

# FUND CHANGES

We are making some changes to our single asset class funds which are available through an NFU Mutual Unit-Linked product.

The aim of the changes is to give you a better idea about how the funds are managed and how they perform. We won't be changing the way the funds are managed on a day-to-day basis.

These changes are effective from 1st March 2025 and apply to our Unit-Linked products listed below.

Life Products	Pension Products	
Capital Investment Bond	Flexible Retirement Account	Personal Pension Account
Flexibond	Managed Fund Plan	Trustee Investment Plan
	Personal Pension Plan (including the Group Personal Pension Plan)	Stakeholder Pension Plan (including the Group Stakeholder Pension Plan)

## What are the changes?

### UK Equity Income Fund structure

The UK Equity Income Fund previously invested into the NFU Mutual OEIC UK Equity Income Fund managed by NFU Mutual Unit Managers Limited, which in turn invested directly in company shares. The fund now invests directly in company shares which removes a layer of investment, resulting in a slight reduction in the charges you pay within the fund.

The holdings of the fund remain unchanged by the move with all company shares transferred over directly. The fund will continue to be managed by the same NFU Mutual Investment team with no change in approach.

### Investment objectives and policies

We are changing the investment objectives and policies of all single asset class funds across all our unit-linked products. The investment objective is a statement that sets out what the fund aims to achieve whilst the investment policy explains how we seek to meet the objective.

Currently the objective of each fund was set out quite broadly as looking to grow your capital and/or to provide you with an income. We have changed the objective of each fund, so instead, each fund is aiming to provide a higher return than the relevant benchmark for that fund over a 5-year rolling period.

We choose the benchmark based on what we think is appropriate to the way the fund is invested. An example of a benchmark we use for comparison is the FTSE All-Share Index chosen for the UK Equity funds. These target benchmarks will apply from the effective date but are a reasonable comparison for how the funds have performed historically. You can also still compare your investment to the peer group we have suggested, however for the UK Property Fund we are removing the peer group as a suggested performance comparator as we believe it is less appropriate than the benchmark.

We will also make some changes to the investment policy wording to make it clearer for you, but this doesn't alter the investment approach or lead to a change in actual investments or risk profiles.



We have set out below the changes to the objectives and the introduction of benchmarks as well as the peer group comparators.

Fund	Current objective	New objective	New benchmark	Peer group comparator
NFU Mutual Fixed Interest Fund	To provide a return from a portfolio investing mainly in gilts and investment grade corporate bonds.	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 £(GBP) Corporate Index and 35% FTSE Actuaries UK Conventional Gilts All Stocks Index) over a rolling 5- year period, by investing in fixed interest investments.	65%/35% composite benchmark: Markit iBoxx Corporate Index/ FTSE Actuaries UK Conventional Gilts All Stocks Index	Association of British Insurers (ABI) Sterling Fixed Interest sector
NFU Mutual UK Equity Fund	To provide long-term growth by investing in UK quoted company stocks and shares.	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.	FTSE All-Share Index	ABI UK All Companies sector
NFU Mutual International Equity Fund	To provide long-term (5 years +) growth by investing globally.	To achieve capital growth which results in a total return, net of fees, greater than that of the FTSE All-World ex UK net Index over a rolling 5-year period, by investing internationally in equities.	FTSE All-World ex UK net Index	ABI Global Equities sector
NFU Mutual UK Equity Income Fund	To achieve income in excess of the FTSE All Share Index with some capital growth by investing primarily in shares of UK companies.	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.	FTSE All-Share Index	ABI UK Equity Income sector
NFU Mutual Deposit Fund	To maintain capital stability by investing in secure UK money market accounts.	To provide capital stability and a return, before charges, greater than the Bank of England base rate over a rolling 12-month period, by investing in secure UK money market accounts.	Bank of England base rate	ABI Deposit & Treasury sector
NFU Mutual UK Property Fund	To provide long-term growth by investing in property related shares and/or property.	To achieve income and capital growth which results in a total return, net of fees, greater than that of the FTSE EPRA Nareit UK Index over a rolling 5-year period, by investing in UK property shares.	FTSE EPRA Nareit UK Index	No peer group comparator
NFU Mutual Index Linked Fund	To provide a return from a portfolio investing predominantly in index-linked bonds.	To achieve a combination of income and capital growth which results in a total return, net of fees, greater than that of the FTSE Actuaries Index-Linked Gilts All Stocks Index over a rolling 5-year period, by investing in index-linked investments.	FTSE Actuaries Index-Linked Gilts All Stocks Index	ABI UK Index-Linked Gilts



We have set out below a description for each of the benchmarks we have chosen.

Index	Description of Index
Markit iBoxx Corporate	A bond market index which consists of global corporate bonds.
FTSE Actuaries UK Conventional Gilts All Stocks	An index which measures the performance of the UK conventional government bond market.
FTSE-All Share	A stock market index which consists of UK equities.
FTSE All-World ex UK	A stock market index which consists of global equities (outside of the UK).
FTSE EPRA Nareit UK	A UK specific stock market index which consists of various types of real estate companies.
FTSE Actuaries Index-Linked Gilts All Stocks	An index which measures the performance of UK index-linked government bonds.

### How will this change the documentation?

As a result of the changes, we will update affected fund documentation such as fund factsheets and key information documents (where they are produced).

