

**keyfacts**®

KEY FEATURES OF  
THE NFU MUTUAL  
FLEXIBOND  
STARTED BEFORE  
31 DECEMBER 2012



**NFU Mutual**  
INSURANCE | PENSIONS | INVESTMENTS



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

This Key Features Document only applies to Flexibond investors whose bond started before 31 December 2012. It is intended to give you a brief explanation of the most important features of the Flexibond. The full terms and conditions are in the policy document. If you'd like a sample copy of these, please ask your NFU Mutual Financial Adviser or contact us direct.

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

#### **How to contact us**

If you have any queries:

-  call us on 0800 622323. Our telephone lines are open on weekdays from 9.00am to 5.00pm. We may record telephone calls for training, monitoring or security purposes.
-  write to us at: NFU Mutual - Operations (Financial Services), Avon House, Ryon Hill Park, Warwick Road, Stratford-upon-Avon, Warwickshire CV37 0UY.

## **We are here to help**

If you'd like this document in large print, braille or audio, just contact us.

If you're hard of hearing or deaf, or you have difficulty with your speech, you can contact us by using the Relay UK app on your smartphone or tablet, or by dialling 18001 before our number on your textphone.

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

# CONTENTS

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

## WHO CAN INVEST IN THIS PRODUCT?

- The Flexibond is an investment designed for people who already have savings in a bank or building society and are looking for an alternative investment, with some more risk, in order to have the potential for better returns.
- The Flexibond covered by this Key Features Document only accepts additional amounts into Flexibonds that started before 31 December 2012.
- Investors should be prepared to leave their money invested for at least five years.
- If you take money out it could eat into your original capital. This will happen if the growth on your investment isn't enough to make up for the amounts you're taking out.
- The amount you get back from your investment isn't guaranteed. It may be lower than your illustration shows if:
  - you stop or reduce regular payments
  - our investment performance is lower than we illustrated
  - you take more withdrawals than any shown in your illustration
  - our charges increase
  - tax rules change.

## ITS AIMS

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

## YOUR COMMITMENT

- To invest lump sum amount(s) – currently at least £1,000, and/or
- To invest regular monthly or yearly amounts – currently at least £25 per month, or £300 per year.
- There's no fixed investment term, so you can cash in your Flexibond whenever you wish. We recommend you invest for at least five years.

## RISKS

### What you might get back

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

### About tax

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

### Changing your mind

- If you change your mind about your investment you can cancel it within 30 days and have your money back, but you could get back less than you've invested. This could happen if you've invested a lump sum and the value of your investment falls.

## QUESTIONS AND ANSWERS

### What is the Flexibond?

- It's an investment that doesn't have a fixed investment term.
- It's set up as an insurance policy, so that it can benefit from a favourable tax treatment. Because it's an insurance policy it has to provide some life cover. But the life cover is only small, as its main purpose is as an investment.
- You will have set it up with either one owner or up to four joint owners. It will be covering either one or two lives, which could be someone different to the owner(s).

### How flexible is it?

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

### How much might it pay out?

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

### How much can I pay in?

- You can invest lump sums, regular monthly or yearly payments, or a combination of both. The current minimum payments we'll accept are:
  - lump sum payments - £1,000
  - monthly payments - £25
  - yearly payments - £300.

### How do I make payments?

- Lump sums - by cheque or direct credit.
- Regular payments - by direct debit.

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

### How are my payments invested?

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

### **Can I change my investment choice?**

- There are two ways you can do this:
  - you can change where your future payments are invested
  - you can switch from one fund to another.
- For switches from one fund to another:
  - We'll cash in units in your existing fund and buy units in your new fund using unit prices that apply for the day we receive your written instructions at our registered office
  - You can make up to 12 fund switches in each policy year without charge. For each subsequent fund switch within the policy year we can take a charge of £20. We are not currently taking this charge. A policy year is 12 months from the start date of your Flexibond and each following year beginning on the anniversary
  - We will review the charge for a fund switch every three years, after which the charge may rise. Any increase will not be above the change in the Consumer Price Index inflation measure since the last change.
- If a fund switch charge would reduce the value of your Flexibond to less than £1,000, we will not allow the fund switch.
- We can delay your fund switch for up to 3 months. If you're switching from a fund that has investments in property, we can delay the fund switch for up to 12 months.

### **Can I take my money out?**

- You can take some or all of your money out, whenever you like. If you take out all of your money your Flexibond will end.
- If you wish, you can set up automatic regular withdrawals. Your regular withdrawals can be up to 10% of the total amount invested, each policy year.
- You can take regular withdrawals monthly, quarterly, half-yearly or yearly.
- You can change the frequency of regular withdrawals. Or you can stop, restart, increase or reduce them.
- Each withdrawal payment must be at least £100, and if you do not want to fully cash in your Flexibond, you must leave at least £1,000 invested.

