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")

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

Luxembourg, 11 April 2025

Dear Shareholder,

We would like to inform you that the Board of Directors of the Fund (the "**Board**") has decided to amend the sub-fund *Aviva Investors - Climate Transition Global Credit Fund* (the "**Sub-Fund**") for it to comply with the *Commission de Surveillance du Secteur Financier* Circular 24/863 regarding the application of the Guidelines of the European Securities and Market Authority on funds' names using ESG or sustainability-related terms (ESMA34-1592494965-657).

As a result, the Sub-Fund's description and the Sub-Fund's Annex II – Pre-contractual Discosures of the prospectus of the Fund (the "**Prospectus**") will be amended to reflect the following changes:

- Change of name of the Sub-Fund;
- Increased investment in Bonds responding to climate change: the Sub-Fund will now invest at least 80% (up from 70%) of its assets in bonds from companies worldwide that address climate change;
- Commitment to Sustainable Investments: At least 50% of the Sub-Fund's total net assets will qualify as Sustainable Investments. These investments will contribute to positive environmental outcomes and support the transition to a low-carbon economy;
- Replacement of "Transition" investment sleeves by an "Operations" investment category;
- Addition of "Green, social and sustainability ("GSS") bonds" and "sustainability-linked bonds ("SLB")" investment categories;
- Updated Exclusion criteria with notably the inclusion of the Paris-Aligned Benchmark Exclusions as an additional exclusion policy;
- Net zero transition support: The Sub-Fund may invest in companies with science-based targets for reducing carbon emissions, with goals for 2030 and 2040; and
- Active monitoring and engagement: The Investment Manager will actively engage with companies to ensure they meet the Sub-Fund's climate goals and report on its progress.

The changes, as detailed below, will become effective on 14 May 2025 (the "**Effective Date**").

1. <u>Change of the name of the Sub-Fund</u>

As from the Effective Date the Sub-Fund's name will change from "*Aviva Investors – Climate Transition Global Credit Fund*" to "*Aviva Investors – Global Climate Credit Fund*".

2. <u>Change of the investment objective and policy of the Sub-Fund</u>

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With effect from the Effective Date, the Board has resolved to change the investment objective and policy of the Sub-Fund in order to (i) increase the minimal proportion of Sub-Fund's total assets that are responding to climate change and meeting the Investment Manager's eligibility criteria from 70% to 80%, (ii) add a minimal proportion of 50% of Sub-Fund's total net assets to be invested in sustainable investments, (iii) remove the "Transition" investment sleeve and replace it by an "Operations" investement category which includes stocks of companies aligning or that have already aligned their activities toward their resilience in a warmer climate and adaptability to a low-carbon economy, (iv) add "Green, social and sustainability ("GSS") bonds" and "sustainability-linked bonds ("SLB")" investment categories and (v) add the Sub-Fund's support to the global transition towards net zero.

Therefore, the "Investment Objectives" and "Investment policy" sections of the Sub-Fund's description will be read as follows:

"*Investment Objectives*
*To ~~earn~~ **generate** income and increase the value of the Shareholder's investment ~~while~~ **by** outperforming the Benchmark over the long term (5 years or more). **This will be achieved** by investing in bonds ~~of~~ **issued by** companies ~~which~~ **that** are deemed to be **effectively** responding to climate change **effectively. The Sub-Fund aims to achieve these financial goals while aligning the Sub-Fund with a net zero emissions pathway by 2050**.*

Investment Policy

*The Sub-Fund invests at least ~~70~~**80**% of total net assets (excluding derivatives for efficient portfolio management) in bonds of companies from anywhere in the world (including emerging markets) **that are** responding to climate change ~~which~~ **and** meet the Investment Manager's eligibility criteria as described below (the "core" investment).*

At least 50% of the Sub-Fund's total net assets (excluding derivatives for efficient portfolio management) will qualify as Sustainable Investment that contribute to positive environmental outcomes and support the transition to a low-carbon economy (see "Responsible Investment" section).

