

Important information

Children's Bond

Key Features of the Children's Bond.
Investing in the Police Mutual Life Fund.

Key Features of the Children's Bond

Call us on:
0845 88 22 999
(Monday–Friday,
8.30am–5.30pm)

Visit our website:
policemutual.co.uk

Write to us at:
**Police Mutual
Alexandra House
Queen Street
Lichfield
Staffordshire
WS13 6QS**

Fax us on:
01543 305 349

The Financial Services Authority is the independent financial services regulator. It requires us, Police Mutual Assurance Society, to give you this important information to help you to decide whether our Children's Bond is right for you. You should carefully read this document along with *'Investing in the Police Mutual Life Fund'* so that you are comfortable you understand what you are buying, and then keep it safe for future reference.

Who is it for?

- This investment is applicable to any parent or grandparent who wishes to save towards their child's future (aged under 16) for a minimum of ten years and is prepared to commit to regular payments of either £12.50 or £25 a month

Its aims

- To build up a lump sum that will provide a profit on your payments at the end of the payment term
- To provide a lump sum if the child dies during the payment term

Your commitment

- To maintain regular payments for ten years or to the plan anniversary after the child's 16th birthday, if later
- All benefits belong to the child (if over 16), or to the parent or guardian on the child's behalf
- To tell us in writing of any tax-exempt payments made on the child's behalf to other friendly societies (see *'What about tax?'*)

Risk factors

- The child may get back less than you paid in when the plan ends
- The child may get back less than illustrated when the plan ends because:
 - Investment growth affecting bonuses could be lower than illustrated
 - Our charges may turn out to be higher than expected (see *'What are the charges?'*)
 - Losses on other business activities and risks of the Society could reduce payouts
- Your circumstances may change, forcing you to cash in early. The guarantees built up in the plan will not apply if you do this
- In general, the earlier you cash in the plan, the more likely it is that you will get back less than has been paid in

An example

Child's age next birthday: **2 years**

Payment term: **15 years**

Monthly payment **£25**

Guaranteed minimum payout **£3,265**

Life cover **£3,265**

This example shows you how a Children's Bond might work in practice.

If our investments grow each year at:	4%	6%	8%
Your final payout could be:	£5,440	£6,290	£7,290

- The child will get back the guaranteed minimum payout plus any added regular bonuses when the plan ends. The plan may also have a final bonus added at the end of its term. If so, the amount the child might get back will be increased. To get the full benefit it is important to continue for the full payment term
- Bonuses depend on the performance of the fund
- These figures illustrate what the child might get back from the plan after 15 years. They assume that you keep paying to the end of the payment term
- Lower than standard projection rates have been used due to market conditions
- We pay external fund managers to actively manage parts of the Life Fund. We expect that this cost will be more than covered by the increased investment growth potential provided by active management. The growth rates used for your plan are prudently based by making no allowance for this additional performance. For consistency we do not allow for the extra cost of active management
- Charges may vary (see 'What are the charges?')
- The figures are examples only and are not guaranteed. They do not represent minimum or maximum amounts. What we pay out depends on how the investment grows, on our charges and on the tax treatment of the investment
- Your child could get back more or less than this
- You should not forget that inflation would reduce what could be bought in the future with the amounts shown
- The child is guaranteed to get back at least £3,265

Questions and Answers

What is a Children's Bond?

- It is a tax-efficient savings plan for children aged up to 16 next birthday
- The child must be the brother, sister, child or grandchild of a serving or retired Police Officer, or a member of:
 - Police Authority staff
 - Police Staff
 - Police Federation support staff
 - An approved police organisation
 - Superintendents' Association support staff
 - HM Inspectors of Constabulary staff
 - Special Constables
 - ACPO support staff
 - PSNI part-time reservists
- Payments can be made by anyone, not just the child's parents or grandparents
- The plan pays a guaranteed minimum amount when it is cashed in by the child at the end of the payment term

- Instead of being cashed in at the end of the payment term, the lump sum can be left with Police Mutual where it will grow in line with average monthly bank rates
- It gives a small amount of life cover - if the child dies during the term the guaranteed minimum payout plus all added bonuses will be paid
- The guaranteed minimum payout depends on your payments, the child's age and the term of the plan
- The return will be free of income and capital gains tax provided the plan runs to the end of the premium paying term (see 'What about tax?')
- The plan will run for ten years or to the plan anniversary after the child's 16th birthday, if greater

How flexible is it?

