

FUND IN BRIEF



Aviva Investors Climate Transition Real Assets Fund

Q1 2024

Strategy*

The Fund aims to (i) provide a combination of income and growth targeting an overall GBP return (net of annual management charges) of 8% per annum on a rolling 5-year basis through exposure to a diversified portfolio of real assets focussing on climate transition and (ii) deliver net zero emissions by 2040 on an ongoing annual basis.

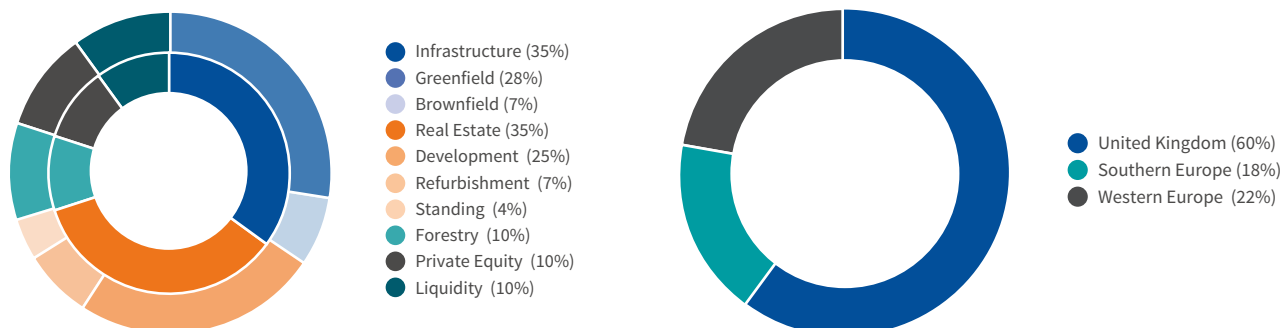
Overview

The Fund seeks to provide multiple client channels (including DC, DB and wealth) access to private real assets while offering the benefits of diversification, uncorrelated returns and illiquidity premia, overlaid with a robust focus exclusively on assets oriented to the transition to a low-carbon economy.

 Dual targets**	 Direct control	 Multi-asset
Investing to accelerate the climate transition and aiming to deliver 8% IRR net of fees and net zero by 2040	Direct investment in real assets in order to drive financial and environmental performance	Portfolio construction based on identifying relative value across pan-European real estate, infrastructure and nature-based solutions

Target portfolio allocation***

Seeks to address entire opportunity set within value-add real estate and low-carbon infrastructure to create a real assets portfolio diversified by both asset strategy and geography.



* The 8% performance target is not guaranteed and it may not always be possible to achieve it over the period stated, or over any period of investment. Consequently, investors' capital is at risk. Aiming to deliver net zero emissions by 2040 on an on-going annual basis, will mean achieving a lower financial return than if the Fund did not have a net zero target. The Fund will continuously retire carbon credits to offset the carbon emissions within the Fund, keeping the overall fund balanced at net zero.

** The financial return is not guaranteed and may not be sustained. The Fund's net zero target may not be achieved.

*** Please note that the model portfolio above is based on long term asset allocation expectations for the portfolio and should not be relied upon to represent the actual portfolio.

Environment, social and governance

The Fund aims to target opportunities which accelerate, and benefit from, the transition to a low-carbon economy. The assets acquired for the Fund will seek to create high growth, generating both financial outcomes for our clients and non-financial outcomes through accelerating the climate transition.

AVOID emissions – Infrastructure



Focus on low-carbon **Infrastructure**, renewable energy and digital infrastructure including solar, onshore wind and fibre

REDUCE emissions – Real Estate



Focus on **Real Estate** refurbishments and developments to reduce energy and carbon intensity

REMOVE emissions – Nature-Based Solutions



Investing directly in **Nature Based Solutions** including afforestation and sustainable forestry to inset emissions and deliver carbon removals

ALIGN emissions – Private Equity



Focus on **Private Equity** investments that align our portfolio with nascent climate technologies

Team

The Climate Transition Real Assets Fund will be managed by a team from across Aviva Investors' Real Assets platform, utilising underlying investment desks and a robust top down asset allocation process to identify best relative value. Strategic asset allocation for the fund will be advised by the Strategic Asset Allocation Advisory Forum, with representation from across the Real Assets platform, including research & Sustainable Investing.

The Alternative Portfolio Management team will be responsible for managing the fund, with Luke Layfield, Lead Portfolio Manager and Zoe Austin, Deputy Portfolio Manager. This team currently manage over £3.3bn of multi-asset real asset mandates and have a long established track record of deploying capital across investment desks.