*In this core investment**,** the Sub-Fund ~~excludes fossil fuels companies and has two~~ **invests into the following** investment ~~sleeves~~ **categories**:*

- *~~A~~ "Solutions" ~~sleeve~~, which will invest in corporate bond issuers whose goods and services provide solutions for climate change mitigation and adaptation;*
- *~~A~~ "~~Transition~~ **Operations**" ~~sleeve~~ which allocates to companies ~~positively~~ **that are** aligning ~~to a warmer climate and a low carbon economy and orientating~~ **or have already aligned** their business models **and operations** to be resilient in a warmer climate and **adaptable to** a low-carbon economy.*
- ***Green, Social and Sustainability ("GSS") bonds, where the use of proceeds is allocated to projects that have positive environmental, social, or sustainability benefits and complies with the Paris-Aligned Benchmark (PAB) Exclusions, with the exception of the UNGC and OECD exclusions, which will be assessed at the level of the issuing company.***
- ***Sustainability-Linked Bonds ("SLB"), where these bonds are tied to the achievement of Key Performance Indicators ("KPIs") that promote positive environmental, social or sustainability outcomes and the issuers comply with the PAB Exclusions.***

Also, the Sub-Fund aims to support the global transition towards net zero by focusing on companies with decarbonisation pathways that align with a well-below 2°C pathway, with the objective of aligning the Sub-Fund to a net zero emissions pathway by 2050.
(…)"

The "Asset Selection Framework" section of the Sub-Fund's description will also be amended to reflect point (iii) above and will be read as follows:

"Asset Selection Framework

The Investment Manager's "Solutions" or "~~Transition~~ ***Operations****" criteria are described as follows:*

(…)
~~Companies meeting this initial revenue threshold are then subject to additional assessment using the Investment Manager's proprietary analysis which further examines revenue sources by business segment. Only companies satisfying both the revenue threshold and the detailed assessment will be regarded as "Solutions" providers and be eligible for investment by the Sub-Fund. The assessment is refreshed on an ongoing basis.~~

~~Transition~~ ***Operations***

For the "~~Transition~~ ***Operations****" criteria, the Investment Manager identifies companies ~~positively~~* ***actively*** *aligning ~~to and orientating~~* ***or that have already aligned*** *their business models* ***and operations*** *to be resilient in a warmer climate and adaptable to 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~~ ***Operations****" criteria using the Investment Manager's proprietary Transition Risk ~~Model~~* ***Framework*** *which comprises two core elements: Transition Risk and the Climate Risk Management Score.*
Transition Risk seeks to measure the ~~exposure of certain~~ ***impact a*** *sub-~~industries to climate change risk, taking into account how~~* ***industry has upon global emissions and is therefore most*** *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~~* ***risks****. This analysis results in the sub-industries being allocated a Transition Risk rating, ranking as either high, medium or low. (…)*

The Transition Risk rating and the Climate Risk Management Score are combined to determine whether a company satisfies the "~~Transition~~ ***Operations****" criteria. For example, companies in sub-industries rated as having a high Transition Risk (e.g.chemicals and automobiles) will have to demonstrate ~~high~~* ***higher*** *climate risk management processes to be deemed as eligible for investment by the Sub-~~fund~~* ***Fund****.*
As a result "Operations" companies may be referred to by the manager as "Transition Leaders."
(…)"

The "Benchmark" section of the Sub-Fund's description will also be amended to reflect point (iii) above and will be read as follows:

"*Benchmark (performance comparison) Bloomberg Global Aggregate Corporate Index.*
The Sub-Fund's performance is compared and the Sub-Fund's global exposure is monitored against the Bloomberg Global Aggregate Corporate Index (the "Benchmark" or the "Index")
(…)

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To allow assessment of the Sub-Fund's climate credentials, the Investment Manager will report on key indicators relevant to the Sub-Fund's strategy. Key indicators shall include:

"Fossil Fuel" – the proportion of companies in the Sub-Fund with fossil fuel exposure, ***ensuring alignment with the PAB Exclusions****;*

