Aviva Master Trust – changes to your investments Frequently Asked Questions (FAQ)

Here's more information about changes to the default investment solution, the alternative investment solution and the self-select fund range. Please read it and keep it with your other documents.

How will changes to the Aviva Master Trust's investment solutions affect me?

If you're invested in the **L'Oreal Target Cash Lifetime (Default) investment solution** – whilst you're an active member of the L'Oreal UK DC Pension Plan any regular and one-off contributions will continue to be automatically invested in this solution until the change takes place. If, at the point of the freeze, you're still invested in the **L'Oreal Target Cash Lifetime (Default)** investment solution, your money and future contributions will be moved into the **My Future Focus Lifetime** investment solution. Details of the freeze can be found later on in this Frequently Asked Questions (FAQ) document. A 'default' investment solution is where your money is invested if you don't actively decide where you want your money to be invested. You're able to choose the 'default' rather than other funds available if you wish.

If you've selected your own funds or solution which are affected by these changes, including any income drawdown holdings - you will be moved to a new investment solution or funds. For further details please see the 'Will there be changes to other funds or solutions?' and 'What if I am already taking my benefits?' sections of this FAQ.

How does the new default investment solution work?

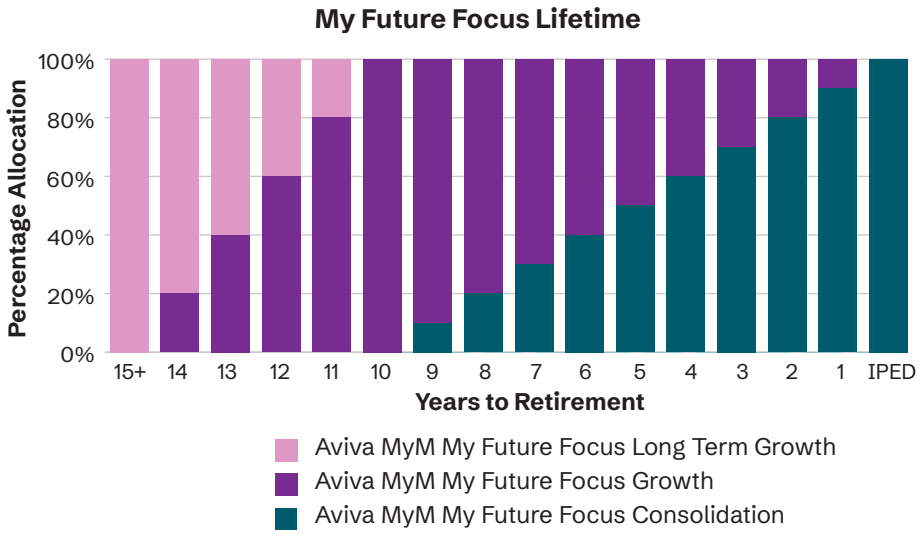
The **My Future Focus Lifetime investment solution** manages your retirement savings throughout your working life.

Up until 15 years before retirement, your savings are invested in the **Aviva MyM My Future Focus Long Term Growth Fund**. This fund invests mainly in company shares and aims to grow the value of your savings. It is rated 'medium to high' risk.

Between 15 and 10 years before retirement, your money is gradually moved into the **Aviva MyM My Future Focus Growth Fund**, which is rated 'medium risk'. This fund aims to continue to grow your savings but with a lower level of risk than the **Aviva MyM My Future Focus Long Term Growth Fund**. Then starting 10 years before retirement, your money is gradually moved into the **Aviva MyM My Future Focus Consolidation Fund**, which is rated 'low risk'. This fund aims to help reduce fluctuations in the value of your pension pot in the lead-up to retirement.

This option is designed for members who have not yet decided how they would like to take their savings at retirement.

The chart below shows how your savings are moved in the funds in the My Future Focus solution in the years leading up to retirement, and until the Investment Programme End Date (IPED). We cover the IPED later in this document.



You can find more information about the new option/s at **https://static.aviva.io/content/dam/document-library/corporate-pensions/aengs59323a2.pdf**

Will there be changes to other funds or solutions?