- The Children's Bond is not designed to be flexible during its term
- At the end of the term, only the child can take either the cash-in value or leave it with Police Mutual where it will grow in line with average monthly bank rates

Questions and Answers continued

What might the child get back?

- We will pay the child the guaranteed minimum payout plus any regular bonuses when the plan ends at the end of the payment term. The bonuses are calculated as a percentage of the guaranteed minimum payout and will depend on the performance of the Life Fund
- The money must be paid into an account in the child's name
- If the child does not want to take the cash-in value, the lump sum can be left with Police Mutual where it will grow in line with average monthly bank rates
- This plan may have a final bonus added at the end of the payment term. If so, the amount the child might get back will be increased. To get the full benefit it is important to continue for the whole of the term
- The amount we pay out will depend on the performance of the Life Fund, our charges, the impact of tax and the outcome of our other business activities. (See the table later on in this document for more information)

What life insurance is included?

- We will pay out a lump sum if the child dies during the plan term
- The lump sum is the guaranteed minimum payout plus all bonuses added
- If we pay out the life insurance, the plan ends and has no further cash value

What other benefits can you choose?

- The plan does not provide any other benefits

How much can you pay in?

- You can pay either £12.50 or £25 a month for each child. As this is a friendly society savings plan, the maximum payment allowed by legislation is £25 a month per child
- The plan runs for ten years or to the plan anniversary after the child's 16th birthday, whichever is the greater
- All payments are made by Direct Debit

Where are your payments invested?

- We pool your money with other investors in our Life Fund. We make a deduction from the fund for charges and the cost of the life cover (see *'What are the charges?'*)
- The fund holds a wide range of investments both in the UK and overseas. These investments are mainly in a mix of company shares, bonds (which are a type of loan to governments or to companies), property, commodities and cash

- As a mutual organisation, the Society's with-profits plan holders share in the results of all Police Mutual's business activities
- We smooth plan payouts to even out some of the fluctuations in performance over the time the plan is held. In other words, we use profits from the good years to improve the return in the bad years
- The experience of the Life Fund will determine the level of bonuses added to the plan. Regular bonuses may be added to the guaranteed minimum payout each year. A final bonus may be paid when the plan reaches the end of the term or if the child dies beforehand (for further information see *'Investing in the Police Mutual Life Fund'*)

What are the charges?

- We make charges to cover the expenses of running the plan, any reduction on cashing in and other adjustments, for example to cover the costs of providing the guaranteed minimum payout
 - These charges are allowed for when calculating the value of the plan and do not need to be paid separately by you
 - We review these charges regularly, usually once a year and any changes made will be in accordance with the *'When can the charges be varied?'* section
- We aim to charge a fair share of our expenses to each investor. We estimate that charges for each contract for the current year will be:
 - A charge of £115 at the start of each new contract
 - A yearly contract charge of £10
 - A charge of £2.50 at the end of each contract
- The charges for the plan may be different from this example, but we apply the same bonus rate to all plans of the same type, regardless of their size. This means that there is not necessarily a direct link between these charges and the payout the child receives
- We also make a charge to cover the cost of providing the guaranteed minimum payout. Currently this charge is a deduction of 0.5% a year from the investment return we achieve. For example, if the underlying investment return of the Society's fund is 5%, your plan grows by 4.5%
- The current estimated charges are detailed in a personal illustration, which can be obtained before taking out the plan. The post-sale illustration will also contain this information
- The most recent estimates for renewal and claim charges will be set out in your yearly statement. Each year we will tell you the most up to date charges for the plan

How will charges affect your plan?

