

# Aviva Stewardship

Report covering Aviva's Stewardship Fund  
Range over the 12 months to end of  
March 2025



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# Foreword

When asked to reflect back on a previous year, I tend to be able to immediately recall key events at a global and sustainable level (and guiltily on a sporting level) without much effort. 2024 was different, almost exhausting, so much of note happened against what feels a continuous backdrop of political and economic volatility.

Things that in another year may have felt momentous, were slightly lost in the cacophony of global events. It was an Olympic year! A space race became a real thing for me rather than a historical event; western nations braced for another “China shock” as China went back to subsidising domestic manufacturers to drive exports. It would be negligent to not highlight the new governments/administrations in the UK and the US. While the impacts would be more appropriate to report in 2025 – it is however appropriate to highlight that the Federal Reserve and Bank of England started to cut interest rates, marking increasing confidence that inflation is under control, providing greater stability in the markets.

Much of what we saw also came at considerable human cost, whether driven by war, in the Middle East, Ukraine, Sudan, or the increasing impacts of climate change which saw weather events at a devastating level – wildfires in Canada and the Mediterranean; hurricane Helene and Typhoon Noru; flooding in South Asia and across Europe. The US National Oceanic and Atmospheric Administration reported that there were 24 weather-related natural disasters in the US in 2024 which each inflicted at least \$1 billion in damage. The annual average from 1980 to 2024 (CPI-adjusted) was 9 events.<sup>1</sup> Perhaps most profoundly though, 2024 was the hottest year on record – global mean temperatures exceeded 1.5C above pre-industrial levels for the first time.<sup>2</sup>

Such events will only widen global inequality, between and within nations. It must be remembered that one of the key tenets of the UN Sustainable Development Goals is to reduce inequality, it is a standalone goal in itself (SDG 10 Reduced Inequalities<sup>3</sup>) but actually the principle of prosperity for all, is based on reducing inequalities to allow for prosperity and opportunity for the many, not the few. In the real world the pursuit of achieving the SDGs is rarely binary – sometimes progress in one area might mean compromise in another.

The role of Artificial Intelligence (AI) is an area of intense debate, its use very much on the agenda of law and policymakers as its strategic importance and security concerns begin to manifest. However, AI was fundamental to 2024 Physics and Chemistry<sup>4</sup> Nobel Prizes and whilst the advances in healthcare will be revolutionary, AI has a heavy environmental impact, demanding huge amounts of power, but also water to cool the heat generated; it also has a high cost of entry which will likely mean that it will widen the gap between Rich and Poor countries. It’s therefore unsurprising that AI is a key investment theme, one which bookended 2024 – starting with Nvidia’s rise to the most valuable company in the world due to the surge for AI chips – but then the advent of DeepSeek in December 2024, or opensource AI which led to billions of dollars being wiped off the value of western tech companies including Nvidia.<sup>5</sup>

The Stewardship funds, through the lens of the SDGs, continue to invest in companies we believe will support the transition to a sustainable economy and reduce inequalities. To do that we must consider that most sectors have a place in that future economy. It’s beholden on us to understand and consider all of this nuance, or all of the potential compromises, so that we can best judge if a company is truly appropriate for investment in these funds.



**Sam Tripuraneni**  
**Head of Sustainable Investments,**  
**Private and Public Markets**  
**Aviva Investors**

1 <https://www.ncei.noaa.gov/access/billions/>

2 WMO confirms 2024 as warmest year on record at about 1.55°C above pre-industrial level

3 Goal 10 | Department of Economic and Social Affairs

4 All Nobel Prizes 2024 - NobelPrize.org

5 DeepSeek’s AI Shockwave Hits Nvidia Hard, Wiping Out Billions

# Executive Summary

<b>Aviva Investors, our dedicated asset manager, took on the management of the Stewardship Funds in April 2018.</b>	<p>There are five funds – the Stewardship International Equity Fund, the Stewardship Bond Fund, the Stewardship UK Equity Fund and the Stewardship UK Equity Income Fund and the Stewardship Managed Fund.</p>
<b>Exclusion - the Stewardship Funds aim to exclude businesses and industries that could be deemed harmful to the world and its people.</b>	<p>Environmental and social screens are applied at the outset of the investment process. The aim is to exclude companies and industries that could cause harm to the world and its people. The Aviva Baseline Exclusion Policy is also applied to the funds. If there is another difference between the two policies, the team follows the strictest rules.</p> <p>The exclusion screens and the Aviva Baseline Exclusion are detailed in the Stewardship philosophy at: <a href="https://static.aviva.io/content/dam/document-library/adviser/ecm/hl59028c.pdf">https://static.aviva.io/content/dam/document-library/adviser/ecm/hl59028c.pdf</a></p>
<b>Investment</b>	<p>Following the application of the exclusion policies, the remaining companies are subject to a detailed review for their alignment with the Sustainability Pillars – Climate, Earth and People.</p>
<b>Engagement</b>	<p>Stewardship actively engages with businesses to encourage them to enact the best sustainability policies possible.</p>
<b>Dedicated resources</b>	<p>An experienced fund management team sits with a team of more than 40 dedicated sustainable investment analysts. Their role is to aim to ensure the three pillars of the approach – Climate, Earth and People – are fully reflected across the Stewardship Funds.</p>
<b>Climate, Earth and People</b>	<p>The Climate, Earth, and People pillars are central to our sustainability framework. They define the sustainability outcomes we aim to achieve, and each is underpinned by relevant investment themes and associated UN Sustainable Development Goals (SDGs). Together, these sustainability pillars provide a comprehensive and practical structure to assess positive environmental and social contributions across sectors and asset classes.</p>
<b>The Aviva Stewardship default strategy launched in July 2019.</b>	<p>We launched the Stewardship strategy in July 2019 to help customers contribute to a more sustainable world while saving for their retirement.</p>

Please note that Aviva Investors took on the management of the Stewardship Funds in April 2018. The Funds were launched by Friends Provident, which is now part of Aviva following the merger between Aviva and Friends Life (formerly Friends Provident) in April 2015.

# Stewardship

## **A proud Heritage as the UK's first ethical fund of its kind**

Launched in 1984, the Stewardship UK Equity Fund was the UK's first social and environmentally screened fund of its kind.

## **The Stewardship Investment approach has three guiding sustainability principles**

1. Avoid companies that do not meet certain ethical standards, or that harm society or the environment.
2. Support companies that make a positive contribution through investment.
3. Encourage leading business practices.

## **There are five Stewardship funds covering the key asset classes**

The Stewardship International Equity Fund provides exposure to international equities and the Stewardship Bond Fund to fixed income. The Stewardship Managed Fund is a multi-asset fund that predominantly invests in equities with an allocation to fixed income. Customers can access UK equities via the Stewardship UK Equity Fund and the Stewardship UK Equity Income Fund.

## **Dedicated resources**

Aviva Investors and the Funds have a long history of engaging with companies to help them become more aware of the risks they face and to encourage positive change. An experienced fund management team sits with a well-resourced team of more than 40 dedicated investment professionals. The Sustainable Investments team ensures the three pillars of the Stewardship approach - Climate, Earth and People - are fully reflected across the Funds. See the Appendix for more detail on the team.



# Our Sustainability Pillars - Climate, Earth and People

The **Climate**, **Earth**, and **People** pillars are central to our sustainability framework. They define the sustainability outcomes we aim to achieve; each pillar is underpinned by relevant investment themes and the relevant UN Sustainable Development Goals (SDGs). Together, these sustainability pillars provide a comprehensive and practical structure to assess positive environmental and social contributions across sectors and asset classes.

**Climate pillar:** mitigating and adapting to climate change by reducing greenhouse gas emissions, supporting the energy transition, and strengthening climate resilience.

- Climate change is among the most urgent global challenges. Rising temperatures, extreme weather events, intensifying physical climate risks, and the need for rapid decarbonisation demand a significant shift in how capital is deployed. The Climate pillar supports investments in companies and projects that contribute to a low-carbon future – whether by reducing emissions, enabling net zero transitions, or building resilience against climate-related risks.
- Key investment themes: renewable and alternative energy; electrification; low-carbon infrastructure and transport; climate-resilient buildings and tourism; climate-aligned operations, strategies and disclosures.
- Relevant SDGs: SDG 7 (Affordable and Clean Energy), SDG 9 (Industry, Innovation and Infrastructure), SDG 11 (Sustainable Cities and Communities), SDG 13 (Climate Action).

**Earth pillar:** protecting and restoring nature and resources to promote long-term environmental and systematic resilience.

- Natural ecosystems are vital to human and planetary health – providing clean water, food security and raw materials. Yet they are increasingly under pressure from land degradation, biodiversity loss, and unsustainable consumption. The Earth pillar supports investments that align with nature-positive outcomes and sustainable resource use, helping to preserve biodiversity and ecosystem services.
- Key investment themes: sustainable water and sanitation infrastructure; circular economy and waste management; sustainable agriculture, oceans, and forestry; and responsible land, ocean and resource use.
- Relevant SDGs: SDG 6 (Clean Water and Sanitation), SDG 12 (Responsible Consumption and Production), SDG 14 (Life Below Water), SDG 15 (Life on Land).

