

To start any Sheffield Mutual plan please follow the application checklist below or call **01226 741 000** during office hours to apply over the phone.

You can also apply or ask a question online at **[www.sheffieldmutual.com](http://www.sheffieldmutual.com)**



## Documents you'll need to complete and return

- ✓ Complete, sign, date and return the **client agreement** and **non-advised sale letter**
- ✓ Answer all the questions on the **'is this product right for me?'** form which is enclosed with your application pack
- ✓ Complete, sign, date and return all **application forms**
- ✓ Send a copy of a birth certificate, passport or child benefit letter if the policy is for a child under the age of 18 (excluding the Junior ISA)\*

## When we receive your application:

- ✓ We'll confirm by email or post that your application has been accepted
- ✓ We'll attempt to verify your identity electronically, however, if this is unsuccessful we may request further documentation such as a passport or driving licence and utility bill to confirm your identity\*
- ✓ We will send you copies of your **'client agreement', 'non-advised sale letter'** and **'is this product right for me'** questionnaire to keep for your records

\* Photocopies of these documents are accepted, providing they are certified as a true copy of the original by an independent professional person or official. ID for a child would only need to be certified if the policy you are applying for exceeds £50 p.m. or is a single premium investment over £2,000. The professional person or official should sign the document/s and then print their name, address, position and telephone number.

## Payment

### If paying by cheque

- ✓ Enclose a signed cheque payable to "Sheffield Mutual"

You can also include the Policyholder in the payee section to safeguard against fraud e.g. "Sheffield Mutual re John Smith"

**If you don't have a cheque book**, you can call us and we can take your first premium or lump sum investment from your debit card. If you do not wish to start your plan by debit card your policy will commence on the date of your first Direct Debit payment

### If paying by Direct Debit

- ✓ Enclose a completed and signed Direct Debit Mandate (if applicable)

### Other ways to pay

- ✓ You can call during office hours on 01226 741 000 to make a payment by debit card over the phone
- ✓ Send a bank payment to NatWest Bank: Sheffield Mutual Friendly Society: Sort Code: 53-61-04 Account Number: 60523948 quoting your name as a reference



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



**[enquiries@sheffieldmutual.com](mailto:enquiries@sheffieldmutual.com)**



Call our team on **01226 741 000**

Calls may be monitored and recorded for your protection

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# Investment Bond

A guarantee of your investment  
plus 5% after five years



# Invest a lump sum with the potential for long-term growth

## Making your money work harder

- ✓ Invest from £1,000 up to £150,000
- ✓ Medium to long-term investment
- ✓ A guarantee of the initial investment plus 5% after five years
- ✓ Potential for growth through annual and final bonuses
- ✓ Quick and easy application process

## Why Sheffield Mutual?

A warm welcome to Sheffield Mutual. We've been helping our members make the most of their money since 1892. We'd love to do the same for you.

As a mutual society with no shareholders, our members are the people we care about the most. Any surplus profit is distributed to provide you with the best possible returns combined with the highest standards of personal service. Building on the experience of our heritage while always looking to the future, we've developed a selection of straightforward and trusted tax-efficient savings and investment plans.

## Risks you should be aware of:

- If you surrender in the first five years a surrender penalty will apply, meaning you may get back less than you have paid in
- Tax treatment depends on individual circumstances and may be subject to change in the future
- Interim and final bonuses are not guaranteed and may go up or down before being declared



# Growth potential and a guarantee after five years, Sheffield Mutual's Investment Bond could be right for you

## What is the Investment Bond?

The bond is a single premium investment that has no fixed term but is designed to be held for a minimum of five years. Providing there is no market value reduction (MVR) the amount payable when it is withdrawn after five years will be the guaranteed sum assured plus bonuses which are added during the life of the policy. The final value will depend upon investment performance but bonuses are declared annually. Bonuses are not guaranteed.

If you surrender your bond within the first five years then a surrender penalty will apply and you may get back less than you invested.

## How much can I invest in an Investment Bond?

The minimum investment is £1,000 with a maximum in any one calendar year (January to December) of £150,000 per individual, if held solely, or in the case of joint life applications.

## Who can invest in a bond?

Anyone can open an investment bond, however, children under the age of 13 wishing to open a policy will require a proposer (parent, guardian, grandparent or other) to complete the proposal form. In addition, the proposer's signature will be required to surrender a bond where the child is under the age of 16 at the time of their request.

## Can I invest in joint names?

Yes, the bond can be held in joint names.

## Why should I invest with Sheffield Mutual?

We specialise in offering with-profits policies, which aim to offer greater potential returns than could be achieved by investing with a bank or building society by investing in a range of different assets – without exposing your capital directly to the stock market.

## Where will my money be invested?

The Society invests in a range of different assets with the aim of providing a higher return in the medium to longer term (five - ten years plus) than that achievable in a bank or building society account. We will look to achieve this by maintaining a spread of investment assets that will provide a medium to low risk bond making it an option for individuals with a more cautious approach to investing their money.

For more details of the Society's investment strategy please refer to section 5 of the Principles and Practices of Financial Management (PPFM).