- The example below shows what your child might get back from the Children's Bond

The early years (years 1-5)

Warning – If you cash in you could get back less than you paid in, especially during the early years and the guarantees that you have built up in the plan will not apply if you do this.

- In the table below the last two columns assume that investments grow at 6.0% a year
 - This example is based on a child age 2 next birthday at the start of the plan saving £25 a month for 15 years
- The amount actually payable will depend on the bonuses added to the plan and the cash-in basis in force at that time
- If you wish to cash in the plan please contact us for a claim form. Remember that all benefits will go to the child (if 16 or over) or to their parent or guardian

At the end of year:	Total paid in to date	Effects of deductions to date i	What you might get back
1	£300	£181	£129
2	£600	£219	£419
3	£900	£258	£728
4	£1,200	£305	£1,050
5	£1,500	£356	£1,390

The later years (years 10-15)

At the end of year:	Total paid in to date	Effects of deductions to date i	What you might get back
10	£3,000	£699	£3,380
15	£4,500	£912	£6,290

i What are the deductions for?

- The deductions include the cost of life cover, charges, any reductions on cashing in and other adjustments, for example to cover the costs of providing guaranteed benefits
- The last line in the table shows that over the full term of the plan the effect of the total deductions to date could amount to £912
- Putting it another way, leaving out the cost of life cover, this would have the same effect as bringing the investment growth from 6.0% a year down to 4.2% a year

If you cash in at the end of year:	Charges will reduce investment growth:
5	from 6.0% to -3.0%
10	from 6.0% to 2.4%
15	from 6.0% to 4.2%

- Where we make a change to our charges that is to your disadvantage or we add new charges, it will be for any one or more of the following reasons:
 - To take account of changes in our costs in running the service for which the charge is made
 - To take account of variations in costs for any changes or improvements we make to the services we already provide to our Children's Bond holders, including making technological changes
 - To take account of any changes we may reasonably make in activities we carry out or new activities
 - To take account of any changes in the law or the interpretation of the law, codes of practice or regulations
 - To take account of any decision, requirement or recommendation by a court, ombudsman or regulator with which we intend to comply
 - To correct an error, if it is reasonable to do so
 - To enable us to maintain our financial strength in the interests of all our customers
 - To take account of increases in inflation

When can the charges be varied?

- We can at any time vary our charges if it is to your advantage, for example if we reduce or abolish any charge

Questions and Answers continued

- By agreement with you
- To enable us to harmonise the charges concerned following any acquisition or transfer of with-profits business or any takeover of, or merger with, another with-profits product provider
- These reasons may relate to circumstances existing at the time or those that we reasonably expect to apply in the near future
- Where we change our charges for one or more of these reasons, we will do so in a reasonable and proportionate manner
- We will tell you about any changes to existing charges or about the introduction of a new charge for any reason mentioned above in your yearly statement

Do we provide advice on the Children's Bond?

- You can discuss the general features of the product with us, but we will not assess your personal and financial circumstances. We will also be unable to advise you whether the product is suitable for you. If you are in any doubt about the suitability of the product you should contact a financial advisor. Police Mutual do not provide advice on this product and will not pay commission to intermediaries in respect of this product

What if you stop paying?

- You can cancel the plan at any time, but in the short term the cash-in value may be zero. We will work out the cash-in value at the time (see *'What if you cash in the plan early?'*)
- Once you have made payments for six months, you can make the plan paid-up (to do this you must contact us as it will not happen automatically). This means that payments stop and the plan continues with a reduced payout. We will write to you and tell you the value of the plan at the time it is made paid-up
- The new reduced payout plus any bonuses are payable at the end of the plan term or on earlier death. We continue to add bonuses after the plan is made paid-up
- If the payments are a month in arrears we will tell you. If the arrears are not cleared within 14 days, we will only pay the cash-in value in the event of a claim. If the arrears have still not been cleared after three months, the plan will be cancelled and we will write to make an offer of the cash-in value. Alternatively, you may wish to make your plan paid up (see previous bullet)
- If you are unable to maintain payments it may be possible for someone else to continue them

What if you cash in the plan early?

