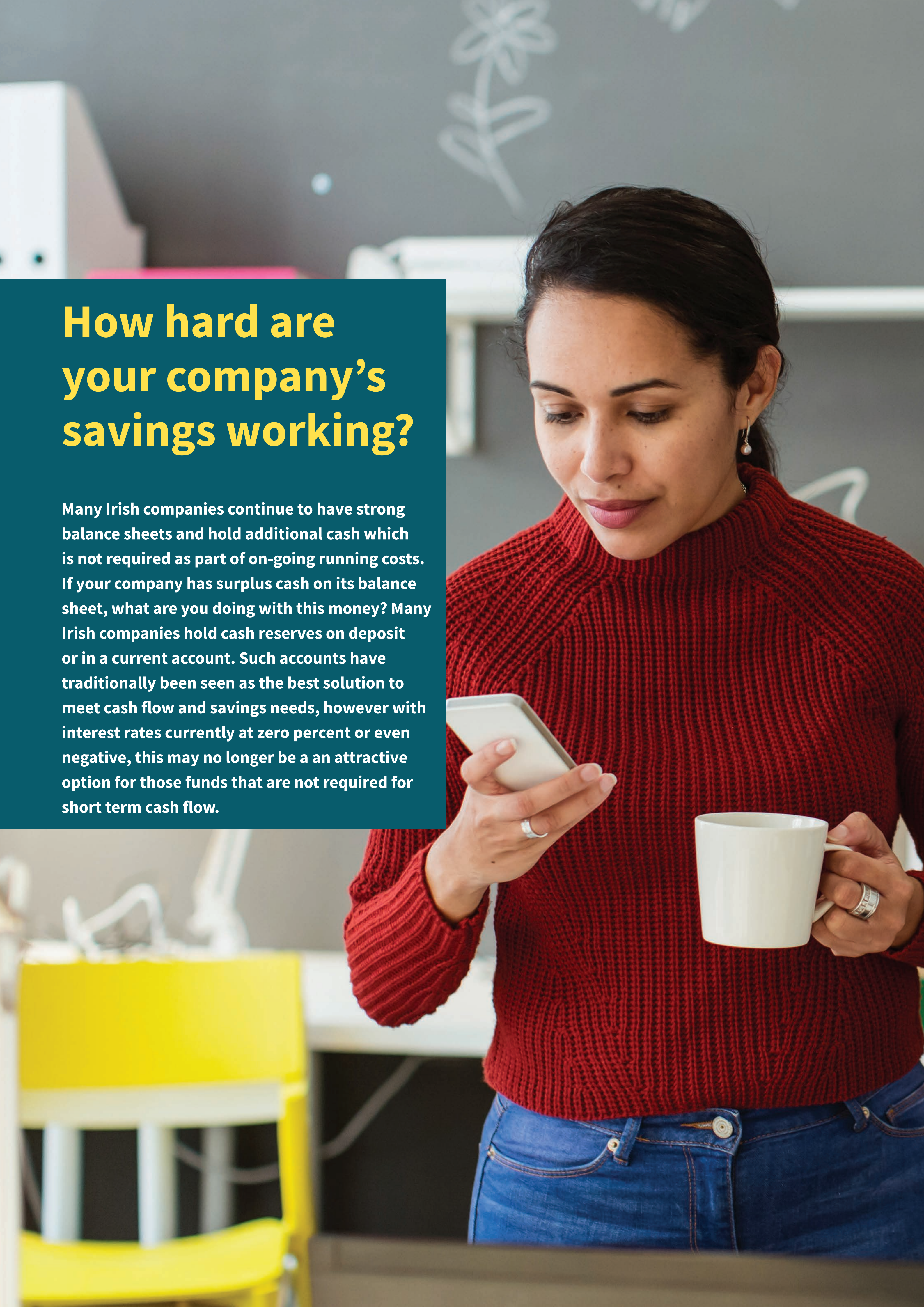
Corporate Saving & Investment Solutions from Aviva

Give your company's investments the potential of a higher return

How hard are your company's savings working?

