

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**



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



enquiries@sheffieldmutual.com



Call our team on 01226 741 000

Calls may be monitored and recorded for your protection

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Tax Exempt Savings Plan with Life Insurance

Tax-free savings with added protection
for you and your loved ones



Sheffield
Mutual Est.
1892

Tax Exempt Savings Plan with Life Insurance

Only available through friendly societies, our Tax Exempt Savings Plan with Life Insurance (TESPWL) allows you to save tax-free in addition to your ISA/JISA allowances

- ✓ Save from £5 to £25 per month or between £50 and £270 per annum tax-free
- ✓ A guaranteed tax-free lump sum on maturity or death plus possible bonuses
- ✓ Peace of mind that your loved ones will be taken care of
- ✓ Anyone can have a plan who is aged between 11 and 55 (on their next birthday).

Why Sheffield Mutual?

You may not have heard of a friendly society before, but they have existed for hundreds of years and were originally founded to provide benefits to people with limited resources in times of need with funeral and sickness benefit schemes.

Whilst times have changed, the ethos of providing products to improve the financial wellbeing of members remains true to Sheffield Mutual today.

We're run purely for the benefit of our customers (who we refer to as members), whilst providing a friendly alternative to banks and building societies. With no shareholders, any surplus profit is distributed to provide you with the strongest returns possible combined with the highest standards of personal service and ethical business practices.

Risks you should be aware of:

- If you surrender the plan before maturity (which is the term you select when first starting the plan), 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
- Acceptance of plan is subject to underwriting
- Bonuses are not guaranteed



A great way to save tax-free with the added benefit of a minimum guaranteed payment on death or maturity

How much can I save in a tax exempt plan?

Under current legislation, the maximum an individual can save in a tax exempt savings plan is £25 per month or £270 annually. The minimum you can save in the Sheffield Mutual plan is as little as £5 per month or £50 annually.

If you would like to save more than £25 per month, please ask us for details of our Regular Savings Plan or Investment ISA.

Who can save in a tax exempt plan?

Anyone can start a plan or have several plans within the overall maximum levels (mentioned above). The maximum figure includes any tax exempt savings plans held with another friendly society, but is in addition to your ISA/JISA allowance.

Can I have a plan for a child?

Anyone aged between 11 and 55 next birthday can start a plan or have several plans within the overall levels of £25 per month or £270 annually. If the child is under 11 you might want to consider our Tax Exempt Savings Plan (without life insurance).

If saving for a child, on maturity or surrender the payment is made to the child as the beneficiary of the policy.

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 to ten years+) than may be achievable with 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 making it an option for individuals with a more cautious approach to investing their money.

Types of assets we invest in are:

- ✓ **Shares of companies** we have exposure to UK based and overseas companies to provide diversification. Shares provide income from dividends with the possibility of capital growth.
- ✓ **Fixed interest investments** such as government gilts and corporate bonds.
- ✓ **Property** the Society owns a property portfolio which provides rental income and offers potential capital growth.
- ✓ **Cash.**

The proportion held in each of these will vary depending on market conditions. You'll be pleased 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 is the bonus rate calculated?

Instead of interest, we aim to pay bonuses on all of our with-profits saving/investment products.

We invest our funds as described above and receive a return on those investments, which can vary from year to year. In March we review the returns achieved during the previous calendar year and declare a bonus rate for each product type for that period. The rate varies depending upon overall investment returns and is not, therefore, guaranteed to be paid at the same rate, or at all, in future years. However, once bonuses have been added to your plan they will not be taken away, providing the policy runs to maturity or you die before the end of the term.

Bonuses are calculated at the appropriate rate based on the 'sum assured' (your guaranteed final amount), not the amount of premium paid. On maturity or death, you will receive the sum assured plus bonuses added during the life of the policy.

We also try 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 you receive your fair share of returns on your policy over its lifetime, an additional final bonus may be paid on maturity. Payment of this type of bonus depends entirely on investment performance and the rate at which annual bonuses have been added. It is not guaranteed and, if paid, the rate may vary from year to year. We will send you a statement every year (usually in March).



Are there any guarantees?

Providing the plan runs to its planned maturity date, the Society will, depending on the amount you wish to save and for how long, guarantee a minimum sum assured (final amount).

The final value of your plan will depend upon investment performance, but bonuses are declared each year, and these are added to your guaranteed sum assured. Once added, these bonuses cannot be taken away.

Can I select the term of my savings plan?

