

keyfacts[®]

Onshore Bond Key Features

For **individual (and joint) investors and trustees** residing in the United Kingdom

Key Features of the Onshore Bond

The Financial Conduct Authority is a financial services regulator. It requires us, Aviva, to give you this important information to help you to decide whether our Onshore Bond is right for you. You should read this document carefully, so that you understand what you're buying, and then keep it safe for future reference.

This document explains the key features of your Onshore Bond. You should read this with the **Onshore Bond Terms and Conditions (LF30029)**.

Onshore Bond is provided by Aviva Life & Pensions UK Limited. If you have any questions, we recommend that you discuss them with your financial adviser.

What is the Onshore Bond?

- It's a linked life insurance policy that aims to increase the value of the money you invest. It lets you take money out, if you choose to, and has a death benefit of 101% of the surrender value.
- Up to 10 people can be covered by the bond with at least one life being under age 90. There is no minimum age for lives assured.

Its aims

- To produce growth or income for you through investing in funds.
- To let you invest your money in a range of funds to meet your investment needs.

Your commitment

- You should retain the services of an adviser. You'll need an adviser if you want to make certain changes to your Onshore Bond, for example, changing your investment choices. If for any reason you're no longer being advised by your adviser, there are some restrictions and conditions you'll need to be aware of. Please see the **Onshore Bond Terms and Conditions** for more information, including details of changes you can make to your policy in these circumstances.
- To invest at least £10,000 when you set up your Onshore Bond.

- There's no minimum or maximum limit on the length of time you can invest, but you should think of your Onshore Bond as a medium to long term investment, so you should expect to invest for five years or longer.
- To regularly review your policy. Your financial adviser can help you with this.
- To let us know about any change which might affect the administration of your Onshore Bond (for example, change of address or change of email address).

Risks

- The value of the investments can go down as well as up and may be worth less than the original amount(s) invested. If investments grow less quickly than the rate of inflation, the buying power of your money will reduce.
- We can't guarantee your policy will grow or that you'll always receive a steady income from it. This will depend on the performance of your chosen investments and whether you've made any withdrawals. It will also depend on the length of time your money is invested and the impact of charges.
- If you cancel your policy within the cancellation period you may not get back all of your original payment. Please read the 'Can I change my mind?' section of this document for details of your cancellation rights.

- Where you're taking regular withdrawals, your adviser can choose on your behalf how the withdrawal is funded. This could be either from particular assets your adviser has specified, equally or pro rata across the assets. However, if the withdrawal method chosen by your adviser doesn't generate enough cash to pay your withdrawal, we'll disinvest proportionately across the assets in order to do so. Any withdrawal will reduce the value of your policy. We won't automatically disinvest if you're only invested in funds which are in deferment or suspension. If you are only partially invested in funds which are in deferment or suspension, then we'll disinvest from any other investments you hold.
- The price of some investments includes initial and yearly costs that will have an effect on your policy. Initial costs will have an immediate effect on the value of those investments.
- How funds take their charges has an impact on your policy growth or income. If charges are taken from your policy, its growth may be constrained. If charges are taken from your income, you will get less income.
- From time to time, we may contact you and ask you to make decisions about your policy (for example, corporate actions). If you don't get back to us within the timescales we give you, we may be unable to act upon your instructions.
- Depending on what you invest in, you may be subject to certain risks e.g.
 - Investing in emerging or developing markets may carry higher risks, as they may be subject to considerable fluctuations in value. Local dealing restrictions may also make certain securities difficult to sell.
 - Small company investments may be not as easy to sell than a larger company, so the price fluctuations may be greater.
 - The value of any overseas investments will be influenced by the rate of exchange used to convert to sterling. This means that if sterling strengthens against the currency in which the underlying investments of the fund are made, the value of your policy will reduce (or the other way round).
 - If the underlying investments include property, we may delay the sale of the fund. In addition, the value of such investments will be a matter of the valuer's opinion at the time.
- As a result of trading practices, there's a possibility that the price of investments may rise or fall between us receiving your instructions and the time of the transaction.
- You may not be able to sell or switch between funds if the fund manager concerned 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

the fund manager can't easily convert the assets to cash, such as where the fund invests directly or indirectly in land or buildings.

- Illustrations show how your Onshore Bond may work for you. They aren't a guarantee of investment performance. The actual performance will depend entirely on the investment performance of the underlying investments and any applicable charges.

Questions and answers

How do I invest?

