

## With-Profits continues to protect customers from market fluctuations

- With-profits investments provide protection for customers who want to invest in the stock market, but don't want to be exposed to the full impact of volatile market conditions.
- A £10,000 With-Profits Bond bought 10 years ago is now worth £16,677, giving customers an annual return of 5.2%. This has significantly outperformed a bank or building society average savings account and the average return from the ABI Mixed Investment 20-60% Shares – Life sector over the same period.
- These annualised returns on a £10,000 investment compare performance over the last 10 years:

Aviva With-Profits Bond	£16,677 or 5.2% a year
ABI UK Mixed Investment 20%-60% Shares – Life sector (notes 1&2)	£14,748 or 4.0% a year
Average savings account (see notes 1, 2 & 3)	£11,706 or 1.6% a year

### Key bonus rate changes from 1 July 2015

#### Annual bonus rates

- We have kept annual bonus rates for current and recently marketed **unitised** products as follows(note 4):
  - 4.00% for pensions
  - 3.75% for stakeholder pensions
  - 3.00% for bonds.(note 4)
- **Conventional** annual bonus rates remain the same.

#### Final bonus rates

- Most final bonus rates have either increased or remained the same. A small number of conventional final bonus rates have been reduced. Where reductions have been made this has been necessary to ensure a balance between the guaranteed and the non-guaranteed benefits on these policies.
- For Unitised business, average life payouts have increased by 3.6% and average pension payouts have increased by 2.9%.
- For Conventional business, average life payouts have increased by 4.0% and average pension payouts have increased by 2.3%.

## Market Value Reduction

There are currently no Market Value Reductions in force.

## Changes in payouts in more detail

To give you an idea of the effect of the changes, the table below shows the payout values and annual growth for a bond, pension and endowment investing in the main With-Profits Fund. We've also included the value of an average savings account over the same period.

Product (term)	Investment details (started on)	Total investment	Payout value 1 July 2015 and annual yield	Increase in payout value over last year (excluding premiums)	Average savings account payout and annual yield (note 3)
Unitised bond (5 years)	£10,000 single premium (1 July 2010)	£10,000	£12,519 4.6% a year	£718 6.1%	£10,394 0.8% a year
Unitised bond (10 years)	£10,000 single premium (1 July 2005)	£10,000	£16,677 5.2% a year	£866 5.5%	£11,706 1.6% a year
Unitised pension (20 years)	£200 month from 1 July 1995 (based on male, policy maturing at age 65)	£48,000	£87,041 5.6% a year	£5,797 7.4%	£60,860 2.3% a year
Conventional endowment (25 years)	£50 month from 1 July 1990 (based on male, non smoker, age 29)	£15,000	£27,044 4.4% a year	£2,074 8.5%	£19,911 2.2% a year

*The table shows typical changes in policy value over the last 12 months. The figures don't necessarily reflect the changes to an individual policy. The bond and endowment values are after charges and tax. The pension values are after charges and before tax. (Source: Aviva)*

*The table also gives details of an equivalent payout value from an average savings account available from a bank or building society. The average savings account shown is the Moneyfacts Average up to 90 days notice. Some savings accounts may deliver a higher yield. (Source: Lipper IM (note 1)).*

*Money in a savings account is accessible and safe, and interest, once earned, is guaranteed. In comparison, with-profits investments are for the medium-to long-term and the value could fall. It is possible you may not get back the amount you invested. Past performance is not a guide to the future. The value of investment-linked funds can go down as well as up and is not guaranteed.*

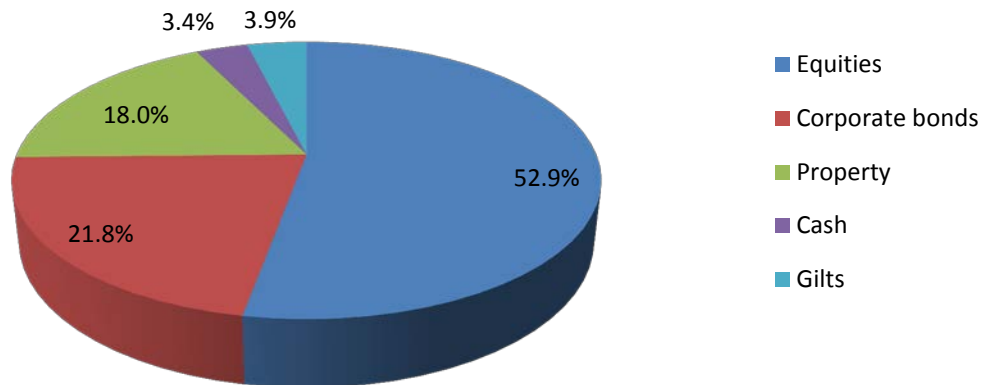
### Notes

- (1) Source: Lipper IM (Investment Management).
- (2) Figures from 1 July 2005 to 1 July 2015. All values are net of charges and tax
- (3) The average savings account used is the Moneyfacts Average up to 90 days' notice £10,000 Index.
- (4) The annual bonus rates are before management charges

## About the fund, customer numbers and underlying assets

- At the end of December 2014, the total value of all Aviva's With-Profits Funds was approximately **£43 billion** with over **1.2 million** customers.
- The Aviva Life & Pensions UK Ltd Old and New With-Profits Sub Funds delivered an investment return of **8.0%** before tax (**6.7%** after tax) in 2014.
- The equity backing ratio (the amount of equities and property) of the Aviva Life & Pensions UK Ltd Old and New With-Profits Sub Funds is **70.9%** (at 31 December 2014).

## Asset mix of the Aviva Life & Pensions UK Ltd Old and New With-Profits Sub Funds at 31 December 2014



### Further information

If you have any questions about your investment in with-profits, you should talk to your financial adviser. They will consider your current circumstances and financial goals. If you don't have a financial adviser, you can find one in your area at [unbiased.co.uk](http://unbiased.co.uk). A financial adviser is likely to charge you for their services.

The Money Advice Service also has a website dedicated to financial education, which includes information about with-profits investments, [moneyadvice.org.uk](http://moneyadvice.org.uk).