on the anniversary.

- You might have to pay some higher or additional rate income tax if you:
 - take withdrawals of more than 5%, or more than your accumulated allowance in a policy year
 - cash in your Flexibond fully
 - transfer ownership to another person or company (known as assignment) other than as a gift.
- If you take out more than the 5% allowance each policy year, or cash in your Flexibond fully:
 - any personal tax allowances or tax credits you receive might be reduced
- Your legal personal representatives may have to pay some higher or additional rate income tax when a death benefit is paid.
- The Flexibond death benefit will form part of the legal owners' estate(s) for inheritance tax purposes. You can use a trust to help in inheritance tax planning. Ask your NFU Mutual Financial Adviser.
- If the Flexibond is owned by a company, any gains will be subject to corporation tax. The actual amount payable will depend upon the company's overall tax position.


Can I change my mind?

- You'll have 30 days to change your mind about the investment into your Flexibond. We'll write and tell you when the 30 days starts.
- You can cancel within the 30 days and have your money back, but you could get back less than you've invested. This could happen if you've invested a lump sum and the value of your investment falls.
- If you change your mind, write to us at the address given under '**How to contact us**'.
- If you don't cancel within the 30 days, your Flexibond will continue as set out in these key features and your policy document.

How can I check how my Flexibond is doing?

- We'll send you a statement every year, shortly after the anniversary of your Flexibond's start date.
- If you make a withdrawal, we'll send you a statement at the end of the quarter when it's made.
- You can contact us for information about your Flexibond's value. You can also visit our website to check unit prices, nfumutual.co.uk. Fund prices for the With-Profits Fund aren't available on the website, for details you can contact us on 0800 622323.

How to contact us

- If you want to:
 - cancel your Flexibond
 - change your regular payments
 - get information about your Flexibond's value
 - make a withdrawal, or other claim
 - change your investment choice
 - transfer ownership of your Flexibond
 - ask any other questions
-  call us on 0800 622323. Our telephone lines are open on weekdays from 8.30am to 6.00pm. We may record telephone calls for training, monitoring or security purposes.

Or

- ✉ write to us at:
NFU Mutual - Operations
(Financial Services)
The Lake House
Ryon Hill Park
Warwick Road
Stratford-upon-Avon
Warwickshire
CV37 0UU

Making a complaint

- If you need to make a complaint, please write to us or call us on 0800 622323, as indicated above, 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
www.financial-ombudsman.org.uk

- Making a complaint won't affect your legal rights.

OTHER INFORMATION

Law and language used

- Under English law, people making contracts can choose which law applies. The law of England will apply to this Flexibond, unless you agreed otherwise with us before it starts.
- Your Flexibond and all our other communications with you will be in English.

Compensation

- If NFU Mutual is unable to pay claims because of financial difficulties, you may qualify for compensation from the Financial Services Compensation Scheme.
- You can contact the Financial Services Compensation Scheme for further details, on 0800 678 1100 or 020 7741 4100 or www.fscs.org.uk

About NFU Mutual

- NFU Mutual is The National Farmers Union Mutual Insurance Society Limited. It's a registered company that's limited by guarantee, which means its capital isn't divided into shares. Its Head Office is in the United Kingdom of Great Britain and Northern Ireland, situated at:

Tiddington Road
Stratford-upon-Avon
Warwickshire
CV37 7BJ

- NFU Mutual’s main business is providing financial services and general insurance. It’s authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority and is entered on their register under number 117664. You can contact the Financial Conduct Authority as follows:

☎ Consumer helpline: 0800 111 6768

✉ 12 Endeavour Square
London
E20 1JN

🌐 www.fca.org.uk
consumer.queries@fca.org.uk

Our mutuality

- We are a Mutual company, which means we have no shareholders.
- We aim to pass on the benefits of mutuality to our financial services customers, by low charges and personalised service.
- In the unlikely event of de-mutualisation, any windfall payment arising from the policy you’re taking out would be paid to The NFU Mutual Charitable Trust, instead of to you.

Financial strength

- To find out more about our financial strength you can read our “Solvency and Financial Condition Report” at nfumutual.co.uk/about-us/agm.

Your policy document

- This key features document gives you a brief explanation of the most important features of the Flexibond. It’s based on our understanding of current law and tax practices, which can change.
- The full terms and conditions are in the policy document. If you’d like a sample copy of this, please ask your NFU Mutual Financial Adviser or contact us as explained under ‘**How to contact us**’. We’ll always send you a personalised copy of this when we’ve set up your Flexibond.

Is this product right for you?

- If you’re unsure if this product is right for you, please speak to your NFU Mutual Financial Adviser. Financial advice is provided by NFU Mutual Select Investments Limited. NFU Mutual Advisers advise on NFU Mutual products and selected products from specialist providers. They will explain the advice services and charges.

[nfumutual.co.uk](https://www.nfumutual.co.uk)



NFU Mutual

The National Farmers Union Mutual Insurance Society Limited (No. 111982).
Registered in England. Registered Office: Tiddington Road, Stratford-upon-Avon, Warwickshire CV37 7BJ.
Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority
and the Prudential Regulation Authority.
To find out more about how we use your personal information and your rights, please go to the Privacy Policy
on our website.

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