

FINAL REPORT

For the Year Ended 31st January 2018



NFU Mutual
INSURANCE | PENSIONS | INVESTMENTS

Annual Report 31st January 2018

Contents

	Page
Company Information*	
The NFU Mutual Portfolio Funds OEIC Investment Manager's Review*	
The NFU Mutual Portfolio Funds OEIC Collective Notes applicable to the Company and all Sub-funds	8
Investment Manager's Review*	11
Portfolio Statement*	17
Financial Statements	18
Notes to the Financial Statements	20
Investment Manager's Review*	29
Portfolio Statement*	35
Financial Statements	36
Notes to the Financial Statements	38
Investment Manager's Review*	47
Portfolio Statement*	53
Financial Statements	54
Notes to the Financial Statements	56
Report of the Depositary to the Shareholders of The NFU Mutual Portfolio Funds OEIC	65
Independent Auditors' Report to the Shareholders of The NFU Mutual Portfolio Funds OEIC	66

*These collectively comprise the Authorised Corporate Director's (ACD) Report.

Company Information

Company	The NFU Mutual Portfolio Funds OEIC An investment company with variable capital.
The Authorised Corporate Director	Tiddington Road, Stratford upon Avon, Warwickshire, CV37 7BJ Tel: 01789 204211
Directors Board of Directors of the ACD	The Authorised Corporate Director ('ACD') is N.F.U. Mutual Unit Managers Limited Chairman K. Arif Directors P. A. Glover T. J. McKeon (resigned 7 April 2017) A.C. Mason
Administrator and Registrar	The Bank of New York Mellon (International) Limited One Canada Square London E14 5AL Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.
Depository	The Bank of New York Mellon (International) Limited One Canada Square London E14 5AL Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.
Independent Auditors	PricewaterhouseCoopers LLP Atria One, 144 Morrison Street, Edinburgh, EH3 8EX

The Company is structured as an umbrella company, in that the scheme property of the Company is currently divided among all sub-funds, each with different investment objectives. New sub-funds ("Funds") may be established from time to time by the ACD with the approval of the Financial Conduct Authority ("FCA") and the Depository. All the Funds are classified as The NFU Mutual Portfolio Funds OEIC Funds under the FCA's Collective Investment Schemes sourcebook ("COLL"). The NFU Mutual Portfolio Funds OEIC is covered by the investment rules in chapter 5 of COLL. The Company is a Non-UCITS Retail Scheme.

Each Fund has a specific portfolio to which that Fund's assets and liabilities are attributable. The Funds are segregated portfolios of assets and, accordingly, the assets of a Fund belong exclusively to that Fund and shall not be used or made available to discharge (directly or indirectly) the liabilities of, or claims against, any other person or body, including the Company and any other Fund and shall not be available for any such purpose. The individual shareholders are not liable for any debts of the Funds that they have invested in.

The accounting period covered in these financial statements is from 1 February 2017 to 31 January 2018.

As at 31 January 2018, none of the Funds held shares of any other Funds of the Company.

The Securities Financing Transactions Regulation, as published by the European Securities and Markets Authority, aims to improve the transparency of the securities financing markets. Disclosures regarding exposure to Securities Financing Transactions (SFTs) is required on all report & accounts published after 13 January 2017. During the year to 31 January 2018 and at the balance sheet date, The NFU Mutual Portfolio Funds OEIC did not engage in SFTs.

The Prospectus was last updated and issued on 1 January 2018. The financial statements reflect the latest investment objective and policy in the revised Prospectus.

Company Information

continued

On 2 June 2014 N.F.U. Mutual Unit Managers Limited (the “Authorised Corporate Director”) was authorised as an alternative investment fund manager by the Financial Conduct Authority of the United Kingdom (“FCA”) pursuant to the requirements of The Alternative Investment Fund Managers Regulations 2013 (the “Regulations”). As such, the Authorised Corporate Director is authorised to manage and market the Funds, which are alternative investment funds, in accordance with the Regulations and the FCA handbook of rules and guidance.

Reward at NFU Mutual is a combination of base pay, variable pay and a market competitive benefits package. Reward supports our values and business culture by balancing the need to recognise and reward high performance with the requirement to support our collegial culture.

NFUM has a comprehensive process for identifying staff who are Material Risk Takers (MRTs). Qualitative and quantitative criteria are used to identify roles on an on-going basis and the list of identified staff is approved by the NFU Mutual Remuneration Committee at its meetings. Once identified, employees receive a letter informing them of the role status and the implications of it. All NFUM variable pay plans are based on financial and non-financial performance measures. Individual criteria of acceptable performance and adherence to risk appetite are also applied.

Three senior managers are considered to have a material impact on the risk profile of the company in the financial year 2017. Total remuneration attributable to The NFU Mutual Portfolio Funds OEIC is £39,891 split between fixed, £24,602 and variable, £15,289.

Further information on the NFU Mutual Remuneration Policy is available on the Group’s external website and in the annual report and accounts.

The Authorised Corporate Director's Report

The Authorised Corporate Director presents its report and the financial statements of the Company for the year ended 31 January 2018.

Incorporation

The NFU Mutual Portfolio Funds OEIC (the Company) is registered in England and Wales as an Open Ended Investment Company with variable capital under regulation 12 (Authorisation) of the OEIC regulations under registration number IC000745. The Company is authorised by the Financial Conduct Authority as an umbrella company with three constituent parts (Funds), the NFU Mutual Mixed Portfolio Max 100% Shares Fund, the NFU Mutual Mixed Portfolio 40-85% Shares Fund and the NFU Mutual Mixed Portfolio 20-60% Shares Fund all with a date of authorisation of 22 May 2009.

Post Balance Sheet Events

As part of our project to implement MiFID II, N.F.U. Mutual Unit Managers Limited (the "ACD"), applied to the FCA and the shareholders of The NFU Mutual Portfolio Funds OEIC ("Portfolio OEIC") to convert the Portfolio OEIC from a NURS regulatory structure to a UCITS Scheme, which is a different regulatory structure. The FCA approved the conversion application in October 2017 and the shareholders approved the conversion at an extraordinary general meeting held on 5 December 2017. The planned completion date for the conversion of the Portfolio OEIC is currently 30 March 2018.

Principal Activities

The Company's principal activity is to carry out business as an Open Ended Investment Company. The Funds are operated separately and the assets of each Fund are managed in accordance with the investment objective and policy applicable to that Fund.

The Company has the power to issue different Classes of Share in respect of each Fund. At present only Class B Shares, Class C Shares and Class I Shares are available for the Funds. In addition, the ACD may at its discretion at a future date create different Classes of Share, which may be distinguished by their criteria for subscription and fee structure.

On 3 December 2012 Class C Shares were introduced across all three Funds. These are only available to the following:

- the NFU Mutual group company that operates the NFU Mutual Select Investments service from time to time (or its nominee); or
- any other firm that complies with the following criteria (or its nominee): (a) it is authorised by the FCA or an equivalent overseas regulator to provide custody and dealing services or fund link arrangements to retail investors, (b) it holds the relevant Class C Shares for such a purpose, and (c) it has a written platform, distribution, fund link or similar agreement in place with the ACD; or
- a holder of Class B Shares in the same Fund who has elected in writing to convert these to Class C shares and then transfer the relevant holding onto the NFU Mutual Select Investments service, except that:
 - they will only be eligible to hold the relevant Class C Shares in their own name for up to 30 days (or such other period as the ACD determines reasonable for the purpose) to facilitate the transfer process; and
 - their eligibility will therefore lapse if they continue to hold the relevant shares in their own name beyond this time for any reason.

Results

The results for each Fund are set out in detail in the relevant section of this report.



Chairman of the ACD
K. ARIF
16 March 2018



On behalf of the ACD
P. A. GLOVER

Statement of Authorised Corporate Director's (ACD) Responsibilities in relation to the Financial Statements of the Company

The FCA's Collective Investment Schemes sourcebook ("COLL") requires the ACD to prepare financial statements for each accounting period in accordance with United Kingdom Generally Accepted Accounting Practice which give a true and fair view of the financial position of the Company and of its net revenue and expenses and the net gains or losses on the property of the Company for the period. In preparing the financial statements the ACD is required to:

- select suitable accounting policies and then apply them consistently;
- comply with the disclosure requirements of the Statement of Recommended Practice relating to Authorised Funds issued by the Investment Management Association* in May 2014;
- comply with the Prospectus, generally accepted accounting principles and applicable accounting standards subject to any material departures which are required to be disclosed and explained in the financial statements;
- keep proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation for the foreseeable future.

The financial statements should comply with the disclosure requirements of COLL and the Prospectus and any relevant provisions of the Company's Instrument of Incorporation.

The ACD is responsible for keeping proper books of accounts which disclose, with reasonable accuracy at any time, the financial position of the Company in accordance with the Instrument of Incorporation, the Open Ended Investment Companies Regulations 2001 (SI 2001/1228), COLL and the Prospectus. The ACD is responsible for taking all reasonable steps for the prevention and detection of fraud and any other irregularities.

*Changed to The Investment Association on 5 January 2015.

The NFU Mutual Portfolio Funds OEIC Investment Manager's Review

Investment markets entered 2017 still trying to work through the reverberations from the UK's decision to leave the European Union and the election of Donald Trump as US President. There were also concerns around forthcoming European elections and ongoing geopolitical issues such as in North Korea and the Middle East.

However, 2017 proved to be a year where the feared downside political and geopolitical risks largely failed to materialise, whilst the main upside political possibility in the form of US tax reform was delivered in December. The broadening global economic recovery and healthy corporate earnings proved to be the dominant drivers of risk assets in 2017.

US and emerging market economic growth has remained firm, but the most significant development during 2017 was the good domestic demand led recovery seen in Continental Europe. The UK economy has not experienced the improvements seen elsewhere and continued to see more mixed economic data. Whilst there have been some positive developments in the Brexit negotiations, the currency related impact on inflation and real wages has begun to hurt consumer confidence and much uncertainty remains over the final solution.

Modest UK economic growth, higher inflation and political uncertainty following the June election did not provide an ideal backdrop for domestic investors. However, UK listed companies derive most of their revenues and profits from outside the UK so are benefitting from the lower level of sterling post-Brexit and the improving global economy.

2017 saw consistent gains for global equity markets with remarkably little volatility or drawdowns. The first few weeks of 2018 saw a change in the market mood as inflation concerns led to an increase in bond yields and a surge of volatility in equity markets.

Over the 12 month period to the end of January, overall international equity gains of over 24% were reduced by currency headwinds to a 13.6% return for UK based investors, with Emerging Markets and Europe leading the way.

Whilst lagging behind international equity markets, the UK market made steady progress throughout the period and like many markets reached new all-time highs. Supported by a good dividend yield of almost 4% the UK FTSE All-Share index achieved total return growth of 11.3% in the year whilst the larger company focused FTSE 100 index gained 10.4%.

Now that deflation risks have subsided and global growth is on a firmer footing, central banks have been looking to gradually withdraw the exceptional level of monetary policy support they have provided since the financial crisis. This included the first UK interest rate increase for a decade.

Bond markets were much more subdued compared to equities in 2017 and have seen losses at the start of 2018, but they still managed another period of positive returns. Corporate bonds led the way with gains of 4.4% whilst UK government bonds saw returns of around 2%.

The UK commercial property market has continued to deliver steady gains, with estimated returns over the period under review of around 11%. Although the UK interest rate increased to 0.5% during the final quarter of 2017, the returns from cash deposits remained very low and are still well below the level of inflation.

Whilst there were many potential concerns for investors at the start of 2017, it turned out that many of the worst fears failed to materialise and it was the favourable economic and corporate situation that dominated asset markets. For the first time since the financial crisis all of the 45 largest economies are seeing growth and this synchronised healthy global growth environment looks set to continue at least through 2018.

