

Key Features of Portfolio

Portfolio Key Features

This Key Features document gives you the main points of your bond. Your illustration shows what you may get back. The Financial Services Authority is the independent financial services regulator. It requires us, Aviva, to give you this important information to help you to decide whether Portfolio is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.

Its aims

- To increase the value of the money you invest.
- To let you take money out of your bond if you choose.
- To let you invest your money in a range of funds to meet your investment needs.

Your commitment

- To invest at least £5,000.
- To see your bond as a long-term investment. You can invest for as long as you like but there may be an exit charge if you take money out during the first five years.

Risks

- The value of your bond can go down as well as up.
- What you get back is not guaranteed. You may get back less than you invested. It may be less than illustrated if:
 - our investment performance is lower than illustrated
 - you take more money out of your bond than illustrated
 - our charges increase above those illustrated.
- If you cancel your bond within 30 days, you may get back less than you've paid in.
- We may apply a market value reduction if you take money out of our With-Profit Fund, to make sure all our customers receive a fair share of the fund's performance. If you cash in or switch your investment when a market value reduction is in place, it will reduce the value of your fund. This is most likely to happen following a large or prolonged fall in the stock markets or after a period where investment returns are regularly below the level we normally expect.

To find out the current position on whether a market value reduction applies phone us on 01603 206098, visit our website <https://help.aviva.co.uk/faqs/withprofits> or speak to your financial adviser. You can find out more about with-profits and market value reductions in the "A guide to your with-profits investment and how we manage the fund - For customers investing through an Aviva investment bond", which is available from your financial adviser or online at www.aviva.co.uk/ppfm.

- In certain circumstances, we may need to delay payment to you. This could, for example, be as a result of adverse market conditions or, where it would lead to the unfair treatment of other policyholders. The delay may be up to one month for most funds, or up to six months if the fund you're invested in cannot be easily converted to cash. This includes:
 - the Property Fund, or
 - a fund that's fully or partly invested in the form of land or buildingsAfter such a delay in the cancellation of units, the unit price received will be the price applicable at the end of the deferred period.
- The aim of lower risk funds such as the Aviva Deposit Fund is typically to provide growth at a similar level to bank and building society interest rates by investing in cash and cash alternatives. Returns and capital values are not guaranteed. You should be aware that the charges you pay on the fund and the bond may be more than the investment return you receive.
- Distribution funds are designed to provide you with a regular income by distributing the income earned by the fund after we've taken our charges. As the amount of income earned will change, payments made from the distribution funds will vary up and down. If you take money from one or both of the distribution funds, you should monitor the level of payments you receive, as you may incur an income tax liability depending on your individual circumstances at the time. This income tax liability will trigger if the payments you receive are in excess of 5% each year of the original premium. This 5% tax allowance accumulates every policy year.
- If the amount of growth on the distribution funds is less than the charges, you won't get any payments and the capital value will be reduced. Any reduction in the capital value will reduce future earnings.

Questions and answers

What is Aviva's Portfolio?

- It's an investment bond that aims to increase the value of the money you invest. It lets you take out money, if you choose, and also gives you a very small amount of life insurance cover.
- You can find more information about Portfolio in the information pack, the fund guide and the 'A guide to your with-profits investment and how we manage the fund', which are available from your financial adviser.

How flexible is it?

- You can take money out of your bond if you choose. You can also specify which of the funds you want the money to come out of. There may be a charge if you take money out of your bond. See the section 'Can I take my money out?' on page 5 for more details.
- You can cash in the bond at any time.
- You can't invest any more money into your bond.
- You can't invest more than a total of £1 million into any combination of Aviva's With-Profit funds.
- If you choose distribution funds, you can choose not to take the distribution as income, but instead have it reinvested into your plan. It will be added to your fund; the value will change with investment performance and be subject to the regular charges which apply to your bond. See the section 'What are the charges?' on page 7.

What might I get back?

- You'll get back the amount your bond is worth when you cash it in.
- The amount you get back will depend on:
 - the amount you invested
 - how well our investments have performed
 - our charges
 - any money you've already taken.
- Your illustration gives an idea of what you might get back.

Can I take my money out?

