My Future investment programme

A guide

Retirement
Investments
Insurance
Health

Next →

Contents

Welcome to My Future

This guide gives you information about how your money is invested in My Future.

The most important thing about the My Future investment programme (which We'll refer to as My Future throughout, unless stated otherwise) is that once contributions are invested, it is your money, your personal pension savings. We may make changes to My Future to ensure it continues to meet our investment criteria and customer requirements, especially when external factors, such as financial markets, the economy, regulation or legislation, change.

Please remember that the value of your pension savings is not guaranteed and can go down as well as up. You could get back less than is paid in.

About this guide

The information in this guide provides an overview of Aviva's My Future investment programme.

This guide is for information purposes onlay and doesn't constitute a legally binding agreement, contract or representation with Aviva, and is not providing legal or financial advice.

How My Future works

A summary

Your pension works by investing contributions. The aim is for the value of the contributions to grow in value over time, helping you to save for your retirement. But investments can fall in value as well as rise, so it is a good idea to review how they're doing.

You may not have the time or expertise to do this yourself, and this is why My Future is useful. The programme invests your contributions in funds. At the outset, My Future invests in a fund that aims to grow the value of your savings. It will then gradually move into another fund that aims to reduce the risk of your savings falling in value as you approach your planned retirement date. You may choose My Future yourself, or it may be automatically applied when you join your scheme (known as the 'default investment programme'). Either way, each contribution by you, and, or your employer is invested in **My Future**.

How it can help you

Planning your retirement can feel like a full-time job in itself. My Future can help when investing for retirement.

- You won't have to make investment decisions, choose funds or constantly monitor them.
- You know that your contributions are managed by investment professionals in a highly disciplined environment.
- You simply tell Aviva your expected retirement date and the programme will automatically move your funds as you near retirement.

However, please be aware that there is no guarantee that any investment programme will benefit your pension savings when you come to retire and we cannot guarantee it is suitable for your individual needs or appetite for risk.

Important things to remember about My Future

Your retirement date is crucial

My Future works by targeting your planned retirement date. Please tell us if you plan to bring it forward or if you intend to retire later. We can then make important adjustments to your investment programme. If you plan to phase your retirement it's a good idea to tell us the earliest point at which you might want to access your pension savings.

Once you're in, so is your entire pension savings

If you select this investment programme it applies to all of your pension savings, not just part of it. So once you have joined, all of your contributions are invested this way.

It's not for everyone

This programme won't suit everyone. It is designed to mirror the flexibility and greater range of options available for accessing your pension savings at retirement. The programme is not focused on one particular retirement option, such as withdrawing your savings as a lump sum, but instead enables you to choose the option better suited to your needs at retirement.

You should seek independent financial advice to get the full picture. There is no guarantee that any investment programme will benefit your pension savings when you come to retire and we cannot guarantee it is suitable for your individual needs or appetite for risk.

If you have any queries please speak to your financial adviser. If you would like financial advice, but don't have an adviser, please visit **www.unbiased.co.uk** to find details of financial advisers in your area. You may be charged for this advice. Our full contact details are on the back of this guide.

How My Future manages your pension savings

My Future manages your pension savings automatically, whatever stage of life you are at.

Retirement is a long journey and building the financial resources can take decades, so let's think of your pension savings in two stages: growth and consolidation.

Growth

This stage invests in the Aviva Pension My Future Growth Fund.

Think of the Growth stage as the 'engine room' of your pension which means that the focus is very much on growing the value of your pension. For this reason, your contributions are mainly invested in company shares, also known as equities. Your pension will also have some exposure to fixed interest investments, including government bonds, in order to limit the negative impact of falls in company shares on your pension.

Consolidation

This stage begins when you are within 15 years of your planned retirement date and so your savings gradually move into the Aviva Pension My Future Consolidation Fund.

The focus at this point is on reducing the risks which your pension pot might be exposed to, while continuing to provide the opportunity for investment growth. This means that the pension pot has a higher exposure to fixed interest investments with a smaller weighting in company shares.

Where your money is invested

How we diversify your money to help reduce risk

In both the Aviva Pension My Future Growth and Aviva Pension My Future Consolidation funds, your pension savings are invested across a range of different investments, including company shares, government and corporate bonds.

This enables your pension savings to benefit from diversification. Diversification, namely investing in several types of investments, is one way to lower the risk of your pension savings being exposed to the full impact of falls in stock markets. Diversification aims to smooth out the effect of the risks attached to investing solely in companies, such as the departure of a well-regarded chief executive officer or the introduction of tougher regulation.

So even in the Aviva Pension My Future Growth Fund, where your pension savings are primarily invested in company shares, it also invests in other types of investments, such as government bonds, enabling your savings to benefit from diversification, rather than being fully exposed to setbacks in stock markets.

Fund	Where your money is invested
	My Future
Aviva Pension My Future Growth Fund	Primarily company shares but also other types of investments, such as government bonds
Aviva Pension My Future Consolidation Fund	Primarily fixed interest investments, such as government and corporate bonds, but also company shares.