There are some concerns that 2017 conditions were as good as it gets for investors, with good growth, strong corporate profits, subdued inflation and supportive central bank policies, but any changes to these conditions are only likely to be gradual. After such a long period of economic expansion we need to be mindful that we could be approaching the latter stages of the cycle and be alert for signs of a slowdown or potential recession.

The all important US economy remains in good shape and the passage of tax reforms has further bolstered growth forecasts. European confidence is growing, with the European Central Bank (ECB) seeing a "continued robust and increasingly self-sustaining economic expansion". This is enabling the ECB to reduce their crisis-era monetary stimulus programme faster than expected. Although some political risks have passed, there remain potential problems to overcome in Spain and Italy.

The main drivers of global growth continue to be the emerging markets, with positive contributions coming from all areas now that Brazil and Russia have returned to growth. China remains the dominant emerging economy and although there continue to be some longer term concerns over their growing debt levels the economy appears to be set on a healthy but gently slowing growth course.

The NFU Mutual Portfolio Funds OEIC Investment Manager's Review

The UK economy is not experiencing the upswing seen elsewhere, with growth expected to remain at a somewhat subdued 1.5% in 2018. UK inflation has also risen sharply following the post-EU referendum decline in sterling and this is hurting consumer spending power given that wage growth has remained around 2%. Inflation should moderate in 2018 and provide some relief to consumers and further signs of a softer form of Brexit would reassure investors who remain wary of the UK, but much uncertainty remains over the eventual outcome. As the domestic political situation remains challenging, the prospect of a potential hard left UK government may become more of a focus for investors as the year progresses.

So the priority for investors should remain on the economic and corporate environment, although key factors to watch will also be the activity of central banks and any political issues that could potentially endanger the growth outlook. The exceptional levels of central bank monetary policy support seen since the financial crisis have aided the economic recovery and undoubtedly also boosted asset prices in many areas. With central banks now showing increased confidence in the global recovery we are seeing growing evidence of monetary policy normalisation via interest rate rises and reduced quantitative easing (QE). Central banks are well aware of the risks that policy changes could cause for asset markets, so are likely to progress slowly. Any signs of inflation may hasten their speed of change, but despite the recent concerns most forecasters still expect the inflation outlook to remain relatively benign.

Bond markets have enjoyed a very long period of gains as yields have moved ever lower, leaving valuations stretched. Structural factors such as demographics, high debt levels and the impact of technology have suppressed inflation and helped justify low interest rates and bond yields. The exact impact of QE on bond yields is hard to determine, but the gradual normalisation of monetary policy is likely to put some upward pressure on yields. With very little income support for government bonds returns could easily be eroded by capital losses. The robust growth environment should continue to subdue default levels, so the superior income from corporate bonds provides some additional support relative to gilts.

2017 was a strong year for global corporate earnings and further double digit gains are forecast for 2018. Although this growth is good for equities, the strong equity gains in recent years have left most valuation measures at above average levels so markets would be vulnerable if a slowdown did occur. In the UK, the equity dividend yield remains an important source of income that still compares favourably to the income levels seen from bonds and cash deposits.

Whilst the UK domestic economy is providing challenges for some UK businesses, the equity market derives the majority of its revenues from outside the UK and is also enjoying a period of rising corporate earnings. The UK market is home to some world-class companies and valuations are low compared to many other markets, so the period of underperformance could reverse if investor confidence returns.

Another area where valuations still offer relative attractions despite their recent outperformance are the emerging markets. Superior economic growth, improving corporate earnings and their evolution away from commodity related earnings towards higher quality growth areas such as technology has encouraged investors to increase their exposure.

Commercial property investor sentiment has improved somewhat after the initial post EU referendum dip. Returns are expected to be primarily driven by rental income, with limited prospects for further capital growth. Valuations look full against long term property averages although yields of around 5% continue to look relatively attractive compared to many other asset classes.

The gradual normalisation of monetary policy around the world is currently expected to include a small number of gentle UK interest rate increases in coming years, but rates will remain very low by historic standards and higher inflation has left cash deposits struggling to offer anywhere near real returns for savers.

In summary, the current healthy global economic and corporate situation looks set to continue through 2018. The extended period of healthy market returns has left most asset classes relatively highly valued and a potential period of more modest returns with volatility above the extremely subdued levels seen in recent years is likely.

With bond valuations looking especially poor value, equities and commercial property still offer the best medium to long term prospects for returns ahead of cash and inflation and our portfolios remain tilted towards those assets where possible.

As always, investors must be prepared for some periods of volatility by ensuring their overall investment portfolio is well diversified.

Paul Glover

Chief Investment Manager

15 February 2018

The NFU Mutual Portfolio Funds OEIC

Collective Notes Applicable to the Company and all Sub-funds

Collective Notes Applicable to the Company and all Sub-funds as at 31st January 2018

1. Accounting policies

(a) Basis of accounting

The financial statements of the Company comprise the financial statements of each of the sub-funds and have been prepared under the historical cost convention, as modified by the revaluation of investments and on a going concern basis in accordance with FRS 102 and the Statement of Recommended Practice (SORP) for Authorised Funds issued by The Investment Management Association (the IMA SORP 2014).

(b) Recognition of revenue

Revenue from distribution and accumulation units or shares in Collective Investment Schemes is recognised on ex-dividend day. All other revenue, including interest income from bank balances, is recognised on an accruals basis.

Equalisation on distributions received from underlying investments is treated as capital property of the individual Funds and deducted from the bookcost of investments.

(c) Treatment of expenses

All expenses are charged against revenue on an accruals basis, except for costs associated with the purchase and sale of investments which are charged to capital.

(d) Basis of valuation of investments

All investments are valued at their fair value as at close of business on 31 January 2018, being the last working day of the accounting year. The fair value for non-derivative investment in collective investment schemes is the single price, excluding any accrued interest.

(e) Taxation

Provision is made for taxation at current rates on the excess of investment taxable revenue over allowable expenses.

Deferred tax is provided for on all timing differences that have originated but not reversed by the balance sheet date, other than those differences that are regarded as permanent. Any liability to deferred tax is provided for at the rate of tax expected to apply. Deferred tax assets and liabilities are not discounted to reflect the time value of money.

2. Distribution policies

The policy is to distribute all available revenue, after deduction of those expenses which are chargeable in calculating the distribution. In order to conduct a controlled dividend flow, interim distributions will be at the ACD's discretion, up to a maximum of the distributable revenue for the interim periods. All remaining revenue is distributed in accordance with COLL.

Distributions which have remained unclaimed by Shareholders for over six years are credited to the capital property of the Fund.

The NFU Mutual Portfolio Funds OEIC

Collective Notes Applicable to the Company and all Sub-funds

Collective Notes Applicable to the Company and all Sub-funds (continued)

3. Risk in relation to financial instruments

Each Fund's investment objective and policy is stated on pages 11, 29 and 47 respectively. In pursuing its objective each Fund holds financial instruments which expose the Funds to various types of risk. The main risks and the ACD's policy for managing these risks, which were applied consistently throughout the current and preceding year, are set out below.

Credit and liquidity risk

Credit risk is the risk of suffering loss due to another party not meeting its financial obligations. The primary sources of this risk to the Funds are the potential for debt instrument counterparties to fail to meet their redemption commitments and for trade counterparties to fail to meet their transaction commitments. This risk is managed by appraising the credit profile of financial instruments and trade counterparties. There is no direct exposure as the fund does not hold any direct debt instruments.

Liquidity risk relates to the capacity to meet liabilities. The primary source of this risk to the Funds is the liability to Shareholders for any cancellation of shares. This risk is minimised by holding cash, readily realisable securities and via access to overdraft facilities. Given that the Funds invest in other Collective Investment Schemes, there is no significant liquidity risk in respect of the financial investments held by the entities.

Market risk

Market risk arises mainly from uncertainty about future prices. The primary source of this risk to Funds is the potential movement in the value of financial instruments held as a result of price fluctuations. The ACD adheres to the investment guidelines and borrowing powers established in the Instrument of Incorporation, Prospectus and COLL governing the operation of Open Ended Investment Companies. In this way, the ACD monitors and controls the exposure to risk from any type of security, sector or issuer.

A 10% movement applied to the investments of the funds would increase or decrease the funds by the following:

Fund	£'000+/-10%
Mixed Portfolio 100% Shares Fund	5,556
Mixed Portfolio 40-85% Shares Fund	24,180
Mixed Portfolio 20-60% Shares Fund	29,567

The Funds may also use derivative instruments to mitigate risk and reduce costs. These instruments are not utilised for speculative purposes. Derivative instruments were not utilised during the current or preceding year. Given that the Funds invest in other Collective Investment Schemes, there is a market risk in respect of the financial investments held by the entities.

Interest rate risk

Interest rate risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates. Cash is deposited, overdraft facilities utilised and Money Market Deposits held, on normal commercial terms and earn or bear interest based on LIBOR or its overseas equivalent. Given that the Funds invest in other Collective Investment Schemes, there is interest rate risk in respect of the financial instruments held by these entities. This risk is managed by the policies shown within market risk.

Derivative risk

Derivative risk arises from uncertainty about future market movements. This risk is managed by the policies shown within Market risk. Given that the Funds invest in other Collective Investment Schemes there is derivative risk in respect of the financial instruments held by these entities.

At the balance sheet date, no derivatives were held in any of the Funds (31 January 2017: Nil).

Fair values

The fair value of a financial instrument is the amount for which it could be exchanged between knowledgeable, willing parties in an arm's length transaction. There is no significant difference between the carrying value of the financial assets and liabilities, as shown in the financial statements, and their fair value.

The NFU Mutual Portfolio Funds OEIC Collective Notes Applicable to the Company and all Sub-funds

Collective Notes Applicable to the Company and all Sub-funds (continued)

4. Shareholder funds

The Company currently has three share classes: Class B (Income Shares), Class C (Income Shares) and Class I (Income Shares). Class B Shares and Class I Shares were launched on 1 June 2009. Class C Shares were launched on 3 December 2012.

The annual management charges applicable to each Class of Shares in each Fund is as follows:

Class B Shares: 1.25% per annum

Class C Shares: 0.75% per annum

Class I Shares: 0% per annum

The net assets attributable to each share class, the net assets value per share and the number of shares in issue of each share class are shown in the comparative tables of each Fund. These can be found on:

Mixed Portfolio 100% Shares Fund – pages 14-16.

Mixed Portfolio 40-85% Shares Fund – pages 32-34.

Mixed Portfolio 20-60% Shares Fund – pages 50-52.

5. Sensitivity analysis

Other Price Risk – Fluctuations in share prices will directly be reflected in portfolio valuations.

NFU Mutual Mixed Portfolio Max 100% Shares Fund

A Sub-fund of The NFU Mutual Portfolio Funds OEIC

Investment Objective and Policy

The investment objective of the Mixed Portfolio Max 100% Shares Fund is to provide high long term capital growth.

The Mixed Portfolio Max 100% Shares Fund will invest principally in other funds managed by N.F.U. Mutual Unit Managers Limited with the balance invested in third party funds with compatible objectives. It is intended that through the funds of N.F.U. Mutual Unit Managers Limited and these other funds, the Fund will gain exposure to UK and International equities typically with 40%-60% in UK companies, 40%-50% in International equities and the remainder in fixed income securities, cash and money market instruments. The high equity content is intended to achieve an appropriate balance between risk and reward.

Investment Manager's Review

Market Review

The Market Review can be found on page 6.