**People pillar:** advancing equity, inclusion, and human rights through improved access, fair treatment, and responsible business practices.

- Social inequality, discrimination, and labour exploitation remain widespread barriers to sustainable development. The People pillar promotes social outcomes through investments in access to essential services, fair employment, and strong governance. It also covers operational practices that foster human capital development, inclusion, and accountability.
- Key investment themes: access to housing, nutrition, healthcare, education, and finance; inclusive employment practices and fair working conditions; diversity, equity, and inclusion.
- Relevant SDGs: SDG 1 (No Poverty), SDG 2 (Zero Hunger), SDG 3 (Good Health and Wellbeing), SDG 4 (Quality Education), SDG 5 (Gender Equality), SDG 8 (Decent Work and Economic Growth), SDG 10 (Reduced Inequalities), SDG 16 (Peace, Justice and Strong Institutions).

By using the **Climate**, **Earth**, and **People** pillars, we provide a focused, practical, and outcome-oriented lens for sustainable investing. This framework helps translate global sustainability ambitions into clear investment criteria and ensures that capital is directed toward the most material and transformative sustainability challenges facing the world today – from the climate crisis and biodiversity loss to social inequality and human rights. Through this framework, we aim to deliver long-term financial returns while contributing to a more resilient, equitable, and sustainable global future.

# Engagement



**Climate**



**Earth**



**People**

The Aviva Investors' Sustainable Investments team, founded on the three pillars of Climate, Earth, and People, is committed to delivering targeted thematic and engagement programmes. These engagement programmes are designed to support our sustainable investment themes, which are underpinned by the United Nations Sustainable Development Goals. The engagement topics include, but are not limited to, human rights disclosures, climate ambition and disclosure and biodiversity assessments. We have specific asks of all the companies we engage with. The team reviews and prioritises engagements to prioritise underserved development goals.

We detail some of our recent engagements on the following pages of this report.

# Climate Pillar

## RELX - Science-Based Emissions Reduction Target

### Issue:

The world is currently off track to limit warming to 1.5 degrees Celsius above pre-industrial levels by the end of the century. Verifiability of emissions' reductions targets is key to ensuring that companies are setting specific, measurable, achievable, realistic and time bound targets by which they can be held to account. The Science Based Targets Initiative (SBTi) supports organisations by providing them with a clearly defined path to reduce emissions in line with the Paris Agreement goals.

### Action:

We engaged with RELX, urging the company to continue efforts to develop formally validated science-based emission reduction targets in line with SBTi criteria, as consistent with a 1.5°C pathway by 2030.

In RELX's 2023 Annual General Meeting (AGM) we withheld our vote to re-elect Paul Walker as director following the dissatisfactory pace of progress with respect to improving the transparency of their climate related disclosures as well as committing to science-based targets.

### Outcome:

In Q2 2024, we were pleased to note that RELX had received verification of its near-term climate targets from the SBTi. The company has committed to reducing its Scope 1 and 2 greenhouse gas emissions by at least 40% by 2030. In addition, RELX aims to cut Scope 3 emissions from its supply chain by a minimum of 60% within the same timeframe.

# Earth Pillar

## Barclays – Banking Engagement on Nature

### Issue:

Nature is currently degrading at an alarming rate, with the World Economic Forum ranking biodiversity loss as the third largest global risk over the next ten years. As well as having a detrimental impact on natural ecosystems, there is likely to be a huge economic impact given nature is embedded into business supply chains. \*In the UK alone, the deterioration of the natural environment could lead to an estimated 12% loss to GDP – this is greater than the impact of the 2008 Financial Crisis and the COVID-19 Pandemic. By mobilising finance for positive outcomes for nature, the banking sector has a crucial role in the transition.

### Action:

Through our dedicated nature engagement programme, we encouraged the banking sector, including Barclays, to halt and reverse forest loss and ecosystem conversion to deliver action towards biodiversity. Specifically, we have urged progress on five key asks centred on target setting, risk management and monitoring and the implementation of nature-positive actions.

### Outcome:

We have seen positive progress from the sector. Barclays has undertaken substantial efforts across our five asks. For example, it is using the Taskforce on Nature-related Financial Disclosures' framework to determine its impact on protected areas and has also formalised a governance process on nature, overseen by their Board of Sustainability Committee. It has also undertaken nature stress tests, in which it has shared this with other international institutions. Going forward, we will engage to continue discussing risk management and monitoring, as well as data limitations.

\*This is according to a first-of-its-kind analysis by a team involving UK researchers, led by IFB Partner, the **Green Finance Institute** (GFI).

# People Pillar

## Tesco - Executive Remuneration

### Issue:

Britain's largest supermarket group, Tesco, saw the pay package of its Chief Executive Officer (CEO) more than double to almost 10 million pounds in its 2023/24 financial year, a period when its employees and millions of its customers battled a cost-of-living crisis. The CEO's pay is largely attributable to the value of his long-term incentive awards which vested in 2023 at 85% of maximum which has also been helped by the strong share price. However, the question is to what extent the company has benefited from the cost-of-living crisis? It made bumper profits - an operating profit of £2.3 billion for the 2023/2024 financial year, up from £882m the previous year.

### Action:

We engaged with the company to better understand how executive pay considerations reflect the wider stakeholder experience, particularly given the cost-of-living crisis. Tesco presented additional information showcasing its comprehensive pricing strategy, which includes Aldi price matching, competitive everyday pricing, and exclusive Clubcard offers, all aimed at mitigating the effects of the cost-of-living crisis. However, we encouraged the company to better evidence how its overall approach to pricing is benefitting customers.

We also shared our views over the positioning of the CEO's salary fixed pay as despite the 3% increase being lower than that awarded to the wider workforce, it came off what was already a generously positioned salary (approximately £1.4m). Additionally, there is a compounding effect on variable pay (i.e. 525% of salary for the CEO) - with variable pay not available to most employees. We welcome that the company increased UK store employee pay from £11.02 to £12.02 per hour in 2024, however we questioned the way in which the value is shared with employees given that less than 20% of employees participate in the Save As You Earn (SAYE) plans.

### Outcome:

In light of some of the concerns we raised with the company, we abstained on the advisory resolution on executive remuneration at the Tesco Annual General Meeting (AGM). Approximately 93.5% of the total votes cast were in favour of the resolution, so whilst we were in the minority who didn't support, it will be important for us review to what extent the company responds to the observations and suggestions we made, ahead of the next AGM.

# Stewardship uses its vote as a shareholder

In the table below, we provide an overview of how Stewardship voted in the year to end March 2025 on key topics such as companies' climate plans, remuneration and the appointment of directors.

Topic	For	Against	Abstain
Auditors	87.8%	12.2%	0.0%
Climate-Related	100.0%	0.0%	0.0%
Directors	89.1%	10.5%	0.5%
Other	99.5%	0.5%	0.0%
Remuneration	73.4%	20.3%	6.3%
Report & Accounts	100.0%	0.0%	0.0%
Share Issues/Capital Related	98.9%	1.1%	0.0%
Shareholder Resolution	49.2%	49.2%	1.6%
Takeover/Merger/Reorganisation	95.5%	4.5%	0.0%
<b>Grand Total</b>	<b>89.64%</b>	<b>9.56%</b>	<b>0.80%</b>

# Non-financial Outcomes

Below we show the non-financial performance of the Stewardship funds, including the carbon intensity of the funds, their carbon emissions, the overall % women on the board and the funds' ESG-adjusted scores as at end March 2025.

Fund/benchmark	Carbon Intensity
<b>Stewardship UK Equity</b>	29.37
<b>Stewardship UK Equity Income</b>	30.83
FTSE All-Share	52.36
<b>Stewardship International Equity</b>	42.64
MSCI World Index	96.46
<b>Stewardship Bond</b>	50.80
iBoxx Sterling Non Gilts Index	56.86

Carbon Intensity - this figure represents the company's most recently reported or estimated Scope 1 + Scope 2 greenhouse gas emissions normalized by sales in USD, which allows for comparison between companies of different sizes. The lower the number the better.

Fund/benchmark	Carbon Emissions Scope 1 & 2
<b>Stewardship UK Equity</b>	10.10
<b>Stewardship UK Equity Income</b>	10.44
FTSE All-Share	23.66
<b>Stewardship International Equity</b>	11.15
MSCI World Index	33.22
<b>Stewardship Bond</b>	19.66
iBoxx Sterling Non Gilts Index	22.50

Carbon emissions scope 1 & 2 represents a fund's scope 1 & 2 greenhouse gas emissions. Scope 1 emissions are emissions from sources owned and controlled by the company. Scope 2 emissions are emissions are those caused by the generation of electricity purchased by the company. The lower the number the better.

