

# Key Features of the International Core Funds Bond from Aviva

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## Key Features

**The Financial Services Authority is the independent financial services regulator. It requires us, Aviva, to give you this important information on our International Core Funds Bond. You should read this document carefully so that you understand how your bond works and 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. Please read them so that you understand your bond and keep them with your bond documents.**

### Its aims

- To increase the value of your investment over the medium to long term.
- To let you take money out of your bond, if you choose.
- To let you link your bond to a range of funds depending on your investment needs.

### Your commitment

- To invest at least £50,000 (€75,000 or \$75,000).
- To see your bond as a medium- to long-term investment.

### Risks

- The value of your bond can go down as well as up.
- What you get back may be less than illustrated if:
  - investment performance is lower than illustrated
  - you take more money out of your bond than illustrated
  - charges increase above those illustrated.
- If you cancel your bond within 30 days, you may get back less than you've paid in.
- The investment funds you can link your bond to have different levels of risk. The International Core Funds Bond fund guide describe the aims and level of risk for each fund.
- If you take money out of our With-Profit Fund we can pay you less than the quoted value of the amount you take out. We explain this further under the heading 'Can I take money out?'
- Changes in the tax rules or rates of tax may affect the amount you receive after paying tax or perhaps some of the tax advantages currently available for investment through offshore bonds. You'll find more information about tax in the 'What about tax?' section. Please contact your financial adviser for further details.
- The amount payable on death (life insurance version only) may be less than your single investment. We explain this further under the heading 'What happens to the bond if I die?'

- Different funds (or other assets) to which you may link your investment have different levels of risk. Your financial adviser, or your chosen Investment Adviser, may be able to help you understand the ownership structure under the bond, the risks involved and the implications in relation to compensation (if any) if those risks materialise.
- The aim of lower risk funds 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. You should be aware that the charges you pay on the fund and product may be more than the investment return you receive.
- As the bond is an insurance product and benefits from a number of tax advantages Aviva Life International Limited owns all the funds linked to the bond. You do not own the funds yourself. If Aviva Life International Limited were to fail, you may be eligible for compensation (currently up to 90% of the claim). You can find more information about this in the "Compensation" section.  
However, if the bond links to funds (or assets with funds) in an institution which fails, you may have no right to participate in any compensation scheme. This is because you are not the owner of the funds linked to the bond. The amount (if any) which Aviva Life International Limited may recover under such a scheme may be substantially less than the amount you might have been able to recover had you owned the asset yourself.

### Questions and answers

#### What is an International Core Funds Bond from Aviva?

- The International Core Funds Bond is now closed to new and additional investment.
- You took out your bond on either a life insurance or capital redemption basis.
- The life insurance version is an investment bond that aims to increase the value of the money invested. It also provides a payment on death.
- The capital redemption version is an investment bond that aims to increase the value of the money invested. The term for capital redemption bonds is 99 years. At the end of 99 years, we'll pay the value of your bond or, if greater, 1% more than your single investment, reduced in proportion to any units sold except for those to meet charges. This option is not available to UK resident corporate investors.

- You can link your bond to a range of funds to suit your investment needs.
- You can't invest more than a total of £1 million (€1.5 million or \$1.5 million) without our prior agreement.
- You can take out a bond with someone else.
- The life insurance version of the bond can cover a maximum of ten people's lives. The bond will end when all the people insured have died or when you cash it in. The capital redemption version does not have any lives insured and if your bond is not cashed in, it must end after 99 years.

## How flexible is it?

- You can hold your bond in sterling (£), euro (€) or US dollars (\$). We call this your bond currency. You can only choose funds denominated in your selected bond currency.
- You can take money out of your bond if you choose. You can also select which funds you want to take money from. Please see our online International Core Funds Bond fund guide, available at [aviva.co.uk/international](http://aviva.co.uk/international) for further information.
- You can ask to cash in your bond at any time.
- Your bond is automatically arranged as a series of up to 250 identical policies, which may help reduce the tax you pay. The minimum value for each policy is £1,000 (€1,500 or \$1,500).
- You can switch to other funds of the same currency.
- You can't invest more money in your bond.

