



Administration Office,
PO Box 10410, Chelmsford CM99 2AY

18 May 2022

Client Reference Number:

THIS LETTER IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

Dear

Closure of Aviva Investors High Yield Bond Fund

We are writing to inform you of our decision to close the Aviva Investors High Yield Bond Fund (the “**Fund**”) a sub-fund of Aviva Investors Investment Funds ICVC (the “**Scheme**”).

Please read the contents of this letter carefully. If you have recently sold or instructed the sale of your holding, you may disregard this letter.

Why is the Fund closing?

We continuously assess the performance of our funds and how they fit within our core strategies, with the aim of ensuring that each fund we operate is aligned with what we believe investors need from an investment product both now and in the future. In the context of this Fund, this has led us to conclude that it is in the best interests of investors to close the Fund without undue delay for the following reasons.

The Fund has materially decreased in size over the last five years. In our experience, investors have been moving away from funds of this nature, in favour of products offering multi-asset strategies. In addition, the Fund’s performance has been at the lower end of the range of expected outcomes for an actively managed fund of this nature. These factors have not only resulted in investors leaving the Fund but have also meant it has been difficult to attract new investment into the Fund. As we expect this to continue, we believe that the Fund will further decrease in size, at which point investors will no longer benefit from the efficiencies and economies of scale that investing in a fund normally brings.

However, in order to protect the interests of existing investors in the Fund, we believe that the Fund should be closed before this. In particular, the Fund’s strategy is to invest in high yield bonds. These can be harder to sell than other investment types. Were we to wait, the Fund would likely have a smaller more concentrated pool of these bonds, potentially increasing the risk profile of the Fund. In addition, this would negatively affect our ability to close the Fund in an orderly and efficient manner.

Consequently, we consider it is in the best interests of investors to close the Fund on **19 July 2022** (the “**Effective Date**”). J.P. Morgan Europe Limited, as Depositary of the Fund, has reviewed the proposals and the Financial Conduct Authority (“**FCA**”) has confirmed that the necessary changes to the Fund’s documents to reflect its closure do not affect the ongoing authorisation of the Scheme. The FCA’s confirmation is not, however, a recommendation or endorsement of the Fund’s closure. We are sending you this letter now to give you adequate notice to plan for one of the options below. These include options for you to remain invested with Aviva Investors.

What will happen next?

- You may continue to switch or sell or transfer your investment in accordance with the instructions below up until 12.00 pm on 18 July 2022.
- Normal business will end at 12.01pm on 18 July 2022. From this point, it will no longer be possible to buy or sell or otherwise deal in shares of the Fund.
- Closure will commence immediately after 12 noon on the Effective Date, when we will start the process of selling the bonds and other investments held by the Fund and paying its liabilities.
- Any investors that have not taken any action and therefore remain invested in the Fund at that stage will then have the proceeds returned to them in accordance with the process described below.

What are your options?

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

You have the following options:

A) You can SWITCH your investment free of charge into any other UK domiciled Aviva Investors Fund

You can switch your investment in the Fund into another Aviva Investors fund. Details of our funds can be found on our website at www.avivainvestors.co.uk.

Before you switch funds, you may wish to speak to your professional adviser and it is important that you read the Key Investor Information Document (KIID) for the fund(s) that you wish to switch to. To switch to another Aviva fund, you can call us on 0800 051 2003* (internationally on +44 1268 44 8219**), write to us at the address at the top of this letter or complete and return the Form of Direction in the pre-paid envelope by 12 noon (UK Time) on **18 July 2022**. Any instructions received after this time will not be accepted, and you will be treated as if you had not taken any action, as noted in paragraph (D) below.

You will not need to meet the minimum investment amount as stated in the Prospectus of the new Aviva Investors fund(s) into which you are switching, provided that you are transferring your investment in full into one or more of our other funds. However, you will then be required to meet such minimum investment amount requirements for any additional investments you make into other fund(s) in the future.

No initial charge will be payable if you wish to switch into another fund, but a switch may give rise to a charge to capital gains tax. More details about this are given below.

This option applies both to investors that have invested directly or via the Aviva Investors Investment ISA, although if you are an ISA holder and chose to switch to a fund which is not available within the Aviva Investors Investment ISA, the tax-free status of your investment would be lost. For details of which of our funds are available within the Aviva Investors Investment ISA, please see the Supplementary Information Document available on our website.

