

UK PROPERTY AND HIGH YIELD CPD WEBINARS

Outlook for UK and European Commercial Property CPD webinar 20 February @ 10am

Join Fund Managers Andrew Hook and Philip Nell discuss the outlook for the markets

- *When: 20 February @ 10am*
- *Register: [Click here](#)*
- *CPD: 1 hours CPD will apply for this event. Both telephone and online participants can avail of CPD provided they register for this event beforehand, remain online for the duration of the event and participate individually.*
- *Dial in details:*
 - *Ireland toll free: 1 800 930 488*
 - *Standard International access: +442030032666*
 - *Passcode: 28010*



Improving our High Yield Equity Fund CPD Webinar 25 March @ 10am

Join David Lis, Head of Equities @ Aviva Investors discuss his plans for the fund

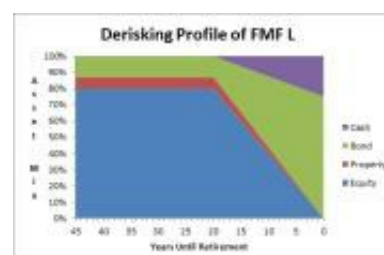
- *[Register here.](#)*
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- *Dial in details: will be confirmed at a later date*



IMPORTANT UPDATES ON OUR FUNDS

Important update on our Focused Managed Funds

We regularly review the operation of our Focused Managed Funds and following the latest review, we wished to provide a summary of the current approach to the “de-risking” process i.e. the process by which the asset allocations of the funds alters as the maturity date range approaches.



As you are aware, our Focused Managed Funds are funds which invest across a wide range of global equities, global government bonds, commercial property and cash deposits. The asset mix of these funds will alter according to the fund's years to maturity (and the views of the Fund Managers) i.e. funds with longer to maturity, will be mainly invested in higher risk assets (equities) than

funds with only a few years to retirement. These will be invested in typically less volatile assets (bonds and cash).

We regularly review the operation of these funds and following the latest review, we wished to provide a summary of the current approach to the “de-risking” process i.e. the process by which the asset allocations of the funds alters as the maturity date range approaches.

Currently there are 10 Focused Managed Funds available (series C to L). Each fund should contain policyholders that retire in 5 year bands according to the table below:

Fund	Retirement Dates
A	2000 - 2005
B	2006 - 2010
C	2011 - 2015
D	2016 - 2020
E	2021 - 2025
F	2026 - 2030
G	2031 - 2035
H	2036 - 2040
I	2041 - 2045
J	2046 - 2050
K	2051 - 2055
L	2056 - 2061

The key points of the operating principles for the derisking of these funds are:

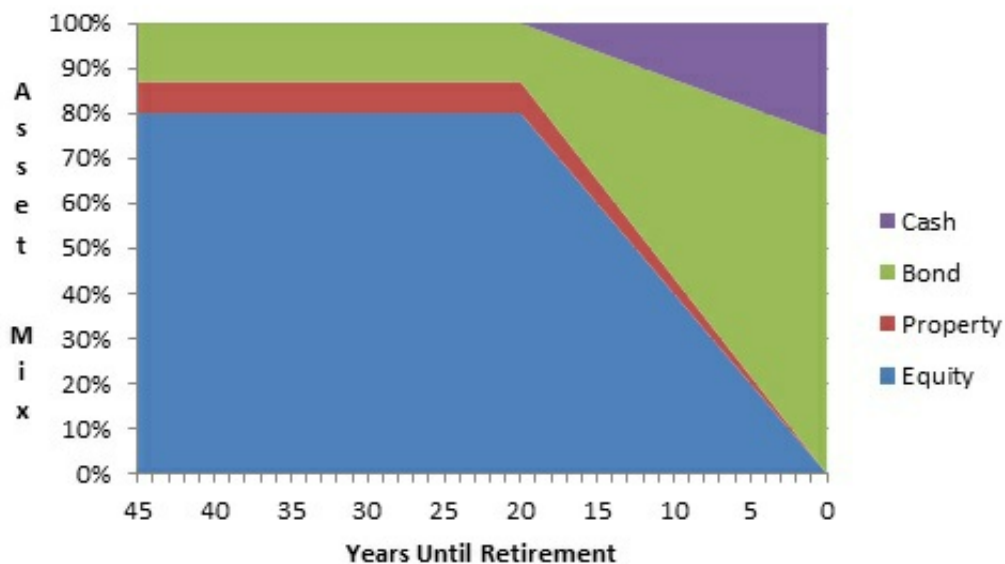
- For the longest dated funds, the central target allocations will be
 - Equities – 80%
 - Property – 7%
 - Bonds – 13%
 - Cash – 0%
 - The min and max allocations will be an addition/subtraction of $\pm 10\%$ to or from the central allocations (subject to a minimum allocation of 0%).
 - Derisking begins 20 years from the middle year of the particular tranches’ range of retirement dates.
 - There will be a smooth progression of derisking over those 20 years such that at the retirement date the central/target allocations will be:
 - Equities – 0%
 - Property – 0%
 - Bonds – 75%
 - Cash – 25%

