

# Common Questions on the changes to our Multi-Asset Funds



May 2022

**1. We're changing the name of our Aviva Multi-Asset Funds to Aviva Multi-Asset ESG Active Funds.**

**2. We are closing the Compass, Magnet, and My Future Funds.**

**3. We're transferring customers to similar Aviva Investors Multi-Asset ESG Funds.**

## Why are you changing the name of your funds?

We are changing the name to Aviva Multi-Asset ESG Active Funds to reflect the active management within the funds and their promotion of ESG (Environmental, Social, and Governance) characteristics under European Sustainable Finance Disclosure Regulations (SFDR).

## What changes will apply to my funds from June 2022<sup>1</sup>?

### Aviva Investors will manage your new fund.

Your fund will no longer be managed by Aviva Life & Pensions Ireland DAC.

### Your new fund will have a greater focus on sustainability.

Under European Commission Regulations (Sustainable Finance Disclosure Regulations):

- The Compass and Magnet Funds and the My Future Strategy **do not** promote Environmental, Social, and Governance characteristics.
- Aviva's Multi-Asset ESG Funds **do** promote Environmental, Social, and Governance characteristics.

### Your new fund will predominately be managed by a single manager.

- Compass, Magnet, and My Future are multi-manager funds. They spread your investment across

different Fund Managers, investment strategies, and investment styles.

- The new Aviva Multi-Asset ESG Funds will predominately invest in funds managed by Aviva Investors. They will invest your money in their funds, except where they do not have a suitable fund.

## How has Aviva chosen my default fund(s)?

We chose the default fund(s) to match, as closely as possible, the investment strategy and risk rating of your closing fund(s). Your new fund will also have a greater focus on sustainability. We selected Aviva Investors to manage the funds, given their scale, expertise, and strong sustainability credentials.

## My fund is closing. What happens to my money invested in this fund?

As permitted by our policy conditions we have decided to close certain funds. We have identified alternative default funds to match, as closely as possible, the investment strategy and risk rating of the fund (or funds) you are currently invested in. We'll automatically switch your money into the default fund in June 2022. If you would like to select a different fund, you can do this on your online account at [www.aviva.ie/customer-service](http://www.aviva.ie/customer-service) at any time or by sending instructions to us. If you haven't yet registered for an online account, you can also do this at [www.aviva.ie/customer-service](http://www.aviva.ie/customer-service).



## Understanding the impact on your policy

### Is there an increase in charges?

No, there is no increase in charges. Your annual management charge will remain the same or lower.

### How much will the transition cost?

All funds are subject to portfolio transition costs. These are the expenses incurred by the fund when buying and selling assets on behalf of its investors. These costs effectively reduce the investment returns generated by the fund. The transaction cost for transitioning the funds from Aviva Life & Pensions Ireland Funds to Aviva Investors' Funds is negligible and is in line with the standard trading costs.

### Will these changes impact my current retirement benefits or my policy conditions?

No, your policy conditions are not affected. If your policy is a pension product, current retirement and transfer rules still apply.

### I am taking a regular withdrawal from a closing fund. Will this be deducted from my default fund?

If you receive a regular withdrawal payment from the closing fund(s), we will automatically deduct this from

the default fund(s). You can select a different fund to take your regular withdrawal from by writing to us. You should consult your Financial Broker to discuss this change.

### Have my other funds in this policy been affected?

Any funds on your policy(ies) that are not in the table in your letter will not be affected.

### My fund is closing; will it be re-opened in the future?

No, we will not re-open these funds in the future.

### Will any other funds be closed in the future?

We regularly review our investment funds and may close funds in the future.

### Where my new fund has a lower risk rating than my existing fund, will this have an impact on potential returns?

Whilst there are no guarantees on the returns of any funds, a reduction in risk profile may result in the potential for lower returns in the future. This however is not always the case and we would recommend that you speak to your Financial Broker.

## Understanding Sustainability

### What is ESG investing?

Environmental, Social, and Governance (ESG) Funds consider the company's environmental, social, and governance practices alongside more traditional financial measures. ESG funds are a style of sustainable investing fund. Our sustainable investing web page provides more information on ESG investing: [www.aviva.ie/esg](http://www.aviva.ie/esg).