Types of assets we invest in are:

- ✓ **Shares of companies**, we have exposure to UK based and overseas companies to provide diversification
- ✓ **Fixed interest investments**, such as government gilts and corporate bonds.
- ✓ **Property**, the Society owns a portfolio of properties which provide rental income from rentals and potential capital growth.
- ✓ **Commercial mortgages** from a small portfolio providing a fixed rate return.
- ✓ **Cash**

The proportion held in each of these will vary depending on market conditions. You'll be please to know that we seek to adopt an ethical approach to investing and it is our policy not to invest knowingly or directly in industries relating to armaments, tobacco, gambling or pornography within our with-profits fund.

## How are bonuses calculated and paid?

We invest our funds in a mixture of diversified assets and receive a return on those investments which can vary from year to year. At the end of March we review the returns achieved during the previous calendar year and declare a bonus rate for each policy type for that period. The rate varies depending upon overall investment returns and, therefore, bonuses are not guaranteed to be paid at the same rate, or at all, in future years.

Bonuses are calculated at the appropriate rate based on the sum assured not the amount of premium paid and on encashment after five years subject to the conditions outlined below, you will receive the initial sum assured plus bonuses added during the life of the policy.

The Society also tries to 'smooth' returns over the life of the policy by retaining some of the investment return in good years to maintain bonus rates in less positive years. However, to ensure members receive their fair share of returns on their policy over its lifetime, there may be an additional terminal bonus paid on maturity. Payment of this type of bonus depends entirely on investment performance and the rate at which annual bonuses have been added and is not guaranteed.



## Are there any guarantees?

Providing the bond runs for **at least five years** the Society guarantees that you will get back a minimum sum assured of the initial investment plus 5%. Bonuses when declared are added to the sum assured. In the event of adverse investment conditions the Society reserves the right to apply a market value reduction (MVR) to the sum assured and any bonus already added. However the Society guarantees that the application of the MVR after five years will not reduce the proceeds below the initial investment plus 5%. An MVR will not be applied in the event of the policy becoming a claim as a result of the death of the single policyholder, or the death of the second policyholder for joint policies.

## How long does the money have to remain invested?

The recommended minimum investment period is five years after which you can either withdraw your investment or leave it to earn future bonus until such time as you need it. Should you need to withdraw some of your capital at a future date we can invest your lump sum into separate policies, with a minimum of £1,000 per policy, which will enable you to withdraw part of your investment without having to surrender (cash in) the entire investment. If you surrender your bond within five years of commencement then a surrender penalty will apply and you may get back less than you invested.

## Can I have an income from a bond?

No, this bond does not provide any income during the term, but if you require income please ask about our Income Bond.

## Can I make any withdrawals?

Yes, it is possible to surrender your bond but as this is a medium to long-term investment, early surrender may result in you receiving less than you originally invested. It is not advisable to invest in this bond if you know at the outset that you will require the money within five years.

## What happens if I die?

The bond provides a sum assured of the initial investment plus 5%. In the event of death the Society will pay out the sum assured plus any bonuses that have been added to your policy. In the case of a joint life application on the first death, the bond will continue in the name of the survivor.

## Is there any tax liability?

The money you save is invested in a fund on which the Society pays tax and tax at the basic rate may be treated as paid on any taxable gain, which means there is likely to be no further tax to pay unless you are taxable at the higher rate. However, a gain on which tax is treated as paid may have an effect on your tax liability if you qualify for age-related allowances or reliefs, or you are receiving tax credits. All references to taxation are based on the Society's understanding of current tax legislation and practice, which may change in the future.

Tax treatment depends on individual circumstances and may be subject to change in the future.

If you die the people who inherit your bond may have to pay inheritance tax and income tax.

## Are there any charges?

Yes, the Society makes a charge of 5% of the initial investment in year one and subsequently 0.5% of the fund each year. These charges are to cover the costs of setting up the policy and ongoing management. The charges are deducted from the overall fund and taken into account when we calculate the level of bonuses we are able to pay.

## What about membership?

When you open a policy with us, you will automatically become a member of the Society (adult policyholders only) As well as being able to have your say on how the Society is run each year, you will also have access to various discretionary benefits, such as optical and dental grants, as well as exclusive access to a range of discounts and offers. If you take a policy out for a child, the child will automatically become a member when they turn 18.

## Need some further assistance?

Our friendly and knowledgeable team would be more than happy to provide you with factual information about our products and services, so you can make your own decision about how to proceed. However, we are unable to give any advice or recommendations on the suitability of our products. If you are unsure, you should seek advice from a qualified financial adviser, which may incur a fee.

## Do I need to provide any additional information?

To comply with regulations, the Society will require confirmation of your identification and address. We'll aim to do this using an electronic verification system, but reserve the right to ask for appropriate documentation from you, if this is not possible. If the policy is for a child, we'll need a copy of their birth certificate. This must be independently certified if saving more than £2,000.



## How do I start my Bond?

Simply decide how much you would like to invest and for how long. You should then read the 'All about us' section in this booklet, the 'With-profits information' sheet and the Key Information Document and, providing you do not need any advice, complete and return:

- ✓ The application form
- ✓ 'Is this product right for me?' questionnaire
- ✓ Client agreement / non-advised sale letter

to the address on the back of this brochure. You can make your first payment by debit card over the phone, make a payment directly into our bank account (please see our website for account details), or by enclosing a cheque payable to 'Sheffield Mutual'. You can also apply and make a payment online at [www.sheffieldmutual.com](http://www.sheffieldmutual.com).