Copies of the fund factsheets and key information documents will also be available on our website **nfumutual.co.uk/investments/fund-centre** or you call us on **0800 622323** during normal working hours.

Updates to impacted fund documentation will be completed by 1st April 2025.

### What do you need to do?

You don't have to take any action but please ensure you have read this document carefully as it gives you important information about the changes.



## Investment policy wording

The new investment policy wording is effective from 1st March 2025.

# 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 £(GBP) Corporate 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), 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 £(GBP) Corporate 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 £(GBP) Corporate 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.

## Peer Group

Many funds sold in the UK are grouped into peer group/sectors by the Association of British Insurers (ABI), to help investors to compare funds with broadly similar characteristics. This Fund is classified in the ABI Sterling Fixed Interest 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 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.



## Investment policy wording

The new investment policy wording is effective from 1st March 2025.

# 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 and up to 10% in Alternative Investment Market (AIM) shares 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), 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 stocks with the potential to generate above average 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 Association of British Insurers (ABI), to help investors to compare funds with broadly similar characteristics. This Fund is classified in the ABI 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.



## Investment policy wording

The new investment policy wording is effective from 1st March 2025.

# 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 net 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 can invest up to 100% of its assets in other funds. The other funds invested in may be funds managed by N.F.U. Mutual and/or third-party managers and will include exposure to 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.

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 net 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 Association of British Insurers (ABI), to help investors to compare funds with broadly similar characteristics. This Fund is classified in the ABI Global Equities 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.



## Investment policy wording

The new investment policy wording is effective from 1st March 2025.

# 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 and up to 10% in Alternative Investment Market (AIM) shares 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 and stability 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), 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 Association of British Insurers (ABI), to help investors to compare funds with broadly similar characteristics. This Fund is classified in the ABI 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.



## Investment policy wording

The new investment policy wording is effective from 1st March 2025.

# NFU MUTUAL DEPOSIT FUND

## Investment Objective

To provide capital stability and a return, before charges, greater than the Bank of England base rate over a rolling 12-month period, by investing in secure UK money market accounts. However there is no certainty that this will be achieved; actual returns may be higher or lower.

## Investment Policy

The Fund will invest 100% in Sterling denominated assets which may include Cash, Deposits, Money Market Instruments and UK government bonds with shorter maturities. Investment decisions will be made based on short-term (up to 1 year) return expectations. No more than 20% of the Fund will be invested with one financial institution.

## 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 Bank of England base rate has been selected as the basis for the Fund performance objective as it is the main driver of UK money market interest rates. Actual investment returns available will differ and may lead to fund performance varying from this measure.

## Peer Group

Many funds sold in the UK are grouped into peer group/sectors by the Association of British Insurers (ABI), to help investors to compare funds with broadly similar characteristics. This Fund is classified in the ABI Deposit & Treasury 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

The Fund is suitable for short-term needs or as a temporary location for your money while you're deciding where to invest it for the longer term. The fund is not intended as a long-term investment.





## Investment policy wording

The new investment policy wording is effective from 1st March 2025.

# NFU MUTUAL UK PROPERTY FUND

## Investment Objective

To achieve income and capital growth which results in a total return, net of fees, greater than that of the FTSE EPRA Nareit UK Index over a rolling 5-year period, by investing in UK property shares. 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 focused portfolio (between 20 and 40 holdings) of Real Estate Investment Trusts (REITs) and listed property companies (represented principally by shares listed on the London Stock Exchange) which are domiciled, incorporated or do the predominant amount of their business in the UK. Investment decisions will be made based on long-term (5 years +) expectations of performance. 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), Deposits, Cash and Near Cash and fixed interest investments when the fund manager believes it is in the interests of the fund to do so.

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

The Fund will invest at least 80% in GBP investments, but should any foreign currency exposure arise it may at the discretion of the manager be hedged back to GBP.

## 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 EPRA Nareit UK Index (the benchmark) has been selected as the Fund performance objective as it is a widely used index representing general trends in eligible real estate equities 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 may lead to fund performance varying from the benchmark index.

## 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.



## Investment policy wording

The new investment policy wording is effective from 1st March 2025.

# NFU MUTUAL INDEX LINKED 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 FTSE Actuaries Index-Linked Gilts All Stocks Index over a rolling 5-year period, by investing in index-linked 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

The Fund will invest at least 95% in Sterling denominated (or hedged back to Sterling) index-linked government or government backed debt (bonds) with a rating the same or higher than that of the UK, with at least 80% in UK index-linked government bonds. Investment decisions will be made based on long-term (5 years +) expectations of performance. The Fund may also invest up to 5% in corporate bonds, other Transferable Securities, Collective Investment Schemes (including other funds managed by N.F.U. Mutual), Money Market Instruments, 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 Actuaries Index-Linked Gilts All Stocks Index (the benchmark) has been selected as the performance objective for this Fund as it is widely used and the constituents of the benchmark are representative of the types of bonds in which the Fund will mainly 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 duration may lead to Fund performance varying from the benchmark.

## Peer Group

Many funds sold in the UK are grouped into peer groups/sectors by the Association of British Insurers (ABI), to help investors to compare funds with broadly similar characteristics. This Fund is classified in the ABI UK Index-Linked Gilts 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 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.

