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

An **all weather** fund that aims to provide **regular income** 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. With over 29 million customers in 16 countries worldwide *(source: Aviva.com - 10 June 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 and our main investment manager is 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 customers.

Structure of the fund

Our AIMS Target Income Fund (Ireland), invests in the Aviva Investors Multi-Strategy (AIMS) Target Income 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.

It's important to note that, while the underlying fund aims to preserve capital, charges are likely to erode the value of your capital in the AIMS Target Income Fund (Ireland) in today's low interest rate environment. If you invest in the AIMS Target Income Fund (Ireland) through an Approved Retirement Fund (ARF), your annual mandatory income payment will also erode the value of your capital.

When your fund choice includes the AIMS Target Income Fund (Ireland):

- Your policy will be closed to transactions across all your funds on certain days around the date the income is declared by us (with exceptions as explained in the **Supplementary Conditions**). These policy closed days are there to facilitate fairness in the administration of the monthly income. You can find out when these policy closed days are from us or your financial broker.
- Any regular withdrawal will be monthly (not quarterly or yearly).
- Supplementary conditions will apply.

The operation of AIMS Target Income Fund (Ireland), the fund you may be invested in, is covered in either:

- **Aviva Investors Multi-Strategy (AIMS) Target Income Fund (Ireland) Key Features for Approved Retirement Funds (ARFs) and Approved Minimum Retirement Funds (AMRFs) customers**; or
- **Aviva Investors Multi-Strategy (AIMS) Target Income Fund (Ireland) Key Features for Investment Bond customers**.

As the AIMS Target Income Fund (Ireland) is principally invested in the AIMS Target Income 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 Income Fund**:

Targets a gross annual income of:	Fund managers aim to achieve less than:
4% above ECB base rate (or equivalent)[1]	**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. The Key Features document for your product will explain how the AIMS Target Income Fund (Ireland) income will operate. This is available to download on www.aviva.ie or you can request a copy from your financial broker. [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: The income you get from this investment may go down as well as up.
WARNING: This fund may be affected by changes in currency exchange rates.

Focused on delivering the **outcomes that matter** most to **you**

Today, many investors recognise the risks that come from investing in a single asset class, whether it is equities, bonds or property. One way to reduce the risk of loss, and so protect the value of your savings, is to invest in a broad range of different assets. However, choosing the best combination of assets can be difficult and time consuming for many investors. Drawing on Aviva Investors' global expertise, the outcome-oriented AIMS Target Income Fund invests across a range of investment strategies and could help you achieve an attractive income while managing volatility.

The fund targets a gross annual income of 4% above the European Central Bank (ECB) base rate (or equivalent). The fund invests in a range of different investment strategies and the fund managers aim to achieve less than half the volatility of global equities over any three-year period.

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 'key risks' section on page 10.