## 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 the investments have performed
  - our charges
  - any money you've already taken out of the bond
  - any early cash-in charge
  - how long you invest for
  - any market value reduction in force when the bond is cashed in
  - the effect of any guarantees.
- Your illustration gives an idea of what you might get back.

## Can I take money out?

- Yes, you can take regular withdrawals or ask for a one-off payment at any time. This will affect what you get back when your bond ends and may create a liability to income tax.
- The money will be paid in your chosen bond currency.
- There are guarantees in certain circumstances if you take money out of the With-Profit Fund. If you take withdrawals out of the With-Profit Fund, you may affect these guarantees. Please see the 'What are the guarantees?' section in the 'Update on how we manage the international With-Profit Funds' booklet, which is sent with your annual statement.

## Regular withdrawals

- If you take out money regularly, the minimum each time is £50 (€75 or \$75). If selected at the outset, the maximum withdrawal is 7.5% of the single premium. If selected at a later stage, the lower of:
  - 7.5% each year of the money you originally invested
 or
  - 7.5% each year of the value of your bond on the day we get your request, excluding any final bonus or market value reduction. We explain this later in this section

Regular withdrawals are free of any early cash-in charge (please see 'What are the charges?'). In addition, un-interrupted regular withdrawals from the with-profit funds will not be subject to a market value reduction if they are 5% or less of the original investment, and are selected at the start of the bond. They may be subject to a market value reduction if they are selected later and one is applying at the time, or we have taken the decision to apply one.

- The minimum amount you must leave in your bond for regular withdrawals to continue is 20% of your single investment during the early cash-in period and £1,000 (\$1,500 or €1,500) thereafter. We reserve the right to stop regular withdrawals if the bond value, or any fund value is less than the minimum amount. If you make a large partial withdrawal it may have tax implications if you are a UK resident at that time.
- If you cancel your regular withdrawal and then request a new regular withdrawal, you will have to pay a market value reduction on your new withdrawal if there is one applying at the time.

## One-off withdrawals

- You can cash in part of your bond
  - across individual policies
 or
  - by cashing in complete policies.

We won't process your request until you tell us whether to sell units from individual policies or across all policies. Cashing in across policies may have taxation implications for some bondholders.

The minimum for a one-off withdrawal is £1,000 (\$1,500 or €1,500). This is also the minimum amount you must leave in your bond, and each fund, after any withdrawal.

If you cash-in part of your bond across individual policies we won't make an early cash-in charge as long as you keep at least 20% of the amount you originally invested in your bond. If during the early cash-in charge period, your withdrawal means that less than 20% of the amount you originally invested is left in your bond, you will have to cash-in individual policies instead and this will incur an early cash-in charge. We have the right not to go ahead with the withdrawal if the value left in the bond or any fund is less than our minimum amounts.

If your withdrawals in any year are more than 5% of the amount you originally invested, you may immediately become liable for income tax. If you make a large withdrawal across individual policies it may have tax implications if you are a UK resident at the time.

- When you ask us to sell units, for example to switch funds, set up regular withdrawals or to cash in part or all of your bond, we will do this as soon as we can. This is usually the next day.

We will not normally delay in selling units. However, we have the right to delay in selling units and in making payment to you. This could happen when we're unable to sell the underlying investments and may be due to difficult market conditions or where the fund manager has suspended or delayed trading in the underlying investment fund. We may delay payment to you until we are able to sell the underlying investment.

After any delay, the unit price that you will receive will be the unit price that applies when we are able to sell the underlying investment. We may delay in selling units in any fund, including property funds, funds that are fully or partially invested in land or buildings, and in selling units for transactions over £250,000 (€375,000 or \$375,000).

We'll tell you if and why a delay is necessary.

- We may apply market value reduction if you take money out of the With-Profit Fund. This would reduce the quoted value of the amount taken out. This is most likely to happen following a large or prolonged fall in the stock markets or after a period where investment returns are regularly below the level normally expected. You can find out more in the 'Update on how we manage the international With-Profit Funds' booklet, which is sent with your annual statement.
- We may apply an individual market value reduction irrespective of what, if any, general market value reduction is applying if we think it's necessary to protect investors. This may affect you if you want to withdraw your money. We will tell you if a market value reduction is applying when taking your money out of the fund, so you have the opportunity to change your mind.
- If you take out amounts of more than the growth of your bond after charges, they will reduce its value.
- Payments will go direct to your bank or building society.

