Aviva Life & Pensions UK Limited Secure Growth Fund

Summary of changes to the Principles and Practices of Financial Management (PPFM)

AVIVA

Introduction and Background

This document summarises changes made to the Secure Growth Fund PPFM in recent years.

The PPFM was first published in January 2016 and has subsequently been amended on a number of occasions. The Aviva website now displays the latest version of the PPFM.

1. Changes effective from 1 January 2026

Minor corrections were made from 1 January 2026 following an internal review.

2. Changes effective from 1 April 2025

The PPFM has been amended from 1 April 2025 following an internal review.

(a) 3.2 Practices

We have changed the way we set regular interest rates in the future. We would expect that this will have little difference in the amount we pay out in future; we would expect to pay more in regular interest and less in final bonus. As regular interest increases the amount we guarantee to pay out in adverse circumstances, this change provides greater security for customers.

(b) 5.4 Practices

We have changed the way we describe the Equity Backing Ratio to provide greater clarity. There has been no material change to the investment strategy.

(c) 5.5 Practices

A new section has been added to the investment practices providing information on how Aviva's sustainability ambition impacts investment strategy.

(d) 8.3 Practices

We have clarified that we intend to use final bonus, rather than special interest rates, to distribute the fund's estate.

(e) Minor changes to Practices

We have made a number of minor corrections or clarifications.

3. Changes effective from 1 January 2024

(a) Practices 3.2

There have been changes to provide greater smoothing of the regular interest rates from, year to year.

(b) Practices 3.5

A web address providing information on the final bonus has been added.

(c) Practices 6.2

The practices included wording related to capital instruments issued by Friends Life Holdings plc. These instruments have been repaid and so the wording has been deleted. However, it is still a requirement that an annual review of the impact of the Company's plans on the security of policyholders is provided to the With-Profits Committee.

4. Changes effective from 1 January 2023

The PPFM has been amended from 1 January 2023. A number of practices were amended following an internal review.

(a) Principle 2.1

The previous Principle permitted us to introduce new forms of surplus distribution taking into account Uplifted Asset Shares. This is no longer considered likely and so has been deleted.

This is an immaterial change as removing this Principle means that the future payouts after the change in Principle will remain as they would have been before the change.

5. Changes effective from 1 January 2022

There have been no changes made to the PPFM from 1 January 2022.

6. Changes effective from 1 January 2021

The PPFM has been amended from 1 January 2021. One practice was amended following an internal review.

(a) Practices 5.4

We have amended the wording for asset allocations to reflect the changes in investment strategy and to better achieve the Principles.

7. Changes effective from 1 January 2020

The PPFM has been amended from 1 January 2020. Three practices were amended following an internal review.

(a) General changes

We have made some minor corrections and clarifications to wording. These have not been described here as they make no material change to the PPFM.

(b) Practices 5.4

We have corrected the wording which states that most fixed interest securities are UK company securities as this is no longer the case.

(c) Practices 7.2

We have agreements with Aviva Investors Global Services Limited and Schroder Investment Management Limited to provide investment management services. Following a review, we have amended the notice periods for termination of these agreements.

(d) Practices 8.3

We have introduced a Risk Appetite Framework which supports the decision making in relation to the Fund. It aims to manage the Fund so that the estate is within a preferred range.

8. Changes effective from 1 January 2019

The PPFM was amended 1 January 2019. A number of practices were amended following an internal review.

(a) General changes

Where possible we have standardised wording and removed any Practices that are no longer applicable. These have not been described here as they make no material change to the PPFM.

(b) Practices 3.5

We have introduced some smoothing wording to reflect the introduction of final bonus to the Fund.

(c) Practices 5.4

We have clarified the approach to reviewing investment strategy and how it is described within the PPFM.

(d) Practices 5.6

We have clarified how derivatives may be used.

9. Changes effective from 1 January 2018

The PPFM was amended 1 January 2018. A number of practices were amended following an internal review.

(a) General changes

We have made some minor corrections and clarifications to wording. These have not been described here as they make no material change to the PPFM.

(b) Introduction, Practices 2.2, Practices 3.3, Practices 4.3 and Practices 8.3

We have amended the approach to distributing the estate by introducing final bonus.

(c) Practice 7.2

Following the introduction of final bonus we have removed the ability to make a charge for the cost of guarantees.

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HL04001 01/2026

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