



# Terms and Conditions of the Pension Portfolio



# Introduction

**Pension Portfolio is a Self-Invested Personal Pension (SIPP) provided through the Aviva Platform, an online service designed to hold Your investments in one place.**

**Pension Portfolio is a flexible long term pension plan that offers two different investment options Core and Choice, each with different investment choices.**

**Pension Portfolio is aimed at Clients with Advisers. If at any time You no longer have an Adviser, You will be responsible for notifying Us as soon as possible. Certain conditions and restrictions shall apply when You no longer have an Adviser. Please refer to *Schedule 1 entitled Non-Advised Clients* for more information.**

**Core offers access to a range of insured Funds. Choice gives access to the insured Funds and all the collective investment Funds as well as Commercial Property, Equities, Structured Products and other assets.**

**With Pension Portfolio Your Adviser is able to move You between investment options as Your financial needs change. It also provides You with a range of income options when it is time for Your Adviser to help You take Your Benefits.**

**We will aim to provide a wide range of investment choices for Pension Portfolio at all times, but We reserve the right to withdraw or change any of the available investment offerings at any time. If this affects You, We will tell You at least 30 days in advance unless external factors mean that We cannot do so. We will tell You if You are affected.**

**Information about the features of Your Pension Portfolio is provided in the Key Features document.**

**Aviva Pension Trustees UK Limited and Aviva Wrap UK Limited are both authorised and regulated by the FCA.**

**Aviva Life and Pensions UK Limited is authorised by the PRA and regulated by the FCA and the PRA.**

## Important Information

This document details the Terms and Conditions of Your Pension Portfolio.

Pension Portfolio is not an insurance contract.

Please note the Pension Portfolio Terms and Conditions are subject to the laws and regulations of England only and subject to UK tax only.

These Terms and Conditions will be subject to the trust deed and rules of the Aviva Personal Pension Scheme.

The Aviva Personal Pension Scheme is a registered pension scheme under Part 4 of the Finance Act 2004.

The Aviva Personal Pension Scheme is constituted under a trust. The rules of the Scheme are held subject to that trust. The rules and trust are subject to change. A copy of the rules and the trust are available on request.

In the event of any inconsistency between the trust deed rules and these Terms and Conditions the rules will be overriding.

It is important that You retain these Terms and Conditions of Your Pension Portfolio as these along with the Key Features and the declarations You made when applying for Your Pension Portfolio form a legal agreement between You and Aviva Pension Trustees UK Limited. These Terms and Conditions should be read alongside the Pension Portfolio Key Features document. In the event of any inconsistency between these Terms and Conditions and the Key Features, these Terms and Conditions will prevail.

Provided Your Adviser remains authorised by the FCA, Your Adviser will continue to have authority from You to act on Your behalf until You notify Aviva that this authority has ended.

Payments will only be collected whilst You are a UK resident. Once this status is no longer applicable all Payments must cease.

You need to immediately notify Us if You move outside the UK and Your main residence is in another territory. Laws in the territory You become resident in may affect Your ability to continue to benefit fully from the features of Your plan. We may need to change, reduce or remove any of Your plan terms. We'll give You details once you've told Us. You should seek Your own independent advice to consider Your options after You move to another territory.

Regardless of what is set out elsewhere in these terms We will not be obliged to exercise any of our rights and/or comply with any of Our obligations under this plan, if to do so would cause, or be reasonably likely to cause, Us to breach any law or regulation in any territory.

While resident in the Republic of Ireland or USA the only investment types available to You are Insured Funds, Commercial Property and Cash. Exchange Traded Instruments (ETIs), OEICs and Unit Trusts are no longer accessible investments, existing investments in structured products will remain until maturity however no new investments will be allowed. If these funds are not sold down by You, We shall do this for You within 30 days of Your notification to Us. If You subsequently buy any investment types that are not accessible to You, We will sell these down to Your Cash Account.

Please see **section 33 entitled Customer verification requirements** for the consequences for You if it has not been possible to verify Your or any third party's identity or bank details

Where appropriate, words in the masculine include the feminine and words in the singular include the plural and vice versa.

Section headings and sub-headings have been inserted for convenience only and do not form part of the Terms and Conditions.

These Terms and Conditions do not give any rights to any person other than You and Us. You and We may amend or cancel this agreement without reference to, or the consent of, any other person.

For details about how to make a complaint, please see Your Key Features document.

# Definitions

**Adviser** means the authorised financial Adviser appointed by You to provide You with financial advice and instruct Aviva in respect of Your Pension Portfolio.

**Annual Allowance** means the maximum amount which You can pay into Your pension(s) in each Tax Year and benefit from tax relief.

**Available Fund** means, for a transfer, a fund in which Units are available for investment in through both the Transferring Platform and the Receiving Platform.

**Aviva Platform** means the online service, provided by Aviva, designed to hold Your investments in one place, including the provision of transaction and administration facilities for Your Pension Portfolio.

**Aviva/Us/We/Our** means any of the companies in the Aviva Group that may provide services (excluding any advisory services) to Your Pension Portfolio including:

- Aviva Pension Trustees UK Limited, registered in England Company No. 2407799. Registered address, Wellington Row, York, YO90 1WR
- Aviva Wrap UK Limited, registered in England, Company No. 4470008. Registered address, Wellington Row, York YO90 1WR
- Aviva Life & Pensions UK Limited, registered in England Company No. 3253947. Registered address, Wellington Row, York, YO90 1WR

or any third party appointed by any one of them to supply services under these Terms and Conditions.

We reserve the right to assign contractual obligations to another company within the same group of companies as Aviva Pension Trustees UK Limited. This is subject to providing You with 60 days' notice and on the basis that it is reasonably understood that it would not reduce the security of Your Benefits.

**Beneficiary** means any person entitled to Benefits from Your Pension Portfolio following Your death and may be one or more of:

- Your Nominee(s);
- Your widow, widower, or surviving civil partner;
- Your children, including adopted children;
- Your grandchildren;
- any person named in Your will or who may benefit under the laws of intestacy;
- Your estate;
- a charity nominated by You in writing to Us.

**Benefits** means any payment made from Your Pension Portfolio during Your lifetime, either as a Pension Commencement Lump Sum or as Income Drawdown.

**Benefit Crystallisation Event** means any event that triggers a Crystallisation.

**Business Day** means any day on which the LSE is open for business.

**Capped Drawdown** means a form of Income Drawdown under which income limits are set by the Finance Act 2004.

**Cash Account** means the cash facility within Your Pension Portfolio where cash is held. The cash will be held in a client money account in accordance with the FCA client money rules. Your money will be held with the account providers of Our choice with the aim of minimising the risk of any one or more of those providers becoming insolvent.

**Choice** is the investment option that gives You access to insured and collective Funds, Structured Products, Commercial Property, ETIs and Equities.

**Client** means You and references to Your should be read accordingly.

**Commercial Property** means any permitted interest in land.

**Core** is the investment option that gives You access to insured funds through Your Pension Portfolio.

**Crystallisation** is the term used to describe taking Benefits from Your Pension Portfolio.

**Crystallised** means the part(s) of Your Pension Portfolio where Benefits have been taken.

**Custodian** means any company appointed by Us to safeguard and administer Investments other than Commercial Property.

**Death Benefit** means any payment made from Your Pension Portfolio on the event of Your death, either as a Lump Sum Death Benefit or as income.

**Dependant** is defined as a person who (at the date of Your death) is:

- Your spouse or civil partner; or
- Your child (under the age of 23); or
- in the opinion of the Scheme Administrator, financially dependent or inter-dependent on You; or
- dependent on You because of physical or mental impairment.

**Dilution Levy** means the adjustment that may be imposed by a Fund manager to share out the costs incurred when a need to deal in underlying assets is triggered by investor purchases or redemptions of Fund units/shares. This is to prevent these costs diluting the value of units/shares held by continuing investors.

**DIM** means Discretionary Investment Manager.

**Discounted Unit Class** means a Unit class in an Available Fund in respect of which the fund manager is paid a lower level of charges than would otherwise apply to an investment in Units in the Available Fund.

**Equalisation** means the amount of any undistributed income already included in the price of the units/shares at the time of investment.

**Equities** mean an interest in a Company in the form of shares.

**Exchange Traded Fund (ETF)** means a market security that tracks an underlying index.

**Exchange Traded Instruments (ETIs)** means any Investment traded through our nominated stockbroker. This includes, but is not limited to, Exchange Traded Funds (ETFs), investment trusts, Equities and Bonds.

**Execution Venue** means where the exchange of monies is undertaken. Our nominated stockbroker represents the Execution Venue in the trading of Equities. In the trading of Funds, the Execution Venue will be represented by Aviva or the Fund provider (or their agent).

**FCA** means the Financial Conduct Authority.

**Flexi-access Drawdown** means a form of Income Drawdown under which income limits set by the Finance Act 2004 do not apply.

**Fund** means an FCA authorised or recognised unit trust or insured fund or Open Ended Investment Company (OEIC) or other collective investment scheme in which units or shares can be purchased.

**Fund Price Adjustment** these are applied to the Smooth Managed Funds when the Smoothed Price is at least 6.5% higher (or lower)

than the Unsmoothed Price. The adjusted Smoothed Price will be 1.5% higher (or lower) than then Unsmoothed Price.

**Grace Period** means 90 days from the day You cease to have an Adviser. These 90 days are to enable You to appoint another Adviser.

**HMRC** means His Majesty's Revenue & Customs.

**Income Drawdown** means the method by which You can draw income directly from Your Pension Portfolio.

**Initial Calculation Point** means the date when Investments are first designated to provide Benefits through Income Drawdown.

**Investment** means assets held within Your Pension Portfolio such as Exchange Traded Instruments, units/shares in Funds and cash.

**Investment Pathway funds** means a range of investment options designed to target a specific outcome when using Income Drawdown.

**Investment Trust** means a form of closed ended Fund that is constituted as a public listed company.

**Lifetime Annuity** means a policy issued by an insurance company which provides a guaranteed income for life in exchange for a one-off premium (which could be all or part of Your accumulated Pension Portfolio).

**LSE** means London Stock Exchange.

**Lump Sum Death Benefit** means a lump sum paid from Your Pension Portfolio following Your death.

**Member** means a Member of the Aviva Personal Pension Scheme.

**Minimum Pension Age** means age 55 or such other age as prescribed by legislation.

**Model Portfolio** means a list of specific Funds/cash/assets with set percentage allocation at commencement. Subject to permissions, Your Adviser can manage Your Model Portfolio. Alternatively, Your Adviser may outsource the management of Your Model Portfolio to a Discretionary Investment Manager.

**Nominee** means any person or persons, including trustees, whose names You gave Us before Your death.

**Nominee Company** means a company in whose name some of the Investments purchased for You will be registered.

**Nominee (Finance Act definition)** - An individual nominated by the Member or the scheme administrator who is not a dependant of the Member. An individual nominated by the scheme administrator cannot be a Nominee (Finance Act definition) of the Member when there is a dependant of the Member, or an individual, or charity, nominated by the Member.

**Non-Advised Clients** means any time during the term of Your Pension Portfolio You do not have an Adviser advising You. See Schedule 1 of these Terms and Conditions.

**Online Service** means the service which enables You to view and manage Your Pension Portfolio.

**Order Execution Policy (OEP)** means Our documented policy which outlines the steps We take, in accordance with applicable regulations, to ensure that We achieve the best possible results for You when carrying out trades on your behalf.

**Payments** means the amount paid into Your Pension Portfolio and includes, as appropriate, single lump sum Payments, regular Payments, transfer Payments (including Unit Transfers) from other product providers made into Your Pension Portfolio. All Payments must be made in Sterling.

**Pension Commencement Lump Sum** means any tax-free lump sum paid to a Member of a pension scheme when their Benefits are designated as being available for payment.

