

Investment ISA

Target Market and Fair Value Assessment

Product design	The product allows for regular or lump sum savings and/or transfers from existing ISAs, with the proceeds being free from tax. Limits are controlled by HMRC. Policyholders' premiums are invested in the Sheffield Mutual with-profits fund which in turn invests in a range of assets. The investment gains and income from those assets is returned to policyholders in the form of annual and final (terminal) bonuses. Bonuses are reviewed at least annually and are based on an assessment of each policy's 'fair share' of the with-profits fund. The returns given to policyholders are smoothed over time in order to reduce volatility. We don't believe that vulnerable customers within the target market will be excluded from enjoying the full benefits of this product.
Target Market (Who is this product designed for)	A wide range of individuals who are looking to invest regularly, on an ad hoc or one off basis in a product which reduces risk and volatility in a medium to low risk fund in order to achieve capital growth, with a potential for higher returns than a cash based account, within the tax-free wrapper of an ISA, with the ability to make withdrawals, if required.
Product features	<ul style="list-style-type: none"> ✓ Open ended product (we suggest saving between at least 3 and 5 years) ✓ Minimum monthly payment of £30 or a minimum lump sum of £300 ✓ Invest up to the maximum ISA allowance each tax year ✓ Withdrawals allowed (minimum £250) from the funds invested ✓ Previous tax year ISAs can be transferred from another provider
Not suitable for	<ul style="list-style-type: none"> ✗ Non-UK citizens ✗ Individuals that have used up their current ISA tax year allowance ✗ Individuals that are looking for a high risk investment ✗ Individuals who are not familiar with savings accounts or who do not understand the product features, risks, investments and charges
Age range of applicant	18+
Location of applicant	UK Nationwide and Crown representatives overseas
Risks of the product	<ul style="list-style-type: none"> ! If you cash in your ISA, transfer to another provider, or make withdrawals during times of adverse market conditions, you may get back less than has been paid in ! Tax treatment depends on individual circumstances and may be subject to change in the future ! The level of future annual bonuses and any current final bonuses are not guaranteed
Fair value assessment	<ul style="list-style-type: none"> 🍃 The aim of the product is to provide a return to the member in the form of annual and final bonuses. These are reviewed at least annually by the With-profits Actuary and decided by the Board and are based on an assessment of each policy's 'fair share' of the with-profits fund. The returns given to policyholders are smoothed over time in order to reduce volatility 🍃 An annual management charge of 1.25% is deducted prior to the bonus being added each year. The Society has performed a detailed analysis of its expenses against the charges made to policyholders and has concluded that the level of charge levied is reasonable when compared with the costs incurred in selling and servicing the product overall. As a result of the review in 2022 the charge was reduced from 1.50% from 6th April 2023 🍃 Withdrawals permitted. Minimum £250, with a minimum of £300 of invested capital remaining in the account. This keeps the overall costs of running the fund to a reasonable level and protects long term returns for other with profit policyholders remaining invested in the fund 🍃 There is a risk of a Market Value Reduction(MVR) being in place at the time a member wishes to make withdrawal, surrender, or transfer to another provider the member may get back less than has been paid in. At times when the investments of the fund are performing poorly, the application of an MVR ensures that policyholders leaving the fund do not take more than their fair share. This protects all policyholders in the fund 🍃 Death benefit is paid on this plan equal to the value of the policy at the date of death plus 1%. This is guaranteed. No MVR would be applied upon death
Distribution	<p>The product is sold directly by Sheffield Mutual, but also through intermediary channels on an advised, non-advised and introduced basis.</p> <p>These commissions are covered by the annual management charge of 1.25% that is deducted from the returns awarded to policyholders via bonuses.</p> <p><i>There is a 12 month pro-rata clawback on commission paid, if the plan is cancelled within 12 months</i></p>
Discretionary member benefits	<ul style="list-style-type: none"> 🍃 Sheffield Mutual Friendly Society membership 🍃 Optical and dental up to £30 for each type of claim every 2 years 🍃 Sheffield Mutual Benefit Hub & Member Assistance Program