The Aviva Sustainable Stewardship Funds

What this guide covers

We hope the information in this guide is helpful and that it broadens your knowledge about the Aviva Sustainable Stewardship Funds.

Here's what the following pages cover:

Responsible investment at Aviva

With you today, for a better tomorrow

Responsible investment, and caring for the world around us, is not a fad at Aviva. It's something we've been doing for a long time – whether that be as an insurer, as one of the UK's biggest businesses, as an investor and as an employer. Helping create a better world for our customers, our families and communities in the UK and around the world is part of our lifeblood, part of Aviva's history and something that we believe should be part of our future.

In March 2021, we unveiled our ambition to be a net zero carbon business by 2040. This is a first for a major insurance business, and it coincided with the third-year anniversary of Aviva Investors taking on the management of the Stewardship Funds in April 2018, followed by the creation of the Stewardship default strategy in July 2019.

Aviva Investors, our dedicated fund partner and the manager of the Sustainable Stewardship Funds, was among the first asset managers to publish a Corporate Governance voting policy in 1994 and in 2010 was in the vanguard of the signatories to the UK Stewardship Code. We believe these principles have enhanced the quality of Aviva Investors' engagement with businesses over the past decade, helping to improve long-term returns for shareholders and therefore investors. Encouraging better business practices through shared ownership and engagement, to achieve positive outcomes, is an essential part of the Sustainable Stewardship philosophy as shown later in this report.

At the forefront of responsible investment

1994	2001	2006	2013	2015	2016	2018	2022
Published our Corporate Governance voting policy	Climate and social issues explicitly reflected in voting policy from 2001	Founding signatory of UN Principles for responsible investing	We helped launch the Corporate Human Rights Benchmark	Only financial institution at signing of UN SDGs in 2015	Member of European Commission High-Level Expert Group on Sustainable Finance & FSB TCFD	World Benchmarking Alliance launched. Award from UN for sustainability work	International Platform for Climate Finance – which we convened - promoted at COP27

Rated 5 Stars by the UN PRI in 2021

for Strategy & Governance; highest score every year since inception

Best ESG Asset Manager 2021 & 2022

Corporate Adviser Awards

Ranked A by ShareAction on Responsible Investment in 2023

Ranked 3rd out of 77 asset managers globally

Highest ESG rating from Square Mile in 2023*

For ESG integration

Source: Aviva Investors as at 24 May 2023. The name "Aviva Investors" as used in this material refers to the global organisation of affiliated asset management businesses operating under the Aviva Investors name. Rankings are based on the opinions of the agency and not indicative of any one client's experience Please note that Aviva Investors 2021 Assessment report reflects the 2020 reporting period. In 2021, PRI trialled an online reporting tool for signatories to upload data for these reports, however there were some issues encountered by signatories. Therefore, the final reports were released in early September 2022, approximately 15 months after data was submitted. PRI also introduced a new Pilot Reporting Framework for the 2021 reporting cycle, which introduced a significant change to the scoring system from an alphabetical (A+ to E) system to a numerical (1 to 5 stars) system. The Corporate Adviser Awards recognise excellence and innovation in the delivery of workplace benefits advice, consultancy, products and services. ShareAction examines 75 of the most influential asset managers worldwide on responsible investment governance, climate change, biodiversity and human rights; each participant was assigned a rating applicable to their aggregated score, from AAA through E grade. *As at 1st February 2023 -Funds | Fund Details | Square Mile - Investment Consulting & Research (squaremileresearch.com)

What are the Sustainable Stewardship Funds?

1. Heritage

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

2. Screening, company engagement and measuring the Funds' ESG credentials

ESG stands for environmental, social and governance criteria. These are the factors which investment managers use to decide how well a business is performing with regard to its impact on the environment, on society, and therefore its role in the communities in which it operates, and also how a company functions in general, in terms of executive pay, diversity and shareholder rights, for example.

ESG factors play an important role in the management of the Sustainable Stewardship Funds. We also exclude sectors and businesses from the Sustainable Stewardship Fund and engage with businesses on topics, such as plastic pollution and gender diversity.

3. Scale and experience in the team

An experienced fund management team sits alongside a well-resourced team of more than 50 ESG analysts. We show the team in the Appendix of this guide.

4. The Sustainable Stewardship Fund range covers the key asset classes

Customers can access UK and international equities, fixed income, or a blend of equities and fixed income via the Sustainable Stewardship Funds. There are five funds in the Sustainable Stewardship range - the Sustainable Stewardship UK Equity, Sustainable Stewardship UK Equity Income, Sustainable Stewardship Bond, Sustainable Stewardship International Equity and Sustainable Stewardship Managed Funds.

5. Sustainable Stewardship and Aviva Investors combine their expertise to look after the Aviva Sustainable Stewardship Funds

The Sustainable Stewardship Funds, namely the Sustainable Stewardship International Equity Fund, the Sustainable Stewardship Bond Fund, the Sustainable Stewardship Managed Fund, the Sustainable Stewardship UK Equity Fund and the Sustainable Stewardship UK Equity Income Fund, have been managed by global fund management group Aviva Investors since April 2018.