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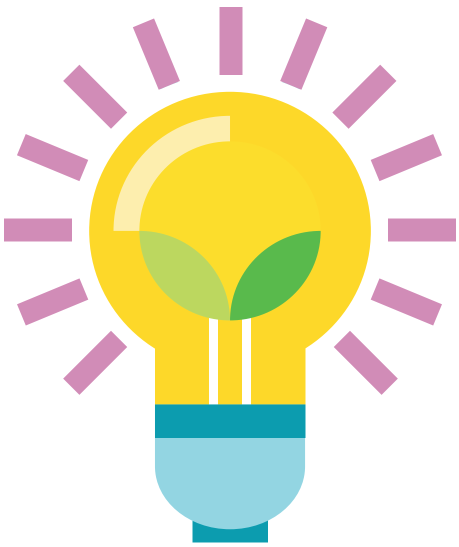
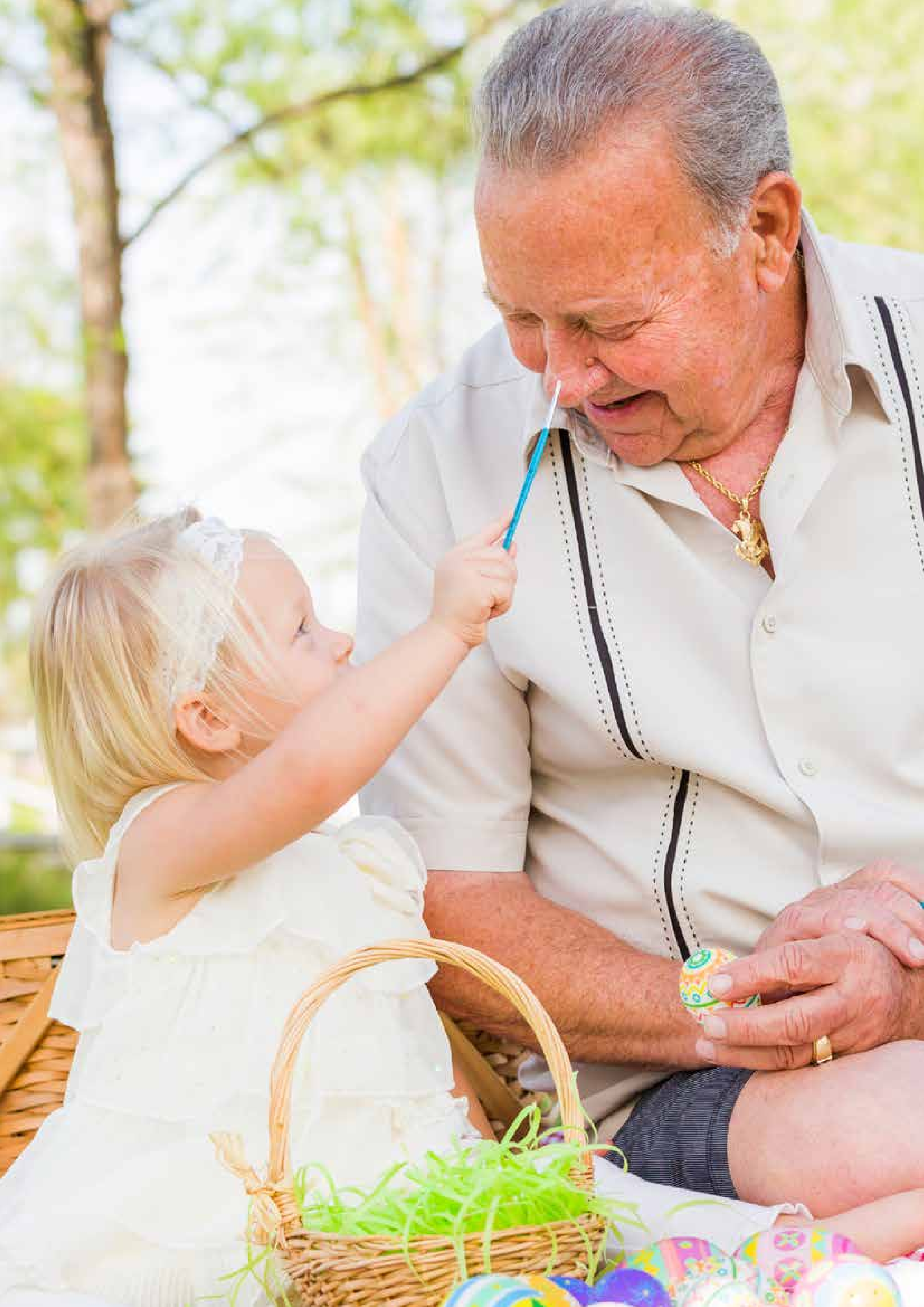
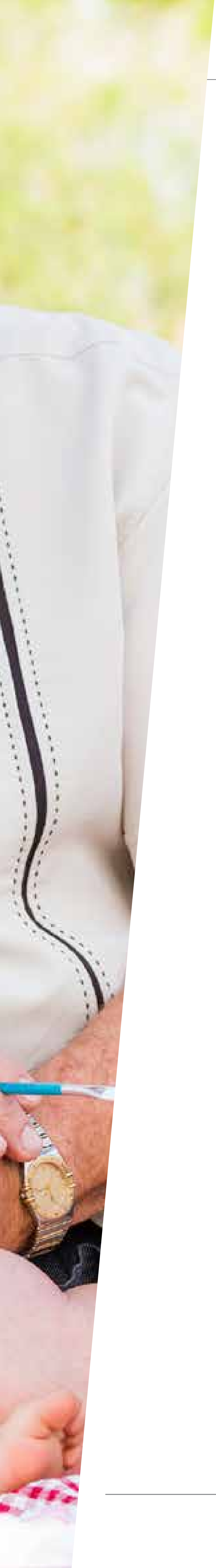