Many Irish companies continue to have strong balance sheets and hold additional cash which is not required as part of on-going running costs. If your company has surplus cash on its balance sheet, what are you doing with this money? Many Irish companies hold cash reserves on deposit or in a current account. Such accounts have traditionally been seen as the best solution to meet cash flow and savings needs, however with interest rates currently at zero percent or even negative, this may no longer be a an attractive option for those funds that are not required for short term cash flow.



Deposit rates at historic lows[1]

While deposits can be an efficient way to hold corporate money in particular for the element that you may need to access in the short term, have you considered that:

- Today, deposit accounts are paying historically low interest rates[1].
- Deposits provide little protection against inflation, eroding the future purchasing power of your company's savings.
- There are a number of taxes to consider when a company saves through a traditional deposit account.

Is there a better solution?

Like all investors, it is important for you, as a company director, to consider a number of factors when deciding what to do with the current surplus that your company holds and for future surplus cash flows that maybe generated;

1. **Time horizon – How long are you looking to invest the various elements of your company's portfolio.**
2. **Risk profile – What level of risk is your company willing to take to achieve a certain level of growth.**
3. **Access to funds – Cash flow planning is critical to understand how much of existing surplus cash and also future expected earnings can be invested by your company.**

If you want to give an element of your company's surplus money identified as a medium or longer term investment the potential to work harder than deposits[1] and the potential to outperform inflation, speak to your Financial Broker about saving and investment solutions from Aviva.

Aviva Ireland is part of the Aviva Group, a leading global financial services group with 33 million customers in 16 countries worldwide[2]. Aviva Life & Pensions is rated AA (Stable) by Standard & Poor's, Aa3 (Stable) by Moody's and AA-(Stable) by Fitch for its financial strength[2].

1. Source of interest rates: Central Bank of Ireland as at September 2020. Qualifying terms and conditions apply to fixed deposits. The interest earned in a fixed term deposit account is guaranteed. When you invest in a deposit account you may qualify for compensation under the Deposit Guarantee Scheme if the bank is unable to meet their obligations to you. A life assurance levy of 1% is chargeable on all premiums invested through Aviva Corporate Savings Plan and Investment Bond.

2. Source: Aviva.com 08 December 2020.

Corporate Savings & Investments from Aviva

Aviva Investment Bond and Aviva Savings Plan give you flexible options to invest your company's money with tailored investment options to suit your needs. Whatever your goals for your company's investment, we will be there to help you achieve it.

The potential for better returns

Profit elements of any withdrawals from our Savings Plan and Investment Bond are subject to exit tax of 25% for companies. As the investment growth is only taxed on any withdrawal, any surrender, maturity, assignment, every eight years or on death, the investment growth isn't reduced each year by tax. This gives your company's savings the potential to work hard and benefit from compounding.

Flexible product structure

For example, with our Savings Plan your company can:

- Save from as little as €150 per month.
- Have the option to vary the regular payments if required and to make a lump sum injections of between €1,000 and €15,000.
- Increase, decrease, start and stop your saving contributions to meet your cash flow requirements.
- Change the fund you are invested in any time without charge.

Investments tailored to you

We offer different ways to invest, each with different options and risk levels. So whether you want a ready-made multi-asset fund or you want to work with your Financial Broker to create and manage a portfolio by choosing funds, or you want to mix and match between our ranges, we offer the solution.

Responsible investment options

We offer funds that are put together with responsible investing principles in mind. Helping your company's money do good in the world, with the opportunity to be rewarded for your efforts too.

Warning: The value of your investment may go down as well as up.
Warning: If you invest in this product you may lose some or all of the money you invest.
Warning: The income you get from this investment may go down as well as up.
Warning: These products may be affected by changes in currency exchange rates.

What are ‘Close’ Companies?

A ‘close’ company is a company which is controlled by five or fewer participants. These companies may be subject to a surcharge tax each year on any investment or deposit income which remains undistributed after 18 months. What this means is that a company could potentially have to pay a lot of tax on the interest from their deposit account – corporation tax (25%) and potentially close company surcharge (20%).

The taxation of insured savings policies (such as Aviva Savings Plan) is different – currently the only tax levied is the life assurance levy (1% of each contribution paid) and exit tax (25% for companies).