Fund/benchmark	% Women on the Board
<b>Stewardship UK Equity</b>	43.96
<b>Stewardship UK Equity Income</b>	43.77
FTSE All Share	45.62
<b>Stewardship International Equity</b>	36.32
MSCI World Index	36.16
<b>Stewardship Bond</b>	41.24
iBoxx Sterling Non Gilts Index	39.60

The percentage of board members who are female. For companies with a two-tier board, the calculation is based on members of the Supervisory Board only. The higher the number the better.

Fund/benchmark	ESG-adjusted score
<b>Stewardship UK Equity</b>	5.90
<b>Stewardship UK Equity Income</b>	5.94
FTSE All-Share	5.71
<b>Stewardship International Equity</b>	5.65
MSCI World Index	5.13
<b>Stewardship Bond</b>	5.72
iBoxx Sterling Non Gilts Index	5.71

Aviva Investors creates an ESG score for each fund. This allows for comparison purposes. Scores range from 0 to 10 - the higher the score the better.

# Governance

- The Aviva Investors' **Sustainable Investments team** runs the ESG screening and assessment research for the Stewardship Funds, working closely with the fund managers.

A dedicated and well-resourced in-house investment governance team at Aviva is responsible for monitoring the Funds and the default on an ongoing basis.

# Aviva's Stewardship Default Strategy

We launched the Stewardship Default Strategy in 2019.

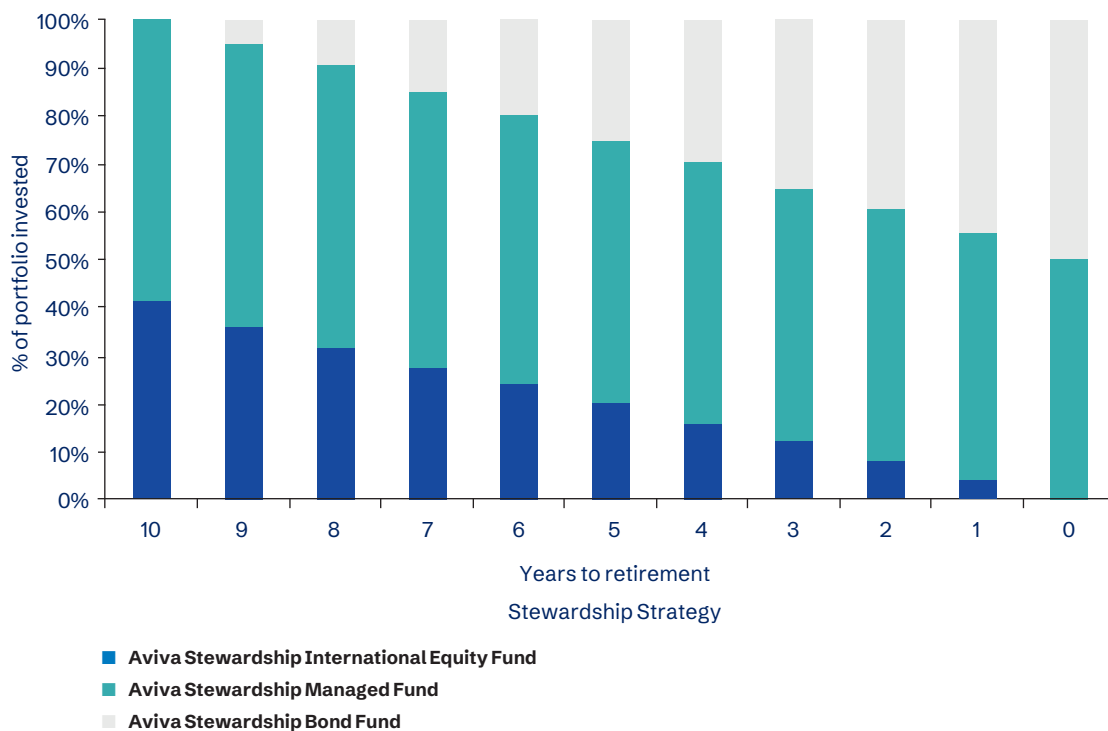
## What is the Stewardship Default Strategy and how does it work?

The aim of the Stewardship Strategy is to look after members' retirement savings by investing in the Stewardship International Equity Fund, the Stewardship Managed Fund and the Stewardship Bond Fund, as they travel through their journey to retirement.

With the Stewardship Strategy members can take their savings how they want to when they reach their selected retirement date.

We show how customers move through the journey to retirement with the Stewardship Funds in the chart below:

## Stewardship Strategy - Taking customers through the journey to retirement

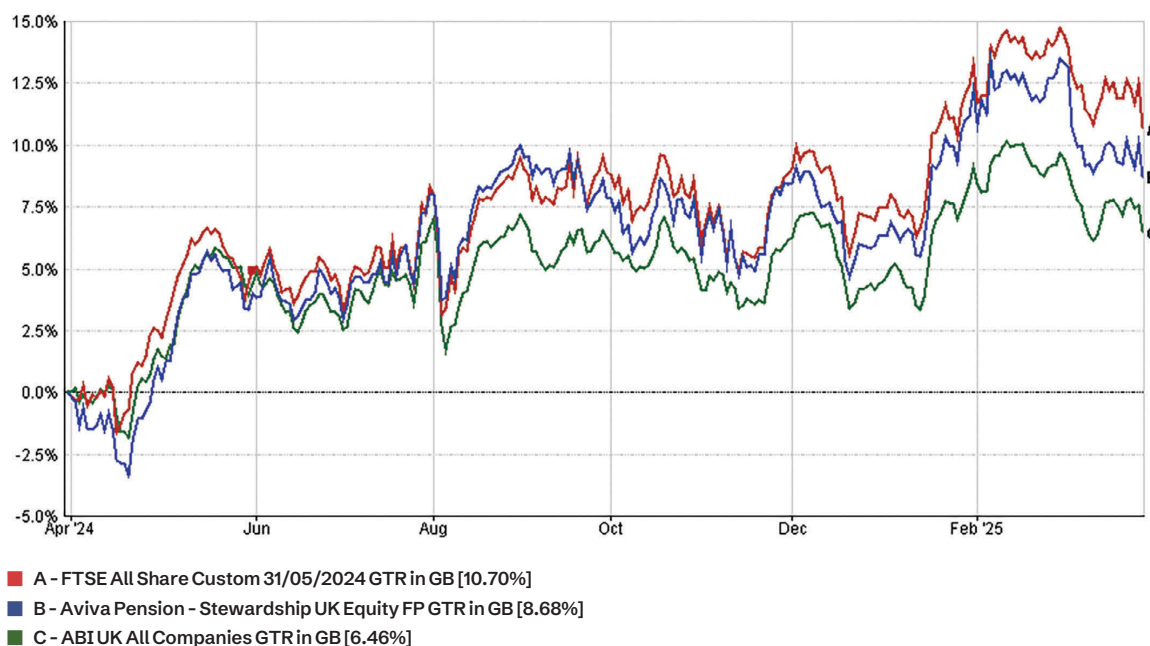


# Fund performance

In this section we look at how the Funds performed in the 12 months to end March 2025. Discrete and cumulative five-year fund performance to end March 2025 can be found in the Appendix. Refer to fund factsheets in the fund centre for fund objectives, risk codes and top 10 holdings:

[fundslibrary.co.uk/FundsLibrary.BranDEDTools/AvivaConsumer/FundCentral](https://fundslibrary.co.uk/FundsLibrary.BranDEDTools/AvivaConsumer/FundCentral)

## Chart showing the performance of the Stewardship UK Equity Fund over the 12 months to end March 2025



29/03/2024 - 31/03/2025 Data from FE fundinfo 2025

The benchmark of the fund changed from the FTSE All-Share Index to the FTSE Custom Screened All-Share Midday Index on 31 May 2024.

This performance refers to the past. Past performance is not a guide to future performance.

## Performance drivers

### Global producer and distributor of branded soft drinks Britvic

Britvic was acquired by Carlsberg, leading to its delisting from the London Stock Exchange on 20 January 2025. This acquisition was clearly positive for the share price in the months leading up to the deal and we exited our holding in the company over the period.

### Banking and financial services provider Standard Chartered

Performance was supported by higher global interest rates, which boosted net interest income, and strong growth in transaction banking services like cash management and trade finance. Additionally, disciplined cost control and the bank's presence in resilient Asian and African markets helped cushion broader economic challenges.

### Global Bank and Wealth Management firm Barclays

Performance was significantly bolstered by a combination of strategic portfolio reshaping and disciplined cost management. The bank's decision to exit its German consumer finance business led to a notable reduction in risk-weighted assets, enhancing capital efficiency and allowing for a sharper focus on higher-return segments. Simultaneously, Barclays maintained a stable cost-to-income ratio and improved operating margins, reflecting strong operational discipline and effective cost control amid a challenging macroeconomic environment.