- If you cash in you could get back less than you paid in, especially during the early years, and the guarantees that you have built up in the plan will not apply if you do this (see *'The early years'*)
- The cash-in value will depend on:
 - The investment return
 - The amount you have paid in
 - Our charges
 - The cost of life cover
 - The results from other business areas where the Life Fund shares the risks and the rewards
- You can cancel the plan at any time, but it may not have a cash-in value straight away. The time before one is available depends on the charges we make and the experience of the Life Fund
- We will apply a 5% reduction to the share of the Life Fund that applies to the plan, which makes it more likely that you may get back less than you've paid in. We apply this reduction as well as the end of contract charge referred to in the *'What are the charges?'* section
- If you wish to cash in the plan you should contact us for a claim form
- If the plan is cashed in before the child's 16th birthday the proceeds will be paid to the parent or guardian named on the application form and not the payer

What about tax?

- The payout will be free of all income and capital gains tax when it is cashed in at the end of the payment term or on earlier death
- If you stop payments or cash in within ten years (or three-quarters of the term if less), income tax may be payable on any profit over the premiums paid at the child's highest rate of income tax
- If the value of the child's estate when they die is more than their individual allowance, there may be an inheritance tax charge
- Police Mutual is a friendly society, so the plan will be issued on a tax-exempt basis. Payments made under a tax-exempt plan go into a tax-exempt fund. This means that no tax is paid by the Society on capital gains or income received from cash deposits and fixed interest securities
- This represents the current position, but taxation legislation may change
- Different tax regulations apply in the Channel Islands and the Isle of Man

Can you change your mind?

- It is your legal right to change your mind within 30 days. We will give you your money back if you sign and return the cancellation notice, or confirm your wishes in writing. Send it to our contact address (see 'How to contact us') within 30 days of receiving your plan documentation. If you do not do this within 30 days and wish to cancel the plan before the end of the term, you will be entitled to a cash-in value, which may be less than the payments made. (See 'What if you cash in the plan early?')

How will you know how the Children's Bond is doing?

- We will send a yearly statement to show how the plan is doing. This will be addressed to the child's parent or guardian until the child reaches 16
- You can call us on 0845 88 22 999 if you want a statement at any other time

How to contact us

- If you have any questions at any time, you can contact us in a number of ways using the details on the back of this brochure

Other information

How to complain

- If you wish to complain about any aspect of the service you receive please contact us
- A copy of our complaint handling procedure is available on request
- If you're still not satisfied you can complain to:
Financial Ombudsman Service
South Quay Plaza,
183 Marsh Wall
London, E14 9SR
- Complaining to the ombudsman will not affect your legal rights

Terms and conditions

- This Key Features document and the application form you sign contain the legally binding terms and conditions governing the Police Mutual Children's Bond Plan
- We may vary these terms and conditions (other than in respect to charges) at any time for the following reasons:

- To take account of changes in the products or services we provide or the way we provide them
 - To take account of any changes or improvements we make to the services we already provide to our with-profits plan holders, including making technological changes
 - To take account of any changes in the law or the interpretation of the law, codes of practice or regulations
 - To take account of any decision, requirement or recommendation by a court, ombudsman or regulator with which we intend to comply
 - To correct errors, if it is reasonable to do so
 - If we reasonably believe the change is necessary in the interests of our business as a whole, for example to protect our financial strength
 - If the change is to your advantage
 - By agreement with you
 - To enable us to harmonise the terms and conditions following any acquisition or transfer of with-profits business or any takeover of, or merger with, another with-profits plan provider
- We will tell you about any changes to these terms and conditions for any reason mentioned above in your yearly statement
 - Where we change our terms and conditions for one or more of these reasons, we will do so in a reasonable and proportionate manner

