

Your Guide to Fund Factsheets



This guide is designed to help you understand all the information contained in our fund factsheets.

If you're still unsure, please contact your financial adviser. If you don't have an adviser visit www.unbiased.co.uk to find a financial adviser in your local area. An adviser may charge for their services.

Fund aim

This is a brief statement to explain what the fund aims to do and the goals it sets out to achieve.

Fund facts

Fund manager – The fund manager decides when and where to invest the money in the fund. Their decisions are governed by the stated fund aim.

Fund size – The total value of the assets managed within the fund.

On our With-Profit factsheets we quote fund size figures based on all the With-Profit funds managed by Aviva in the UK.

Launch date – The date that the fund was opened for new business by Aviva or the underlying fund manager.

ISIN Code – A unique identifier given to funds by the London Stock Exchange.

Sector – Funds are grouped into sectors, so that funds with similar characteristics are classed together. This makes it easier to make a fair comparison of funds.

Benchmark – The performance of a fund is often measured against a standard, which is called the benchmark. The benchmark can, for example, be an index, a combination of indexes, a hypothetical fund, or the aggregate results of similar funds.

External fund – an Aviva fund that invests in another fund. The other fund may be managed by a different company in the Aviva group (for example Aviva Investors) or by another fund management company. The external fund's performance will not necessarily match the performance of the underlying fund.

The investment performance of the Aviva version of a fund will be different from that you would see if you invested in the underlying fund directly. There can be several differences including charges, cash management, tax and timing of investment.

WP Sub Fund – We have a small number of With-Profit sub funds which will each have different holdings. The sub fund you are invested in will be determined by which product you made your initial investment into, the company who sold the product and when the investment was made.

Risk rating

We give each of our funds a risk rating, ranging from 1 (lowest volatility) to 7 (highest volatility). These ratings reflect the potential for a fund to go up and down in value over time. We calculate our risk ratings using historical performance data and information from each fund's investment manager(s). We review our risk ratings each year, so they may change over time.

Past performance is not a guarantee of future performance. Risk and return are linked. This means funds with a rating of 1 are less likely to lose money, but your money might not grow very much. Funds with a rating of 7 have a much higher risk of losing money, but the potential for your money to grow over the long term is higher.

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. Risk tends to be associated with potentially higher volatility. The higher the risk levels, the more likely the value of a fund may go up and down from day to day.

Risk warnings

There are risks associated with investing in funds, or types of funds. To help you understand these risks, we assign risk warnings to each fund. We explain all of these warnings on the fund factsheets. Please note that not all warnings apply to each fund and there is no direct relationship between the number of fund risk warnings and the investment risk rating for each fund.

Ratings

There are several independent companies who monitor funds, provide ratings and give awards to top performing funds.

Our With-Profit factsheets show various company-wide financial strength ratings which are closely linked to the strength of our With-Profit funds.

Percentage growth

The chart displays the percentage investment returns or losses achieved by the fund over a five year period (or since the launch of the fund if that is less than 5 years) compared with its sector and benchmark, where appropriate.

Discrete annual performance to last quarter

This displays the performance of the fund in percentage terms over the last five years, with this performance split into five separate one year periods. If the fund was launched less than a year ago, we are unable to show past performance.

Cumulative performance to last month end

The table shows the performance of the fund in percentage terms over the last year, 3 years, 5 years and 10 years.

Sector average: funds with similar investment strategies and investment types are grouped together to give an average performance figure.

The quartile rank of the fund is sometimes displayed with these figures. This is a measure of how well a fund has performed against all other funds within its sector. Quartile rankings are compiled by sorting the funds by performance over a specified time period. Funds in the top 25% are assigned a quartile ranking of 1, the next 25% are assigned a ranking of 2, the next 25% are given a 3 and the bottom 25% are assigned a ranking of 4.

Asset allocation

Each fund invests in different types of assets, such as equities (shares), bonds, property and cash/money market. This chart shows the types of asset the fund invests in and the percentage/proportion currently invested in each one. The figures are rounded to the nearest decimal place so the total may not always exactly equal 100%.

A temporary negative cash percentage can occur for various reasons, such as the management of daily flows in and out of the fund and fund holding transactions. A negative value can also be the result of the fund manager using 'gearing' which is a process whereby the fund borrows money usually to invest in financial instruments called derivatives with the objective of increasing the potential return of an investment. It is possible that the fund may suffer sudden and large falls in value compared to a fund which has no geared investment.

Equities – UK and International

Equities are shares in companies listed on stock exchanges around the world. As shares can rise and fall in value very easily, equities are riskier than most other investments. However, they usually offer the greatest chance of higher returns over the long term.

Corporate bonds – UK and International

Corporate bonds are issued by UK and international companies as a way for them to borrow money. The company pays interest on the loan and promises to repay the debt at a certain point in time.

They are seen as riskier investments than UK gilts, which are loans to the UK government. This is because companies are more likely to fail to repay the loan than the UK government. However, they often offer a higher rate of return to balance out this higher risk. The highest risk bonds tend to offer the highest potential returns; these are known as high yield bonds.

International (global) bonds are issued by companies and governments from around the world.

Interest rate movements have an impact on corporate bond and fund unit prices. So for example, as interest rates rise, bond prices fall. This would affect the value of your investment.

If you need to access your money quickly it is possible that, in extreme market conditions, it could be hard to sell holdings in corporate bond funds. This means there could be a delay in receiving your money.