## **Detractors from performance**

### **Equipment rental company Ashtead**

Ashtead is geared into US construction activity and suffered a derating over the period particularly when tariff uncertainty came to the fore. Additionally, a significant cutback in capital investment limited growth opportunities, while broader macroeconomic uncertainty, including inflation and fluctuating interest rates, affected customer demand and project activity, particularly in construction-related sectors.

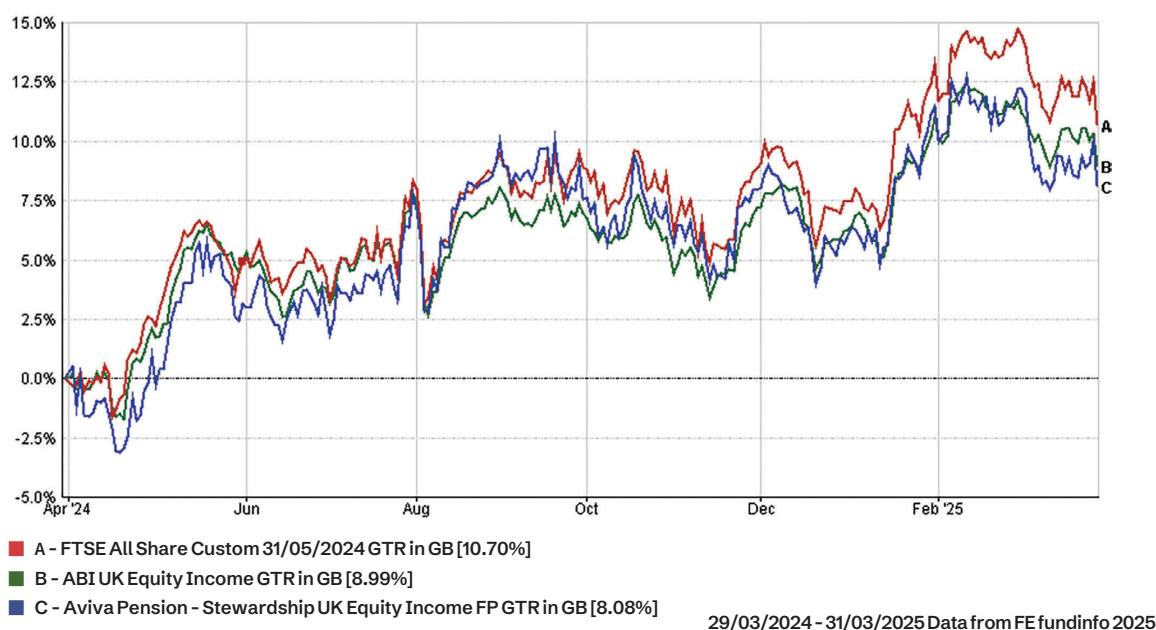
### **Biopharmaceutical company GlaxoSmithKline (GSK)**

GSK faced pressure from downgrades in its RSV (Respiratory syncytial virus) and Shingles vaccine businesses, which compounded fears around the long-term revenue potential of its pipeline. There are several important data points and approvals due in 2025-2026, which could improve the view on the company.

### **Motion measurement and smart manufacturing company Oxford Metrics**

In the previous year, the company benefited from exceptionally high order volumes and final-stage deliveries of major contracts, creating a tough comparative base. As customer purchasing behaviour normalised, revenue fell short of initial expectations. Despite this, the company made strategic progress by launching its markerless motion capture technology and expanding into smart manufacturing, positioning itself for future growth.

## Chart showing the performance of the Stewardship UK Equity Income Fund over the 12 months to end March 2025



The benchmark of the fund changed from the FTSE All-Share Index to the FTSE Custom Screened All-Share Midday Index on 31 May 2024.

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### Performance drivers

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Britvic was acquired by Carlsberg, leading to its delisting from the London Stock Exchange on 20 January 2025. This acquisition was clearly positive for the share price in the months leading up to the deal and we exited our holding in the company in the period.

#### Banking and financial services provider Standard Chartered

Standard Chartered's performance was supported by higher global interest rates, which boosted net interest income, and strong growth in transaction banking services like cash management and trade finance. Additionally, disciplined cost control and the bank's presence in resilient Asian and African markets helped cushion broader economic challenges.

#### Global mining company Rio Tinto

The fund does not hold Rio Tinto and this was beneficial for the fund compared to the fund's benchmark, the FTSE Custom Screened All-Share Index. The company was adversely impacted by a significant decline in iron ore prices. This price drop impacted revenue despite strong operational performance and stable production volumes. Additionally, inflationary pressures and increased input costs affected margins, while the company continued to invest in long-term growth projects.

### Detractors from performance

#### Global Bank HSBC

Many of the same factors which impacted the share price of Standard Chartered (above) influenced the strong performance of HSBC which the fund does not hold. We look at stocks compared to each other and within the Asian bank sub-sector, we prefer Standard Chartered.

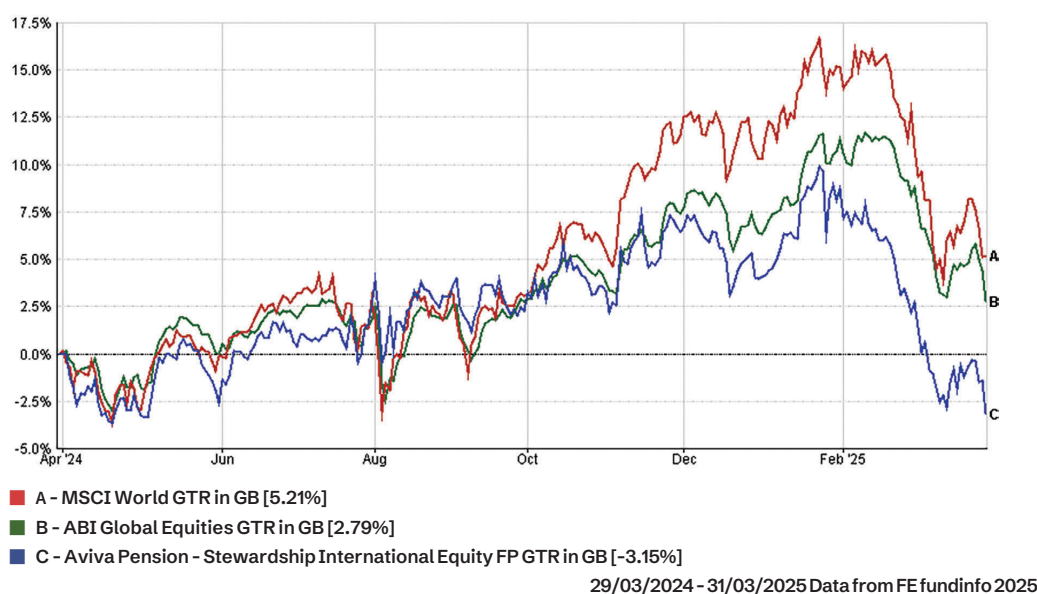
#### Equipment rental company Ashtead

Ashtead is geared into US construction activity and suffered a derating in the period particularly when tariff uncertainty came to the fore. Additionally, a significant cutback in capital investment limited growth opportunities, while broader macroeconomic uncertainty, including inflation and fluctuating interest rates, affected customer demand and project activity, particularly in construction-related sectors.

#### UK-based banking and financial services company NatWest

The fund does not hold NatWest. Banks had a strong rally in the period, driven by rising rates and improving structural income. We added Lloyds in the period to reduce the fund's smaller position in banks compared to the benchmark.

## Chart showing the performance of the Stewardship International Equity Fund over the 12 months to end March 2025



This performance refers to the past. Past performance is not a guide to future performance.

### Performance drivers

#### Payments processing company Visa

Visa posted strong financial performance underpinned by revenue and EPS growth, alongside strong operating cash flows. The company benefited from a surge in cross-border transactions, digital payment adoption, and robust growth across all regions, particularly in Europe.

#### Risk management and Insurance solutions provider Marsh & McLennan

Over the period, the insurance and consulting sector; where Marsh & McLennan operates, showed resilience amid macroeconomic and geopolitical volatility. Marsh & McLennan delivered solid financial performance, driven by strong revenue growth, particularly in its Risk & Insurance Services and Consulting segments, and strategic acquisitions that expanded its capabilities.

#### Cloud-based human capital management provider Automatic Data Processing

Automatic Data Processing delivered strong revenue growth, record-high client retention, and margin expansion, underpinned by automation and AI-driven efficiencies. Ongoing spending on technology and new product development also helped boost investor confidence.