Portfolio Review

Asset Split	31st January 2018	31st January 2017
Global Growth Fund	28.8%	30.1%
UK Growth Fund	26.4%	27.5%
Global Emerging Markets Fund	18.3%	18.1%
UK Equity Income Fund	17.7%	19.0%
Deposit and other net assets	8.0%	4.3%
Gilt & Corporate Bond Fund	0.8%	1.0%

During the 12 months to 31st January 2018, equity markets produced excellent returns and outperformed both fixed income and cash assets. This profile of returns and good stock selection performance from many of the sub-funds has continued to benefit the Max 100% portfolio. With equity exposure rising as a result, the fund took the opportunity to take profit and direct flows to increasing cash awaiting better investment opportunities. In addition, exposure weightings to overseas equities were cut slightly, particularly to the Global Growth fund. The overall fund continues to be well diversified across global markets and still has a preference for risk-assets with the fund over 90% invested in equities. As UK and international markets generally moved higher together, there is still a slightly greater exposure to international markets relative to the UK. The fixed interest exposure was kept to a tactical minimum.

Improving world economic data has seen US, Europe and China all growing relatively strongly alongside each other with expansion in Europe the fastest in a decade. This is the first time since the financial crisis that such synchronised economic growth has been witnessed. Commodity prices also achieved a strong end-of-year rally providing support. Some central banks have begun removing the super easy monetary policy conditions with US and Canada taking a lead. In the UK, the Bank of England has raised interest rates for the first time in more than a decade by lifting the official bank rate from 0.25% to 0.5% in November. Strong labour markets and modest inflation have supported company profits and most businesses are seeing steady improvements in earnings. The FTSE All-Share index produced total returns of 11.3% over the year to 31st January 2018, whilst the World ex-UK index returned 13.6% in sterling terms. The Global Emerging Markets fund led returns.

Fixed income markets lagged behind but still moved forward given generally weak global inflationary pressures and a search for yield. The benchmark 10-year gilt yield began the period near 1.4% but was gradually suppressed to just below 1.0% before rising back to 1.5% given an uplift to inflation. Gilts returned 1.6% for this year. Corporate bonds gained benefit from equity strength and trades out of government bonds, managing a positive return of 4.4%. The Gilt & Corporate Bond fund was approximately composed of 30.4% in gilts, 10.7% in index-linked gilts, 55.1% in other fixed interest bonds, 1.1% in US Treasuries and 2.7% in cash. The Deposit fund continues to target secure, short term Treasury deposits.

Investment philosophy for the sub-funds is to build quality portfolios for the longer term offering diversification to manage risk.

Over the period, the class B and C share prices rose by 11.2%.

NFU Mutual Mixed Portfolio Max 100% Shares Fund continued

Market Outlook

The Market Outlook can be found on pages 6 and 7.

Past performance is not a guide to future performance.

The value of investments and revenue from them may go down as well as up and you may not get back the amount invested.

Exchange rates may cause the value of any overseas investments or the revenue from them to rise and fall.

NFU Mutual Mixed Portfolio Max 100% Shares Fund

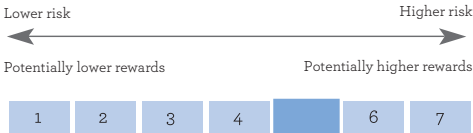
continued

Launch date
1 June 2009

Accounting dates
31 July (Interim)
31 January (Final)

Distribution dates
30 September (Interim)
31 March (Final)

Synthetic Risk and Reward Indicator (SRRI)



- This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund.
- The risk and reward category shown is not guaranteed to remain unchanged and may shift over time.
- The lowest category does not mean 'risk free'.
- This indicator is not a measure of the risk that you may lose the amount you have invested.
- The Fund is in this category because the prices of UK and non-UK shares have moved up and down frequently and significantly in the past.

The indicator does not adequately capture the following relevant material risk:

- Emerging markets tend to be smaller and less well regulated than established markets. It can be more difficult to buy and sell shares, which may affect the Fund's value.

NFU Mutual Mixed Portfolio Max 100% Shares Fund

continued

Comparative Tables

Year ending: Class B Shares	31/01/18 (pence per share)	31/01/17 (pence per share)	31/01/16 (pence per share)
Change in net assets per share			
Opening net asset value per share	171.30	132.86	143.49
Return before operating charges	23.76	42.76	(6.94)
Operating charges	(2.51)	(2.12)	(1.96)
Return after operating charges	21.25	40.64	(8.90)
Distributions	(2.04)	(2.20)	(1.73)
Closing net asset value per share	190.51	171.30	132.86
After direct transaction costs of	—	—	—
Performance			
Return after charges	12.40%	30.59%	(6.20)%
Other information			
Closing net asset value (£)	19,981,413	19,152,681	16,906,127
Closing number of shares	10,488,311	11,180,970	12,724,848
Operating charges	1.37%	1.38%	1.38%
Direct transaction costs	—	—	—
Prices			
Highest share price	195.07	175.89	155.92
Lowest share price	171.20	122.39	125.60

NFU Mutual Mixed Portfolio Max 100% Shares Fund

continued

Comparative Tables (continued)

Year ending: Class C Shares	31/01/18 (pence per share)	31/01/17 (pence per share)	31/01/16 (pence per share)
Change in net assets per share			
Opening net asset value per share	129.77	100.64	108.75
Return before operating charges	18.02	32.43	(5.27)
Operating charges	(1.21)	(1.03)	(0.95)
Return after operating charges	16.81	31.40	(6.22)
Distributions	(2.26)	(2.27)	(1.89)
Closing net asset value per share	144.32	129.77	100.64
After direct transaction costs of	—	—	—
Performance			
Return after charges	12.95%	31.20%	(5.72)%
Other information			
Closing net asset value (£)	40,437,317	30,487,575	21,849,357
Closing number of shares	28,020,022	23,493,420	21,710,782
Operating charges	0.87%	0.88%	0.88%
Direct transaction costs	—	—	—
Prices			
Highest share price	148.10	133.56	118.29
Lowest share price	129.70	92.72	95.39

NFU Mutual Mixed Portfolio Max 100% Shares Fund

continued

Comparative Tables (continued)

Year ending: Class I Shares	31/01/18 [†] (pence per share)	31/01/17 (pence per share)	31/01/16 (pence per share)
Change in net assets per share			
Opening net asset value per share	172.05	133.36	144.12
Return before operating charges	16.78	43.06	(7.01)
Operating charges	(0.19)	(0.20)	(0.19)
Return after operating charges	16.59	42.86	(7.20)
Distributions	(2.40)	(4.17)	(3.56)
Closing net asset value per share	186.24	172.05	133.36
After direct transaction costs of	—	—	—
Performance			
Return after charges	9.6%	32.14%	(5.00)%
Other information			
Closing net asset value (£)	N/A [†]	1,720,477	1,334,923
Closing number of shares	N/A [†]	1,000,000	1,001,000
Operating charges	0.12%	0.13%	0.13%
Direct transaction costs	—	—	—
Prices			
Highest share price	190.27 [†]	177.65	157.00
Lowest share price	171.96 [†]	122.89	126.49

[†]The above table shows performance information to 6 December 2017, the date the share class closed.

NFU Mutual Mixed Portfolio Max 100% Shares Fund

continued

Portfolio Statement as at 31st January 2018

Holding/ Nominal Value	Investment	Market Value	% of Net Assets
	Collective Investment Schemes - 91.96 % (95.69%)		
411,248	NFU Mutual Gilt & Corporate Bond Fund [†]	509,249	0.84
6,044,393	NFU Mutual Global Emerging Markets Fund [†]	11,026,786	18.25
7,859,302	NFU Mutual Global Growth Fund [†]	17,408,354	28.81
6,052,483	NFU Mutual UK Equity Income Fund [†]	10,666,291	17.66
9,752,076	NFU Mutual UK Growth Fund [†]	15,949,521	26.40
		55,560,201	91.96
	Cash Equivalents - 4.02 % (1.04%)		
2,445,355	NFU Mutual Deposit Fund [†]	2,432,150	4.02
		57,992,351	95.98
	Portfolio		
	Net other assets	2,426,379	4.02
	Net assets	60,418,730	100.00

[†]These are unlisted securities and are related parties of the Fund.

The percentages in brackets show the equivalent comparatives as at 31st January 2017.

NFU Mutual Mixed Portfolio Max 100% Shares Fund

continued

Statement of Total Return for the year ended 31st January 2018

	Notes	£	31/01/18 £	£	31/01/17 £
Income					
Net capital gains	2		5,911,816		11,585,376
Revenue	3	1,389,710		1,272,771	
Expenses	4	(544,865)		(451,332)	
Interest payable and similar charges	6	—		—	
Net revenue before taxation for the year		844,845		821,439	
Taxation	5	(4,196)		(2,507)	
Net revenue after taxation for the year			840,649		818,932
Total return before distributions			6,752,465		12,404,308
Distributions	7		(840,749)		(819,098)
Change in net assets attributable to Shareholders from investment activities			5,911,716		11,585,210

Statement of Change in Net Assets attributable to Shareholders for the year ended 31st January 2018

	£	31/01/18 £	£	31/01/17 £
Opening net assets attributable to Shareholders		51,360,733		40,090,407
Amounts received on creation of shares	8,675,985		4,556,233	
Amounts paid on cancellation of shares	(5,529,745)		(4,871,128)	
		3,146,240		(314,895)
Dilution adjustment		31		1
Change in net assets attributable to Shareholders from investment activities		5,911,716		11,585,210
Unclaimed distributions		10		10
Closing net assets attributable to Shareholders		60,418,730		51,360,733

NFU Mutual Mixed Portfolio Max 100% Shares Fund

continued

Balance Sheet as at 31st January 2018

	Notes	£	31/01/18 £	£	31/01/17 £
ASSETS					
Fixed assets					
Investments			55,560,201		49,147,448
Current assets					
Debtors	8	609,421		479,607	
Cash and bank balances	9	2,234,902		1,651,779	
Cash equivalents	9	<u>2,432,150</u>		<u>533,698</u>	
Total other assets			<u>5,276,473</u>		<u>2,665,084</u>
Total assets			<u>60,836,674</u>		<u>51,812,532</u>
LIABILITIES					
Creditors					
Distribution payable	10	(349,656)		(314,440)	
Other creditors	10	<u>(68,288)</u>		<u>(137,359)</u>	
Total other liabilities			<u>(417,944)</u>		<u>(451,799)</u>
Total liabilities			<u>(417,944)</u>		<u>(451,799)</u>
Net assets attributable to Shareholders			<u>60,418,730</u>		<u>51,360,733</u>

NFU Mutual Mixed Portfolio Max 100% Shares Fund

continued

Notes to the Financial Statements for the year ended 31st January 2018

1. Accounting policies

The accounting policies for the Fund are the same as those disclosed in the Collective Notes Applicable to the Company and all Sub-funds on pages 8 to 10.

2. Net capital gains	31/01/18	31/01/17
Net capital gains during the year comprise:		
Non-derivative securities ¹	5,914,478	11,588,316
Custodian transaction fees	(2,662)	(2,940)
Net capital gains	<u>5,911,816</u>	<u>11,585,376</u>

¹Net gains listed above of £5,914,478 comprise net realised gains of £Nil and net unrealised gains of £5,914,478 (2017 - £11,588,316 comprising net realised gains of £125,640 and net unrealised gains of £11,462,676).

3. Revenue	31/01/18	31/01/17
Bank interest	324	18
Non-taxable dividend distributions	1,337,441	1,230,848
Taxable interest distributions	51,945	41,905
Total revenue	<u>1,389,710</u>	<u>1,272,771</u>

4. Expenses	31/01/18	31/01/17
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	516,448	427,529
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee	19,861	16,663
Safe custody fees	8,180	6,763
	<u>28,041</u>	<u>23,426</u>
Other expenses:		
FCA fee	376	377
Total expenses	<u>544,865</u>	<u>451,332</u>

The Audit fee excluding VAT of £7,467 (£7,285 as at 31 January 2017) and registration fees will be borne by the ACD.

