

## 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 31/10/2019.

**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. The value of benefits are shown in 'What are the risks and what could I get in return?' section under the death scenario.

## 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).

## Performance Scenarios (Investment of £10,000)

Scenario		1 year	3 years	5 years (recommended holding period)
Stress	What you might get back after costs	£8,352	£8,028	£7,470
	Average return each year	-16.48%	-7.06%	-5.67%
Unfavourable	What you might get back after costs	£10,125	£10,322	£11,056
	Average return each year	1.25%	1.06%	2.03%
Moderate	What you might get back after costs	£10,592	£11,729	£13,073
	Average return each year	5.92%	5.46%	5.50%
Favourable	What you might get back after costs	£11,205	£13,231	£15,325
	Average return each year	12.05%	9.78%	8.91%
Death	What your beneficiaries might get back after costs	£10,698	£11,846	£13,203

This table shows the money you could get back over the next 5 years, under different scenarios, assuming that you invest a lump sum of £10,000. The stress scenario shows what you might get back in extreme circumstances and it does not take into account the situation where we are not able to pay you.

## Performance Scenarios (Investment of £1,000 per year)

Scenario		1 year	3 years	5 years (recommended holding period)
Stress	What you might get back after costs	£835	£2,562	£4,148
	Average return each year	-16.48%	-7.68%	-6.16%
Unfavourable	What you might get back after costs	£1,013	£3,054	£5,283
	Average return each year	1.25%	0.89%	1.84%
Moderate	What you might get back after costs	£1,059	£3,347	£5,894
	Average return each year	5.92%	5.58%	5.54%
Favourable	What you might get back after costs	£1,121	£3,635	£6,545
	Average return each year	12.05%	9.92%	9.12%
Accumulated invested amount		£1,000	£3,000	£5,000
Death	What your beneficiaries might get back after costs	£1,070	£3,381	£5,953

This table shows the money you could get back over the next 5 years, under different scenarios, assuming that you invest £1,000 per year. The stress scenario shows what you might get back in extreme circumstances and it does not take into account the situation where we are not able to pay you.

The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products. The scenarios presented are an estimate of future performance based on evidence from the past, and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the investment. Your maximum loss would be that you will lose all your investment. The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your adviser or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

### 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	£118.05	£396.79	£740.17
Impact on return per year (RIY)	1.18%	1.18%	1.18%

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	£11.80	£76.48	£206.49
Impact on return per year (RIY)	1.18%	1.18%	1.18%

The figures in the table do not include the additional costs we expect to incur in future from using external fund managers for part of the fund management. We anticipate this cost will be around an extra 0.05% per annum.

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.	0.01%
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.	1.15%
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.
- 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](http://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), The Lake House, Ryon Hill Park, Warwick Road, Stratford-upon-Avon, Warwickshire CV37 0UU or visit our website [nfumutual.co.uk](http://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](http://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](http://nfumutual.co.uk)  
A detailed policy valuation is provided to the policyholder once every year.  
Other funds are available in the Flexibond product.

This fund is authorised in the UK and regulated by the Financial Conduct Authority (FCA) and Prudential Regulation Authority.

This key information is accurate as at 31 October 2019.

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