Yes, you may choose the period over which you would like to save with a minimum term of 10 years and a maximum of 25 years. If you are aged 55 next birthday the maximum term will be 10 years.

Can I make early withdrawals?

You cannot make any withdrawals, but if your circumstances change, you can surrender your policy. However, the plan is designed for medium to long-term investment and the surrender value may be less than the amount you have paid in. You may also be liable for additional tax on any investment gain. The amount of the gain may result in a reduction in the amount of any old-age relief or child tax credit being received.

Is life cover included?

This might seem like an obvious question, but yes, life cover is included with this plan. The amount of life cover will be the guaranteed final amount plus any bonuses which may already have been added. This will be paid if you die before the end of the selected term. In order for us to provide life cover we will require you to complete a short medical questionnaire and we reserve the right to contact your doctor for further information if necessary. Any undisclosed condition may result in a death claim being invalid.

Are there any charges?

Yes, the Society takes a management contribution of 50% of premiums paid in year 1 and in the second and subsequent years 6% of the annual premium amount. These are to cover the cost of expenses incurred in setting up the policy and maintaining it thereafter. 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 when available, such as optical and dental grants as well as exclusive access to a range of discounts and offers.

What is a qualifying policy?

A qualifying policy is basically a life insurance policy whose terms meet a set of certain conditions. These include rules about the policy term, regularity and level of premiums paid and the minimum final amount.

Our TESPWL is a "qualifying life policy" with a special tax status. You cannot pay in more than a total of £3,600 in a 12-month period into any qualifying policies you may have, either with us or any other life company or friendly society (excluding pure protection policies and protected qualifying policies issued before 21 March 2012).

Will I be accepted?

The Tax Exempt Savings Plan with Life Insurance is designed for applicants in good health at the outset. The medical questionnaire you complete during your application will be sent to our underwriter who will either approve you on the standard terms/sum assured quoted to you, reduce your sum assured due to medical history/lifestyle or reject the application. We will notify you via your preferred contact method to discuss if required.

Where can I get further help or information?

Need some further assistance? Our knowledgeable team would be 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 financial 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 (min 11 next birthday) we'll need a copy of their birth certificate.





How do I start my Tax Exempt Savings Plan with Life Insurance?



Simply decide how much you would like to save, for how long and whether you would like to save monthly or annually. You should then read the 'all about us' section in this booklet, '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
- ✓ Direct Debit Mandate (if applicable)

to the address on the back on this brochure along with a cheque made payable to "Sheffield Mutual" for the initial premium if applicable. If you prefer, you can make your first payment by debit card over the phone, or you can make a payment directly into our bank account (please see our website for account details). You can also apply online at www.sheffieldmutual.com.

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

- ✓ Tax Exempt Savings Plan
- ✓ Children's Tax Exempt Savings Plan
- ✓ Regular Savings Plan
- ✓ Children's Regular Savings Plan
- ✓ Investment ISA
- ✓ Investment Junior ISA
- ✓ Investment Bond
- ✓ Children's Investment Bond
- ✓ Income Bond
- ✓ Capital Plan
- ✓ 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 a 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

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 totally 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 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. 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



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



enquiries@sheffieldmutual.com



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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).



Protected

Key Information Document

Tax Exempt Savings Plan with Life Insurance



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 'Tax Exempt Savings Plan with Life Assurance'. 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 12th December 2022.

What is this product?

Type: It is a friendly society tax exempt with-profits savings plan and it includes life insurance. You may choose the period over which you would like to save at the outset, with a minimum term of 10 years and a maximum term of 25 years (subject to a maximum holding age of 65 on maturity). The most you can save monthly is £25 or £270 per year if you pay an annual premium. Investors should consider if they need the life insurance element – if not this plan may not be appropriate.

Objectives: The objective of this plan is to provide you with a tax-free lump sum at the end of a minimum 10 year regular premium paying period or should you die within the term of the plan and have paid your premiums when due.

Intended retail investor: The target customer for this product is those who wish to build up a tax-free lump sum by saving a regular amount usually monthly for a period of 10 to 25 years with the added benefit of a guaranteed sum payable on the death of the policyholder before the end of the term.

Insurance benefits and costs: Upon death, the sum assured plus any bonuses to date will be paid to your estate. The value of the benefits can be found below in the section "What are the risks and what could I get in return". 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 10 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 plan 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.

When bonuses are added to the plan they are an additional payment to the sum assured and depend upon investment performance. We can terminate the plan if premiums are more than three months in arrears.