- Yes, you can make regular withdrawals or, if you invest in the distribution funds, arrange for regular payments that vary up and down. You can request an occasional payment at any time. This will affect what you get back.
- You should note that if you are taking an income or withdrawal from the bond it is classed as a capital payment. For further information on the tax treatment of capital payments, please refer to our 'Making withdrawals less taxing' guide.
- If you choose to make regular withdrawals:
 - each payment must be at least £50 overall, and £20 from each fund that a withdrawal is being made from
 - each payment will be taken from all individual policies in your bond

- every year you can take out up to 20% of the money you originally invested in each fund
- payments will go directly to your bank or building society.
- If you choose to receive regular payments from the distribution funds, the amounts will vary. They'll depend on:
 - the amount you invest
 - how well your investments have performed
 - our charges
 - any money you've already taken.
- If you request an occasional or one-off partial payment from your bond:
 - each payment must be at least £100
 - you can either fully surrender individual policies (leaving you with fewer policies in your bond), or you can take a 'part surrender' from all of the individual policies (which would not reduce the number of policies in your bond). As the income tax treatment of these options is quite different, you should consult your financial adviser or call us on 0800 068 6800 before withdrawing money to ensure that you choose the appropriate option
 - you must leave at least £100 in your bond
 - payments will be made by cheque or BACS.
- If you take an occasional or one-off payment or cash in all of your bond in the first five years, we'll make a charge. These charges are detailed on your personalised illustration.
- We won't apply an early exit charge on regular withdrawals taken from all individual policies within your bond if you take out 7.5% or less of your original payment each year.
- Please remember that your bond does not generate income. Any withdrawals you take from your bond are taken from your capital. Taking withdrawals greater than, or similar to, the amount of any growth on your bond could reduce its value.

Where is my money invested?

- We invest your money in the investment funds you choose. Depending on your circumstances the amount we invest (investment amount) could be less than your payment to us. This is explained in the charges section of the Portfolio information pack and your personalised illustration.
- For policies with two lives assured, the investment amount you will receive depends on when you decide you would like the death benefit to be paid.
If you want the death benefit paid on the first death, the investment amount is based on the age of the older life insured at the start of the bond (maximum age 89). If the second death is chosen, the investment amount is based on the age of the younger life insured at the start of the bond (maximum age 89).

- You can invest in up to ten funds from a wide choice of Aviva funds and an extensive range managed by external fund managers.
- Each fund is divided into units of equal value. We use your money to buy units in your chosen funds.
- You can change your choice of funds. Fund switches are free of charge but conditions may apply to some funds.
- The investment funds you can choose have different levels of risk. The funds work in different ways. Your financial adviser can help you select the funds most likely to meet your investment needs. You can find out more about the funds in the Portfolio fund guide and the individual fund fact sheets.

What happens to the bond if I die?

- If you die, the amount we'll pay depends on the funds you've chosen but we'll pay at least 100.1% of the value of the units held in the bond. Your financial adviser will be able to tell you if the funds you have chosen may entitle you to over 100.1% of the value of your fund.
- We won't take any charges from this amount or apply a market value reduction if your death directly results in the bond coming to an end and we pay the life cover benefit.
- If you take out the bond on your own, we'll make the payment to your estate or, if you arrange your bond under trust, to the trustees.
- As the bond includes life insurance, it will end when the person insured dies. This could be you or another person. If there are two people insured, you can choose whether the payment is made after the first or second death. If you choose the former, we'll make the payment to the survivor. If you choose the latter, we'll make the payment to your estate or, if you arrange your bond under trust, to the trustees.

What are the charges?

- We charge for managing your bond. These charges will reduce the value of your bond. We may increase our charges if the cost of managing your bond increases. Reasons would include changes in taxation, regulation, the law and the cost of fund management. If we do this, we'll tell you.
- Fund manager expenses may be charged by reducing the price of each unit in the funds. These expenses are connected with the buying, selling, valuing, owning and maintenance of the assets. The yearly rate of the Fund Manager Expense Charge (FMEC) is updated at least once a year. The charge depends on your choice of funds.
- Some funds may also have a performance fee.
- There may be an extra charge if you cash in your bond or make withdrawals within the first five years.

- Your illustration shows our charges and the effect they have on your investment.
- These charges are taken from the value of the funds.

How much will any advice cost?

- Your adviser will give you details about the cost. The cost will depend on the amount of money you invest. It will be paid out of the charges.

What about tax?

- This is only a general tax summary and individual circumstances may differ. The tax situation may change in the future and this is not intended to be tax advice.
- Your bond is divided into identical policies. The minimum number is 20, the maximum is 250. The number of policies in your bond will depend on the size of your payment to us. Setting up your bond this way could help you with your tax planning.
- Your financial adviser can give you more details about your tax position.