**Pension Year** means the period of twelve months starting on the Initial Calculation Point and each subsequent period of twelve months.

**Phased Drawdown** is an option available when taking Benefits using Income Drawdown, whereby regular Crystallisations are made to allow payment of specified levels of income, using taxable income Benefits, Pension Commencement Lump Sum or a combination of both.

**PRA** means Prudential Regulation Authority.

**PTM** means Panel on Takeovers and Mergers.

**Receiving Platform** means the investment platform that receives Investments from a Transferring Platform in the event of a transfer.

**Reference Period** means the period between the Initial Calculation Point and Review Points, this being every three years until You reach the age of 75 and every year thereafter.

**Regulations** mean any rule or regulations issued by any authority, body or person having responsibility for the supervision or regulation of any of the activities carried out by Us.

**Regulator** means any authority, body or person having, or who has had, responsibility for the supervision or regulation of any regulated activities or other financial services, whether in the UK or overseas.

**Rules** mean the Rules of the Aviva Personal Pension Scheme.

**Scheme** means the Aviva Personal Pension Scheme.

**Scheme Administrator** means the Scheme Administrator of Your Pension Portfolio, which is currently Aviva Pension Trustees UK Limited, which manages Your Pension Portfolio in accordance with HMRC pension Regulations.

**SDRT** means stamp duty reserve tax.

**Self Invested Personal Pension (SIPP)** is a specific type of personal pension which can offer customers a wide choice of assets in which to invest, as opposed to just a selection of Funds. SIPPs typically allow the customer to take full control of the underlying assets, or to appoint an authorised Fund manager to do this on their behalf. The portfolio may include a range of collective investments from different managers, and may include individual share holdings and Commercial Property.

**Smooth Growth Rate** the Smoothed Price for the Smooth Managed Funds will normally increase each day in line with the Smooth Growth Rate. The Smooth Growth Rate for the Smooth Managed Fund is equal to the Bank of England Base Rate +5% per year and will be no less than 5% per year and no more than 10% per year. The Smooth Growth Rate for Smooth Managed Fund 2 is equal to the Bank of England Base Rate +3.75% per year and will be no less than 3.75% per year and no more than 8.75% per year. These may change in the future.

**Smooth Managed Funds** are insured Fund options available through Your Pension Portfolio.

**Smoothed Price** this is the price at which You buy and sell units in a Smooth Managed Fund.

**Structured Products** is a collective term for both structured investment products and structured deposits. These involve either investing or depositing money for a fixed period in order to achieve a return which may be linked to the performance of a stock market index or other asset(s).

**Successor** means an individual (i) nominated by the Dependant, (ii) nominated by the Nominee (Finance Act definition), (iii) nominated by a previous Successor, or (iv) nominated by the Scheme Administrator. No individual nominated by the Scheme Administrator counts as Your Successor at any time after the Beneficiary's death when there is an individual, or charity, nominated by the Beneficiary in relation to the Benefits.

**Tax Year** means the Tax Year 6th April to 5th April.

**Trading Cap** means a limit above which We won't trade. For example only, if the cap is £10 million We will not take any more trades if the net trading in a day exceeds that limit.

**Transfer In** means transferring the value of pension Investments from an existing pension to Your Pension Portfolio either in cash or by Unit Transfer.

**Transfer Payment** means a payment to or from another pension.

**Transferring Platform** means the investment platform that transfers Investments to a Receiving Platform in the event of a transfer.

**Trustee** means Aviva Pension Trustees UK Limited.

**Unsmoothed Price** the value of assets divided by the number of units in a Smooth Managed Fund.

**Uncrystallised** means the part of Your Pension Portfolio where Benefits are available and have not yet been taken.

**Unit** means a unit representing a right to or interest in Investments.

**Unit Transfer** means the transfer of an Investment other than cash from one investment product to a similar investment product with another provider. This is also known as an 'in-specie' or 're-registration' transfer. This transfer also needs to qualify as a recognised transfer between pension schemes.

**You/Your** means:

- the investor named as the Client in the online application process of Your Pension Portfolio; or
- (for a Dependant/Nominee (Finance Act definition)/successor who is taking Flexi-access Drawdown) the individual named as the applicant in the application process for Death Benefits.

## 1. Eligibility

You must be at least 18 to apply for Pension Portfolio. You must also be resident in the UK and have the intention to remain resident in the UK for the duration of the Policy, or a Crown Servant serving overseas or a spouse or a civil partner of a Crown Servant serving overseas. The UK does not include the Channel Islands, the Isle of Man or Gibraltar. You must have an appointed Adviser.

## 2. Fairness of Terms

In making decisions and exercising discretions given to Us under these Terms and Conditions, We will act reasonably and with proper regard to the need to treat You and Our other customers fairly.

These Terms and Conditions will only apply to Your Pension Portfolio provided they are not held by a relevant court or viewed by the FCA or by Us to be unfair contract terms. If a term is unfair it will, as far as possible, still apply but without any part of it which causes it to be unfair.

## 3. Ownership of Investments, Voting and Documentation

Investments held in Your Pension Portfolio are generally held in the name of the Trustee, except for ETIs which will be registered in the name of a Nominee Company. Such Nominee Company may or may not be authorised under the Financial Services and Markets Act 2000. The Trustee is responsible for the acts and omissions of the Nominee Company.

Investments may not be used as security for a loan outside of Your Pension Portfolio. Any certificates or other documents evidencing title will not be lent to third parties or used as security for borrowing.

They will be held by Us or to Our order in safe custody. Investments may be registered together with investments of other Members of the Scheme. As a result, the specific Investments in Your Pension Portfolio may not necessarily be easily identifiable by separate certificates, other physical documents or electronic records.

Commercial Property recorded in the Pension Portfolio is held in the name of Our nominated holder of Commercial Property. You are required to enter into a separate agreement with Our nominated holder of Commercial Property and as such Aviva will not be liable for any losses resulting from holding the Commercial Property.

No voting rights will be exercised on Your behalf for any of Your Investments. This means that where an Investment is subject to a vote, You will be bound by the decision taken by other eligible shareholders.

We will contact Your Adviser to inform them of any corporate actions and will also contact You if it is necessary for You to take any action.

In the unlikely event of default by any Custodian, any shortfall in Investments may be shared pro rata amongst investors.

In the event of a holding being subject to an elective corporate action We will endeavour to process the event as per Your wishes, subject to there being sufficient cleared funds within Your Cash Account. In such instances, we will contact You or Your Adviser with the details of the corporate action. Where no such instruction is received within the specified time limits We will allow any accumulated rights to lapse and will not be held liable for any losses, direct or indirect, which may subsequently arise.

All Equities We buy for You are acquired with all Benefits attached and We will claim for You any dividends, to which You are entitled, from the counterparty (that is, the person selling the Equities) to the transaction. We will always apply the cash sums to Your Cash Account of Your Pension Portfolio. These Payments will be listed in Your regular statements.

From time to time You may be advised of changes applicable to Equities or Funds that You hold within Your Pension Portfolio, for example, rights issues and Fund name changes. While We will endeavour to provide You with sufficient time to consider and respond, the time within which You have to communicate Your response may be limited and is out of Our control. In extreme circumstances this may mean that You are unable to respond within the timescales provided, and We will not be held liable for any losses, direct or indirect, which may subsequently arise.

## 4. Assignment

The Benefits payable under these Terms and Conditions may not be surrendered, commuted or assigned except as stated in these Terms and Conditions and as allowed under the relevant legislation/regulation.

## 5. Opening Your Pension Portfolio

To apply for the Pension Portfolio, Your Adviser will complete and submit to Us an online application on Your behalf; this is known as a straight through online application and Your Adviser confirms to Us that You have signed the Aviva Declaration. Your Pension Portfolio shall commence when We are in receipt of both the online application and cleared funds. However, for Unit Transfers Your Pension Portfolio commences upon receipt of such Unit Transfer.

We will invest Your money on receipt of cleared funds and the straight through online application from Your Adviser.



Once Your Pension Portfolio is open, We will provide You with an acknowledgement confirming that it is open.

In opening Your Pension Portfolio You agree to Us making Your information regarding Your Pension Portfolio available online to You, Your Adviser and Aviva.

In order to view this information online You will be required to register for Our Online Service.

We may accept Your application subject to these Terms and Conditions although We reserve the right to reject an application, including applications in which You or Your Adviser have provided inaccurate information to Us. If at the time We reject Your application Your money has cleared, this agreement will be void from the outset and We will return You to Your pre-agreement position less any Adviser charge paid or any reduction in value due to market movement.

## 6. Security

When Your Pension Portfolio is opened, You will be able to view Your Pension Portfolio through Our Online Service. You will be able to choose a password to access Our Online Service. You should take all reasonable steps to keep Your password secret and not disclose it to any other person. We cannot be responsible for any losses You incur if You have not kept Your password secret.

You must tell Us as soon as possible if You become aware that someone else knows Your password or if an unauthorised person is trying to access Your Pension Portfolio.

You must not permit any other person to access Your Pension Portfolio using Your password.

## 7. Cash

The Pension Portfolio has a Cash Account.

### (i) Cash Account – general

Cash within Your Pension Portfolio will be held in one or more client money Bank account(s) with external account providers of Our choice. This cash will be held in accordance with the FCA client money rules, as amended from time to time. The interest rate is variable and can be zero or negative. A negative interest rate means that there is a cost of depositing money with the Banks. To the extent permitted by the FCA rules, We may hold a proportion of Your cash on a fixed term deposit or in a notice account of up to 95 days. We do this so We are able to obtain better interest rates. Placing cash on a fixed term deposit or in a notice account means that the funds cannot be withdrawn until the expiry of the relevant fixed term or notice period. We manage the cash in order to ensure that there are sufficient funds available to satisfy customer demand, so this should not affect Your ability to withdraw money. However, there is a risk that Your access to cash is delayed in the event of a significant increase in demand. In the event of Our failure, there may be a delay in distributing the client money We hold as this process would need to take account of any notice period. If any of the notice account providers fail and the notice period isn't waived, You may have to wait up to 95 days to get that part of Your money back. We will not be responsible for the default or failure of a bank. You can find the Cash Account's current interest rate and details of the external account providers online at [aviva.co.uk/bank-interest-rates](https://www.aviva.co.uk/bank-interest-rates).

Interest will be credited to or deducted from (if the rate is negative) Your Cash Account monthly on or around the 1st of each month. We calculate interest based on Your Cash Account balance. If the amount We actually receive from whichever bank provides the account is less than We've calculated, You will keep the difference.

However, if the amount We receive from the bank is higher than We've calculated, We will keep the excess and it will not be paid to Your Cash Account and will not be Your money.

Interest on monies held in Your Cash Account within Your Pension Portfolio is paid gross.

The Cash Account should not be seen as a long-term investment and Clients should not look to hold uninvested monies in the Cash Account on a regular basis or for any prolonged time period.

Although unlikely, it's possible We could make an administrative error to Your Account. We will take all reasonable steps to rectify this. We will rectify this by making a correction to Your Account. We reserve the right not to make a correction where the value of the error is less than £10. We will incur administrative costs through making the correction.

### (ii) Cash Account – balances

All cleared Payments, will be initially credited to Your Cash Account. Cash may also be credited to this account by Us, for example by way of distribution Payments or interest Payments, income, or if investments are sold without making further purchases.

The balance of Your Cash Account(s) will be shown on Your account statements and on Our Online Service.

### (iii) Cash Account – payment of charges

If Your Pension Portfolio is invested in assets, such as Commercial Property, Equities or Structured Products, these types of assets can't be easily liquidated for the purposes of ensuring Your Cash Account has sufficient funds to pay any charge(s) and, or make any Payment(s) to You.

We will take all Our charges from Your Cash Account. Details about the operation of these are set out in **section 19 entitled Charges**.