### What is the Sustainable Finance Disclosure Regulation (SFDR)?

The European Commission designed this regulation to improve transparency in relation to sustainability risks and

impacts in relation to financial products in the market and to make it easier for investors to distinguish and compare the available sustainable investing strategies.

### Does sustainable investing lead to lower returns?

No. It has become clear that companies with higher environmental, social, and governance standards are typically better-managed businesses in recent years. So, they often have greater potential to succeed. However, like any investment, the value of ESG investments can go down and up. You may get back less than you invest.

1. Aviva reserves the right to defer the closure date if market conditions are not suitable and we deem it is in the customers' best interest to do so. 2. SFDR is an acronym for the Sustainable Finance Disclosure Regulation. This regulation is designed to improve transparency in relation to sustainability risks and impacts in relation to financial products in the market and make it easier for investors to distinguish and compare the available sustainable investing strategies.

# Understanding the three categories of investments under these regulations:

## Article 9 (or Dark Green) Investments:

These investments specifically have sustainable investments as their objective (for example investing in companies whose goal is to reduce carbon emissions).

## Article 8 (or Light Green) Investments:

These investments promote environmental or social characteristics and integrate sustainability into the investment process in a binding manner.

## Article 6 Investments:

These investments do not promote having ESG factors or objectives or integrate sustainability into the investment process in a binding manner.

*The Compass and Magnet Funds and the My Future Strategy are classified as Article 6 Investments under SFDR. Therefore, they do not have a binding sustainability commitment. Our Aviva Multi-Asset ESG Funds are classified as Article 8 or Light Green Funds under SFDR. They do have a binding sustainability commitment.*

*For more information on SFDR and our approach to sustainability, please see our sustainability policy which you can download on [www.aviva.com](http://www.aviva.com).*

## Your choices

### Do I need to take any action?

If you are happy with these changes to your existing Fund(s), you do not need to do anything. Should you wish to seek advice, please contact your Financial Broker.

### Can I exit my existing funds?

Yes, you can choose to switch to a different fund by sending us an instruction to do so. There is currently no charge to do this. If you want to transfer/encash your policy in full, your rights and obligations will continue to be determined by your policy conditions. If you own your policy jointly, we will require written confirmation from both policyholders.

### Can I switch out of the default funds at any time?

Yes, you can request a fund switch from the default funds at any time. This is subject to the terms set out in your policy conditions.

### Will there be a charge for my default switch or any other switches?

We will not charge you for the default fund switch. If you want to invest in another fund we have waived fund switch charges for the remainder of 2022.

