

Key Features of the International With-Profit Bond

International With-Profit Bond

Key Features

The Financial Services Authority is the independent financial services regulator. It requires us, Aviva, to give you this important information to help you to decide whether our International With-Profit Bond 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. Please read them so that you understand what you're buying and then 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 one of the following funds:
 - Aviva Sterling With-Profit Fund Int
 - Aviva Euro With-Profit Fund Int
 - Aviva Dollar With-Profit Fund Int.

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 and you may not get back the amount you invested.
- 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 take money out of your bond, 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?'
- The amount payable on death may be less than your single investment. We explain this further under the heading 'What happens to the bond if I die?'
- 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.
- Different funds 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.
- As the bond is an insurance product and benefits from a number of tax advantages Aviva Life International Limited owns all the holdings linked to the bond. You do not own the holdings 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.

Questions and answers

What is an International With-Profit Bond?

- It's an investment bond that aims to increase the value of the money invested. It also provides a payment on death.
- You can't invest more than a total of £1 million (€1.5million or \$1.5 million) in our International With-Profit Bonds without our agreement.
- You can choose from one of the three available International With-Profit Funds.
- You can take out a bond with someone else. The bond can cover a maximum of 10 people's lives. The bond will end when all the people insured have died or if you cash it in.

How flexible is it?

- You can hold your bond in sterling (£), euro (€) or US dollars (\$), we call this your bond currency.
- You can take money out of your bond if you choose.
- You can cash in your bond at any time.
- You can't invest more money in your bond but you can make an additional investment in a new bond.
- 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).

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 investments have performed
 - our charges
 - any early cash-in charge
 - any money you've already taken out of the bond
 - how long you invest for
 - any market value reduction in force when the bond is cashed in. We explain market value reductions further under the heading 'Can I take money out?'
 - the effect of any guarantees.
- You might get back less than you paid in.
- Your illustration gives you 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 withdrawal at any time. This will affect what you get back when your bond ends and may create a liability to income tax. If you make a large partial withdrawal it may have tax implications if you are a UK resident at the time.
- If you take withdrawals from a With-Profit Fund, you may affect the guarantees available to you. Please see the 'What guarantees do I have?' section in the 'Guide to international with-profit investment and how we manage the funds' booklet.

Regular withdrawals

- If you take out money regularly, the minimum each time is £50 (€75 or \$75). If selected at the outset, the maximum regular 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.

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.

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.

- 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 (the period of time that initial charges are applying - normally 5 years) and £1,000 (\$1,500 or €1,500) thereafter. We reserve the right to stop regular withdrawals if the bond, or any fund, value is less than the minimum amount.

One-off withdrawals

- You can cash in part of your bond
 - across individual policiesor
 - 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 each time is £1,000 (\$1,500 or €1,500). This is also the amount that must be left in your bond 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.

Where you cash-in complete policies during the early cash-in period, we will charge an early cash-in charge.

We reserve the right not to go ahead with the withdrawal if the bond or any fund value is less than the minimum amount for the withdrawal type.

If you are a UK resident at the time, taking a partial withdrawal in excess of 5% in any one policy year may give rise to an immediate liability to income tax.

- 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 units in Aviva's With-Profit fund due to difficult market conditions or where trading in the fund has been suspended or delayed. We may delay payment to you until we are able to sell the underlying units.

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 the With-Profit Fund 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.

- Payments will go direct to your bank or building society.
- If you take out amounts of more than the growth of your bond after charges, they will reduce its value.
- The choices and limits are explained in more detail in the 'Withdrawals' section of the International With-Profit Bond brochure.
- We may apply a market value reduction if you take money out of the funds. 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. This is explained in more detail in the 'Guide to international with-profits investment and how we manage the funds' booklet.

- 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.

Where is my money invested?

- Your bond will be linked to your chosen fund, which reinvests in Aviva With-Profit Fund.
- We use all your premium to buy units in the fund.
- 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?

- When all the people insured have died we'll pay 1% more than the cash-in value of your bond. This will include any final bonus and early cash-in charge that is payable. No market value reduction is applied on death.
- 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 representative when you die.
- If you've arranged the bond under trust, legal ownership remains with the surviving trustees.
- We'll only pay the death benefit on the death of the last person who is insured under the bond.

What are the charges?

- We take an establishment charge each month for the first five years of your bond, and 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.

- These charges are taken from the value of the fund.
- There may be an extra charge if you make a one-off withdrawal or cash in your bond during the early cash-in period.
- Your illustration shows our charges and the effect they have on your investment.
- A monthly establishment charge of 0.175% of the initial investment is made for the first four 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?

- If you are a trustee, a non-UK resident or a corporate investor, please contact your financial adviser or applicable tax authority for advice on the taxation implications of owning the bond.
- 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 (such as income tax or premium tax, for example) 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 individual circumstances at that 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 'International With-Profit Bond Brochure'

Can I change my mind?

- You can change your mind by returning the cancellation request, 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 less any withdrawal made, or
 - the value of your bond including any final bonus and market value reduction.

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 much you have invested in your bond and its current value.
- You can also 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.
- You can check the current price of your fund by:
 - calling us on **0845 300 2115** (UK local rate) or **00 353 1 802 8494** (international dialling)
 - visiting our website at **aviva.co.uk/international**

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, you can phone, fax, e-mail or write to us.



Call our International With-Profits Helpline on:

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



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. 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

Fax: 00353 1 6620890

Lo-call: 1 890 882090

Email: enquiries@financialombudsman.ie

Website: www.financialombudsman.ie

- This won't affect your legal rights.

Terms and conditions

- This Key Features document gives a summary of the International With-Profit Bond. It doesn't include all the terms and conditions.
- The policy conditions give full terms and conditions. If you would like a copy, please ask your financial adviser or 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 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.

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 or telephone 020 7892 7300

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.