### (iv) Unidentified cash

If We receive a Payment and We are not provided with sufficient information to identify that this is intended to be for Your benefit then this may be returned to source.

### (v) Cash for Income Drawdown

Any income for Income Drawdown will be paid out of Your Cash Account balance. Details on how this operates are set out in **section 17 entitled Drawdown options**.

## 8. Payments

You, Your employer or, if we agree, a third party on Your behalf, can make Payments into Your Pension Portfolio.

Single Payments, additional single Payments and transfer Payments may be paid at any time, however We cannot accept Payments (other than transfer Payments) after age 75.

We collect regular Payments by direct debit on the date stated on Your online application submitted by Your Adviser. Payments can be made monthly, quarterly, half yearly or yearly and will be collected on the agreed date each time. It should be noted that it will take Us up to 10 Business Days to set up the direct debit following receipt of Your online application. For Direct Debit and Immediate electronic Payments funds will clear within three Business Days of the crediting of monies to Your Cash Account to be invested.

Cheques shall be banked within one Business Day following receipt by Us of the cheque and it will take four Business Days for cheques to clear.

Acceptance of all Payments is subject to Our requirements relating to minimum size of Payment and means of Payment.

HMRC sets maximum amounts that You or any third party on Your behalf can make to all registered pension schemes and qualify for tax relief. If Your or a third party's Payments to Your Pension Portfolio mean that the maximum amount is exceeded We will return the excess to You or the third party who made the Payment and any accompanying tax relief to HMRC.

If We receive a Payment which does not enable Us to identify You, Your Account or Your Adviser then this may be returned without processing to the issuing institution.

### **(i) Transfers In**

If You ask Us to Transfer any of Your Investments within an existing pension scheme to the Aviva Platform from a Transferring Platform, You may choose for the transfer to be carried out by way of a Unit Transfer, provided We have the same Investments on the Aviva Platform and that there are no circumstances outside of Our control, or that of the Transferring Platform or Receiving Platform which would prevent a Unit Transfer.

Where We receive an instruction from You, or given on Your behalf, to carry out a Unit Transfer of any Investments You hold within an existing pension scheme with a Transferring Platform to the Aviva Platform (as Receiving Platform), We are entitled to treat that instruction as providing Us with Your express authority to instruct the Transferring Platform:

- to request the Fund Manager of each such Investment (to the extent the Transferring Platform is entitled to do so) to carry out any conversion to a Unit class that is available on the Aviva Platform and
- to take any other reasonable steps to bring about that conversion, in each case, as required to enable a Unit Transfer of any such Investments.

Where We receive an instruction given by You, or on Your behalf, to convert Units in Your Investments into Units of a Discounted Unit Class as part of a Unit Transfer of any Investments within an existing pension scheme You hold with a Transferring Platform to the Aviva Platform (as Receiving Platform), We are entitled to treat that instruction as providing Us with Your express authority:

- to request the Fund Manager of each such Investment (to the extent We are entitled to do so) to carry out the conversion to that Discounted Unit Class; and
- to take any other reasonable steps to bring about that conversion.

An instruction will be treated as given on Your behalf where it is provided:

- by Your Adviser;
- where the Aviva Platform is the Receiving Platform, by the Transferring Platform;

unless, in any of these cases, We reasonably believe that person or entity does not have authority to provide the instruction on Your behalf.

During a Unit Transfer, there may be a period between the point of transfer and completion of the Unit conversion process, where you may incur a more expensive charge from the fund manager. There may also be a period of time where the Units being converted are not available to trade.

The assets you transfer in by Unit Transfer will determine whether You are in the Core or Choice investment option of Pension Portfolio.

Transfers are not complete until all Our reasonable requirements, including information and instructions from Your Adviser, have been met.

The Transfer In will happen when We have a satisfactorily completed application and have either received the proceeds and any other documents required from the transferring scheme administrator(s), or the Investments are re-registered in the name of the Trustee or its appointed Nominee Company.

For pension cash transfers, once Your Pension Portfolio is open We will buy the Investments Your Adviser has instructed Us to buy on Your application.

Any residual Payments received from Your old scheme administrator after Your Pension Portfolio has been opened, such as distributions, will be held in Your Cash Account until We receive instructions from Your Adviser.

In some circumstances We may not be able to accept a Transfer In and We will tell Your Adviser if this is the case.

## **9. Model Portfolios and Portfolio Rebalancing**

When You invest in Your Pension Portfolio via Your Adviser, Your Adviser may invest Your Pension Portfolio into a Model Portfolio(s). These Model Portfolio(s) records the Investments Your Adviser has selected in their set proportions. Subsequent Payments are invested in accordance with the Model Portfolio(s) unless You or Your Adviser informs Us otherwise.

Over time, as a result of varying investment performance, the proportions of Investments in Your Pension Portfolio will change in relation to Your Model Portfolio(s). Your Adviser may ask Us at any time to rebalance Investments in line with Your Model Portfolio(s). This will involve switching. Your Adviser may also instruct Us to automatically rebalance Your Pension Portfolio at a frequency or set levels Your Adviser specifies.

It is not possible to hold Structured Products, Commercial Property, Direct Gilts or Corporate Bonds in a Model Portfolio.

## **10. Discretionary Investment Managers**

Your Investments can be managed through Your Adviser or through a DIM or a combination of both.

Where You wish to invest via a DIM Model Portfolio, You are required to appoint a DIM from the Aviva approved panel and to enter into a DIM agreement and agree the DIM charges which shall apply. You will need to arrange this through Your Financial Adviser. You authorise Your DIM to act on Your behalf and instruct Aviva in respect of the portion of Your Pension Portfolio holding invested with that DIM.

We may accept Your application subject to these Terms and Conditions although We reserve the right to reject an application. Aviva will accept instructions from Your Adviser and/or Your DIM on this basis. We are however unable to accept instructions from an attorney relating to any portion of Your Pension Portfolio holding invested with a DIM unless the Power of Attorney document registered with Us includes specific wording that allows Us to do so.

If at any time Your Adviser changes Your DIM, You are required to sign a replacement DIM agreement with that new DIM and agree the replacement DIM's charges. Aviva will allow DIMs to access the Aviva Platform to load and manage their Model Portfolios. Aviva will manage who has access, and enter into a legal agreement with each DIM. Where such agreement is not entered into the DIM will not have access to the platform and will not be able to manage your Portfolio.

The DIM will then be able to create any number of models, and manage these models accordingly.

The DIM is responsible for allowing their Model Portfolios to be accessed by Your Adviser. The Adviser will be granted permission by the DIM. Once access is granted the Adviser will be able to select the appropriate Model Portfolio(s) for You.

DIMs may charge You for using their Model Portfolios. Where a charge does apply, this is deducted monthly from Your Cash Account. Each DIM sets the charge for their Model Portfolios. If a DIM changes their charges, they will tell Your Adviser and You may be required to sign a replacement DIM Agreement.

Your DIM is responsible for managing those assets within Your Pension Portfolio that Your Adviser allocates to them. By appointing a DIM, via Your Adviser, You give the DIM authority to place orders with Us on Your behalf. We will act as if this is a direct instruction from You without Us assessing the suitability of the order given. Your DIM is responsible for checking the suitability of an order they submit and the accuracy of its execution. If an error is made by Your DIM, Your DIM is responsible for ensuring that it is corrected. Aviva is not responsible for any loss incurred to Your Pension Portfolio as a result of any errors by Your DIM.

Your DIM will continue to have authority to act on Your behalf until:

- Your Adviser, acting on Your instruction, ends the authority; or
- We end the authority of a DIM to manage investments for any Client on the Pension Portfolio; or
- Your DIM ends their relationship with You or Us; or
- You end the DIM authority.

## 11. Trading

When dealing in Investments for You, We must be in receipt of a valid instruction from You, Your Adviser or DIM as appropriate.

As the Pension Portfolio is aimed at Clients with Advisers, We may only accept instructions direct from You in exceptional circumstances where You are unable to place an instruction through Your Adviser. However We cannot accept an instruction to buy or switch into ETIs directly from You; the instruction must be placed by Your Adviser.

Where an instruction has been received direct from You, we will not permit the purchase of any financial instrument which is deemed to be complex under FCA rules.

Trades may only take place provided You have sufficient money in Your Cash Account to make such trades and charges. For switches, please see **section 12 entitled Switching**.

We will purchase Your chosen Investments for Your Pension Portfolio only when Your Payment(s) can be treated as cleared funds. For cheques generally this will be four Business Days after receipt. For direct debits and immediate electronic payments this will generally be within three Business Days of the crediting of monies to Your Cash Account.

Where an electronic payment fails any trade connected or associated with that payment will also fail. If You wish any such trade to continue You, Your Adviser or DIM must submit a new instruction for that trade to take place once sufficient funds are in place.

Where the trade is reliant upon a regular Payment being made, this trade is placed on the first business day after collection date of the Payment. If the means of Payment fails, then any Investment made with such a Payment will be cancelled and We reserve the right to deduct any shortfall from Your Pension Portfolio.

We will not apply any discretion when dealing on Your behalf nor accept liability for any losses, direct or consequential, which You may realise as a result of the investment decisions made by You or in conjunction with Your Adviser or DIM.

The sale proceeds are held in cash in Your Cash Account where You have instructed Us to sell but have not provided instructions to reinvest, withdraw or transfer Your Pension Portfolio.

Where We receive an instruction which is unclear or ambiguous in nature, We reserve the right to take no action until We have received clarification from You, Your Adviser or DIM.

### Trading Funds

When trading for You, deals may be aggregated with those of other investors because We reasonably believe that such aggregation will work to Your advantage. You should be aware that on some occasions it is possible that such aggregation may work to Your disadvantage.

Where aggregation results in a small amount of cash that cannot be reasonably allocated to individual investors We will move the money to Our own bank account and pay it to Our chosen charity annually. If aggregation results in a small asset holding that cannot be reasonably allocated to individual investors We, as agent, will sell the asset and pay the proceeds to Our chosen charity annually.

Aggregation may result in a Dilution Levy being triggered. This is usually no greater than 1% of trade value.

Following receipt of cleared funds and a valid online sale or purchase order, trades may be aggregated with those of other investors. We will normally aggregate trades as appropriate on each Business Day and then pass these to the relevant Fund manager(s). These will then be executed in accordance with each Fund manager's execution policy. For some Funds the next available valuation point may be later than one Business Day following aggregation. For further details around Our Aggregation policies, please refer to the latest Order Execution Policy which you can obtain from your adviser or online at **[aviva.co.uk/best-execution-policy](https://www.aviva.co.uk/best-execution-policy)**

In exceptional circumstances where You are unable to instruct Your Adviser to execute Your instruction through the Aviva Platform, We may accept Your instruction direct from You. Execution of Your instruction will take longer and we may require additional information from You. This is because additional manual work is required by Aviva to check and execute the instruction. Further details can be found in the latest Order Execution Policy.

Some Funds may have a minimum trade value. If a trade is placed for less than this amount, the trade may be rejected or held as pending until We receive further trades that meet this minimum amount from You or other investors. If We experience any difficulty in trading for You promptly, We will inform Your Financial Adviser, DIM or You within five business days of identifying the issue.

When investing in Funds We will purchase the share class that You select. If You select a net paying share class within Your Pension Portfolio We will reclaim any applicable tax for You. However, in a number of cases gross paying share classes are available. Please discuss with Your Adviser the availability of these before investing.

For some Funds it may not be possible to buy or sell Your Investment on every Business Day as they may have different trading frequencies. This could mean that You may not receive Your proceeds straight away.