## Please ask for details of our other products, which include:

- ✓ Children's Investment Bond
- ✓ Income Bond
- ✓ Investment ISA & Junior ISA
- ✓ Sustainable ISA
- ✓ Tax Exempt Savings Plan (for adults & children)
- ✓ Tax Exempt Savings Plan with Life Insurance
- ✓ Regular Savings Plan (for adults & children)
- ✓ Whole of Life Plan

# All about us...

**Sheffield Mutual Friendly Society Ltd** is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

You can find out more about us by looking at our entry on the Financial Service Register at <https://register.fca.org.uk/> where our registration number is 139855.

We are an incorporated Friendly Society registered under the 1992 Friendly Societies Act and our number is 810F. For the purposes of the Insurance Distribution Directive we are classified as an insurance undertaking. For FSCS purposes our products are classed as long-term insurance.

Our registered address is **3 Maple Park, Maple Court, Wentworth Business Park, Tankersley, Barnsley, S75 3DP**

## How to contact us

Our telephone number is 01226 741 000 and our email address is [enquiries@sheffieldmutual.com](mailto:enquiries@sheffieldmutual.com)

Our postal address is Sheffield Mutual Friendly Society, 3 Maple Park, Tankersley, Barnsley, S75 3DP

You may contact us in any way which is best for you, whether it is just to get more information or to apply for new policies with us.

## About our service

We will always provide you with all the information you need about our products and services. We do that through this brochure, the conversations we have with you and by providing the Key Information Document for the product which you must read. The products Sheffield Mutual Friendly Society provide are the Society's own products.

We are not a financial advice company and we do not make personal recommendations about the suitability of the product for you. Provided we are satisfied that the product meets your demands and needs, and it is not inappropriate for you to buy it, the information we give enables you to make your own informed decision to proceed with the purchase.

Our team, when they speak with you, ensure that you have all the information you need and are there to answer your questions openly and honestly.

Once a year we will issue you with a bonus statement and covering letter which will explain the financial value of your policy with us, how bonuses have been added and any ongoing management costs charged.

Every year we publish our Solvency and Financial Condition report on our website, the report can be found under the Corporate and Governance section.

We strive to always put your best interests first and as part of that the Board has established a Conflicts of Interest Policy to ensure we continuously try to identify between us, our directors, our employees and representatives, you the customer and our other business connections.



We establish internal processes and procedures to manage possible conflicts and to ensure you will not suffer any detriment or disadvantage should a conflict of interest ever materialise. The full Policy can be sent to you by post on request.

## How we remunerate our team

We take great care to ensure our employees are remunerated in ways which do not create any conflicts of interest for them or you, and we structure their pay so that there is no inducement for poor sales practices.

We do this by paying our employees salaries with a bonus element for successfully achieving business wide targets. These payments are made by Sheffield Mutual Friendly Society. We do not pay individual sales bonuses.

## How we remunerate our third parties

When we receive your application for a product which has been referred to us by a third party (such as a financial adviser) we may pay them a referral fee. We may also pay a commission to a financial adviser who has arranged your policy without giving you a personal recommendation and has simply provided you with information about this service and assisted with your paperwork. If we pay such a fee the amount will be noted within your personal illustration before we process your application.

## Your financial protection

We are covered by the Financial Services Compensation Scheme (FSCS) who you can write to at PO Box 300, Mitcheldean, GL17 1DY. Telephone 0800 678 1100. Further information is available on their website – <http://www.fscs.org.uk> or by clicking on the "FSCS protected" link on our website footer.

Some of the investments underlying this product are managed on behalf of Sheffield Mutual Friendly Society by professional investment managers, and they use nominees and custodians, in respect of investments purchased and held. The investment managers and their counterparts are not covered by the compensation scheme but were they to default, and this in turn caused Sheffield Mutual Friendly Society to default, then eligible claims may still be covered by the FSCS because your contract is with Sheffield Mutual Friendly Society. The FSCS does not cover losses arising purely from investment performance.

## Your data protection

We are registered with the Information Commissioners Office and our registration number is Z6719617.

We are committed to keeping your data safe and secure and we will only use it for the purposes you agreed to when you gave it to us. Our aim is to always put your interests first and we do that by adhering to the requirements of the Data Protection Act 2018.

Our full Privacy Statement can be found here [www.sheffieldmutual.com/privacy-policy](http://www.sheffieldmutual.com/privacy-policy) or we will supply a paper version if you ask us to.

## Complaints

If you wish to make a complaint about us, or another person who sold or advised you on this product, then please contact us either in writing to: The Chief Executive, Sheffield Mutual Friendly Society, 3 Maple Park, Tankersley, Barnsley, S75 3DP, by telephone: 01226 741 000 or by email: [enquiries@sheffieldmutual.com](mailto:enquiries@sheffieldmutual.com). A full explanation of our approach to complaints handling can be found on the Help and Support page of our website.

If you remain dissatisfied after we have given you our final response you may refer the matter to the Financial Ombudsman Service whose address is The Financial Ombudsman Service, Exchange Tower, London, E14 9SR and telephone number 0800 0234 567 or 0300 123 9123.