Corporation tax

- We'll pay tax on the funds your money is invested in.

Capital gains tax

- You won't normally have to pay any capital gains tax.

Income tax

- When you take money from your bond you'll only have to pay some income tax on a gain if you:
 - are a higher rate income tax payer
 - become a higher rate income tax payer because of a gain made under your bond
- You may lose some or all of your entitlement to age allowance or income related benefits.
- You don't have to pay income tax on any life insurance provided from this bond.
- If your bond is set up under trust, income tax may be paid on a gain. The rate of income tax and the person assessed will vary from trust to trust.

Inheritance tax

- Inheritance tax may be payable on any money paid on death unless the bond is under trust.

Can I change my mind?

- You can change your mind within 30 days from the later of:
 - the day you are advised that the contract is concluded.
 - the day you receive the contract.
 Your bond will continue if we don't receive your cancellation notice within the 30 days.

- If you decide you don't want the bond, we'll give you back your money less any fall in the value of your investment.
- You will not make any profit from cancelling within the 30-day period. The maximum you will get back will be the amount you originally gave us for investment.
- The cancellation notice will include the address you must send it to if you change your mind about your bond. Alternatively, you can contact us at the address given on this page.

How will I know how my bond is doing?

- We'll send you a statement each year showing how your bond is doing.
- You can check the current price of our investment funds and view fund fact sheets showing the performance of our funds and fund information by visiting our website at:
aviva.co.uk/funds/life-funds.html
and clicking on Life Series 4

How to contact us

- Remember your financial adviser will normally be your first point of contact. They will have provided you with information that contains their contact details.
- If you have any questions at any time, or you want to alter your bond, you can phone, e-mail or write to us.



Call us on **0800 068 6800**

Monday to Friday 8.30am – 5.30pm
Saturday 8.30am – 2pm

Outside of these hours, you can use the same number and leave a message on our answerphone.

We may monitor calls to improve our service and security.



E-mail
Helpdesk@aviva.co.uk



Office address
Aviva
P.O. Box 520
Surrey Street
Norwich
NR1 3WG

Other information

How to complain

- If you ever need to complain, you can contact us at:
Aviva
Customer Relations
PO Box 3182
Norwich
NR1 3XE
Telephone number: 08000 686 800
Email: Helpdesk@aviva.co.uk

- If you are not satisfied with our response, you can write to:

Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London
E14 9SR

Telephone number: 0845 080 1800

Email: complaint.info@financial-ombudsman.org.uk

This won't affect your legal rights.

Terms and conditions

- This Key Features document gives a summary of Aviva's Portfolio. You should also see the full terms and conditions. You may already have a copy or you can get one from your adviser or you can contact us direct.

Law

- The law of England will apply in legal disputes and your contract will be written in English. We'll always write and speak to you in English.
- We are regulated by the Financial Services Authority (FSA) whose contact details are:
The Financial Services Authority
25 The North Colonnade
Canary Wharf
London
E14 5HS

Potential Conflicts of Interest

- Occasions can arise where Aviva plc group companies, or their appointed officers, will have some form of interest in business which is being transacted.
- If this happens, or the Aviva Group becomes aware that its interests, or those of its officers, conflict with your interests, we will take all reasonable steps to manage that conflict of interest, in whatever manner is considered appropriate in the circumstance. This will be done in a way which ensures all customers are treated fairly and in accordance with proper standards of business.

Client Classification

The FSA has defined three categories of customer. You have been treated as a 'retail client', which means that you will be provided with the highest level of protection provided by the FSA rules and guidance.

Compensation

- Qualified advisers will recommend that you buy products suitable for your needs. You have legal rights to compensation if at any time it's decided that you've bought a bond that wasn't suitable for your needs at that time.
- The Financial Services Compensation Scheme covers your bond. It'll cover you if Aviva becomes insolvent and is unable to meet its obligations under this bond. You'll normally be covered for 90% of the total claim with no maximum. Further information is available on the Financial Services Compensation Scheme website www.fscs.org.uk.

Braille, large font, audio material

You can order our literature in Braille, large font or audio.

Just call **08000 686 800** or email **helpdesk@aviva.co.uk** and tell us:

- the format you want
- your name and address
- the name or code of the document. The code is usually in the bottom left hand corner on the back of most documents.