

# Onshore Bond



# Onshore Bond from Aviva

Whatever your financial needs, Onshore Bond offers you a wide range of investment options, giving you flexibility if your circumstances change.

There's certainly an impressive choice, with thousands of funds from across the market including a range of portfolios managed by Discretionary Investment Managers.

You can invest for income, growth or both. You can take regular or one-off withdrawals and move money from fund to fund in line with your investment objectives.

## Keep this brochure safe.

There's lots of information in this guide about Onshore Bond. Please keep this safe so you can refer back to it in the future.

You should also read the Onshore Bond Key Features (LF20017), which outlines the aims and risks and the Onshore Bond Terms and Conditions (LF30029).



# A compelling Onshore Bond

Take a look at the benefits of Aviva's Onshore Bond:

## **A wide range of investments**

Whatever your investment goals or attitude to risk, Onshore Bond can help meet your needs. Your financial adviser will be able to discuss all these options with you.

Of course, it's important to remember that, as with most investments, the value of your Onshore Bond can go down as well as up and you may get back less than you invested.

## **Fund switching**

Your adviser can switch funds within the Onshore Bond, meaning you can make changes to maximise your investment potential. The switching facility allows you and your adviser to react to market changes. You may not be able to switch between funds if the fund manager has deferred or suspended dealing. This is more likely to happen when market conditions are poor and we can't easily convert the assets to cash, for example where the fund invests directly or indirectly in land or buildings.

## **Low administration costs**

We make a low charge for managing your Onshore Bond. This charge is 0.25% or less depending on the size of your investment/policy value, and we call it the Aviva charge.

Fund managers levy annual charges but the Onshore Bond has some funds that have an ongoing charge figure (OCF) or total expense ratio (TER), as low as 0.02%.

## **Access to your investments**

Your adviser can arrange one-off withdrawals for you or set up regular withdrawals on your behalf. There are limits – see the 'Onshore Bond limits' section later in this document.

You can cash in all or part of your Onshore Bond whenever you wish subject to these limits.

## **Transactional Cash account**

The Onshore Bond includes a transactional cash account which is used for transactions such as fees, charges, buying and selling. No interest will apply on the transactional cash account. Transactional cash cannot be selected as an asset but can be included in a discretionary managed portfolio. We will take any charges from your cash account. If there isn't enough money in your cash account to cover charges, we'll take the amount needed proportionately across funds you're invested in.

## **Convenient online access**

You can check your Onshore Bond's performance, see its current value and take a look at transaction reports online with MyAviva. And most of our products are there too, so you can see other plans, policies and accounts you have with us - in one place.

## **Keeping you updated**

We'll send you a statement four times a year showing how your investments are performing. It'll also show you when you've paid charges, to whom and what amount, so you can easily keep a check on where your money is going.

## **Discount across our portfolios**

Any investments you have in our ISA Portfolio, Investment Portfolio or Pension Portfolio are included in your overall Aviva charge calculation. That means you could get a discount on your Aviva charge, depending on the total amount you have invested in your Onshore Bond and across the Aviva Platform.

## Money in

It's straightforward for your adviser to manage deposits in your Onshore Bond.

When you first open your Onshore Bond, you can make your initial deposit by cheque or electronic transfer. You can also make additional lump sum payments into your account at any time if you choose to.

## Money out

We make it as easy for you to withdraw money from your Onshore Bond as we do to invest in it.

You can choose to withdraw some or all of your investments. You could take a one-off payment or you could opt for regular withdrawals on a monthly, quarterly, half-yearly or annual basis. We'll pay the money into your bank account. There are limits, including the balance you need to have in order to keep the Onshore Bond open, and these are outlined later in this document.

You may not be able to withdraw money from a fund if the fund manager has deferred or suspended dealing in the fund at that time. This is more likely to occur during times of poor market conditions or when we can't easily convert the assets to cash, such as where the fund invests directly or indirectly in land or buildings.

Whatever you choose to do, you should speak to your financial adviser who will let you know if there are any tax implications.

## Maximising tax-efficiency

The Onshore Bond has two features to help you with tax planning.

### 1) Segments

When you invest in Onshore Bond, we'll put your money in 1,000 identical policies called segments. Setting up your bond this way can help with tax planning. It lets you choose the most tax-efficient way to take money out of your bond. You can either take a little from each segment or cash in whole segments, the tax treatment is very different so you should talk to your financial adviser before withdrawing any money from your bond.

### 2) 5% withdrawals

Each year you can take withdrawals (by taking a little cash from each segment) of up to 5% of the total amount you have paid in to your bond without paying any immediate income tax. This 5% tax deferred allowance accumulates every policy year. So, if you don't take all of your 5% in any policy year, it rolls over to the next policy year, and so on up to a maximum of 100% of the total amount paid in to the bond. You can therefore defer paying tax until you cash-in your bond. This could be useful if you're currently a higher rate tax payer or additional rate taxpayer, but expect to be a basic rate taxpayer in the future.