### Detractors from performance

#### Manufacturer of photolithography systems for semiconductors ASML

ASML has suffered from a combination of industry and geopolitical pressures over the period. Export restrictions, particularly on advanced lithography systems to China, further constrained ASML's market access. Customer delays in High Numerical Aperture Extreme Ultraviolet tool adoption and customer readiness for new nodes introduced execution risks, putting pressure on the share price

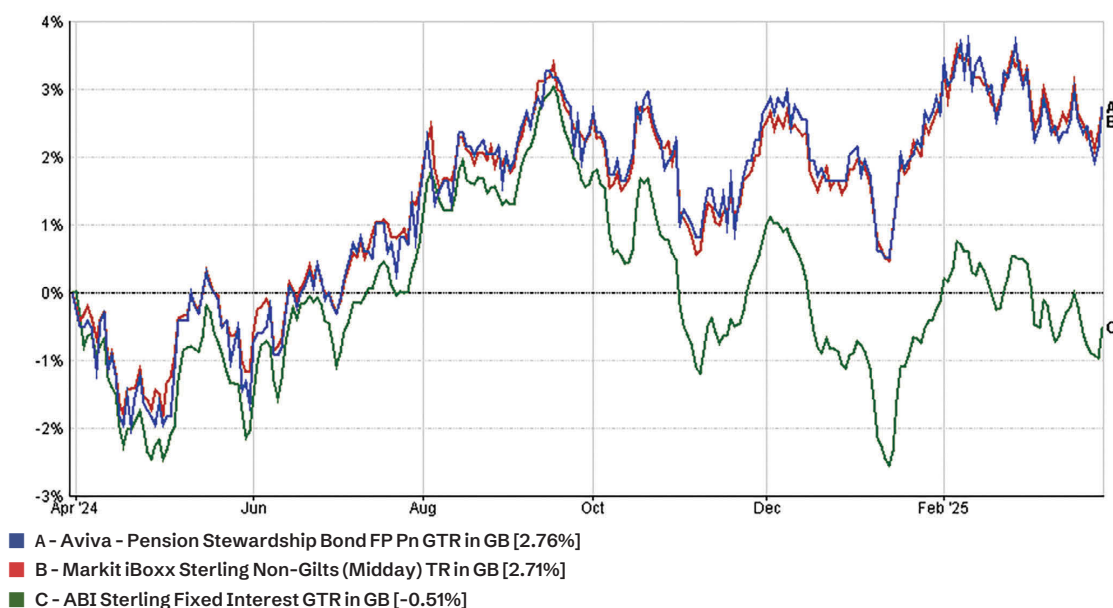
#### Designer, manufacturer and distributor of technology products and services Apple

The Magnificent 7 stocks (Apple, Amazon, Alphabet, Meta, Microsoft, Nvidia and Tesla) delivered outsized returns; driven by strong demand for generative AI, AI infrastructure, and cloud computing. While we held positions in several of these names, we did not invest in Apple due to our Stewardship investment criteria, which focuses the majority of our investments towards stocks which align with our sustainable themes across the Climate, Earth, and People pillars.

#### Sustainable engineering and consulting solutions provider Tetra Tech

Tetra Tech, a company closely aligned with our water and environmental themes continued to deliver steady earnings growth. However, its share price was negatively impacted by the Trump administration's decision to shut down USAID, which disrupted several international development projects, including in Ukraine, resulting in cuts to analyst earnings expectations.

## Chart showing the performance of the Stewardship Bond Fund over the 12 months to end March 2025



29/03/2024 - 31/03/2025 Data from FE fundinfo 2025

**This chart refers to the past. Past performance is not a guide to future performance.**

### Performance drivers

Throughout the year, good sector and bond selection were key drivers of positive performance. The fund benefited from strong returns in the banking sector, particularly from banks with a UK presence, such as HSBC, Barclays, and NatWest. They stood out in the final three months of 2024. European banks issuing in sterling, including Santander and Société Générale, also contributed positively to performance. Strategic additions to these banks during periods of political uncertainty also helped.

Life insurance companies in both sterling and euro markets added value in the final three months of 2024, alongside compelling returns from the wirelines and healthcare sectors. The ability to identify resilient bond issuers amid a volatile macroeconomic backdrop was evident with the selection of bonds from asset manager M&G, insurance provider Legal & General, and property management company Annington. These companies tendered bonds in the final three months of 2024, and therefore bought back their bonds, which added further value. This helped to offset broader market weakness and demonstrated the effectiveness of the team's bottom-up approach, namely a focus on bond selection.

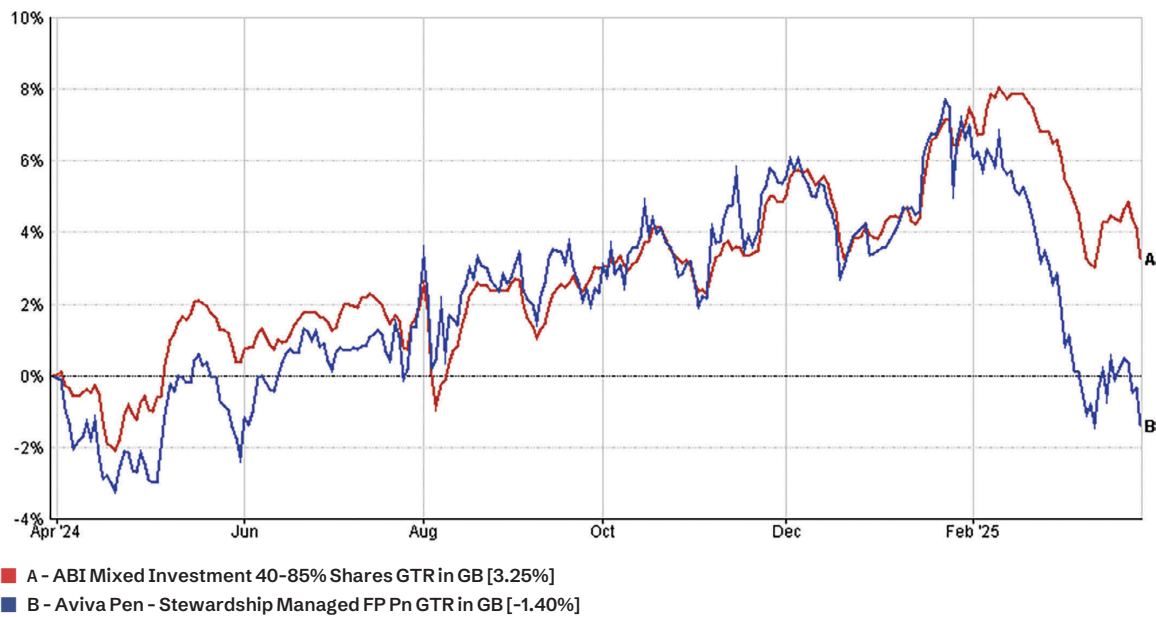
### Detractors from performance

Duration positioning, and therefore the fund's sensitivity to interest rates through its positions in government bonds, was a recurring challenge across the period. This was due to the wider market uncertainty caused by the global trade tariff situation in the first three months of 2025, as well as changing expectations on interest rates. For example, in the three months to the end of March 2025, the fund's focus on slightly longer dated bonds in the sterling bond market detracted from returns. This was due to investors moving into 10-year UK government bonds, and therefore shorter-dated bonds, amid the uncertainty over global trade tariffs and the resulting volatility in markets.

In the final three months of 2024, longer dated UK government bonds underperformed their short-dated counterparts because of investors' shifting expectations for UK interest rates. The Bank of England explained in the period that it would be difficult to justify another cut in interest rates at this point because inflation was still a risk.

Some bond issuers also experienced significant challenges in the period and this also impacted performance. For example, the fund's exposure to distressed utilities, notably Thames Water and Southern Water, consistently detracted from performance. These underperformers highlighted the difficulty of navigating sectors with elevated credit risk and regulatory uncertainty.

## Chart showing the performance of the Stewardship Managed Fund over the 12 months to end March 2025



29/03/2024 - 31/03/2025 Data from FE fundinfo 2025

**This performance refers to the past. Past performance is not a guide to future performance.**

The Stewardship Bond Fund contributed positively to performance in the period. The Stewardship International Equity Fund detracted value from performance. Please see commentary for this fund on page 19.

**This performance refers to the past. Past performance is not a guide to future performance. Investors may get back less than they originally invested. Fund performance is on a gross basis and therefore does not include charges which may apply.**

# Appendix

The table below shows the Fund details including fund manager, benchmark and ABI sector.

