

## NOTICE TO SHAREHOLDERS OF AVIVA INVESTORS – CLIMATE TRANSITION GLOBAL CREDIT FUND

Luxembourg, 26 April 2024

Dear Shareholder,

We would like to inform you that the Board of Directors of the Fund (the "**Board**") has decided to amend the ESG disclosures in the description of *Aviva Investors – Climate Transition Global Credit Fund* (the "**Sub-Fund**") in the prospectus of the Fund (the "**Prospectus**") and in the Sub-Fund's Annex II - Pre-contractual Disclosures.

This includes amendments to the "Asset Selection Framework" section in the Sub-Fund's description in the Prospectus and to the Annex II - Pre-contractual Disclosures.

The Board has decided to amend the "Asset Selection Framework" section and Annex II – Pre-contractual Disclosures of the Sub-Fund in order to reflect the following changes:

- to allow the use of both internal and external data sources for the assessment of the Climate Risk Management Score, thus ensuring a better outcome for investors;
- to clarify the fossil fuel companies' exclusions policy of the Investment Manager by adding the details around the decrease of revenue threshold for enhanced fossil fuel exclusions, which are already disclosed in the Sub-Fund's description, under the "Strategy" section in the Prospectus.

As from 30 May 2024 (the "**Effective Date**"), the Sub-Fund's "Asset Selection Framework" section in the Prospectus and the Sub-Fund's Annex II - Pre-contractual Disclosures will be amended, as detailed below.

### 1. Asset Selection Framework in the Sub-Fund's description in the Prospectus

The Sub-Fund's "Asset Selection Framework" section is currently detailed, as follows:

#### *"Transition*

*By using the "Transition" criteria, the Investment Manager identifies companies that are supporting positively aligning to and orientating their business models to be resilient in a warmer climate and a low carbon economy. There are strong links between carbon emissions and global warming. As a result, the UN Paris Agreement on climate change aims for economies to remove as many emissions as they produce (be "Net zero") by 2050, with the aim of keeping the increase in global average temperatures within 1.5C above preindustrial levels. Companies will be assessed as satisfying the "Transition" criteria using the Investment Manager's proprietary Transition Risk Model which comprises two core elements: Transition Risk and the Climate Risk Management Score. Transition Risk seeks to measure the exposure of certain sub-industries (covering 8 sectors, 24 industries and 159 sub-industries) to climate change risk, taking into account how exposed they are to the adverse physical impacts of climate change, and how exposed they are given the ambition to transition to a lower carbon economy. This analysis results in the sub-industries being allocated a Transition Risk rating, ranking as either high, medium or low.*

*The Climate Risk Management Score seeks to measure the quality of climate governance in place at individual companies. The score is provided by external industry recognised bodies and is currently provided by CDP (previously known as the Carbon Disclosure Project). CDP is a global authority on assessing corporate climate, water and forest risk management practices. CDP issue an annual questionnaire to the world's largest companies (6000 in 2018), and the responses are scored from A-D- providing an assessment of the quality of climate risk management in place at the company.*

*The Transition Risk Model currently operates so that the Transition Risk rating and the CDP score are combined to determine whether a company satisfies the "Transition" criteria. For example, companies in sub-industries rated as having a high Transition Risk (e.g. chemicals and automobiles) will have to demonstrate high climate risk management processes (e.g. a CDP score of B or above) to be deemed as eligible for investment by the Sub-fund. Any company attaining a CDP score of D- or below will not be eligible for investment under the Transition criteria.*

*Outputs from the Transition Risk Model will be refreshed annually.*

*Further details can be found in the Annex II – Pre-contractual Disclosure."*

The Board has resolved to amend the "Asset Selection Framework" section in order to allow the use of both internal and external data sources for the assessment of the Climate Risk Management Score (currently only provided by the Carbon Disclosure Project), thus ensuring a better outcome for investors, as follows:

#### *"Transition*

*~~By using~~ **For** the "Transition" criteria, the Investment Manager identifies companies positively aligning to and orientating their business models to be resilient in a warmer climate and a low carbon economy. There are strong links between carbon emissions and global warming. As a result, the UN Paris Agreement on climate change aims for economies to remove as many emissions as they produce (be "Net zero") by 2050, with the aim of keeping the increase in global average temperatures within 1.5C above preindustrial levels. Companies will be assessed as satisfying the "Transition" criteria using the Investment Manager's proprietary Transition Risk Model which comprises two core elements: Transition Risk and the Climate Risk Management Score. Transition Risk seeks to measure the exposure of certain sub-industries (~~covering 8 sectors, 24 industries and 159 sub-industries~~) to climate change risk, taking into account how exposed they are to the adverse physical impacts of climate change, and how exposed they are given the ambition to transition to a lower carbon economy. This analysis results in the sub-industries being allocated a Transition Risk rating, ranking as either high, medium or low.*

*The Climate Risk Management Score seeks to measure the quality of climate governance in place at individual companies. The score is ~~provided~~ **created** by ~~external industry recognised bodies and is currently provided by CDP (previously known as the Carbon Disclosure Project). CDP is a global authority on assessing corporate climate, water and forest risk management practices. CDP issue an annual questionnaire to the world's largest companies (6000 in 2018), and the responses are scored~~ **using multiple data points sourced from A-D- providing an assessment of the quality of climate risk management in place at the company. third parties or created internally.***