## Quick and easy application process, get in touch today:



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



[enquiries@sheffieldmutual.com](mailto:enquiries@sheffieldmutual.com)



Call our team on **01226 741 000**

Calls may be monitored and recorded for your protection



Sheffield Mutual Friendly Society, 3 Maple Park, Maple Court, Wentworth Business Park, Tankersley, Barnsley, South Yorkshire, S75 3DP

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



[enquiries@sheffieldmutual.com](mailto:enquiries@sheffieldmutual.com)



Call our team on **01226 741 000**  
Monday - Friday 9am - 5pm

Calls may be monitored and recorded for your protection

Issued by Sheffield Mutual Friendly Society. Sheffield Mutual is the trading name of Sheffield Mutual Friendly Society Limited, 3 Maple Park, Maple Court, Wentworth Business Park, Tankersley, Barnsley S75 3DP. The Society is incorporated and registered under the Friendly Societies Act 1992 (register no 810F) and is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (Financial Services Register Number 139855).



# Key Information Document

## Investment Bond – Issue 2



### Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

### Product

The name of this product is the 'Investment Bond'. It is provided by Sheffield Mutual Friendly Society. Our website address, where you can find detailed information about us, is [www.sheffieldmutual.com](http://www.sheffieldmutual.com) and our telephone number is 01226 741 000. We are supervised by the Financial Conduct Authority in respect of the production and delivery of this Key Information Document (KID). This KID was produced on 1<sup>st</sup> July 2024.

### What is this product?

**Type:** It is a single premium investment within a life assurance policy which has a sum assured of the initial lump sum invested plus 5%. The Bond is designed to run for a minimum of five years and ideally you should hold it for longer.

**Objectives:** The objective of this Bond is to provide you with an investment return better than would be achieved in a deposit account.

**Intended retail investor:** The Bond is targeted at customers who have a lump sum of between £1,000 up to £150,000 to invest for a minimum of five years or longer and want to achieve a potentially greater return than from a bank or building society account by taking a little more risk.

**Insurance benefits and costs:** The Bond also has life insurance within it whereby, if you die within the term of the plan, an amount equal to the initial amount invested plus 5% plus any added bonuses, will be paid. For joint life policies the death benefit is payable on the second death. The costs can be found below in the section "What are the costs?"

### What are the risks and what could I get in return?

#### Summary Risk Indicator (SRI)



Lower risk



Higher risk

The Summary Risk Indicator assumes you keep the plan for five years. The actual risk can vary significantly if you cash in at an early stage and you may get back less than you've paid in.

The SRI is a guide to the level of risk of this product compared to other products and aims to show you how likely it is that the product will lose money because of the movement in investment markets or because we are not able to pay you.

We have classified this product as 3 out of 7, which is "medium low". This rates potential losses from future performance as unlikely.

### Performance information

All with-profits policyholders pay premiums into a general pool of assets (the 'Fund'). Each policyholder shares in the profits or losses made on the Fund over their policy's lifetime.

The value of the Fund changes over time due to:

- Movements in the capital value of the Fund's assets which may be positive or negative.
- The accrual of investment income which increases the value of the assets.
- The expenses of running the business which are met from the Fund.
- Claims on death and withdrawal.
- The profits or losses that are made on the Society's CTF policies.

Inflation may affect the value of your payout in the future.

The Fund invests a proportion of its financial assets with Russell Investments, the Society's Outsourced Chief Investment Officer (OCIO). The OCIO invests in several diversified, uncorrelated asset classes, including fixed interest, equities and alternative assets. We aim to achieve a combination of capital growth and income, while targeting a long term return aligned to the rate required to support bonus rates. A further proportion of the Fund's assets is held in directly managed UK commercial property. The portfolio has strong geographical and sectoral spreads, delivering rental income and capital growth, providing a consistent and stable return for the Fund. The Fund also receives the profit and losses from historic sales of CTF policies which are credited or debited from the value of the Fund.

Payouts on with-profits policies are 'smoothed'. This means that when the Fund makes strong profits in some years, a portion of them will be held back to support performance in years where performance is less positive. This reduces the volatility of payouts when compared to the underlying volatility in the Fund's assets.

#### What could affect my return positively?

Returns from the Fund are distributed through the annual and final bonuses credited to your policy. Any positive variance over expectations made when the policy is sold is likely to have a favourable impact on returns and therefore bonuses. For example, higher than expected investment returns or lower than expected expenses.

#### What could affect my return negatively?

Any deterioration in experience compared with expectations when the policy is sold is likely to have a negative impact on returns and therefore bonuses. For example, lower than expected investment returns or higher than expected expenses.

#### Payouts in severely adverse market conditions

The Society smooths payouts on maturity or death for plans of a similar type, size and term over different periods of time. On death the Society will pay a minimum of the guaranteed amount for your policy (for example, the sum assured plus bonuses).

If you surrender the policy within the first five years and/or when the Fund is performing poorly you may get back less than your initial investment plus all bonuses that have been added, as the Society may apply a market value reduction (MVR).

MVRs are determined by reference to the size of a fall in the value of the Fund. Small adverse movements in the Fund's assets will not normally trigger the application of an MVR. MVRs are not applied to maturity or death claims.

If there is any contradiction between the commentary here and that contained in the policy conditions and the Principles and Practices of Financial Management (PPFM), then the policy conditions and PPFM will always apply.

#### What happens if Sheffield Mutual Friendly Society is unable to pay out?

We are covered by the Financial Services Compensation Scheme (FSCS) who you can write to at PO Box 300, Mitcheldean, GL17 1DY. Telephone 0800 678 1100. Further information is available on their website – [www.fscs.org.uk](http://www.fscs.org.uk) or by clicking on the "FSCS protected" link on our website footer.

