Aviva Investors **Multi-Strategy** (AIMS) **Target Return Fund** (Ireland)

An **all weather** fund that aims to **provide growth regardless** of the market environment

Customer brochure

Retirement
Investments
Insurance

AVIVA

At Aviva, **everything we do** is full of **Good Thinking** for you. We want to help you **achieve the investment outcomes** that **matter most to you**. That's the **starting point** of our **AIMS** range of funds.

We are **Aviva**

Helping people save for the future and manage the risks of everyday life.

Life is complex and unpredictable. People face uncertainty and challenges every day. We're here to help you look forward to the future with confidence, to help your money work as hard as you do. With over 34 million customers in 16 countries worldwide (Source: Aviva.com 23 March 2016), we want to make a difference to you, to allow you achieve your financial goals. We've been meeting the needs of our Irish customers since 1908. Today we're a leading Life & Pensions company in Ireland, with offices in Dublin, Cork and Galway.

Working closely with Aviva Investors

We offer a range of funds to choose from with our main investment manager Aviva Investors, the global asset management company of the Aviva Group.

With a presence in 16 countries and an experienced team of over 1,000 employees, they manage over €385 billion on behalf of customers worldwide (source: Aviva Investors 31 March 2016, based on exchange rates as at 31 March 2016). This gives them the size and scale to successfully seek out opportunities that allow them to meet the specific outcomes customers value such as delivering reliable fund growth or providing a regular income.

They value creativity and empower their investment teams to find and execute great ideas. In-depth research and robust risk management underpin every investment decision they make.

Focused on you

By knowing what's important to customers, we work together to provide funds that aim to cater for your real needs.

We take a collaborative approach, acting as a single team to bring together the breadth and depth of Aviva Investors' global resources with our local knowledge and experience for the benefit of our customers.

AIMS **Target Return Fund** (Ireland)

The outcomes that matter most to you

We all need to decide how much risk we want to take to achieve our financial goals. We live in an unpredictable world. Every day we face uncertainties of all kinds. From a financial point of view, these might include fear of job loss, poor returns on your savings or the inability to keep up with mortgage payments.

When it comes to investing, we all recognise that markets can fluctuate. However uncertain the world we may live in, what you want from your investments is likely to remain the same. For instance, it may be fair to say that you'd like to grow your money without the fear of losing it. In an ideal world, of course, you'd be able to do that but in the real world, all of us have to be prepared to take on a level of risk with investments. We want to take some of the fear of uncertainty out of your life, while still aiming for a level of return you'll be happy with. This is the thinking behind the AIMS Target Return Fund (Ireland).

Winner of the Pension Innovation Award (2015)

The AIMS Target Return Fund (Ireland) won the Pensions Innovation Award at the Irish Pensions Awards 2015. This award recognises companies that brought innovation to the Irish pension's market through a particular product, service offering or overall business approach. This category has been designed in response to the market volatility and those companies who have responded to market pressures with originality and creativity.

Irish Pensions AWARDS 2015

WINNER
Pensions Innovation Award

Structure of the fund

Our AIMS Target Return Fund (Ireland), invests in the Aviva Investors Multi-Strategy (AIMS) Target Return Fund (the underlying fund), a sub fund of the Aviva Investors Luxembourg SICAV. A small proportion of the fund may also be held in cash for liquidity purposes.

As the AIMS Target Return Fund (Ireland) is principally invested in the AIMS Target Return Fund (the underlying fund), it is important that you understand the operation, risks and benefits of investing in the underlying fund. Hence this brochure focuses on this.

Unless otherwise stated, when we refer to the fund in this document, we are referring to the underlying fund. Technical terms used in this brochure are explained in the glossary at the back of the brochure.

The AIMS Target Return Fund:

Targets a gross annual return of:

5% above ECB base rate (or equivalent) over any three-year period [1]

Fund managers aim to achieve less than:

½ the volatility of global equities over any three-year period[1,2]

1. There is no guarantee that the fund will achieve these targets. Your capital is at risk when you invest in this fund.

2 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.

