

# FAMILY LEGACY BOND

## FUND LIST & FUND SPECIFIC RISKS



### FUND LIST

Your financial adviser will be able to:

- › explain the nature of the funds listed
- › help you understand the risk levels of the funds
- › help you choose the funds most suited to your needs.

#### NFU MUTUAL - MUTUALLY MANAGED FUNDS

With the Mutually Managed Funds, you decide how much risk you want to take, then you leave the rest to NFU Mutual's Investment Managers. The Mutually Managed Funds invest in a mix of markets and are for investors wanting to leave investment decisions to NFU Mutual.

UNDERLYING ISIN REF.	FUND NAME	EVALUE SECTOR OF UNDERLYING INVESTMENT	CURRENCY	ONGOING CHARGES FIGURE (OCF) (% PER ANNUM)
GB00B7M06Z34	Mixed Portfolio Max 100% Shares	Flexible Investment	Sterling	0.9500
GB00B837VQ69	Mixed Portfolio 40-85% Shares	Mixed Investment 40-85% Shares	Sterling	0.9000
GB00B704WW60	Mixed Portfolio 20-60% Shares	Mixed Investment 20-60% Shares	Sterling	0.8700

#### NFU MUTUAL - MARKET SELECTION FUNDS

The Market Funds invest in a single kind of asset or market so you can choose which type of markets you want to invest in. The Market Funds are for those wanting to take a more active role in their investment decisions.

UNDERLYING ISIN REF.	FUND NAME	EVALUE SECTOR OF UNDERLYING INVESTMENT	CURRENCY	ONGOING CHARGES FIGURE (OCF) (% PER ANNUM)
GB00B84CF023	UK Growth	UK All Companies	Sterling	0.7900
GB00B82F8821	UK Equity Income	UK Equity Income	Sterling	0.7900
GB00B89YL834	Global Growth	Global	Sterling	0.9000
GB00B8324733	Gilt and Corporate Bond	Sterling Strategic Bond	Sterling	0.5400

The information in this document is correct as at **1 May 2021**.

We recommend that you obtain the Key Investor Information Document for the fund(s) from the fund manager or your financial adviser. The Key Investor Information Document contains further information on the fund, including its objectives and associated risk factors.

We do not currently apply a dealing charge for fund purchases and sales within the Family Legacy Bond. NFU Mutual Unit Managers Limited do not currently apply an initial charge, a redemption charge or a switch charge to the funds in the Mutually Managed or Market Selection fund ranges, but may do so in future. Any such charges (if applicable) will affect the value of your investment. For further information on charges such as this, speak to your financial adviser.



This document should be read together with the **Family Legacy Bond Product Guide, Key Features Document** and your **Personal Illustration**.

Utmost International Isle of Man Limited does not give any advice as to the suitability of any of the funds available. The value of investments can fall as well as rise. Investors may not get back the amount originally invested. Utmost International Isle of Man Limited is not responsible for the performance of any of the available funds.

# FUND SPECIFIC RISKS

Below we have provided a brief guide to the most common fund associated risks. It does not cover every possible risk that may apply.

For an investor, fund specific risk means that, depending on the nature of the investment, the type of risk will vary. High risk investments may have the potential for greater returns, but also carry the possibility of greater losses. Different funds have different levels of risk, these will broadly depend on the type of assets the fund invests in. The asset type can affect the performance of the fund in any given period. For example, funds investing in equities are likely to do well when an economy is in a growth period. However, funds investing in fixed interest securities tend to outperform equity funds in a recession. In addition, the type of market that an asset is linked to will have an effect

on the performance of that asset. In particular, all stock market linked investments involve risk, their value can go down as well as up.

Details of the terms and conditions of any fund, together with the specific risks associated with it, can be obtained from your financial adviser.

## THE DIFFERENT TYPES OF RISK

There are risks that are general to most types of funds and there are also risks that are specific to individual types of funds. It would not be possible to highlight all risks associated with investments in this document, but we have highlighted some of the main risks that should be considered.

## GENERAL RISKS

### CURRENCY

If a fund holds assets in a different currency to the currency in which the fund is denominated, currency movements may affect the value of the fund. This is due to exchange rate fluctuations, irrespective of underlying asset performance. Similarly, the value of the bond may fluctuate where it holds funds denominated in a currency different from the bond's currency.

### FUND SUSPENSION

A fund manager may need to delay, in whole or in part, a valuation, calculation of unit price, allocation, cancellation or exchange of units and any payment of fund holdings, for such indefinite periods required to complete the necessary sale or valuation of the assets comprising the fund. This may be due to unforeseen circumstances relating to, but not limited to, such issues as property sale or fund suspension due to political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the fund manager.

### INCOME

The purpose of an income fund is to provide income from investments. One risk is that a fund manager's annual management charge may be charged against the capital instead of the income of the fund, as this might increase the income and quoted yield but may constrain capital growth and therefore reduce the value of your underlying investment.

### INVESTMENT-SPECIFIC RISK

Circumstances affecting a particular company or industry might result in a reduction in the expected investment return.

### INTEREST RATE RISK

The interest rate could negatively impact your investment. Different investments are affected by rises and falls in interest rates in different ways.

### INFLATION RISK

The real value of an investment can fall if inflation rates rise higher than the return being received from it. The effect would mean that the purchasing power of any income, or capital received would be eroded.

### LIQUIDITY RISK

The risk that an investment may be difficult to sell or encash.

### MARKET RISK

Potential changes in the bond, property, cash and stock markets could cause the fund to fall in value.

## FUND RISKS

### BOND FUNDS

Companies issue corporate bonds in order to raise capital, so effectively investors in corporate bonds are lending the company money. The more financially secure a company issuing the bond is, the more likely it is that it will be able to repay the loan. Less financially secure companies have a higher risk of default on the loan.

These higher risk bonds are sometimes referred to as 'junk' or 'sub-investment grade' bonds if their credit rating is of a certain level. Funds that invest into less financially secure company bonds will therefore have an increased risk, this is due to a greater risk of default of the issuer company. This means that the capital value and the income generated by the fund are more likely to be adversely affected.

### EMERGING MARKETS

The 'emerging market' label is used to identify developing countries with potentially superior growth prospects. However, developing countries are also vulnerable to political and economic instability and are in the process of building their industrial and commercial infrastructures. Therefore any investment in Emerging Market funds should be considered to carry a higher level of risk than investing in more established markets.

## A WEALTH *of* DIFFERENCE

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

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