Working together to help create a better world for you to retire into and for your family to inherit

More and more of us want to know that our pension savings are being invested in businesses that contribute positively to the world around us to help create the type of world we want to retire into, and the world that the generations after us will inherit. At the same time, as a guardian of people's money, we believe we have a duty to use our customers' money in a sustainable way, to help foster change across businesses, whether that be for the environment, for society or for people's lives and communities, and the world in general. With this in mind, in July 2019 we launched the Stewardship Lifetime strategy. This strategy incorporates environmental, social and governance considerations throughout the journey to retirement. We provide more information on page 12.

Stewardship philosophy and criteria

Philosophy

Introduced in 1984, the Sustainable Stewardship Funds have a proud heritage as the UK's first ethical fund range of its kind.

The philosophy behind the Funds has always been, and remains, to guide capital allocation responsibly, and therefore to exclude or to include a company in the Funds based on what the company does and how it does it.

The three main principles of the Funds remain to:

1. **Exclude** companies that do not meet certain ethical standards or that harm society or the environment
2. **Support** companies that make a positive contribution to society
3. **Encourage** better business practices through shared ownership and dialogue

The Sustainable Stewardship Funds' philosophy recognises that the contribution companies make to a sustainable society depends both on the products and services they provide and the way they provide them. Shareholders have a responsibility to address these issues actively with the companies they invest in to deliver a positive outcome for their customers, suppliers, employees, local communities and the environment.

The Sustainable Stewardship Funds are actively managed. The process begins by the investment team identifying suitable companies for the Funds. The exclusions screens which apply to the funds, as shown on the next page, are applied to remove unsuitable companies and sectors from the Sustainable Stewardship investment universe.

The investment manager assesses the remaining companies to see whether they have an overall positive alignment to the UN's Sustainable Development Goals (SDGs). This could include a company being aligned to more than one SDG. The overall goal however is to avoid companies where there is no overall alignment to the SDGs.

The Aviva Investors' Sustainable Investment team sits in the asset manager's wider ESG team. This is a central function and the analysts in the team research and help the business on ESG themes. This team is based on the three pillars of Climate, Earth and People. The research helps our understanding of the UN's Sustainable Development Goals.

This feeds directly into the investment decisions taken by the fund managers who look after the Sustainable Stewardship Funds.

Alignment with the UN's Sustainable Development Goals

The Sustainable Stewardship Funds have a consistent investment process. This is made up of three layers as shown below:

Layer 1 – **Investment selection**. Allocate to companies where there is strong evidence that the company has an overall positive alignment to the UN's SDGs.

Please read more about the SDGs here:

Home – United Nations Sustainable Development

Layer 2 – **Stewardship**. We engage with the companies in the Funds on thematic issues, such as climate change, to encourage sustainable behaviours.

Layer 3 - **Measurement**. We monitor and report on alignment of the Sustainable Stewardship Funds to the UN's SDGs, to ensure positive sustainable outcomes for investors in the funds.

The Sustainable Stewardship investment process

As mentioned, the Sustainable Stewardship Funds' investment approach is based on three layers, and we'll cover them in more detail next:

Layer 1: Identifying companies for investment in the Sustainable Stewardship Funds

The investment process begins by the investment team identifying suitable companies for the Funds. The exclusion screens, which are shown below, are applied to remove unsuitable companies and sectors from the Sustainable Stewardship investment universe.

After applying the screens, the investment manager assesses the remaining companies to see whether they have an overall positive alignment to the UN's SDGs. This could include a company being aligned to more than one SDG.

The overall goal however is to avoid companies where there is no overall alignment to the SDGs. As long-term investors we believe the benefit to our clients will be through investing in companies best positioned to navigate the sustainable transition who will deliver investment returns as well as tangible sustainable outcomes – the two are not mutually exclusive but work hand in hand.

Sustainable Stewardship Exclusions screens

Please note that the exclusion of tobacco from the Sustainable Stewardship funds is covered by the **Aviva Investors baseline exclusion policy**

Pillar	Exclusion Rationale	Issue	Negative Screening Criteria
People Aligned to human capital stewardship UN SDGs, as well as widely accepted International Treaties, Conventions, Frameworks and Norms. *Including (but not limited to); UN Disarmament; ILO (International Labour Organization) Standards and UN Guiding Principles on Human Rights; WHO Public Health Frameworks*	Lethal Products - harmful when used as intended	Weapons	(i) Any involvement in the manufacture of whole weapons systems, components or support systems (including conventional, biological-chemical, cluster munitions, depleted uranium and nuclear weapons). (ii) Any involvement in the manufacture or retail of civilian firearms.
	Addictive Products - harmful when abused	Adult entertainment	>10% of turnover from adult entertainment or pornography.
		Alcohol	(i) >10% of turnover from the manufacture of alcoholic products. (ii) >25% of turnover from the distribution or sale of alcohol products (e.g. retail, hotels, restaurants and leisure industries).
		Gambling	>10% of turnover from gambling related activities.
	Harmful corporate behaviour	Social Controversies	Companies that are the subject to very severe controversies related to a firm's impact on Customers, Human Rights & Community, and Labour Rights & Supply Chain.