## Commercial Property

We have entered into an agreement with Our nominated holder of Commercial Property for the provision of these Investments. Separate Terms and Conditions for Commercial Property are available which You are required to accept if you wish to invest in a Commercial Property or if there is a Commercial Property within Your Pension Portfolio. Our nominated holder of Commercial Property shall set up a sub-fund for You. That sub-fund sits with Our nominated holder of Commercial Property and is not on the Aviva Platform, as such We do not have sight of the sub-fund. Commercial Property charges and other expenses will be met from Your sub-fund. Information on how the sub-fund works, together with details of the treatment of any rental incomes in and out of the sub-fund are contained in the separate Terms and Conditions from Our nominated holder of Commercial Property.

Where a mortgage has been used to secure a Commercial Property within Your Pension Portfolio, non-payment of that mortgage may result in the total amount owed under the mortgage (including the amount of any non-payment) taking priority on the sale of the Commercial Property or resulting in repossession of the Commercial Property. This may potentially impact the value of Your Investment in that Commercial Property, which may include the value of the debt exceeding the value of the Commercial Property resulting in Your Investment in the Commercial Property having no value.

Your Adviser will provide You with the relevant documentation. Alternatively, these can be obtained by contacting Us.

Our nominated holder of Commercial Property reserves the right to appoint a surveyor or equivalent to manage the Commercial Property for Us. If You have sufficient money in Your nominated holder of Commercial Property's sub-fund their fees, including any VAT, will be paid from Your sub-fund. If Your sub-fund does not have sufficient monies to cover some or all of these fees, a cash transfer will then be made from Your Pension Portfolio Cash Account into Your Commercial Property's sub-fund from where those fees shall then be paid.

Where the amount available in Your Pension Portfolio is not sufficient to purchase a Commercial Property outright it may be possible to raise a mortgage loan to assist with the Commercial Property purchase. The borrowing must be arranged in the name of Our nominated holder of Commercial Property. Neither We, nor Our nominated holder of Commercial Property, take responsibility for finding a lender.

Neither We nor Our nominated holder of Commercial Property will retain the deeds of the Commercial Property.

You promise to pay Our losses and expenses (if any) should an environmental or other claim be made, or liability arise against the Commercial Property held within Your Pension Portfolio. Our nominated holder of Commercial Property would expect to meet any such claims and liabilities initially from the Investments held in respect of Your Pension Portfolio.

If there is Commercial Property within Your Pension Portfolio when Death Benefits become payable and a Lifetime Annuity is to be purchased or a Lump Sum Death Benefit payment is requested, We will pay the Death Benefits once the Commercial Property has been sold. In adverse market conditions, this may result in there being a significant delay in the settlement of the Death Benefits.

If We are unable to sell the Commercial Property within two years of being notified of Your death and You have not taken Benefits from Your Pension Portfolio, We may transfer the ownership of the Commercial Property to the person(s) as determined in accordance with **section 18 entitled Death benefits**.

A report will be provided by Our nominated holder of Commercial Property each year detailing all transactions relating to the Commercial Property.

## Exchange Traded Instruments (ETIs)

Investments can be made in equities, investment trusts, exchange traded funds, direct corporate bonds and gilts. Access to other Exchange Traded Instruments may be available at Our discretion.

You can only buy or switch into ETIs where the instruction is made through Your Adviser. All orders will be placed with Our nominated stockbroker, further details of this are available on request.

A PTM levy may be payable for trades in securities of companies which are incorporated in the UK, the Channel Islands, or the Isle of Man. SDRT may also be payable on transfer of registered shares when effected through an electronic settlement system.

Both the PTM levy and SDRT will be payable at the prevailing rate at the time, further details are available from Your Adviser.

All orders and valuations will be in Sterling only. If an ETI is inadvertently acquired which is not eligible to be held through the Aviva Platform, for example, acquiring a non-Sterling ETI as the result of a corporate action, this will be sold and the proceeds, in Sterling, will be paid into Your Cash Account at the earliest reasonable opportunity. Settlement of transactions will be due for settlement in full on the Settlement Date, which will be in line with the market settlement terms of each asset.

We will allow Our nominated stockbroker to hold Your client money in the course of settling purchases or sales You have instructed Us to carry out or in receiving income due to You.

All exchange transactions will be subject to the rules, Regulations, customs and market practice of the exchange on which the transaction is being carried out and all applicable Regulations will be binding on You. There may be occasions where Your order is executed outside of a regulated market or multilateral trading facility to aim to achieve the best possible result in executing Your order.

There may be minimum trading amounts for trading in ETIs, so please refer to the relevant product guide. In most cases only whole shares/units are available. Where trades are instructed resulting in residual cash, this amount will remain in cash until further instructions are received or future purchases are made.

Retail bonds can only be purchased in the trading denominations specified within the retail bond's provider prospectus. Where these retail bonds mature, any cash will be paid into Your Pension Portfolio Cash Account. In some circumstances, due to stockbroker aggregation, there may be residual units after disaggregation has taken place, in these cases We will sell the surplus units and return the proceeds to the impacted Clients on a pro rata basis.

In some cases, We may defer the purchase of ETIs, where We reasonably believe that level of trading will breach Our Trading Cap with Our nominated stockbroker.

## Market Orders and Scheduled Market Orders

Scheduled market orders are placed online and submitted to Our nominated stockbroker three times a day at 10am, 1pm and 3pm. It may also be a policy of Our nominated stockbroker that orders will be aggregated. This means that the price of securities may rise or fall in the period between the receipt of Your order and the time it is actioned. Events which could result in a different price being secured include but are not limited to:

- trades instructed outside normal market size resulting in a price which is different from that which would have prevailed on a single deal; and/or

- a delay between orders being placed with Us and then being placed in the market whilst market movement takes place, resulting in price movements which could be either favourable or unfavourable; and/or
- PTM levies being triggered for trades over £10,000.

All orders made within a Model Portfolio, will be instructed as scheduled market orders.

For Model Portfolios only, scheduled market orders in ETIs will be aggregated where multiple deals in the same ETI exist.

These deals will be sent to Our nominated stockbroker for completion. Once we receive the price from Our nominated stockbroker, We will disaggregate the shares/units purchased and allocate You the maximum number of shares/units for your order.

Where excess shares/units exist due to the aggregation and disaggregation process, these will be allocated to investors based on the value of their order, meaning You may receive a maximum of one additional share/unit. These additional shares/units will be allocated to clients with the highest value orders until all excess shares/units have been allocated. You will be charged for this additional share/unit based on the price received from Our nominated stockbroker.

### **Quote and Deal**

Quote and Deal allows Your Adviser to trade on a real time basis for individual transactions. Your Adviser will be provided with a real time price at which they can place a trade on Your behalf. However, it may not be possible to buy or sell at that price at all times, due to external factors beyond Our control. Examples of such external factors may include:

- market liquidity; and/or
- trade size; and/or
- volatility of the stock

which mean a trade cannot be placed and may be deferred or cancelled.

We shall not be liable for any loss or loss of opportunity suffered by You, whereby the value of Investments could have been increased, or for any decline in the value of Investments due to such deferment or cancellation of a trade.

### **Limit Orders**

When dealing with ETIs, We may accept Limit Orders where You place limits on the price You are prepared to accept for a deal, provided that the order is above any minimum level We set from time to time. Any such order will be valid for a maximum of 30 days and defined by Your Adviser. We will aim to facilitate the earliest possible execution of Limit Orders. A Limit Order is not guaranteed to be completed. A Limit Order will usually only be completed if the price reaches the specified limit price within the timescale specified by You. Note that even if this occurs a trading opportunity could be missed if the price moves away from the limit price before it can be completed or there are not enough buyers or sellers at that particular price level. If We are unable to execute a Limit Order under prevailing market conditions We are required to make the Order public ahead of execution, except where You agree that We do not need to do this. We consider that it is in Your best interests if the appointed stockbroker uses their discretion as to whether or not we make such Orders public, taking into account what We believe to be Your best interests. You expressly give Us permission not to make the unexecuted order, or any part of it, public in these circumstances. Where We are unable to complete the Limit Order due to circumstances outside Our control, We reserve the right to cancel it.

We shall not be liable for any loss or loss of opportunity suffered by You as a result of Us cancelling a Limit Order.

### **Trading Structured Products**

When purchasing Structured Products for You, We will place the amount You wish to invest in the Structured Product. If the Structured Product is available, We will place the trade in Structured Products each Business Day up to the end of the open period.

Where You choose to cancel a purchase in Structured Products We will process those instructions from You or Your Adviser. The investment amount returned will be defined by the Terms and Conditions of the individual product provider and this could be less than Your original investment. We will return the amount We receive from the product provider to Your Cash Account as soon as available.

Structured Products may have a minimum trade value and this may vary per product and/or per provider. Details of this will be shown in the provider's literature unless otherwise stated.

When dealing on Your behalf, deals will be aggregated with those of other investors. The Structured Product provider will purchase the assets at the end of the open period, which means that any reference to any investment interest, including early bird interest shown in the Structured Product provider's literature will not apply to You.

In the event of the Structured Product being oversubscribed or no longer offered, Your original investment amount will be returned to Your Cash Account. For more information on how Structured Products work on Pension Portfolio please refer to the Aviva Guide on Structured Products (LF10204). This Guide is for information purposes only and does not form part of this agreement.

Literature relating to specific Structured Products can usually be found on the Structured Product provider's website.

### **Withdrawals from Structured Products**

Any withdrawals from Structured Products before You take retirement Benefits must be reinvested in Your Pension Portfolio.

For Structured Products available on the Pension Portfolio it is not possible to take partial withdrawals. Withdrawals will not be immediately available due to the length of time it takes to sell down the Structured Products. Any instruction to withdraw Your Investment will not take place on a non Business Day and will wait until the next Business Day. This could mean that You may not receive Your withdrawal proceeds straight away.

Structured Products are fixed term investments, therefore there may be penalties payable if You leave the Structured Product before the end of the fixed term. If You wish to withdraw monies before the end of the fixed term, then You must notify Us, and the full Investment will need to be encashed. The amount You receive back will depend on the type of Structured Product You were invested in, and You may get back significantly less than the amount You initially invested.

### **Counterparty default - Structured Products**

For counterparty default relating to Structured Products, please refer to the Structured Product provider's literature for full information.

Literature relating to specific Structured Products can usually be found on the Structured Product providers' website.

### **Investing in Insured Funds**

You can choose to invest in a number of insured Funds offered by Aviva. The number of insured Funds and the insured Funds themselves You can invest in at any one time may be limited. There may be a minimum and maximum number of units that can be held in any insured Fund at one time. Investments in insured Funds are made through a master policy held by Aviva Pension Trustees UK Limited with Aviva Life & Pensions UK Limited.

At all times the assets and units of all insured Funds belong to Us. We use them to work out the Benefits to be provided.

We can close or merge any existing insured Funds and can change the number and type of insured Funds available. If this affects You, We will tell You. We will tell You at least 30 days in advance, unless external factors beyond Our control mean that only a shorter notice period is possible. We will tell You of Your options when this occurs. We can also set up new insured Funds at any time.

### **Insured Fund Allocation and cancellation of units**

When You buy or sell units in insured funds You will usually receive the next available price. If We receive Your instruction to buy or sell units after 4pm on any Business Day, or on a weekend or bank holiday, then We may treat Your instruction as if it had been received on the next Business Day. However, in exceptional circumstances, We reserve the right to take appropriate action to safeguard investors' interests which could include delaying the sale of Your units.

We can delay the cancellation of units in any insured Fund for up to one month. Where an insured Fund invests directly or indirectly in land or buildings We may delay it for a further five months.

Cancellation of units in an insured Fund may be delayed, where We consider that it is reasonable to do so having regard to all the relevant circumstances. We are only likely to consider it reasonable to do so where it is in the interests of the relevant investment or property insured Funds, other investors, or We are unable to readily realise investments in the investment or property insured Funds. Examples of this may include where:

- there is a stock market crash; and/or
- there is a failure in infrastructure, such as the effect of a computer virus in the stock trading system; and/or
- there is physical damage arising from events such as a terrorist attack, an explosion or flood; and/or
- We reasonably consider there is no suitable market upon which to sell the asset(s) of an insured Fund; and/or
- there is any interruption of a stock exchange which materially affects the pricing of the units; and/or
- the sale of the asset(s) of an insured Fund would lead to unfairness of treatment between policyholders.