Key information and manager targets

Target return	<ul style="list-style-type: none"> • 8% p.a. IRR net of fees over five year rolling periods
Responsible investment	<ul style="list-style-type: none"> • Real Assets strategy focused on directly controlled assets with a positive contribution to the transition to a low carbon economy • Ambition to achieve Net Zero by 2040 • The Fund manager will target assets that aim to accelerate the transition to a low-carbon economy and creating positive social and economic outcomes • These targets are management aims for the fund strategy and are not binding on the fund
Geographies	<ul style="list-style-type: none"> • Target markets UK & 'core'/developed Europe, limits to southern & eastern European & non-Europe
Core investments	<ul style="list-style-type: none"> • Target value add Real Estate (primarily office, logistics, residential, alternatives), Infrastructure Equity (primarily renewable energy & transition sectors), Forestry (predominantly afforestation, i.e. new planting sustainable species to be used renewably)
Currency	<ul style="list-style-type: none"> • Predominantly denominated in Sterling and Euro
Structure	<ul style="list-style-type: none"> • Co-ownership Authorised Contractual Scheme as a Long-Term Asset Fund (LTAF) • Open-ended and unlimited duration • Core investments will be accessed via alternative investment funds (minimum 70%)
Leverage	<ul style="list-style-type: none"> • c.50% aggregate look through leverage¹
Redemptions²	<ul style="list-style-type: none"> • Redemption requests will be accepted on each monthly dealing day, subject to the Fund's deferral thresholds • For accepted requests, settlement within 185 days of deal cut-off point • Dealing suspension available in exceptional circumstances if in best interests of investors
Pricing	<ul style="list-style-type: none"> • Daily priced
Valuations	<ul style="list-style-type: none"> • All assets externally valued at least quarterly
Other investments	<ul style="list-style-type: none"> • Max 30% non-core • Target liquidity assets c.10% long term • Climate related Private Equity investments

Highlights of the Fund

Climate transition alignment	8% p.a. target return (GBP)	Multiple client channel access	Positive social and economic outcomes³
<p style="text-align: center;">Industry-leading net zero emissions pathway to 2040 through focussed active asset allocation and asset management including direct forestry</p>	<p style="text-align: center;">Net of fees over 5 year rolling periods</p>	<p style="text-align: center;">Range of direct asset classes – infrastructure, real estate, forestry – with dedicated focus on climate transition, and liquidity management</p>	<p style="text-align: center;">Unique approach that encompasses both climate and societal considerations accelerating the approach to a low-carbon economy</p>

The financial return is not guaranteed and may not be sustained. The Fund's net zero target may not be achieved.

¹ Please refer to the Fund Prospectus for further details on leverage limits

² Please refer to Prospectus for full description of the Fund's redemption arrangements

³ The investment manager will consider the positive societal outcomes as part of the investment strategy. In a low-carbon economy, the strategy looks to absorb as many emissions as the Fund emits, supporting a 2040 net zero target and beyond.

Aviva Investors

Aviva Investors is a global asset manager with a broad range of expertise across asset classes. We aim to deliver the specific and meaningful outcomes that matter most to today's investor. We focus on what we do best, and on capabilities and propositions that build on our heritage in managing long-term savings. We manage £234bn* across Equities, Multi-asset & Macro, Credit and Real Assets.

Aviva Investors Real Assets

We are a large European manager of Real Assets with over £41.8bn* of AUM.

Real assets are a core part of Aviva Investors' strategy and integral to our growth ambition and positioning us to meet a growing client need for solutions in this area. With over 120* Real Assets investment professionals across four locations, our platform has the scale to access the full depth and breadth of real asset markets. This enables us to deploy capital in an efficient and disciplined manner.

* Source: Aviva Investors, as of 31 March 2024.

Key risks

Investment 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. Past performance is not a guide to future returns.

Immovables risk: The Fund will seek exposure to immovables, for example real estate, infrastructure and rural property asset, which have the following inherent risks:

Illiquidity risk: Immovables are inherently illiquid and the Fund should not be considered suitable for investors with a short-term investment outlook. Assets may not be readily saleable and the Fund operates limited redemption arrangements - please see 'Dealing Arrangement Risk' and 'Suspension Risk' below.

Valuation risk: Immovable valuations are subject to uncertainty and are a matter of opinion - they may contain subjective elements and are unlikely to be based on a public market price. There is no assurance that estimates resulting from the valuation process will reflect the actual sales price even where a sale occurs shortly after the valuation date.

Availability risk: Identifying and structuring immovable transactions is competitive and involves a high degree of uncertainty and consequently amounts subscribed by investors may not be fully drawn down or invested.

Real Estate risk: The Fund's performance will be adversely affected by a downturn in property market capital values or weakening rental yields. Property values are affected by interest rates, economic growth, fluctuations in property yields and tenant default, and on the realisation of the investment, the Funds may receive less than the original amount invested. If tenants default, the Fund will suffer a rental shortfall and likely incur additional cost maintaining, insuring and reletting the property. Certain significant expenditures must be met when the property is vacant.

