

# Key features of the Portfolio



# Portfolio Key features

**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 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.**

**This Key Features document gives you the main points of your bond. Your illustration shows what you may get back.**

## 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:
  - 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 you may get back less than you've paid in.
- 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 buildings.

In certain circumstances we may further delay the cancellation of units in any investment fund:

- To match any delay or suspension imposed by the manager(s) of any entity in which the fund has holdings; or
- where due to exceptional circumstances we reasonably consider that it is in the interests of planholders whose plans are invested in the fund to do so.

After 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 our 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. In the long term an investment of this type can be eroded due to the effect of fund charges, product charges and inflation.

- The Aviva Distribution Fund is 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 Aviva Distribution Fund will vary up and down. If you take money from the Aviva Distribution Fund, 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 potential income tax liability may arise if you withdraw more than the 5% allowance. This allowance is 5% of your initial investment for each policy year and is cumulative, so any unused allowances can be used in later years up to an overall maximum of your total initial investment.
- If the amount of growth on the Aviva Distribution Fund 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 out more information about Portfolio, and the funds that are right for you, by speaking to 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?' for more details.
- You can cash in the bond at any time.
- You can't invest any more money into your bond.
- In most circumstances, the maximum that can be invested into any Smooth Managed Fund is £1 million. If you want to invest more than this, your adviser will need to contact us.
- If you choose the Aviva Distribution Fund, 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 3.
- Apart from your investment in the Smooth Managed Fund range, you can change your choice of funds at any time. You can find further information about the funds by visiting our Fund Centre at [aviva.co.uk/retirement/fund-centre/life-funds](https://www.aviva.co.uk/retirement/fund-centre/life-funds)

- Switches in and out of any Smooth Managed Fund are limited to one switch in each calendar quarter (ie 1 January - 31 March, 1 April - 30 June, 1 July - 30 September, 1 October - 31 December).
- You can invest in up to ten funds from a wide choice of Aviva funds and an extensive range managed by external fund managers.

### 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 your 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 Aviva Distribution Fund, 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 when you cash it in.
- 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, at least £20 from each fund that a withdrawal is being made from
  - each payment will be taken from all individual policies in your bond
  - payments will go directly to your bank or building society.
- If you choose to receive regular payments from the Aviva Distribution Fund, 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 your personalised illustration.
- 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 on our fund centre at **[aviva.co.uk/retirement/fund-centre/life-funds](https://aviva.co.uk/retirement/fund-centre/life-funds)**

### What happens to the bond if I 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.
- As the bond includes life insurance, it will end when the person insured dies. This could be you or another person.
- 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.
- If there are two people insured, you can choose whether the payment is made after the first or second death.
  - If you want the death benefit paid on the first death, we'll make the payment to the survivor. In this situation, the investment amount is based on the age of the older life insured at the start of the bond (maximum age 89).
  - If you choose for the payment to be made after the second death, we'll make the payment to your estate. If you've arranged for your bond to be in trust, we'll make the payment to the trustees. In this situation, the investment amount is based on the age of the younger life insured at the start of the bond (maximum age 89).

### 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 amount will depend on the size of the premium. It will be paid out of the charges.
- If you ask us in the future to pay an ongoing adviser charge to your financial adviser, this will be deducted from your policy as a regular withdrawal. Withdrawals of more than 5% may be subject to income tax, for more information refer to the 'What about tax' section.

### 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/additional rate income tax payer
  - become a higher/additional rate income tax payer because of a gain made under your bond
- You're allowed to withdraw up to 5% a year of your initial investment 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 any taxable gain. Any of this annual allowance that is unused can be carried forward to future years up to a maximum of 100% of your initial investment. If you exceed the accumulated annual allowance at any point you may be liable to pay any extra income tax in the tax year in which that policy year ends.
- You may lose some or all of any entitlement to income related benefits (e.g. Child Benefit). For further information on the tax treatment of capital payments, please refer to our 'Making withdrawals less taxing' guide.
- 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 won't 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 in the section 'How to contact us'.

### 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/retirement/fund-centre/life-funds](https://www.aviva.co.uk/retirement/fund-centre/life-funds)

### 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, email or write to us.

Call us on **0800 068 6800**

Calls may be monitored and will be recorded.

Email us at [contactus@aviva.com](mailto:contactus@aviva.com)

Write to us at

Aviva

P.O. Box 520

Surrey Street

Norwich, NR1 3WG

### 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 us' 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](http://financial-ombudsman.org.uk), where you will find further information.

## 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 plan is governed by the law of England. Your contract will be in English and we will 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

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.

Further details of our conflicts of interest policy are available on request.

Where, despite all efforts to manage a conflict of interest, the conflict of interest cannot be prevented, we will disclose it to you before you commit to taking out this product or taking any investment action in relation to it.

## Client Classification

The Financial Conduct Authority has defined three categories of customer. You've been classed 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.

## Aviva staff remuneration

Aviva staff and the staff of companies providing third party services to Aviva are salaried and may receive an annual bonus based upon the overall performance of their company. They do not receive bonuses based on the sale of Aviva products.

## Compensation

Qualified advisers will recommend 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 product that wasn't suitable for your needs at that time.

The Financial Services Compensation Scheme (FSCS) provides protection to consumers by allowing them to claim compensation in the event that an authorised financial services firm (such as Aviva Life & Pensions UK Limited) is unable to meet claims made against it.

Whether you qualify for any compensation under the FSCS will depend on the type of investments you hold. This means that if your investments through Aviva Life & Pensions UK Limited are held in external funds, then you wouldn't be eligible to make a claim for compensation under the FSCS in the limited circumstances where the external provider is unable to meet its obligations. Our fund factsheets show whether a fund is an external fund and further details can be found in 'Your Guide to Fund Factsheets'. If you're not sure about the type of funds you are invested in you can call us on **0800 068 6800** or speak to your financial adviser.

The cover under the FSCS, for contracts of long-term insurance, like this investment bond, is normally up to 100% of the value of the claim.

To find more information about the FSCS, including how to contact them via email and webchat:

Website: [fscs.org.uk](http://fscs.org.uk)

Phone: **0800 678 1100** or **0207 741 4100**

## 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 on our website at [aviva.com/investor-relations/institutional-investors/regulatory-returns](http://aviva.com/investor-relations/institutional-investors/regulatory-returns)



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Please get in touch if you'd prefer this Key Features (**IN50002**) in large print, braille or as audio.

## How to contact us

 0800 068 6800

 [contactus@aviva.com](mailto:contactus@aviva.com)

 [aviva.co.uk](http://aviva.co.uk)

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