



Aviva Platform guide for customers invested in Structured Products

Aviva Platform guide for customers invested in structured products

Structured products aren't currently available on the Aviva Platform, so this guide is for customers who are already invested in them. If you want detailed information on the structured products you're invested in through the Aviva Platform, please see the product provider's own literature. Your adviser will be able to help you find this.

What are structured products?

Structured products is a collective term for both structured investment products and structured deposits.

The Aviva Platform only offered structured investment products.

What is a structured investment product?

A structured investment product is a legally binding contract between you, the investor, and a financial institution. You would usually be expected to invest for the life of the product (typically five years), or until the product matures on a pre-defined date. When the product ends, you receive the product return from the financial institution.

The financial institution calculates the product return using a formula which is typically based on the performance of a share price index. Sometimes, however, the return is based on commodity indices or individual shares. These are known as the linked asset.

What are the features of structured products?

Structured products aim to provide you with features that aren't usually available on 'standard' investments like shares or bonds. For example some of the aims include:

- viding protection against drops in share or index prices,
- delivering better returns than share or index prices,
- providing positive returns even if share or index prices don't increase.

Structured products are often used as part of a wider investment portfolio. They could help make a portfolio's returns better match your needs. For example, they can reduce exposure to negative investment returns.

What are the risks of structured products?

- Your capital is at risk if the product does not perform to expectations – you could lose some or all of your investment.
- Inflation may reduce what you could buy in the future.
- Your capital is at risk if the underlying financial institution (the structured product provider) fails.
- If you cash in before the product ends, you could lose money.

What are the benefits of structured investment products?

With a structured product, you can clearly see the proportion of your investment that's at risk. It will also be clear to see what return you may get. As each structured product is different, please refer to the prospectus/product literature for that product or tranche for the defined investment returns and term.

Because a structured product has a defined investment term from the outset, it can make your financial planning easier.

Do structured products have any constraints?

- Some structured products have a limit on the return you'll get. This means that if share or index prices perform really well, and the limit is exceeded, you won't benefit from this.
- Structured products are tranche-based investments so they are only available for a limited time. This means that a product which meets your investment needs and attitude to risk may not always be available.
- In some cases, the returns you'll get on a structured product may be lower than those of the linked asset because of the high levels of capital protection.
- Depending on the type of structured product you invest in, you may not receive any dividend income.

Other things to consider

- Structured products can mature early depending on performance so you could get access to your money sooner. Some structured products have a 'kick out' feature which means that they can end early if indices or share prices perform well.
- The returns from structured products are often calculated using the average level of prices in a set period before the product ends. This reduces the risk of poor returns from a last minute decline in share prices. But it also means you could miss out on any last minute increase in prices.

- Some structured products have assets that are secured with one or more third party/parties, which gives you added protection. So regardless of what happens to the provider, your money will be protected by the third parties (typically a range of banks). Of course, it's possible that, in really exceptional circumstances, one or more of the third parties could also fail. If this happens, you could lose some or all of your money.
- Structured products are designed to last for a set period of time. So you won't be able to access to your money before the product ends. If your product provider allows it, you can sell all your investment in the structured product early. However, if you do, the return you get will reflect the market conditions so you could get back significantly less than you put in.
- Before investing in a structured product you should consider whether the product term is long enough to give a good enough chance of share prices increasing. One of the reasons why this is important is because inflation may reduce what you could buy in the future.

Information for your financial adviser only

You can see details of your client's holding in the 'Assets' section in the client's account.

Because structured products have a fixed term we've excluded them from:

- model portfolios and rebalancing
- regular or partial withdrawals (although income is available on some structured products)
- receiving regular or top-up payments
- pension benefits requests
- re-registration in or out
- the auto-disinvest process.

For more information, please see the relevant Aviva literature.

Things to bear in mind if you're invested in structured products through the Aviva Platform

- **Compensation** – Whether any FSCS cover is available on a structured product and the level of cover available will depend upon an individual structured product provided within the Portfolio and its structure. You/your adviser should check the relevant product terms and FSCS cover referenced in the structured product provider's literature.
- **Partial withdrawals** – some structured products allow you to take partial withdrawals. However, when you buy them through Aviva, you won't be allowed to take partial withdrawals.
- **Automatic reinvestment** – this option is not available if you are invested in a structured product through us. When the structured product ends the returns will go into your cash account.
- **Illustrations and charges** – the structured product literature shows examples of possible returns based on the initial investment. The figures only take the charges applied by the structured product provider into account. Please be aware that any illustrations in structured product provider's literature will not take into account Aviva charges or any adviser charges which will be applied to the product portfolio. We show the effect of these charges in our product-specific illustrations.

If you need any more information about your structured products, please contact your financial adviser.

Need this in a different format?

Please get in touch if you'd prefer this brochure
(LF10204) in large font, braille or as audio.

How to contact us



0800 068 6800



@ contactus@aviva.com



aviva.co.uk

Calls may be monitored and will be recorded.

| Retirement | Investments | Insurance | Health |

Aviva Wrap UK Limited. Registered in England No. 4470008. Aviva, Wellington Row, York YO90 1WR

Authorised and regulated by the Financial Conduct Authority. Firm Reference Number 231530.

Aviva Pension Trustees UK Limited. Registered in England No. 2407799. Aviva Wellington Row, York YO90 1WR

Authorised and regulated by the Financial Conduct Authority. Firm Reference Number 465132.

[aviva.co.uk](https://www.aviva.co.uk)

LF10204 11/2022 © Aviva plc

