

SUMMARY OF CHANGES
TO THE PRINCIPLES
AND PRACTICES
OF FINANCIAL
MANAGEMENT (PPFM)
OF NFU MUTUAL
16 MARCH 2026



NFU Mutual
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The Principles and Practices of Financial Management (PPFM) explains how we manage our **with-profits business**. We introduced a revised version of the PPFM on 16 March 2026, and the changes are summarised in this document. Changes have only been made to the Practices, no changes have been made to the Principles. The changes were proposed by the **With-Profits Actuary**, approved by the **With-Profits Committee** and then ratified by the Society's Board.

Words highlighted in **bold** in this document are listed in the glossary of the PPFM. A copy of the revised PPFM is available on our website at nfumutual.co.uk.

Summary of Changes to PPFM – 16 March 2026

The PPFM wording has been updated to ensure it remains accurate and reflects the revised corporate structure, under which NFU Mutual Unit Managers Limited (MUMCO) now sits as an investment subsidiary of MSIL. The previous and revised wording is set out below.

1. Section 4.2 Practices

Investment in non-quoted assets (page 14)

The first three paragraphs in this section previously stated:

*We invest some of the assets of the **long-term business fund** in non-quoted assets. These assets may include physical assets such as our head office buildings, fixed assets, non-quoted equity investments selected purely for their investment potential and certain subsidiary companies of the group.*

*The **long-term business fund** will only invest in non-quoted group companies providing that the overall expected return on those investments is better than that expected on an investment in similar quoted companies or where the group company provides benefits to the Society's customers.*

*The most significant of these are a 100% holding in NFU Mutual Unit Managers Limited and a 100% holding in NFU Mutual Select Investments Limited. These investments are made in order that those companies can provide appropriate benefits to the Society's customers, i.e. to enable the Society to offer investments into collective investment vehicles. These investments are held within the **long-term business fund** because these companies provide services which benefit the **policyholders** within the **long-term business fund** and support the Society's long-term savings offerings.*

The third paragraph has been updated and now states:

*The most significant of these is a 100% holding in NFU Mutual Select Investments Limited (MSIL). MSIL, in turn, holds a 100% stake in NFU Mutual Unit Managers Limited (MUMCO), which enables the Society to offer investments into collective investment vehicles. These investments are held within the **long-term business fund** because these companies provide services which benefit the **policyholders** within the **long-term business fund** and support the Society's long-term savings offerings.*



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