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6 June 2019

Dear Client Title, Surname OR Sir/Madam

Client Reference Number:

### **Important Changes to the Aviva Investors Global Equity Income Fund (“the Fund”)**

As part of our ongoing commitment to our clients we constantly review our fund range to ensure that all the information we provide about our funds is as clear and appropriate as possible. We are therefore writing to inform you of our intent to clarify some aspects of the Fund’s objectives.

***This letter is for your information as an investor in our funds. We recommend you take the time to review the changes. You do not need to respond to us unless you want to take action.***

We are changing the way we describe the investment policy of the Fund, as detailed in the Appendix to this letter. This is not a change to the way the Fund is run, it is just designed to make the Fund’s aim and strategy clearer. The following summarises and explains these changes:

The new investment policy wording better describes the Fund’s overall strategy and the types of investment the manager will look for. Its overall investment objective is long term, meaning its performance should be judged over five years or more.

We also set out how environmental, social and governance (ESG) criteria are integrated into the investment process and considered alongside a range of financial metrics and research. We also actively engage with companies and use voting rights with the aim of positively influencing company behaviour. Further information on how we integrate ESG and the limited exclusions we have is available on our website and in the Prospectus.

We have introduced a “Performance and Risk Measurement” section which explains how the Fund’s performance is compared against a benchmark index, and why the benchmark index has been selected for performance and risk measurement. This introduces “tracking error” which is a risk measure of the consistency between the Fund’s returns and the returns of the index. In general, the lower the tracking error, the more consistent the Fund’s returns are relative to the index, and vice-versa.

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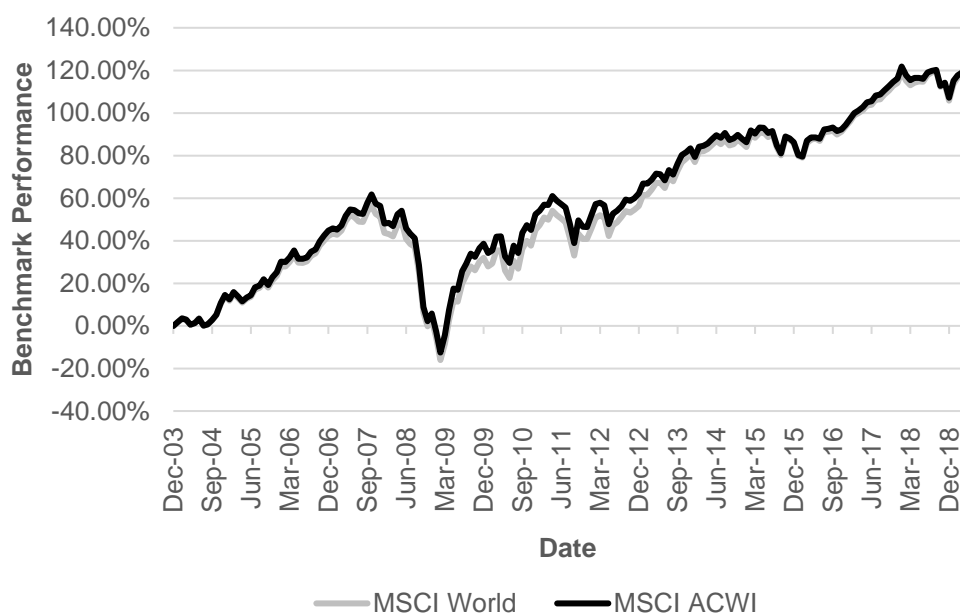
**Please note that these clarifications will not result in any change to the investment strategy or risk profile of the Fund and are being made to more clearly describe how the Fund is managed. Full details of these clarifications are in the Appendix.**

### Change of Investment Benchmark

We are changing the index the Fund uses as a performance benchmark. Currently the Fund is compared against the performance of the *MSCI® World Index* (“*MSCI® World*”) and also uses this index to set its income payment target of 125% of the yield of the same index. The *MSCI® World* is a broad global equity index that represents large and mid sized equity performance across 23 developed countries. It covers approximately 85% of the market value of shares listed on stock markets in each country. The *MSCI® World* does not offer exposure to emerging markets.