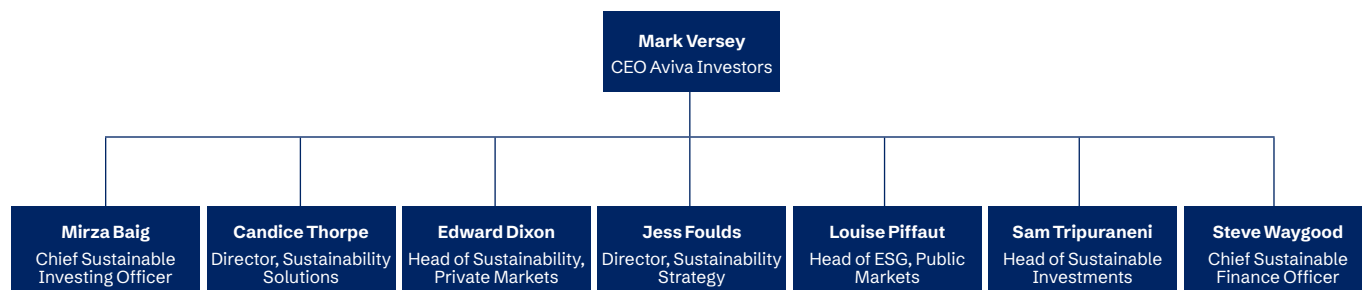
<b>Stewardship UK Equity Fund</b>	
Fund managers	Trevor Green* and Charlotte Meyrick
What does the fund invest in?	Shares of UK-listed companies
Benchmark	FTSE All-Share Index until 31 May 2024. FTSE Custom Screened All-Share Midday Index from 31 May 2024.
Sector	ABI UK All Companies
<b>Stewardship UK Equity Income Fund</b>	
Fund managers	Trevor Green and Charlotte Meyrick
What does the fund invest in?	Shares of UK-listed companies with a focus on income-paying companies
Benchmark	FTSE All-Share Index until 31 May 2024. FTSE Custom Screened All-Share Midday Index from 31 May 2024.
Sector	ABI UK Equity Income
<b>Stewardship International Equity Fund</b>	
Fund managers	Edward Kevis and Jonathan Taub
What does the fund invest in?	Shares of overseas companies
Benchmark	MSCI World Index
Sector	ABI Global Equities
<b>Stewardship Bond Fund</b>	
Fund managers	Thomas Chinery and Elmarie Matheou
What does the fund invest in?	UK government and corporate bonds
Benchmark	iBoxx Sterling Non Gilts Overall
Sector	ABI UK Fixed Interest
<b>Stewardship Managed Fund</b>	
What does the fund invest in?	The Stewardship Managed Fund is a fund of funds. It is made up of 70% of the Stewardship International Fund and 30% the Stewardship Bond Fund.
Composite Benchmark	70% MSCI World Index; 30% iBoxx Sterling Non Gilts Overall
Sector	ABI Mixed Investment 40-85% Shares

\* Trevor Green left the business in July 2025. Nick Bennison was appointed Head of UK Equities and fund manager of the Stewardship UK Equity and Stewardship Equity Income Funds in October 2025.

# Aviva Investors

The Funds benefit from the experience in sustainable investment across the Aviva Investors' business, which is shown below:

## A well-resourced and integrated team



Source: Aviva Investors as at 31 March 2025.

Ed Dixon left the business in June 2025 and Louise Piffaut became the Head of ESG, Private and Public Markets and Sam Tripuraneni Head of Sustainable Investments, Private and Public Markets.



### Mirza Baig - Chief Sustainable Investing Officer

Mirza leads all aspects of Aviva Investors' ESG approach and is a member of Aviva Investors' Global Executive Committee.

Mirza is responsible for setting Aviva Investors' ESG strategy, defining ESG policies, delivery of systematic and impactful ESG integration and stewardship frameworks across liquid markets and real assets, oversight of Aviva Investors' suite of sustainability strategies and solutions, and the maintenance of a robust and effective ESG operating model overseeing \*50+ ESG specialists across the business.

### Experience and qualifications

Mirza joined Aviva Investors in 2016 and has over 20 years' experience in the ESG industry across various roles based in the US, Europe, and Asia. Mirza currently serves as the Chair of the UK Investment Association's Stewardship Committee and in 2022 was named amongst Financial News 'Most Influential in Sustainable Finance Europe'.

\* Size of overall ESG/Sustainable Investments team as at end March 2024.

## Sustainable Investments Team

The fund managers responsible for the Stewardship Funds are supported by the research of the wider team at Aviva Investors. This includes the thematic research produced by the Aviva Investors' Sustainable Investments Team, which has dedicated leads covering the three pillars of the Stewardship approach - Earth, Climate and People.

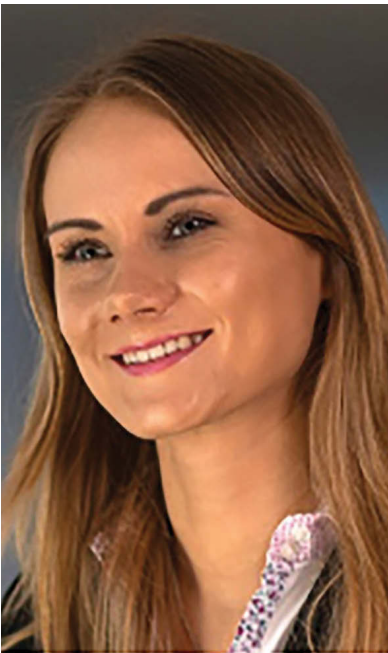


### **Sam Tripuraneni - Head of Sustainable Investments**

Sam oversees the firm's Stewardship and Sustainable Outcomes franchises, including the climate and natural suite of products. He leads on enhancing the existing sustainable funds' philosophy and processes, related data and quantitative research models and the quantification and delivery of sustainability impacts. Sam is also responsible for overseeing ESG thematic research and how this is integrated across liquid market asset classes. He plays a key role in the development of new sustainability and impact strategies.

Before joining Aviva Investors, Sam spent eight years at BlackRock, most recently as a director in the Sustainable investing team, where his roles included Head of EMEA Sustainable Product, Lead Product Strategist and Lead for EMEA Institutional Clients.

Before joining the financial services industry, Sam served as captain in the British Army. He studied Ancient History at the University of Nottingham and History of International Relations at the London School of Economics.



### **Agneta Bamanian - Sustainable Investments Director**

Agneta is responsible for supporting the delivery of sustainable investment products and strategies across liquid and private markets. With the sales, investment, and product teams, she focuses on delivering tangible sustainable outcomes for clients, in line with regulation. Agneta is also responsible for the development of new sustainability and impact frameworks and the research that underpins those frameworks across Sustainable themes.

#### **Experience and qualifications**

Agneta joined Aviva Investors in 2018 as investment strategist responsible for building outcome-oriented investment strategies for institutional clients. More recently, she worked on Aviva's decarbonisation efforts through the development and implementation of robust frameworks for our investment portfolios for transition in line with Aviva's 2040 net-zero ambition.

Before Aviva Investors, Agneta worked at Mercer as a Strategic Solutions Group analyst, helping a number of large pension funds and corporate sponsors. Agneta graduated with BSc (Hons) degree in Mathematics from Queen Mary, University of London, and MSc (Hons) degree in Mathematics from King's College London. She is a qualified Investment and Chartered Enterprise Risk Actuary, FIA CERA. Agneta holds the Investment Management Certificate and the CFA ESG Certificate.

## Sustainable Investments team



**Sam  
Tripuraneni**

Head of Sustainable  
Investments



**Agneta  
Bamania**

Sustainable  
Investments Director



**Eve  
Rooney**

Senior Sustainable  
Investments Analyst



**Sonia  
Hierzig**

Social and Data &  
Frameworks Analyst



**Luisa  
Jobson**

Sustainable Investing  
Analyst



**Matthew  
Linn**

Sustainable Investing  
Analyst



**Prince  
Marapao-Gittings**

Sustainable Investing  
Analyst

## Fund Managers

### Stewardship UK Equity Funds



#### **Trevor Green - Senior Fund Manager**

##### **Main responsibilities**

Trevor was responsible for our UK equity institutional funds, the Aviva Investors UK Smaller Companies Fund and the Aviva Stewardship UK Equity Fund. Within the UK Equities team, Trevor also led sector coverage responsibilities for IT & Communication Services.

##### **Experience and qualifications**

Prior to joining Aviva Investors, Trevor was a fund manager at Henderson Global Investors, where he was co-manager of the Henderson Managed Distribution Fund.

Before this, Trevor worked at New Star Asset Management and before that spent nearly six years at RCM running pan-European institutional mandates. He has also worked at Credit Suisse Asset Management and started his career at Capel Cure Myers, managing both retail and institutional funds.

Trevor holds a BA (Hons) in Economics from Aberdeen University and the Securities Institute Diploma.

Trevor Green left the business in July 2025.

Matt Bennison was appointed Head of UK Equities and fund manager of the Stewardship UK Equity and Stewardship Equity Income Funds in October 2025.



#### **Charlotte Meyrick - Fund Manager**

##### **Main responsibilities**

Charlotte manages the Aviva Investors UK Listed Small and Mid-Cap Fund, is co-manager of the Aviva Stewardship UK Equity Fund, and leads the sector coverage for UK Consumer Discretionary.