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 the guaranteed final amount plus any bonuses which may have already been added.

Payouts before the end of the selected term are likely to result in you getting back less than the amount you have paid in.

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 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 £1,000 per year. 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 £1,000 If cashed in after... Scenarios	1 year	5 years	10 years (at the Recommended Holding Period)
Total costs	£514.22	£1,406.38	£1,110.00
Impact on Return (RIY) each year	52.88%	4.49%	2.24%

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	1.05%	The impact of the costs you pay when entering into your investment.
	Exit costs	0.00%	The impact of the costs of exiting your investment when it matures.
Ongoing costs	Portfolio transaction costs	0.00%	The impact of the costs of us buying and selling underlying investments for the product.
	Other ongoing costs	1.19%	The impact of the costs that we take each year for managing your investments.
Incidental costs	Performance/other costs	0.00%	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 plan for a minimum term of 10 years and pay all premiums when due to ensure you achieve the maximum return, maintain the life insurance cover and receive the maximum tax advantage under the life insurance qualifying policy rules. You cannot take out money from the plan except by cancelling it completely. If you cancel the policy before maturity a surrender penalty will apply and there is a likelihood you will get back less than you paid in. If the plan is cancelled in the first two years you will get back the total of premiums paid in, less 6 months premiums. After 2 years we calculate the ratio of the number of premiums paid to the total expected premiums. This ratio is applied to the sum assured and bonus to date to give a 'paid-up' value, which is then discounted by an appropriate rate (currently 3.5%) for the period in complete months from the date of leaving to the original maturity date to obtain the surrender value. 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. 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.

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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) to reflect profits earned during the course of the contract.

A with-profits policy shares in the profits of the Society 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 or "reversionary" 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**
-  **Individual Savings Account (ISA)**
-  **Junior Individual Savings Account (JISA)**

Understanding the 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 reversionary or 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.

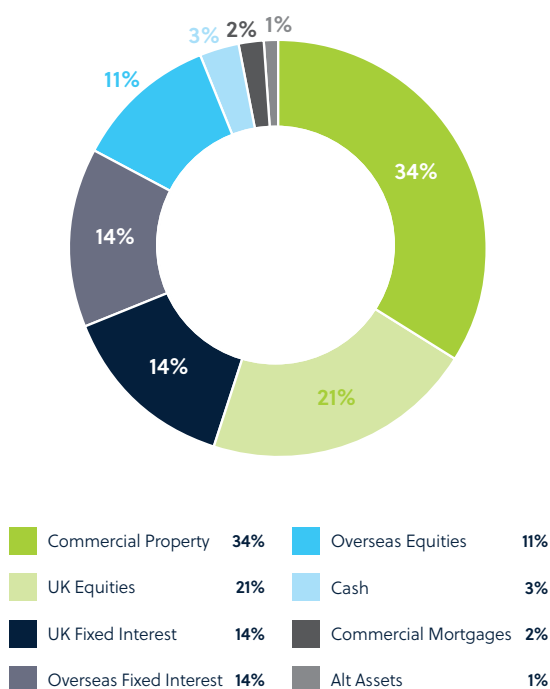
Sum assured

This is the amount shown on your illustration and is the guaranteed minimum you will receive on maturity and 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 31/12/2022

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



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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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 or 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.



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Tax Exempt Savings Plan with Life Insurance



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:

--	--	--

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 Yes: ☐ Country/Territory Tax reference

Section A: Demands and needs.

- a) Are you willing and able to save this money for at least a ten-year period (or the term stated on your application if greater)? Yes: ☐ No: ☐
- b) Do you have access to other money as readily available funds? Yes: ☐ No: ☐
- c) Do you want life insurance cover to be provided within the Savings Plan? Yes: ☐ No: ☐
- d) Are you willing to accept the risk that early encashment may return less than you have paid in? 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 ☐ ☐ ☐ ☐ ☐ ☐
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



enquiries@sheffieldmutual.com



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Application for a Tax Exempt Savings Plan/Tax Exempt Savings Plan with Life Insurance/Regular Savings Plan(s)



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

1. Details of the policyholder

Title:	Forename(s):	Surname:
<input type="text"/>	<input type="text"/>	<input type="text"/>
Permanent residential address:		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"/>
Postcode: <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>		Home phone: <input type="text"/>
Is the policyholder already a member of this Society? Yes: <input type="checkbox"/> No: <input type="checkbox"/>		Mobile: <input type="text"/>
If YES, please give details, if NO, where did you hear about us?		Email: <input type="text"/>
<input type="text"/>		Occupation: <input type="text"/>
		If you have a promotional code, please enter it here: <input type="text"/>

