

# BONUS HISTORY

**Sheffield Mutual Friendly Society** generates investment returns for its policyholders through its managed with-profits fund and, combined with the fact that Sheffield Mutual has no shareholders to pay, the Society can distribute surplus profit to policyholders through the payment of annual and final bonuses, as well as other discretionary members benefits. The current and past bonus rates can be found in the table below.

The 2018 Interim Rate is used for maturities and claims prior to the next declaration. It is not a reliable indicator of future bonus rates.

	 Tax Exempt Savings Plan New Issue (Type 43)	 Tax Exempt Savings Plan Old Issue (Type 23)	 Tax Exempt Savings Plan with Life Assurance (Type 24)	 Regular Savings Plan New Issue (Type 47)	 Regular Savings Plan Old Issue (Type 27)	 Investment Bond	 Income Bond	 Pension Bond (Closed to new business)	 Investment ISAs / JISAs
<b>2018 Interim Rate</b>	1.20%	1.00%**	1.00%**	1.00%	0.80%**	2.50%†	2.75%†	3.00%†	4.50%*Δ
<b>2017</b>	1.20%	1.00%**	1.00%**	1.00%	0.80%**	2.50%†	2.75%†	3.00%†	4.50%*Δ
<b>2016</b>	1.50%	1.30%**	1.30%**	1.10%	1.00%**	2.75%†	3.00%†	3.25%†	4.75%*Δ
<b>2015</b>	1.50%	1.30%	1.30%	1.10%	1.00%	2.75%†	3.00%†	3.25%†	5.00%*Δ
<b>2014</b>	2.25%	2.00%	2.00%	1.75%	1.50%	3.00%†	3.00%†	3.50%†	5.50%*Δ

\* Before the deduction of the 1.5% annual management charge for ISAs and JISAs.

\*\* A 2.5% terminal bonus (1.0% prior to 20 March 2017) will be paid on maturing endowments (Policy types 23, 24 and 27)

† A 7.5% terminal bonus will be paid on Bonds invested over 5 years (5% prior to 16/03/18)

Δ A 5% terminal bonus will be paid on type 30 & 31 (Insurance) ISAs taken out in 2003/04 and for ISA subscriptions in the 2009/10, 2010/2011, 2011/12 and 2012/13 tax years (2009/10 only prior to 20 March 2017).

## Financial Results & Business Highlights 2017

Sheffield Mutual Friendly Society announced impressive financial results for 2017, with the main highlight being a 22% increase in assets, taking us over £138 million showing a substantial increase year on year. The Society has also recorded a 13% increase in premium income, largely due to the success of its Investment ISA.

## A message from the CEO...

Commenting on the results, Tony Burdin, Chief Executive, said:

“ *The Society's diversified with-profits fund achieved an excellent return of 8.01% in 2017 and this enabled the Society to declare annual bonuses worth in excess of £1.5 million for members, together with an improvement in some of our final (terminal) bonuses. Our priorities when investing are the security of our members' funds and maintaining consistent policy returns.*

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## Our Ethical Stance

It is our aim not to invest knowingly or directly in industries relating to armaments, tobacco, gambling or pornography.



## Understanding with-profits

Sheffield Mutual's with-profits fund is managed to provide a low to medium risk investment, appealing to individuals with a more cautious approach to investing. When you invest with us, we pool your money together with other members' in the with-profits fund. The with-profits fund invests in things like commercial property, shares, fixed interest, cash, bonds and government gilts. With-profits aims to offer a better return than a typical bank or building society account, but is not as risky as investing all your money directly on the stock market as we 'smooth' returns.

## Explaining Smoothing

A particular feature of with-profits is 'smoothing'. This is the process where we hold back some surplus profit in good years so we can top up policy bonuses in years where the performance is not as good. Smoothing aims to even out the short term ups-and-downs that is often associated when investing directly in the stock market and has enabled the Society to maintain stable bonus rates even in volatile markets.

**The payment of policy bonuses is not guaranteed and depends on the performance of the with-profits fund.**

## Why choose Sheffield Mutual?

- More than 95% of our members are extremely satisfied with our service
- The majority of our products have a guaranteed sum assured (final amount) for more than you will pay in
- As a mutual we have no shareholders to satisfy so all our surplus profits are shared with you, our members
- The Society operates an active Market Value Reduction (MVR) policy but has never imposed an MVR, although this is no guarantee of the future
- When you contact Sheffield Mutual you can be guaranteed a friendly and personal service, you will never be put through to a call centre
- The Society offers discretionary member benefits such as optical and dental grants and the Tell-a-Friend scheme

## What our members say

*"I have been saving with Sheffield Mutual for a few years and would recommend them. They are efficient, polite, professional and the returns have been decent, considering years of low returns on investments in general."*

*"Extremely efficient and professional. Sheffield Mutual is way ahead of your rivals that I looked at, especially in the online application process and speed of follow up."*

*"Marvellous, thanks very much for your help. I have to say that whenever I have need to contact Sheffield Mutual you're all always extremely helpful, friendly and efficient. It's a real pleasure."*

This sheet should not be considered as financial advice and its purpose is to provide you with an overview of how Sheffield Mutual's with-profits fund has performed. Before making a final decision you should read the relevant product brochure, Key Information Document and illustration for the product(s) you are considering. These can be found online, or will be sent to you with your application pack.

### Find out more today



Online chat available

[www.sheffieldmutual.com](http://www.sheffieldmutual.com)



Call our team 01226 741 000

Calls may be monitored and recorded for your protection.

Opening hours: 9am-5pm Mon-Fri



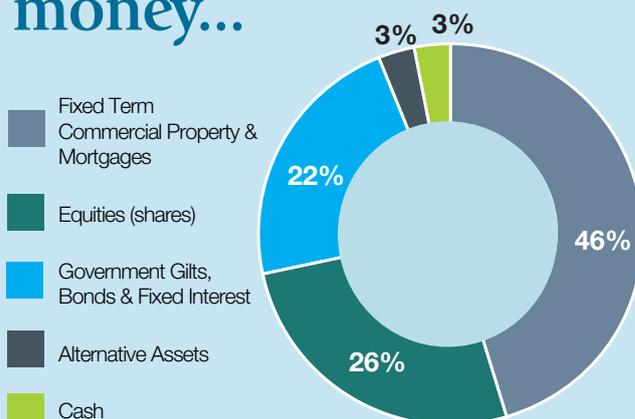
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## Where we invest your money...



Our strategy is to achieve a balanced return of income and capital growth through a combination of good quality assets. We hold a significant proportion of commercial property as we can generate good yields from long term leases with reputable tenants. We maintain a reasonable exposure to shares in order to maintain the value of investments over time but hold some of the funds in other assets to improve diversification and spread risk.