This product is categorised as a long-term insurance policy and under the above compensation scheme eligible claims may be covered for up to 100% should Sheffield Mutual Friendly Society default. Some of the investments underlying this product are managed on behalf of Sheffield Mutual Friendly Society by professional investment managers, and they use nominees and custodians, in respect of investments purchased and held. The investment managers and their counterparts are not covered by the compensation scheme but were they to default, and this in turn caused Sheffield Mutual Friendly Society to default, then you would still be covered by the FSCS because your contract is with Sheffield Mutual Friendly Society. The FSCS does not cover losses arising purely from investment performance.

#### What are the costs?

**Table 1: Cost over time**

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs.

The amounts shown here are the cumulative costs of the product itself, for three different holding periods. They include potential early exit penalties. The figures assume you invest £10,000. The figures are estimates and may change in the future. The figures shown include all the costs of the product itself but may not include all the costs that you pay to your advisor or distributor. The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs and show you the impact that all costs will have on your investment over time.

Investment £10,000 If cashed in after... Scenarios	1 year	3 years	5 years (at the recommended holding period)
Total costs	£749.90	£1,173.77	£753.48
Impact on Return (RIY) each year	7.73%	3.44%	1.55%

**Table 2: Composition of costs**

The table below shows:

- the impact each year of the different types of costs on the investment return you might get at the end of the recommended holding period;
- the meaning of the different cost categories.

This table shows the impact on return each year			
One-off costs	Entry costs	1.1%	The impact of the costs you pay when entering into your investment.
	Exit costs	0.0%	The impact of the costs of exiting your investment when it matures.
Ongoing costs	Portfolio transaction costs	0.0%	The impact of the costs of us buying and selling underlying investments for the product.
	Other ongoing costs	0.5%	The impact of the costs that we take each year for managing your investments.
Incidental costs	Performance/other costs	0.0%	This product does not have any performance or other incidental fees.

#### How long should I hold it and can I take money out early?

You should keep the Bond for no less than five years and ideally longer. You cannot take out money from the plan except by cancelling it completely. If you cancel the policy within its first five years a surrender penalty will apply and there is a likelihood you will get back less than you paid in. The surrender penalty is 5% during the first year. In years two to five the penalty is by way of an appropriate discount factor (currently a rate of 2.5%) of the sum assured and any bonuses added based on the number of complete months remaining to the bond's 5th anniversary. A £10 fee is also charged to cover the cost of the surrender.

#### How can I complain?

If you wish to make a complaint about us, or another person who sold or advised you on this product, then please contact us either in writing to: The Chief Executive, Sheffield Mutual Friendly Society, 3 Maple Park, Maple Court, Wentworth Business Park, Tankersley, Barnsley, S75 3DP, by telephone: 01226 741 000 or by email: [enquiries@sheffieldmutual.com](mailto:enquiries@sheffieldmutual.com). A full explanation of our approach to complaints handling can be found on our website at [www.sheffieldmutual.com/how-to-make-a-complaint](http://www.sheffieldmutual.com/how-to-make-a-complaint).

#### Other relevant information

**Cancellation rights:** After your proposal is accepted you will receive a notice of your right to cancel. You will then have 30 days in which to change your mind, and you will be returned any money you have paid, free of any charges.

**Law:** In legal disputes the Law of England will apply.

**Legislation:** All or any of the benefits, the premiums, or the policy conditions may be adjusted as deemed appropriate:

- If there is any change in law or taxation affecting the policy
- If any levy is imposed on the Society under statute or statutory authority
- As a consequence of any amendment to general laws

Notice would be given of any such adjustments.

**Solvency II Directive:** We are required to provide you with easy access to a Solvency and Financial Condition Report and you can obtain this via our website at [www.sheffieldmutual.com/corporate](http://www.sheffieldmutual.com/corporate) or by calling 01226 741 000.

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Sheffield  
Mutual Est.  
1892

# With-profits information sheet

## What is a with-profits policy?

With-profits is a type of investment plan sold in the UK in which extra amounts may be added to the main benefit (known as the sum assured).

A with-profits policy offers a profit share through the addition of annual and final bonuses.

The amount of bonus will depend on how the investments in the fund have performed while you have been paying premiums into it. Regular bonuses may be added, usually each year, and once declared are guaranteed.

A final or "terminal" bonus may be added when the policy is closed after it has run its minimum or set term. The amount of bonus will also depend on the allowance we make for the expenses of setting up and running the policy. The Society is a mutual organisation, which means that there are no shareholders. The Society is, therefore owned by its members, which includes with-profits policyholders.




With-profit funds are typically invested in a mixture of equities, property and fixed income investments (see overleaf). Under poor market conditions a "market value reduction" (MVR) may be applied to the value of the policy. An MVR is designed to protect members who are not taking their money out of the Society during adverse market conditions and ensures that all members receive their fair share of the with-profits fund.

An MVR reduces the amount of payout you receive when withdrawing your monies during exceptional circumstances.

You will only see the effect of an MVR should you wish to withdraw your monies at the time there is an MVR in place. An MVR can be added, removed, increased or decreased at any time.



## The following policy types are classed as with-profits:-

-  **Tax Exempt Savings Plan (TESP)**  
- with or without life insurance
-  **Regular Savings Plan**
-  **Investment Bond**
-  **Income Bond**
-  **Investment ISA (Individual Savings Account)**
-  **Investment Junior ISA  
(Individual Savings Account)**

## Understanding our with-profits fund

Sheffield Mutual's with-profits fund is managed to provide a medium to low 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 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 strong.