- If you've invested in more than one fund, any withdrawal will be split between them. The split will be in proportion to the amounts held in each fund.
- Please read the section '**What about tax?**' for information on how withdrawals may affect your tax position.
- If you would like to make any withdrawals or change your regular withdrawals, you'll need to let us know by contacting us either in writing or by telephone. Restrictions apply to requests made over the phone. Please use the relevant contact details given under '**How to contact us**'.

### **How will my withdrawals be paid?**

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

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

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

### **What happens to my Flexibond if I die?**

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

### Can I transfer ownership of my Flexibond?

- You can transfer ownership to another person or company. In legal terms this is known as an ‘assignment’.
- If you do this please let us know, so that we know who is legally entitled to the benefits.

### WHAT ARE THE CHARGES?

#### Charges paid directly from the funds

- We charge for managing your Flexibond and the investment funds. We take money from the funds to pay:
  - the cost for providing any advice about your Flexibond. Financial advice is provided by NFU Mutual Select Investments Limited
  - the costs of buying and selling assets in the funds
  - any tax due on those assets
  - any fees, levies and other charges we have to pay to operate and manage the fund.
- Your illustration shows our charges and the effect they have on reducing the value of your Flexibond over its lifetime.

#### Annual charge

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

#### Policies taken out on or after 1st October 2005:

Fund	Annual Charge %
Deposit	0.85%
Fixed Interest	0.95%
International	1.1%
Mixed Portfolio 20-60% Shares	1.1%
Mixed Portfolio 40-85% Shares	1.1%
Mixed Portfolio Max 100% Shares	1.1%

UK Equity	1.1%
UK Equity Income	1.1%
With Profits	1.1%*

- \* For new investments made into the With-Profits Fund on or after 2 October 2017 the charge is 1.2%. New investments in this context include lump sums, new regular premiums, increases to existing regular premiums and switches into the With-Profits Fund.

#### Policies taken out before 1st October 2005:

Fund	Annual Charge %
Deposit	0.75%
Fixed Interest	0.85%
International	1.0%
Mixed Portfolio 20-60% Shares	1.0%
Mixed Portfolio 40-85% Shares	1.0%
Mixed Portfolio Max 100% Shares	1.0%
UK Equity	1.0%
UK Equity Income	1.0%
With Profits	1.0%*

- \* For new investments made into the With-Profits Fund on or after 2 October 2017 the charge is 1.1%. New investments in this context include lump sums, new regular premiums or increases to regular premiums and switches into the With-Profits Fund.
- We may change the annual charge if the cost of managing your Flexibond changes. This could happen, for example, if there are changes to:
  - administration costs
  - taxation
  - regulation
  - the law
  - fund management costs.
- There may be additional fees or charges depending on the fund(s) you choose and the assets they invest in. The effect of these fees or charges, which may change over time, will be reflected in your illustration.

- The maximum annual charge we can make is 1.5% a year, but the current charge is lower than this. We'll give you 30 days advance notice if the annual charge changes.
- Each month we'll rebate part of the annual charge for larger investments, by adding units to your Flexibond.

We calculate the monthly rebate using the sum:

$$\text{monthly rebate} = \frac{1}{12} \times \text{rebate} \times \text{fund value}$$

where 'rebate' refers to the rebate shown in the table below and 'fund value' refers to the amount to which the rebate applies. The fund value for each month is calculated on the same day of the month on which your Flexibond started. For example, if your Flexibond started on 21 July the fund value would be calculated on the 21st of each month.

Rebate bands – part of fund to which rebate applies	Total rebate per year
The first £82,074	nil
The next £82,074	0.125%
The next £246,222	0.25%
The next £410,370	0.375%
Any value above this	0.5%

**Example:**

Fund value = £100,000  
 Rebate on the first £82,074 = nil  
 Rebate on the next £17,926 = 0.125%  
 Monthly rebate to be credited  
 =  $\frac{1}{12} \times 0.125\% \times £17,926 = £1.87$

- We increase the rebate bands every April, using the government's Average Weekly Earnings index published in January that year. If there is no increase in Average Weekly Earnings at that time, or if it falls, the bands will remain the same.

- We may change or remove the bands or rebates at any time, to cover increased expenses which aren't already covered by the annual increase. We'll give you 30 days advance notice of a change.