*The Transition Risk Model ~~currently operates so that the Transition Risk rating and the CDP score~~ **Climate Risk Management Score** are combined to determine whether a company satisfies the "Transition" criteria. For example, companies in sub-industries rated as having a high Transition Risk (e.g. chemicals and automobiles) will have to demonstrate high climate risk management processes (e.g. a CDP score of B or above) to be deemed as eligible for investment by the Sub-fund. Any*

~~company attaining a GDP score of D or below will not be eligible for investment under the Transition criteria. Outputs from the Transition Risk Model will be refreshed annually.~~

~~Further details can be found in the Annex II – Pre-contractual Disclosure.”~~

## 2. Annex II – Pre-contractual Disclosures

- a. The Sub-Fund's Annex II – Pre-contractual Disclosures currently details the following disclosures to the question “What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?”, as follows:

*“What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?”*

*(...) For the « Transition » Sleeve, the Investment Manager will assess the proportion of companies in the Sub-Fund displaying strong climate governance. This may include but not limited to, the percentage of companies attaining a certain Climate Risk Management Score\*, and the percentage of companies setting or committing to emission reduction goals which align to science-based targets.*

*\*The climate risk management score seeks to measure the quality of climate governance in place at individual companies. The score is provided by external industry recognised bodies and is currently provided by CDP (previously known as the Carbon Disclosure Project).”*

The Board has resolved to amend the disclosures to the question “What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?” in the Sub-Fund’s Annex II – Pre-contractual Disclosures” section, in order to align the description of the transition risk framework of the Sub-Fund as described in the Prospectus under the paragraph “Transition” (detailed under point I above), as follows:

*“What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?”*

*(...) For the « Transition » Sleeve, the Investment Manager will assess the proportion of companies in the Sub-Fund displaying strong climate governance. This may include but not limited to, the percentage of companies attaining a certain Climate Risk Management Score\*, and the percentage of companies setting or committing to emission reduction goals which align to science-based targets.*

*\*The climate risk management score seeks to measure the quality of climate governance in place at individual companies. The score is ~~provided~~ **created** by external industry recognised bodies and is currently provided by ~~CDP (previously known as the Carbon Disclosure Project)~~ **using multiple data points sourced from third parties or created internally.**”*

- b. The Sub-Fund's Annex II – Pre-contractual Disclosures currently details the following disclosures to the question “What investment Strategy does this financial product follow?”, as follows:

*“What investment Strategy does this financial product follow?”*

*In this core investment the Sub-Fund excludes fossil fuel companies and has two investment sleeves:*

(...)

1) A Solutions sleeve, which will invest in corporate bond issuers whose goods and services provide solutions for climate change mitigation and adaptation;

2) A Transition sleeve, which allocates to companies positively aligning to a warmer climate and a low-carbon economy and orientating their business models to be resilient in a warmer climate and a low-carbon economy.

(...)"

The Board has resolved to clarify the disclosures to the question "What investment Strategy does this financial product follow?" in the Sub-Fund's Annex II – Pre-contractual Disclosures" section, by adding the details around the decrease of revenue threshold for enhanced fossil fuel exclusions, which are already disclosed in the Sub-Fund's description under the "Strategy" section in the Prospectus, as follows:

*"What investment Strategy does this financial product follow?"*

*In this core investment the Sub-Fund excludes fossil fuel companies and has two investment sleeves:*

(...)

1) A Solutions sleeve, which will invest in corporate bond issuers whose goods and services provide solutions for climate change mitigation and adaptation;

2) A Transition sleeve, which allocates to companies positively aligning to a warmer climate and a low-carbon economy and orientating their business models to be resilient in a warmer climate and a low-carbon economy.

**Fossil fuel companies are excluded from the core investment universe using the following criteria:**

- **> 0% revenues from thermal coal, unconventional fossil fuels, Arctic gas & oil production or thermal coal electricity generation;**
- **> 0% Thermal Coal Reserves (metric tonnes);**
- **> 0% Unconventional Oil and Gas reserves (mmboe);**
- **>= 1000 Total Oil and Gas reserves (mmboe);**
- **>=10% revenues from oil & gas extraction and production\* and liquid fuels electricity generation;**
- **>=15% revenues from natural gas electricity generation\*\*;**
- **>= 75% revenues from Oil and Gas Distribution & Retail, Equipment & Services, Petrochemicals, Pipelines and Transportation, Refining or Trading.\*\*\***

(...)

**\* 10% conventional Oil and Gas extraction and generation from 2025 will reduce by 1% a year to 0% by 2035**

**\*\*15% gas generation will reduce by 1% per year from 2025 to 0% by 2040**

**\*\*\*75% revenues from Oil and Gas value chain will reduce by 5% from 2025 to 0% by 2040"**

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# AVIVA INVESTORS

Société d'Investissement à Capital Variable  
Registered office: 2 rue du Fort Bourbon, L-1249 Luxembourg  
R.C.S. Luxembourg B 32 640  
(the "Fund")



An updated version of the Prospectus reflecting the changes referred to above will soon be available, free of charge, upon request, at the registered office of the Fund.

Capitalised terms not defined herein shall have the meaning given to them in the prospectus of the Fund.

**Should you require further information about the changes mentioned above, please contact the following email address: [Aviva.TA.LUX@bnymellon.com](mailto:Aviva.TA.LUX@bnymellon.com).**

Yours sincerely,

*Martin Bell*

**On behalf of the Board**