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.**

## Glossary

### Annual bonus

This is the bonus we may add to your policy each year. It is sometimes called a regular bonus.

### Assets

These are the investments held within the Society's long-term business fund.

### Equities

Equities are investments made in shares of a company that is (typically) traded on the stock market.

### Final bonus

This is the bonus that we may add at the end of the investment. It is sometimes called a terminal bonus.

### Market value reduction

This describes an adjustment to the value of your policy in adverse investment conditions, in order to ensure you receive your fair share of the fund on surrender or encashment.

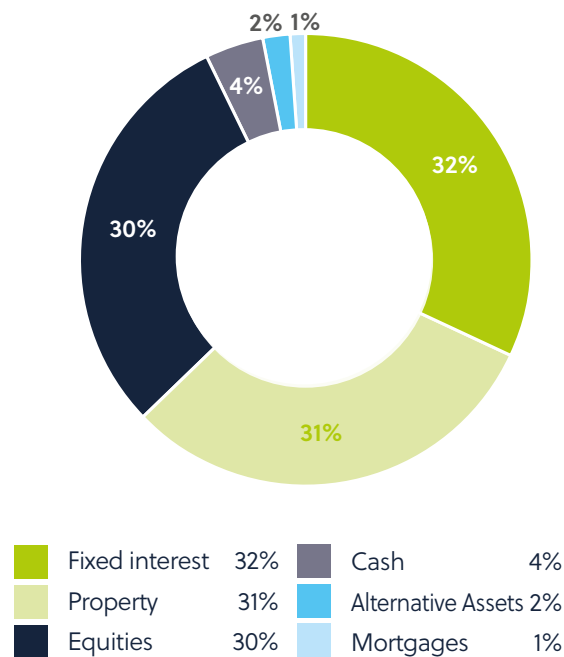
### Sum assured

This is the amount shown on your illustration and is the guaranteed minimum you will receive on maturity or death (depending on the type of policy), providing you continue to pay all the premiums due.

### Surrender

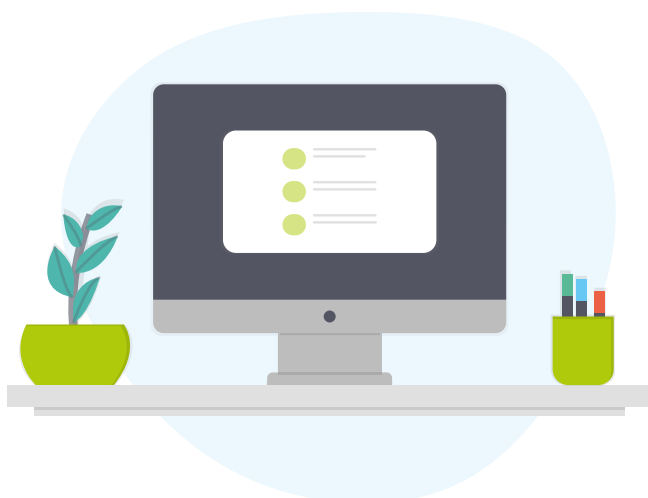
To cash in your policy before the end of its term.

## Asset allocation



As at 31/12/2023

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



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



[enquiries@sheffieldmutual.com](mailto:enquiries@sheffieldmutual.com)



Call our team on **01226 741 000**

Calls may be monitored and recorded for your protection



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(Financial Services Register No. 139855 and Friendly Society Register No. 810F).



**Sheffield  
Mutual** Est. 1892

## Client agreement (the “agreement”)

1. We treat all customers who invest with us direct as retail clients. This gives you the greatest level of protection under the financial services regulations and ensures you get full information about the product(s) you buy. You should read this agreement together with the product Key Information Document, product brochure and optional personal illustration, as they form the basis of your product relationship with us.
2. As Sheffield Mutual Friendly Society Limited (Sheffield Mutual) does not provide advice it will be classed as a non-advised sale. All decisions in relation to the investment will be and have been made by you alone and the Society has provided you only factual information. We are providing you with all the information and assistance you need to arrive at your own informed decision to take out the product(s) based on your own understanding.
3. If you then require further clarification after reading the Key Information Document you agree to read the additional information available from us, or contact us to discuss anything you do not understand. The onus is on you to understand what you are buying based on all the information we provide to you.
4. If you are not confident that you understand the product(s), its risks and whether it is right for you, please speak to a specialist adviser. If you wish to talk to an independent financial adviser in your local area you can find one online at [www.unbiased.co.uk](http://www.unbiased.co.uk) or [www.vouchedfor.co.uk](http://www.vouchedfor.co.uk).
5. When we pay a fee, commission or non-monetary benefit to someone who introduces you to us, without that person giving you financial advice, we will notify you of the payment made.
6. Details about making a complaint and the Financial Services Compensation Scheme (FSCS) can be found in the Key Information Document, which has been provided to you in your policy application pack.
7. We may need to undertake checks to comply with current anti-money laundering requirements. This will normally be carried out electronically through a credit reference agency, we may keep a record of the search on your credit file, but will not affect your credit rating.
8. In processing a policy application for you, we will have collected personal data about you. We will hold and manage this data in accordance with the requirements and standards set by the Data Protection Act 2018 and any other Data Protection Regulation which may apply in the future. Your data will be held securely and will only be processed for the reasons allowed by data protection regulations.