Law

- In any legal disputes this plan is subject to the law of England and Wales unless the parties agree otherwise

Language

- For the duration of your policy, all communications will be in English

Compensation

- We are covered by the Financial Services Compensation Scheme. You may be entitled to compensation from the scheme if we cannot meet our obligations. There are various levels of compensation available, which depend on the type of business and the circumstances of the claim. For compensation purposes, the Children's Bond is classed as a long term insurance product which means you are entitled to receive 90% of the whole of the claim
- Further information is available from the Financial Services Authority or the Financial Services Compensation Scheme

Investing in the Police Mutual Life Fund

Everything you need to know

This guide explains what it means to invest in the Police Mutual Life Fund with a with-profits policy. It's designed to tell you everything about your with-profits plan and what you can expect back.

Two further guides are available that cover our other with-profits products that work differently, but also invest in the Life Fund.

Please read this guide and keep it in a safe place with your other plan documents.

Your with-profits plan

What is a with-profits plan?

A with-profits plan is a plan invested in a with-profits fund such as the Police Mutual Life Fund.

The aim of with-profits funds is to smooth out some of the short term highs and lows over the period of time that you hold the plan. So even if the performance of the fund is significantly different in one year than the next, the difference in the value of plans reaching the end of their payment terms in those years should not be as extreme.

In addition to this, with-profits plans offer the reassurance of guarantees that let you know the minimum amount you will get back at the end of your payment term.

How is your money invested?

Your payments go into the Police Mutual Life Fund, which holds a wide range of investments both in the UK and overseas. These investments are mainly in a mix of company shares, bonds (which are a type of loan to governments or to companies), property, commodities and cash. Your payments are added together with those of other investors, so even if you are investing small amounts you get a better spread of investments than by investing on your own.

Depending on market conditions, the performance of some of these investment areas can be better than others, so we invest more or less of the fund in different areas when appropriate to improve long-term performance or maintain the financial security of the fund.

Why are the investment risks lower?

By pooling your payments with those of other members, you invest in a range of different assets and this reduces the impact on your investment if one asset performs badly. Along with this, we smooth the performance of your plan and offer guarantees on all our plans, which means that the investment risk of our with-profits plans is lower than investing fully in shares.

What is smoothing?

Instead of simply reflecting what your share of the fund makes or loses each year, a with-profits plan evens out some of the short term highs and lows in performance over the time you hold your plan. Some of the gains made in one year when the fund performs well may be held back and used to cover the losses made in another year. This is called smoothing.

The smoothing process means that the payout at any one time can be more or less than your share of the fund at that time, although on average we expect to pay the share of the fund that applies to each plan. This share of the fund reflects the payments you have made, investment returns, expenses, tax and the cost of life cover. Results from other Police Mutual Group activities may also be reflected (see '*Investment in Police Mutual Group Activities*'). The investment performance of the Life Fund will vary over time, so even with smoothing, payouts will vary over different periods.

While Police Mutual does smooth returns to try to minimize sharp changes in payouts, there may be times in extremely poor market conditions when smoothing cannot fully protect your investment. This can happen following a significant or sustained fall in the stock market or when investment returns are below the level we normally expect. This may affect your plan value.

What should you expect back?

All of our with-profits plans have a guarantee that we explain to you at the start of your plan. When the plan comes to the end of its payment term, you will get back at least the guaranteed minimum payout plus any bonuses that have been added. This could be less than the payments you make over the life of the plan in some cases.

The plan has built in life cover, so you will also receive this amount if you die before the end of the payment term, however many payments you've made.