Pillar	Exclusion Rationale	Issue	Negative Screening Criteria
Climate Aligned to UN SDG 13 and the goals of the UN Paris Agreement.	Carbon Intensive Products-harmful negative externalities	Thermal Coal	(i) Any revenue from thermal coal mining or thermal coat-fired power generation. (ii) Any thermal coal reserves.
		Oil & Gas	(i) Any revenue from Arctic oil and/or gas production (onshore and offshore). The definition of "Arctic" is geographical and includes production activities north of the 66.5 latitude. (ii) Equal to or more than 10% of revenue from conventional oil and/or gas extraction and production*. (iii) Equal to or more than 15% of revenue from natural gas electricity generation**. (iv) Any revenue from unconventional oil and/or gas production (including oil sands, oil shale, tar sands, shale oil, shale gas, tight gas, coal bed methane, coal seam gas). (v) equal to or more than 10% of revenue from liquid fuels power generation*. (vi) Any unconventional oil and/or gas reserves (including shale gas, shale oil, oil shale, oil sands, tar sands, tight gas, coal bed methane and coal seam gas). (vii) Equal to or more than 1000mmboe of oil and/or gas reserves. (viii) Equal to or more than 75% of revenue from oil and/or gas value chain activities, including distribution and retail, equipment and services, petrochemicals, pipelines and transportation, refining and trading***.

*From 2025, the threshold will reduce by 1% a year to 0% by 2035.

**From 2025, the threshold will reduce by 1% a year to 0% by 2040.

***From 2025, the threshold will reduce by 5% a year to 0% by 2040.

Pillar	Exclusion Rationale	Issue	Negative Screening Criteria
Earth Aligned to natural - capital related UN SDGS, as well as widely accepted International and Regional Treaties and norms. *Including (but not limited to): Stockholm Convention, Montreal Protocol, OSPAR Priority List; Animals Scientific Procedures Act (UK (United Kingdom)), Directive 2010/63/EU on the protection of animals used for scientific purposes (EU), Animal Welfare Act (US)*	High Risk Product-potentially harmful outcomes	Nuclear power generation	(i) > 10% of turnover from nuclear power activities. (ii) Any company deriving revenues from the mining of uranium.
		Genetic Modification	Companies that genetically modify organisms, where we consider the sustainability risk outside of tolerance.
	Polluting Products-harmful negative externalities	Chemicals of Concern	Any involvement in production of chemicals restricted by international agreements; the Stockholm Convention, Montreal Protocol and OSPAR Priority List. *Excludes lead.*
	Lethal Products/Services-harmful when used as intended	Animal testing	(i) Any involvement in the development and manufacture of non-medical related products (such as cosmetics, personal care, household cleaning products) where this has involved animal testing and where the company does not disclose an animal testing policy or statement. (ii) Any involvement in providing animal testing services and where the company does not disclose an animal testing policy or statement.
		Fur	Any involvement in the production or design of fur pelt, raw materials and products containing fur or fur trim. It also includes companies that hunt, raise, trap animals for their fur.
		Endangered species	Involvement in the retail of threatened species, or components thereof, with insufficient action to prevent it.
	Harmful Corporate Behaviour	Environmental Controversies	Companies that are the subject to very severe controversies related to land use and biodiversity, toxic spills and releases, energy and climate change, water management, operational non-hazardous waste, environmental impact of products and service, and management of supply chain environmental impact.

Layer 2: Engagement

At its simplest, Stewardship means taking responsibility for something entrusted into our care. We engage with companies to encourage them to enact the best sustainability practices. This has a number of components:

1. **Aviva Investors Annual Chair Letter** - on an annual basis, Aviva Investors outlines a set of sustainability priorities that we expect companies to take into consideration. These are articulated in our annual letters to company chairs. The core elements of our expectations of our 'People', 'Climate' and 'Earth' Pillars outlined in the Chair letter are accompanied by Aviva Investors' Sustainable Outcomes Programmes. Our key stewardship activities are focused on tackling the cost of living crisis, transitioning to a low carbon economy and reversing nature loss. We are working with companies on these topics.

2. **Sustainable Stewardship Thematic engagement** - we initiate targeted thematic programmes on specific issues to encourage companies the Funds invest in to improve practices where they fall short of our expectations or to push the boundaries of best practice in a specific area. We engage on key themes such as diversity and inclusion and single-use plastics.

3. **Collaborative Initiatives** - we exert our collective influence with other stakeholders and encourage companies to participate in market-leading collaborative initiatives.

We provide examples of our engagement below.

Key engagement areas:

We engage with companies in all sectors – financials, services, retail, industrials, technology. The experience and intellectual capital of our fund managers and their relationships with businesses facilitates the engagement process.

Subject	Engagements by theme in 2023
Sustainability policies and reporting is a minimum requirement for all companies held in the Sustainable Stewardship Funds.	
Climate change	**3,045** including with the banking sector
Environment	**3,507** including with retailers on plastic packaging
Social	**2,175** including with UK supermarket chain Sainsbury's

Data on this page refers to all engagements carried out by Aviva Investors in the 12 months to the end of December 2023.

Layer 3

The third layer of the Sustainable Stewardship process is to demonstrate how the Funds are performing compared to 'non-financial' targets, such as their carbon emissions and the companies in the funds that disclose environmental information to the Carbon Disclosure Project.