WARNING: The value of your investment may go down as well as up.
WARNING: If you invest in this fund you may lose some or all of the money you invest.
WARNING: This fund may be affected by changes in currency exchange rates.

Aims to **'beat the bank'** and deliver growth in all market conditions

The AIMS Target Return Fund is an all weather fund that aims to grow your money regardless of whether markets rise or fall. The fund aims to provide annual gross returns of 5% above the European Central Bank (ECB) base rate (or equivalent) over any three-year period.

The fund invests in a range of different investment strategies and aims to achieve less than half the volatility of global equities over any three-year period.

Of course, you should consider that the aims of the fund are not guaranteed and so your capital is at risk. You may get back less than you invested.

The fund makes significant use of derivatives (and leverage) with the aim of helping it to achieve its objectives. Where derivatives do not perform as expected, the fund could experience significant losses. For more information on the risks of investing in derivatives please see the 'understanding the risks' section on page 7.

How hard does your money work?

You may be working hard for your money, but is your money working hard for you? There is a lot of money sitting in Irish deposit accounts today. Deposit rates have been on a downward trend for some time and there doesn't seem to be a respite in sight. Talk to your bank today to see what interest rate you're earning on your savings.

Why invest in AIMS Target Return Fund?

1 Growing your investment

In an uncertain world, the fund aims to provide a positive return in all market conditions. It targets annual gross returns of 5% above the ECB base rate (or equivalent) over any three-year period.

2 Returns in a range of market conditions

The fund managers combine a diverse mix of strategies that are expected to work well together whether markets are rising or falling.

3 Smoother returns

Investing in multiple strategies rather than a single asset class, such as equities, can help to reduce how much the value of a fund goes up or down, potentially delivering smoother returns over time. The fund invests in a range of different investment strategies and aims to achieve less than half the volatility of global equities over any three-year period.

4 Diversified, global investment

- Diversification means not putting all your eggs in one basket (or asset class/strategy).
- The fund harnesses the idea generation and investment expertise of the whole of Aviva Investors.

  Here, investment ideas are considered from experienced fund managers, strategists and economists across all asset classes.
- The fund can invest anywhere in the world, providing a diversified mix of strategies.

5 Easy access

You can invest in this fund from as little as €100 a month through our regular saver product or €150 a month through our Horizon Plan pensions product. The fund is also available through a range of other products, please contact your financial broker for details of the minimum investments applicable to these.

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Understanding the risks

Before you invest in this fund, or any fund, it is important that you speak with your financial broker to ensure you understand and are comfortable with the risks involved. These risks include:

1 Market fluctuations

- The value of the fund is 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 and you may receive less than the original amount invested.
- Your investment may be subject to significant short-term market fluctuations. The fund is designed for the medium to long-term investor.

2 Capital and returns not guaranteed

- The fund's aims are not guaranteed and you may suffer losses.

3 Derivative and leverage risks

- The fund makes significant use of derivatives. Where derivatives do not perform as expected, the fund 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.

4 Currency risk

- The fund may invest outside of the eurozone or hold currencies other than euro. So, the value of your investment and the income from it 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 an organisation with which the fund transacts becomes insolvent or fails to meet its obligations. This risk may be reduced by obtaining assets as collateral from these organisations. These losses will be passed on to the investor.

For more information on the other potential risks associated with the AIMS Target Return Fund (Ireland), 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. **More detail on the risks the underlying fund is exposed to and the operation of the fund** can be viewed in the latest Key Investor Information Document (KIID) and Prospectus. Please note charges and subscription details in these reports relate to the underlying fund and do not apply to Irish investors in the AIMS Target Return Fund (Ireland). These documents are available on request from your financial broker.

