

## Capital Plan

### Target Market and Fair Value Assessment

<b>Product design</b>	<p>The product will pay out the sum assured, plus any bonuses achieved on maturity. It is designed to be held for 10 years. 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.</p> <p>There may also be some residual fund from the Mansfield Account on maturity. The plan can be taken out for a child, proceeds will always be paid to the policyholder. The Mansfield element must be in an adult's name.</p> <p>Two payments are made: one to Sheffield Mutual to cover the first annual premium of £270 and a second payment of £2,430 to Mansfield Building Society which is subsequently paid into the Sheffield Mutual Tax Exempt Savings Plan (TESP) as £270 annual premiums. The balance held with Mansfield earns interest.</p>
<b>Target Market (Who is this product designed for)</b>	Those who wish to build up a larger tax-free lump sum for themselves or for a child by investing a single amount into a feeder account, that pays annual amounts into a Sheffield Mutual TESP, and potentially higher returns than a cash alternative in a medium to low risk product.
<b>Product Features</b>	<ul style="list-style-type: none"> <li>✓ Save for a fixed term of 10 years</li> <li>✓ Invest a lump sum of £2,500</li> <li>✓ A guaranteed tax-free lump sum on maturity plus possible bonuses</li> <li>✓ Bonuses are based on the sum assured amount</li> <li>✓ A guaranteed minimum interest rate from Mansfield plan of 2.20 Gross/AER to ensure sufficient funds for the 10 year feeder account</li> </ul>
<b>Not suitable for</b>	<p>Individuals who:</p> <ul style="list-style-type: none"> <li>✗ cannot commit to a term of 10 years</li> <li>✗ are looking to save for a term longer than 10 years</li> <li>✗ want the option to make withdrawal</li> <li>✗ are looking for a high risk investment</li> <li>✗ require additional life cover</li> <li>✗ Individuals who are not familiar with savings accounts or who do not understand the product features: risks, investments and charges</li> </ul>
<b>Age Range of applicant</b>	0+
<b>Location of applicant</b>	UK Nationwide and Crown representatives overseas
<b>Risks of the product</b>	<ul style="list-style-type: none"> <li>! No withdrawals are permitted</li> <li>! If the plan is ended early then the policyholder may get back less than the premiums paid in</li> <li>! A surrender value will be paid by Sheffield Mutual</li> <li>! For any funds still invested at Mansfield these will attract a 60 day interest penalty</li> <li>! Annual and final bonuses are not guaranteed and not an indicator of future bonuses</li> </ul>
<b>Fair value assessment</b>	<p>The sum assured offered is always more than the premiums paid in.</p> <p>If bonuses are awarded these are calculated on the sum assured. 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.</p> <p><b>Costs:</b></p> <p>A management contribution of 50% of premiums paid in year 1</p> <p>In following years a 7.5% charge is taken.</p> <p>If the plan is held until maturity the member would not see the effect of these charges. The Society has performed an 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. The charges are there to protect those members who remain invested in the fund for the agreed period. The charges are there to protect those members who remain invested in the fund for the agreed period.</p> <p>There is a death benefit included within the plan. All premiums paid to date are repaid plus interest (1% above BoE). This is only on funds that have been paid to Sheffield Mutual. There is no death benefit for funds which remain with Mansfield.</p> <p>The funds that remain in the Mansfield Building Society account earn a minimum interest rate of 2.20% minus 0.5%.</p> <p>Funds cannot be taken from the plan except by way of surrender or when the plan matures. If the plan is surrendered before maturity, the plan may be worth less than the amount paid in. The surrender penalty in the first 2 years is equal to 6 months premiums. The surrender penalty after 2 years is calculated by way of a ratio of the number of premiums paid in, to the total expected premiums to be paid in. A £10 fee is also applied to cover the cost of the surrender.</p>
<b>Distribution</b>	The product is sold directly by Sheffield Mutual in conjunction with Mansfield Building Society
<b>Discretionary member benefits</b>	<ul style="list-style-type: none"> <li>🌱 Sheffield Mutual Friendly Society membership</li> <li>🌱 Optical and dental up to £30 for each type of claim every 2 years</li> <li>🌱 Sheffield Mutual Benefit Hub &amp; Member Assistance Program</li> <li>🌱 Offer for enhanced Investment Bond sum assured upon maturity</li> </ul>