Yes, if you're invested in the L'Oreal Adventurous Strategy, you will be moved to the **My Future Focus Lifetime investment solution**. If you're in the **L'Oreal Growth Blend**, **L'Oreal Diversified Blend** or **L'Oreal Pre Retirement Blend** funds you will also be moved to the **My Future Focus Lifetime** investment solution.

What if I am already taking my benefits?

If you have an income drawdown pot (also known as Flexi-Access Drawdown) and are invested in one of our self-select funds, your money will be switched to one of the funds as detailed in the table below:

Self-Select Fund	TER	15y+ to retirement	TER	5-15y to retirement	TER	within 5y to retirement	TER
MyM L'Oreal Growth Blend Fund	0.62%	MyM My Future Focus Long Term Growth Fund	0.43%	MyM My Future Focus Growth Fund	0.43%	MyM My Future Focus Drawdown Fund	0.43%
MyM L'Oreal Diversified Blend Fund	0.54%						
MyM L'Oreal Pre Retirement Blend Fund	0.40%						

You can find more information about the new funds at **https://static.aviva.io/content/dam/document-library/corporate-pensions/aengs59323a2.pdf**

We provide an explanation of Total Expense Ratio (TER) in the section of the FAQ titled 'What is a Total Expense Ratio (TER)'

Will I incur any costs because of this change?

Where Aviva needs to buy and sell assets in the market, dealing costs will be incurred. Whilst you will not see these costs, they will be reflected in the unit price of the funds.

Dealing costs would still be incurred if you decided to change where your savings were invested. Dealing costs are incurred in all funds, including in the funds as you get closer to retirement.

Have the charges under my account increased?

There will be an increase to your charges if you fall into one of the below scenarios:

1. You're a self-select member invested in the **L'Oreal Pre Retirement Blend** from 15+ years to retirement up to the Investment Programme End Date (IPED).
2. You're currently at your IPED and within the **L'Oreal Cash Lifetime**. Please see the table below.

MyM L'Oreal Pre Retirement Blend Fund (current solution) - increase in charges following the solution move:

Years to Retirement	Current Total Expense Ratio (TER)	New Total Expense Ratio (TER)	£ Increase per £100 invested	Change
+15	0.40%	0.43%	£0.03	Increase
14	0.40%	0.43%	£0.03	Increase
13	0.40%	0.43%	£0.03	Increase
12	0.40%	0.43%	£0.03	Increase
11	0.40%	0.43%	£0.03	Increase
10	0.40%	0.43%	£0.03	Increase
9	0.40%	0.43%	£0.03	Increase
8	0.40%	0.43%	£0.03	Increase
7	0.40%	0.43%	£0.03	Increase
6	0.40%	0.43%	£0.03	Increase
5	0.40%	0.43%	£0.03	Increase
4	0.40%	0.43%	£0.03	Increase
3	0.40%	0.43%	£0.03	Increase
2	0.40%	0.43%	£0.03	Increase
1	0.40%	0.43%	£0.03	Increase
IPED	0.40%	0.43%	£0.03	Increase

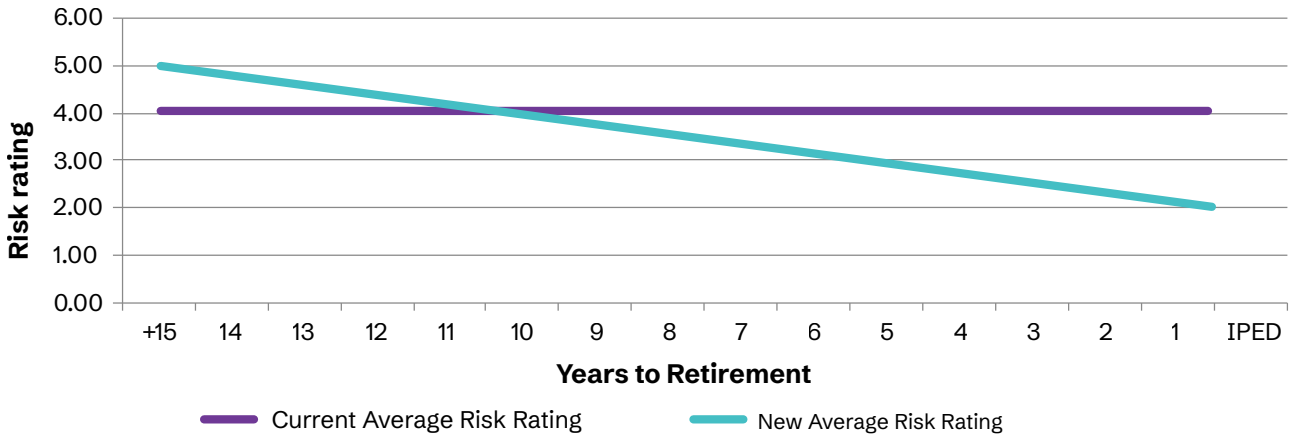
L'Oreal Cash Lifetime (current solution) - increase in charges following the solution move