"Solutions" -the proportion of companies in the Sub-Fund meeting the "Solutions" revenue threshold;

"~~Transition~~ ***Operations****"- the proportion of companies in the Sub-Fund displaying strong* ***business and operational alignment to a warmer*** *climate ~~governance~~* ***and low-carbon economy****, which 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~~ "****SBTi Alignment" – the percentage of assets in the Sub-Fund invested in companies with SBTi-verified or SBTi-committed*** *targets****, as well as those meeting an equivalent standard****. Such indicators will be shown at Sub-Fund level and relative to the Index,* ***where appropriate****, for comparison purposes and will be published in the Sub-Fund fact sheet and refreshed on an annual basis.*"

The "Planning your Investment" section of the Sub-Fund's description will also amended to reflect point (v) above and will be read as follows:

"*Designed for*
Investors who understand the risks of the Sub-Fund and plan to invest for at least 5 years.
The Sub-Fund may appeal to investors who want to do any of the following:

- *Gain exposure to a global credit portfolio, while supporting the transition to a low carbon ~~economic model~~* ***economy, with a focus on aligning with a net zero emissions pathway by 2050.***
- *Earn a combination of income and investment growth.*

This product is based outside the UK and is therefore not subject to UK sustainable investment labelling and disclosure requirements. "

3. Change of the strategy of the Sub-Fund

With effect from the Effective Date, the Board has resolved to change the strategy of the Sub-Fund in order to add the Paris-Aligned Benchmark exclusions (PAB exclusions) as described in article 12 (1.) (a) to (g) of the Commission Delegated Regulation (EU) 2020/1818 as binding elements applied by the investment manager in selecting the Sub-Fund's investments.

Therefore, the "Strategy" section of the Sub-Fund's description will be read as follows:

"*Strategy*
The Sub-Fund is actively managed. The Investment Manager believes that the risks ***and opportunities*** *associated with climate change ~~are currently mispriced. Those companies which are responding to~~****demand urgent action, as limiting its impacts is imperative not only for protecting the environment but also for ensuring long-term economic growth and stability. Addressing*** *climate change* ***by transitioning to a low-carbon economy can mitigate systematic risks, unlock new opportunities*** *and* ***create more resilient markets. Companies that effectively manage their impact on climate and adapt to these challenges*** *are ~~currently undervalued present~~* ***better positioned to thrive in this evolving landscape, presenting*** *an opportunity to ~~benefit from increases in~~* ***deliver sustainable*** *value over the long term.*

Companies will be identified as eligible for core investment if they satisfy the "Solutions" or " ~~*Transition*~~ ***Operations****" criteria and* ***comply with the Paris-Aligned Benchmark (PAB) Exclusions, or*** *are* ~~*not excluded*~~ ***GSS bonds or SLB bonds, provided that issuers of*** *the* ~~*basis*~~ ***latter comply with the PAB Exclusions****. Even if the company fails to meet all the PAB Exclusions, the Investment Manager may invest in GSS bonds, if in its opinion the use of* ~~*their fossil fuel activities*~~ ***proceeds of that specific bond supports the climate objectives of the Sub-Fund and complies with the PAB Exclusions, with the exception of the UNGC and OECD exclusions, which will be assessed at the level of the issuing company.*** *If* ***so, such investment is part of the core investment.***

Also, the Sub-Fund aims to support the global transition to net zero by focusing on companies with decarbonisation pathways that align with a well-below 2°C pathway. Specifically, the Sub-Fund's strategy includes targeting:

- ***By 2030, at least 50% of assets in companies with either Science Based Targets initiative (SBTi)-verified targets, SBTi committed targets (with a requirement to achieve verification within 24 months), or targets that meet an equivalent standard;***
- ***By 2040, a goal of reaching 100% SBTi-verified or equivalent alignment.***

For companies without SBTi verification, equivalent standards must be robust, science-based, and aligned with a pathway to limit global warming to well below 2°C.
To track progress towards these goals, the Sub-Fund will actively monitor and engage with select companies holding SBTi-committed or equivalent targets to support their path to verification or to maintain alignment with a well-below 2°C pathway. Where appropriate, the Sub-Fund will also engage with companies that have not yet made such commitments, encouraging them to adopt science-based targets and align with decarbonisation pathways.

