

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 With-Profits Series 4**, GB00BYV01K38, [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 31/10/2024.

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 With-Profits Fund is to achieve long term growth by providing smoothed returns, which keeps some of the growth from good years to boost returns in the poor years. Returns are paid in the form of bonuses. The With-Profits Fund achieves this by investing in a broad range of assets both in the UK

and abroad. These assets include company shares, property, fixed interest securities and deposits.

Intended retail investor – 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.

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 (for a recommended holding period of 5 years). 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 3 out of 7, which is a medium-low risk class. If you hold for less than 5 years the risks may be significantly higher.

This rates the potential losses from future performance at a medium-low level, and poor market conditions are 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.
- **Foreign exchange** – Fluctuations in currency value may alter the value of the funds' investments.

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?

Your money is invested with the aim of achieving long-term growth, with the returns on investments smoothed out over time as we keep back some of the growth from good years to boost returns in poor years. What you get back will depend on how the market performs and how long you keep the investment, with returns provided by the application of bonuses which aim to reflect the performance of the underlying assets over the long-term. Although returns are smoothed by these bonuses, values can still change sharply.

The With-Profits Fund invests in a wide variety of assets including UK and Global equities (shares in companies), commercial property (UK and Global), cash, and fixed interest securities (corporate and government bonds). A significant proportion of the investment exposure of the fund is currently to equities (UK and Global) and property (predominantly UK). Each of these have the potential to deliver good returns over the longer-term but can exhibit relatively high volatility (variation in price over time), so the value of the investments can go up and down and may lose money. Changes in foreign currency exchange rates can also materially impact the performance of overseas equities in UK sterling terms.

Exposure to fixed interest investments (corporate and government bonds) is lower than to equities but can have a significant impact on total returns. Bonds are generally less risky than equities and usually exhibit lower volatility, but also have lower expected long-term returns. Changes in interest rates or the expectation of changes can have a significant impact on performance; when interest rates fall fixed interest asset prices are expected to rise and when interest rates rise their values are expected to fall.

Inflation can also have a material impact on performance, affecting equity market values as companies are impacted by rising prices and bond values because inflation and interest rates are generally linked. Increasing inflation may reduce the value of the investments.

Money Market (cash) investments can provide some protection against market falls and volatility, however long-term return expectations for these assets are low so exposures are kept relatively small.

A With-Profits policy shares in the profits and losses of the With-Profits fund. As well as depending upon investment returns, the performance of this fund can also be affected by other risks such as higher than expected costs of guarantees made on some With-Profits policies, losses on our non-profit business (such as claims being higher than expected) or expenses being higher than planned. Conversely where profits are made additional distributions can enhance returns.

What could affect my return positively?

Factors likely to lead to higher returns would be:

- Strong long-term capital growth in UK and global equity values.
- Strong growth in UK and global commercial property values and rental incomes.
- Reducing or lower than expected long-term levels of inflation/interest rates.
- Positive market conditions supporting growing share dividends and low levels of default on income and capital payments for bonds.
- Increasing values of foreign currencies such as the dollar relative to the pound.
- Distributions of profits made by the With-Profits fund.

What could affect my return negatively?

Factors likely to lead to lower returns or potential losses would be:

- Poorly performing UK or global equities due to specific events or adverse longer-term market conditions.
- Falling UK or global commercial property values or diminishing rental income.
- Increasing or higher than expected levels of inflation/interest rates.
- Volatile or adverse market conditions leading to widely cancelled or reduced share dividends, significantly increasing levels of default on bonds or the ultimate failure of previously strong companies.
- Decreasing values of foreign currencies such as the dollar relative to the pound.
- A significant impact of increased costs or rising expenses to the With-Profits fund.

Where the value of the assets backing the product are significantly impacted, a Market Value Reduction may be applied to the value of your policy to maintain fairness between policyholders exiting the fund and those remaining in it, reducing the value of your With-Profits units when they are sold.

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 three 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 1 year	If you cash in after 3 years	If you cash in after 5 years
Total costs	£125.73	£400.58	£714.08
Impact on return per year (RIY)	1.26%	1.25%	1.25%

Investment scenarios (£1,000 per year)	If you cash in after 1 year	If you cash in after 3 years	If you cash in after 5 years
Total costs	£12.57	£78.53	£205.15
Impact on return per year (RIY)	1.26%	1.25%	1.25%

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.	0.02%
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.	1.18%
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 at least 5 years as the fund is designed to deliver longer term performance which we deem to be 5 years or more.
- 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.
- **If you take your money you may be subject to a Market Value Reduction (which will reduce the value of your investment) in some circumstances. For more information on the MVR and when it applies please refer to 'Your Guide to Our Funds' available at nfumutual.co.uk.**

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**. 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**
- 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**
A detailed policy valuation is provided to the policyholder once every year.
Other funds are available in the Flexibond product.

