We focus on your pension, so you don’t have to
You’re safe in the hands of Aviva
Introducing My Future

Your pension works by investing your contributions in a fund or funds. The aim of these funds is to grow in value over time, helping you to save for 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 the expertise to do this by yourself, and this is where My Future may be a good choice for you.

At the outset, My Future invests in My Future Growth, a globally diversified, target-risk, multi-asset fund that aims to grow the value of your pension savings. It will then gradually and automatically move into My Future Consolidation and other lower-risk, lower-return funds the closer you get to retirement. You won’t have to make investment decisions or choose funds. Your money will be managed by Aviva’s in-house investment experts who follow a disciplined investment approach. You simply tell us your retirement date and how you’d like to take your pension at retirement and every month during the 20 years before your selected retirement date, we will gradually and automatically reduce the risk and return profile of your retirement savings including all new contributions made in that period.

My Future invests in index funds managed by an index fund manager or a selection of index fund managers, for example BlackRock and State Street Global Advisors who are both currently responsible for a number of the underlying Index funds in which My Future invests. By using passive index funds, My Future is a cost-effective strategy for longer-term pension savers. The annual management charge on My Future is 0.1% lower than our standard annual charge.

My Future offers a real solution to the more cost sensitive and less experienced investor, where many options can be cost prohibitive and too much choice can be overwhelming. Sophisticated investors may also find My Future appealing as it offers a cost-effective way of getting exposure to a properly diversified, professionally managed, retirement planning portfolio, without the hassle of building and managing it themselves.

You may choose to invest in My Future yourself, or it may be the default investment option when you invest in your company’s pension scheme.

You can find a glossary of technical terms used in this brochure on the back page.

Warning: The value of your investment may go down as well as up.
Warning: the income you get get from your ARF may go down as well as up.
Warning: If you invest in these funds you may lose some or all of the money you invest.
Warning: If you invest in this product you will not have any access to your money until you retire.
Warning: These funds may be affected by changes in currency exchange rates.
What is an ARF?

An Approved Retirement Fund (ARF) is a personal retirement fund where you can keep your money invested after retirement. You can withdraw from it regularly to give yourself an income. ARF payments are taxable as income. Any money left in the fund after your death can be left to your beneficiaries under your will.

What is an Annuity?

An Annuity provides a regular income for the rest of your life, no matter how long you live. You can buy an Annuity with the money from your pension fund. Annuity payments are taxable as income.
Where your savings are invested

Here you’ll learn where the My Future Funds invest to help you save for retirement.

**My Future Growth - the engine of your pension**

**Aiming to build your retirement nest egg**

At outset, when you’re far away from retirement, your money will be invested in My Future Growth – a higher risk multi-asset fund. This globally diversified fund has a higher allocation to riskier investments, such as shares. It has strong long-term growth potential and aims to build up your retirement nest egg. But it can also be vulnerable to market declines. With time on your side your pension pot is in a better position to handle the ups and downs of investing in this type of fund.

**Risk target: ESMA 5 risk band with 10-15% annualised volatility over rolling 5 year periods.**

**My Future Consolidation - shift in gear to lower risk investments**

**Aiming to reduce the risk profile of your built-up pension pot as you approach retirement**

During the 20 years before your retirement date, your pension savings are gradually and automatically moved into a range of funds, including My Future Consolidation, on a monthly basis.

My Future Consolidation is a lower risk multi-asset fund which has lower growth potential but is less vulnerable to market declines. It is predominantly invested in fixed income and cash (which have lower growth potential but lower risk), with some exposure to equities.

**Risk target: ESMA 3 risk band with 5-10% annualised volatility over rolling 5 year periods.**

The asset mixes of My Future and My Future Consolidation will be available on the fund factsheets on www.aviva.ie from June 2020. Please note the asset mixes change regularly and may differ substantially from the asset mix shown on www.aviva.ie. There is no guarantee that the specific volatility target will be met. This means that the realised risk of the funds could be different from that targeted.
Key risks for you to consider

1. The funds are subject to market fluctuations
   The value of the funds are subject to market fluctuations. This could lead to values being adversely and unpredictably affected by various factors including political and economic events. As such, the value of your investments may go down as well as up. Your investment may be subject to significant short-term market fluctuations. The funds are designed for the medium to long-term investor.