We will tell You if and why a delay is necessary. If there is a delay, then the cancellation will take place using the unit price next available after the period of delay has ended.

### **Insured Fund Assets**

For each insured Fund, We decide which assets to include and when to buy and sell them. We do this in line with the insured Fund's investment objectives. Income and gains from these assets are added to the insured Fund. Losses relating to these assets are met from the insured Fund.

We can borrow for the purposes of any insured Fund and use its assets as security for a loan. We can also use financial derivatives, such as futures and options, to assist Us in effectively running the insured Funds.

### **Insured Fund Deductions**

We will make the following deductions from each insured Fund where We have reasonably incurred or anticipated incurring:

- expenses connected with buying and selling the assets and valuing, owning and maintaining them;
- interest on borrowings;

- taxes, duties, levies and other charges, including Our management charges;
- other expenses, taxes, duties, levies or charges which in the opinion of the Actuary should be paid from the insured Fund (this may include the cost of acquiring, disposing of, maintaining or managing assets of the insured Fund and also other charges on the investment or income of the insured Fund and also other charges on the investment or income of the insured Fund as reasonably determined by Us).

At all times the total deductions will be restricted to ensure the overall charges applicable to Your Pension Portfolio will be no more than the maximum permitted by law.

### **Insured Fund Unit prices**

Each insured Fund is divided into units.

The Fund manager will value each insured Fund at least once a month.

Each valuation is carried out to fix the unit price of units. The unit price will be rounded to the nearest 0.01 pence.

The value of stock exchange investments will be based on quoted prices. The value of interests in land and buildings will be based on the latest valuations We have. However, We may make reasonable adjustments to take account of:

- changes in the prices of land and buildings since the last valuation in line with professional advice;
- Regulatory guidance and/or guidance issued by the Royal Institution of Chartered Surveyors (or another equivalent body).

For insured Funds excluding the Smooth Managed Funds, the unit price cannot be more than the maximum unit price. This is found by:

- valuing the assets of the insured Fund relating to units of that particular type using the prices at which they could be bought plus the buying costs; and
- dividing this by the number of units of the type in the insured Fund and then rounding to the nearest 0.01 pence.

For insured Funds excluding the Smooth Managed Funds, the unit price cannot be less than the minimum unit price. This is found by:

- valuing the assets of the insured Fund relating to units of that particular type using prices at which they could be sold minus the selling costs; and
- dividing this by the number of units of that type in the insured Fund and then rounding to the nearest 0.01 pence.

For the Smooth Managed Fund range the valuations above will also be used to calculate the value of assets. When You buy and sell units in the Smooth Managed Funds, You will receive a Smoothed Price which grows in line with a Smooth Growth Rate. The Smooth Growth Rate for the Smooth Managed Fund will be equal to the Bank of England Base Rate plus 5% per year, but will be no less than 5% per year and no greater than 10% per year. The Smooth Growth Rate for Smooth Managed Fund 2 is equal to the Bank of England Base Rate +3.75% per year and will be no less than 3.75% per year and no more than 8.75% per year. Fund Price Adjustments will be applied to the Smoothed Price when the difference between the Smoothed Price and the Unsmoothed Price (the value of assets divided by the number of units in the relevant Smooth Managed Fund) is greater than 6.5% and the Fund Price Adjustment will reduce the difference to 1.5%. If cash flows in or out of a Smooth Managed Fund exceed 10% of the total value of the fund over any 30 day period or 25% of the total value of the fund over any 365 day period, then the Smoothed Price will be set to the Unsmoothed Price on that day.

## Investment Pathways

When taking money out of Your Pension Portfolio, You may decide to invest the remaining money in one of Our Investment Pathway funds. The instruction to buy or switch into an Investment Pathway fund will be deemed to have been given once any income has been paid out under Section 17. Drawdown Options and any remaining money has been crystallised under Section 16. Crystallisation.

## 12. Switching

You may instruct Us to sell Investment(s) and reinvest the proceeds in another Investment(s). On receipt of Your instructions, Your Adviser will instigate the online sale of the specified investments followed by the purchase of the specified new Investments.

In exceptional circumstances where You are unable to instruct Your Adviser to execute Your instruction through the Aviva Platform, We may accept Your instruction direct from You, with the exception of requests to switch into ETIs. Execution of Your instruction will take longer and we may require additional information from You. This is because additional manual work is required by Aviva to check and execute the instruction. Further details can be found in the latest Order Execution Policy.

Please note that where applicable, purchase orders will be placed once all sale prices have been confirmed on Your account. There may therefore be incidences where You are disinvested for a period and subject to potentially adverse market movements, We will not be liable for any losses arising during this period.

There are no additional Aviva or Fund manager charges levied for switching other than the standard Aviva and Fund manager transactional costs which may apply where applicable. Details of these costs can be found in the Client Brochure (LF10207). This Brochure does not form part of this agreement.

We may defer the purchase of units in a Fund or the purchase of ETIs pending receipt of the proceeds of the related sell instruction, where We reasonably believe that the level of the assets, which We are required to hold in respect of Our customers, may adversely affect Our liquidity.

Switches in and out of any Smooth Managed Fund are limited to one switch in each calendar quarter (i.e. 1 January – 31 March, 1 April – 30 June, 1 July – 30 September, 1 October – 31 December). The dates stated here are inclusive.

If more than one switch per calendar quarter is carried out, We reserve the right to reverse the later switches and put You back in the position You would have been had only the first switch been carried out in that quarter.

## 13. Best Execution

When dealing with Your order to buy or sell Investments, We will use all reasonable endeavours to achieve the best possible result for You.

In respect of orders relating to Funds, the only method available for dealing with most of these in practice is to transmit them to the Provider of Your chosen Fund. Therefore the Fund provider (or their agent) is the only Execution Venue that will be used.

Regulations require Us to consider various execution factors in deciding how best to execute Your order. These include price, cost, speed, likelihood of execution and settlement, size, nature and other relevant matters. Normally We would consider price to be the most important factor. However, for Investments in Funds, there will only be one Execution Venue that We can use in practice to deal with Your order and there will only ever be one price; the price of the underlying assets. We also take the above factors into account when appointing a nominated stockbroker.

In respect of orders relating to Structured Products the only method available for dealing with most of these in practice is to transmit them to the Provider of Your chosen Structured Product. Therefore the Fund provider (or their agent) is the only Execution Venue that will be used. Regulations require Us to consider various execution factors in deciding how best to execute Your order. These include price, cost, speed, likelihood of execution and settlement, size, nature and other relevant matters. Normally We would consider price to be the most important factor.

However, for Investments in Structured Products, there will only be one Execution Venue that We can use in practice to deal with Your order and there will only ever be one price; the price of the underlying assets.

In respect of orders relating to Investments in ETIs, when dealing with an order to buy or sell shares, We send Your order to Our nominated stockbroker, who has arrangements in place to provide Us with the best possible result in terms of the price and other relevant factors that they can achieve under the circumstances. We use Our nominated stockbroker for this purpose, as We believe this helps Us obtain value for money for Our Clients.

We will monitor the effectiveness of Our Order Execution Policy and arrangements to ensure that We continue to obtain the best possible result for You. We will notify You of any material changes to Our policy and arrangements where they are relevant to You.

Please note that Our Order Execution Policy does not apply when a specific instruction is given by You, Your Adviser or Your DIM as to how orders should be dealt with. This may prevent Us from taking steps designed to obtain the best possible result for You.

If you would like a copy of our Order Execution Policy, please contact Your Adviser.

## 14. Tax Relief on Payments

Your or Third Party Payments are made net of basic rate tax and We will reclaim the basic rate tax relief from HMRC. Your basic rate tax relief is calculated by Us and will be invested as soon as it's possible, according to Your original Investment instruction, so there is no delay in investing Your money.

If You pay tax at more than the basic rate You can reclaim the additional tax relief from HMRC.

You can claim tax relief on Your Payments up to specific limits set by HMRC. Your Adviser will be able to give You the details of these limits. If these limits are exceeded We will refund to You an amount equal to Your Payments and return the basic rate tax relief to HMRC.

Any employer Payments are received gross.

If Your total Payments, including employer Payments, exceed the Annual Allowance the excess may be subject to a tax charge.

## 15. Transfers Out

If You ask Us to transfer any of Your Investments from the Aviva Platform to an alternative registered pension scheme on a Receiving Platform, You may choose for the transfer to be carried out by way of a Unit Transfer, provided We have the same Investments on the Aviva Platform and that there are no circumstances outside of Our control, or that of the Receiving Platform which would prevent a Unit Transfer. Where We receive an instruction from You, or given on Your behalf, to carry out a Unit Transfer of any Investments You hold with Us on the Aviva Platform (as Transferring Platform) to an alternative



registered pension scheme on a Receiving Platform, We are entitled to treat that instruction as providing Us with Your express authority:

- to request the fund manager of each such Investment (to the extent We are entitled to do so) to carry out any conversion to a Unit class that is available on the Receiving Platform; and
- to take any other reasonable steps to bring about that conversion,

An instruction will be treated as given on Your behalf where it is provided:

- by Your Adviser;
- where the Aviva Platform is the Transferring Platform, by the Receiving Platform;

unless, in any of these cases, We reasonably believe that person or entity does not have authority to provide the instruction on Your behalf. During a Unit Transfer, there may be a period between the point of Unit conversion and completion of the transfer process, where you may incur a more expensive charge from the fund manager. There may also be a period of time where the Units being converted are not available to trade.

## 16. Crystallisation

To take Pension Benefits, You must crystallise some or all of Your Pension Portfolio.

Your Pension Portfolio may be split into a number of parts, those parts which are Uncrystallised and those that are Crystallised.

Charges are deducted proportionately across the Uncrystallised and Crystallised parts of Your Pension Portfolio. Transaction charges will be taken from the specific part of Your Pension Portfolio in which they've been incurred.

Crystallisation occurs via Benefit Crystallisation Events. Each Drawdown Benefit Crystallisation Event will normally use the same arrangement within Your Pension Portfolio, unless We are instructed otherwise by Your Adviser or required by legislation to set up a separate arrangement. We reserve the right to impose a limit on the number of Benefit Crystallisations occurring in any twelve month period and the value of any single Benefit Crystallisation. A Benefit Crystallisation Event will also occur if funds already Crystallised for drawdown are used to purchase a Lifetime Annuity.

You, via Your Adviser, can use Your Pension Portfolio to purchase a Lifetime Annuity (either with Aviva or another annuity provider) at any time from the Minimum Pension Age if You so wish.

Commercial Property, Structured Products, direct gilts and bonds cannot form part of Benefit Crystallisation Events. You must either sell down these Investments into cash, or transfer out of these Investments into acceptable Investments for Benefit Crystallisation Events. These are Aviva Platform requirements.

In exceptional circumstances where You are unable to instruct Your Adviser to execute Your instruction through the Aviva Platform, We may accept Your instruction direct from You. Execution of Your instruction will take longer and we may require additional information from You. This is because additional manual work is required by Aviva to check and execute the instruction. Further details can be found in the latest Order Execution Policy.

## 17. Drawdown Options

All income Payments will be made on Your selected date between the 1<sup>st</sup> and 28<sup>th</sup>, inclusive, of any month.

### (i) Single drawdown

You can normally choose via Your Adviser to take retirement Benefits, in the form of a Pension Commencement Lump Sum and/or by using Income Drawdown, from all or part of Your Pension Portfolio at any time from the minimum pension age. This is currently age 55.