Years to Retirement	Current Total Expense Ratio (TER)	New Total Expense Ratio (TER)	£ Increase per £100 invested	Change
IPED	0.40%	0.43%	£0.03	Increase

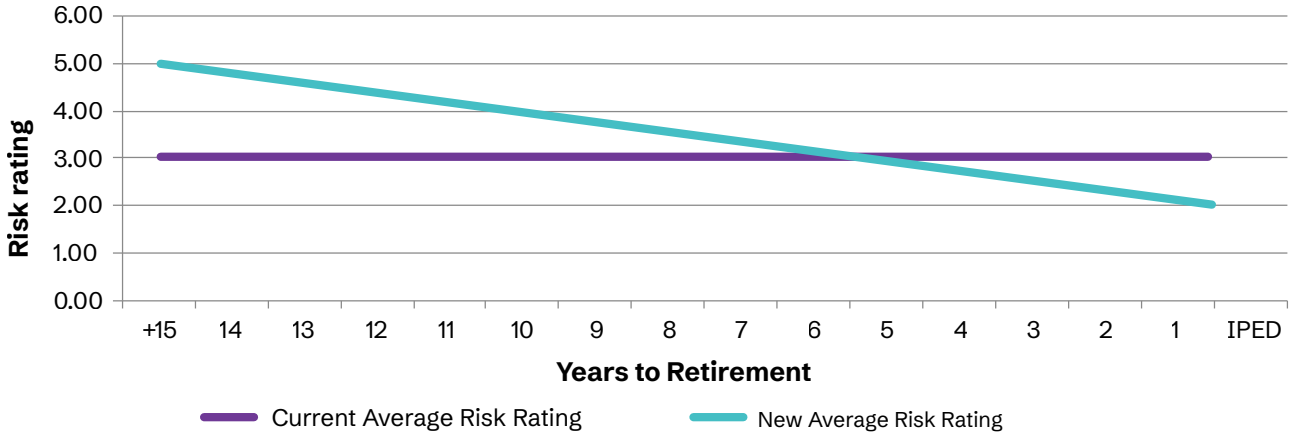
Will there be an increase to the level of investment risk I'm exposed to?

If you're invested in the **L'Oreal Target Cash Lifetime** or **L'Oreal Adventurous Strategy** investment solutions or are invested in the **L'Oreal Growth Blend fund**, there will be no increase to the level of risk. However, if you're invested in the **L'Oreal Diversified Blend** or **L'Oreal Pre Retirement Blend** funds, the risk ratings of the funds in the new investment solution may be higher depending on how far you are from retirement. You can see an illustration of the years of investment affected by this increased risk level below. It is important that you compare the risk ratings to ensure you're happy with the changes.

MyM L'Oreal Diversified Blend Fund



MyM L'Oreal Pre Retirement Blend Fund



If you're in income drawdown, there are also some instances where there is an increase to the risk ratings of the self-select funds, details can be found in the table below:

Selef Select Fund	Risk Rating	Av MyM My Future Focus Drawdown Risk Rating	Av MyM My Future Focus Growth Risk Rating	Av MyM My Future Focus Long Term Growth Risk Rating
MyM L'Oreal Diversified Blend Fund	4. Medium Volatility	3. Low to Medium Volatility	4. Medium Volatility	5. Medium to High Volatility
MyM L'Oreal Pre Retirement Blend Fund	3. Low to Medium Volatility			

For a comprehensive explanation of the risk ratings, please visit **aviva.co.uk/retirement/fund-centre/investment-funds/risk-ratings**. We give each of our funds a risk rating, ranging from 1 (lowest volatility) to 7 (highest volatility). These ratings reflect the potential for a fund to go up and down in value over time. Please note we regularly review the risk ratings of our funds and these are subject to change.