We will at all times publish our data protection privacy policy on our website or supply a written version upon request.

9. If you have given us consent to contact you regarding other products and services, you may withdraw this consent at any time either by notifying us in writing, by email, by phone, or by submitting your contact preferences on our website.
10. You understand that we have a legal obligation to ensure that the information within our records about you is kept up to date, so please let us know if any of your details change, such as your address. When you provide information to us in connection with the application for a policy it must be accurate and truthful in all respects. There is a risk that providing inaccurate or false information could cause the policy to be invalid and you may suffer loss as a result.
11. In the event of a claim, or at maturity of a policy, you must supply us with all information we may request at that time to enable us to assist us in making payment to you. All information provided must be accurate and truthful.

## Non-advised sale letter

I confirm that I have read and understood this agreement and acknowledge that all decisions in relation to this investment will be and have been made by me, and that the Society has only provided me with factual information in relation to the product. I acknowledge that I have not received advice and/or a personal recommendation from Sheffield Mutual or its introducers.

I understand that as this is a non-advised sale, Sheffield Mutual takes no responsibility for the suitability of the product and that I will lose some of the regulatory protection which I may otherwise have. Specifically, I understand that it is unlikely that I would be able to make a complaint against the Society should the product(s) prove to be unsuitable for me.

Before we can provide the product to you we will establish that your decision to open this policy seems a satisfactory way forward for you. If we believe that not to be the case, we may refuse to provide the product. We will establish this by way of a short two part questionnaire which you agree to complete on application. This is not a suitability test and by agreeing to open the policy based on your answers, **Sheffield Mutual is not confirming that the policy is suitable for you.** (Words in the singular shall include the plural for joint policyholders).

To be signed by the policyholder or by the proposer if the policyholder is under 16. Joint applicants must both sign.

Name of Client 1	<input type="text"/>	Signature	<input type="text"/>	Date	<input type="text"/>
Name of Client 2	<input type="text"/>	Signature	<input type="text"/>	Date	<input type="text"/>

Signed for and on behalf of **Sheffield Mutual Friendly Society**

Signed



Paul Galloway,  
Chief Operating Officer.



# Blank Page



# Investment Bond



## Is this product right for me?

Financial services regulation requires us to assess whether this product you are considering, on a non-advised basis, is appropriate for you and meets your financial demands and needs.

Please complete/tick an answer for ALL the questions below and sign/date at the bottom of the form.

This form should be completed and signed by the sole/first named policyholder, or by the proposer in the case of a child's policy.

(We will not use this information for any other reason and we will not pass it on to third parties)

Title: (Mr/Mrs/Miss/Other) Forename(s):

Surname:

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Do you pay tax in a country or territory other than the UK?  
If **yes**, please state the country(s) or territory(s) you pay  
tax in and provide your tax reference number :  
(it is a regulatory requirement for us to ask this question)

Policyholder 1 Yes: ☐

Country/Territory

Tax reference

Policyholder 2 Yes: ☐

Country/Territory

Tax reference

### Section A: Demands and needs.

- a) Are you willing and able to leave this money invested for at least a five year period? Yes: ☐ No: ☐
- b) Do you have access to other money as readily available funds? Yes: ☐ No: ☐
- c) Are you willing to invest your monies in a mixture of assets with a medium to low risk appetite? Yes: ☐ No: ☐

### Section B: Appropriateness test.

1. I have knowledge and familiarity with savings and/or investment products Yes: ☐ No: ☐
2. I understand how this product works and the charges associated Yes: ☐ No: ☐
3. I am comfortable and understand the level of risk associated Yes: ☐ No: ☐
4. Please state your highest level of education
- |                          |                          |                          |                          |                          |                          |
|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| 1. No Education          | 2. School                | 3. College/Sixth Form    | 4. Vocational            | 5. University            | 6. Other                 |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
5. I understand that I have not received any advice from Sheffield Mutual and I have made the decision to open this plan myself, based upon the product literature and Key Information Document for this product Yes: ☐ No: ☐

I have read, understood and signed the attached 'client agreement' and 'non-advised sale letter'

Signed:

Dated:

Please return this form with your application form, client agreement & non-advised sale letter.  
We will send you a copy signed by us for your records.



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



[enquiries@sheffieldmutual.com](mailto:enquiries@sheffieldmutual.com)



Call our team on **01226 741 000**

Calls may be monitored and recorded for your protection

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# Application for an Investment Bond



All information given will be treated in the strictest confidence. Please complete this form in **BLOCK CAPITALS**

## 1. Details of first policyholder

Title: Forename(s):	Surname:	
<input type="text"/>	<input type="text"/>	<input type="text"/>
Date of Birth:	<input type="text"/> <input type="text"/> / <input type="text"/> <input type="text"/> / <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	
National Insurance number:	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	
Permanent residential address:		
<input type="text"/>		
Postcode:	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	
Telephone: (home)	<input type="text"/>	
Mobile:	<input type="text"/>	
Email:	<input type="text"/>	
Occupation:	<input type="text"/>	

## 2. Details of second policyholder (if applicable)

Title: Forename(s):	Surname:	
<input type="text"/>	<input type="text"/>	<input type="text"/>
Date of Birth:	<input type="text"/> <input type="text"/> / <input type="text"/> <input type="text"/> / <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	
National Insurance number:	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	
Permanent residential address:		
<input type="text"/>		
Postcode:	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	
Telephone: (home)	<input type="text"/>	
Mobile:	<input type="text"/>	
Email:	<input type="text"/>	
Occupation:	<input type="text"/>	