**What about tax?**

- The tax treatment depends on your individual circumstances. It may change in future.
- Under current tax rules you won't have to pay basic rate income tax or capital gains tax on your Flexibond.
- NFU Mutual pays tax on income and capital gains within the funds. Non tax payers can't reclaim this.
- Each policy year, you can withdraw up to 5% of the total amount you've invested, without having to pay any tax at that time (this does not apply if the Flexibond is owned by a company). This is a cumulative allowance, so if you don't use it in any policy year you can carry it forward to future years, up to a maximum of 100% of the total amount you've invested. A policy year is 12 months from the start date of your Flexibond, and each following year beginning on the anniversary.
- You might have to pay some higher or additional rate income tax if you:
  - take withdrawals of more than 5%, or more than your accumulated allowance in a policy year
  - cash in your Flexibond fully
  - transfer ownership to another person or company (known as assignment) other than as a gift.
- If you take out more than the 5% allowance each policy year, or cash in your Flexibond fully:
  - any personal tax allowances or tax credits you receive might be reduced
  - your personal income tax allowance may be reduced if your total income exceeds £100,000
  - you may become liable to pay the Child Benefit tax charge if your total income exceeds £60,000.



- Your Flexibond is initially made up of 100 individual policies. When you take money out, if it is within your cumulative 5% tax deferred allowance an equal amount will be withdrawn from each individual policy. If your withdrawal is greater than your available allowance, we will fully encash the minimum number of policies, taking the balance from all the remaining policies, within your cumulative tax deferred allowance.
- If you wish to gift your Flexibond in the future, you can assign the full Bond to a new owner(s). Currently we do not facilitate the assignment of individual policies within the Flexibond.
- Your legal personal representatives may have to pay some higher or additional rate income tax when a death benefit is paid.
- The Flexibond death benefit will form part of the legal owners' estate(s) for inheritance tax purposes. You can use a trust to help in inheritance tax planning. Ask your NFU Mutual Financial Adviser for more details.
- If the Flexibond is owned by a company, any gains will be subject to corporation tax. The actual amount payable will depend upon the company's overall tax position.

### Can I change my mind?

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

### How can I check how my Flexibond is doing?

- We'll send you a statement every year, shortly after the anniversary of your Flexibond's start date.

- If you make a withdrawal, we'll send you a statement at the end of the quarter when it's made.
- You can contact us for information about your Flexibond's value. You can also visit our website to check unit prices, [nfumutual.co.uk](http://nfumutual.co.uk). Fund prices for the With-Profits Fund aren't available on the website, for details you can contact us on 0800 622323.

### How to contact us

- If you want to:
  - cancel the additional investment into your Flexibond
  - change your regular payments
  - get information about your Flexibond's value
  - make a withdrawal, or other claim
  - change your investment choice
  - transfer ownership of your Flexibond
  - ask any other questions.



call us on 0800 622323.  
Our telephone lines are open on weekdays from 9.00am to 5.00pm. We may record telephone calls for training, monitoring or security purposes.

Or



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

### Making a complaint

- If you need to make a complaint, please write to us or call us on 0800 622323, as indicated above, and we will do all we can to resolve the complaint to your satisfaction.

- If you're not satisfied with our response to a complaint, you can contact:

The Financial Ombudsman Service  
(FOS)  
Exchange Tower  
London  
E14 9SR  
0800 023 4567  
[www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

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

## OTHER INFORMATION

### Law and language used

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

### Compensation

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

### About NFU Mutual

- NFU Mutual is The National Farmers Union Mutual Insurance Society Limited. It's a registered company that's limited by guarantee, which means its capital isn't divided into shares. Its Head Office is in the United Kingdom of Great Britain and Northern Ireland, situated at:  
  
Tiddington Road  
Stratford-upon-Avon  
Warwickshire  
CV37 7BJ
- NFU Mutual's main business is providing financial services and general insurance. It's authorised by the Prudential Regulation Authority and regulated by the Financial

Conduct Authority and the Prudential Regulation Authority and is entered on their register under number 117664. You can contact the Financial Conduct Authority as follows:

- ☎ Consumer helpline: 0800 111 6768
- ✉ 12 Endeavour Square  
London  
E20 1JN  
[www.fca.org.uk](http://www.fca.org.uk)  
[consumer.queries@fca.org.uk](mailto:consumer.queries@fca.org.uk)

### Our mutuality

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

### Financial strength

- To find out more about our financial strength you can read our "Solvency and Financial Condition Report" at [nfumutual.co.uk/about-us/company-information](http://nfumutual.co.uk/about-us/company-information).

### Your policy document

- This key features document gives you a brief explanation of the most important features of the Flexibond. It's based on our understanding of current law and tax practices, which can change.
- The full terms and conditions are in the policy document we gave you when you originally started your Flexibond.

### Is this product right for you?

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



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



**NFU Mutual**

The National Farmers Union Mutual Insurance Society Limited (No. 111982).  
Registered in England. Registered Office: Tiddington Road, Stratford-upon-Avon, Warwickshire CV37 7BJ.  
Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority  
and the Prudential Regulation Authority.

To find out more about how we use your personal information and your rights, please go to the Privacy Policy on our website.

KFD-FLE-060424