2. Volatility targets are not guaranteed
   There is no guarantee that the specific volatility target will be met. This means that the realised risk of the funds could be different from that targeted.

3. Capital and returns are not guaranteed
   The capital value and returns from these funds are not guaranteed.

4. Currency risk
   The funds may invest outside of the Eurozone or hold currencies other than euro. So, the value of your investment may fall or rise depending on changes in the exchange rates of currencies to which the fund is exposed.

5. Counterparty risk
   Losses may occur if one or more organisations with which the funds transact becomes insolvent or fails to meet its obligations. This risk may be reduced by obtaining assets as collateral from these organisations. Any such losses will be passed on to the investor.

6. The underlying funds may use derivatives
   The underlying index funds may use derivatives and leverage (or borrowing). Where derivatives do not perform as expected, the funds could suffer significant losses. Certain derivatives will add leverage and can cause large fluctuations in the fund’s value. They can also result in the fund facing greater potential losses than the initial investment. Leverage can magnify gains or losses. It may also impair liquidity, forcing a sale of investments and causing the fund to fail to achieve its objectives.

7. Securities lending
   Funds may engage in securities lending. Securities lending is an activity whereby a security is transferred from a lender (in this case a unit-linked fund) to a borrower on a temporary basis. The lender receives collateral with a value equal to or in excess of the value of the securities on loan. In the event of a default, the lender can sell the assets provided as collateral and use the proceeds to purchase replacement securities. Securities lending is expected to increase the investment returns in the fund. Securities lending may also increase the level of risk in the fund.

For more information on the other potential risks of investing in My Future, please see the ‘Your Investment Options’ brochure which is available to download on www.aviva.ie or you can request a copy from your Financial Broker.
How we reduce risk

Retirement is a long journey and building the financial resources to support you in retirement can take decades. My Future thinks about your retirement savings in three distinct phases, the risk and return profile of your retirement savings will be different in each phase and will depend on how far you are from retirement. One major benefit of My Future is that you can be confident that we will automatically reduce the risk and return profile of your retirement savings the closer you get to retirement.

1 Growth phase
- More than 20 years to retirement.
- With more than 20 years to retirement and your aim is to grow your pension savings. You have time on your side to weather the ups and downs of investing in riskier investments.
- 100% My Future Growth.

2 Consolidation phase
- 20 to 5 years to retirement.
- While you may still be looking for growth and inflation protection, you would like to gradually reduce the risk profile of your investments to help protect your pension savings against volatile markets.

3 Pre-retirement phase
- Less than 5 years to retirement.
- Retirement is around the corner and you’re concerned with preserving the value of your pension and meeting your income requirements when you retire.
- We will gradually and automatically move your pension savings into lower risk funds that will suit whether you chose an ARF or an Annuity to provide your retirement income.

Flexibility to change how you fund your retirement income and your retirement date

You can ask us to change your retirement age (within the Revenue limits). In that case, we will change the fund allocations within My Future to take account of the higher or lower number of years before you will retire. You can also switch your investment strategy to fund for retirement income from an ARF to an Annuity. There is no charge for changing your retirement strategy choice or fund manager.
How we invest your pension savings

The following tables give an overview of your allocation to different funds when you use My Future to save for retirement.

How we invest your money in the years before retirement for ARF investors

<table>
<thead>
<tr>
<th>Years to retirement</th>
<th>My Future Growth</th>
<th>My Future Consolidation</th>
<th>Cash Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>More than 20</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>15</td>
<td>67%</td>
<td>33%</td>
<td>0%</td>
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<tr>
<td>10</td>
<td>33%</td>
<td>67%</td>
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<td>5</td>
<td>0%</td>
<td>100%</td>
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<tr>
<td>4</td>
<td>0%</td>
<td>95%</td>
<td>5%</td>
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<td>0%</td>
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<td>85%</td>
<td>15%</td>
</tr>
<tr>
<td>1</td>
<td>0%</td>
<td>80%</td>
<td>20%</td>
</tr>
<tr>
<td>At Retirement</td>
<td>0%</td>
<td>75%</td>
<td>25%</td>
</tr>
</tbody>
</table>