Fund/benchmark	**Aviva Investors' ESG score** (Aviva Investors creates an ESG score for each company in the funds. The ESG score allows for comparison purposes. Scores range from 0-10, the higher the number the better.)
Sustainable Stewardship International Equity Fund	6.46
MSCI World Index	5.74
Sustainable Stewardship Bond Fund	6.10
Iboxx non sterling gilts Index	4.63

Fund/benchmark	**Emissions intensity sales** (Emissions intensity is a measure of greenhouse gas emissions (scope 1 & 2) by the companies in the funds. The lower the number the better.)
Sustainable Stewardship International Equity Fund	16.67
MSCI World Index	105.63
Sustainable Stewardship Bond Fund	71.95
Iboxx non sterling gilts Index	68.25

Fund/ benchmark	**Carbon Emissions Scope** (This figure represents a fund's Scope 1 and Scope 2 greenhouse gas emissions. Scope 1 emissions are from sources owned and controlled by the company, typically direct combustion of fuel in a furnace or a factory. Scope 2 emissions are those caused by the generation of electricity purchased by the company. The lower the number the better.)
Sustainable Stewardship International Equity Fund	3.80
MSCI World Index	42.26
Sustainable Stewardship Bond Fund	18.62
Iboxx non sterling gilts Index	35.66

Fund	Total value % of portfolio disclosing environmental information to CDP (Carbon Disclosure Project)
Sustainable Stewardship International Equity Fund	97.3
Sustainable Stewardship Bond Fund	76.9

Fund/benchmark	Fossil fuel reserves
Sustainable Stewardship International Equity Fund	0
Sustainable Stewardship Bond Fund	0

Fund/benchmark	Board diversity % of women on board
Sustainable Stewardship International Equity Fund	36.43
MSCI World Index	34.73
Sustainable Stewardship Bond Fund	39.49
Iboxx non sterling gilts Index	37.64

Fund/benchmark	**Implied Temperature Rise** (°C)
Sustainable Stewardship International Equity Fund	1.14
MSCI World Index	2.04
Sustainable Stewardship Bond Fund	1.62
Iboxx non sterling gilts Index	1.88

Implied Temperature rise is intended to show the temperature alignment of the funds with global temperature goals, such as the global goal of keeping the rise in global temperatures to well below 1.5 degrees celsius.

Source Aviva Investors, end December 2023.

Governance of the Sustainable Stewardship Funds

The Sustainable Investing Function and the Aviva Investors' Investment Oversight Committee provide oversight of the Sustainable Stewardship Funds.

1	The Aviva Investors' **Sustainable Investing Function**, headed by Mirza Baig, runs the ESG screening and assessment research for the Sustainable Stewardship Funds, working closely with the fund managers.
2	The Aviva Investors' **Investment Oversight Committee** conducts a deep dive of environmental, social and governance issues every six months. The Committee also reviews the Sustainable Stewardship Funds, the investment policies and the holdings to ensure they continue to reflect the Sustainable Stewardship philosophy and remain suitable for the Sustainable Stewardship Funds.

The Stewardship Default Strategy

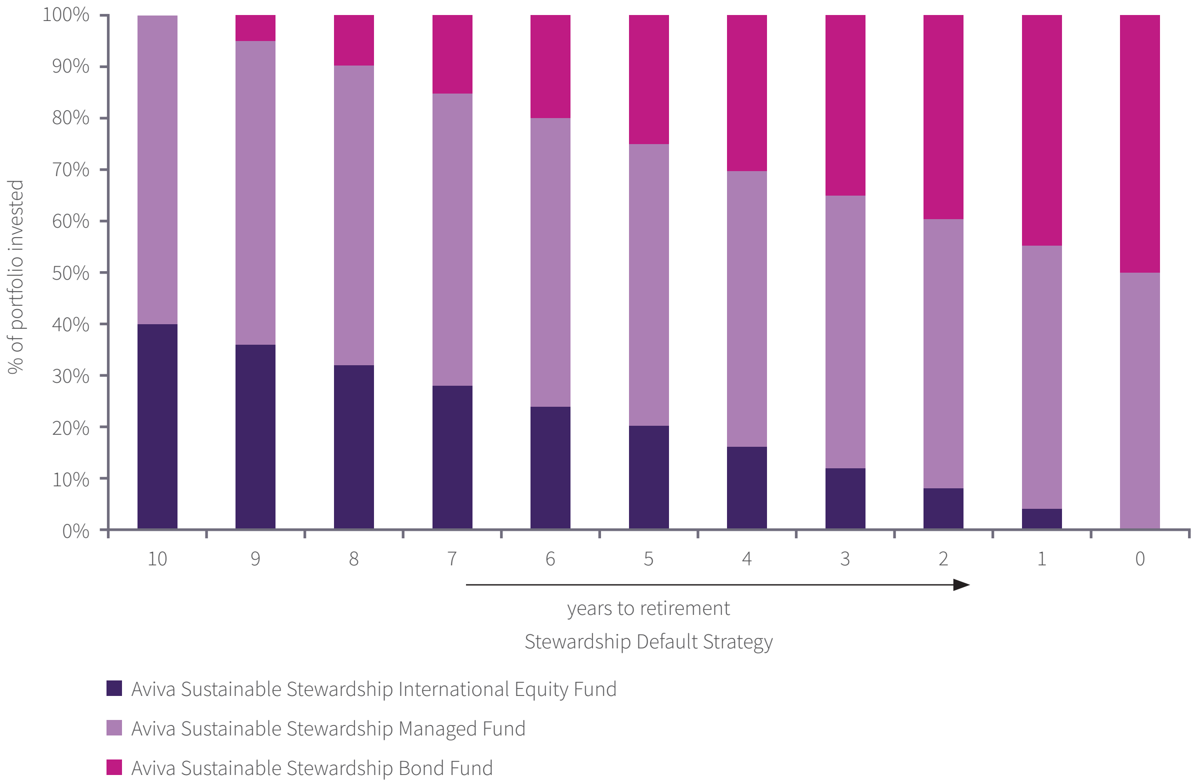
As mentioned on page 3, we launched the Stewardship Default Strategy in July 2019. We explain how this strategy works on this page.

