

Past performance is no guarantee of future results. The value of an investment and any income from it can go down as well as up.
Investors may not get back the original amount invested.
Please don't print this document unless you really need to.

STRATEGY IN BRIEF

Aviva Investors Climate Transition Global Credit Strategy

It takes Aviva Investors



“Alpha means nothing if beta implodes. Over the long term, chasing alpha is pointless if you completely ignore systematic risks. Existential threats like climate change jeopardise the very foundations of society.

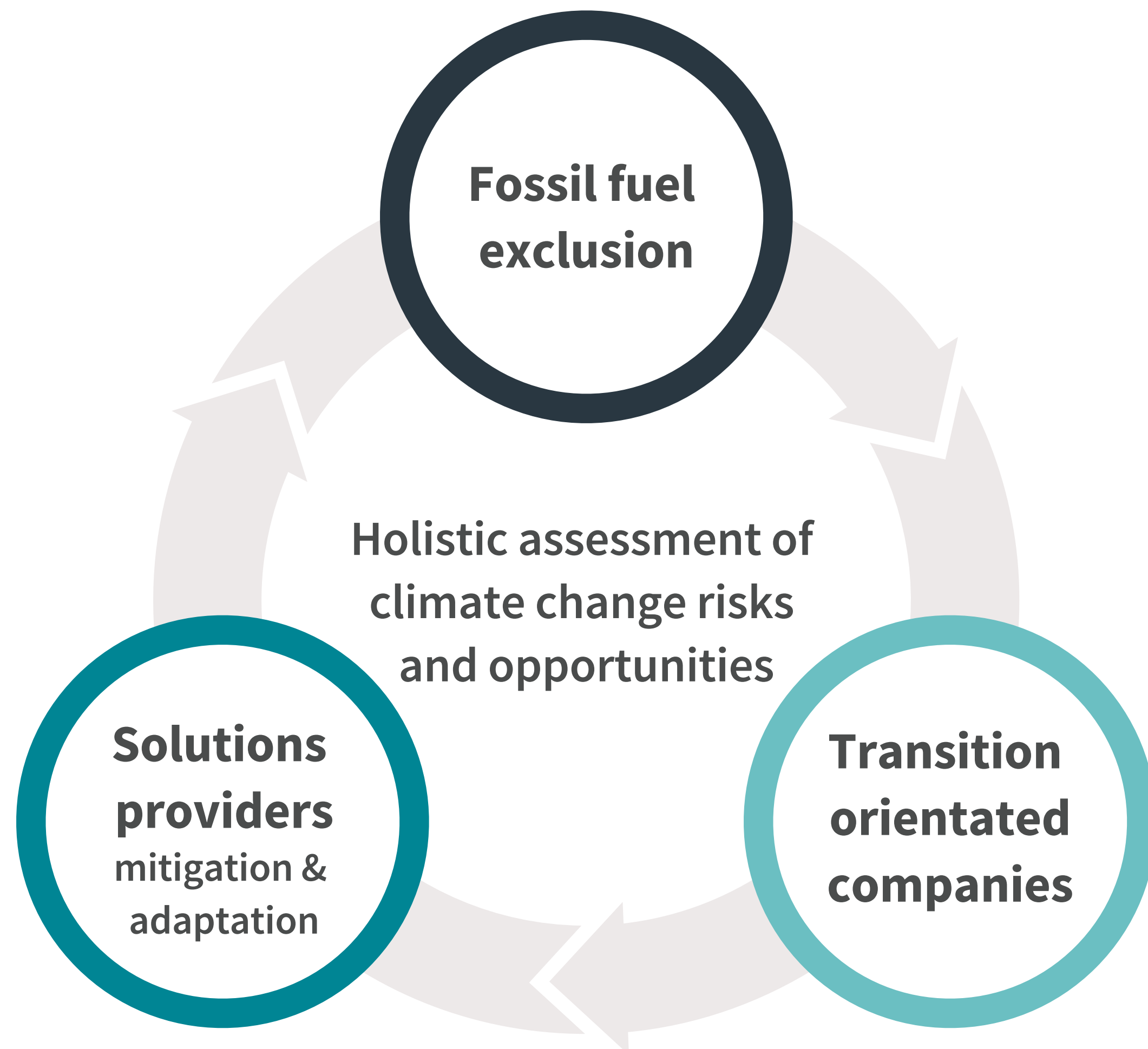
If society starts breaking down, markets will too. After all, unwavering faith in the idea the market is always right got us into this mess in the first place.”