- The minimum amount you can pay into your Onshore Bond is £10,000.
- Once your bond is set up you may pay in additional amounts of at least £1,000 at any time subject to the terms and conditions. Additional investments may only be paid into funds that are open to new investment.
- You can make lump sum payments by cheque, direct credit or immediate electronic payments.
- There is no limit to the amount you can invest, except for the Smooth Managed funds, where the normal limit is £1 million. If you want to invest more than this, your adviser will need to contact us.

What can I invest in?

- Your Onshore Bond lets you invest in a range of investments:
 - authorised unit trusts
 - open-ended investment companies (OEICs)
 - Sociétés d'Investissement À Capital Variable (SICAVs)
 - Insured Funds.

Your financial adviser will be able to give you more information.

- Along with your financial adviser, you can choose the investments in which you want to invest. The risk profile of your Onshore Bond will depend on your choice of investments.
- Your adviser may invest into one or more model portfolio(s) for you. A model portfolio holds your selected investments in set proportions. Over time, as a result of varying investment performance, the proportions of investments in a model portfolio will change and your adviser may rebalance the investments accordingly. With your agreement, your adviser may outsource the management of a model portfolio to a Discretionary Investment Manager.
- Your Onshore Bond has a Transactional Cash account which helps to simplify buying and selling of funds. It's also used for charges and fees. Transactional Cash may be held within a model portfolio but cannot be selected as an investment option. No interest will be credited for any balance held within the Transactional Cash account.

How do I change my investments?

- Your adviser will need to instigate the sale of specified investments followed by the purchase of the specified new investments on your behalf.
- Your adviser can submit online buy and sell instructions. They can also create a range of buy and sell instructions by rebalancing your portfolio to your model portfolio(s). During rebalancing, your money won't be invested for a period of time and therefore won't be affected by any changes in market conditions.
- Unless you instruct us otherwise, we'll invest any additional or payments in line with the model portfolio(s) within your Onshore Bond.
- Switches in and out of the Smooth Managed Funds are limited to one switch in each calendar quarter (ie 1 January - 31 March, 1 April - 30 June, 1 July - 31 September, 1 October - 31 December).

How do I know how much my Onshore Bond is worth?

- Once your Onshore Bond is opened, and you've registered for MyAviva, you'll have 24-hour access to MyAviva, our online portal that allows you to see exactly how your policy is performing. You'll also be able to see detailed transaction information on MyAviva. You'll be sent details about MyAviva when you open your Onshore Bond.
- We'll send you a statement four times a year showing the value of your Onshore Bond.

When can I access my money?

- Through your adviser, you can withdraw money from your Onshore Bond at any time without penalty from Aviva.
- If you choose to take a regular withdrawal, each payment will be taken from all individual policies in your bond. Your bond is initially made up of 1,000 individual and identical policies to help with tax planning.
- If you request a single withdrawal payment you can either fully surrender individual policies (leaving less policies in your bond), or you can take a partial surrender from all of the individual policies. As the tax treatment of these options is different, you should consult your financial adviser before withdrawing money to ensure that you choose the appropriate option. For more information on the tax implications of making a withdrawal, please read our guide to "Making withdrawals less taxing".
- 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. We'll tell you if this happens when you ask for a withdrawal.

- You must keep a minimum amount in your Onshore Bond to keep it open. There may also be minimum limits on amounts remaining in individual funds. Ask your financial adviser for details about these limits.

How much will the advice cost?

- You'll agree the cost of the advice you receive with your financial adviser. We'll deduct the cost of this initial advice from your payment(s) before we invest them. You can see these costs in your illustration.

What is cash management?

Cash Management is an option your adviser can switch on for paying the Aviva, adviser and Discretionary Investment Model charges. Your adviser will assess whether it's suitable for you based on the level of trading flexibility they require on your account. See 'What are the charges for the Onshore Bond?' for more details.

What are the charges for the Onshore Bond?

The charges are designed to be totally transparent, so you can be clear at all times exactly what the costs are. There's more information about our charges below, but please see your illustration which shows the specific charges you'll be paying. If you have any further questions about charges, speak to your financial adviser.

When there is insufficient cash in your transactional cash account, we'll disinvest funds to create the additional cash needed to pay these charges. Any disinvestment for Aviva and adviser charges will include an additional amount which is 10% of the charge due. This aims to cover any market movements between the disinvestment date and the charge date. If Cash Management is not enabled on your Onshore Bond, a £10 minimum disinvestment amount will apply. If Cash Management is enabled on your Onshore Bond, we'll disinvest six times the value calculated, subject to a minimum amount of £60. This aims to provide sufficient cash to meet future charges, reducing the frequency of additional disinvestments.

In certain circumstances, these investments may be sold after the charge has been taken.