The investment solution gives our customers the opportunity to save for a future for themselves and their families through the Sustainable Stewardship Funds, while actively contributing to a sustainable long-term future for the world around them.

The Default Strategy uses the Sustainable Stewardship International Equity, Sustainable Stewardship Managed and Sustainable Stewardship Bond Funds from when investors join the pension scheme to when members reach their selected retirement date. We show this in the chart below.

Please note that the value of investments can fall as well as rise and is not guaranteed. This means that you could get back less than has been paid into your plan.

Stewardship Default Strategy – taking customers through the journey to retirement



The funds the Stewardship Default strategy is invested in

The table below shows the funds' risk ratings, risk warnings and objective.

Risk ratings are explained further on page 15. More detail about risk warnings can be found on pages 16 and 17.

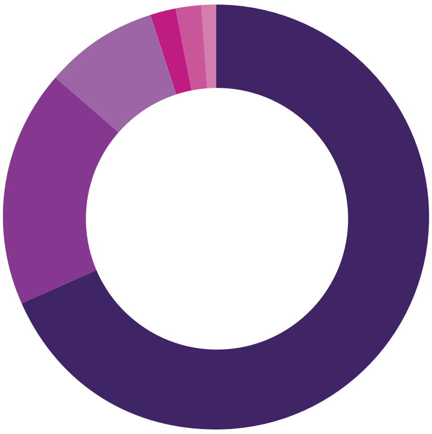
Please refer to the Investment Glossary later in this guide for explanation of investment terms.

Fund	Objective
Sustainable Stewardship Managed Fund ***Risk rating:*** *4* ***Risk warnings:*** *A, B, D, E, F*	The fund aims to provide growth through exposure to a diversified portfolio of ESG screened assets. It will invest primarily in other funds within the Sustainable Stewardship range. It may invest in UK and international equities, bonds, warrants, money market instruments and short-term bonds. Derivatives may be used for investment purposes. All investments will be made with overall alignment to the UN Sustainable Development Goals.
Sustainable Stewardship Bond Fund ***Risk rating:*** *3* ***Risk warnings:*** *A, E, F*	The aim of the fund is to provide a net return in excess of the Markit iBoxx GBP Non-Gilts Index over a rolling 5-year period by investing in bonds issued by global companies that align with the UN Sustainable Development Goals. The fund may invest in derivatives, cash, deposits, units in collective investment schemes, and money market instruments.
Sustainable Stewardship International Equity Fund ***Risk rating:*** *5* ***Risk warnings:*** *A, B, C, D, F*	The aim of the fund is to provide a net return in excess of the MSCI World Index over a rolling 5-year period through investment in shares of global companies that align with the UN Sustainable Development Goals. The fund may invest in derivatives, cash, deposits, units in collective investment schemes, and money market instruments.

Information correct as at date of publication.

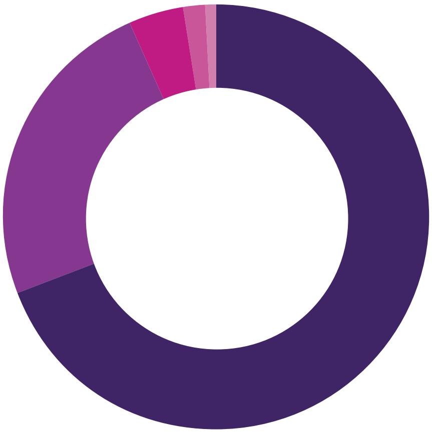
Asset allocation

On this page, we show the asset allocation for the Sustainable Stewardship International Equity, Managed and Bond Funds.



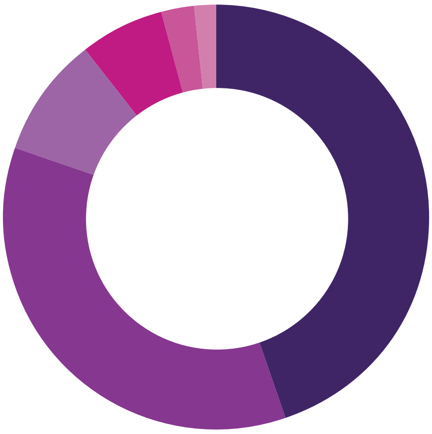
Sustainable Stewardship International Equity Fund

US equities	68.6%
European equities	17.8%
UK equities	8.7%
Real Estate Investment Trusts	2.0%
Cash/Money market	1.8%
Developed Asia equities ex Japan	1.1%



Sustainable Stewardship Managed Fund

Equities	69.3%
Fixed Income	24.4%
Other	4.0%
Cash/Money market	1.7%
Alternative trading strategies	0.7%



Sustainable Stewardship Bond Fund

International bonds	44.9%
UK corporate bonds	35.5%
Other	9.1%
UK government bonds	6.4%
Alternative trading strategies	2.5%
Cash/Money market	1.6%

Data: Aviva Investors as at end May 2024. Please refer to the fund factsheet for the funds' latest asset holdings.
Totals might not add up to 100% exactly due to rounding.

