

NFU MUTUAL UNIT MANAGERS LIMITED

ASSESSMENT OF VALUE 2025 SUMMARY




In accordance with requirements set out by our regulator, the Financial Conduct Authority (“FCA”), all UK Authorised Fund Managers like NFU Mutual Unit Managers Limited (“MUMCO”) must carry out an annual assessment of value for all investment fund units offered to the public.

The annual assessment is required to demonstrate whether and how value is being delivered for retail investors in each class of unit in each fund available for them to invest in, and to take corrective action if necessary. The assessment must be explained annually in a report made available to the public.

We have assessed our funds based on data to 31st May 2025. The detailed output of this assessment was presented to MUMCO’s Board in September 2025, allowing for challenge and further investigation. The ongoing nature of the process means that the Board can continually monitor any areas of concern.

The latest assessment of value findings are summarised in the scorecard below, using a simple traffic light scoring system. We use a broad range of data to create the assessments for each fund’s level of service, performance, and costs / charges. The results of this examination are then analysed to establish the reason any fund has been flagged as red or amber. The MUMCO Board then allocate an overall rating for each fund. **Based on the latest assessment, the Board Directors of MUMCO are satisfied that all of the funds offer good or satisfactory value for money to investors.**

Fund Umbrella	Fund Name	Service	Performance	Costs and Charges	Overall Rating
NFU Mutual OEIC	Fixed Interest	●	●	●	●
	International Equity*	●	●	●	●
	UK Equity	●	●	●	●
	UK Equity Income	●	●	●	●
NFU Mutual Portfolio Funds OEIC	Mixed Portfolio 20-60% Shares	●	●	●	●
	Mixed Portfolio 40-85% Shares	●	●	●	●
	Mixed Portfolio Max 100% Shares	●	●	●	●

-  The Fund hasn’t provided satisfactory value for money and improvements are required in some areas. Actions have been planned or already taken.
-  The Fund has provided satisfactory value for money, however improvement may be possible in some areas to maintain value. Actions may have been planned or already taken.
-  The Fund has provided good value for money

(*) The structure of the International Equity fund changed in 2020. Whilst we do not yet have sufficient performance history to fully assess performance, we have made an assessment on the performance history available from the date of the change in September 2020 up to 31st May 2025.

2025 Assessment of Value

The assessment has been made against seven prescribed areas identified by the FCA. A summary of the latest findings against each of the seven areas for our available investment fund units is provided below. The rating, assessment process, and any proposed remedial actions have been subject to scrutiny by MUMCO's Board.

SERVICE

1. Service

The range and quality of services provided to investors in the management of each class of unit in each available fund.

Overall, we believe that NFU Mutual's internal investment management team and external service providers have delivered a good quality of service for all classes of unit within all MUMCO funds over the 12 months since the previous review. This is evidenced by:

- external suppliers, who help to run the funds, consistently meeting their Service Level Agreements (SLAs);
- low error rates (e.g. on unit pricing), quality communications and low volumes of customer complaints; and
- no material issues raised in any audits or independent assurance reviews.

We have therefore rated all funds as green for service.

PERFORMANCE

2. Performance

The performance of each sub fund of each class of unit as set out in the relevant prospectus. This performance is assessed over appropriate timescales having regard to the sub-fund's investment objectives, policy and strategy.

Our performance assessment is based on the following four criteria:

- Out-performance of cash returns plus a margin, where the margin increases as the risk rating of the fund increases;
- Relative performance against similar funds;
- Performance against the stated benchmark index (our single asset class funds' objective is to beat the relevant benchmark index); and
- Morningstar's risk-adjusted overall performance rating.

Each criterion contributes an equal proportion to the overall score. Where a measure is either not applicable or not available, it is not used, and the other weightings are adjusted accordingly.

All funds are rated as green this year, apart from the UK Equity fund which is rated amber. We have therefore concluded that fund performance has delivered good value for money for all funds apart from UK Equity which has delivered satisfactory value for money. Action has been taken to address any issues identified.

The UK Equity Fund has consistently delivered a Morningstar rating of three stars (out of 5). This rating is based on the fund's performance across three, five and ten year periods. Morningstar ratings provide investors with an objective means of comparison by identifying funds that have delivered consistent, superior, risk adjusted returns relative to their peer group.

Relative performance against cash has seen improvement compared to last year, particularly in the last few months of the period.

However, this is the second year the UK Equity fund has been rated amber. The fund tends to invest in companies expected to grow faster than average, often smaller, quality businesses. This 'growth' bias is different from the benchmark and peers, which has impacted the relative performance of the fund.