We won't automatically disinvest if you are only invested in funds which are in deferment or suspension. If you're only partially invested in funds which are in deferment or suspension, we'll disinvest from any other investments you hold.

Aviva charge

- We make an annual management charge (the Aviva charge) based upon the value of the investments held in your Onshore Bond.
- We deduct the Aviva charge in monthly instalments.

Fund management charges

- In addition to our charge, fund managers may also take a charge from the fund. You should ask your adviser for details of any fund management charges.

Charge in respect of tax

Aviva Life & Pensions UK Limited is liable to corporation tax on the income and capital gains arising on the investments we make on Your behalf in Your chosen funds. For Insured Funds, a charge is allowed for in the daily unit price to cover the estimated tax liability.

For other Investments, charges are taken at different points throughout the year to cover the estimated tax liability. You will see these on Your regular statements. The charge is calculated annually, as and when funds are sold and also on any income generated by a fund.

Discretionary Investment Model Charge

- If you're invested in a model portfolio managed by a Discretionary Investment Manager, then the Discretionary Investment Model Charge will apply. You'll agree this charge with your Discretionary Investment Manager up front. This charge only applies to assets held within a Discretionary Investment Manager Model Portfolio and is shown on your illustration and transaction history.

What are the tax consequences?

- The precise tax consequences will depend on your personal circumstances and tax laws. If you're in any doubt as to your tax position, we recommend you talk to a professional tax adviser. Information on taxation is based on our understanding of current UK legislation and practice. However, tax rules may change in the future.

Capital Gains Tax

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

Income Tax

- Aviva Life & Pensions UK Limited is liable to corporation tax on the income and capital gains arising. Your Onshore Bond will therefore be treated as though tax at basic rate has been paid on gains. So you will not normally have to pay basic rate tax on gains.
- When you take money from your bond you'll have to report any chargeable gain. You'll only have to pay income tax on a gain if you:
 - are a higher/additional rate tax payer
 - become a higher/additional rate tax payer because of the gain made on your bond.

Tax will be paid at your marginal rate, the difference between basic rate and your highest rate.

- You can withdraw up to 5% a year of the total amount you have invested in your bond with no immediate liability to any extra income tax. Any potential liability is deferred until the bond comes to an end at which point

a final calculation is made to see if there is a taxable gain. Any of this annual allowance that is not used can be carried forward to future years up to a maximum of 100% of the total amount invested. If you exceed the accumulated annual allowance at any point you may be liable to pay extra income tax in the tax year in which the policy year ends. Ongoing Adviser Charges and Discretionary Investment Model Charges are classed as Regular Withdrawals and count towards the 5% tax deferred allowance.

- If a withdrawal is made, you may lose some or all of your income related benefits.
- 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 a suitable trust.

What happens if I want to change to another financial adviser?

- We'll follow your instructions if you decide to change adviser. As an advised client you'll need an adviser to manage your Onshore Bond.
- You can find information about financial advisers in your area through the independent website, unbiased.co.uk

What if I no longer have a financial adviser?

- The Onshore Bond is designed for customers who have an adviser. If for any reason you're no longer being advised by your adviser, there are some restrictions and conditions you'll need to be aware of. **Please see the Onshore Bond Terms and Conditions (LF30029) for details.**

Can I change my mind?

- You can change your mind within 30 days of us receiving your first payment. Your cancellation period will start when we receive the payment; and you've received a confirmation schedule from us.
- You must tell us by telephone, email or in writing if you want to cancel.
- If you decide to cancel your Onshore Bond, and the investment value has fallen, we will return the payment less any fall in the investments market value. If you decide to cancel and we receive any dividends from your policy during the cancellation period, we'll pay these to you, but only up to the value of your original single payment. We won't return any adviser charge that has been taken.
- Your policy will continue if you don't cancel within 30 days.

- Please read the **Onshore Bond Terms and Conditions (LF30029)** for full details on cancellations.
- If you want to cancel just get in touch - see **How to contact Aviva** below.

What happens when the lives assured die?

- The amount we'll pay is 101% of the value of the bond.
- As the bond includes life insurance, it will end when the person insured dies. This may be you or another person.
- If there is more than one life insured, the bond will continue until the last of the lives insured have died.
- If you take out the bond on your own, we'll make the payment to your estate or, if you arranged your bond under trust, to the trustees.

How to contact Aviva

If you'd like further information or have any questions, you can write, phone or email:

✉ **Aviva**
PO Box 3838
Norwich
NR1 3SQ

☎ **Phone: 0800 404 5070**

@ **Email: onshorebond@aviva.com**

Calls to Aviva may be monitored and/or recorded.