Facts **about the fund**

AIMS Target Return Fund (Ireland) Risk rating (1 July 2016*)

1	2	3	4	5	6	7
Very Low Risk	Low Risk	Low to Medium Risk	Medium Risk	Medium to High Risk	High Risk	Very High Risk

*Please note this is the risk rating of the AIMS Target Return Fund (Ireland) and not the risk rating of the underlying fund.

The risk rating shown is not guaranteed and may change over time. For more information on our risk ratings and the other potential risks of investing in the AIMS Target Return Fund (Ireland), please see the 'Your Investment Options' brochure which is available to download on www.aviva.ie or on request from your financial broker.

The return target of the fund:

The AIMS Target Return Fund seeks to provide a positive return in all market conditions, by targeting annual gross returns of 5% above the European Central Bank (ECB) base rate (or equivalent) over any three-year period.

Returning 5% above the ECB base rate, an example to show you how this may work:

- Let's say the current ECB base rate remains at 0% (as at 16 March 2016) over the next three years.
- The fund would aim to return, on average, that 0% (ECB base rate) + the additional 5% = 5% per year over the next three years (gross return so excludes the impact of charges and tax).
- The fund's return target will rise and fall in line with changes to the ECB base rate.

The impact of charges:

- Let's say the fund grows by 5% in each of the next three years.
- Let's say the fund has an annual management charge of 0.85% per year (charges may vary).
- Applying this charge would reduce the annual return from 5% to 4.15%.
- So in this example, for a €10,000 investment, this would have the effect of reducing the accumulated capital after three years from €11,576 down to €11,297. This example does not take into account the impact of tax or product charges.

  As such, the value of your investments may go down as well as up and you may receive less than the original amount invested.

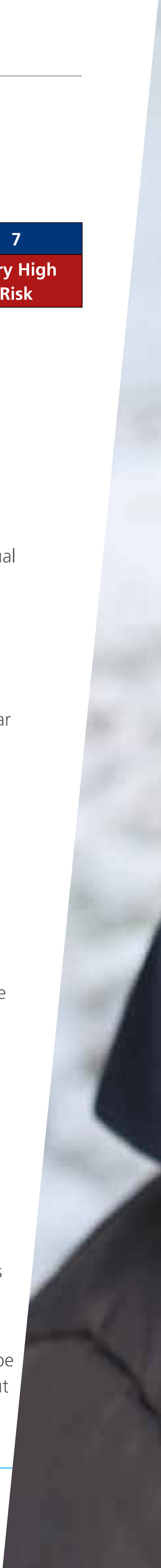
Your financial broker will be able tell you the charges applicable on your product.

Warning: These figures are estimates only. They are not a reliable guide to the future performance of this investment.

Availability and charges

The fund is currently open to new and existing customers in our actively marketed pre retirement pensions products, post retirement ARF and AMRF product, our single premium investment bond product and our regular saver product.

The annual fund charge is 0.35% per annum higher than our standard fund charges. These charges may be reflected in the fund's unit price and/or taken by the deduction of units. Talk to your financial broker about the annual fund charges and any other charges that may apply on your product.



How the fund works – actively investing in a **wide range of strategies**

Understanding multi-strategy investing

Traditional funds focus on investing in either a single asset class like equities, property or bonds or they seek to spread the risk of asset class concentration by investing in multiple asset classes. A multi-strategy approach is similar to multi-asset investing in that it invests in a broad range of asset classes.

Multi-strategy funds offer a more sophisticated approach to diversification, because they can use different approaches to invest in different sectors of the markets.

The Fund invests in a wide range of strategies which combine to try to diversify the risk in the fund and help the fund to perform in many different market conditions.

By combining strategies, the fund managers aim to generate lower risk than the sum of the risks of each individual strategy.