## Where is my money invested?

- You can link your bond to a number of funds, in one of three currencies (£, \$ or €), offered by Aviva Life International Limited and external fund managers.
- Each fund is divided into units of equal value. We use all your premium to buy units in your chosen funds.
- You can switch funds at any time. There are conditions for doing this. To help you make the right choices, you should also read our online International Core Funds Bond fund guide, which will give you information on fund objectives, and related risks. Alternatively, you may contact us directly to request a printed version. You can find out more about the funds in the International Core Funds Bond fund guide.
- We recommend that you consult your financial adviser to help you make a suitable fund choice for your personal circumstances.

## What happens to the bond if I die?

- For life insurance bonds, when all the people insured have died, we'll pay 1% more than the cash-in value of your bond. For our With-Profit Fund, this cash-in value will include any final bonus. We'll only pay the death benefit when the last person who is insured under the bond dies.
- For both life insurance and capital redemption bonds, if there is a second bondholder alive, legal ownership passes to that person. If you are the last surviving bondholder, legal ownership passes to your legal personal representatives when you die.
- If you've arranged the bond under trust, legal ownership remains with the surviving trustees.

## What are the charges?

- We charge for managing your bond. These charges will reduce the value of your bond.
- We may increase the management charge to fairly and proportionately reflect any of the following events:
  - changes in the cost of fund management
  - changes in the costs we reasonably incur when managing your bond
  - changes in costs as a result of inflations, taxation, the law or decisions or recommendations of an Ombudsman, Regulator or similar person.

If we have to do this we'll tell you one month before, unless external factors beyond our control mean only a shorter period is possible.

- Fund manager expenses may be charged by reducing the price of each unit in the funds. These expenses are connected with buying, selling, valuing, owning and maintaining the assets. The yearly rate of the fund manager charge is updated at least once a year. The charge depends on your choice of funds. These charges are shown in the International Core Funds Bond fund guide, which is available on our website [aviva.co.uk/international](http://aviva.co.uk/international)
- There may be an extra charge if you make a one-off withdrawal or cash in your bond during the early cash-in period.
- These charges are taken from the value of the fund.
- If you have any questions you can phone us on 0845 300 3899.
- Your illustration shows our charges and the effect they may have on the value of your investment.
- A monthly establishment charge of 0.125% of the initial investment is made for the first five years. This charge also applies to additional investments. Please refer to the 'What are the charges?' section of your personalised illustration for details of the charge that will apply to your bond.

## What about tax?

- It is your responsibility to obtain advice from your financial adviser or applicable Tax Authority on the taxation implications of owning the Bond.
- Depending on your country of residency a tax liability may arise as a result of investing in one of our Bonds.
- We may make a deduction from your Bond to pay this tax where we are legally obliged to do so. We'll tell you when we make such a deduction. Where there is no legal obligation on us to make a deduction, any tax liability that may arise will be your responsibility.
- If you die, tax may be payable depending on the individual circumstances at the time.
- This is only a general tax summary. The tax situation may change in the future, and, as indicated you should seek your own professional tax advices.
- Further information on taxation is set out in the personal taxation section of the technical guide.

## Can I change my mind?

You can change your mind by returning the cancellation form, together with your original bond documents, within 30 days from when you receive your cancellation notice, to our head office in Dublin:

Aviva Life International Limited, Montague House,  
Adelaide Road,  
Dublin 2,  
Ireland

If you cancel your bond, we will give you back the lower of:

- the money you paid to Aviva Life International Limited less any withdrawal made, or
- the value of your bond, including any final bonus and market value reduction applying if your bond is linked to a with-profit fund.

Your investment will be valued on the day we receive your cancellation form.

This means that from the bond start date to the date we receive your cancellation form, any risks associated with your investment remain with you and this will be reflected in the amount repaid.

These risks may include a loss in the value of your bond. The value of your bond is linked to the performance of funds owned by us. If the value of any of these funds falls, for example as a result of market movements, the value of your bond will also fall. You should speak to your financial adviser about the risks involved in investing in this bond. These risks also include any losses that are reasonably incurred by us in cancelling your bond.