A full review of the UK Equity fund strategy was carried out in 2024, with focus from both the Executive and Board Investment Committees. Following the review, two small mandate changes were applied which should reduce the chance of significant deviations from benchmark in future, whilst ensuring the fund remains actively managed. The growth bias of the fund and potential variation from the benchmark that this can cause, along with the inclusion and additional volatility of the smaller company holdings this bias tends to

produce, are both noted in the investment policy so are not outside customer expectations. The Committees retain conviction that the fund strategy remains suitable for the long term.

Against that background, we do not believe that the amber rating for the fund is an immediate cause for concern, however given this rating the performance of the fund will continue to be closely monitored. We believe the UK Equity fund still offers value for money and no further changes are required at this stage.

COSTS and CHARGES

3. Costs

In relation to each charge for each class of unit, the cost of providing the services to which the charge relates.

4. Economies of scale

Whether cost savings are achievable from economies of scale and if so, whether these can be passed on to investors.

5. Comparable market rates

Consideration of other providers' charges or market rate for comparable services provided.

6. Comparable services

How charges compare for comparable services provided to different groups of investors within any of the available sub-funds.

7. Classes of units

How charges compare for different classes of units within the available funds and how that relates to differences in underlying costs.

Areas 3) to 5) all relate to costs and charges, so we have therefore merged them into an overall "Costs and Charges" rating in our scoring approach.

Our latest assessment of third-party data concluded that MUMCO's costs are not unreasonable for a company of its size. We have a clear and fair approach to allocate internal costs. We have continued to review third-party fees to ensure they continue to deliver value for money.

In September 2023 MUMCO reduced the annual charges for all funds by 0.05%, in response to improved levels of profitability over recent years.

The current fund charges are sufficient to cover MUMCO's costs and MUMCO has made a reasonable profit in recent years. MUMCO's Board monitors the level of profit and profit margin being achieved against long term targets and is committed to delivering value for money to investors. The Board recognises there are risks to future profitability arising from potential market downturns combined with high-cost inflation. However, growth and economies of scale could eventually lead to a sufficient level of profit to allow a further reduction in annual management charges, and this will continue to be monitored.

MUMCO's total fund charges are competitive compared to those of its peers and reasonable in the context of expected future investment returns. The charges are in the cheaper half of funds for their market sectors. We expect likely future investment returns on all funds offered by MUMCO to comfortably cover the cost of our charges over the longer term.

As a result of the areas investigated, we have rated all funds as green for costs and charges.

Considerations 6 and 7 are not relevant to MUMCO as it only sells to retail investors and only offers one class of units and price to these retail investors for each fund. This means all groups of customers in that sub-fund are charged the same rate.

Whilst MUMCO has one institutional share class in each sub-fund, this share class is only made available to other parts of the NFU Mutual group and not to third parties.

Further Information

The last published prices of shares and other practical information on the funds, as well as fund documentation, is available from nfumutual.co.uk/investments/fund-centre/. This includes:

- Key Investor Information Documents showing current objectives and fees for each fund
- Monthly Factsheets with the latest performance and details of fund holdings
- Annual Reports and Prospectuses for the fund umbrella OEICs.

An explanation of many of the terms used can be found in the glossary of the Prospectus. Further information about the funds, copies of the documents mentioned above can also be obtained free of charge from NFU Mutual Unit Managers Limited, Tiddington Road, Stratford-upon-Avon, CV37 7BJ (0800 622 323).

Environmental, Social and Governance (“ESG”) considerations continue to be an important focus for NFU Mutual, including MUMCO. MUMCO has fully embedded ESG into the investment processes, both via the internal team and as part of investment manager selection. MUMCO believes that factoring ESG in can provide customers with an appropriate balance between good long-term investment growth and sustainable investing.

Both MUMCO and all our external managers are signed up to the United Nations-supported Principles for Responsible Investment (PRI). This publicly commits organisations to incorporate ESG into processes, policies and practices and report on progress towards this. NFU Mutual continues to be a signatory of the UK Stewardship Code, which was introduced to set high stewardship standards for those investing on behalf of UK savers and pensioners. Our 2024 Stewardship Report demonstrates how we applied the Code’s 12 Principles. NFU Mutual also is a member of the Investor Forum, a collection of institutional investors with a focus on investments in UK-listed companies. The Investor Forum looks to place stewardship at the heart of investment decision making and focuses on creating long-term solutions to enhance shareholder value.

Bank of New York Mellon (International) Limited is the Depositary for all MUMCO’s funds.

We’re committed to supporting our customers,
whatever your circumstances or needs we’re here to help.

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