##### **Experience and qualifications**

Charlotte joined Aviva Investors in 2012 and supported on the UK Institutional Funds between 2013 and 2018. She managed the UK Opportunities Fund (September 2015 to January 2018) and the UK Growth Fund (January 2016 to December 2018) with the latter being repositioned to the UK Small and Mid-Cap Fund as of January 2019.

She graduated from the University of Bath with a First Class Bachelors degree in Business Administration and has completed all levels of the CFA Program.

## Stewardship International Equity Fund



### **Edward Kevis - Portfolio Manager and Equities Analyst**

#### **Main Responsibilities**

Ed is the co-portfolio manager of the Stewardship International Equity Fund. Ed's sector specialism is the Global Consumer sector. He is the sector lead within the team.

#### **Experience and qualifications**

Ed has been responsible for the management of various European equity strategies after being promoted to portfolio manager in 2015. He was appointed co-portfolio manager of the Aviva Investors Climate Transition European Equity Fund in September 2021. He was hired initially as a support services equity analyst for the European and UK Equity team in 2013.

Ed began his career with Lloyds Banking Group, initially joining the Business Specialist Scheme with various roles in corporate lending, strategy and risk management in the Wholesale Banking division, and then moving to the Business Support Unit Investments team, initially in the Portfolio team but later moving to a combined transaction and portfolio role.

Ed holds a BA (Hons) in Finance Accounting and Management from the University of Nottingham, and an Applied Diploma in Corporate Banking. He is a CFA® charterholder and passed the CFA Institute Certificate in ESG Investing in July 2021.



### **Jonathan Taub - Portfolio Manager**

#### **Main Responsibilities**

Jonathan is a portfolio manager in our Global Equity team. He is the co-portfolio manager of the Stewardship International Equity Fund, the Natural Capital Transition Global Equity Strategy and the Global Emerging Markets Equity Core Strategy. He also manages the Global Emerging Markets Equity Unconstrained Strategy.

Jonathan also has research responsibilities covering global consumer including, US, European and Emerging Markets companies.

#### **Experience and qualifications**

Jonathan was formerly a Portfolio Manager focused on Global Emerging Markets at Aberdeen Standard Investments. Prior to this Jonathan worked as GEM Equity Portfolio Manager at Collabrium Investment Advisors and a GEM Equity analyst at Lansdowne Partners.

He began his career with F&C Asset Management as a global equity analyst before developing into a Latin American Equity Portfolio Manager with the firm.

Jonathan holds an LLB (Hons) Law from Kings College, London and is a qualified US Attorney-at-Law. He also holds the Investment Management Certificate and is a CFA® charterholder.

## Stewardship Bond Fund



### **Thomas Chinery, CFA - Portfolio Manager**

#### **Main responsibilities**

Tom is portfolio manager in our Sterling investment grade team. He is co-lead portfolio manager on the Climate Transition Credit Fund, co-manages a number of Sterling Investment Grade strategies and is lead portfolio manager on the Stewardship Bond Fund.

#### **Experience and qualifications**

Tom has managed Sterling Funds, from both a relative value and buy & maintain perspective, since joining Aviva Investors. Prior to this, Tom worked at Mitsubishi Trust Bank helping to manage a total return treasury book of corporate bonds and CDS.

Tom holds a BA (Hons) Accounting and Law. He is also a CFA® charterholder and member of both the CFA Institute and the CFA Society of the UK.



### **Elmarie Matheou, CFA Portfolio Manager**

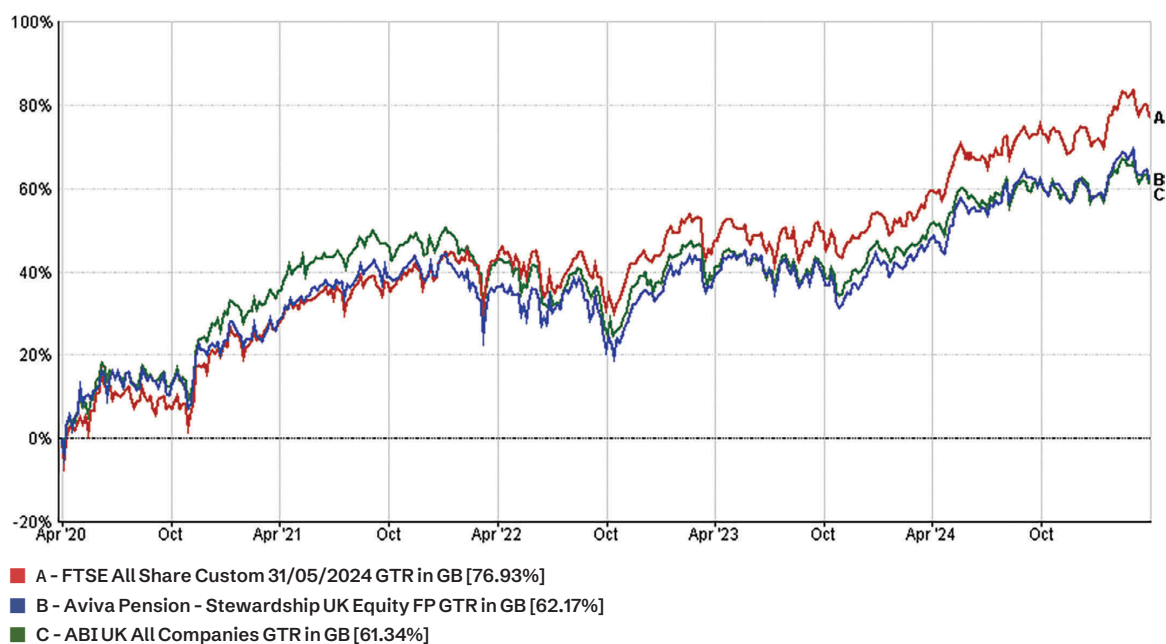
#### **Main Responsibilities**

Elmarie is a portfolio manager in the Investment Grade Credit team. Elmarie helps manage the Sterling Investment Grade portfolios and is co-manager of the Stewardship Bond Fund.

#### **Experience and Qualifications**

Elmarie has worked as an investment analyst and assistant fund manager since joining Aviva Investors in 2013. Elmarie previously worked at Momentum Group as an Actuarial and Investment Consultant. Elmarie holds an B.Sc. in Actuarial Science and Mathematics and B.Sc. Honours in Financial Engineering from the University of Pretoria (South Africa). She holds the Chartered Financial Analyst (CFA) designation.

## Cumulative and discrete performance to end of March 2025 Av Stewardship UK Equity Fund over the five years to end March 2025



### Av Stewardship UK Equity Fund

#### Discrete performance to end March 2025 showing percentage increase or decrease

	31/03/2024 to 31/03/2025	31/03/2023 to 31/03/2024	31/03/2022 to 31/03/2023	31/03/2021 to 31/03/2022	31/03/2020 to 31/03/2021
Av Stewardship UK Equity	8.7	7.3	2.0	6.6	27.9
*FTSE All-Share Custom (12:00 UK)	10.7	8.4	2.9	13.0	26.7
ABI UK All Companies sector	6.5	7.4	-1.2	5.4	35.5

#### Cumulative five-year past performance to end March 2025 showing percentage increase or decrease

	3 months	1 year	3 years	5 years
Av Stewardship UK Equity	2.2	8.7	18.9	62.2
*FTSE All-Share Custom (12:00 UK)	3.0	10.7	23.5	76.9
ABI All Companies sector	2.0	6.5	13.0	61.3

\*From 31 May 2024, the benchmark has been the FTSE All-Share Custom (12:00 UK). The FTSE All-Share Index was in effect prior to 31 May 2024. Benchmark figures reflect the benchmark assigned at the time.

Source: FE, performance on bid to bid net income reinvested basis. The information above refers to the past. Past performance is not a guide to future performance. Performance is on a gross basis. Refer to policy for details of charges which may apply.

## Av Stewardship UK Equity Income Fund over the five years to end March 2025



### Av Stewardship UK Equity Income Fund

#### Discrete performance to end March 2025 showing percentage increase or decrease

	31/03/2024 to 31/03/2025	31/03/2023 to 31/03/2024	31/03/2022 to 31/03/2023	31/03/2021 to 31/03/2022	31/03/2020 to 31/03/2021
Av Stewardship UK Equity Income	8.1	10.9	-4.1	10.3	27.8
FTSE All-Share Custom (12:00 UK)	10.7	8.4	2.9	13.0	26.7
ABI UK Equity Income sector	9.0	7.1	1.6	11.5	30.2

#### Cumulative five-year past performance to end March 2025 showing percentage increase or decrease

	3 months	1 year	3 years	5 years
Av Stewardship UK Equity Income	2.3	8.1	15.0	62.0
*FTSE All-Share Custom (12:00 UK)	3.0	10.7	23.5	76.9
ABI UK Equity Income sector	2.6	9.0	18.6	72.1

**\*From 31 May 2024, the benchmark has been the FTSE All-Share Custom (12:00 UK). The FTSE All-Share Index was in effect prior to 31 May 2024. Benchmark figures reflect the benchmark assigned at the time.**

Source: FE, performance on bid to bid net income reinvested basis. The information above refers to the past. Past performance is not a guide to future performance. Performance is on a gross basis. Refer to policy for details of charges which may apply.

