

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 [unbiased.co.uk](https://www.unbiased.co.uk) to find one 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.

SEDOL – the Stock Exchange Daily Official List. This is a unique identifier for the fund.

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 such as the FTSE All-Share Index, a combination of indexes, a hypothetical fund, or the fund's peer group, and so the performance of similar funds.

External fund holdings – an Aviva fund that has underlying holdings in other funds which are managed by a different company. The other funds may be managed by a different company in the Aviva group (for example Aviva Investors) or by another fund management company.

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

Please see page 3 for further details about external fund holdings.

With Profits Sub Fund – We have a small number of With-Profit sub funds which will each have different holdings. The sub fund you're 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.

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're 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.

Benchmark: performance of the benchmark in percentage terms.

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 (Shares)

Equities are company shares. They represent part-ownership in a company. Companies issue shares on stock exchanges such as the London Stock Exchange, and the shares are then bought and sold on stock markets. Their value can go up or down.

While there is more potential for gains with shares than some types of investment, there is also greater risk that they will fall in value.

Fixed interest

Government bonds and corporate bonds are examples of fixed interest assets. In the UK, government bonds are also called gilts.

Government bonds are loans issued by governments to pay for things such as public services. They're a way for them to borrow money, usually for a fixed term. Governments then pay interest on the loans.

International and UK Corporate bonds are loans issued by companies to pay for their operations or to grow the business among other things.

UK gilts issued by the UK Government are generally seen as lower risk investments than bonds issued by companies (corporate bonds).

Bonds pay the holder of the bond a regular income, and then the full value of the bond is paid when the bond comes to the end of its lifetime. Bonds carry interest rate risk -

changes in interest rates or inflation can contribute to the value of the bond going up or down. For example, if interest rates rise, the bond's value is likely to fall.

There's also the risk of the bond issuer becoming unable to pay back the money it has borrowed.

Property

This usually refers to commercial property. Shops, offices and warehouses are examples of commercial property.

There are two components to an investment in commercial property – the value of the property itself and the rental income received from tenants of the property.

Commercial property can be subject to heavy falls and sharp increases in value. **Property isn't always easy to sell because it can take time for the purchase or the sale to be completed, and as a result, to access the money from the property.** Property funds may also invest in indirect property investments, including quoted property trusts and unregulated collective investment schemes.

Cash/Money market investments

Money market investments are also known as cash investments. They are **short-term deposits of cash amounts**, usually held with a financial company for less than 12 months. **Please note they are not deposit accounts with banks or building societies.**

Although these investments are less risky than other asset classes, they can sometimes fall in value, for example if an organisation is unable to pay back money it has borrowed. Their value can also be gradually affected over time by inflation and the effect of charges.

Alternative Trading Strategies

This refers to investment in non-traditional assets, such as commodities (raw materials), derivatives (financial instruments to help manage risk) and private equity (investment in companies not traded on a stock market). Alternative trading strategies can help to enhance returns and provide diversification.

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 standardandpoors.com, moody.com and 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 holdings

All of our unit-linked funds are offered by Aviva Life & Pensions UK Limited or Aviva Life & Pensions Ireland Limited, but many of our funds have underlying holdings in other funds which are managed by a different company. We refer to these holdings as 'External fund holdings'. These holdings may be managed by a different company in the Aviva group (for example Aviva Investors UK Fund Services Limited) or by another fund management company.

In the UK the Financial Services Compensation Scheme (FSCS) provides customers with some protection in certain cases where an authorised financial services firm is not able to meet claims made against it. If Aviva Life & Pensions UK Limited was unable to meet its obligations then it is likely you'd qualify to make a claim for FSCS compensation for any unit-linked fund that you were invested in. Any compensation you may get under the FSCS would 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**.

Please note the Financial Services Compensation Scheme doesn't cover funds provided by Aviva Life & Pensions Ireland Limited.

If the manager of an external fund holding becomes insolvent or unable to meet its claims then it's likely that you won't qualify for compensation under the FSCS. However, all of these external managers are required to appoint an independent custodian and depositary. One key role of the custodian and depositary is the safekeeping of the assets of the fund so that they are kept separately from the fund manager to protect customer investments should the fund manager become insolvent.

Internal funds

Funds that state 'No' to 'External fund holdings' are unit-linked funds for which 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 is 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](https://www.fscs.org.uk) or telephone **0800 678 1100** or **020 7741 4100**.

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.

Calls to Aviva may be recorded.

Need this in a different format?

Please get in touch if you'd prefer this document **GN20431** in large font, braille, or as audio.

How to contact us

 **0800 285 1088**

 **contactus@aviva.com**

 **aviva.co.uk**

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Aviva Life & Pensions UK Limited.

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