The tax you pay depends on individual circumstances and you should remember that tax laws could change in the future.

For more information on the tax implications of making withdrawals, please see our guide "Making withdrawals less taxing".

## Death Benefit

The amount we pay on the death of the last life assured is 101% of the value of the funds, less any outstanding charges.

# Charges

We make a charge for administering your Onshore Bond, but we keep our charge to a minimum. For example, if you hold £20,000, you'll just pay Aviva £50 over a year, working out at less than £5 each month.

## Aviva charge

We don't make an initial charge for investments, but we do take a charge for managing your investment. We call this the Aviva charge.

The charge varies depending on the size of your fund.

	Fund size		Aviva charge
	From	To	
	£0	£400,000	0.25%
	£400,000.01	+	0.15%

The Aviva charge works on a 'tiered' basis. So you'd pay 0.25% on the part of your investment up to (and including) £400,000. You'd then pay 0.15% on anything over that.

Any investments you have in our ISA Portfolio, Investment Portfolio or Pension Portfolio are included in your Aviva charge calculation. You may receive a discount on your Aviva charge, depending on the amount you have invested.

For joint Onshore Bonds, only the lead name will benefit from the value of the Onshore Bond within their tiered charge.

## Adviser charges

You may agree a charge with your adviser for the service they provide to you and, where appropriate, we'll make sure they get paid the charge you've agreed. Your adviser will explain how this charge will be taken as it depends on the option you choose.

Ongoing and Ad Hoc Adviser Charges are classed as regular withdrawals from your bond and count towards the 5% tax deferred allowance.

## Fund manager ongoing charges

Fund managers make a charge for investing in their fund, depending on the investments chosen. These charges will be expressed as the ongoing charge figure (OCF) or total expense ratio (TER). These cover the charge made by the fund manager for managing the investment as well as expenses incurred by the fund. The OCF and TER are variable and may change over time.

## Charges in respect of tax

Aviva take a charge in respect of tax on the income and capital gains arising on the investments we make on your behalf in your chosen funds.

# Onshore Bond limits

	Minimum initial contribution or transfer	£10,000
	Maximum initial contribution or transfer	No maximum except for the Smooth Managed Funds where there is a maximum investment of £1million
	Minimum additional lump sum	£1,000
	Maximum additional lump sum	No maximum except for the Smooth Managed Funds where there is a maximum investment of £1million
	Minimum regular withdrawal	£25
	Minimum lump sum withdrawal	£500
	Minimum fund switch amount	No minimum
	Minimum account balance	£0
	Minimum balance per fund	£50

# Make an informed choice

Before you decide whether you want to open an Onshore Bond, your adviser will provide you with a personalised illustration.

You should look through the illustration and the Onshore Bond Key Features document so you understand this product. If you decide to go ahead, your adviser can quickly set up your Onshore Bond and you can begin choosing your assets.

It's easy to set up your Onshore Bond account. Your adviser will simply submit an online application to Aviva and will ask you to sign an Aviva Client Declaration form.

## Your plans and policies in one convenient place

Register for MyAviva and:

- check your plans/policies whenever you like\*
- keep an eye on valuation and investment information

Registering with MyAviva won't change anything with your adviser. It's designed to make it easier for you to keep track of your investments and other plans/policies you have with us, complementing the support you already have from your financial adviser. You can register at **[aviva.co.uk/register](https://aviva.co.uk/register)**

\*Not all of our products are available on MyAviva. Click 'can't see a policy?' if your plan or policy isn't listed, and our team will be ready to help you.

# Why Aviva?

When you're investing your money, you want a company that you can trust to look after your money, especially when you're investing for the long term.

## At Aviva, we focus on:

- actively looking after the money you invest with us
- maintaining our financial strength
- creating value for customers and shareholders
- providing the security and stability we know is important to you.



## Some key facts and figures about Aviva

We want to give you the best possible home for your money. With that in mind, we do everything we can to make sure we deliver all you'd expect from us and more.

- We help our 19.2 million customers look to the future with confidence.
- We want to give you both prosperity and peace of mind. That's why we focus on developing financial products that are easy to understand and fit with your life and your needs.

## Protecting your money

Aviva is regulated by the Financial Conduct Authority (FCA), the independent financial services regulator. We are also covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the scheme if we become insolvent and are unable to meet our obligations. This depends on the type of business and the circumstances of the claim. For more information, please see your Key Features document or speak to your financial adviser.

## Talk to your adviser today

To take advantage of the benefits offered by Onshore Bond, you should speak to your financial adviser. Some advisers may charge a fee for their service.

It's important that you take professional advice before making any final decision about what to do with your investments. An adviser will be able to look at your personal circumstances and suggest the best thing for you. They will also be able to help you decide which investment options are suitable for you.

## Need this in a different format?

Please get in touch if you'd prefer this brochure (**LF10314**) in large print, braille, audio, or in a different colour.

## How to contact us



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