The central target allocations (following the 2013 review) for each asset class for the retirement dates are shown in the table below.

Retirement Dates	Equity	Property	Bond	Cash
2056 - 2060	80%	7%	13%	0%
2051 - 2055	80%	7%	13%	0%
2046 - 2050	80%	7%	13%	0%
2041 - 2045	80%	7%	13%	0%
2036 - 2040	80%	7%	13%	0%
2031 - 2035	80%	7%	13%	0%
2026 - 2030	60%	5%	29%	6%
2021 - 2025	40%	4%	44%	13%
2016 - 2020	20%	2%	60%	19%
2011 - 2015	0%	0%	75%	25%

To further illustrate the de-risking approach, the de-risking schedule (following the 2013 review) for Focused Managed Fund L is shown in the graph below;

Derisking Profile of FMF L



Source: Aviva February 2014

It is important to note that as stated above, we regularly review the operation of these funds and may revise the process as required. We will keep you informed if the process is changed in the future.

David Lis, Head of Equities @ Aviva Investors appointed to manage the high yield equity fund

- Our flagship equity fund, the Aviva Irl High Yield Equity Fund, has a new Fund Manager, David Lis. David is the Head of Equities at Aviva Investors and has a strong track record of managing equity income funds.
- There is no change to the investment philosophy and process of the fund. This strong investment process has steered the fund successfully through multiple rising and falling markets.
- David will be supported by the:
 - wider equity income team, who will input their best ideas from their region. This team have a strong track record of performance across their different regions.
 - a specific portfolio constructor with a key role of risk management oversight, to ensure the successful integration of these ideas into the funds.
- Overall, we're confident that David's appointment and the support of the wider equity income team will enhance the appeal of the Aviva Irl High Yield Equity Fund and increase the assets under management in the fund over the long term.



Learn more about David, the team, the process, the performance: [Register here](#) for a webinar with David Lis on 25 March @ 10am.

David Lis, Head of Equities appointed as Fund Manager of the High Yield Equity Fund

Following the Strategic Review undertaken by Aviva Investors at the end of last year, Kirill Pyshkin, who was the fund manager for the Aviva Irl High Yield Equity Fund, has left the company. Aviva Investors remains committed to Equities and the Aviva Irl High Yield Equity Fund will form an integral part of delivering our strategy of income and low volatility going forward. The investment structure for the Aviva Irl High Yield Equity proposition has been enhanced and will now consist of a Lead Fund Manager, David Lis who is Head of Equities at Aviva Investors, supported by a team of 5 experienced specialist regional fund managers.

No change to the philosophy or process of the fund

There will be no change to the investment philosophy that has underpinned the success of the Aviva Irl High Yield Equity Fund - targeting high yielding, high quality companies with growing and sustainable dividends remains at the core of the strategy. The investment process remains unchanged and continues to feature robust screening of stocks, together with rigorous fundamental analysis to construct the portfolios.