Each time You Crystallise We will normally pay You 25% of the value of the amount Crystallised as a Pension Commencement Lump Sum, provided You have an entitlement to this. You may ask Us or Your Adviser prior to Crystallisation if You have such entitlement. The remainder of Crystallised benefit is then allocated to provide an income, although You have the option not to draw an income if You choose.

If You are in ill health or serious ill health (as defined in the Finance Act 2004) it might be possible to start taking Your Benefits earlier than Your 55th birthday. In addition, some people have a right to a special early normal pension age under HMRC rules which applied before 6 April 2006.

If You believe You may be entitled to take Your Benefits early for any reason please contact Your Adviser for further information.

You, via Your Adviser, can elect to draw down the level of income You require within limits set by the Finance Act 2004. If You have capped drawdown the limits must be reviewed at least every three years up until the age of 75, and annually thereafter.

If You draw benefits under Flexi-access Drawdown the limits set by the Finance Act 2004 and the requirement to review these limits do not apply. You can draw Your income under Flexi-access Drawdown as a one off lump sum, a series of single payments or on a regular basis (i.e. paid on a monthly, quarterly, half-yearly or yearly basis.). If You have not already started to draw Benefits as Income Drawdown, the only method by which You may do so is Flexi-access Drawdown.

If there is an insufficient balance in Your Cash Account to pay Your income, Your Adviser will be able to choose on Your behalf how the disinvestment is made. This could be either from particular assets Your Adviser has specified or proportionately across the assets. However, if the disinvestment method chosen by Your Adviser does not generate enough cash to pay Your income, We will disinvest proportionately across the assets in order to do so. Any disinvestment will reduce the value of Your Investments. Please note that Commercial Property and Structured Products will be excluded from this process. ETIs will also be excluded, unless specifically selected by You or Your Adviser. We will inform You if We need to do this.

Funds in deferment or suspension are not included within the automatic disinvestment process.

Payment of Your income will cease when You have exhausted the assets being used to provide Your income within Your Pension Portfolio.

### (ii) Phased Drawdown

If You choose via Your Adviser to take Benefits using Phased Drawdown, the following will apply. Crystallisations will continue to enable Your Benefits to be paid at the frequency You specify to Your Adviser until:

- the specific investments from which You require the Benefit Crystallisations to be made are exhausted; and/or
- Your Uncrystallised pension is exhausted.

If this happens, We'll notify You.



Taxable and Pension Commencement Lump Sum income will both be paid at the frequency specified by Your Adviser.

For Income Drawdown other than Flexi-access Drawdown, the maximum income You can take will be recalculated each time a Benefit Crystallisation is made to the arrangement. This may affect the amount of income We can pay You and the amount that We need to Crystallise to pay the Benefits You have selected.

### **(iii) Capped Drawdown reviews**

The maximum level of Benefits You can take through Capped Drawdown is calculated at the Initial Calculation Point. The maximum level of Benefits is recalculated after three years and at the end of each subsequent period of three years (called a Reference Period), up until You reach the age of 75. After this, the maximum allowed must be recalculated annually.

If the value of Your Capped Drawdown Benefits under Your Pension Portfolio is reduced because:

- part of Your Capped Drawdown Fund is used to buy a Lifetime Annuity, or Scheme Pension; or
- a pension sharing order is applied.

the maximum allowed will be recalculated and will apply from the next Pension Year.

You may request, from the end of the first Pension Year that We recalculate the maximum income allowed on the anniversary of Your Initial Calculation Point. We will tell You how the maximum income is affected before You agree to apply the review.

If the maximum income allowed increases, You can decide to take the increased amount, subject to tax:

- as a single amount; or
- by starting or increasing any regular income payments for the remainder of the Pension Year.

### **(iv) Cancelling or changing Your income drawdown payments**

If You want to cancel Your regular income payments once they have started, then Your Adviser will need to do so at least 10 working days before Your existing regular income payment date. If You want to make changes to Your regular income payments, then Your Adviser can request these for You, however if Your existing regular income payment is due within the next 10 working days, these changes will not take effect until the existing regular income payment has been made.

You cannot cancel or change a one-off lump sum or single payment after it has been requested. The payment date reported to HMRC for a one-off lump sum or single payment is the date it is expected to be paid to Your bank account.

## **18. Death Benefits**

Upon our being notified of Your death further trading or switching is only allowed where the party wishing to instruct those transactions is able to demonstrate to Us, to our satisfaction, that they have legal authority to do so. Our decision on whether a party is permitted is final. If a party wishes to so trade they must instruct such trades by contacting Us directly. Where there are multiple Beneficiaries and an individual Beneficiary wishes to disinvest the proportion of Benefits to which they are entitled, then We will do so at the time that they individually instruct Us. The values of the investments will be those that apply at the date of disinvestment. No disinvestment or payment will be made until all Our reasonable requirements have been met.

If You have completed an Aviva Pension Portfolio trust deed and have requested any Death Benefits to be paid as a Lump Sum:

A Lump Sum Death Benefit will be paid on Your death to the trustees of that trust.

If You have completed an Aviva Pension Portfolio trust deed and a Aviva Pension Portfolio Benefit Direction Form to not pay Death Benefits as a Lump Sum:

We will pay the Death Benefits in the form You have selected and exercise our discretion in favour of a Beneficiary. The Beneficiary chosen will then receive the benefits in the form You have directed.

If You have not completed an Aviva Pension Portfolio trust deed:

Where You have a Nominee, We will take your wishes into account but are not bound by them. If We have exercised our discretion in favour of a Nominee, the Nominee may choose for the Benefits to be paid in one or more of the following ways:

- a Lump Sum Death Benefit (less any tax for which the Scheme may be liable); or
- income from Flexi-access Drawdown; or
- a Lifetime Annuity (with another provider if for an nominated beneficiary).

If We have exercised Our discretion in favour of a Dependant, the Dependant may choose for income payments to be paid in one or more of the following ways:

- a Lump Sum Death Benefit (less any tax for which the Scheme may be liable); or
- income from Flexi-access Drawdown; or
- a Lifetime Annuity.

If We have exercised Our discretion in favour of a Beneficiary who is neither a Nominee nor a Dependant, such a Beneficiary may receive a Lump Sum Death Benefit unless We nominate the Beneficiary to be able to choose to receive income from Flexi-access Drawdown or a Lifetime Annuity. We may not nominate a Beneficiary to receive income, where You have a Dependant or a Nominee.

Upon the death of a Beneficiary who is in receipt of income from Flexi-access Drawdown, the above process will be repeated but with reference, where relevant, to a Successor.

Any application by a Beneficiary for income from Flexi-access Drawdown must be made in writing using Our application form.

Any Lump Sum Death Benefit may be subject to tax charges levied by HMRC.

We reserve the right to retain any money received following the closure of your Pension Portfolio where such sums are less than £5 per transaction. We will move the money to Our own bank account and pay it to Our chosen charity.

## **19. Charges**

The following charges are applied and may be taken by any of the companies included within the "Aviva/Us/We/Our" definition of these Terms and Conditions.

We may vary the charges for any of the following reasons:

- to reflect, in a proportionate manner, changes in costs relating to taxation, the law or decisions or recommendations of an ombudsman, Regulator or similar person; or
- where there are changes in the costs of Fund management; or
- to respond, in a proportionate manner, to changes in the costs which We reasonably incur in carrying out the administration of Your Pension Portfolio.

We will notify You at least 30 days before any change to the Aviva charge has any effect on You.

The Aviva charge and any applicable Adviser charges will cease when We receive notification of Your death. Any Fund manager charges however will continue to apply in the period between Your death and disinvestment.

#### **(i) Aviva charge**

This is deducted on a monthly basis and is calculated on a daily basis as a percentage of the average Pension Portfolio value on each day including any new money allocated but not yet cleared in Your Cash Account (We reserve the right to vary this).

The charge is calculated based on the value of all the assets in Your Pension Portfolio, except Commercial Property.

For further information, please see Your illustration for the charge rate applicable and Your transaction history for the actual charge.

Aviva shall also deduct an initial and on-going charge for Commercial Property.

#### **(ii) Transfers**

There are no Aviva charges for Transfers from other product providers. However, where there are additional third party charges, We reserve the right to pass these onto You.

#### **(iii) Adviser Charges**

- Initial Adviser Charge – We will deduct any initial Adviser charge You have agreed with Your Adviser (by agreeing to the Aviva Declaration), from Your Payment(s) before We invest them on Your behalf. The Initial Adviser Charge is a one off amount.
- Spread Initial Adviser Charge ('SIAC') - can only be taken where a regular payment agreement is in place. The SIAC will only be paid as a monetary amount over a defined period. All payments will be made from the Pension Portfolio and not from Your Payments. We will continue making payments until all payments due under the regular payment agreement are in place.
- Ongoing Adviser Charge – We will deduct any ongoing Adviser charge You have agreed with Your Adviser from Your Pension Portfolio and will pay it to Your Adviser. If the amount You have agreed is a percentage of Your Pension Portfolio then this will be calculated based on the daily value of Your Pension Portfolio and deducted at the frequency You agreed with Your Adviser.

Where You've instructed Us to pay an Adviser Charge, then as soon as We take the money from Your Cash Account to pay Your Adviser, this is no longer Your money and it becomes due and payable by Us to Your Adviser. We will only facilitate payment of these charges once You have sufficient cleared cash in Your Cash Account.

#### **(iv) Discretionary Investment Model charge (Managed Portfolio Service charge)**

You may have agreed with Your Adviser to use a DIM to manage Your investments. There may be an additional charge for this. Any charge will be documented on Your illustration and shown on Your transaction history as a 'Discretionary Investment Model charge'. The charge will be agreed between You, Your Adviser, and DIM.

Where You've instructed Us to pay a DIM Charge, then as soon as We take the money from Your Cash Account to pay Your DIM, this is no longer Your money and it becomes due and payable by Us to Your DIM. We will only facilitate payment of these charges once You have sufficient cleared cash in Your Cash Account.

#### **(v) Fund Manager Charges**

Fund managers will take charges that will depend on the investments chosen. These charges may be expressed as the ongoing charge figure (OCF), total expense ratio (TER), or for insured Funds, simply

the annual Fund charge. These cover the charge made by the Fund manager for managing the investment as well as expenses incurred by the Fund. Please note these charges are reflected in the Fund price and are variable and may change over time.

In accordance with Regulations, you'll receive further cost and charge information on your funds, before they're invested and on an ongoing basis once invested.

Details of the Fund managers' standard charges, as well as any discounts available through Us, are set out in the Fund fact sheets available from Your Adviser.

There are also other expenses which Fund managers deduct from their Funds such as registrars' charges, trustee/depository charges, audit charges and SDRT.

SDRT is applied to the surrender of units/shares. It is technically a liability of the trustee/depository of each Fund but in practice it will be covered by a charge to the Fund.

In addition, Fund managers may impose a Dilution Levy to share out the costs incurred when a need to deal in underlying assets is triggered by investor purchases or redemptions of Fund units/shares. This may also apply to Structured Products. This is to prevent these costs diluting the value of units/shares held by continuing investors. Any charge arising from a Dilution Levy being applied will either be reflected in the offer price of the units or be applied as a levy to the amount invested or disinvested.

Any Dilution Levies imposed will be shared across all investors constituting that particular transaction. The dealing price given to Us by a Fund manager will be used to calculate Your sale proceeds or purchase cost. Please note this price may be higher or lower than the published price.

#### **(vi) Structured Products Charges**

The provider may take an initial charge from the amount We invest on Your behalf. Please see the Structured Product provider's guide for details. This guide is for information purposes only and does not form part of this agreement.

Structured Products may have an ongoing charge taken by the provider.