The new benchmark is the *MSCI® All Country World Index* (“*MSCI® ACWI*”), this is a broader index than the current *MSCI® World* as it also includes the performance of 24 emerging markets and their large and medium sized companies. Despite this difference in composition the historic performance of the two indexes has been very similar.

### MSCI® World Index Against MSCI® All Country World Index



Source: Aviva Investors/Lipper, a Thomson Reuters company as at 31 March 2019  
Basis: Net returns, income re-invested, in US dollar

**The chart above shows that the 15-year performance between the two indexes differs only marginally. Similarly, the income target will not change significantly, as at the end of February the Dividend Yield of the indexes differed by only 0.02%, with the yields being 2.56% and 2.54%, the new index being slightly higher, but not materially so.**

We believe the *MSCI® ACWI* offers a better benchmark for the Fund’s returns to be compared against because it better represents the full range of markets into which the Fund can invest, and this broader measure is consistent with how other funds in our range of global equity funds measure performance.

The emerging markets included in the *MSCI® ACWI* include countries like China, India, Brazil and Russia. The emerging market elements of the *MSCI® ACWI* are small compared to the developed market constituents, with China, as the largest emerging market included, representing less than 4% of the index as at the end of 2018. To put this into context, the US market comprises approximately 50% of the index.

In order to ensure the Fund cannot become overly exposed to Emerging Market companies we are introducing a 20% limit on how much the Fund can invest in these areas. However, the Fund already has the option to invest up to 10% in emerging markets and as the Fund is not changing its investment style or approach, any emerging market exposure will likely continue at similar levels.

As the Fund could always hold some exposure to emerging markets this change is not significantly altering the investment options of the manager, but due to the emerging market constituents of the new benchmark this change does formally introduce emerging markets into the Fund's risk profile. It is also important to note that although historically the two indices have had very similar performance this is not guaranteed to remain so going forwards.

There are also specific risks and characteristics of the Fund that will be disclosed going forwards, including emerging market equity risk, but the change will not result in a change to the Fund's SRRI (Synthetic Risk and Reward Indicator) as shown on the Key Investor Information Document.

***The change of benchmark introduces a potentially different investment profile for the Fund, as it now formally includes emerging market equity exposure. We do not think this change fundamentally alters the risk profile of the Fund, but we are hereby giving 60 days notice of the plan to implement the change. This gives you time to evaluate the change and decide if this broader investment mandate is still suitable for your needs.***

We have a range of global equity funds to choose from, it is free to switch to one of our other funds if an alternative we offer would better suit your investment needs.

#### **What action should you take?**

This letter is for information purposes and you are not required to take any action. We are providing you with 60 days' advance notice of the changes to the Fund in order that you have time to consider them and time to take action, should you wish to do so, before the changes become effective on 7 August 2019. For further details and clarification please refer to the Fund's Key Investor Information Document (KIID) and Prospectus which are available at <https://www.avivainvestors.com/amms>.

If you have any queries on the changes we are making, 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](http://www.unbiased.co.uk).

Thank you for investing with Aviva Investors.