Helping you to understand risk

The Aviva Investment Governance team allocates risk ratings and warnings for all funds included in the Sustainable Stewardship fund range available to you. Please note that not all of the risk warnings listed on pages 16 and 17 apply to each fund and there is no direct relationship between the number of risk warnings and the risk ratings shown below.

Risk ratings

Aviva calculates its risk ratings for these funds using historical performance data, based upon the methods set by European Union rules. We also carry out further research using information from the fund's investment manager(s). We review each fund's risk rating annually and these may change over time. The timing of your investment decisions is very important and you should consult a financial adviser. Past performance is not a guarantee of future performance.

Our risk ratings go from 1 to 7, with 1 being the lowest and 7 the highest. As a point of reference, a fund with a risk rating of 4 (medium volatility) would typically experience the volatility you would expect from a fund invested in a range of different investments (for example shares, property and bonds) without any bias to a particular investment type. Remember that all investment funds carry some element of risk but this varies from fund to fund.

RISK RATING	VOLATILITY	DESCRIPTION
7	**HIGHEST**	Funds typically investing in the highest risk sectors, such as specific themes or shares of companies in emerging markets. These funds offer the highest potential for long-term returns, but also experience the largest day-to-day price movements compared to other funds. They therefore present the highest risk to your investment.
6	**HIGH**	Funds typically investing in high-risk sectors, such as shares of companies in developed overseas markets. These funds offer high potential for long-term returns, but also experience large day-to-day price movements, and so present a high risk to your investment.
5	**MEDIUM TO HIGH**	Funds typically investing in shares of companies in the UK or a mix of other major stock markets. Fund prices may move up and down significantly but offer potential for good returns over the long term.
4	**MEDIUM**	Funds typically investing in a mix of assets with the potential for better long-term returns than lower risk funds. There is a greater risk that the value of your investment could fall.
3	**LOW TO MEDIUM**	Funds typically investing in assets like corporate bonds or a mix of assets where the day-to-day prices go up or down less than shares. There is still a risk that the value of your investment could fall.
2	**LOW**	Funds typically investing in assets like the highest quality corporate bonds, which normally offer better long-term returns than savings accounts. There is still a risk that the value of your investment could fall.
1	**LOWEST**	Funds typically investing in the lower risk sectors - like the money market - which usually aim to provide returns similar to those available from deposit and savings accounts. These funds offer the lowest potential for long-term returns, but also experience the smallest day-to-day price movements compared to other funds. They present the lowest risk to your investment, although there is still a risk it could fall in value.

Please note:

These investment risk ratings are based on our interpretation of investment risk and are only meant as a guide. These levels of investment risk are not guaranteed and may change in the future.

The colours in this table may be different to those used online; however, the ratings and approach to investment risk remain the same.

Risk warning codes

Here's how our risk codes work

There are different risks associated with investing in funds. To help you understand what these are, we assign risk warning codes (letters A to J) to each fund. You'll see these letters at the end of each fund description. Each type of risk is explained clearly below. Please note that there's no direct link between the number of risk codes and the risk ratings.

Risk code	Risk code description
A	**Investment is not guaranteed:** The value of an investment is not guaranteed and can go down as well as up. You could get back less than you have paid in. **Specialist funds:** Some funds invest only in a specific or limited range of sectors and this will be set out in the fund's aim. These funds may carry more risk than funds that can invest across a broader range or a variety of sectors. **Suspend trading:** Fund managers often have the ability, in certain circumstances, to suspend trading in their funds for as long as necessary. When this occurs, we will need to delay the 'cashing in' or switching of units in the relevant fund. You may not be able to access your money during this period **Derivatives:** Derivatives are financial contracts whose value is based on the prices of other assets. Most funds can invest in derivatives for the purpose of managing the fund more efficiently or reducing risk. Some funds also use derivatives to increase potential returns, known as 'speculation'. For those funds we apply an additional risk warning (see Risk F).
B	**Foreign Exchange Risk:** When funds invest in overseas assets the value will go up and down in line with movements in exchange rates as well as the changes in value of the fund's holdings.
C	**Emerging Markets:** Where a fund invests in emerging markets, its value is likely to move up and down by large amounts and more frequently than one that invests in developed markets. These markets may not be as strictly regulated and securities may be harder to buy and sell than those in more developed markets. These markets may also be politically unstable which can result in the fund carrying more risk.
D	**Smaller Companies:** Where a fund invests in the shares of smaller companies, its value is likely to move up and down by large amounts and more frequently than one that invests in larger company shares. The shares can also be more difficult to buy and sell, so smaller companies funds can carry more risk.
E	**Fixed Interest:** Where a fund invests in fixed interest securities, such as company, government, index-linked or convertible bonds, changes in interest rates or inflation can contribute to the value of the investment going up or down. For example, if interest rates rise, the value is likely to fall.
F	**Derivatives:** Derivatives are financial contracts whose value is based on the prices of other assets. The fund invests in derivatives as part of its investment strategy, over and above their use for managing the fund more efficiently. Under certain circumstances, derivatives can result in large movements in the value of the fund and increase the risk profile, compared to a fund that only invests in, for example, equities. The fund may also be exposed to the risk that the company issuing the derivative may not honour their obligations, which could lead to losses.
G	**Cash/Money Market Funds:** These are different to cash deposit accounts and their value can fall. Also, in a low interest rate environment the product or fund charges may be greater than the return, so you could get back less than you have paid in.
H	**Property funds:** The fund invests substantially in property funds, property shares or direct property. You should bear in mind that: • Properties are not always readily saleable and this can lead to times in which clients are unable to 'cash in' or switch part or all of their holding and you may not be able to access your money during this time • Property valuations are made by independent valuers, but are ultimately subjective and a matter of judgement • Property transaction costs are high due to legal costs, valuations and stamp duty, which will affect the fund's returns.