NFU Mutual Mixed Portfolio Max 100% Shares Fund

continued

Notes to the Financial Statements (continued)

5. Taxation	31/01/18	31/01/17
(a) Analysis of taxation charge in the year		
Total tax	4,196	2,507
Total taxation	<u>4,196</u>	<u>2,507</u>
(b) Factors affecting taxation charge for the year		
The total tax charge excludes capital gains and losses for the reason that Open-Ended Investment Companies are not subject to Corporation tax on these items. Total tax differs from taxation assessed on net revenue before taxation as follows:		
	31/01/18	31/01/17
Net revenue before taxation	844,845	821,439
Net revenue before taxation at the applicable rate of corporation tax in the UK of 20% (2017: 20%)	168,969	164,288
Effects of:		
Excess expenses for which no tax relief is taken	98,519	81,882
Revenue not subject to taxation	(267,488)	(246,170)
Tax on taxable CIS	4,196	2,507
Total tax	<u>4,196</u>	<u>2,507</u>
At the year-end there is a potential deferred tax asset of £485,000 (31 January 2017: £386,000) due to excess management expenses of £2,423,000 (31 January 2017: £1,931,000). It is unlikely the Fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised (31 January 2017: same).		
6. Interest payable and similar charges	31/01/18	31/01/17
Interest	—	—
	<u>—</u>	<u>—</u>

NFU Mutual Mixed Portfolio Max 100% Shares Fund

continued

Notes to the Financial Statements (continued)

7. Distributions	31/01/18	31/01/17
Interim dividend distribution	493,402	498,807
Final dividend distribution	349,656	314,440
	<hr/>	<hr/>
	843,058	813,247
Add: Revenue deducted on cancellation of shares	8,222	10,810
Less: Revenue received on creation of shares	(10,531)	(4,959)
	<hr/>	<hr/>
Distributions for the year	840,749	819,098
	<hr/>	<hr/>
The differences between the net revenue after taxation and the distributions for the year are as follows:		
	31/01/18	31/01/17
Net revenue after taxation for the year	840,649	818,932
Add: Equalisation on conversions	100	166
	<hr/>	<hr/>
Distributions for the year	840,749	819,098
	<hr/>	<hr/>
8. Debtors	31/01/18	31/01/17
Accrued revenue	522,200	457,374
Amounts receivable for creation of shares	80,453	14,704
Recoverable income tax	6,768	7,529
	<hr/>	<hr/>
	609,421	479,607
	<hr/>	<hr/>
9. Cash at bank and cash equivalents	31/01/18	31/01/17
Cash at bank		
Cash and bank balances	2,234,902	1,651,779
	<hr/>	<hr/>
Cash equivalents		
Money Market Deposits	2,432,150	533,698
	<hr/>	<hr/>
Total cash at bank and cash equivalents	4,667,052	2,185,477
	<hr/>	<hr/>

NFU Mutual Mixed Portfolio Max 100% Shares Fund

continued

Notes to the Financial Statements (continued)

10. Creditors	31/01/18	31/01/17
a) Distribution payable		
Distribution payable	349,656	314,440
	<hr/>	<hr/>
b) Other creditors		
Accrued expenses	52,584	44,061
Amounts payable for cancellation of shares	15,704	93,298
	<hr/>	<hr/>
	68,288	137,359
	<hr/>	<hr/>

11. Contingent liabilities and outstanding commitments

There are no contingent liabilities or outstanding commitments at the balance sheet date (31 January 2017: Nil).

12 Risk in relation to financial instruments

The main risks and the ACD's policy for managing these risks, are stated in note 3 in the Collective Notes applicable to the Company and all sub-funds on page 9.

Foreign currency risk

At the balance sheet date the Fund's only exposure to currencies other than Sterling is through its investments in underlying Collective Investment Schemes.

Interest rate risk

The Fund's only interest bearing financial instruments are its bank balances, money market instruments and overdraft facilities as disclosed in note 9 and Collective Investment Schemes paying interest distributions. Cash is deposited, and overdraft facilities utilised, on normal commercial terms and earn or bear interest based on LIBOR or its overseas equivalent. The underlying Collective Investment Schemes which invest in fixed interest securities also have interest rate risk exposure.

The underlying Collective Investment Scheme investments are exposed to foreign currency and interest rate risk. There is no significant direct foreign currency or interest rate risk exposure to this Fund therefore no further numerical analysis is required.

NFU Mutual Mixed Portfolio Max 100% Shares Fund

continued

Notes to the Financial Statements (continued)

12 Risk in relation to financial instruments (continued)

Fair Value Hierarchy

An analysis of the portfolio in accordance with the fair value hierarchy is shown below:

	Assets	Liabilities
31/01/18		
Level 1		
Level 2	55,560,201	
Level 3		
	55,560,201	
31/01/17		
Level 1		
Level 2	49,147,448	
Level 3		
	49,147,448	

Level 1: The unadjusted quoted price in an active market for identical assets or liabilities the entity can access at measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

NFU Mutual Mixed Portfolio Max 100% Shares Fund

continued

Notes to the Financial Statements (continued)

13. Portfolio transaction costs

For the year 1 February 2017 to 31 January 2018:

	Value	Commissions	Taxes %£	£
Purchases				
Collective investment schemes	500,000		---	
Total	500,000		-	
Total purchases including commissions and taxes	500,000			
Sales				
Collective investment schemes	-		---	
Total		-	-	
Total sales net of commissions and taxes			-	
Commissions as % of average net asset value				-
Taxes as % of average net asset value				-

NFU Mutual Mixed Portfolio Max 100% Shares Fund

continued

Notes to the Financial Statements (continued)

13. Portfolio transaction costs (continued)

For the year 1 February 2016 to 31 January 2017:

	Value	Commissions	Taxes	
			%£	£
Purchases				
Collective investment schemes			—	
Total		—	—	
Total purchases including commissions and taxes			—	
Sales			%£	
Collective investment schemes	1,525,000		—	
Total	1,525,000		—	
Total sales net of commissions and taxes	1,525,000			
Commissions as % of average net asset value				—
Taxes as % of average net asset value				—

The above analysis covers any direct transaction costs suffered by the Fund during the year. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instruments types.

All direct transaction costs have already been suffered by the underlying funds and therefore the Fund will not be passed these costs.

For the Fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales. Additionally there are indirect transaction costs suffered in those underlying Funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

Dealing spread costs suffered by the Fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dealing spread was 0.00% (2017 - 0.00%).

NFU Mutual Mixed Portfolio Max 100% Shares Fund

continued

Notes to the Financial Statements (continued)

14. Share movement

For the year 1 February 2017 to 31 January 2018:

	Class B shares	Class C shares	Class I shares
Opening shares	11,180,970	23,493,420	1,000,000
Shares creation	271,389	5,895,370	—
Shares cancellation	(907,728)	(1,443,001)	(1,000,000)
Shares converted	(56,320)	74,233	—
Closing shares	10,488,311	28,020,022	—

15. Related party

As at 31 January 2018 the ACD, being N.F.U. Mutual Unit Managers Limited, held Nil (Nil as at 31 January 2017) of the Class B shares in issue, Nil (Nil as at 31 January 2017) of the Class C shares in issue and Nil (Nil as at 31 January 2017) of the Class I shares in issue. The National Farmers Union Mutual Insurance Society Limited, a related party of the ACD, held Nil (1,000,000 as at 31 January 2017) of the Class I shares in issue.

Details of total purchases made into N.F.U. Mutual Funds are shown in the Portfolio Statement on page 17. Details of shares issued by the ACD are shown in the Statement of Change in Net Assets attributable to Shareholders, with the amounts due from and to ACD at the balance sheet date shown in notes 8 and 10. Management fees paid to the ACD are shown in note 4. The balance outstanding at the year end in respect of management fees was £47,780 (£40,209 as at 31 January 2017).

16. Post balance sheet events

Refer to the 'Post balance sheet events' note on page 4.

NFU Mutual Mixed Portfolio Max 100% Shares Fund

continued

Distribution Tables for the year ended 31st January 2018

Group 1: Shares purchased prior to a distribution period

Group 2: Shares purchased during a distribution period

Equalisation is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to the holders of these shares as a return of capital. Being capital it is not liable to Income tax but must be deducted from the cost of shares for Capital Gains tax purposes.

Interim dividend distribution in pence per share

Class B Shares

	Gross Revenue	Equalisation	Distribution paid on 30/09/17	Distribution paid on 30/09/16
Group 1	1.2593		1.2593 —	1.4383
Group 2	1.1502	0.1091	1.2593	1.4383

Class C Shares

	Gross Revenue	Equalisation	Distribution paid on 30/09/17	Distribution paid on 30/09/16
Group 1	1.3064		1.3064 —	1.3705
Group 2	1.1600	0.1464	1.3064	1.3705

Class I Shares

	Gross Revenue	Equalisation	Distribution paid on 30/09/17	Distribution paid on 30/09/16
Group 1	2.4044		2.4044 —	2.3531
Group 2	2.4044	0.0000	2.4044	2.3531

Final dividend distribution in pence per share

Class B Shares

	Gross Revenue	Equalisation	Distribution payable on 31/03/18	Distribution paid on 31/03/17
Group 1	0.7761		0.7761 —	0.7570
Group 2	0.6646	0.1115	0.7761	0.7570

Class C Shares

	Gross Revenue	Equalisation	Distribution payable on 31/03/18	Distribution paid on 31/03/17
Group 1	0.9573		0.9573 —	0.9006
Group 2	0.7447	0.2126	0.9573	0.9006

Class I Shares[†]

	Gross Revenue	Equalisation	Distribution payable on 31/03/18	Distribution paid on 31/03/17
Group 1	N/A		N/A —	1.8195
Group 2	N/A	N/A	N/A	1.8195

[†]As this share class closed on 6 December 2017, there are no distributions payable.

NFU Mutual Mixed Portfolio 40-85% Shares Fund

A Sub-fund of The NFU Mutual Portfolio Funds OEIC

Investment Objective and Policy

The investment objective of the Mixed Portfolio 40-85% Shares Fund is to produce long term capital growth and moderate income.

The Mixed Portfolio 40-85% Shares Fund will invest principally in other funds managed by N.F.U. Mutual Unit Managers Limited with the balance invested in third party funds with compatible objectives. It is intended that through the funds of N.F.U. Mutual Unit Managers Limited and these other funds, the Fund will gain exposure to UK and International equities with approximately 25% in fixed income stocks and cash. The Fund will typically maintain 40% - 50% of its exposure to UK companies and 25% - 35% in International companies with the balance in fixed income and cash.

Investment Manager's Review

Market Review

The Market Review can be found on page 6.

Portfolio Review

Asset Split	31st January 2018	31st January 2017
UK Growth Fund	24.5%	26.7%
Global Growth Fund	19.6%	21.8%
UK Equity Income Fund	15.7%	13.6%
Gilt & Corporate Bond Fund	15.5%	17.6%
Deposit and net other assets	14.1%	8.0%
Global Emerging Markets Fund	10.6%	12.3%

During the 12 months to 31st January 2018, equity markets produced excellent returns and outperformed both fixed interest and cash assets. This profile of returns and good stock selection performance from many of the sub-funds has continued to benefit the 40-85% portfolio. With equity exposure rising as a result, the fund took the opportunity to take profit and direct flows to increasing cash awaiting better investment opportunities. Combined exposure weightings to the overseas equities were cut towards 30%, broadly maintaining the slightly greater exposure to UK equity investments. The fund continues to be well diversified across global markets and still has a preference for risk assets with the fund over 70% invested in equities. Finally, the fund's fixed interest exposure slipped back as equity markets rose and was kept towards the lower end of the permitted range.