Steve Waygood

Aviva Investors, Chief Responsible Investment Officer

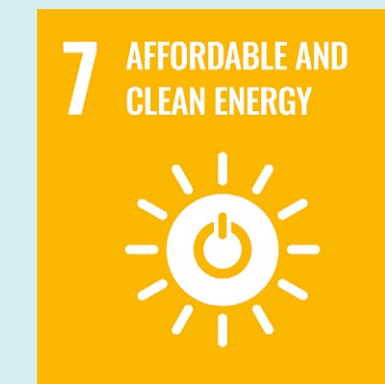


Our approach to climate credit investing



Aligned with the United Nations Sustainable Development Goals

SUSTAINABLE DEVELOPMENT GOALS



Investment opportunities in the strategy are aligned with the United Nations Sustainable Development Goals 7 and 13 and with the following climate themes:

“Achieve 1.5 degrees Celsius”

“Decarbonise the global economy”

“Adapt to the consequences of global warming”

Investing with purpose

We invest with an active, high-conviction approach to address the needs of investors seeking two objectives



Long-term capital growth



To support the transition to a lower carbon world

Key Strengths



Portfolio construction

Our **proprietary model** covers a broad range of industries and **seeks to reduce decarbonisation and physical climate risks** embedded in **corporate value chains**. This results in a **high conviction**, but **diversified portfolio**.



Back transition

Our **distinct solutions and transition categories** allow us to **identify companies** whose services and products **deliver tangible climate outcomes**. It also **helps maximise the strategy's opportunity set** and the potential to deliver consistent, long-term outperformance.



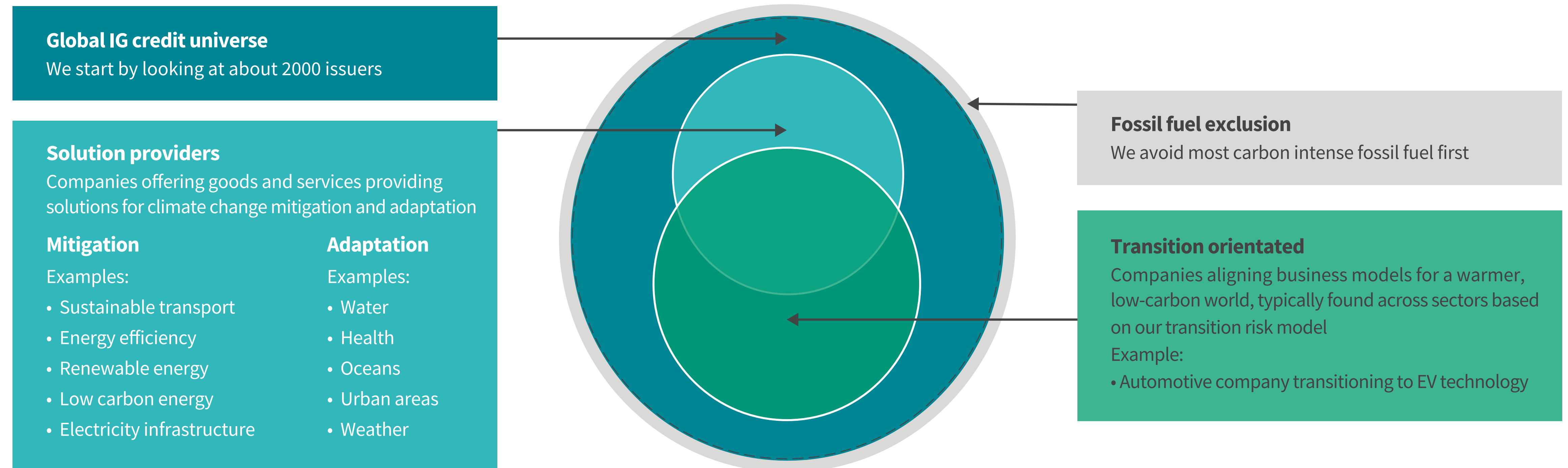
Leaders in stewardship and engagement

Engagement asks: **science-based targets** and **CDP disclosures**. We **actively engage** with governments, policymakers, NGOs, academics and other key influencers to correct material market failures.