Best ideas from other equity income fund managers

The Equities Team at Aviva Investors has a wealth of experience managing funds across all regions; in total over eur40bn (£33bn) of assets are run by this team, split across active and passive strategies. Each of the fund managers have a successful long term track record in their respective regions. Investing in companies with high conviction, as well as a long-term investment horizon (3-5 years) is central to how this team manage money and how the Aviva Irl High Yield Equity Fund will continue to be run.

Aviva Investors firmly believes this team-based approach is a compelling investment proposition for brokers and their clients, and one that will further differentiate us from many competitors in the market. The approach enables Aviva Life & Pensions broker network to benefit from the best stock ideas delivered by an array of

experienced regional fund managers. As part of the fund management process:

- The lead fund manager, David Lis, will have oversight of the whole process.
- The fund management team will meet for a weekly portfolio construction review to provide their input.
- The Aviva Investors MAF Team will provide weekly Strategic and Tactical Asset Allocation inputs.
- In addition we have appointed a portfolio constructor, with a key role of risk management oversight, to ensure the successful integration of these ideas into the funds.
- Additional resources include equity analyst support and a dedicated research team, as before.
- Increased corporate access is also a key additional benefit of utilising this team based approach.

Improvements will widen the funds appeal

Aviva Investors recognises the Aviva Irl High Yield Equity Fund as a flagship fund for Aviva Life & Pensions Ireland, with a proven track record. By providing the expertise of the Equities team to enhance the investment proposition we hope to increase the asset base of these funds in the longer term.

Widespread Broker Communications planned

As part of the communication of this new approach, we will be arranging presentations to Aviva Life & Pensions broker network in Ireland shortly (attended by David Lis and Richard Saldanha) to introduce the team. We also aim to have regular webinars (on a quarterly basis) to update brokers on the fund and present the latest views and outlook from the team.

Compelling investment proposition

To summarise, Aviva Investors believe this is an enhanced and compelling investment proposition for brokers and their clients and we are committed to maintaining this as a flagship fund for Aviva Life & Pensions Ireland.

Learn more

[Register here](#) for the first webinar with David Lis, where he'll talk about the fund investment philosophy and process, his impressive credentials in equity income, the team's credentials and the fund's strong track record of performance.

Investors rush to property and safe havens in January

- Markets were volatile in January. These market jitters stemmed from emerging markets
- Central bank policy, particularly in the US, Japan and Europe continues to dictate interest rates will stay low
- Equities and mixed asset funds suffered in January on the back of market volatility
- As you can see from the [scorecard](#), bond, gold, absolute return and property funds generated strong returns in January

Our High Yield Equity Fund outperforms key competitors

Fund performance vs.competitors from the launch date of the competitor fund

	Aviva Irl High Yield Equity Fund	Competitor Fund
Canada Life*	+138.7%	+125.2%
Zurich Life Dividend Growth**	+71.2%	+58.6%
Davy High Yield Equity***	+116.8%	+93.8%
Irish Life Davy High Yield Fund****	+37.9%	+14.2%

* Performance from the date the Canada Life fund first priced on Moneymate 04/03/2003 to 10/02/2014. Performance quoted net of annual fund management charge reflected in the funds unit price.

** Performance from the date the Zurich fund first priced on Moneymate 01/07/2005 – 10/02/2014. For fairness of comparison, the funds are compared gross of AMC (that is before the deductions of charges and tax).

*** Performance from the date Davy Fund first priced on Moneymate 15/10/2002 – 10/02/2014. Performance quoted net of annual fund management charge reflected in the funds unit price.

**** Performance from the date the Irish Life Fund first priced on Moneymate 29/07/2006 – 10/02/2014. Performance quoted net of annual fund management charge reflected in the funds unit price.

Source: Moneymate 11 February 2014. Based on performance to the 10 February 2014.

"The information outlined in this email is the opinion of the author and is not intended for use when reviewing the appropriateness of a particular investment or pension products to an individual's financial needs and circumstances."

Warning: These funds may be affected by changes in currency exchange rates.

Warning: Past performance is not a reliable guide to future performance.

Warning: The value of your investment may go down as well as up. Subtitle Text

Warning: If you invest in these funds you may lose some or all the money you invest.

Warning: A deferral period may apply to withdrawals and/or switches from certain funds. Please refer to your product documentation for further details.

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