UK gilts

UK gilts are bonds issued by the UK government as a way for them to borrow money, usually for a fixed term. The government pays interest on the loan. As they are issued by the UK government, they are generally seen as lower risk investments than bonds issued by companies (corporate bonds).

Property

This usually refers to commercial property, such as shopping centres and business offices. Property funds may also invest in indirect property investments, including quoted property trusts and unregulated collective investment schemes.

Cash/Money market

Cash means a range of short-term deposits – similar to a bank/building society account.

Cash alternatives are money market securities, which are interest-generating investments, issued by governments, banks and other major institutions.

Alternative Trading Strategies

Non-traditional assets with independent risks used to enhance expected return and add diversity eg derivatives, commodities, absolute return, hedge funds and private equity.

Investment Trusts

Listed public companies which hold and manage a portfolio of investments. The price of their shares is dependent on supply and demand and not necessarily related to the value of the company's assets.

REITs

Real Estate Investment Trusts (REITs) are companies that own and manage property on behalf of shareholders. They can contain commercial and residential property.

Other

This category represents all other assets that the fund invests in. It may include holdings where there is no accessible data or where the holdings are newly registered and the data is not available yet.

Managed funds

Holdings in other funds where no further breakdown of assets is available to include in the chart.

Fund Breakdown

These provide information about the holdings of certain specialist funds. These funds typically have significant investments in derivatives as well as other assets. The information shown can include:

Long (exposure) – refers to "long positions" which are investments held to produce growth from their positive returns.

Short – refers to "short positions" which are investments designed to provide growth when a separate investment falls in value.

Pairs – where long and short positions are held in two different stocks at the same time to take advantage of differences in their relative performance.

Net – shows the percentage of long positions minus the percentage of short positions.

Gross – combines the value of both long and short positions.

Strategies – investments selected to achieve specific strategies.

Top 10 holdings

This lists the ten largest assets, by value that the fund holds. Where percentages are shown these show how much of the total fund is invested in that asset.

Top 10 funds

If the fund holds investments in other funds then this lists the largest ten of these holdings. The percentages show how much of the total fund is invested in these funds.

Sector breakdown

If the fund holds equities (shares) then this chart shows the type of companies in which the fund invests.

Property sector

This identifies how much of a fund's investments are made up of different types of property, for example office, industrial or retail.

Geographical or Country allocation

This shows in which countries or regions the fund invests.

Credit quality

Independent ratings agencies assign different grades to bonds depending on the bond issuers' ability to pay interest on time. We use an aggregate of the ratings from Standard & Poor's, Moody's and Fitch. The most secure bonds are rated AAA and those at the lowest end are rated D. For further information about ratings please see www.standardandpoors.com, www.moody's.com and www.fitchratings.com.

Credit maturity

This shows the time remaining to maturity of the bonds held by the fund. Generally the longer the duration of a holding, the greater the price sensitivity to any changes in interest rates.

Duration of holdings

This shows the time remaining to maturity of cash and cash equivalent assets held by the fund. Where an asset has no fixed term this is included in the 0-1 Days figure.

Market capitalisation

If the fund holds equities (shares) then this diagram shows the size of the companies in which the fund invests.

External fund risk

It's important to understand that when you invest in an external fund, you won't benefit from the same level of Financial Services Compensation Scheme (FSCS) protection as when you invest in Aviva's internal funds. The FSCS provides protection to consumers in certain cases where any authorised financial services firm is not able to meet claims made against it. We show you whether a fund is internal or external in the fund facts section on the fund factsheet.

Internal funds

These are unit-linked funds where Aviva Life & Pensions UK Limited is responsible for the investment decisions.

The Aviva Life Property Fund is an example of an internal fund. So, if you invest in the Aviva Property Fund, it's likely you'll qualify to make a claim for FSCS compensation if Aviva Life & Pensions UK Limited was unable to meet its obligations.

Any compensation you may get under the FSCS will be subject to certain limits. The cover is normally 100% of the value of the claim with no upper limit. For further information, see fscs.org.uk or telephone 0800 678 1100 or 020 7741 4100.

External funds

The underlying investments in external funds are not controlled by Aviva Life & Pensions UK Limited. They may be managed by a different company in the Aviva group (for example Aviva Investors) or by another fund management company. We offer them to give you a wider choice of investment options.

Being invested in an external fund means you won't qualify for compensation under the FSCS should the external fund manager become insolvent or unable to meet its claims.

Important information regarding mirror funds

For each fund managed by external investment managers Aviva Life & Pensions UK/Aviva Life & Pensions Ireland has set up its own mirror fund, which invests exclusively in the underlying fund, apart from a proportionately small amount, which may be held as a cash balance. This means that the price of the Aviva Life & Pensions UK/Aviva Life & Pensions Ireland fund will be different from the corresponding fund due to the cash holding and any differences in fund charges, but will move mainly in line with it. These mirror funds can only be accessed using Aviva Life & Pensions UK/Aviva Life & Pensions Ireland product wrappers. Please note that there are fees charged to investments in the mirror funds that will affect their return. For further details, please refer to the relevant product information brochure.

You should always consider the type of fund you are invested in and the associated risks.

Please call us on 0800 285 1088 or speak to your financial adviser if you:

- don't know or feel that you don't understand the type of funds you are invested in or
- would like more information.

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