A wider opportunity set

Backing solutions providers and promoting the transition

The strategy has limited exposure to carbon-intensive fossil fuels and invests in debt securities of a broad range of companies across sectors that are best positioned to benefit from the transition to a low-carbon world.



Harnessing the full power of bondholder engagement

Bondholder leverage	Bondholder engagement is considerable
<ul style="list-style-type: none">• Bond issuance four times higher than equity in 2021• Higher frequency of issuance versus equity• Sole source of finance for private companies• Bond issuance high in carbon intensive sectors	<p>Estimates of the capital required to drive the climate transition vary from \$3.5 trillion to \$9.2 trillion a year¹, much of which is in the form of debt.</p> <p>Given companies will often issue bonds many times a year, credit investors can frequently apply influence through their capital-allocation decisions and dialogue with issuers. Additionally, many issuers are owned privately, thus there is no pressure from public equity holders to improve governance.</p> <p>This gives bondholders a real opportunity to drive meaningful change in an important part of the capital markets beyond the reach of equity investors.</p>

Active engagement: Why SBTs trump net zero at changing behaviour

We believe having a climate strategy objective focused on science-based targets (SBTs) (rather than net-zero or carbon emission reduction objectives) is currently the best way to align to the 1.5°C global warming goal established by the 2015 Paris Agreement.

SBTs put pressure on emissions reduction throughout a company’s value chain, influencing a reduction on carbon emissions beyond our investee companies.

Source: Aviva Investors, as at 31 March 2023.

1. Douglas Broom, “What’s the price of a green economy? An extra \$3.5 trillion a year,” World Economic Forum, January 28, 2022, www.weforum.org/agenda/2022/01/net-zero-cost-3-5-trillion-a-year/; “The net-zero transition: What it would cost, what it could bring,” McKinsey Global Institute, 2022.