### Where can I access additional details on the changes?

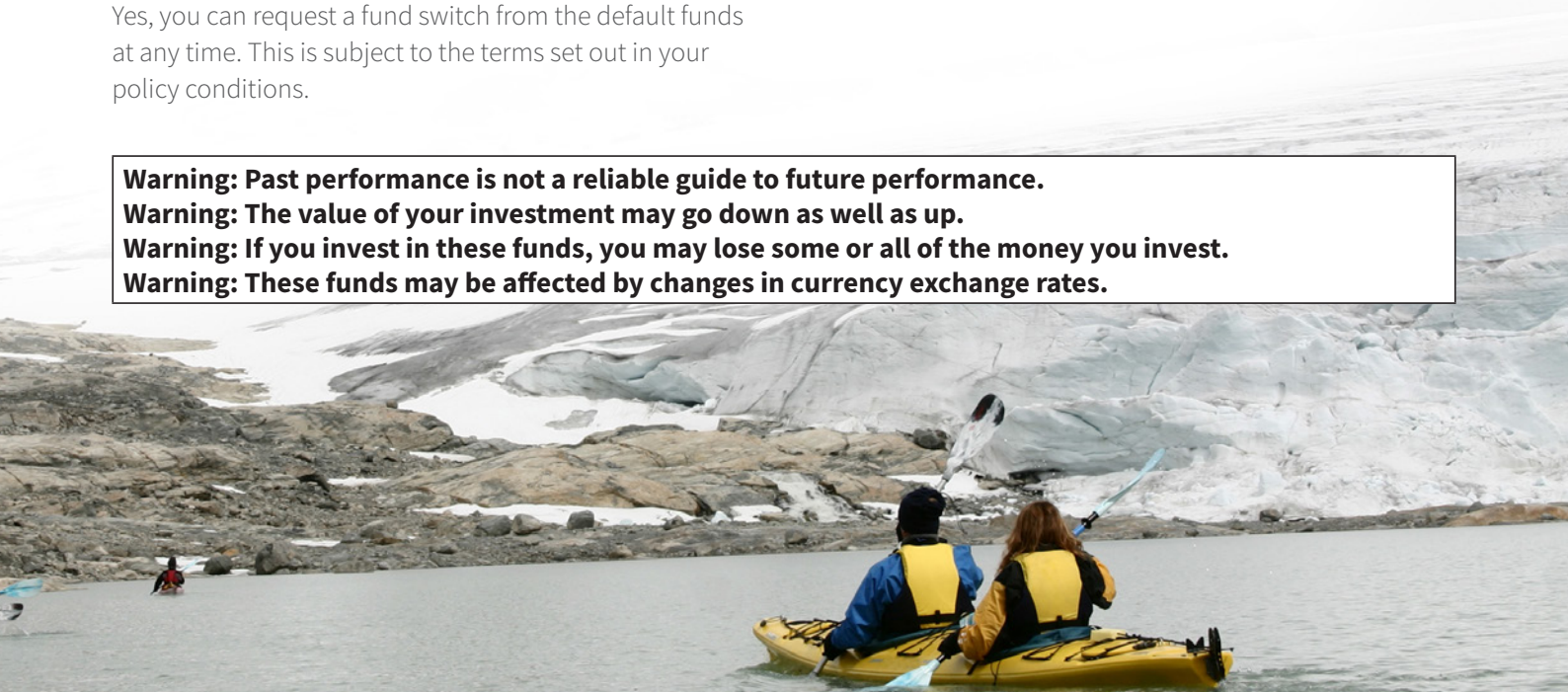
- We have highlighted the changes in this document and your letter.
- The customer guide also gives more information on Aviva's Multi-Asset ESG Fund range.
- Our new webpage [www.aviva.ie/multi-asset](http://www.aviva.ie/multi-asset) details the changes and our Aviva Multi-Asset ESG Funds.

**Warning: Past performance is not a reliable guide to future performance.**

**Warning: The value of your investment may go down as well as up.**

**Warning: If you invest in these funds, you may lose some or all of the money you invest.**

**Warning: These funds may be affected by changes in currency exchange rates.**





## Aviva Investors will manage our Multi-Asset ESG range

Aviva Investors is the asset management arm of the Aviva Group. They manage over €300 billion on behalf of investors worldwide<sup>1</sup>.

### The Aviva Investors' Multi-Asset Team<sup>1</sup>

**35 years+**

Heritage in Multi-Asset investing

**45+**

Investment professionals in their Multi-Asset & Macro team

**c. €84bn**

Invested in Aviva Investors' Multi-Asset Funds

1. Source: Aviva Investors 31 December 2021.

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### Register online for faster, easier access 24 hours a day

You will have access to your policy details, current values, annual statements and other correspondence. You can also update your contact and bank details as well as request tax certificates.

Register today on [www.aviva.ie/customer-service](http://www.aviva.ie/customer-service)

**For investments that can change the world, it takes Aviva.**

## The importance of Financial Advice

This document aims to answer some of the questions you may have about the changes we are making to our Multi-Asset ESG Fund range and what these mean for your policy. This information does not take personal or specific circumstances into account. It should not constitute personal financial or legal advice. We strongly recommend you speak with your Financial Broker before making any investment or fund switching decisions. For more information visit [www.aviva.ie/multi-asset](http://www.aviva.ie/multi-asset).

### If I no longer have a Financial Broker, what should I do?

Aviva believes it is essential to access advice about your investments. If you do not have a Financial Broker, you can find one on:

- The Central Bank of Ireland website, or
- The Brokers Ireland website.

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