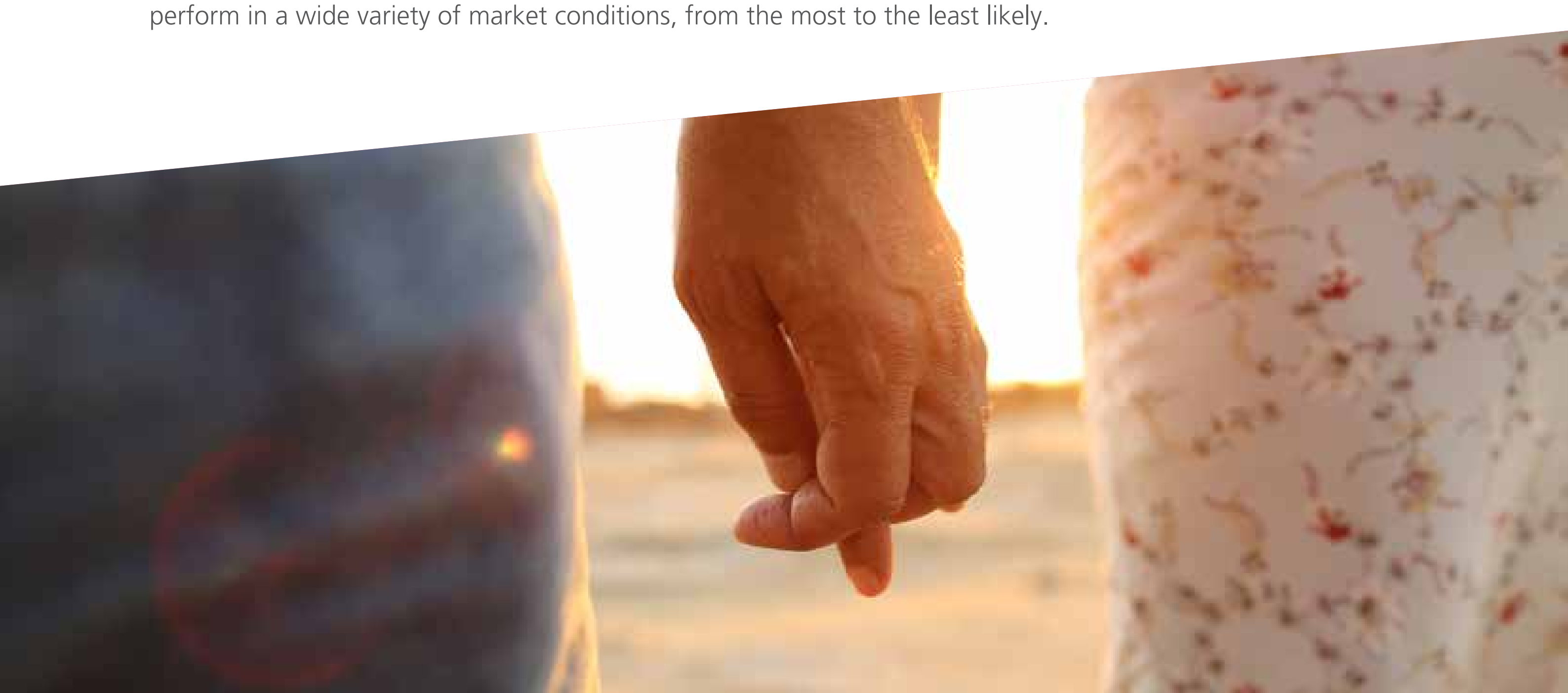
Aviva investors divide the fund into **three sections**

1. **Market strategies** The fund managers rely on the work of Aviva Investors' strategy team to analyse where we are in the business cycle (are we in a boom period, coming up to one or are we going into recession). Using the House View as the starting point, the management look at where Aviva Investors' view differs from what the rest of the market believes and look for opportunities offering value compared to the price set by the market.
2. **Opportunistic strategies** These strategies focus on finding opportunities created by the actions of governments, central banks or significant changes in the market.
3. **Risk-reducing strategies** These strategies focus on helping to preserve capital and provide return in times of market stresses.