Longstanding team with access to a global credit research platform

To deliver returns alongside clear and measurable climate goals

Climate Transition Global Credit



Justine Vroman, CIIA
Senior Portfolio Manager



Thomas Chinery, CFA
Senior Portfolio Manager



Rick Stathers
ESG Climate Specialist

Specialist teams working alongside portfolio managers

Sustainable Transition Research

ESG Corporate Analysts

Engagement

Sustainable Finance



6

Investment Grade Portfolio Managers

23

Global Credit Research

26

Corporate ESG Team

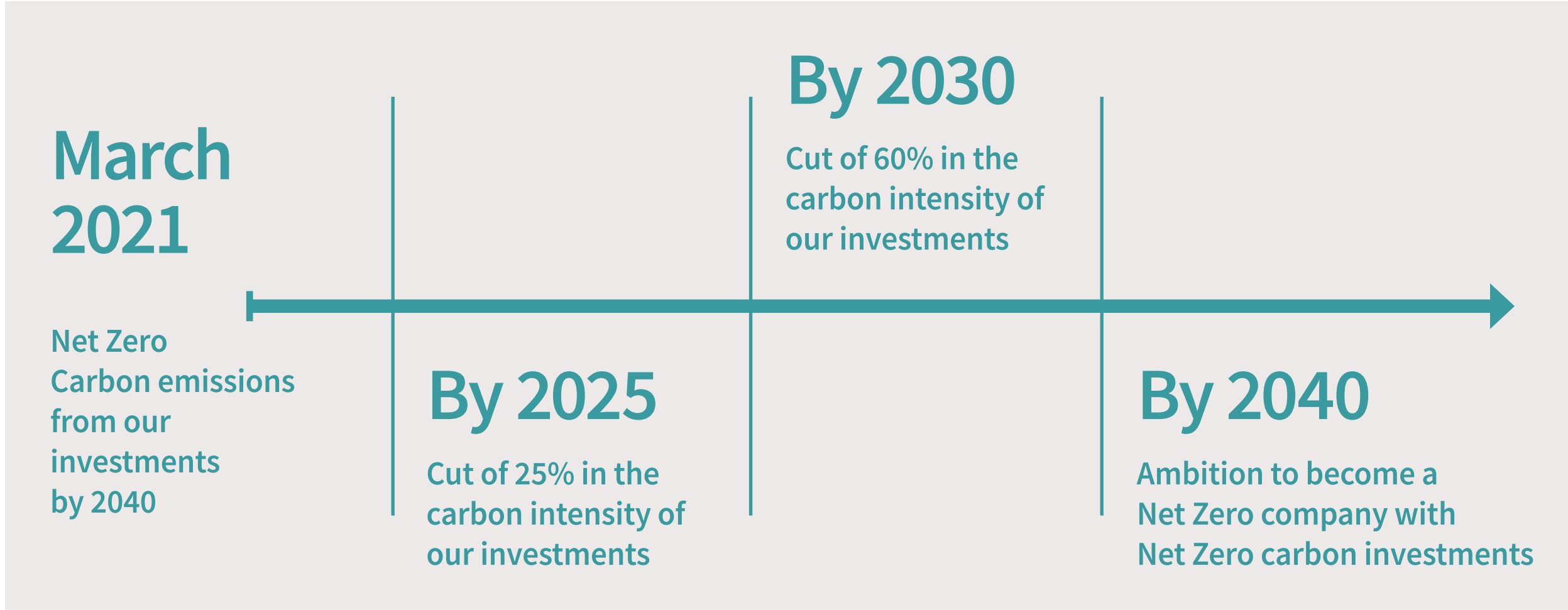
10

Traders

Source: Aviva Investors as at 31st March 2023

Acting for climate transition

Our aim is to become a Net Zero carbon emissions company by 2040



The most demanding target of any major insurance company in the world today, powered by Aviva Investors.

Translating climate ambition into action

Championing climate since early 2000s

Aviva Investors was a founding signatory to the UN PRI, CDP and the IIGCC. Aviva Investors included climate change in its voting policy in 2001 and began calling for mandatory corporate climate change disclosure in 2007.

Climate Engagement Escalation Programme (CEEP)

Launched in 2021, the CEEP targets the world’s 30 most systemically important carbon emitters across our credit and equity portfolios. This is ‘engagement with teeth’: we will divest unless these companies do more to tackle climate change.

Partnering to drive change

We lead a multi-stakeholder coalition of organisations to call for reform of the international financial architecture that supervises and regulates finance, including the creation of an International Platform for Climate Finance. This new platform will aim to harness the financial system to support the wider economic transition needed for net zero.

Key risks



Investment risk & currency risk

The value of an investment and any income from it can go down as well as up and can fluctuate in response to changes in currency and exchange rates. Investors may not get back the original amount invested.



Credit and interest rate risk

Bond values are affected by changes in interest rates and the bond issuer's creditworthiness. Bonds that offer the potential for a higher income typically have a greater risk of default.



Derivatives risk

Investments can be made in derivatives, which can be complex and highly volatile. Derivatives may not perform as expected, meaning significant losses may be incurred.



Liquid securities risk

Some investments could be hard to value or to sell at a desired time, or at a price considered to be fair (especially in large quantities). As a result their prices can be volatile.



Sustainability risk

The level of sustainability risk may fluctuate depending on which investment opportunities the Investment Manager identifies. This means that the fund is exposed to Sustainability Risk which may impact the value of investments over the long term