Yours sincerely,



Iain Buckle  
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.*

## Appendix- Aviva Investors Global Equity Income Fund

Previous	New
<p data-bbox="204 271 762 297"><b>Aviva Investors Global Equity Income Fund</b></p> <p data-bbox="204 331 480 358"><b>Investment Objective</b></p> <p data-bbox="204 392 813 510">To provide an annualised income yield at least one and a quarter times that of the annual income yield obtainable on the MSCI® World Index (GBP), with the potential for capital growth Δ.</p> <p data-bbox="204 544 805 757">Δ Income on the Fund will be paid quarterly. The income aim is a 12-month rolling target and is before the deduction of charges and after the deduction of tax for a UK basic rate income taxpayer. For the purposes of measuring the income aim the annual income yield of the Index will also be calculated on a 12-month rolling basis.</p> <p data-bbox="204 790 437 817"><b>Investment Policy</b></p> <p data-bbox="204 851 810 1122">The Fund aims to achieve the investment objective by investing principally in global equities judged to offer above average dividend yields with prospects of dividend growth and the potential for long term capital growth. The Fund may also invest in other transferable securities, collective investment schemes, money market instruments, deposits, cash, near cash, derivatives and forward transactions.</p>	<p data-bbox="849 271 1407 297"><b>Aviva Investors Global Equity Income Fund</b></p> <p data-bbox="849 331 1125 358"><b>Investment Objective</b></p> <p data-bbox="849 392 1431 510">The Fund aims to grow your investment through a combination of income and capital growth over the long term (5 years or more) by investing in shares of global companies.</p> <p data-bbox="849 544 1423 696">Within this combined return, the Fund aims to deliver an income equivalent of at least 125% of the income return of the MSCI® All Country World Index (GBP), over any given 12-month period (before charges and taxes).</p> <p data-bbox="849 730 1082 757"><b>Investment Policy</b></p> <p data-bbox="849 790 1415 943"><b>Core investment:</b> At least 80% of the Fund will be invested in shares of global companies. “global companies” means companies in any country across the globe, including with up to 20% of the Fund invested in emerging markets.</p> <p data-bbox="849 976 1431 1402"><b>Other investments:</b> The Fund may also invest in shares of other funds (including funds managed by Aviva Investors companies), cash and deposits. Derivatives, such as futures, may be used from time to time, to gain a particular market exposure which would otherwise be difficult or costly to achieve, or to manage the Fund’s cash flows in a cost-effective manner. Derivatives may also be used to reduce risk, such as foreign currency risk within the Fund, which is hedged using Forward Foreign Exchange contracts. This type of derivative usage is called “efficient portfolio management”.</p> <p data-bbox="849 1435 1431 1973"><b>Strategy:</b> The Fund is actively managed; the Investment Manager will adopt a high conviction (strong belief) approach aiming to generate the Fund’s target income. This will focus on opportunities across what the Investment Manager considers to be mature companies which potentially offer sustainably high dividends, or those which are felt able to steadily grow their dividends while showing financial strength and/or low levels of debt, with a strong management capability. The Fund will also take advantage of businesses in the early stages of development, where high cash generation is driving strong dividend growth. The Investment Manager will aim to invest in companies which have a diversified range of successful products, and which are active in a range of geographical markets.</p>

**Environmental, Social and Governance (ESG):**

ESG factors are integrated into the investment process and are considered alongside a range of financial metrics and research, but the Investment Manager retains discretion over which investments are selected. We also actively engage with companies and use voting rights with the aim of positively influencing company behaviour and helping to create competitive returns. In addition, the Fund has limited exclusions based on Aviva Investors' UK Responsible Investment policy. Further information on how we integrate ESG and the Aviva Investors UK Responsible Investment policy into our investment approach, and how we engage with companies is available on our website and in the Prospectus.

**Performance and Risk measurement:**

The Fund's performance, is compared against the MSCI® All Country World Index (the "Index").

The Fund does not base its investment process upon the Index, so will not hold every company in the Index and may also hold companies that do not form part of it.

The Fund uses a "tracking error" to measure the consistency between the Fund's returns and the returns of the Index. In general, the lower the tracking error, the more consistent the Fund's returns are relative to the Index, and vice-versa. The Fund is expected to have an average yearly tracking error of between 2% and 6% when compared to the Index. In certain conditions the Fund may be outside of this range.

The Index comprises large and medium sized companies, as determined by their market capitalisation (total market value of a company's outstanding shares), from both developed and emerging markets, and the Index is designed to provide a broad measure of global equity market performance.

The Index has been selected as a benchmark for performance and risk measurement because it is representative of the type of companies in which the Fund is likely to invest, and it is therefore an appropriate comparator for the Fund's performance.