Investing in company shares and property offers the opportunity for higher returns than cash based investments, especially over the long term, but also has increased risk. So if the stock market does fall, or our other investments don't perform well, our plans offer the security of a guaranteed amount, plus any bonuses already added, at the end of the payment term. We make a charge for providing this guarantee by reducing the investment return given to your plan. This charge is reviewed every year.

What bonuses will be added?

Each plan has a guaranteed minimum payout at the end of the payment term or on death. We may add two types of bonus throughout or at the end of the plan as a way of sharing out the profits made by the fund:

Regular bonuses may be added each year as a percentage of the guaranteed minimum payout and as a percentage of bonuses already added. Once added, they become guaranteed, provided you keep your plan until the end of the payment term. We usually decide the bonus rates once a year and aim to set them at a level that we do not have to change regularly. Any changes we do make are likely to be gradual.

Final bonus may be paid at the end of the payment term or on death. We work it out as a percentage of the guaranteed minimum payout and the regular bonuses added over the term of the plan, and it may make a significant difference to your payout. Final bonuses normally change each year, but we might need to change them more often, particularly in times of uncertain market conditions. If the total profit earned on your plan is less than the regular bonuses already added, we might not add a final bonus.

What are the charges?

We make a deduction from the fund for charges applied to your plan. These charges are to cover the cost of running the plan and other expenses, for example the cost of providing your guarantee. There may also be a charge if you cash in your plan early. These charges are allowed for when calculating the value of your plan and are not all taken upfront. We review these charges every year.

We aim to charge a fair share of our expenses to each investor. The charges include an initial charge at the start of a new plan, a yearly renewal charge to cover the management of the plan and a claim charge when the plan ends. We also make a charge to cover the cost of providing the guarantees by reducing the investment return given to your plan. Each year we will tell you the most up to date charges for your plan.

Further details of these charges are described in the Key Features document. For more information please contact us on 0845 88 22 999.

What if you want to cash in early?

With-profits plans are intended as medium to long-term investments and are designed to provide better returns at the end of the payment term or at certain specified dates rather than if they are cashed in early. Cashing in before the end of their term may not be in your best interest.

If you decide you don't want to pay into your plan anymore, you can either ask for a **cash-in** value or make it **paid-up**. The guarantees you have built up in the plan will not apply if you do this.

Cash-in value will be calculated based on the payments you have made plus investment returns, with allowances for our expenses, the cost of life cover and the outcome of the other business activities within the Police Mutual Group. We will apply a 5% reduction to the share of the fund that applies to your plan, which makes it more likely that you may get back less than you've paid in.

Paid-up means you stop making payments and your plan continues with a reduced guaranteed amount until the end of the original payment term. Any bonuses that have been added to that point will be paid at the end of the plan term or on earlier death. Further regular bonuses and a final bonus may be added, based on the reduced amount.

Cashing in your policy means your payout will not be smoothed in the same way as if your plan had matured.

Management of the Life Fund

Things that might affect your final payout

The biggest factor affecting how much you might get back is the performance of the investments in the Life Fund. This will depend on how the fund is invested. For example, all of these with-profits plans are intended to run for at least 10 years and investing some of the fund in company shares tends to produce better returns over such a period. This is not guaranteed, however, and in the short term the performance can be significantly different year on year.

Because of this, the amount we have invested in different investment areas will vary according to market conditions. We would normally expect between 30% and 60% of the Life Fund to be invested in company shares, property and commodities, and would aim to be at the higher end of this range. However, there are limits on how much we put into these higher risk areas as we are committed to ensuring our fund can cover all the money we've guaranteed to plan holders at any time. There may be times when we would need to be at the lower end of the range or even lower to ensure that this is possible. If you want more information on how the Life Fund is currently invested, please contact us.

Other important factors are:

- How we smooth investment returns
- The results from other business areas where the Life Fund shares the risks and rewards (see *'Investment in Police Mutual Group Activities'*)
- Our charges
- Making sure we can cover the guarantees we offer to you and other plan holders
- How long you invest for

These are not the only factors and may change over time. Other risks associated with holding a with-profits plan are highlighted in the Key Features section of this document.

