



## Fund changes

We will make these changes on 26 April 2024. These changes do not alter the way the sub-funds are managed, and you do not need to take any action.

### Fund names

#### Current sub-fund name

NFU Mutual Gilt & Corporate Bond Fund  
NFU Mutual UK Growth Fund  
NFU Mutual Global Growth Fund

#### New sub-fund name

NFU Mutual Fixed Interest Fund  
NFU Mutual UK Equity Fund  
NFU Mutual International Equity Fund

### Investment objectives and policies

Sub-fund	Current objective	New target objective	Current comparators	New comparators
NFU Mutual Gilt & Corporate Bond Fund (changing its name to NFU Mutual Fixed Interest Fund)	Income and capital growth over the long term (5 years +)	Total return, net of fees, greater than that of the Composite Benchmark (65% Markit iBoxx Sterling Corporates Overall Index and 35% FTSE Actuaries UK Conventional Gilts All Stocks Index) over a rolling 5-year period	50%/50% composite benchmark: Markit iBoxx Sterling Corporates Overall Index/ FTSE Actuaries UK Conventional Gilts All Stocks Index  IA Sterling Strategic Bond sector	65%/35% composite benchmark: Markit iBoxx Sterling Corporates Overall Index/ FTSE Actuaries UK Conventional Gilts All Stocks Index  No peer group comparator
NFU Mutual UK Growth Fund (changing its name to NFU Mutual UK Equity Fund)	Capital growth and income over the long term (5 years +)	Total return, net of fees, greater than that of the FTSE All-Share Index over a rolling 5-year period	FTSE All-Share Index  IA UK All Companies sector	No change  No change
NFU Mutual Global Growth Fund (changing its name to NFU Mutual International Equity Fund)	Long term capital growth (5 years +)	Total return, net of fees, greater than that of the FTSE All-World ex UK net Index over a rolling 5-year period	FTSE All-World ex UK Index (gross)  IA Global sector	FTSE All-World ex UK NT Index  No change
NFU Mutual UK Equity Income Fund	Growing income in excess of the FTSE All-Share Index over the long term (5 - 7 years)	Total return, net of fees, greater than that of the FTSE All-Share Index over a rolling 5-year period	FTSE All-Share Index  IA UK Equity Income sector	No change  No change

## Investment policy wording

The changes are highlighted in blue

Please refer to our letter dated 22 February 2024 for details of the previous and revised wording.

To request a copy of this letter, please contact us on 0800 622323 or email [customermail@nfumutual.co.uk](mailto:customermail@nfumutual.co.uk)

## NFU MUTUAL **FIXED INTEREST** FUND

### Investment Objective

To achieve a combination of income and capital growth which results in a total return, net of fees, greater than that of the Composite Benchmark (65% Markit iBoxx Sterling Corporates Overall Index and 35% FTSE Actuaries UK Conventional Gilts All Stocks Index) over a rolling 5-year period, by investing in fixed interest investments. However, there is no certainty that this will be achieved and your capital may be at risk; actual returns may be higher or lower.

### Investment Policy

This Fund will invest at least 80% and up to 100% in corporate and government debt (bonds), both UK and international, that have investment grade credit ratings. Investment decisions will be made based on long-term (5 years +) expectations of performance including bonds issued by high-quality companies and highly rated governments. The Fund may also invest up to 20% in lower credit rated corporate debt (bonds), Transferable Securities, Collective Investment Schemes (including other funds managed by N.F.U. Mutual Unit Managers Limited), Money Market Instruments, Deposits, Cash and Near Cash.

The Fund is actively managed with the choice and mix of investments managed and regularly monitored by our investment team.

### Use of Derivatives

The Fund may use Financial Derivatives but only for the purpose of efficient portfolio management to reduce risk and cost in the Fund, including through hedging (to manage currency exposure) or to generate extra income or growth in line with the risk profile of the Fund.

### Composite Performance Benchmark

A combination of the Markit iBoxx Sterling Corporates Overall Index (65% weighting) and the FTSE Actuaries UK Conventional Gilts All Stocks Index (35% weighting) together the composite benchmark has been chosen as the performance objective for this Fund as it represents investment performance in the main investable assets of this Fund; sterling corporate bonds (Markit iBoxx Sterling Corporates Overall Index) and gilts (FTSE Actuaries

UK Conventional Gilts All Stocks Index) with a higher weighting to corporate bonds reflecting that the fund is expected to favour these assets on average over the long-term. The indices chosen are widely used within the industry and the constituents are representative of the types of bonds (corporate and government) in which the Fund is likely to invest. The Fund has the flexibility to alter the proportions invested in corporate bonds or gilts but will maintain a minimum weighting in either of 20% at any one time. The Fund is not constrained by the benchmark or managed to it and has flexibility over the benchmark constituents it holds. Differences in holdings including the balance of corporate and government bonds may lead to fund performance varying from the benchmark.