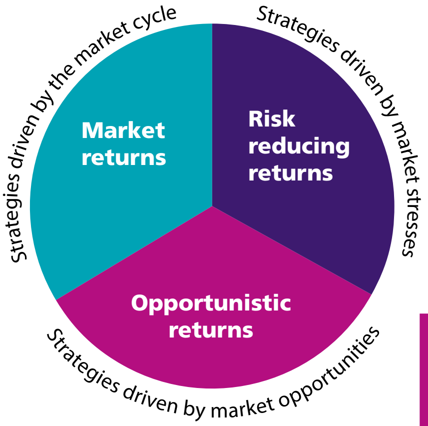
Volatility is a measure of the extent to which a fund's unit price moves up and down over time. The fund invests in a range of different investment strategies and aims to achieve less than half the volatility of global equities over any three-year period. Aviva Investors expect these investment strategies will work well together whether markets rise or fall.

Controlling, **monitoring** and **testing** strategies

Aviva Investors carefully monitor how well the fund strategies work together in diversifying risk across the fund. Their monitoring process involves testing all investment strategies and potential strategies - to see how they would perform in a wide variety of market conditions, from the most to the least likely.



Where **ideas** come from



The fund's strategies look to capitalise on opportunities over three-year time periods. To help explain the types of ideas the fund aims to use, Aviva Investors divide them into three groups:

Market returns

- The fund managers rely on the work of their strategy team to analyse where we are in the business cycle (are we in a boom period, coming up to one or are we going into recession). Using the House View as the starting point, the team look at where their view differs from what the rest of the market believes and look for opportunities offering value compared to the price set by the market.
- For example: Aviva Investors may believe that we are entering a period of economic growth earlier than many in the market expect, in this instance the team may look to capitalise on this by buying equities or a particular equity index like the S&P 500.
- So this section of the fund aims to generate positive returns over the medium term, in this case three years, if Aviva Investors' House View is correct.

Opportunistic returns

- In this section Aviva Investors' focus on finding opportunities or anomalies created by the actions of other market participants.
- These opportunities can be created by market panics or beliefs driven by external events. For instance, a particular market or sector may become very undervalued compared to others due to over-reaction to a short-term event. These returns can also be driven by interventions from non-profit seeking market participants like regulators or central banks.
- For example: Aviva Investors might believe that the European Central Bank (ECB) is going to intervene and cut euro-zone interest rates. In this instance there are a number of strategies they might use to help them generate a return, for example they could buy bonds, equities or currencies or combine these approaches to generate a return from the movement in prices the ECB's action will generate.
- So this section of the fund aims to generate positive returns over the medium term, in this case three years, irrespective of the business cycle.

Risk reducing returns

- This section of the fund aims to add returns in difficult market conditions.
- This is an essential component to the fund as Aviva Investors' deliberately look to identify strategies that make money if their expected near-term outlook for markets doesn't play out.
  - For example: Aviva Investors' House View might indicate that Australian bonds are valued at the right price. Under this scenario Aviva Investors could buy and earn a return from investing in Australian bonds.
  - However, if the Australian economy enters recession, the expected bond return could increase dramatically because investors typically sell equities and buy bonds in a recession, potentially driving up the value of bonds.
  - In this instance, the value of the bonds increases and provides us with positive returns, helping offset any losses from equities held in the market returns section.
- So this section of the fund aims to generate positive returns over the medium term, in this case three years, if Aviva Investors' House View plays out and even better returns if it does not.

Is the **AIMS Target Return Fund (Ireland)** right for me?

The fund may be suitable for you if:

- You are looking for an annual gross return of 5% above the ECB base rate (or equivalent) over any three-year period.
- If you are seeking exposure to a fund that invests in a range of different investment strategies and aims to achieve less than half the volatility of global equities over any three-year period.
- You are looking for an investment option that offers wide diversification where you do not have to make active investment decisions.
- You are willing to accept that the underlying fund's aims are not guaranteed and so your capital is at risk.
- You are willing to accept that the underlying fund makes significant use of derivatives and the risks involved in investing in these.