Contact us

Australia

+61 3 9653 6473

brett.jackson@avivainvestors.com

Benelux

+31 20 799 7707

catrinus.vanwilligen@avivainvestors.com

Germany, Austria and Nordics

+49 69 25 78 26 109

crmeurope@avivainvestors.com

Latam/US Offshore

+44 7786 513676

james.houston@avivainvestors.com

Singapore

+65 9168 0287

richard.surrency@avivainvestors.com

Southern Europe

+39 334 6645 229

crmeurope@avivainvestors.com

Switzerland

+41 44 215 90 14

crmeurope@avivainvestors.com

United Kingdom

+44 207 809 6000

uk.clientservices@avivainvestors.com

www.avivainvestors.com

Important information

THIS IS A MARKETING COMMUNICATION

Except where stated as otherwise, the source of all information is Aviva Investors Global Services Limited (AIGSL). Unless stated otherwise any views and opinions are those of Aviva Investors. They should not be viewed as indicating any guarantee of return from an investment managed by Aviva Investors nor as advice of any nature. Information contained herein has been obtained from sources believed to be reliable, but has not been independently verified by Aviva Investors and is not guaranteed to be accurate. Past performance is not a guide to the future. The value of an investment and any income from it may go down as well as up and the investor may not get back the original amount invested. Nothing in this material, including any references to specific securities, assets classes and financial markets is intended to or should be construed as advice or recommendations of any nature. Some data shown are hypothetical or projected and may not come to pass as stated due to changes in market conditions and are not guarantees of future outcomes. This material is not a recommendation to sell or purchase any investment.

In Europe this document is issued by Aviva Investors Luxembourg S.A. Registered Office: 2 rue du Fort Bourbon, 1st Floor, 1249 Luxembourg. Supervised by Commission de Surveillance du Secteur Financier. An Aviva company. In the UK Issued by Aviva Investors Global Services Limited. Registered in England No. 1151805. Registered Office: St Helens, 1 Undershaft, London EC3P 3DQ. Authorised and regulated by the Financial Conduct Authority. Firm Reference No. 119178. In Switzerland, this document is issued by Aviva Investors Schweiz GmbH.

In Singapore, this material is being circulated by way of an arrangement with Aviva Investors Asia Pte. Limited (AIAPL) for distribution to institutional investors only. Please note that AIAPL does not provide any independent research or analysis in the substance or preparation of this material. Recipients of this material are to contact AIAPL in respect of any matters arising from, or in connection with, this material. AIAPL, a company incorporated under the laws of Singapore with registration number 200813519W, holds a valid Capital Markets Services Licence to carry out fund management activities issued under the Securities and Futures Act (Singapore Statute Cap. 289) and Asian Exempt Financial Adviser for the purposes of the Financial Advisers Act (Singapore Statute Cap.110). Registered Office: 1 Raffles Quay, #27-13 South Tower, Singapore 048583.

In Australia, this material is being circulated by way of an arrangement with Aviva Investors Pacific Pty Ltd (AIPPL) for distribution to wholesale investors only. Please note that AIPPL does not provide any independent research or analysis in the substance or preparation of this material. Recipients of this material are to contact AIPPL in respect of any matters arising from, or in connection with, this material. AIPPL, a company incorporated under the laws of Australia with Australian Business No. 87 153 200 278 and Australian Company No. 153 200 278, holds an Australian Financial Services License (AFSL 411458) issued by the Australian Securities and Investments Commission. Business Address: Level 27, 101 Collins Street, Melbourne, VIC 3000 Australia. This document offers only general financial advice, and does not seek to take into account the individual objectives, financial situation or needs of any particular investor or class of investor. Consequently prospective investors must consider the appropriateness of any advice having regard to their own objectives, financial situation and needs, before investing.

In Argentina, this document includes a private invitation to invest in securities. It is addressed only to you on an individual, exclusive, and confidential basis, and its unauthorised copying, disclosure, or transfer by any means whatsoever is absolutely and strictly forbidden. Aviva Investors Global Services Limited will not provide copies of this document, or provide any kind of advice or clarification, or accept any offer or commitment to purchase the securities herein referred to from persons other than the intended recipient. The offer herein contained is not a public offering, and as such it is not and will not be registered with, or authorised by, the applicable enforcement authority. The information contained herein has been compiled by Aviva Investors Global Services Limited, who assumes the sole responsibility for the accuracy of the data herein disclosed.

