Important changes to our

Responsible Investment Policy

We are expanding the exclusion policy included in our Responsible Investment Policy.

This change applies to all of the Funds where Aviva Investors Global Services Limited ("the Investment Manager") acts as discretionary investment manager, excluding the Aviva Investors UK Index Tracking Fund and the Aviva Investors International Index Tracking Fund.

You do not need to take any action, but we recommend you take the time to review and consider the changes. Further details are set out below.

We currently apply an investment exclusion policy to companies which derive prescribed levels of revenue from controversial weapons and civilian firearms. This is sometimes known as "negative screening" and will result in the Fund not owning the screened company.

> *"We are expanding this exclusion policy by introducing a wider range of exclusion categories, based on our environmental, social and governance ("**ESG**") criteria."*

All of the new screens are subject to revenue thresholds, and if a company generates more than a fixed percentage of their revenue from the excluded activity or sector, the Fund will not invest in that company. The updated exclusions list restricts investment in the following activities:

(i) weapons/arms, including cluster munitions and land mines, civilian firearms (does not exclude distribution activity), nuclear weapons, biological and chemical weapons, laser blinding weapons and the manufacture of phosphorus weapons and weapons which use non-detectable fragments;

(ii) thermal coal, arctic oil and oil sands, with exceptions for companies that have an approved science-based target which has a classification of well below 2°C;

(iii) tobacco, including manufacturing, distribution and sale of tobacco products (or those companies that offer certain distribution services to tobacco companies).

The Investment Manager will also divest from companies which we consider have not met the principles set out in the UN Global Compact (UNGC), and have not implemented an appropriate remediation plan within an acceptable timeframe.

With respect to the operation of the exclusions list, and the timeframes within which excluded assets are to be disposed of (the divestment approach) we are also making the following changes:

- the frequency that the list of excluded companies is refreshed is changing from quarterly to a minimum of sixth monthly;
- following such a routine refresh, any divestment from newly excluded companies shall be completed as soon as reasonably practicable, and normally within 90 days, unless disinvestment is not possible, or may have an adverse impact on investors;
- on the introduction of any new screens, or where we have changed a screen (for example, changes to the revenue thresholds), any divestment from newly identified companies shall be completed as soon as reasonably practicable, or within six months, unless disinvestment is not possible, or may have an adverse impact on investors.

We do not believe the changes to the monitoring frequency or divestment approach will have any material impact on the Fund in practice. Further details on the exclusions policy, including the revenue thresholds for each activity and the divestment approach, will be made available to investors in each Fund's Prospectus. You can also view details of the exclusions policy on our website at www.avivainvestors.com/en-gb/capabilities/events-log/.

Why are we making these changes?

These changes are consistent with Aviva Investors' long-standing investment philosophy and represent another step in the evolution of an investment process which has for some time given weight to ESG risks. We believe strengthening the exclusions list will benefit investors by avoiding some of the most severe ESG risks to the climate, planet and people, which we view as incompatible with the pathway to achieving sustainable capital markets and the generation of long-term positive financial returns.

We consider that refreshing the exclusion list six monthly, as a minimum, is more appropriate, and aligns to the pace at which the quality and coverage of ESG data typically evolves.

The divestment approach, as outlined above, is designed to reflect that exclusions identified through new or revised screens may be more material and require a greater degree of portfolio re-alignment. Therefore, a six-month period to disinvest in these circumstances allows for an orderly disposal of assets. Exclusions identified through a refresh of the exclusions list relative to existing screens are expected to be less material, given all new investments are reviewed against existing screens prior to their inclusion in the Funds. Therefore, a shorter 90- day divestment period is considered appropriate.

When will these changes apply?

The expected implementation date for the revised policy is **1st July 2022**, but this is subject to receipt of regulatory approvals. We will confirm the implementation date on our website at www.avivainvestors.com/en-gb/capabilities/events-log/. If there are any changes to the policy following regulatory approval, we will notify investors accordingly.

From the implementation date, the Funds will no longer be permitted to invest in companies placed on the Investment Manager's exclusion list. The Funds will have up to six-months to sell any assets held as at the implementation date, that do not meet the revised exclusion policy.

What are the impacts of the changes?

For the majority of Funds these changes will not affect the Funds' stated investment objectives, benchmarks, how they are managed in practice or the overall risk profile of the Funds.

Whilst the investment universe available to the Funds may reduce as a result of the extension of our exclusion policy, it is not anticipated that (for the majority of the Funds) the changes will have a significant impact on the Funds.

We may need to make changes to the investments currently held by your Funds in order to align their holdings to the new exclusion policy. This will vary depending on the companies the Funds currently hold, but for the majority of the Funds, the portfolio impact will not be significant. This means that less than 5% of the Fund, will need to be sold and replaced with other investments; and the transaction costs to realign the portfolio will be less than 0.05% of the Fund's value, which is well within the funds usual trading activity over a six-month period.

If you invest in the following Funds, we will be writing to you separately with further details regarding the impact of the proposed changes to these Funds: Aviva Investors Monthly Income Plus Fund, Aviva Investors Multi-Strategy Target Return Fund, Aviva Investors UK Listed Equity Income Fund or Aviva Investors UK Listed Equity Unconstrained Fund.

Investors should note that the exclusions policy is relevant to a Fund's investments in directly held securities and where the Fund obtains exposure via underlying funds also managed by the Investment Manager. It has no impact where a Fund invests via third-party managed funds.

Please note that unless explicitly stated in their investment objective and/or investment policies, the Funds are not managed to a specific ESG or sustainable investment objective.

What action should you take?

This notice is for information purposes and you are not required to take any action. We are providing you with at least **60 days' advance notice** of these changes in order to give you time to consider them and choose to take action, should you wish to do so, before the changes become effective.

If you have any queries on the changes we are making which are not covered here, please contact your financial adviser or our Customer Service Team on

0800 051 2003*

or internationally on

+44 1268 44 8219**

We recommend that you speak to your financial adviser before making any investment decisions. You should not interpret anything in this letter as financial advice. If you do not have a financial adviser then you can obtain details of independent financial advisers in your area by visiting

www.unbiased.co.uk

* Calls are free from UK landlines and mobiles.
** Call charges to this number will depend on the call package you have arranged with your landline or mobile provider.