

Our ref:

Dear Trustee

Changes to BlackRock Aquila funds

During 2018 we will be making changes in our use of BlackRock's Aquila funds on My Money.

Your members currently invest in one or more Aviva platform funds, which in turn invest in BlackRock Aquila funds. For example, 'Aviva Pension MyM BlackRock UK Equity Index (Aquila C)' Fund invests in the 'BlackRock Aquila Connect UK Equity Fund'.

We have been working with BlackRock to change the structure of some of our My Money funds which invest in BlackRock Aquila funds. The holdings of these funds will change from investing in BlackRock Aquila Connect funds to investing in equivalent "tax transparent funds" (TTFs) of an Authorised Contractual Scheme (ACS), administered by Aviva Investors. The new TTFs are also managed by BlackRock.

We will pay the costs of moving to the new structure. The move of investments out of the Aquila Connect funds will mean that the names of the Aviva funds will need to change. This letter gives you advance notice of these changes.

No action is required as a result of this change, but you may wish to inform your members about it and a letter template to help you can be found on our website at www.avivamicrosite.co.uk/fundchanges

Find out more

For further information please see our questions and answers on the next page or visit our website www.avivamicrosite.co.uk/fundchanges for more detail.

Alternatively, your usual Aviva contact will be able to help you.

Yours faithfully



Colin Williams

Managing Director of Workplace Benefits

Any questions?

You can contact us on

Tel:

We may record or monitor your call

Visit our website at

www.avivamicrosite.co.uk/fundchanges

Enclosed

- 'Your questions answered'

Scheme ref.

Your questions answered

How will I know which of the funds are affected?

A list of the affected funds, showing their new names, can be found on our webpages at www.avivamicrosite.co.uk/fundchanges

When will these changes take place?

We intend to start to move the assets of our platform funds from the Aquila Connect funds into the alternative funds in March 2018.

For more information on which funds are moving to the new structure and their new names, please visit the website or speak to your usual Aviva contact.

Who is paying for this?

Aviva will be paying all costs associated with these changes and your members will not be charged.

What is the current structure?

For some financial products Aviva uses funds which are managed by external fund managers, such as BlackRock. In making these funds available we create a unit-linked fund. These funds are Aviva funds that invest, or hold units, in a BlackRock fund. For example, 'Aviva Pension MyM BlackRock UK Equity Index (Aquila C)' Fund invests in the 'BlackRock Aquila Connect UK Equity Fund'.

Why is it changing?

Like many financial institutions, over recent years we have been reviewing the way we operate with an emphasis on reducing our financial risk exposure. The Aquila Connect funds are structured such that BlackRock owns the funds' assets on behalf of investors. We are providing a new fund structure on the My Money platform, where the assets are owned by the funds themselves. This reduces the risk to our company and to clients/customers.

What is the new structure?

It is an authorised contractual scheme (ACS), administered by Aviva Investors and with the assets managed by BlackRock. This investment vehicle is similar to an OEIC in structure. This will mean that:

- The investments held by the Aviva unit-linked fund in the BlackRock Aquila funds will be moved out of the BlackRock structure and into a series of tax transparent funds (TTFs) within the ACS structure. As a result, our unit-linked funds will now invest primarily in these funds.
- The names of our unit-linked funds will change, where appropriate, to reflect this change in structure.
- There will be no change to the funds' objectives, risk profiles or annual management charges.
- As with funds structured as an OEIC, the underlying investments within the funds will be held by a custodian on behalf of the unit-linked fund. The custodian will be HSBC Bank Plc.

Tax Transparent Funds (TTFs) – What are they?

- TTFs are funds of an ACS and operate in a very similar manner to the funds within an OEIC umbrella.
- Unlike OEIC funds, their tax status is comparable to that of a life fund.
- TTFs allow for bigger pools of assets for management. Larger funds in turn allow for more efficient fund management, which benefits investors.

For further detail please visit our website www.avivamicrosite.co.uk/fundchanges