~~*The Investment Manager excludes fossil fuel companies from*~~ ***In line with the Net Zero alignment approach,*** *the* ~~*core investment universe using*~~ ***Investment Manager applies*** *the following* ~~*criteria*~~ ***levels of exclusions****:*

- ~~*> 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****~~

~~*The Investment Manager will also excludes direct investments in companies which manufacture products that seek to do harm when used as intended. This would include:*~~

- ~~*Companies manufacturing tobacco products.*~~

- ***Level 1: The Investment Manager's ESG Baseline Exclusions Policy***

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- ***Level 2: The Paris-Aligned Benchmark (PAB), which excludes:***
    - ***companies involved in any activities related to controversial weapons;***
    - ***companies involved in the cultivation and production of tobacco;***
    - ***companies that benchmark administrators find in violation of the United Nations Global Compact (UNGC) principles or the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises;***
    - ***companies that derive 1% or more of their revenues from the exploration, mining, extraction, distribution or refining of hard coal and lignite;***
    - ***companies that derive 10% or more of their revenues from the exploration, extraction, distribution or refining of oil fuels;***
    - ***companies that derive 50% or more of their revenues from the exploration, extraction, manufacturing or distribution of gaseous fuels;***
    - ***companies that derive 50% or more of their revenues from electricity*** *generation with a GHG intensity or more than 100g CO2 e/kWh.*
- *Level 3: The Sub-Fund applies additional exclusions, details of which can be found within the Annex II Pre-contractual Disclosure.*

Further details on the "Solutions" and "~~Transition~~ ***Operations****" criteria can be found in the section "Asset Selection Framework" of the Sub-Funds' description.*

** 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* "

4. Update of the "Sustainability Disclosures" of the Sub-Fund's description

With effect from the Effective Date, the Board has resolved to change the Sustainability Disclosures section of the Sub-Fund in order to add the active engagement of the Investment Manager with companies with the aim of positively influencing company behavior.

Therefore, the "Sustainability Disclosures" section of the Sub-Fund's description will be read as follows:

"*Sustainability Disclosures*

Environmental, Social & Governance factors (ESG) and Sustainability Risk indicators are therefore integrated into the investment process and are a key determinant based on which companies are selected..

(…)

The Investment Manager integrates qualitative and quantitative data on adverse sustainability impacts into its investment process. In addition, all investments that are selected as part of the Investment Manager's ESG analysis must follow good governance practices, and not be excluded by the Investment Manager's ESG Baseline Exclusions Policy ***and additional exclusions specific to the Sub-Fund.***

The Investment Manager actively engages with companies with the aim of positively influencing company behaviour, in line with the Sub-Fund's objective.

Additional information regarding Taxonomy Regulation compliance is available under the section "Taxonomy Regulation Disclosures. (…)"

The Annex II - Pre-contractual disclosures of the Sub-Fund will also be amended to reflect the aforementioned changes brought to the Sub-Fund.

For the avoidance of doubt, please note that these changes will have no impact on the Sub-Fund's portfolio. While the the ESG process will undergo slight changes, these will not be material.
Additionally the Sub-Fund liquidity and risk profile remain unchanged and these changes will have no impact with regards to fees borne by the Sub-Fund.

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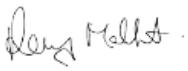
If you do not accept these changes, you may request free of charge redemption or conversion of your shares into any of the other sub-funds of the Fund until 13 May 2025, under the conditions described in the Prospectus.

An updated version of the prospectus with the Sub-Fund's description and Annex II - Pre-contractual disclosures reflecting the changes referred 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.



Yours sincerely,
Penny Collins Moffat

On behalf of the Board of Directors

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