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

Complete section 2 if the policyholder is under 16 and/or is not the premium payer

Is the policyholder under 16? <input type="checkbox"/> (if so, please sign as Proposer in section 8 overleaf).	Will premiums be paid by someone other than the policyholder? <input type="checkbox"/>	
Title:	Forename(s):	Surname:
<input type="text"/>	<input type="text"/>	<input type="text"/>
Permanent residential address:		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"/>
Postcode: <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>		Mobile: <input type="text"/>
		Email: <input type="text"/>
		Relationship to policyholder: <input type="text"/>

3. Direct Debit details

When would you like your Direct Debits to start? (please tick) 15th of the month ☐ Last working day of the month ☐

4. Policy details (you can apply for multiple policies using only one form, please complete one line for each policy required)

Tax Exempt Savings Plan Max £25 per month / £270 Annually	Tax Exempt Savings Plan With Life Insurance*	Regular Savings Plan	Term (Minimum 10 years)	Premium Amount £'s	Monthly	Annually	Sum Assured Figure £'s (From illustration)
Please tick as appropriate					Please tick as appropriate		
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>	£ <input type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>	£ <input type="text"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>	£ <input type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>	£ <input type="text"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>	£ <input type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>	£ <input type="text"/>

* Please also complete a medical questionnaire

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

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Continued overleaf...

5. 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 or write to us at the address below.

6. Please help us to keep in contact with you

CRAFV01

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

We would 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.

7. Please note

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.

8. Declaration: To be completed by the proposed policyholder(s)

To be completed by the proposed policyholder (Section 1) or in the event of the proposal being made on behalf of a child aged 1-16 (next birthday), to be completed by the Proposer (Section 2).

I wish to apply for the Sheffield Mutual Plan(s) detailed overleaf.

I declare that all the statements made in this proposal (and any notes and supplementary medical forms) 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 1-16 next birthday) that the Endowment 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 premiums paid less, (at the discretion of the Society), any charge for management.

If applying for a Tax Exempt Savings Plan (with or without Life Insurance) are you (or the policyholder if you are the proposer) a beneficiary under another qualifying policy issued on or after 6 April 2013 or issued before that date where a premium limit event has occurred (e.g. a significant modification/variation of the policy)? Yes ☐ No ☐ (please tick) If you've ticked 'Yes' you may only proceed with the application if you are not in breach of the annual premium limit of £3,600 for qualifying policies, including this new policy. Pure protection policies (which pay out on death or disability only with no surrender value) and existing protected policies as at 5 April 2013 which are issued and maintained for a specified term for the sole purpose of repaying the capital of an interest only mortgage are excluded from the annual premium limit.

Qualifying Policies Annual Premium Limit Statement – In making this proposal for the issue of a qualifying policy I (or the policyholder if I am proposing the policy on their behalf) am not in breach of the annual premium limit for qualifying policies of £3,600 at the date this proposal and statement is made.

Friendly Society Policies Premium Limit Statement – In making this proposal for the issue of a friendly society tax exempt policy I (or the policyholder if I am proposing the policy on their behalf) do not already have Tax Exempt Savings Plans issued by friendly societies (excluding ISAs) that might cause the premium limit of £25 per month or £270 per annum to be breached.

(The Premium Limit Statements do not apply if you are opening a Regular Savings Plan).

I consider that I will be able to continue the contracted payment(s) overleaf for the full duration of the term.

Important - By signing this declaration you are agreeing to our Tax Exempt and/or Regular Savings Plan 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 policyholder (section 1):

Date: / /

Signature of proposer (section 2 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/proposer:

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 ☐

Medical questionnaire



All information given will be treated in strictest confidence. To be used in conjunction with Whole of Life Plan and Tax Exempt Savings Plan with Life Insurance application form. Please complete this form in **BLOCK CAPITALS** where applicable

A. Health and lifestyle

Height and weight

Please state your height

ft ins or m

Please state your weight

If you are currently pregnant, please state your pre-pregnancy weight

st lbs or kg

Smoking

Have you smoked any cigarettes in the last 12 months (including vaping with nicotine)?

☐ Yes ☐ No

If 'Yes', please state number of cigarettes smoked / mg nicotine juice vaped

per day

If you have given up smoking cigarettes within the last 12 months, please state your previous average daily consumption prior to giving up.