In Colombia, this document does not constitute a public offer in the Republic of Colombia. The offer of this Strategy is addressed to less than one hundred specifically identified investors. The Strategy may not be promoted or marketed in Colombia or to Colombian residents unless such promotion and marketing is made in compliance with Decree 2555 of 2010 and other applicable rules and regulations related to the promotion of foreign funds in Colombia. The distribution of this document and the offering of shares may be restricted in certain jurisdictions. The information contained in this document is for general guidance only, and it is the responsibility of any person or persons in possession of this document and wishing to make application for Shares to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Shares should inform themselves of any applicable legal requirements, exchange control regulations and applicable taxes in the countries of their respective citizenship, residence, or domicile.

In Chile, esta oferta privada se inicia el día 8 febrero 2023 y se acoge a las disposiciones de la norma de carácter general n° 336 de la superintendencia de valores y seguros, hoy comisión para el mercado financiero. Esta oferta versa sobre valores no inscritos en el registro de valores o en el registro de valores extranjeros que lleva la comisión para el mercado financiero, por lo que tales valores no están sujetos a la fiscalización de ésta; por tratar de valores no inscritos no existe la obligación por parte del emisor de entregar en Chile información pública respecto de los valores sobre los que versa esta oferta; estos valores no podrán ser objeto de oferta pública mientras no sean inscritos en el registro de valores correspondiente.

In Costa Rica, this is an individual and private offer which is made in Costa Rica upon reliance on an exemption from registration before the General Superintendency of Securities (“SUGEVAL”), pursuant to article 6 of the Regulations on the Public Offering of Securities (“Reglamento sobre Oferta Pública de Valores”). This information is confidential, and is not to be reproduced or distributed to third parties as this is NOT a public offering of securities in Costa Rica. As this is NOT a public offering of securities under the definition set forth in the Securities Market Statute (“Ley Reguladora del Mercado de Valores”), the product being offered is not intended for the Costa Rican public or market and neither is registered or will be registered before the SUGEVAL and, accordingly, it is not covered by the supervision, disciplinary regime and protections afforded to local investors by the Securities Market Statute with regards to the public offerings of securities, and it is not registered in the National Registry of Securities and Intermediaries (“Registro Nacional de Valores e Intermediarios”). As this is a private offering of securities, the investor will not have access to ongoing reporting required by the regulations set forth by the National Council for Supervision of the Financial System (“CONASSIF”) and the SUGEVAL. As this is NOT a public offering of securities registered in the National Registry of Securities and Intermediaries, the investor will not be able to trade the product in the secondary market.

In Mexico, the Strategy has not been and will not be registered with the National Registry of Securities, maintained by the Mexican National Banking and Securities Commission and, as a result, may not be offered or sold publicly in Mexico. The Strategy and any underwriter or purchaser may offer and sell the securities in Mexico on a private placement basis to Institutional pursuant to Article 8 of the Mexican Securities Market Law. Each investor shall be responsible for calculating and paying its own taxes, receiving any necessary tax advice and that neither the strategy nor the marketing entity shall be deemed to have provided tax advice to the potential investor, and shall be indemnified from any resulting liability

In Panama, the distribution of this Document and the offering of Shares may be restricted in certain jurisdictions. The above information is for general guidance only, and it is the responsibility of any person or persons in possession of this document and wishing to make application for Shares to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Shares should inform themselves as to legal requirements also applying and any applicable exchange control regulations and applicable taxes in the countries of their respective citizenship, residence or domicile. This Document does not constitute an offer or solicitation to any person in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it would be unlawful to make such offer or solicitation

In Peru, IMPORTANT NOTICE: The Superintendencia del Mercado de Valores (SMV) does not exercise any supervision over this Strategy and therefore the management of it. The information the Strategy provides to its investors and the other services it provides to them are the sole responsibility of the Aviva Investors Global Services Limited. This Document is only for the exclusive use of institutional investors in Peru and is not for public distribution.

In Uruguay, the sale of the shares qualifies as a private placement pursuant to section 2 of Uruguayan law 18,627. The shares must not be offered or sold to the public in Uruguay, except in circumstances which do not constitute a public offering or distribution under Uruguayan laws and regulations. The Strategy is not and will not be registered with the Financial Services Superintendency of the Central Bank of Uruguay. The shares correspond to investment funds that are not investment funds regulated by Uruguayan law 16,774 dated September 27, 1996, as amended.

426457 – 31032024