Development and construction risks: The Fund may be exposed to investments involving purchase of land for development and require permissions/licenses and permits to be obtained first - the Fund may receive little or no income during this time. There may also be delays in the administration of these requests and there is also the risk the relevant authority refuses to grant them.

Rural Property Assets: The Fund may be exposed to rural property assets, for example, including agricultural land and forestry, such investments are subject to physical, economic and political risks. Physical risks include natural disasters (fire, windthrow, storms), pests and diseases; economic risk include crop and timber market price and supply and demand risk; political and regulatory risk includes changes in public subsidy, grants and fiscal regimes.

Investment in other funds (including unregulated funds) risk: The Fund will assume any specific risks of the funds into which they invest. Extra costs may be incurred - in addition to fees and expenses levied by the Fund, charges may be levied by the underlying funds. Investments in unregulated funds are subject to less restrictive rules, they can use higher risk investment techniques and may borrow to invest. They are also valued less frequently and there is a risk that any market movements will not be reflected in the daily price of the Fund and that investors may miss out on unrealised profits from underlying investments. Liquidity of unregulated funds is not assured and cannot be relied upon to meet redemption requests as and when made. Lack of liquidity may affect the value and lead to units being suspended.

ESG risk: Investing on basis of ESG factors may limit the choice of investments and performance of the Fund may be impacted (either positively or negatively).

Dealing arrangement risk: Investors will be required to sign up to an agreement, committing to subscribe an amount to the Fund, but such amounts will only be drawn down from investors at the discretion of the Fund and units will only be issued to investors, based on the prevailing net asset value, at that point. The Fund operates limited redemption and deferral provisions, the proceeds of redemption will be calculated and settled subject to a notice period. Consequently there may be a significant time lag between instructions being accepted and processed, and investors will bear the risk of any unit price movements in these periods.

Suspension risk: Limited redemption and deferral provisions may not fully reflect the time needed to sell assets in which the Fund invests. In exceptional circumstances and with the prior agreement of the Depositary the Fund can suspend all dealing until the exceptional circumstances have ceased.

Infrastructure Risk: Infrastructure investments may include transportation services, the production and delivery of energy, and technology. The Fund will be exposed to infrastructure related risks such as: changes in planning laws, credit risks of tenants and borrowers and environmental factors. Infrastructure may be more susceptible to adverse economic, political or regulatory changes, and business operations may be adversely affected by additional costs, competition, and regulatory implications.

Net zero and carbon removal certificates: To formally offset carbon emissions carbon removal certificates have to be formally retired and once this happens, they cease to have value. This means when the certificates are retired this will impact financial performance.

Investments outside of commitment queues: Potential unitholders may be impacted by elongated timescales for drawing down commitments into the Fund and the Fund may experience cash drag, impacting on returns.

Important notice for UK:

THIS IS A MARKETING COMMUNICATION

Except where stated as otherwise, the source of all information is Aviva Investors Global Services Limited (“Aviva Investors”). Unless stated otherwise any opinions expressed 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.

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. Past performance is not a guide to future returns.

The information within this document is based on our current understanding of taxation and is not to be construed as investment, legal or tax advice. The basis and rates of tax may change in the future. Some of the information within this document is based upon Aviva Investors estimates. These should not be relied on by anyone else for the purpose of making investment decisions. This document should not be taken as a recommendation or offer by anyone in any jurisdiction in which such an offer is not authorised or to any person to whom it is unlawful to make such an offer or solicitation.

Where relevant, information on our approach to the sustainability aspects of the fund and the Sustainable Finance disclosure regulation (SFDR) including policies and procedures can be found on the following link: <https://www.avivainvestors.com/en-gb/capabilities/sustainable-finance-disclosure-regulation/>

The Aviva Investors Climate Transition Real Assets LTAF is a sub-fund of the Aviva Investors LTAF ACS, an authorised contractual scheme. The Fund belongs to the “Long-Term Asset Fund” category as specified in Chapter 15 of the COLL Sourcebook.

Aviva Investors LTAF ACS is an umbrella structure comprising different Sub-funds and taking the form of a co-ownership scheme. As a consequence of this, the Fund may be treated as tax transparent for the purpose of income and /or gains by relevant taxing jurisdictions. The Prospectus and the annual and half-yearly reports are prepared for the umbrella. This Fund is authorised in the United Kingdom and regulated by the Financial Conduct Authority. Aviva Investors UK Fund Services Limited is authorised in the United Kingdom and regulated by the Financial Conduct Authority.

Investors should note that the tax legislation that applies to the Fund may have an impact on the personal tax position of your investment in the Fund. The assets of the Fund are beneficially owned by the unitholders in the Fund as tenants in common and must not be used to discharge any liabilities, or meet any claims against, any person other than the unitholders in the Fund.

Further information about the Fund including other unit classes and dealing can be found in the Prospectus, available in English, and also in the latest annual and half-yearly Report and Accounts (English only). Copies can be requested by contacting us at the address below.

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