### **Who is this fund suitable for**

This Fund is suitable for an investor who is seeking to combine income with capital growth opportunities in the debt markets over the long term (5 years +). Investors must be able to accept the risk that the prices of bonds (debt) and the income from them may fall as well as rise.

## NFU MUTUAL UK EQUITY FUND

### **Investment Objective**

To achieve a combination of capital growth and income which results in a total return, net of fees, greater than that of the FTSE All-Share Index over a rolling 5-year period, by investing in UK equities. However, there is no certainty that this will be achieved and your capital may be at risk; actual returns may be higher or lower.

### **Investment Policy**

The Fund will invest at least 80% and up to 100% in a diversified portfolio of company shares (equities) domiciled in the UK (or whose business activities are predominantly in the UK/the majority of their revenue is derived from the UK but which are domiciled or quoted on a market outside the UK). The shares held can be from companies in any sector and of any size, including smaller companies which may be less liquid and subject to greater price changes. Investment decisions will be made based on long-term (5 years +) expectations of performance with a bias towards stocks with the potential to generate above average earnings growth. The Fund may also invest up to 20% in other Transferable Securities, Money Market Instruments, Collective Investment Schemes (including other funds managed by N.F.U. Mutual Unit Managers Limited), Deposits, Cash and Near Cash.

The Fund is actively managed and regularly monitored by our investment team.

### **Use of Derivatives**

The Fund may use Financial Derivatives but only for the purpose of efficient portfolio management to reduce risk and cost in the Fund, including through hedging (to manage currency exposure) or to generate extra income or growth in line with the risk profile of the Fund.

## Performance Benchmark

The FTSE All-Share Index (the benchmark). This benchmark has been selected as the Fund performance objective as it is a widely-used weighted index representing the market value of a significant number of UK companies traded on the London Stock Exchange and the constituents of the benchmark are representative of the types of companies in which the Fund is likely to invest. The Fund is not constrained by the benchmark, or managed to it and has flexibility over the benchmark constituents it holds. Differences in holdings including the bias towards stocks with the potential to generate long-term earnings growth may lead to fund performance varying from the benchmark index which has no such bias.

## Peer Group

Many funds sold in the UK are grouped into peer group/sectors by the Investment Association (IA) (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics. This Fund is classified in the IA UK All Companies sector. You can use this information to compare the Fund against other similar funds. The sector definitions for qualifying for inclusion are broad enough to cover funds with different strategies, this means that there can be variations in performance.

## Who is this fund suitable for

This Fund is suitable for an investor who is willing to accept capital risk for the potential of good long-term (5 years+) capital growth. Investors must be happy to maintain very high or total exposure to equities. Investors in the Fund must be able to accept the risk that the value of the investments can fall as well as rise.

## NFU MUTUAL INTERNATIONAL EQUITY FUND

### Investment objective

To achieve capital growth which results in a total return, net of fees, greater than that of the FTSE All-World ex UK NT Index over a rolling 5-year period, by investing internationally in equities. However, there is no certainty that this will be achieved and your capital may be at risk; actual returns may be higher or lower.

### Investment Policy

The Fund invests at least 80% and up to 100% of its assets in other funds. The other funds invested in may be funds managed by N.F.U. Mutual Unit Managers Limited (including other sub-funds of the NFU Mutual OEIC) and/or third-party managers and will be a combination of actively managed and passively managed funds (that is funds which track or are closely linked to the performance of a market index). A significant proportion (more than 50% of the net asset value of the Fund) of the exposure to international equities could be through passive funds.

Through its investment in other funds, at least 80% of the Fund's exposure will be to a broadly diversified portfolio of international company shares (equities). The shares invested in can be of companies anywhere in the world and in any sector and will include a mix of investments in developed markets (in areas including North America, Europe and Asia) and Emerging Markets (economies progressing towards being advanced which are not yet fully developed, where prices can move up or down more sharply). Investments may also include smaller companies which may be less liquid and subject to greater price changes. While the Fund can invest in UK company shares any holdings here are expected to be small. The Fund may also invest up to 20% in other securities equivalent to shares in companies, bonds or other forms of securitised debt, Money Market Instruments, Deposits, Cash and Near Cash, in each case anywhere in the world. The fund manager also has the ability to invest directly in company shares (equities) and other permitted investments as listed above within their stated limits.