#### **(vii) ETIs Charges**

For trading in ETIs We charge a fee per trade. This rate will depend on whether it is an individual trade or whether the trade is within a Model Portfolio. We may also charge a flat fee per stock transfer. All orders will be placed with Our nominated stockbroker. In addition, any SDRT and exchange charges are passed on to You, as are charges levied by the PTM. For further information on these charges, please contact Your Adviser or HMRC. You can also find details in the Pension Portfolio Customer Guide (LF10207).

All ETIs will be subject to the rules, Regulations, customs and market practice of the LSE on which the transaction is being dealt and all applicable Regulations will be binding on You.

#### **(viii) Commercial Property Charges**

Where Commercial Property is held within Your Pension Portfolio the Aviva initial administration charge is deducted from Your Cash Account within Your Pension Portfolio. The Aviva yearly administration charge for Commercial Property is deducted in monthly instalments. The charge is calculated based on the market value of the Commercial Property at the point when it's been included in Your Pension Portfolio, and thereafter the charge is calculated based on the market value of the Commercial Property at the point of each subsequent calculation.

Charges for Our nominated holder of Commercial Property are in addition to the Aviva charges and details of these are set out in Our nominated holder of Commercial Property's Terms and Conditions.

#### **(ix) Collection of charges**

We will take Aviva, Adviser, DIM and Aviva Commercial Property (see **section 19 entitled Charges**) charges from Your Cash Account.

We will always take these charges from Your Cash Account. This does not include any Fund manager charges which may be payable in addition. It is Your responsibility to ensure there is sufficient cash in Your Cash Account to pay charges due. Where there is insufficient cash, We will disinvest sufficient funds to enable these charges to be paid. In certain circumstances these funds may be sold after the charge has been taken. Any disinvestment will include an additional amount which is the greater of £10 or 10% of the disinvestment. This is aimed to cover any market movements between disinvestment date and the charge date.

We will automatically disinvest the required amount in line with the Fund Investment proportions.

Funds known to be in deferment or suspension are not included within the automatic disinvestment process.

We will not automatically disinvest if You are only invested in Funds which are in deferment or suspension, Commercial Property, Structured Products and ETIs. In this event, it is Your Adviser's responsibility to ensure there is sufficient cash in Your Cash Account to cover any charges.

Any outstanding charges due will be deducted:

- when You sell Your Investment; or
- when the deferment or suspension of the Fund has been lifted; or
- when any other income goes into Your Cash Account.

If Your Pension Portfolio is holding any monies in Your Cash Account that have been ring-fenced for investing in any transactions, these monies will not be used to pay any charges, and/or make any payments to You.

Deductions that We are obliged to make in the administration of Your Pension Portfolio as required by relevant tax legislation or other Regulation will be accounted for and reflected in Your statement.

## **20. Taxation**

This information on taxation is for Your information only and does not form part of Your Terms and Conditions. It is based on Our understanding of current legislation and is subject to change.

We have included some general taxation information below. If You are in any doubt as to Your tax position, You should seek professional advice.

You must inform Us if You cease to be UK resident for tax purposes, or cease to be a Crown Servant serving overseas or a spouse or a civil partner of a Crown Servant serving overseas.

Where required by the Finance Act 2004 and/or the Rules of the Scheme We will deduct tax from Your Cash Account and it is paid by Us to HMRC. As a result, the money deducted is no longer Your money and it is due and payable by Us to HMRC.

#### **(i) Capital Gains Tax**

If You sell or dispose of Investments in Your Pension Portfolio, this will not constitute a capital gains tax chargeable event under current legislation.

#### **(ii) Interest on cash balances**

Interest on monies held in Your Cash Account within Your Pension Portfolio is paid gross.

#### **(iii) VAT**

All charges which You pay to Us, or which We collect from Your Adviser, will include any VAT that may be applicable. Please note this is based on Our understanding of current legislation and is subject to change.

## **21. Administration of Your Pension Portfolio**

You authorise Your Adviser to pass to Us Your instructions about Your Pension Portfolio. You authorise Us to accept and act upon Your instructions, via Your Adviser, on this basis as if they were made by You direct. We will not make any further enquiries. Aviva shall treat as fully authorised, accurate and binding on You any instructions which Your Adviser has passed to Us.

Your Adviser is responsible for checking the accuracy of all information, online application and instructions they pass to Us. If an error is made by Your Adviser, Your Adviser is responsible for ensuring it is corrected. Your Adviser is responsible for any loss incurred to Your Pension Portfolio and/or Us as a result of the Adviser's error.

For Your own protection, regulatory purposes and also for Our own training purposes, telephone calls will be recorded/monitored for our joint protection and stored for a minimum of five years. You must give Us any information We reasonably request to be able to provide the services for Your Pension Portfolio.

#### **(i) Confirmations of transactions**

We will provide You with details of transactions on Your Pension Portfolio.

We will provide You with online confirmations for Your initial purchase of Investments, sale of investments and re-investments once the transaction has been completed.

We will not provide confirmations for every sale and purchase where automatic disinvestments are made to meet charges. A summary of such transactions will be reflected in Your statement. Detailed transaction information can be viewed via Our Online Service.

#### **(ii) Periodic Statements**

Statements will be issued quarterly. These will set out the value of Your Pension Portfolio, including valuations of each Investment and a summary of transactions since the last statement date. Detailed transactions information is available via Our Online Service.

#### **(iii) Valuations**

We will value Funds at the end of each Business Day using the most recent price available from the Fund manager. You should be aware that if You want to buy or sell holdings in a Fund, these prices will not necessarily be the dealing prices as most Funds are priced on a forward basis.

This means that the price for a sale or purchase transaction is that calculated at the valuation point after the transaction has been placed with the Fund manager.

You should be aware that if a transaction instruction is given in cash terms the actual amount You receive may be more or less than that stipulated.

For ETIs, prices will be sourced from a single data vendor and updated every 15 minutes on Business Days. Structured Products may have different valuation frequencies; details will be provided in the Fund and Structured Product provider's literature.

#### **(iv) Fund Information**

Copies of a Fund's interim and annual Reports and Accounts, Prospectus or other similar material are available from Your Adviser or the Fund provider.

#### **(v) Statements and Confirmations**

Statements and online confirmations will be provided to You and Your Adviser.

#### **(vi) Income**

Income may include distributions from Funds, dividends from Equities and reclaims of UK income tax where appropriate. This frequency will be at least annually. Any income arising which is not withdrawn by You will remain in Your Cash Account unless We receive instructions from You or Your Adviser either to invest or to rebalance Your Pension Portfolio.

Income payable from a Structured Product will be paid into Your Cash Account at a frequency determined by Aviva.

#### **(vii) Power of Attorney**

Please note that We are unable to accept Aviva declarations signed by the prospective client's attorney unless they are accompanied by a correctly certified and, where applicable, correctly registered Power of Attorney document. We also require verification of the Attorney's identity (see section 33. Identity verification requirements). Once this has been received

Once You have provided the above and We are satisfied with it, We shall take instructions from Your Attorney.

#### **(viii) Pricing Errors**

In rare cases, errors may arise in the valuation of, or transactions within, Your Pension Portfolio. These errors may occur as a result of Our actions, or those of a third party such as a Fund manager or Our nominated stockbroker.

If We are responsible for the error, We will place Your Pension Portfolio back in the position You would have been in had the error not occurred in accordance with applicable Regulations.

Where, due to circumstances beyond Our control, We are unable to do this, We will make suitable arrangements to compensate, which may be by way of a one off ex-gratia payment into Your Cash Account. If the error has occurred due to the actions of a third party, although We do not accept responsibility for such errors, We will take reasonable steps to seek payment of compensation from the third party concerned on Your behalf.

#### **(ix) Fund Closure**

In the event that a Fund manager closes a Fund, or We are unable to continue administering Investments in a Fund and this affects You, We will, where possible, notify Your Adviser or You and request reinvestment instructions 30 days in advance. We will do this unless external factors beyond Our control mean that only a shorter notice period is possible.

We reserve the right to move all assets held within the affected Fund to cash pending reinvestment instructions from Your Adviser or You. We will not be held liable for any losses You may incur as a result of Our action or whilst We are awaiting reinvestment instructions.

If We determine that Your Investment Pathway Fund is no longer appropriate for the Investment Pathway objective, We may decide to close the existing Fund and add a replacement Fund to Your Pension Portfolio. You agree that We may transfer Your money out of the old Investment Pathway Fund and into the new Investment Pathway Fund. We will notify You of any changes as soon as practically possible, which may be after the transfer has taken place.

#### **(x) Fund suspension/deferment**

In the event that a fund manager suspends or defers dealing in a fund and this affects You, We may redirect purchases intended for the suspended fund to cash, and await Your or Your Adviser's instructions on how You wish to proceed. We may also delay or cancel any withdrawal or other transaction requests for that Fund and await Your or Your Adviser's instructions on how you wish to proceed.

#### **(xi) Counterparty default**

Capital is at risk if the underlying financial institution fails or becomes insolvent. For counterparty default relating to Structured Product please refer to that provider's literature for full information.

## **22. Communication**

You may change Your address, email and other personal details either by contacting Us or through Our Online Service or via Your Adviser.

All other changes must be communicated to Us via Your Adviser unless You no longer have an Adviser, please refer to **Schedule 1 entitled Non-Advised Clients** for further information.

You authorise Your Adviser to pass to Us Your instructions about Your Pension Portfolio. You authorise Us to accept and act upon Your instructions, via Your Adviser, on this basis as if they were made by You direct. We will not make any further enquiries. Aviva shall treat as fully authorised, accurate and binding on You any instructions which Your Adviser has passed to Us.

## **23. Aviva Platform**

You will normally be able to view Your Investments 24 hours a day via Our Online Service. There may be occasions, however, when this is not possible. For example, if We suspend services for repair, maintenance, blackout/outage for migration, or for reasons beyond Our control.

In the event that You are unable to access Our Online Service You can contact Us by telephone on any Business Day on 0800 068 2170.

Investment data is supplied to Us by third parties. All figures are in Sterling unless otherwise stated and are based on the information supplied to Us and accepted in good faith. Whilst We make every effort to ensure the accuracy of information posted on Our Online Service and communicated to Clients We cannot accept responsibility or be held liable for any inaccuracies or errors which may subsequently lead to loss.

## **24. Changes to Terms and Conditions**

We may change these Terms and Conditions for any of the following reasons:

- to respond, in a proportionate manner, to changes in the way We administer investments/products of this type; and/or
- to respond, in a proportionate manner, to changes in technology or general practice in the Life, Pensions and Investments industry; and/or

- to respond, in a proportionate manner, to changes in taxation, the law or interpretation of the law, decisions or recommendations of an Ombudsman, Regulator, or similar person, or any code of practice with which We intend to comply; and/or
- to correct errors, if it is reasonable to do so.

If We consider any changes to these Terms and Conditions to be to Your advantage or necessary to meet regulatory requirements, We may make the change immediately and tell You at a later date. We will tell You in writing of any change We consider is to Your disadvantage (other than any change necessary to meet regulatory requirements) at least 60 days before the change becomes effective, unless it is not possible for Us to do this, in which case We will give You as much notice as We can.

## 25. Cancellation

You can change Your mind within 30 days of Us receiving Your first Payment. For regular Payments, this will normally be on the first direct debit payment date You have given Us. For single Payments, Your cancellation period will start when We receive the Payment; and You have received a confirmation schedule from Us. For transfers, We'll notify You when we have received the transfer money and Your cancellation period will start from that date. You must notify Us by telephone, email or in writing if You wish to cancel.

If You decide to cancel Your Pension Portfolio application, any regular Payments will be refunded in full. However, if You decide to cancel any single Payments, and the investment value has fallen, We will return the payment less any fall in the investment's market value.