Improving world economic data has seen US, Europe and China all growing relatively strongly alongside each other with expansion in Europe the fastest in a decade. This is the first time since the financial crisis that such synchronised economic growth has been witnessed. Commodity prices also achieved a strong end-of-year rally providing support. Some central banks have begun removing the super easy monetary policy conditions with US and Canada taking a lead. In the UK, the Bank of England has raised interest rates for the first time in more than a decade by lifting the official bank rate from 0.25% to 0.5% in November. Strong labour markets and modest inflation have supported company profits and most businesses are seeing steady improvements in earnings. The FTSE All-Share index produced total returns of 11.3% over the year to 31st January 2018, whilst the World ex-UK index returned 13.6% in sterling terms. The Global Emerging Markets fund led returns.

Fixed interest markets lagged behind but still moved forward given generally weak global inflationary pressures and a search for yield. The benchmark 10-year gilt yield began the period near 1.4% but was gradually suppressed to just below 1.0% before rising back to 1.5% given an uplift to inflation. Gilts returned 1.6% for this year. Corporate bonds gained benefit from equity strength and trades out of government bonds, managing a positive return of 4.4%. The Gilt & Corporate Bond fund was approximately composed of 30.4% in gilts, 10.7% in index-linked gilts, 55.1% in other fixed interest bonds, 1.1% in US Treasuries and 2.7% in cash. The Deposit fund continues to target secure, short term Treasury deposits.

Investment philosophy for the sub-funds is to build quality portfolios for the longer term offering diversification to manage risk.

Over the period, the class B and C share prices rose by 8.4%.

NFU Mutual Mixed Portfolio 40-85% Shares Fund

continued

Market Outlook

The Market Outlook can be found on pages 6 and 7.

Past performance is not a guide to future performance.

The value of investments and revenue from them may go down as well as up and you may not get back the amount invested.

Exchange rates may cause the value of any overseas investments or the revenue from them to rise and fall.

NFU Mutual Mixed Portfolio 40-85% Shares Fund

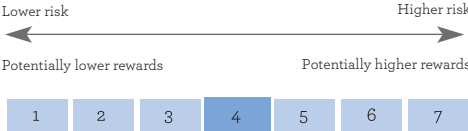
continued

Launch date
1 June 2009

Accounting dates
31 July (Interim)
31 January (Final)

Distribution dates
30 September (Interim)
31 March (Final)

Synthetic Risk and Reward Indicator (SRRI)



- This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund.
- The risk and reward category shown is not guaranteed to remain unchanged and may shift over time.
- The lowest category does not mean 'risk free'.
- This indicator is not a measure of the risk that you may lose the amount you have invested.
- The Fund is in this category because the other funds it invests in can invest in shares and bonds. The prices of shares have moved up and down frequently and significantly in the past. Bond prices have moved up and down moderately in the past.

The indicator does not adequately capture the following relevant material risk:

- There is a risk that the issuers of the bonds the Fund invests in may not be able to pay interest or repay their debt.
- Emerging markets tend to be smaller and less well regulated than established markets. It can be more difficult to buy and sell shares, which may affect the Fund's value.

NFU Mutual Mixed Portfolio 40-85% Shares Fund

continued

Comparative Tables

Year ending: Class B Shares	31/01/18 (pence per share)	31/01/17 (pence per share)	31/01/16 (pence per share)
Change in net assets per share			
Opening net asset value per share	166.05	135.63	145.31
Return before operating charges	18.43	34.70	(5.75)
Operating charges	(2.37)	(2.06)	(1.94)
Return after operating charges	16.06	32.64	(7.69)
Distributions	(1.88)	(2.22)	(1.99)
Closing net asset value per share	180.23	166.05	135.63
After direct transaction costs of	—	—	—
Performance			
Return after charges	9.67%	24.06%	(5.29)%
Other information			
Closing net asset value (£)	102,557,914	100,165,342	89,812,311
Closing number of shares	56,903,602	60,322,939	66,220,482
Operating charges	1.35%	1.35%	1.36%
Direct transaction costs	—	—	—
Prices			
Highest share price	184.25	169.92	154.64
Lowest share price	165.91	127.37	130.14

NFU Mutual Mixed Portfolio 40-85% Shares Fund

continued

Comparative Tables (continued)

Year ending: Class C Shares	31/01/18 (pence per share)	31/01/17 (pence per share)	31/01/16 (pence per share)
Change in net assets per share			
Opening net asset value per share	125.57	102.55	109.91
Return before operating charges	13.96	26.27	(4.36)
Operating charges	(1.13)	(0.98)	(0.93)
Return after operating charges	12.83	25.29	(5.29)
Distributions	(2.11)	(2.27)	(2.07)
Closing net asset value per share	136.29	125.57	102.55
After direct transaction costs of	—	—	—
Performance			
Return after charges	10.22%	24.66%	(4.81)%
Other information			
Closing net asset value (£)	179,109,630	124,571,028	84,625,808
Closing number of shares	131,419,963	99,201,172	82,517,635
Operating charges	0.85%	0.85%	0.86%
Direct transaction costs	—	—	—
Prices			
Highest share price	139.65	128.80	117.09
Lowest share price	125.47	96.33	98.65

NFU Mutual Mixed Portfolio 40-85% Shares Fund

continued

Comparative Tables (continued)

Year ending: Class I Shares [†]	31/01/18 [†] (pence per share)	31/01/17 (pence per share)	31/01/16 (pence per share)
Change in net assets per share			
Opening net asset value per share	166.89	136.25	146.03
Return before operating charges	7.71	34.78	(5.98)
Operating charges	(0.04)	(0.15)	(0.16)
Return after operating charges	7.67	34.63	(6.14)
Distributions	—	(3.99)	(3.64)
Closing net asset value per share	174.56	166.89	136.25
After direct transaction costs of	—	—	—
Performance			
Return after charges	4.60%	25.42%	(4.20)%
Other information			
Closing net asset value (£)	N/A [†]	68,907	57,605
Closing number of shares	N/A [†]	41,289	42,280
Operating charges	0.10%	0.10%	0.11%
Direct transaction costs	—	—	—
Prices			
Highest share price	174.82 [†]	171.66	155.76
Lowest share price	166.75 [†]	128.00	131.44

[†]The above table shows performance information to 5 May 2017, the date the share class closed.

NFU Mutual Mixed Portfolio 40-85% Shares Fund

continued

Portfolio Statement as at 31st January 2018

Holding/ Nominal Value	Investment	Market Value	% of Net Assets
	Collective Investment Schemes - 85.84 % (91.93%)		
35,271,552	NFU Mutual Gilt & Corporate Bond Fund [†]	43,676,762	15.51
16,383,011	NFU Mutual Global Emerging Markets Fund [†]	29,887,527	10.61
24,858,833	NFU Mutual Global Growth Fund [†]	55,062,316	19.55
25,054,433	NFU Mutual UK Equity Income Fund [†]	44,153,428	15.67
42,199,146	NFU Mutual UK Growth Fund [†]	69,016,703	24.50
		241,796,736	85.84
	Cash Equivalents - 7.09 % (1.11%)		
20,078,580	NFU Mutual Deposit Fund [†]	19,970,156	7.09
	Portfolio	261,766,892	92.93
	Net other assets	19,900,652	7.07
	Net assets	281,667,544	100.00

[†]These are unlisted securities and are related parties of the Fund.

The percentages in brackets show the equivalent comparatives as at 31st January 2017.

NFU Mutual Mixed Portfolio 40-85% Shares Fund

continued

Statement of Total Return for the year ended 31st January 2018

	Notes	£	31/01/18 £	£	31/01/17 £
Income					
Net capital gains	2		20,188,530		39,679,113
Revenue	3	6,182,690		5,528,221	
Expenses	4	(2,545,258)		(2,058,236)	
Interest payable and similar charges	6	—		(773)	
Net revenue before taxation for the year		3,637,432		3,469,212	
Taxation	5	(11,495)		(7,184)	
Net revenue after taxation for the year			3,625,937		3,462,028
Total return before distributions			23,814,467		43,141,141
Distributions	7		(3,627,204)		(3,462,488)
Change in net assets attributable to Shareholders from investment activities			20,187,263		39,678,653

Statement of Change in Net Assets attributable to Shareholders for the year ended 31st January 2018

		£	31/01/18 £	£	31/01/17 £
Opening net assets attributable to Shareholders			224,805,277		174,495,724
Amounts received on creation of shares	45,618,622			25,303,258	
Amounts paid on cancellation of shares	(8,943,564)			(14,672,357)	
			36,675,058		10,630,901
Dilution adjustment			(145)		(41)
Change in net assets attributable to Shareholders from investment activities			20,187,263		39,678,653
Unclaimed distributions			91		40
Closing net assets attributable to Shareholders			281,667,544		224,805,277

NFU Mutual Mixed Portfolio 40-85% Shares Fund

continued

Balance Sheet as at 31st January 2018

	Notes	£	31/01/18 £	£	31/01/17 £
ASSETS					
Fixed assets					
Investments			241,796,736		206,671,930
Current assets					
Debtors	8	2,935,448		2,819,369	
Cash and bank balances	9	18,869,797		14,554,225	
Cash equivalents	9	<u>19,970,156</u>		<u>2,484,212</u>	
Total other assets			<u>41,775,401</u>		<u>19,857,806</u>
Total assets			<u>283,572,137</u>		<u>226,529,736</u>
LIABILITIES					
Creditors					
Distribution payable	10	(1,624,865)		(1,433,853)	
Other creditors	10	<u>(279,728)</u>		<u>(290,606)</u>	
Total other liabilities			<u>(1,904,593)</u>		<u>(1,724,459)</u>
Total liabilities			<u>(1,904,593)</u>		<u>(1,724,459)</u>
Net assets attributable to Shareholders			<u>281,667,544</u>		<u>224,805,277</u>

NFU Mutual Mixed Portfolio 40-85% Shares Fund

continued

Notes to the Financial Statements for the year ended 31st January 2018

1. Accounting policies

The accounting policies for the Fund are the same as those disclosed in the Collective Notes Applicable to the Company and all Sub-funds on pages 8 to 10.

2. Net capital gains	31/01/18	31/01/17
Net capital gains during the year comprise:		
Non-derivative securities ¹	20,191,728	39,682,755
Custodian transaction fees	(3,198)	(3,642)
Net capital gains	20,188,530	39,679,113

¹Net gains listed above of £20,191,728 comprise net realised gains of £530,334 and net unrealised gains of £19,661,394 (2017: £39,682,755 comprise net realised gains of £548,828 and net unrealised gains of £39,133,927).

3. Revenue	31/01/18	31/01/17
Bank interest	2,137	998
Non-taxable dividend distributions	4,894,889	4,247,831
Taxable interest distributions	1,285,664	1,279,392
Total revenue	6,182,690	5,528,221

4. Expenses	31/01/18	31/01/17
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	2,450,449	1,980,944
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee	58,952	48,075
Safe custody fees	35,481	28,840
	94,433	76,915
Other expenses:		
FCA fee	376	377
Total expenses	2,545,258	2,058,236

The Audit fee excluding VAT of £7,467 (£7,285 as at 31 January 2017) and registration fees will be borne by the ACD.

NFU Mutual Mixed Portfolio 40-85% Shares Fund

continued

Notes to the Financial Statements (continued)

5. Taxation

(a) Analysis of taxation charge in the year

Total tax	11,495	7,184
Total taxation	11,495	7,184

(b) Factors affecting taxation charge for the year

The total tax charge excludes capital gains and losses for the reason that Open-Ended Investment Companies are not subject to Corporation tax on these items. Total tax differs from taxation assessed on net revenue before taxation as follows:

	31/01/18	31/01/17
Net revenue before taxation	3,637,432	3,469,212
Net revenue before taxation at the applicable rate of corporation tax in the UK of 20% (2017: 20%)	727,486	693,842
Effects of:		
Excess expenses for which no tax relief is taken	251,491	155,724
Revenue not subject to taxation	(978,977)	(849,566)
Irrecoverable UK income tax	11,495	7,184
Total tax	11,495	7,184

At the year-end there is a potential deferred tax asset of £994,000 (31 January 2017: £742,000) due to excess management expenses of £4,969,000 (31 January 2017: £3,711,000). It is unlikely the Fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised (31 January 2017: same).