## Av Stewardship International Equity Fund over the five years to end March 2025



31/03/2020 - 31/03/2025 Data from FE fundinfo 2025

### Av Stewardship International Equity Fund

#### Discrete performance to end March 2025 showing percentage increase or decrease

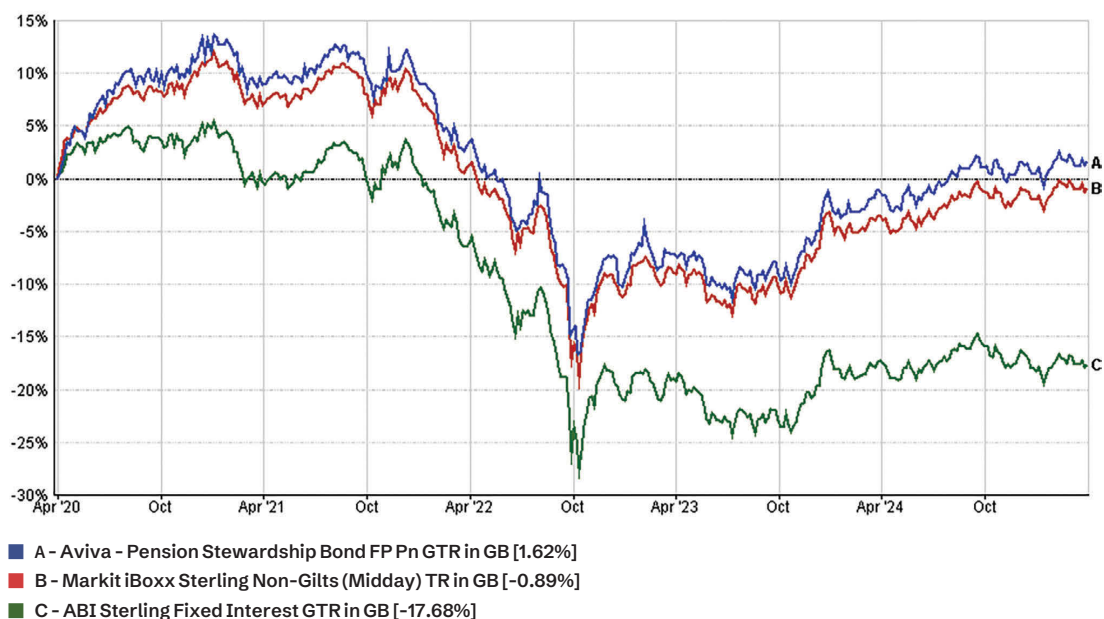
	31/03/2024 to 31/03/2025	31/03/2023 to 31/03/2024	31/03/2022 to 31/03/2023	31/03/2021 to 31/03/2022	31/03/2020 to 31/03/2021
Av Stewardship International Equity	-3.2	17.9	-7.2	11.8	40.3
MSCI World Index	5.2	23.1	-0.5	15.9	39.1
ABI Global Equities sector	2.8	17.1	-2.7	10.1	37.5

#### Cumulative five-year past performance to end March 2025 showing percentage increase or decrease

	3 months	1 year	3 years	5 years
Av Stewardship International Equity	-6.7	-3.2	6.0	66.4
MSCI World Index	-4.6	5.2	28.9	107.7
ABI Global Equities sector	-3.4	2.8	17.1	77.3

Source: FE, performance on bid to bid net income reinvested basis. The information above refers to the past. Past performance is not a guide to future performance. Performance is on a gross basis. Refer to policy for details of charges which may apply.

## Av Stewardship Bond Fund since launch in June 2019 to end March 2025



31/03/2020 - 31/03/2025 Data from FE fundinfo 2025

### Aviva Stewardship Bond Fund

#### Discrete performance to end March 2025 showing percentage increase or decrease

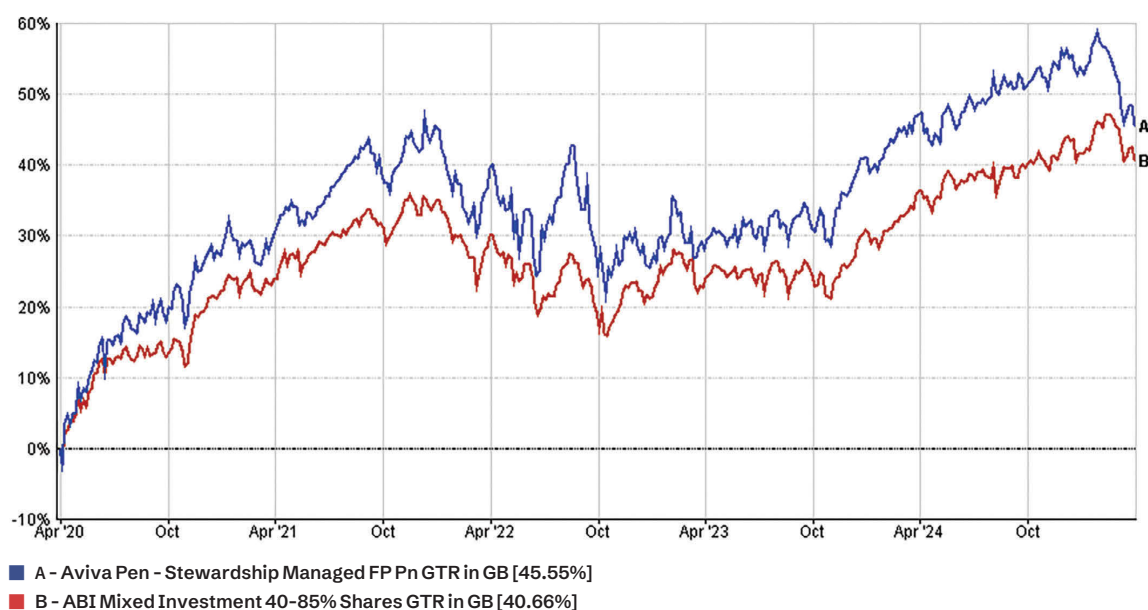
	31/03/2024 to 31/03/2025	31/03/2023 to 31/03/2024	31/03/2022 to 31/03/2023	31/03/2021 to 31/03/2022	31/03/2020 to 31/03/2021
Av Stewardship Bond	2.8	7.0	-10.6	-5.0	8.9
Markit iboxx GBP Sterling Non Gilts	2.7	6.1	-10.3	-5.4	7.1
ABI Sterling Fixed Interest sector	-0.5	2.4	-14.0	-5.6	-0.5

#### Cumulative past performance to end March 2025 showing percentage increase or decrease

	3 months	1 year	3 years	5 years
Av Stewardship Bond	0.7	2.8	-1.8	1.6
Markit iboxx GBP Sterling Non Gilts	0.9	2.7	-2.2	-0.9
ABI Sterling Fixed Interest sector	0.4	-0.5	-12.4	-17.7

Source: FE, performance is on bid to bid net income reinvested basis. This information refers to the past. Past performance is not a guide to future performance. Performance is on a gross basis. Refer to policy for details of charges which may apply.

## Av Stewardship Managed Fund over the five years to end March 2025



31/03/2020 - 31/03/2025 Data from FE fundinfo 2025

### Av Stewardship Managed Fund

#### Discrete performance to end March 2025 showing percentage increase or decrease

	31/03/2024 to 31/03/2025	31/03/2023 to 31/03/2024	31/03/2022 to 31/03/2023	31/03/2021 to 31/03/2022	31/03/2020 to 31/03/2021
Av Stewardship Managed	-1.4	14.9	-7.9	7.1	30.4
ABI Mixed Investment 40-85% Shares sector	3.3	9.7	-4.6	5.0	23.9

#### Cumulative five-year past performance to end March 2025 showing percentage increase or decrease


	3 months	1 year	3 years	5 years
Av Stewardship Managed	-4.7	-1.4	4.3	45.6
ABI Mixed Investment 40-85% Shares sector	-0.6	3.3	8.2	40.7


Source: FE, performance is on bid to bid net income reinvested basis. This information refers to the past. Past performance is not a guide to future performance. Performance is on a gross basis. Refer to policy for details of charges which may apply.

These products do not have a UK sustainable investment label. This is because - although the Funds have sustainability characteristics - they do not meet the criteria for a label. Sustainable investment labels help investors find products that have a specific sustainability goal. They can only be applied to funds with an explicit sustainability objective and that meet other specific regulatory criteria for a UK sustainable investment label.

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