If after the expiry of the cancellation period, We receive any Payments which accrued from Your investment during the cancellation period, We shall pay this on to You, only up to the value of Your original single Payment. Payments may be made some time after the expiry of the cancellation period. We will pay this on to You. If We cannot find You, Your Bank Account no longer exists and the Payment is returned to Us, the Payment shall be returned to Your Cash Account and held there.

If after six years Your Cash Account has had no activity, We will take all reasonable steps to trace You. If after a period of time We cannot trace You, then the Payment (plus any interest accrued on that Payment whilst held in Your Cash Account) will be paid into the Aviva Corporate Account and then paid to a charity of Our choice. However after this period a record of Your balances and communications We attempted to make will be held and will be available to You upon request in the future. If You wished to claim this balance We will pay to You a sum equal to the balance paid away to charity.

In the event of Your cancellation in respect of a Pension transfer, You will have the following options, subject to agreement by the relevant parties;

- transfer the Pension assets back to the original ceding Pension Provider. However, the ceding Pension Provider is not obliged to accept the Pension back, this could have implications for You if Your transferred Pension was a Defined Benefit pension or had safeguarded benefits; or
- transfer Your Pension to a new Pension Provider.

While we await your instructions on where to send your Pension we will retain it in an interest bearing account. Any Initial Adviser Charge We have deducted from Your Pension Portfolio in relation to the event You are cancelling shall be paid to Your Adviser and will not be returned to You. You may still be liable to pay Your Adviser for the advice or services You have received from them. Payment of any outstanding Adviser charges will need to be settled by You with Your Adviser direct.

If You don't exercise Your right to cancel within the specified timescales, Your Pension Portfolio will continue.

## 26. Closing your Pension Portfolio

The Investments in Your Pension Portfolio, or the proceeds thereof, can only be transferred to another pension provider, or used to provide benefits in accordance with HMRC Regulations.

We may close Your Pension Portfolio, on giving You notification, if (i) We cease to act as Scheme Administrator for any reason or (ii) it becomes impractical to continue to administer Your Pension Portfolio in accordance with any applicable regulation from time to time, including where this is due to circumstances in which You or Your Adviser have provided inaccurate information to Us.

If We close Your Pension Portfolio on these grounds We will give You at least 60 days' notice of the closure or longer if it is reasonable to do so, to enable a transfer of Your Investments. We will also explain the reason for closure of Your Pension Portfolio.

Where sums are due and payable to You, We will make all reasonable efforts to contact You to effect the payment. If We are unable to contact You the funds will remain in an interest-bearing client money account and will continue to be treated in accordance with the client money rules.

Closing Your Pension Portfolio does not affect any transaction initiated before the closure began. These Terms and Conditions continue to apply until We complete all outstanding transactions or meet all liabilities.

Residual payments can be received after the closure of Your Pension Portfolio. We reserve the right to retain any money received following the closure of your Pension Portfolio where such sums are less than £5 per transaction. We will move the money to Our own bank account and pay it to Our chosen charity. In all other cases We will pay this onto You. If We cannot find You, Your Bank Account no longer exists and the payment is returned to Us, the payment shall be returned to Your Cash Account and held there.

If after six years Your Cash Account has had no activity, We will take all reasonable steps to trace You. If after a period of time We cannot trace You, then the payment (plus any interest accrued on that payment whilst held in Your Cash Account) will be paid into the Aviva Corporate Account and then paid to a charity of Our choice. However after this period a record of Your balances and communications We attempted to make will be held and will be available to You upon request in the future. If You wished to claim this balance We will pay a sum equal to the balance paid away to charity.

Note that the Aviva charge and any applicable Adviser charges will cease on the closure of your Pension Portfolio.



## 27. Liability

We will exercise due care and diligence in the management of Your Pension Portfolio.

Aviva or its associated companies will not be responsible for any loss of opportunity whereby the value of Investments could have been increased, or for any decline in the value of Investments or any taxation charges, unless such decline or loss or charge is the direct result of Our fraud, wilful default or negligence. We shall not be liable or have any responsibility for any loss or damage You incur or suffer as a result of any event or circumstance not reasonably within Our control including:

- failure, interruption or delay in the performance of Our obligations resulting from the breakdown, or failure or malfunction of any telecommunications or computer services; and/or
- industrial disputes; and/or
- failure of third parties to carry out their obligations; and/or
- acts of governmental or other similar authorities; and/or
- terrorist acts.

Any news, prices, opinions and other information which We may provide to You is provided solely to enable You to make Your own Investment decisions and does not constitute personal Investment recommendations or advice. We will only accept responsibility for losses where We are directly at fault.

Aviva or its associated companies will not be responsible for any or all losses, costs, actions, proceedings, claims and demands which may be incurred by You arising directly or indirectly from Aviva or its associated companies having acted in good faith pursuant to any instructions provided by You, Your Adviser or Your DIM.

## 28. Conflicts of Interest

Occasions can arise where the Aviva Group, 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 appropriate steps to manage that conflict of interest. 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 Your financial Adviser and they will provide You with a copy of it before You commit to taking out this product or taking any investment action in relation to it. If You are a Non-Advised Client then We will disclose it to You. This is an important document and You should read it before making any investment decision.

## 29. Delegation

We may appoint any person to advise on or perform any of Our functions or responsibilities. We will satisfy Ourselves that any person to whom We delegate any such functions or responsibilities is competent to carry out those functions or responsibilities.

## 30. Reports

Copies of a Fund's interim and annual Reports and Accounts, Prospectus or other similar materials are available via Your Adviser or Your Fund provider's website.

A statement will be provided by Our nominated holder of Commercial Property each year detailing all transactions relating to the Commercial Property.

## 31. HMRC

We will provide HMRC with all relevant particulars of Your Pension Portfolio and its Investments which HMRC may reasonably request at any time.

## 32. Governing Law

Aviva and You have a free choice about the law that can apply to these Terms and Conditions. Aviva proposes to choose the Law of England and, by entering into these Terms and Conditions You agree that the Law of England applies. We will always write and speak to You in English.

## 33. Customer Verification Requirements

Whether You are opening Your Pension Portfolio or subsequently changing Your bank account, Your Adviser is responsible for verifying Your identity, any third party payee and/or bank account.

Aviva will carry out automated verification checks on the information Your Adviser has submitted and, in the event of any issue, We will contact Your Adviser to resolve this.

If Your Adviser has not been able to verify Your identity, any third party payee and/or bank account to enable us to comply with Our obligations under Regulations (including UK anti-money laundering legislation) within a reasonable time, We will suspend Your Pension Portfolio. This means trading and direct debit payments will cease immediately and no interest or charges will be applied to Your account.

Where any period of suspension follows a change in Your bank account after You have opened Your Pension Portfolio, then once We have successfully verified Your bank account, charges and interest that would have applied during the suspension period will be retrospectively applied.

During the period Your Pension Portfolio is suspended we will not be able to act upon Your, Your Adviser's or Your DIM's instructions until We have successfully verified Your or/and any third party identity and bank account.

If You have any questions or concerns regarding these requirements You should speak with Your Adviser.

# Schedule 1

## Non-advised Clients

The Aviva Pension Portfolio is aimed at Clients with Advisers, as the Aviva Platform is an advised platform.

If for any reason You are no longer being advised by Your Adviser, the following restrictions and conditions shall apply until such time as You appoint another Adviser to act for You in respect of Your Pension Portfolio.

Example reasons why You are no longer being advised by Your Adviser:

- Your Adviser is no longer authorised by the FCA or no longer has the necessary permissions to conduct investment business; or
- Your Adviser has retired, is bankrupt or has died; or
- Your Adviser ceased to act for You; or
- You chose to terminate the services of Your Adviser and are no longer their Client.

The above list is not an exhaustive list.

You must inform Us as soon as You are able that You are no longer being advised by Your Adviser.

### Adviser and DIM charges

Once You have notified Us that You have become a Non-Advised Client, We will stop deducting any Adviser or DIM charges within 30 days of Us being notified by either You or Your Adviser. Any Adviser and DIM charges We facilitated prior to Us becoming aware that You are no longer advised and the date You no longer had an Adviser or DIM shall be returned to You, provided they have not already been passed to Your Adviser or DIM. If they have already been passed to Your Adviser or DIM, it is Your responsibility to contact Your previous Adviser and DIM to seek return of these charges.

Please note that if You had agreed with Your Adviser to pay their charges over a period of time and during that time You become Non-Advised, it is still Your responsibility to pay any element of those outstanding charges to Your Adviser Yourself.

### The Aviva charge

If You become a Non-Advised Client, then once the Grace Period has expired, it may take Us up to 30 days to complete the necessary administration for You to become a Non-Advised Client. Once this is completed, Your Pension Portfolio will be subject to the Aviva charges for Non-Advised Clients which are in place at that time. These may be higher than the charges You were paying as an advised Client. We will tell You what the Charges will be prior to them taking effect. These Charges will only apply if You become a Non-Advised Client after You have received these Terms and Conditions.

## How managing Your Investments and Trading will change

During the Grace Period (and as long as You remain a Non-Advised Client), the way Your Investments are managed will change. We will contact You to let You know about this once We become aware that You no longer have an Adviser.

You will need to register for Our Online Service to 'self-serve'. Self serve means You can manage and make changes to Your plan and Your Investments Yourself.

There are however some restrictions and conditions, that are set out below:

- Model Portfolios - The DIM will be removed and the individual Investments previously making up the model will continue to be held as loose assets. Any regular Payments You were making into a Model Portfolio will be diverted into Your Cash Account.
- Funds which do not require advice to invest in will be fully tradeable.
- Unit transfers - You will no longer be able to transfer any of your share investments within an existing pension scheme to the Aviva Platform by way of a Unit Transfer. This option will only be available for Funds transfers.
- If You are invested in complex investments which are not Exchange Traded Investments, You can retain these and continue to invest regular Payments which you have already set up. You will not be able to increase Your regular Payments or invest single amounts outside of this. You may sell these Investments.
- Insured funds will be fully tradable except for the Smooth Managed Funds which are complex investments (see above)
- If you are invested in Structured Products, You can retain or sell these investments only. You will not be able to buy them. Any existing regular Payments into these investments will be diverted into Your Cash Account.
- If You are invested in Exchange Traded Instruments, You can retain these but You will no longer be able to make regular payments into them. Any existing regular Payments into these investments will be diverted into Your Cash Account. You will only be able to buy new Exchange Traded Instruments from the range of these investments available through our Online Service. This excludes corporate bonds and gilts. If You already hold Exchange Traded Instruments which are not available through our Online Service, You will only be able to retain or sell these investments.
- Market Orders and Scheduled Market Orders for the sale or purchase of Exchanged Traded Instruments will no longer be available to You as these are not offered through our Online Service. However if a real time price is not available You will be given the option to place Your order 'at best', which aims to buy or sell at the best price available in the market at the time. We will be unable to confirm the price before the order is placed. As prices can change at any time You should not proceed on this basis if it is important to You to see an indicative price before You trade. Dividend reinvestments will be sent as a market order.

- You will not be able to self-serve when taking out or amending any drawdown option. You will need to contact Our operations team to make any amendment.
- Switching - You will no longer be able to instigate the online sale of Your investment in ETI(s) followed by the purchase of the new ETI(s) without placing your trades using Quote and Deal. You will however still be able to use switching to sell and reinvest Your investments between Fund(s).

Subject to the conditions and restrictions set out above, You are able to contribute/top-up/change contributions and obtain valuations on Your investments.

These conditions and restrictions will continue until You confirm to Us that You have appointed another Adviser and DIM (where appropriate) to act for You in respect of Your Pension Portfolio.

It is important to understand that Aviva will not provide You with financial advice during the Grace Period or while You are a Non-Advised Client.



## Need this in a different format?

Please get in touch if you'd prefer this terms and conditions (**LF01064**) in large font, braille, or as audio.

## How to contact us

 0800 068 6800

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

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

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