How we decide bonuses

When determining the regular bonus rate we consider a number of factors, including past and potential future investment returns, the value of the Life Fund in relation to the guarantees we've made to plan holders and other expenses we might need to cover. We also make a provision for final bonuses.

Your final bonus is based on the share of the fund that applies to your plan. When setting your final bonus, we will allow for smoothing and consider factors such as payouts made in previous years. We aim to pay out between 80% and 120% of your share of the fund at maturity. Though it may vary from time to time, we expect payouts to average 100% of the share of the fund.

Investment in Police Mutual Group Activities

We make an investment from the Life Fund in Police Mutual Group activities, such as financial education and the Police Mutual Foundation, which we believe are in the interests of all our members both now and in the future. Any significant activity must be approved by the Society's Managing Board, who would consider the costs and benefits of doing this. While we expect activities to generate profits or provide a facility that is in our members' interests, there is always the chance that we may make a loss. Any profit or loss from Police Mutual Group activity could have an impact on your final payout.

A mutual society

As the Society is a mutual, there are no shareholders to take a share of the profits, which means more goes to our members. It also means that we can't raise additional funds in the same way as companies which are quoted on the stock market so we consider carefully how we invest the fund and take a lower level of risk.

The inherited estate

Our Life Fund has been operating for many years and contains an amount of money in excess of the amount we expect to pay out to existing planholders. The excess money is known as the inherited estate and we use this to support smoothing and guarantees.

The size of the inherited estate is important as it gives us:

- The flexibility to invest in a more diverse investment range to provide greater growth potential
- The ability to undertake Police Mutual Group activities
- A cushion of additional security to protect planholders when investment returns are low
- A greater capacity for smoothing the returns you receive

We may also use the inherited estate to meet any exceptional costs of managing the business and to fund the Police Mutual Foundation.

Fair and effective management

Police Mutual has a framework in place to ensure that we manage the Life Fund fairly and effectively, and in accordance with the regulations of the Financial Services Authority.

- We produce a document called the Principles and Practices of Financial Management (PPFM) which gives a fuller description of the way we manage the financial aspects of the fund
- A sub-committee of the Managing Board meet on a regular basis to review whether the business has been managed in accordance with the PPFM. This sub-committee includes non-executive representation and is attended by the With-Profits Actuary, who is specifically appointed under FSA regulations to advise and ensure that policyholders are treated fairly
- On an annual basis, the Managing Board and the With-Profits Actuary make a report available to policyholders, confirming whether the Life Fund has been managed in accordance with the PPFM

Looking to the future

We will continue to allow people to invest in the Life Fund as long as we believe it is in the interests of both our existing and new members. If we stopped attracting material amounts of new with-profits plans we would have to review the way we smooth your final payout and how we invest the money within the fund.

This guide summarises our current approach to managing with-profits plans. We expect the way we manage plans will change over time, and we will inform you about any changes when we send you your yearly statement. We will also send you an updated copy of this guide with your yearly statement if anything significant has changed in the previous year.

Need more info?

Our Principles and Practices of Financial Management (also referred to as PPFM) explains how we manage investments in the Life Fund in more detail and is available on request or as a download at: policemutual.co.uk

Here for the Police. Here for the long term.

We've been helping members of the Police Service and their families with their finances since 1922. Today, with over 210,000 members of the Police Service trusting us with their savings, investments and insurance, we're the UK's largest affinity friendly society. And with no shareholders to satisfy, we can make sure that we put our members at the heart of everything we do.

Keeping it in the family

As a member of the Police Family, whether you're a Police Officer or Police Staff, serving or retired, our products and services are designed with you in mind. Even if you leave the Police, you can still continue with your existing Police Mutual plans and take out additional ones.

And your own family is welcome too. Your partner and your wider family including parents, brothers and sisters, children and grandchildren can all benefit by becoming members of Police Mutual.

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