Will the new investments increase the value of my pension?

The Aviva Master Trust Trustee Board has chosen a new default solution and new fund options which it believes will result in better member outcomes, even after taking the difference in charges into account.

However, as with any investments, there are no guarantees of future performance. The value of investments can go down as well as up and you could get back less than invested. We cannot say now which funds or investment solutions will perform better in the future.

What is a Selected Retirement Date (SRD) and Investment Programme End Date (IPED) and what happens if I change it?

Your Selected Retirement Date (SRD) is the date you've notified us that you may wish to access your pension savings. The end of an investment programme also has a date and is known as the Investment Programme End Date (IPED). It's important to make sure the end date for your investment programme matches the retirement date you've chosen. If the two dates don't match, your investment programme may not work as well as it could.

You may choose a different retirement date at any time, except during the freeze on your pension account we mentioned in the accompanying letter. If you change your retirement date, this may change where your current and future pension contributions are invested.

If you want to change your investment solution, funds or retirement date, please call us on **0345 604 9915**. You will need your account number which can be found in the enclosed letter. You can also select different funds or investment solutions online at **aviva.co.uk/myworkplace**.

What is a Total Expense Ratio (TER)?

Additional expenses are added to the Annual Management Charge (AMC) which gives the Total Expense Ratio.

An AMC is an annual fee, expressed as a percentage, which is charged by Aviva. This covers both the costs of running the fund(s) in the solution and any product charges which may be applicable.

Additional expenses are charged by the fund managers to cover expenses, such as fees to auditors, trustees and valuers. The expense amount is an estimated figure which is reviewed regularly and can change.

What happens during the policy freeze?

It's important that there is minimum disruption during the switch period to make sure that everything goes smoothly. To make the necessary changes, we will freeze activity on your account from 4 July 2025 to 30 July 2025.

During the freeze to your account, your money will remain invested; however, there may be a short period during the day where you're 'out of market' and not able to benefit from any investment performance during the period.

During the freeze period, you will receive email notifications asking you to log-in to **aviva.co.uk/myworkplace** and view a document in relation to the changes to the investment solution. These are a result of the changes which are being made. When you receive a notification, please ignore it. These notifications will relate to the fund changes we are making.

When you review your account after the freeze is lifted you will see two transactions, one out of your old investments and another a number of days later into the new investments. Your money will have been invested throughout and therefore **the two values are likely to be different** depending on market performance between the two transaction dates. These transactions will also appear as two transactions on your next annual statement, one within "payments out this year" and another in "transfer from other pensions".

What are self-select funds?

If you would like to take a more hands-on approach to your investments, you can choose the individual funds you'd like to invest your money in. A full list of funds available can be found in your investment guide at **https://static.aviva.io/content/dam/documentlibrary/corporate-pensions/aengs59323a2.pdf**.

Please note, if you had selected your own funds and want to make your own selection you can choose your own funds, or choose a different investment solution after the freeze is lifted. You can do this online or by contacting us.

What can I do if I don't like the changes?

If you feel that the **My Future Focus Lifetime** investment solution or the new funds are unsuitable for you, you can select your own funds or choose a different investment solution before the start of the freeze. Don't worry if you don't take action beforehand, you can select your own funds, or choose a different investment solution after the freeze has been lifted on 30 July 2025. Refer to the letter which accompanied this document for details on how to contact us about any changes you would like to make.

Is it important to review where my pension money is invested?

You might be satisfied with the new default investment solution and funds mentioned here, but if you're unsure you could consider any of the alternative solutions and funds available to you, which are covered in your investment guide. It may also be a good time to think about the different ways you could take your pension benefits in the future. Contact us if you'd like a printed copy of the investment guide.

Need this in a different format?

Please get in touch if you'd prefer this document in large print, braille, audio or in a different colour.

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