6. Interest payable and similar charges

Interest		773
		773

NFU Mutual Mixed Portfolio 40-85% Shares Fund

continued

Notes to the Financial Statements (continued)

7. Distributions	31/01/18	31/01/17
Interim dividend distribution	2,061,753	2,048,775
Final dividend distribution	1,624,865	1,433,853
	3,686,618	3,482,628
Add: Revenue deducted on cancellation of shares	7,317	24,855
Less: Revenue received on creation of shares	(66,731)	(44,995)
Distributions for the year	3,627,204	3,462,488
The differences between the net revenue after taxation and the distributions for the year are as follows:		
	31/01/18	31/01/17
Net revenue after taxation for the year	3,625,937	3,462,028
Add: Equalisation on conversions	1,267	460
Distributions for the year	3,627,204	3,462,488
8. Debtors	31/01/18	31/01/17
Accrued revenue	2,259,342	1,871,418
Amounts receivable for creation of shares	366,931	414,055
Recoverable income tax	309,175	533,896
	2,935,448	2,819,369
9. Cash at bank and cash equivalents	31/01/18	31/01/17
Cash at bank		
Cash and bank balances	18,869,797	14,554,225
Cash equivalents		
Money Market Deposits	19,970,156	2,484,212
Total cash at bank and cash equivalents	38,839,953	17,038,437

NFU Mutual Mixed Portfolio 40-85% Shares Fund

continued

Notes to the Financial Statements (continued)

10. Creditors	31/01/18	31/01/17
a) Distribution payable		
Distribution payable	1,624,865	1,433,853
b) Other creditors		
Accrued expenses	239,485	197,635
Amounts payable for cancellation of shares	40,243	92,971
	279,728	290,606

11. Contingent liabilities and outstanding commitments

There are no contingent liabilities or outstanding commitments at the balance sheet date (31 January 2017: Nil).

12 Risk in relation to financial instruments

The main risks and the ACD's policy for managing these risks, are stated in note 3 in the Collective Notes applicable to the Company and all sub-funds on page 9.

Foreign currency risk

At the balance sheet date the Fund's only exposure to currencies other than Sterling is through its investments in underlying Collective Investment Schemes.

Interest rate risk

The Fund's only interest bearing financial instruments are its bank balances, money market instruments and overdraft facilities as disclosed in note 9 and Collective Investment Schemes paying interest distributions. Cash is deposited, and overdraft facilities utilised, on normal commercial terms and earn or bear interest based on LIBOR or its overseas equivalent. The underlying Collective Investment Schemes which invest in fixed interest securities also have interest rate risk exposure.

The underlying Collective Investment Scheme investments are exposed to foreign currency and interest rate risk. There is no significant direct foreign currency or interest rate risk exposure to this Fund therefore no further numerical analysis is required.

NFU Mutual Mixed Portfolio 40-85% Shares Fund

continued

Notes to the Financial Statements (continued)

12 Risk in relation to financial instruments (continued)

Fair Value Hierarchy

An analysis of the portfolio in accordance with the fair value hierarchy is shown below:

	Assets	Liabilities
31/01/18		
Level 1		
Level 2	241,796,736	
Level 3		
	241,796,736	
31/01/17		
Level 1		
Level 2	206,671,930	
Level 3		
	206,671,930	

Level 1: The unadjusted quoted price in an active market for identical assets or liabilities the entity can access at measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

NFU Mutual Mixed Portfolio 40-85% Shares Fund

continued

Notes to the Financial Statements (continued)

13. Portfolio transaction costs

For the year 1 February 2017 to 31 January 2018:

	Value	Commissions	Taxes		£	% £
			£ %	£		
Purchases						
Collective investment schemes	17,500,000	—	—	—	—	—
Total	<u>17,500,000</u>	<u>—</u>	<u>—</u>	<u>—</u>		
Total purchases including commissions and taxes	17,500,000					
Sales						
Collective investment schemes	2,500,000	—	—	—	—	—
Total	<u>2,500,000</u>	<u>—</u>	<u>—</u>	<u>—</u>		
Total sales net of commissions and taxes	2,500,000					
Commissions as % of average net asset value				—		
Taxes as % of average net asset value				—		

NFU Mutual Mixed Portfolio 40-85% Shares Fund

continued

Notes to the Financial Statements (continued)

13. Portfolio transaction costs (continued)

For the year 1 February 2016 to 31 January 2017:

	Value	Commissions	Taxes		% £
			£ %	£	
Purchases					
Collective investment schemes	3,000,000		--	--	--
Total	3,000,000		--		
Total purchases including commissions and taxes	3,000,000				
Sales					
Collective investment schemes	4,900,000		--	--	--
Total	4,900,000		--		
Total sales net of commissions and taxes	4,900,000				
Commissions as % of average net asset value			--		
Taxes as % of average net asset value			--		

The above analysis covers any direct transaction costs suffered by the Fund during the year. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instruments types.

All direct transaction costs have already been suffered by the underlying funds and therefore the Fund will not be passed these costs.

For the Fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales. Additionally there are indirect transaction costs suffered in those underlying Funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

Dealing spread costs suffered by the Fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dealing spread was 0.00% (2017 - 0.00%).

NFU Mutual Mixed Portfolio 40-85% Shares Fund

continued

Notes to the Financial Statements (continued)

14. Share movement

For the year 1 February 2017 to 31 January 2018:

	Class B shares	Class C shares	Class I shares
Opening shares	60,322,939	99,201,172	41,289
Shares creation	1,299,813	32,690,262	—
Shares cancellation	(3,616,373)	(1,928,269)	(41,289)
Shares converted	(1,102,777)	1,456,798	—
	<hr/>	<hr/>	<hr/>
Closing shares	56,903,602	131,419,963	—
	<hr/>	<hr/>	<hr/>

15. Related party

As at 31 January 2018 the ACD, being N.F.U. Mutual Unit Managers Limited, held Nil (Nil as at 31 January 2017) of the Class B shares in issue, Nil (Nil as at 31 January 2017) of the Class C shares in issue and Nil (Nil as at 31 January 2017) of the Class I shares in issue. The National Farmers Union Mutual Insurance Society Limited, a related party of the ACD, held Nil (41,289 as at 31 January 2017) of the Class I shares in issue.

Details of total purchases made into N.F.U. Mutual Funds are shown in the Portfolio Statement on page 35. Details of shares issued by the ACD are shown in the Statement of Change in Net Assets attributable to Shareholders, with the amounts due from and to ACD at the balance sheet date shown in notes 8 and 10. Management fees paid to the ACD are shown in note 4. The balance outstanding at the year end in respect of management fees was £225,658 (£186,935 as at 31 January 2017).

16. Post balance sheet events

Refer to the 'Post balance sheet events' note on page 4.

NFU Mutual Mixed Portfolio 40-85% Shares Fund

continued

Distribution Tables for the year ended 31st January 2018

Group 1: Shares purchased prior to a distribution period

Group 2: Shares purchased during a distribution period

Equalisation is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to the holders of these shares as a return of capital. Being capital it is not liable to Income tax but must be deducted from the cost of shares for Capital Gains tax purposes.

Interim dividend distribution in pence per share

Class B Shares

	Gross Revenue	Equalisation	Distribution paid on 30/09/17	Distribution paid on 30/09/16
Group 1	1.1322		1.1322	1.3897
Group 2	1.0600	0.0722	1.1322	1.3897

Class C Shares

	Gross Revenue	Equalisation	Distribution paid on 30/09/17	Distribution paid on 30/09/16
Group 1	1.1953		1.1953	1.3313
Group 2	1.0071	0.1882	1.1953	1.3313

Class I Shares[†]

	Gross Revenue	Equalisation	Distribution paid on 30/09/17	Distribution paid on 30/09/16
Group 1	N/A		N/A	2.2151
Group 2	N/A	N/A	N/A	2.2151

Final dividend distribution in pence per share

Class B Shares

	Gross Revenue	Equalisation	Distribution payable on 31/03/18	Distribution paid on 31/03/17
Group 1	0.7461		0.7461	0.8270
Group 2	0.6342	0.1119	0.7461	0.8270

Class C Shares

	Gross Revenue	Equalisation	Distribution payable on 31/03/18	Distribution paid on 31/03/17
Group 1	0.9133		0.9133	0.9417
Group 2	0.7020	0.2113	0.9133	0.9417

Class I Shares[†]

	Gross Revenue	Equalisation	Distribution payable on 31/03/18	Distribution paid on 31/03/17
Group 1	N/A		N/A	1.7738
Group 2	N/A	N/A	N/A	1.7738

[†]As this share class closed on 5 May 2017, there are no distributions payable.

NFU Mutual Mixed Portfolio 20-60% Shares Fund

A Sub-fund of The NFU Mutual Portfolio Funds OEIC

Investment Objective and Policy

The investment objective of the Mixed Portfolio 20-60% Shares Fund is to generate some potential long term capital growth and stable income.

The Mixed Portfolio 20-60% Shares Fund will invest principally in other funds managed by N.F.U. Mutual Unit Managers Limited with the balance invested in third party funds with compatible objectives. It is intended that through N.F.U. Mutual Unit Managers Limited funds and these other funds, the Fund will gain exposure to a mix of UK and International equities, fixed income stocks, cash and property. The Fund will typically maintain 25% - 35% exposure to UK companies and a similar proportion in fixed income stocks with the balance in International equities, property and cash.

Investment Manager's Review

Market Review

The Market Review can be found on page 6.

Portfolio Review

Asset Split	31st January 2018	31st January 2017
Gilt & Corporate Bond Fund	25.2%	26.0%
Deposits and net other assets	21.8%	13.2%
UK Equity Income Fund	16.5%	18.9%
Global Growth Fund	15.6%	17.6%
UK Growth Fund	8.8%	9.5%
Aberdeen UK Property Fund	6.5%	7.9%
Global Emerging Markets Fund	5.6%	6.9%

During the 12 months to 31st January 2018, equity and property markets produced excellent returns and outperformed fixed interest and cash assets. The 20-60% fund, albeit defensive in nature, was able to capture some of these gains through holdings in the equity sub-funds. Good stock selection performance from many of the sub-funds also aided performance of the overall fund. With equity exposure rising as a result, the fund took the opportunity to take profit selectively and direct flows to increasing cash awaiting better investment opportunities. The fund continues to be well diversified across global markets and property with a combined equity exposure close to 50%. There is still a slightly greater exposure to UK instruments relative to international. The fixed interest exposure was kept tactically towards the lower end of the permitted range. Finally, cash deposit exposures have become significant, providing defensive support should market volatility return.

Improving world economic data has seen US, Europe and China all growing relatively strongly alongside each other with expansion in Europe the fastest in a decade. This is the first time since the financial crisis that such synchronised economic growth has been witnessed. Commodity prices also achieved a strong end-of-year rally providing support. Some central banks have begun removing the super easy monetary policy conditions with US and Canada taking a lead. In the UK, the Bank of England has raised interest rates for the first time in more than a decade by lifting the official bank rate from 0.25% to 0.5% in November. Strong labour markets and modest inflation have supported company profits and most businesses are seeing steady improvements in earnings. The FTSE All-Share index produced total returns of 11.3% over the year to 31st January 2018, whilst the World ex-UK index returned 13.6% in sterling terms. The Global Emerging Markets fund led returns.

Fixed interest markets lagged behind but still moved forward given generally weak global inflationary pressures and a search for yield. The benchmark 10-year gilt yield began the period near 1.4% but was gradually suppressed to just below 1.0% before rising back to 1.5% given an uplift to inflation. Gilts returned 1.6% for this year. Corporate bonds gained benefit from equity strength and trades out of government bonds, managing a positive return of 4.4%. The Gilt & Corporate Bond fund was approximately composed of 30.4% in gilts, 10.7% in index-linked gilts, 55.1% in other fixed interest bonds, 1.1% in US Treasuries and 2.7% in cash. The Deposit fund continues to target secure, short term Treasury deposits.