Other information

How to complain

If you've taken a product out with Aviva and are unhappy with the product or the service you received, you can contact us using the details in the 'How to contact Aviva' section.

We aim to resolve your complaint quickly. If we can resolve your complaint within three working days following the day we receive it, we will write and confirm this to you, along with your rights to refer your complaint to the Financial Ombudsman Service (FOS).

If your complaint is not resolved within three working days of receiving your complaint:

- Your complaint will be acknowledged promptly.
- A dedicated complaint expert will be assigned to review your complaint.
- A thorough and impartial investigation will be carried out.
- You will be kept updated of the progress.

- Everything will be done to resolve things as quickly as possible.
- A written response will be sent to you within eight weeks of receiving your complaint, this will inform you of the results of the investigation or explain why this isn't possible.

Where we cannot resolve your concerns, or have been unable to resolve them within eight weeks, you may be able to ask the FOS to carry out an independent review. Whilst firms are bound by their decision, you are not. Contacting the FOS will not affect your legal rights.

You can contact them on:

☎ **0800 023 4567**

or visit their website at

🌐 **financial-ombudsman.org.uk,**

where you will find further information.

Other important documents

This key features document gives a summary of the Onshore Bond. You should also see the full **Onshore Bond Terms and Conditions (LF30029)**. You may already have a copy, but if not you can get one from your adviser or contact us directly.

Insurance Companies are also required to provide a Key Information Document (KID) for the products they provide. Your Financial Adviser should provide you with a KID for the Onshore Bond.

Compensation

The Financial Services Compensation Scheme (FSCS) has been set up to provide protection to consumers if authorised financial services firms (like Aviva Life & Pensions UK Limited) are unable to meet claims against them. If Aviva Life & Pensions UK Limited is unable to meet claims made against us you will be able to claim compensation up to 100% of the value of your policy with no upper limit.

If your money is invested in funds other than an Aviva Life & Pensions insured fund, then you wouldn't be eligible to make a claim in the limited circumstances where the external fund manager is unable to meet its obligations.

For further information on the FSCS scheme:

☎ **Phone: 0800 678 1100 or 0207 741 419**

🌐 **Website: fscs.org.uk**

Solvency Financial Condition Report

Every year we publish a Solvency and Financial Condition report which provides information about our performance, governance, risk profile, solvency and capital management. This report is available for you to read online at **aviva.com/investors/regulatory-returns**

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're regulated by the Financial Conduct Authority:

✉ **The Financial Conduct Authority**
12 Endeavour Square
London
E20 1JN

We're also regulated by the Prudential Regulation Authority:

✉ **The Prudential Regulation Authority**
20 Moorgate
London
EC2R 6DA

Potential conflicts of interest

There may be times when Aviva plc group companies or our appointed officers have some form of interest in the business being transacted.

If this happens or we become aware that our interests, or those of our officers, conflict with your interests, we'll take all appropriate steps to manage that conflict of interest. We'll do this in a way that treats all customers fairly and in line with proper standards of business.

You can get a copy of our conflicts of interest policy from your adviser.

If there's a conflict of interest that, despite all efforts to manage it, can't be prevented, we'll tell your financial adviser about this. Your adviser will give you a copy of this disclosure before you commit to taking out this product or take any investment action in relation to it. This is an important document and you should read it before making any investment decision.

Aviva staff remuneration

Aviva staff are salaried and receive an annual bonus based upon the overall performance of the Aviva Group. Some members of our distribution team may also receive additional bonuses, a proportion of which relates to their sales performance.

Client classification

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

Suitability of product

You'll have received advice from a financial adviser when you bought this product. This means that you benefit from the protection provided by the Financial Conduct Authority's rules advisers must follow when giving financial advice.

Supporting firms and advisers


We provide products and services to advisers and other firms designed to enhance the quality of the service they provide to their customer. This includes access to generic market commentary, training and guides to our products and service, insight and information including pricing and product matching tools and hospitality whilst attending meetings and training events.


For further details of the services we've provided your adviser, or if you have any questions, you can contact us using the details in the 'How to contact Aviva' section.

Need this in a different format?

Please get in touch if you'd prefer this Key Features document (**LF20017**) in large print, braille, audio, or in a different colour.

How to contact us

 0800 404 5070

 onshorebond@aviva.com

 MyAviva.co.uk

Calls may be monitored
and will be recorded.

Insurance | Wealth | Retirement

Aviva Life & Pensions UK Limited.

Registered in England No. 3253947. Aviva, Wellington Row, York, YO90 1WR.
Authorised by the Prudential Regulation Authority and regulated by the
Financial Conduct Authority and the Prudential Regulation Authority.
Firm reference number 185896.

aviva.co.uk

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