We may delay a payment to you until all the funds, to which your bond is linked, are sold and we have received the proceeds.

We'll need to receive the cancellation form and original bond documents before making a payment to you. The amount you get back will be refunded in the bond currency.

If you do not send a valid cancellation request within 30 days of receipt of your cancellation notice, your bond will continue on the terms and conditions set out in your bond documents.

## 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 international investment funds by:
  - calling us on **0845 300 2115 (UK local rate)** or **00 353 1 802 8494 (international dialling)**
  - visiting our website at [www.aviva.co.uk/international](http://www.aviva.co.uk/international)
- You can find out the current value of your bond at any time by logging on to our website once you have been set up for access.

## 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 take money out of your bond or change funds, you can phone, fax, e-mail or write to us.



### Call us on:

**0845 300 2115** (UK local rate)  
or **00 353 1 802 8494** (international dialling)

### With-Profits Helpline:

**0845 300 1602** (UK local rate)  
or **00 353 1 802 8495** (international dialling)

### Monday to Friday 8.30am – 5.30pm

Outside of these hours, you can use the same number and leave a message on our answerphone.

We may monitor calls to improve our service and security.

Fax: **0845 300 2113** (UK local rate)  
or **00 353 1 802 8400** (international dialling)



E-mail  
[client.services@international-aviva.com](mailto:client.services@international-aviva.com)



Office address  
Aviva Life International Limited,  
Montague House,  
Adelaide Road,  
Dublin 2,  
Ireland

## Other information

### How to complain

- If you ever need to complain, first write to us at the address above. If you're not satisfied with our response you can complain to:

Irish Financial Services Ombudsman Bureau  
3rd Floor  
Lincoln House  
Lincoln Place  
Dublin 2  
Ireland  
Tel: 00353 1 6620899  
Lo-call: 1 890 882090  
Fax: 00353 1 6620890  
Email: [enquiries@financialombudsman.ie](mailto:enquiries@financialombudsman.ie)  
Website: [www.financialombudsman.ie](http://www.financialombudsman.ie)  
This won't affect your legal rights.

### Terms and conditions

- This Key Features document gives a summary of the International Core Funds Bond from Aviva. 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

- Although this bond is issued in Ireland, the law of England and Wales will apply in legal disputes and your contract will be written in English. We will always write and speak to you in English.
- We are authorised and regulated by The Central Bank of Ireland whose contact details are:  
The Central Bank of Ireland,  
PO Box 559,  
Dame Street,  
Dublin 2,  
Ireland
- We are authorised for the conduct of UK business by the Financial Services Authority (FSA) whose contact details are:  
The Financial Services Authority  
25 The North Colonnade  
Canary Wharf  
London  
E14 5HS

### 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 Aviva 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.

### Client classification

- The FSA has defined three categories of customer. You have been treated as a retail client. This means that you will be provided with the highest level of protection provided by the FSA rules and guidance for the conduct of the sale of your bond. For example, we must provide you with information about your bond that is clear, fair and not misleading.
- Treatment as a retail client does not reduce any of the risks associated with your investment in the bond (please see "Risks" section).

### Compensation

- Qualified advisers will recommend that you buy products suitable for your needs. You've legal rights to compensation if at any time it's decided that you've bought a bond that wasn't suitable for your needs at that time.
- The Financial Services Compensation Scheme covers your bond if you are habitually (permanently) UK resident at the time when the contract commences. It will cover you if Aviva Life International Limited becomes insolvent and is unable to meet its obligations under this bond. The scheme will cover you for 90% of the total amount of your claim. The term 'you' covers an eligible claimant such as private individual, trustee, firm, sole trader or partnership.

For further information, see [www.fscs.org.uk](http://www.fscs.org.uk) or telephone 020 7892 7300.

For more information on compensation please refer to the risk section.

## Braille, large font, audio material

You can order our literature in Braille, large font or audio.

Just call **08000 686 800** or email **helpdesk@aviva.co.uk** and tell us:

- the format you want
- your name and address
- the name or code of the document. The code is usually in the bottom left hand corner on the back of most documents.

The Customer Call Centre is open Monday to Friday, 8 am to 8 pm, and Saturday from 8.30 am to 5 pm.