The choice and mix of Fund investments is actively managed and regularly monitored by our investment team. A diversified portfolio will be maintained through a combination of internally managed geographical funds and the use of selected external investment management expertise.

### **Use of Derivatives**

The Fund may use Financial Derivatives but only for the purpose of efficient portfolio management to reduce risk and cost in the Fund, including through hedging (to manage currency exposure) or to generate extra income or growth in line with the risk profile of the Fund. Where the Fund invests in funds managed by other managers, those other funds may use derivatives for investment purposes but such use is expected to be minimal.

### **Performance Benchmark**

The FTSE All-World ex UK NT Index (the benchmark) has been selected as the Fund performance objective as it is widely used and the constituents of the benchmark are representative of the types of shares in which the Fund is likely to invest. The Fund is not constrained by the benchmark or managed to it and has flexibility over the benchmark constituents it holds. Differences in holdings including geographic and sector mix may lead to fund performance varying from the benchmark.

### **Peer Group**

Many funds sold in the UK are grouped into peer group/sectors by the Investment Association (IA) (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics. This Fund is classified in the IA Global sector. You can use this information to compare the fund against other similar funds. The sector definitions for qualifying for inclusion are broad enough to cover funds with different strategies, this means that there can be variations in performance.

### **Who is this fund suitable for**

This Fund is suitable for an investor who is willing to accept capital risk for the potential of long-term capital growth (5 years +). Investors must be happy to maintain very high or total exposure to equities. Investors in the Fund must be able to accept the risk that the value of the investments can fall as well as rise.

## NFU MUTUAL UK EQUITY INCOME FUND

### Investment objective

To produce an income in excess of the FTSE All-Share Index with some capital growth which results in a total return, net of fees, greater than that of the FTSE All-Share Index over a rolling 5-year period, by investing in UK equities. However there is no certainty that this will be achieved and your capital may be at risk; actual returns may be higher or lower.

### Investment Policy

The Fund will invest at least 80% and up to 100% in a diversified portfolio of company shares (equities) domiciled in the UK; (or whose business activities are predominantly in the UK/the majority of their revenue is derived from the UK but which are domiciled or quoted on a market outside the UK). The shares held can be from companies in any sector and of any size, including smaller companies which may be less liquid and subject to greater price changes. Investment decisions will be made based on long-term (5 years +) expectations of performance with a bias towards stocks with the potential to deliver above average and/or growing dividend income. The Fund may also invest up to 20% in other Transferable Securities, Money Market Instruments, Collective Investment Schemes (including other funds managed by N.F.U. Mutual Unit Managers Limited), Deposits, Cash and Near Cash.

The Fund is actively managed and regularly monitored by our investment team.

### Use of Derivatives

The Fund may use Financial Derivatives but only for the purpose of efficient portfolio management to reduce risk and cost in the Fund, including through hedging (to manage currency exposure) or to generate extra income or growth in line with the risk profile of the Fund.

### Performance Benchmark

The FTSE All-Share Index (the benchmark) has been selected as the Fund performance objective as it is a widely used weighted index representing the market value of a significant number of UK companies traded on the London Stock Exchange and the constituents of the benchmark are representative of the types of companies in which the Fund is likely to invest. The Fund is not constrained by the benchmark, or managed to it and has flexibility over the benchmark constituents it holds. Differences in holdings including the bias towards higher income stocks may lead to fund performance varying from the benchmark index which has no such bias.

## **Peer Group**

Many funds sold in the UK are grouped into peer group/sectors by the Investment Association (IA) (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics. This Fund is classified in the IA UK Equity Income sector. You can use this information to compare the Fund against other similar funds. [The sector definitions for qualifying for inclusion are broad enough to cover funds with different strategies, this means that there can be variations in performance.](#)

## **Who is this fund suitable for**

This Fund is suitable for an investor who is willing to accept capital risk for the potential of good long- term (5 years+) income and capital growth. Investors must be happy to maintain very high or total exposure to equities. Investors in the Fund must be able to accept the risk that the value of the investments can fall as well as rise.