I	**High Yield Bonds:** The fund invests in high yield (non- investment grade) bonds. Non-investment grade bonds carry a higher risk that the issuer may not be able to pay interest or return capital. In addition, economic conditions and interest rate movements will have a greater effect on their price. There may be times when these bonds are not easy to buy and sell. In exceptional circumstances, we may need to delay the 'cashing in' or switching of units in the fund and you may not be able to access your money during this period.
J	**Reinsured Funds:** Where a fund invests in an underlying fund operated by another insurance company through a reinsurance agreement, if the other insurance company were to become insolvent, you could lose some or all of the value of your investment in this fund.

Appendix

A well resourced and integrated Sustainable Investing Function

Corporate ESG Research and Stewardship	Sustainable Investments	Sustainable Finance Centre for Excellence	ESG Real Assets
Company and sector research, engagement and voting	*Thematic and impact research, sustainable product range, sovereign research and engagement*	*Market reform, strategic partnerships with NGOs, training and coordination across Aviva Investors*	*ESG integration and active ownership for real estate, infrastructure and private debt*
Mirza Baig Chief Sustainable Investing Officer	**Sam Tripuraneni** Head of Sustainable Investments	**Steve Waygood** Chief Sustainable Finance Officer	**Ed Dixon** Sustainability Private Markets

Source: Aviva Investors as at 31 December 2023.

Mirza Baig – Chief Sustainable Investing Officer

Mirza leads all aspects of Aviva Investors' ESG activities across liquid markets (company shares, bonds and cash) and is a member of the liquid markets investment management team. His responsibilities includes ESG research, investment integration, active ownership and oversight of the sustainable investment fund franchise, managing a team of 20 ESG specialists.

Mirza serves as the chair of the UK Investment Association's Stewardship Committee.

Experience and qualifications

Mirza joined Aviva Investors in 2016 with over 15 years' experience in responsible investment having previously served as Vice President, Corporate Governance at State Street Global Advisors, and Director of Governance and Sustainable Investment at BMO Asset Management (formerly F&C Asset Management). Mirza also spent a number of years as a responsible investment consultant based in Asia, advising asset managers, private equity funds and rating agencies

Sam Tripuraneni - Head of Sustainable Investments

Sam oversees the firm's Stewardship and Sustainable Outcomes franchises, including our climate transition, social transition and natural capital transition 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, as well as play a key role in the development of new sustainability and impact strategies.

Sam joined Aviva Investors after eight years at BlackRock, most recently as a director in its Sustainable Investing team, where his roles included Head of EMEA Sustainable Product; Lead Product Strategist; Lead for EMEA Institutional Clients. Sam worked closely with investment and client business teams to develop investment solutions to meet environmental, social and financial objectives. Prior to BlackRock Sustainable Investing, he was a relationship manager in the UK Institutional client business, and led the first Sustainable Investing initiative across EMEA institutional clients.

Before joining the financial services industry, Sam served as a 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. Sam holds the IMC.

Fund management team

Trevor Green – fund manager of the Sustainable Stewardship UK Equity Fund and the Sustainable Stewardship UK Equity Income Fund

Trevor has managed UK equities at Aviva Investors since 2011. He joined from Henderson Global Investors, where he was co-manager of the Henderson Managed Distribution Fund. Before that Trevor worked at New Star Asset Management.

Charlotte Meyrick – co-fund manager of the Sustainable Stewardship UK Equity Fund and the Sustainable Stewardship UK Equity Income Fund

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

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.

Francois de Bruin – fund manager of the Sustainable Stewardship International Equity Fund

Francois is a responsible investment officer. He also manages the Sustainable Stewardship International Equity Fund.

Francois started his career at Bridge Fund Managers as an analyst covering multi assets and income producing equities including listed real estate and is a member of the Global Properties Research Index Committee.

Francois holds a BCom in Investment Management and a BCom Hons in Financial Analysis from Stellenbosch University. He is a CFA® charterholder and also holds the Chartered Alternative Investment Analyst (CAIA) designation.

Thomas Chinery – fund manager of the Sustainable Stewardship Bond Fund

Tom co-manages sterling investment grade funds, the Pre-Annuity Tax Transparent Fund (TTF) and the Sustainable Stewardship Bond Fund. Tom is also a Responsible Investment Officer and is leading the efforts to ensure that ESG factors are integrated across the credit process. Before joining Aviva Investors, Tom worked at Mitsubishi Trust Bank managing a credit total-return treasury book.