Please complete section 3 if the policyholder is under 11 and/or is not the premium payer

## 3. Details of proposer/premium payer (if different to the policyholder)

Is the policyholder under 11? If so, please sign as proposer in section 9 overleaf. Yes: ☐ No: ☐ Relationship to policyholder:

Will premiums be paid by someone other than the policyholder? Yes: ☐ No: ☐

Title: Forename(s):	Surname:	
<input type="text"/>	<input type="text"/>	<input type="text"/>
Permanent residential address:		
<input type="text"/>		
Postcode:	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	
Date of Birth:	<input type="text"/> <input type="text"/> / <input type="text"/> <input type="text"/> / <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	
Home Phone:	<input type="text"/>	
Mobile:	<input type="text"/>	
Email:	<input type="text"/>	

## 4. Policy details

We would be pleased to split your overall investment into up to three separate policies (subject to a minimum premium of £1,000 per policy), which means you would not need to surrender the whole amount if you need to withdraw funds in the future. Please complete the sections below in accordance with your requirements.

Number of policies	Term*	Investment amount† (£)
Policy 1	<input type="text"/>	<input type="text"/>
Policy 2	<input type="text"/>	<input type="text"/>
Policy 3	<input type="text"/>	<input type="text"/>

\*The term is indicative as the policies are open-ended.

A copy of the policy conditions are available on request from the Society

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Continued overleaf...

## 5. General information

Is the policyholder (section A) already a member of this Society? If YES, please give details If NO, where did you hear about us?

If you have a promotional code, please enter it here:

## 6. Using your personal information

Sheffield Mutual takes your privacy seriously and we will use the personal information supplied on this form and information we obtain from other sources to verify your identity and to administer this policy. If we are unable to verify your identity from these sources, we'll contact you asking you to provide us with adequate proof of identity.

Your personal information may be obtained from / passed to legal and regulatory bodies, auditors, your financial adviser, credit and fraud prevention agencies and third party service providers as necessary for the performance of this contract. We'll retain your personal information for a reasonable period after your plan has ended.

For further information on how your personal data is used, how we maintain the security of your data and your rights to access / remove the data we hold, please visit [www.sheffieldmutual.com/privacy-policy/](http://www.sheffieldmutual.com/privacy-policy/) or write to us at the address overleaf.

## 7. Please help us to keep in contact with you

CRAFV01

Sheffield Mutual will never sell your personal data to any third parties.

We would, however, like to keep you up to date with Society news, offers, competitions and other products and services that we offer. We use MailChimp for our marketing/service emails. Please let us know how you'd like to be contacted below.

I agree to Sheffield Mutual contacting me: By Email ☐ By Post ☐ By Telephone ☐ By Text ☐

You can update your contact preferences easily at any time by phone, email, in writing or online.

## 8. Note carefully

**Failure to take reasonable care to provide accurate and complete information in response to the questions we ask could affect the terms of your insurance contract. Whilst the Society aims to treat members fairly, making a deliberate or reckless misrepresentation could result in your insurance contract becoming void, which means the policy will not pay out.**

## 9. Declaration: To be completed by the proposed policyholder/s or in the event of the proposal being made on behalf of a child aged 1-11 (next birthday), to be completed by the proposer.

I declare that all the statements made in this proposal (and any notes) are to the best of my knowledge and belief, the truth, and that I have not knowingly withheld any material information. I agree that such statements and this declaration shall be the basis of the contract between me and the Sheffield Mutual Friendly Society and that any policy issued on the basis of this proposal shall be subject to the rules of the Society, from time to time in force, to which I will abide and conform.

I further declare (applicable only to proposals for a child aged 1-11 next birthday) that the policy hereby proposed is being taken up by me on behalf of and for the full benefit of the child and I will abide and conform to the rules of the Society from time to time in force.

I further understand that I may cancel the policy by giving notice in writing and returning the policy documents within 30 days of the policy issue date and that I will be entitled to the full refund of any investment made less, (at the discretion of the Board), any charge for management.

**Important** - By signing this declaration you are agreeing to our Investment Bond terms and conditions, which are set out in the product brochure, product Key Information Document and policy conditions. For your own benefit and protection you should read these documents carefully before signing the proposal form. If you do not understand any point please ask for further information before proceeding.

Signature of first policyholder (section 1):

Date:   /   /

Signature of second policyholder (section 2 if applicable):

Date:   /   /

Signature of proposer section 3 if applicable):

Date:   /   /

**If this application has been submitted by a Financial Adviser / Introducer please confirm your wish for us to supply information to them on request by signing below. I hereby agree to Sheffield Mutual providing information about this policy to the named company below at their request.**

Signature of policyholder(s):

Date:   /   /

## For Financial Adviser / Introducer use only: Please complete as appropriate.

IFA advised sale ☐ IFA non-advised sale ☐ Introducer ☐ Agency code

**Please note:** if your client doesn't sign the section above we may not be able to give you any information about this policy in the future.

Name of Intermediary:  Company name:

Telephone:  Email:

**Where do you want the documentation to go to?** (Please tick): Client ☐ Adviser ☐ Original to client & copy to adviser ☐