NFU Mutual Mixed Portfolio 20-60% Shares Fund

continued

Portfolio Review continued

UK Commercial Property returns have continued their recovery following the setback on the Brexit vote with Property market returns in the region of 11% for the period. Returns have been buoyed by the continuing strength of the industrial sector. Any investor concerns have predominantly centred on the evolution of retail and store closures on retail-focussed property firms together with the potential impacts to central London offices should London's pre-eminence as a financial centre be eroded.

Investment philosophy for the sub-funds is to build quality portfolios for the longer term offering diversification to manage risk.

Over the period, the class B and C share prices rose by 5.3%.

Market Outlook

The Market Outlook can be found on pages 6 and 7.

Past performance is not a guide to future performance.

The value of investments and revenue from them may go down as well as up and you may not get back the amount invested.

Exchange rates may cause the value of any overseas investments or the revenue from them to rise and fall.

NFU Mutual Mixed Portfolio 20-60% Shares Fund

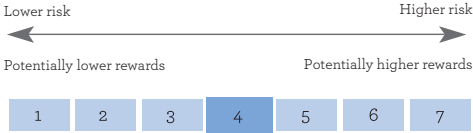
continued

Launch date
1 June 2009

Accounting dates
31 July (Interim)
31 January (Final)

Distribution dates
30 September (Interim)
31 March (Final)

Synthetic Risk and Reward Indicator (SRRI)



- This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund.
- The risk and reward category shown is not guaranteed to remain unchanged and may shift over time.
- The lowest category does not mean 'risk free'.
- This indicator is not a measure of the risk that you may lose the amount you have invested.
- The Fund is in this category because the other funds it invests in can invest in shares and bonds. The prices of shares have moved up and down frequently and significantly in the past. Bond prices have moved up and down moderately in the past.

The indicator does not adequately capture the following relevant material risk:

- There is a risk that the issuers of the bonds the Fund invests in may not be able to pay interest or repay their debt.
- Emerging markets tend to be smaller and less well regulated than established markets. It can be more difficult to buy and sell shares, which may affect the Fund's value.

NFU Mutual Mixed Portfolio 20-60% Shares Fund

continued

Comparative Tables

Year ending: Class B Shares	31/01/18 (pence per share)	31/01/17 (pence per share)	31/01/16 (pence per share)
Change in net assets per share			
Opening net asset value per share	156.41	136.04	142.81
Return before operating charges	12.49	24.59	(2.51)
Operating charges	(2.27)	(2.09)	(2.02)
Return after operating charges	10.22	22.50	(4.53)
Distributions	(1.80)	(2.13)	(2.24)
Closing net asset value per share	164.83	156.41	136.04
After direct transaction costs of	—	—	—
Performance			
Return after charges	6.53%	16.54%	(3.17)%
Other information			
Closing net asset value (£)	58,173,838	58,646,368	56,630,836
Closing number of shares	35,293,481	37,496,066	41,629,008
Operating charges	1.39%	1.41%	1.43%
Direct transaction costs	—	—	—
Prices			
Highest share price	167.78	159.52	150.06
Lowest share price	156.17	130.13	132.07

NFU Mutual Mixed Portfolio 20-60% Shares Fund

continued

Comparative Tables (continued)

Year ending: Class C Shares	31/01/18 (pence per share)	31/01/17 (pence per share)	31/01/16 (pence per share)
Change in net assets per share			
Opening net asset value per share	121.94	106.06	111.36
Return before operating charges	9.62	19.07	(2.07)
Operating charges	(1.13)	(1.05)	(1.03)
Return after operating charges	8.49	18.02	(3.10)
Distributions	(1.93)	(2.14)	(2.20)
Closing net asset value per share	128.50	121.94	106.06
After direct transaction costs of	—	—	—
Performance			
Return after charges	6.96%	16.99%	(2.78)%
Other information			
Closing net asset value (£)	118,092,125	83,412,867	52,511,168
Closing number of shares	91,900,608	68,403,285	49,512,005
Operating charges	0.89%	0.91%	0.93%
Direct transaction costs	—	—	—
Prices			
Highest share price	131.04	124.60	117.11
Lowest share price	121.76	101.47	103.17

NFU Mutual Mixed Portfolio 20-60% Shares Fund

continued

Comparative Tables (continued)

Year ending: Class I Shares	31/01/18 (pence per share)	31/01/17 (pence per share)	31/01/16 (pence per share)
Change in net assets per share			
Opening net asset value per share	156.81	136.34	143.16
Return before operating charges	12.13	24.34	(2.89)
Operating charges	(0.23)	(0.24)	(0.26)
Return after operating charges	11.90	24.10	(3.15)
Distributions	(3.46)	(3.63)	(3.67)
Closing net asset value per share	165.25	156.81	136.34
After direct transaction costs of	—	—	—
Performance			
Return after charges	7.59%	17.68%	(2.20)%
Other information			
Closing net asset value (£)	202,163,679	156,261,904	116,049,888
Closing number of shares	122,336,331	99,652,989	85,115,878
Operating charges	0.14%	0.16%	0.18%
Direct transaction costs	—	—	—
Prices			
Highest share price	168.97	160.66	150.73
Lowest share price	156.58	130.47	132.92

NFU Mutual Mixed Portfolio 20-60% Shares Fund

continued

Portfolio Statement as at 31st January 2018

Holding/ Nominal Value	Investment	Market Value	% of Net Assets
	Collective Investment Schemes - 78.13% (86.78%)		
24,034,528	Aberdeen UK Property Fund	24,469,553	6.47
77,016,695	NFU Mutual Gilt & Corporate Bond Fund [†]	95,369,774	25.20
11,559,099	NFU Mutual Global Emerging Markets Fund [†]	21,087,264	5.57
26,670,641	NFU Mutual Global Growth Fund [†]	59,075,469	15.61
35,316,921	NFU Mutual UK Equity Income Fund [†]	62,239,010	16.45
20,442,244	NFU Mutual UK Growth Fund [†]	33,433,290	8.83
		295,674,360	78.13
	Cash Equivalents - 7.88% (3.97%)		
29,989,208	NFU Mutual Deposit Fund [†]	29,827,266	7.88
	Portfolio	325,501,626	86.01
	Net other assets	52,928,016	13.99
	Net assets	378,429,642	100.00

[†]These are unlisted securities and are related parties of the Fund.

The percentages in brackets show the equivalent comparatives as at 31st January 2017.

NFU Mutual Mixed Portfolio 20-60% Shares Fund

continued

Statement of Total Return for the year ended 31st January 2018

	Notes	£	31/01/18 £	£	31/01/17 £
Income					
Net capital gains	2		16,885,297		36,008,972
Revenue	3	8,073,867		7,133,892	
Expenses	4	(1,630,123)		(1,320,173)	
Interest payable and similar charges	6	—		(801)	
Net revenue before taxation for the year		6,443,744		5,812,918	
Taxation	5	(295,628)		(276,295)	
Net revenue after taxation for the year			6,148,116		5,536,623
Total return before distributions			23,033,413		41,545,595
Distributions	7		(6,148,616)		(5,536,982)
Change in net assets attributable to Shareholders from investment activities			16,884,797		36,008,613

Statement of Change in Net Assets attributable to Shareholders for the year ended 31st January 2018

		£	31/01/18 £	£	31/01/17 £
Opening net assets attributable to Shareholders					
			298,321,139		225,191,892
Amounts received on creation of shares		71,771,494		46,182,509	
Amounts paid on cancellation of shares		(8,547,811)		(9,061,928)	
			63,223,683		37,120,581
Dilution adjustment			23		53
Change in net assets attributable to Shareholders from investment activities			16,884,797		36,008,613
Closing net assets attributable to Shareholders					
			378,429,642		298,321,139

NFU Mutual Mixed Portfolio 20-60% Shares Fund

continued

Balance Sheet as at 31st January 2018

	Notes	£	31/01/18 £	£	31/01/17 £
ASSETS					
Fixed assets					
Investments			295,674,360		258,875,761
Current assets					
Debtors	8	3,517,267		2,897,500	
Cash and bank balances	9	52,598,928		27,429,830	
Cash equivalents	9	<u>29,827,266</u>		<u>11,847,269</u>	
Total other assets			<u>85,943,461</u>		<u>42,174,599</u>
Total assets			<u>381,617,821</u>		<u>301,050,360</u>
LIABILITIES					
Creditors					
Distribution payable	10	(2,926,183)		(2,564,133)	
Other creditors	10	<u>(261,996)</u>		<u>(165,088)</u>	
Total other liabilities			<u>(3,188,179)</u>		<u>(2,729,221)</u>
Total liabilities			<u>(3,188,179)</u>		<u>(2,729,221)</u>
Net assets attributable to Shareholders			<u>378,429,642</u>		<u>298,321,139</u>

NFU Mutual Mixed Portfolio 20-60% Shares Fund

continued

Notes to the Financial Statements for the year ended 31st January 2018

1. Accounting policies

The accounting policies for the Fund are the same as those disclosed in the Collective Notes Applicable to the Company and all Sub-funds on pages 8 to 10.

2. Net capital gains

	31/01/18	31/01/17
Net capital gains during the year comprise:		
Non-derivative securities ¹	16,889,029	36,012,792
Custodian transaction fees	(3,732)	(3,820)
Net capital gains	16,885,297	36,008,972

£

¹Net gains listed above of £16,889,029 comprise net realised gains of £615,585 and net unrealised gains of £16,273,444. (2017: £36,012,792 comprise net realised losses of £Nil and net unrealised gains of £36,012,792).

3. Revenue

	31/01/18	31/01/17
Bank interest	1,129	1,795
Non-taxable dividend distributions	4,965,606	4,431,449
Taxable dividend distributions		590,379
Taxable interest distributions	3,107,132	2,110,269
Total revenue	8,073,867	7,133,892

£

4. Expenses

	31/01/18	31/01/17
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	1,509,952	1,224,135
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee	74,648	59,633
Safe custody fees	45,143	36,024
	119,791	95,657
Other expenses:		
FCA fee	380	381
Total expenses	1,630,123	1,320,173

£

The Audit fee excluding VAT of £7,467 (£7,285 as at 31 January 2017) and registration fees will be borne by the ACD.