Appendix
The Sustainable Stewardship Funds

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

Sustainable Stewardship UK Equity Fund	
Fund managers	Trevor Green and Charlotte Meyrick
What does the fund invest in?	Shares of UK-listed companies
When was the fund launched?	May 1984
Benchmark	FTSE All-Share Index
Sector	ABI UK All Companies
Sustainable Stewardship UK Equity Income Fund	
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
When was the fund launched?	September 1999
Benchmark	FTSE All-Share Index
Sector	ABI UK Equity Income
Sustainable Stewardship Bond Fund	
Fund managers	Thomas Chinery
What does the fund invest in?	UK government and corporate bonds
When was the fund launched?	April 2019
Benchmark	iBoxx Sterling Non Gilts Overall
Sector	ABI UK Fixed Interest
Sustainable Stewardship International Equity Fund	
Fund managers	Francois de Bruin
What does the fund invest in?	Shares of overseas companies
When was the fund launched?	September 2010
Benchmark	MSCI World Index
Sector	ABI Global Equities
Sustainable Stewardship Managed Fund	
What does the fund invest in?	The Sustainable Stewardship Managed Fund is a fund of funds. It is made up of 70% in the Stewardship International Equity Fund and 30% in the Stewardship Bond Fund. This is reflected in the Fund's AUM.
When was the fund launched?	September 1999
Composite Benchmark	70% MSCI World Index; 30% iBoxx Sterling Non Gilts Overall
Sector	ABI Mixed Investment 40-85% Shares

Fund launch dates are for the NGP version of fund except for Sustainable Stewardship UK Equity Fund which relates to the life version of the fund. Please see the Appendix for fund manager biographies.
As above, the Sustainable Stewardship Managed Fund comprises the Sustainable Stewardship International Equity Fund (70%) and the Sustainable Stewardship Bond Fund (30%).

Glossary

Actively managed funds
The fund manager chooses which investments to buy and sell, with the aim of achieving higher returns than the fund's benchmark.

Asset allocation
This refers to the composition of a fund and its exposure to different asset classes, including company shares, fixed interest and commodities. Investing in different asset classes can help to provide the benefits of diversification and reduce risk.

Asset class
A collective term to describe different types of investment such as fixed interest investments and company shares.

Assets Under Management (AUM)
Assets Under Management is the total amount of money invested in a fund on the date given.

Carbon Disclosure Project
The Carbon Disclosure Project or CDP is a non for profit organisation committed to helping investors, businesses, public authorities and governments run their environmental projects.

Default solution
A default solution is where your pension's savings are invested on your behalf during your journey to retirement.

Diversification
Diversification refers to investing in more than one type of investment. This approach is taken by investment specialists to prevent investors 'putting all of their eggs in one basket' so to speak and relying solely on the performance of only company shares, property or bonds during their journey to retirement. Investing in both company shares and bonds can help to reduce the risk that investors might be exposed to as the impact of negative performance in one asset type could be reduced by positive performance in the other.

Emerging market
India and Brazil are two good examples of emerging markets. Both countries are experiencing industrialisation and are growing rapidly as a result. Investing in emerging markets can provide higher returns, albeit with a higher level of risk, and therefore greater potential for losses.

ESG
ESG stands for environmental, social and governance criteria. These are the factors which investment managers use to decide how well a business is performing with regard to its impact on the environment, on society, and therefore its role in the communities in which it operates, and also how a company functions in general, in terms of executive pay, diversity and shareholder rights.

Equities (or 'shares')
Shares are sold or issued by companies, in exchange for a small % ownership, to raise money to help them grow and develop. Shares are bought and sold on a stock market, such as the London Stock Exchange, and their value can go up and down, sometimes sharply, depending on the fortunes of the company and stock markets in general.

Fixed interest (or 'bonds')
Loans issued by a government (those issued by the UK government are also known as 'gilts') or a company (also known as 'corporate bonds'). The return is usually in the form of regular interest payments for an agreed period of time.

Fund
Is where an investor's assets are pooled with those of other investors and then invested in shares, fixed interest or property on their behalf by a fund manager.

Funds of funds

A fund of funds invests in several different funds, rather than directly in shares, bonds or other investment types. Funds of funds aim to provide investors with greater diversification, enhanced returns, lowered risk or a combination of all three. This type of fund may invest in actively managed funds, index funds or both. Funds of funds may be designed by Aviva for general use, or designed specifically by an adviser for a specific scheme.

Lifetime strategy

A Lifetime strategy aims to grow your money when retirement is a long way off, then to get it ready for the different ways that you can take it when you retire. They are designed for people who don't want to make an active fund choice.

Liquid Market Asset Classes

This term refers to asset classes, namely cash, company shares and bonds, which can be bought and sold by investors relatively easily in the financial markets.

Money market instruments

The term 'money market instruments' is a mechanism for short-term borrowing and lending between organisations. Money market investments typically include what are described as 'near-cash instruments', including certificates of deposit, floating rate notes and treasury bills. They are not to be confused with bank or building society deposit accounts.

The returns that money market investments can provide will reflect the rate of interest set by the Bank of England and will typically be lower than returns from fixed interest investments, property and shares. While the value of money market instruments will normally fluctuate less than the value of fixed interest investments, property and shares, there is a risk that they won't keep pace with inflation. Also, if the annual management charge of a money market fund is higher than prevailing interest rates or the returns generated, the value of the fund will go down.

Passively managed funds

The fund manager of a passively managed fund or index fund aims to replicate the performance of an index, such as the FTSE (Financial Times Stock Exchange) All-Share Index, rather than outperform it. The way a passive fund is managed won't change, no matter how it performs.

Risk

Risk is how likely investors are to lose money if they invest in a particular asset. However, by investing in riskier assets, you could potentially earn a better return over the long term.

Underlying funds

This is a collective term used to refer to the funds included in a fund of funds.

Volatility

As far as investing is concerned, risk tends to be associated with potentially higher volatility, meaning the higher the risk level, the more likely the value of a fund is to go up and down from day to day.

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