How we invest your money in the years before retirement for Annuity investors

<table>
<thead>
<tr>
<th>Years to retirement</th>
<th>My Future Growth</th>
<th>My Future Consolidation</th>
<th>Cash Fund</th>
<th>Bond Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>More than 20</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
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<tr>
<td>15</td>
<td>67%</td>
<td>33%</td>
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<tr>
<td>1</td>
<td>0%</td>
<td>20%</td>
<td>20%</td>
<td>60%</td>
</tr>
<tr>
<td>At Retirement</td>
<td>0%</td>
<td>0%</td>
<td>25%</td>
<td>75%</td>
</tr>
</tbody>
</table>

You can also take your retirement income using a combination of an ARF and an Annuity. Your allocation to each retirement income option will determine how we change how your money is invested.

Summary

My Future may be suitable for you if you want a ready-made, cost effective and professionally managed pension that aims to grow your money, diversify your pension savings and manage risk.

Learn more

Visit www.aviva.ie. Talk to your Financial Broker. If you don’t have a Financial Broker you can find one on www.aviva.ie.
What is a fund?
In a fund, customers’ money is pooled with that of other investors. In turn, the fund could invest in anything from company shares to government bonds, property, other funds or a mixture of different assets or strategies. A fund manager oversees the fund and makes the decisions about which assets it should hold, in what quantities, and when they should be bought and sold.

What is an index fund?
An index tracking fund, sometimes called a tracker fund or a passive fund, is one that simply aims to replicate the performance of a given market, represented by an index. Investors typically use index tracking funds as a core part of a broader portfolio. An index tracking fund offers a cost effective, simple way for customers to access market returns.

What is an equity?
A financial instrument that gives the holder part ownership in a company with unlimited upside potential but significant risk of loss of capital.

What is a bond?
A type of ‘IOU’ issued by governments, public companies or other institutions. The issuer agrees to repay the borrowed amount on an agreed date or dates. Bonds usually pay a fixed interest rate over that time, so the bond holder earns an income from the bond.

What is a corporate bond?
A corporate bond is a bond issued by a corporation and sold to investors.

What is a government bond?
A government bond is a bond issued by a government and sold to investors.

What is an emerging market fund?
An emerging market fund invests the majority of its assets in securities from countries the economies of which are less developed than markets like those of the United States and the EU.

What is a multi-asset fund?
A Multi-Asset Fund spreads your investments across a range of different asset classes, such as equities, bonds and cash.

What is volatility?
Volatility is a measure of the extent that the price of a fund, company share price, or equity market index moves up and down over a period of time. Generally, the larger the difference from the average return (i.e. the higher the volatility), the riskier the fund. Investment markets cannot be accurately predicted as unexpected events do happen but volatility can give an indication of the ups and downs that a fund has experienced previously.

What is ESMA?
ESMA is the European Securities and Markets Authority.

What is an ESMA risk band?
ESMAs risk ratings are based on a scale of 1 to 7 with 1 being the lowest risk and 7 being the highest risk. As a general rule the higher the rating the more risk that is taken with your investment to achieve a greater potential reward, however the risk of loss of your investment will also increase. The ESMA rating system looks at an investment fund’s volatility over the last 5 years and then categorises it according to volatility bands. For more information on ESMA risk bands please see Aviva’s Your Investment Options brochure.

What is leverage?
Leverage occurs when a fund’s exposure to underlying assets is greater than the amount invested (using borrowings or financial instruments such as derivatives), resulting in the fund facing greater potential gains and losses than the initial investment.

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The information in this guide does not constitute investment advice. It does not take into account the investment objectives, financial position or needs of any particular investor. Before making an investment decision, we recommend that clients should consult suitably qualified and independent investment, taxation, and regulatory advisors to discuss their specific situation and investment objectives.

The investment strategies and risk profiles outlined in this document may not be suitable for your clients’ specific investment needs. This brochure has been produced by Aviva Life & Pensions Ireland DAC. Reasonable care has been taken to ensure the accuracy of the information it contains. However, the company cannot accept responsibility for its interpretation, nor does it provide legal or tax advice. This brochure is based on Aviva’s understanding of current law, tax and Revenue practice as at February 2020. This brochure is not a legal document and, should there be any conflict between the brochure and the policy document, the latter will prevail.

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