

Key Information Document

Three Year Fixed Bond



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 'Three Year Fixed Bond'. It is provided by Sheffield Mutual Friendly Society. Our website address, where you can find detailed information about us, is 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 11th February 2025.

What is this product?

Type: It is a single premium investment which allows you to invest your money with a guaranteed return after three years.

Objectives: The objective of this Bond is to provide you with a guaranteed amount after the three year term.

Intended retail investor: The Fixed Bond is designed for investors over the age of 18 who have a lump sum of between £1,000 up to £200,000 to invest for the period of three years. They will be looking for a fixed return on their investment and do not need access to their money during the term of the plan.

Insurance benefits and costs: The Bond also has life insurance. If you die or are diagnosed with a terminal illness during the term of the plan, an amount equal to the initial amount invested will be returned up to the first anniversary, the initial investment plus 1% up to the second anniversary and the initial investment plus 2% up to the maturity date. 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 three years.

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 movements 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 Three Year Fixed Bond policyholders pay a single premium from £1,000 to £200,000 which we invest into our Fund. The Fund is a mix of assets. The Fund invests its financial assets with Russell Investments, the Society's Outsourced Chief Investment Officer (OCIO). The OCIO invests in several diversified asset classes, including fixed interest, equities and alternative assets. As a Three Year Fixed Bond policyholder, the maturity value of your plan is unaffected by the value of this fund.

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

What could affect my return positively?

The value of the plan at maturity, or in the event of a terminal illness diagnosis or death is guaranteed at the outset of the policy.

What could affect my return negatively?

The value of the plan at maturity, or in the event of a terminal illness diagnosis or death is guaranteed at the outset of the policy.

Payouts in severely adverse market conditions

As a policyholder of our Three Year Fixed Bond, your plan will be unaffected by market conditions.

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 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	£0	£0	£0
Impact on Return (RIY) each year	0%	0%	0%

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	0.0%	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	0.0%	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?

The Bond has a three year term and should be held for this full period. You are unable to surrender the plan during the term, no withdrawals are permitted during the term of the policy.

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. A full explanation of our approach to complaints handling can be found on our website at 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 or by calling 01226 741 000.