B) You can SELL your investment

To sell your shares, please call us on 0800 051 2003* (internationally on +44 1268 44 8219**), write to us at the address at the top of this letter, or complete and return the Form of Direction in the pre-paid envelope by 12 noon (UK Time) on **18 July 2022**. Subject to completion of the necessary prevention of money laundering verification checks, your proceeds will follow within 4 working days of our acceptance of that instruction either by cheque to the registered address we have on our records or, if we have a nominated bank account on file for you, by bank transfer. If you are not sure if we have your bank details but would like to receive the proceeds of your investment by bank transfer, please ensure that you complete the Form of Direction.

Again, this option applies both to investors that have invested directly or via the Aviva Investors Investment ISA, although ISA holders should note the tax-free status of their investment would be lost with this option.

C) ISA holders can TRANSFER to another (3rd party) ISA manager

If you are an ISA holder, there is an additional option available to you, in that you could transfer your investment to another (3rd party) ISA manager. If you would like to do this, we would need an instruction from your new manager to commence the transfer. Please contact your new ISA manager in the first instance for details about their transfer process.

Please be aware the full transfer process to your new ISA provider could take a few weeks to complete. If you want to transfer your ISA to your new provider, you should therefore look to contact your new ISA provider as soon as possible in order to ensure that we have received the necessary instructions from your new ISA provider prior to 12 noon (UK time) on **18 July 2022**.

D) You can take no action

If we do not receive instructions from you prior to 12 noon (UK time) on **18 July 2022**:

- If you invest directly:
 - o We envisage it should take a maximum of 5 working days from the Effective Date to sell the bonds and other investments held by the Fund.
 - o As soon as possible thereafter, you will receive a cash payment in respect of the net proceeds by either cheque or bank transfer, depending on whether we have your bank details.
 - o It may be that a small part of the Fund takes longer to sell, in which case it may be necessary to make further smaller payments at later dates.
 - o The return of any proceeds will be subject to the need to complete the necessary prevention of money laundering verification checks.
- If you are an ISA holder:
 - o We will automatically switch your ISA investment free of charge into the Aviva Investors Multi-asset Core Fund I*, thereby maintaining the tax-free status of your investment. Such switches will take place on each date in respect of which a cash payment to investors that invest directly in the Fund is generated (when returning the proceeds from selling the bonds and other investments held by the Fund), as set out above.
 - o You will receive confirmation of your new holding in the Aviva Investors Multi-asset Core Fund I once the switch has been completed. You will subsequently be able to provide further instructions to sell, switch, or transfer your investment in the new fund in the normal manner.
- As a consequence of market movements between the Effective Date and the date on which the bonds and other investments held by the Fund are sold, you may get more or less than the value of your holding on the final dealing day.
- If you hold income shares, a final distribution of income will be paid to you separately within two months of the final distribution of proceeds, and a tax voucher will be issued to you. If you hold accumulation shares, any income on your investment will be included in the final distribution of proceeds.
- If any monies subsequently fall due to the Fund, it may then be necessary to make further, smaller, distributions at a later date but if this proves to be necessary, we will write to you again to confirm.

** The Aviva Investors Multi-asset Core Fund I is a lower risk defensively managed fund in our multi-asset fund range. Whilst this fund is at the lower end of the risk spectrum, it is important to note that it is not risk free, and the value of your investment may fall as well as rise. Switching your investment in this way will allow you to consider your options while preserving the ISA status of your investment. We have enclosed this fund's Key Investor Information Document for your information.*

Are there any tax implications?

Where held outside an ISA, the selling or switching of shares in the Fund in any of the circumstances described above will be treated as a disposal for tax purposes, which may give rise to a capital gains tax charge, depending on your personal circumstances. If you are in any doubt as to the taxation consequences of your action you should contact a tax adviser or financial adviser.

Costs

Any costs directly associated with the sale of the bonds and other assets held by the Fund will be paid by the Fund in the normal manner. Auditor's fees will be paid by Aviva out of the fund management fee that it normally collects from the Fund. Aviva will also cover other costs associated with the closure of the Fund, such as printing, mailing and third-party costs. Finally, in the event that you sell, switch or transfer your investment prior to the Effective Date, you may be charged a dilution levy in accordance with the prospectus of the Fund in order to protect continuing investors against the adverse effect from the costs of selling the bonds and other investments held by the Fund.

If you have any queries on the closure 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.

Thank you for investing with Aviva Investors.

Yours sincerely,



Stephen Adkins
Head of UK Management Companies
Aviva Investors

Calls may be recorded for training and monitoring purposes, and to comply with applicable law and regulations. Details of call charges are given below:

** 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.*