The benefits of investing in a life assurance policy vs direct deposit

	Savings Plan or Investment Bond	Direct Deposit
Tax	Profit element of any withdrawals subject to exit tax of 25%. Any gains made on an investment fund are subject to a deemed tax charge (known as exit tax) on the growth of the fund. This occurs on surrender or each 8th anniversary of the policy while it is in force. The effect of this tax treatment is that tax may be deferred until the 8th anniversary of the contract, allowing the fund to grow without it being reduced by taxes during this period[1].	Interest earned subject to corporation tax of 25%. Potential 20% close company surcharge.
Close Company Surcharge	Investment whilst in the life assurance policy is exempt from the close company surcharge[2].	If the company is a close company, income may be liable to the close company surcharge of an additional 20% if it remains undistributed within 18 months after the end of the accounting period in which it arose.

1. Dividend Withholding Tax is not deducted on dividends paid by Irish resident companies to other Irish tax resident companies.

2. Companies should consult with their own professional tax advisers to confirm that this view applies to them.

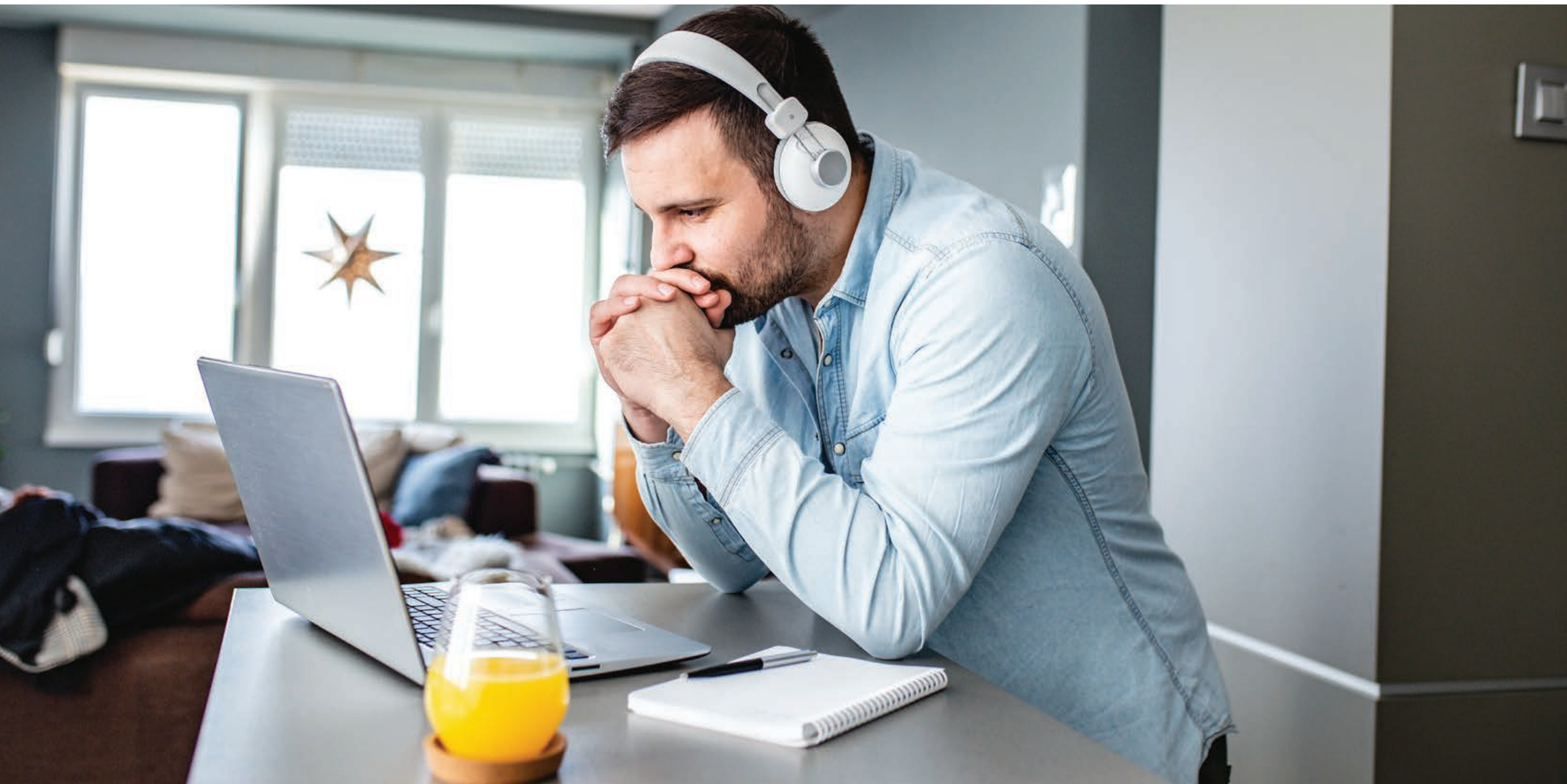
Important: Investment costs / charges must also be taken into account. In the case of life assurance bonds and savings: stamp duty, entry or exit charges and annual management fees need to be taken into account.