NFU Mutual Mixed Portfolio 20-60% Shares Fund

continued

Notes to the Financial Statements (continued)

5. Taxation	31/01/18	31/01/17	
			£
(a) Analysis of taxation charge in the year			
Corporation tax	295,628	276,295	
Total taxation	<u>295,628</u>	<u>276,295</u>	
(b) Factors affecting taxation charge for the year			
The total tax charge excludes capital gains and losses for the reason that Open-Ended Investment Companies are not subject to Corporation tax on these items. Total tax differs from taxation assessed on net revenue before taxation as follows:			
	31/01/18	31/01/17	
			£
Net revenue before taxation	<u>6,443,744</u>	<u>5,812,918</u>	
Net revenue before taxation at the applicable rate of corporation tax in the UK of 20% (2017: 20%)	1,288,749	1,162,584	
Effects of:			
Revenue not subject to taxation	(993,121)	(886,289)	
Total tax	<u>295,628</u>	<u>276,295</u>	
6. Interest payable and similar charges	31/01/18	31/01/17	
			£
Interest	<u></u>	801	
		<u>801</u>	
7. Distributions	31/01/18	31/01/17	
			£
Interim dividend distribution	3,400,302	3,103,747	
Final dividend distribution	2,926,183	2,564,133	
	<u>6,326,485</u>	<u>5,667,880</u>	
Add: Revenue deducted on cancellation of shares	18,579	17,039	
Less: Revenue received on creation of shares	(196,448)	(147,937)	
Distributions for the year	<u>6,148,616</u>	<u>5,536,982</u>	
The differences between the net revenue after taxation and the distributions for the year are as follows:			
	31/01/18	31/01/17	
			£
Net revenue after taxation for the year	6,148,116	5,536,623	
Add: Equalisation on conversions	500	359	
Distributions for the year	<u>6,148,616</u>	<u>5,536,982</u>	

NFU Mutual Mixed Portfolio 20-60% Shares Fund

continued

Notes to the Financial Statements (continued)

8. Debtors	31/01/18	31/01/17	
Accrued revenue	2,444,883	1,981,584	£
Amounts receivable for creation of shares	874,888	328,625	
Recoverable income tax	197,496	587,291	
	<u>3,517,267</u>	<u>2,897,500</u>	
9. Cash at bank and cash equivalents	31/01/18	31/01/17	
Cash at bank			£
Cash and bank balances	52,598,928	27,429,830	
Cash equivalents			
Money Market Deposits	29,827,266	11,847,269	
Total cash at bank and cash equivalents	<u>82,426,194</u>	<u>39,277,099</u>	
10. Creditors	31/01/18	31/01/17	
a) Distribution payable			£
Distribution payable	2,926,183	2,564,133	
b) Other creditors			
Accrued expenses	155,444	128,905	
Amounts payable for cancellation of shares	106,552	36,183	
	<u>261,996</u>	<u>165,088</u>	

NFU Mutual Mixed Portfolio 20-60% Shares Fund

continued

Notes to the Financial Statements (continued)

11. Contingent liabilities and outstanding commitments

There are no contingent liabilities or outstanding commitments at the balance sheet date (31 January 2017: Nil).

12 Risk in relation to financial instruments

The main risks and the ACD's policy for managing these risks, are stated in note 3 in the Collective Notes applicable to the Company and all sub-funds on page 9.

Foreign currency risk

At the balance sheet date the Fund's only exposure to currencies other than Sterling is through its investments in underlying Collective Investment Schemes.

Interest rate risk

The Fund's only interest bearing financial instruments are its bank balances, money market instruments and overdraft facilities as disclosed in note 9 and Collective Investment Schemes paying interest distributions. Cash is deposited, and overdraft facilities utilised, on normal commercial terms and earn or bear interest based on LIBOR or its overseas equivalent. The underlying Collective Investment Schemes which invest in fixed interest securities also have interest rate risk exposure.

The underlying Collective Investment Scheme investments are exposed to foreign currency and interest rate risk. There is no significant direct foreign currency or interest rate risk exposure to this Fund therefore no further numerical analysis is required.

NFU Mutual Mixed Portfolio 20-60% Shares Fund

continued

Notes to the Financial Statements (continued)

12 Risk in relation to financial instruments (continued)

Fair Value Hierarchy

An analysis of the portfolio in accordance with the fair value hierarchy is shown below:

	Assets	Liabilities	£
31/01/18			
Level 1			
Level 2	295,674,360		
Level 3			
	_____	_____	
	295,674,360		
	_____	_____	
31/01/17			
Level 1			
Level 2	258,875,761		
Level 3			
	_____	_____	
	258,875,761		
	_____	_____	

Level 1: The unadjusted quoted price in an active market for identical assets or liabilities the entity can access at measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

NFU Mutual Mixed Portfolio 20-60% Shares Fund

continued

Notes to the Financial Statements (continued)

13. Portfolio transaction costs

For the year 1 February 2017 to 31 January 2018:

Purchases	Value	Commissions			Taxes	
		£	£	%	£	%
Collective investment schemes	23,000,000	—	—		—	—
Total	23,000,000	—	—		—	
Total purchases including commissions and taxes	23,000,000					
Sales						
Collective investment schemes	3,000,000	—	—		—	—
Total	3,000,000	—	—		—	
Total sales net of commissions and taxes	3,000,000					
Commissions as % of average net asset value					—	
Taxes as % of average net asset value					—	

NFU Mutual Mixed Portfolio 20-60% Shares Fund

continued

Notes to the Financial Statements (continued)

13. Portfolio transaction costs (continued)

For the year 1 February 2016 to 31 January 2017:

Purchases	Value	Commissions			Taxes		
		£	£	%	£	%	
Collective investment schemes	36,774,391	—	—	—	—	—	
Total	36,774,391	—	—	—	—	—	
Total purchases including commissions and taxes	36,774,391						
Sales	Value	Commissions			Taxes		
		£	£	%	£	%	
Collective investment schemes	18,774,391	—	—	—	—	—	
Total	18,774,391	—	—	—	—	—	
Total sales net of commissions and taxes	18,774,391						
Commissions as % of average net asset value					—		
Taxes as % of average net asset value					—		

The above analysis covers any direct transaction costs suffered by the Fund during the year. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instruments types.

All direct transaction costs have already been suffered by the underlying funds and therefore the Fund will not be passed these costs.

For the Fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales. Additionally there are indirect transaction costs suffered in those underlying Funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

Dealing spread costs suffered by the Fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dealing spread was 0.00% (2017 - 0.00%).

NFU Mutual Mixed Portfolio 20-60% Shares Fund

continued

14. Share movement

For the year 1 February 2017 to 31 January 2018:

	Class B shares	Class C shares	Class I shares
Opening shares	37,496,066	68,403,285	99,652,989
Shares creation	739,883	24,761,506	24,000,026
Shares cancellation	(2,626,134)	(1,669,523)	(1,316,684)
Shares converted	(316,334)	405,340	—
Closing shares	35,293,481	91,900,608	122,336,331

15. Related party

As at 31 January 2018 the ACD, being N.F.U. Mutual Unit Managers Limited, held Nil (Nil as at 31 January 2017) of the Class B shares in issue, Nil (Nil as at 31 January 2017) of the Class C shares in issue and Nil (Nil as at 31 January 2017) of the Class I shares in issue. The National Farmers Union Mutual Insurance Society Limited, a related party of the ACD, held 122,336,331 (99,652,989 as at 31 January 2017) of the Class I shares in issue.

Details of total purchases made into N.F.U. Mutual Funds are shown in the Portfolio Statement on page 53. Details of shares issued by the ACD are shown in the Statement of Change in Net Assets attributable to Shareholders, with the amounts due from and to ACD at the balance sheet date shown in notes 8 and 10. Management fees paid to the ACD are shown in note 4. The balance outstanding at the year end in respect of management fees was £138,345 (£115,688 as at 31 January 2017).

16. Post balance sheet events

Refer to the 'Post balance sheet events' note on page 4.

NFU Mutual Mixed Portfolio 20-60% Shares Fund

continued

Distribution Tables for the year ended 31st January 2018

Group 1: Shares purchased prior to a distribution period

Group 2: Shares purchased during a distribution period

Equalisation is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to the holders of these shares as a return of capital. Being capital it is not liable to Income tax but must be deducted from the cost of shares for Capital Gains tax purposes.

Interim dividend distribution in pence per share

Class B Shares

	Gross Revenue	Equalisation	Distribution paid on 30/09/17	Distribution paid on 30/09/16
Group 1	1.0809		1.0809	1.2856
Group 2	0.9023	0.1786	1.0809	1.2856

Class C Shares

	Gross Revenue	Equalisation	Distribution paid on 30/09/17	Distribution paid on 30/09/16
Group 1	1.1004		1.1004	1.2290
Group 2	0.7990	0.3014	1.1004	1.2290

Class I Shares

	Gross Revenue	Equalisation	Distribution paid on 30/09/17	Distribution paid on 30/09/16
Group 1	1.8953		1.8953	2.0018
Group 2	1.3145	0.5808	1.8953	2.0018

Final dividend distribution in pence per share

Class B Shares

	Gross Revenue	Equalisation	Distribution payable on 31/03/18	Distribution paid on 31/03/17
Group 1	0.7233		0.7233	0.8443
Group 2	0.6488	0.0745	0.7233	0.8443

Class C Shares

	Gross Revenue	Equalisation	Distribution payable on 31/03/18	Distribution paid on 31/03/17
Group 1	0.8281		0.8281	0.9076
Group 2	0.5713	0.2568	0.8281	0.9076

Class I Shares

	Gross Revenue	Equalisation	Distribution payable on 31/03/18	Distribution paid on 31/03/17
Group 1	1.5611		1.5611	1.6323
Group 2	1.0870	0.4741	1.5611	1.6323

Statement of the Depositary's Responsibilities in respect of the Financial Statements of the Company

- the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, repurchase and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares of the Company are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager ("the AFM"), which is the UCITS Management Company, are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that Company is managed in accordance with the Regulations and Scheme documents in relation to the investment and borrowing powers applicable to the Company.

Report of the Depositary to the Shareholders of The NFU Mutual Portfolio Funds OEIC

Having carried out such procedures as we consider necessary to discharge our responsibilities as depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the AFM:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Regulations and the Scheme documents of the Company; and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company.



For and on behalf of
The Bank of New York Mellon (International) Limited
One Canada Square
London
E14 5AL

16 March 2018

Independent Auditors' Report to the Shareholders of The NFU Mutual Portfolio Funds OEIC

Report on the financial statements

Our opinion

In our opinion, The NFU Mutual Portfolio Funds OEIC's financial statements:

- give a true and fair view of the financial position of the Company and each of the sub-funds as at 31 January 2018 and of the net revenue and the net capital gains on the scheme property of the Company and each of the sub-funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Instrument of Incorporation.

The NFU Mutual Portfolio Funds OEIC (the "company") is an Open Ended Investment Company ('OEIC') with 3 sub-funds. The financial statements of the company comprise the financial statements of each of the sub-funds. We have audited the financial statements, included within the Final Report (the "Annual Report"), which comprise: the balance sheets as at 31 January 2018; the statements of total return and the statements of change in net assets attributable to shareholders for the year then ended; the distribution tables; the accounting policies; and the notes to the financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the Authorised Corporate Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Authorised Corporate Director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's or any of the sub-funds' ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's or any of the sub-funds' ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Authorised Corporate Director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Authorised Corporate Director's Report

In our opinion, the information given in the Authorised Corporate Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent Auditors' Report to the Shareholders of The NFU Mutual Portfolio Funds OEIC continued

Responsibilities for the financial statements and the audit

Responsibilities of the Authorised Corporate Director for the financial statements

As explained more fully in the the Statement of Authorised Corporate Director's (ACD) Responsibilities in relation to the Financial Statements of the Company, set out on page 5, the Authorised Corporate Director is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Authorised Corporate Director is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Authorised Corporate Director is responsible for assessing the company's and each of the sub-funds ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Authorised Corporate Director either intends to wind up or terminate the company or individual sub-fund, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's shareholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook as required by paragraph 67(2) of the Open-Ended Investment Companies Regulations 2001 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Opinion on matter required by the Collective Investment Schemes sourcebook

In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

Collective Investment Schemes sourcebook exception reporting

Under the Collective Investment Schemes sourcebook we are also required to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.



PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh

16 March 2018



NFU Mutual

The National Farmers Union Mutual Insurance Society Limited (No.111982)
A member of the Association of British Insurers.
Authorised by the Prudential Regulation Authority and regulated by
the Financial Conduct Authority and the Prudential Regulation Authority.
N.F.U. Mutual Unit Managers Limited (No.1837277).
A member of the NFU Mutual group of companies. Authorised and regulated
by the Financial Conduct Authority.

REP/OEIC/LONG/RPF/01-18

NFU Mutual Select Investments Limited (No.08049488)
A member of the NFU Mutual group of companies.
Authorised and regulated by the Financial Conduct Authority.
All three companies: Registered in England. Registered office:
Tiddington Road, Stratford upon Avon, Warwickshire CV37 7BJ.