The fund may not be suitable for you if:

- You are unwilling to put your capital at risk.
- You are unwilling to invest for the medium to long-term.
- You expect a guaranteed return.
- Your investment priority is generating an income.
- You are not financially able to bear any related investment risks and potential losses to your capital, that may arise from the advanced investment techniques such as derivatives, used by the underlying fund.

Be well **advised**

The world of investing can seem complex. Always remember that you're not on your own. Your financial broker is there to help. He or she will work with you to identify your goals, involving you in the process so that you always make well informed decisions. A financial broker will also help you find the most appropriate product to suit your individual needs and requirements.

Next **steps**

Contact your financial broker to see if the AIMS Target Return Fund (Ireland) is a suitable investment for you.

Visit www.aviva.ie.

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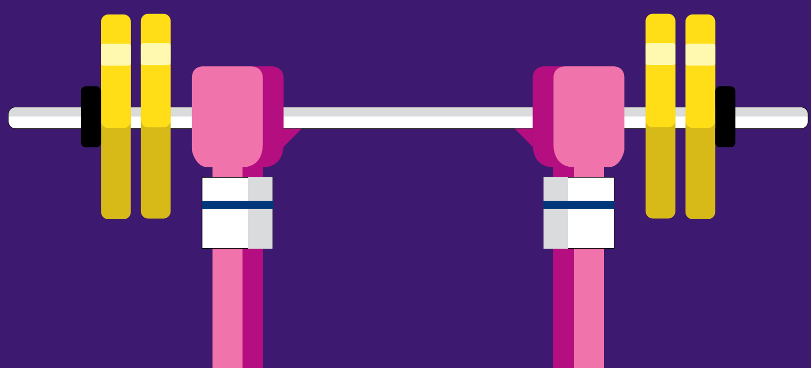
Aviva, for funds that **work as hard** as **you do.**



Glossary

A brief explanation of some of the terminology used in this brochure.

Asset Class
Broad groups of investments with similar characteristics – such as equities, bonds, property, commodities and cash.

Collateral
Financial institution asks to temporarily borrow a stock or bond from a fund. In order to borrow the stock or bond, the financial institution must pay a fee and provide collateral to the fund. Collateral refers to an asset or assets given by the borrower to the lender until the loan is repaid. The fund keeps the collateral to secure repayment in case the borrower fails to return the loaned stock or bond. The value of the collateral must be equivalent to or exceed the value of the loaned stock or bond. The borrowed stock or bond is returned to the fund and the collateral is returned to the borrower following the end of the loan period.

Derivatives
Derivatives are financial instruments whose values are linked to the value of an underlying asset or index. Derivatives allow a fund to gain more exposure to the asset and so can result in larger losses due to changes in the value of the underlying assets. Futures, options and swaps are common types of derivatives which are either traded using a specialist exchange (exchange-traded derivatives) or between two counterparties without an exchange (over-the-counter derivatives).

Futures
An agreement to buy an equity, bond, commodity or other financial asset at a future date for a specified price.

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.

Options
A type of derivative providing the holder with the right to buy/sell an underlying financial asset by a certain date at a specific price.

Reference rate
A rate that determines pay-offs in a financial contract. This is often based on an interest rate, though it may be another measure e.g. the consumer prices index or unemployment rate which neither party to the contract can control.

SICAV (Société d'Investissement à Capital Variable)
A SICAV is a type of open-ended investment fund in which the amount of capital in the fund varies according to the number of investors. SICAV is an acronym for Société d'investissement à Capital Variable which can be translated as `investment company with variable capital'.

Swaps
A contractual agreement where two parties agree to swap payments to each other on certain dates at a set price for a specific period of time. Swaps are often used in connection with interest rates such as swapping to a fixed interest rate from a variable rate.

Target Return Fund
This type of fund targets a specific level of return above an interest rate or similar reference rate rather than being dependent on the performance of an equity or bond index.

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.

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Aviva Life & Pensions UK Limited, August 2016.

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