For an explanation of the terms used above please see the **Glossary**.

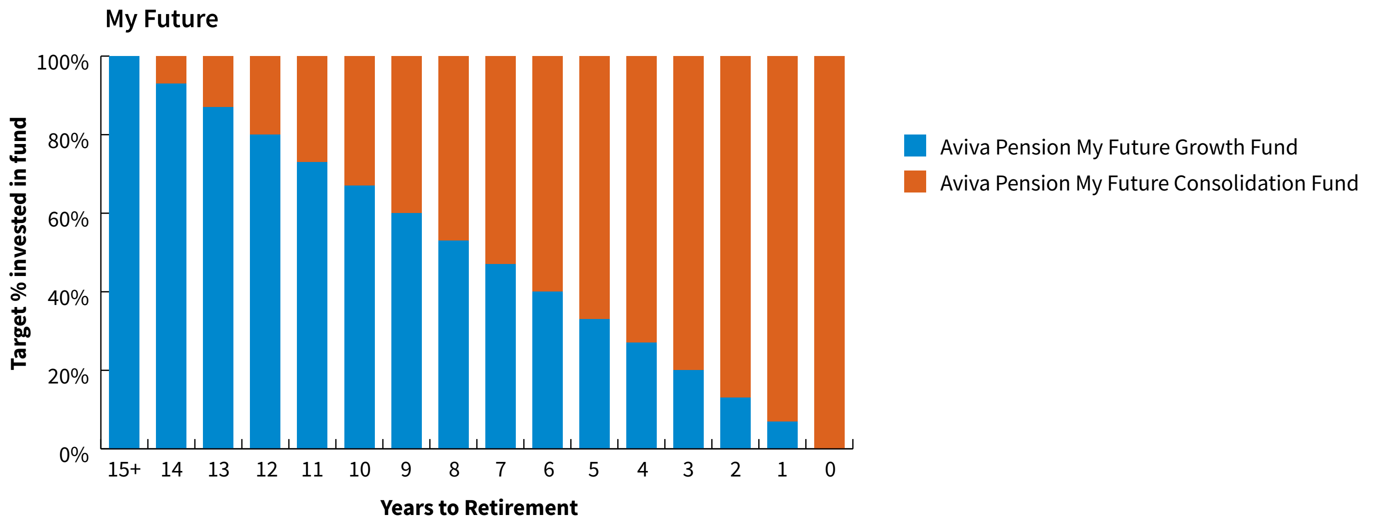
My Future in action

What your pension investments could look like

So far, we have covered basic information on My Future. Below you can see a visual representation of how it works in practice.

Across the bottom of the graph is the timeline, ending at your planned retirement date in the bottom right corner. To the left you can see the percentage of your money allocated to each stage of the journey. How far you are from your retirement date will determine where you join My Future. For example, if you're 10 years from your retirement date, contributions will be invested in both the Aviva Pension My Future Growth Fund and the Aviva Pension My Future Consolidation Fund starting from the '10 years to retirement date' point.

The graph below shows how when you are 15 years away from your planned retirement date, the programme will gradually move your investments in preparation for retirement. These movements take place on a quarterly basis and are at no extra cost.



Glossary of terms

Money market

Money market is a term that includes various types of investments that are used by companies to provide them with short-term funding (or borrowing) to enable them to run their businesses. Money market investments should not be confused with bank or building society deposit accounts.

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

Fixed interest

Also referred to as bonds, fixed interest investments are loans to a government or a company. In return, you receive regular interest payments for a set period of time and your original investment (or loan) back at a specified date. The regular interest payments are calculated as a fixed percentage of the original amount of money borrowed.

The most common forms of fixed interest investments are government bonds (known as gilts in the UK) and corporate bonds (issued by companies). The value of fixed interest investments is influenced by a number of factors, including interest rates, inflation expectations, and the perception of the government or company's ability to make the regular interest payments and repay the original loan.

Fixed interest investments will typically provide lower returns over the long term compared to shares and property, but their value will normally fluctuate less than the value of shares or property. Fixed interest investments have the potential to provide higher returns than money market investments, but their value will normally fluctuate more than the value of a money market investment.

Shares

Also known as equities, shares are often issued by companies 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.

Shares have the potential over the long term to provide higher returns than money market and fixed interest investments, and property. However, these returns will normally fluctuate more and there is also a greater risk that they will fall in value.

Need some help?

How to contact us

Call – Open Monday to Friday 8.00am to 6.00pm policies starting with;

400 – Call 0345 603 3419

100 – Call 0345 300 3172

Please note we may record calls to improve our service. Calls may be charged and these charges may vary, please speak to your network provider.

Write to
Aviva, PO BOX 582,
Bristol, BS34 9FX

For more information on pension changes visit: **www.aviva.co.uk**

Need financial advice?

If you would like advice with your pension planning, please speak to a financial adviser. You may be charged for this advice. If you don't have a financial adviser you can find one at **www.unbiased.co.uk**.

GOV.UK provides impartial UK government information on pensions for people over 50 or for those coming up to retirement, visit **www.pensionswise.gov.uk**.

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