Have you smoked any cigarettes in the last 12 months (including vaping with nicotine)?

☐ Yes ☐ No

Have you used any other tobacco products or any nicotine replacement products in the last 12 months? Other tobacco products include cigars, pipe smoking, vaping without nicotine and chewing tobacco.

☐ Yes ☐ No

(We may ask you to undergo a simple test to confirm your answers to these questions)

Alcohol

Do you consume alcoholic drinks?

☐ Yes ☐ No

If 'Yes', how many units of alcohol do you drink on average each week?

A unit of alcohol is the equivalent to each of the following:

units

- a half pint of normal strength beer, lager or cider ~ one standard glass of wine ~ a single measure of spirit

Alcohol advice

Have you ever sought or been given medical advice to reduce the level of your drinking?

☐ Yes ☐ No

If 'Yes', please give details

Drugs

Within the last five years, have you taken drugs other than for the treatment of a medical condition? e.g. cocaine, heroin etc.

☐ Yes ☐ No

If 'Yes', please give details

If you answer **YES**, to any part of section B and/or C, please provide details on a separate sheet

B. Other life applications

Has any application you've made for life, health or critical illness cover been declined postponed or accepted with increased premiums, exclusions or restrictions?

☐ Yes ☐ No

C. Health and medical details

a. Have you consulted your doctor during the last 12 months for anything other than minor ailments or those listed.

☐ Yes ☐ No

Have you ever experienced:

b. angina, heart attack or any other disorder of the heart?

☐ Yes ☐ No

This question does include heart valve disorders, rheumatic fever, cardiomyopathy and heart abnormalities or defects present at birth.

c. stroke, Transient Ischaemic Attack (TIA), brain haemorrhage or any permanent brain injury through accident?

☐ Yes ☐ No

d. any form of cancer, leukaemia, Hodgkins disease, lymphoma, brain or spinal tumour?

☐ Yes ☐ No

Continued overleaf...

C. Health and medical details *continued...*

- e. multiple sclerosis, optic neuritis, Parkinson's disease, paralysis, cerebral palsy, dementia or Alzheimer's disease? ☐ Yes ☐ No
- f. blurred or double vision, loss of feeling, numbness, pins and needles, tingling of the limbs or face or any disease or disorder of the central nervous system (brain, spinal cord and nerves), which has not already been mentioned in earlier questions? ☐ Yes ☐ No
- g. diabetes? ☐ Yes ☐ No
- h. any disease or disorder of the arteries including disease in the legs or of the aorta? ☐ Yes ☐ No

Within the last five years have you experienced:

- i. anxiety state, stress, depression, chronic fatigue, any other mental or nervous illness? ☐ Yes ☐ No
- j. any problem, disease or disorder affecting your digestive system, stomach, bowel, liver, pancreas or gall bladder? ☐ Yes ☐ No

Within the last two years, have you had any treatment for raised blood pressure or been advised to take treatment, or to have your blood pressure monitored?

☐ Yes ☐ No

Within the last five years, other than in respect of the conditions that you have already declared have you either:

received any medical attention at a hospital as an inpatient or outpatient ☐ Yes ☐ No

or

had or been advised to have any investigations, scans or blood tests including HIV ☐ Yes ☐ No

Other than in respect of the conditions that you have already declared, are you currently:

experiencing any symptoms or complaints for which you have not consulted a doctor ☐ Yes ☐ No

or

receiving any form of treatment or medication ☐ Yes ☐ No

or

awaiting any medical or surgical consultation or follow up ☐ Yes ☐ No

or

awaiting any test or investigation? ☐ Yes ☐ No

If you answer YES, to any part of section B and/or C, please provide details on a separate sheet

D. Doctor's details (a report from your doctor will not always be requested)

Title: Doctor's initials: Doctor's surname:

Dr		
----	--	--

Medical centre:

--

Telephone No. (please include the full code and any extensions)

--

Practice address:

--

Postcode:

--	--	--	--	--	--	--

E. Consent

I hereby consent to the processing of my medical questionnaire and to the Society seeking medical information in connection with this application from any doctor, who at any time has attended me or has been responsible for my medical care, and I authorise the giving of such information and agree that a copy of this consent will have the validity of the original.

I do / not wish to see the doctor's medical report before it is sent to the Society. (Please delete as appropriate).

Signed:

--

Date:

D	D	/	M	M	/	Y	Y	Y	Y
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