Life assurance policy vs direct deposit over six years

	Investment in a life policy	Direct Deposit
Investment	€100,000	€100,000
Assumed return	3%	1%
Investment value after 6 years	€119,405	€106,152
Gross return	€19,405	€6,152
Gross return %	19%	6%
Exit tax @ 25%	€4,851	
Total corporation tax @ 25%		€1,538
Total six years close company surcharge		€1,230
Net return	€14,554	€3,384
Net return %	15%	3%

The example above assumes the company has invested in a single premium investment product. In the above example, €100,000 is the premium invested after the deduction of the 1% Life Assurance Levy and inclusive of other charges and deductions outset. The return assumed is 4% with a 1% annual management charge deduction. It assumes exit tax of 25% paid on full withdrawal at the end of the six year term. These figures are examples only and do not represent the experience of any investor. How much return you make will depend on how your investments perform and may be higher or lower than shown here. Deposit example: 1% is illustrative six year fixed rate return only. The example assumes that interest is added monthly and corporation tax and close company surcharge are applied annually. Both examples assume that interest rates, exit tax and corporate tax ranges and closed company surcharge rules and rates remain unchanged for the period.

WARNING: These figures are estimates only. They are not a reliable guide to the future performance of this investment.



Before deciding to invest

Before deciding to invest in **Aviva Savings Plan** for regular investors or **Aviva Investment Bond** for lump sum investors, you should also read these separate guides:

- Your ***Investment Guide*** brochure which explains our fund range and the risk level of each fund.
- *Product and Charges Summary* for Aviva Investment Bond or Aviva Savings Plan which will be given to you by your Financial Broker along with this brochure.
- ***Aviva Savings Plan*** or ***Aviva Investment Bond Key Features*** document which further explains how your policy will work and includes illustrative valuations.
- ***Aviva Savings Plan*** or ***Aviva Investment Bond Customer Guides***.

Next steps

- Talk to your Financial Broker about the right product for your company. Our Savings Plan and Investment Bond are available exclusively through Financial Brokers. You can find your local Financial Broker on **www.aviva.ie.**
- Decide, with your Financial Broker, what fund options are most appropriate to meet your company's investment goals while satisfying your company's attitude to risk and return.
- Fill in the application form and return it with all relevant documentation to your Financial Broker.
- We are required by law to receive documents from your before you can take out our savings or investment products. Please see our checklist on www.aviva.ie and the relevant application forms for details of the documents that are acceptable.

To find your local Financial Broker or for more information visit www.aviva.ie

The information here is based on our understanding of the situation in December 2020. You should not base your decision to invest solely on information in this document. You should seek professional tax and legal advice to satisfy yourself of your own tax position, as the information given is a guideline only.

The funds referred to in this document may be linked to an insurance-based investment product and the Key Information Document (KID) for this product is available at www.aviva.ie/KIDs. The Risk Ratings of the funds referred to in this document differ from the corresponding Summary Risk Indicators shown in the KID. An explanation of the differences between the Risk Rating and the Summary Risk Indicator is available at the location above.

Warning: Past performance is not a reliable guide to future performance.
Warning: The value of your investment may go down as well as up.
Warning: If you invest in these funds you may lose some or all of the money you invest.
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Warning: These funds may be affected by changes in currency exchange rates.

AVIVA

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It takes Aviva.

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