Understanding the fund

What the **income objective means** in practice

The fund aims to generate a gross annual income of 4% above the European Central Bank (ECB) base rate (or equivalent). The current ECB base rate is 0% (as at 16th March 2016), so the fund currently targets a gross annual income of 4%. The fund's overall income objective will rise and fall in line with changes to the ECB base rate. The actual monetary amount of income you receive from the AIMS Target Income Fund (Ireland) may vary from month-to-month.

Income payments

Where an income is paid, how it will be paid is dependant on the product you are invested in.

- For details of our income payment process for Approved Retirement Funds (ARFs) and Approved Minimum Retirement Funds (AMRFs), please see the **Key Features for Approved Retirement Fund (ARF) and Approved Minimum Retirement Fund (AMRF) customers**.
- For details of our income payment process for Investment Bond, please see the **Key Features for Investment Bond customers.**

You can download copies of the Key Features documents on www.aviva.ie or request a copy from your financial broker.

AIMS **Target Income Fund** (Ireland) **risk rating** as at 1 January 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 Income 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 Income 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.

WARNING: The income you get from this investment may go down as well as up.

Aims to **deliver regular income** in **all market conditions**

Five reasons to invest

1. **Regular** income

- The fund aims to provide an income in all market conditions. It targets a gross annual income of 4% above the ECB base rate (or equivalent).
- Please note you may have a choice of receiving or accumulating this income in the AIMS Target Income Fund (Ireland). Your income options will depend on the product you are invested in. The **Key Features** document for the AIMS Target Income Fund (Ireland) for your product will explain this in detail. You can download a copy of the **Key Features** on www.aviva.ie or request a copy from your financial broker.

2. Aims to **provide an income** in a range of market conditions

- The fund managers combine income from a wide range of assets such as shares, bonds and real estate investment trusts (REITS) in a diverse mix of strategies that are expected to work well together whether markets are rising or falling. This variety of income sources helps the fund to meet its income target irrespective of market conditions.

3. Seeks to **manage volatility**

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

4. Harnesses the **best investment ideas** from Aviva Investors

- The fund harnesses the idea generation and investment expertise of the whole of Aviva Investors. The fund offers access to investment ideas from Aviva Investors' experienced fund managers, strategists and economists across all asset classes.

5. Diversified **global investment**

- Diversification means not putting all your eggs in one basket (or asset class). This fund can invest anywhere in the world, providing a diversified mix of strategies. The fund also seeks to obtain income from a wide range of assets such as shares, bonds and Real Estate Investment Trusts (REITS).

WARNING: The income you get from this investment may go down as well as up.

Key risks for you to **consider**

1. The fund is subject to **market fluctuations**

- The value of the fund and its income 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 and the income from them may go down as well as up.
- Your investment may be subject to significant short-term market fluctuations. The fund is designed for the medium to long-term investor.

2. Income is **not guaranteed**

- The fund's aims are not guaranteed and you may suffer losses or lower income than expected.

3. The fund makes **extensive use** of **derivatives** and **leverage**

- 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 Income 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 Income Fund (Ireland). These documents are available on request from your financial broker.

How the fund **works**

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 AIMS Target Income 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.

The **fund** invests in **three different kinds** of strategies:

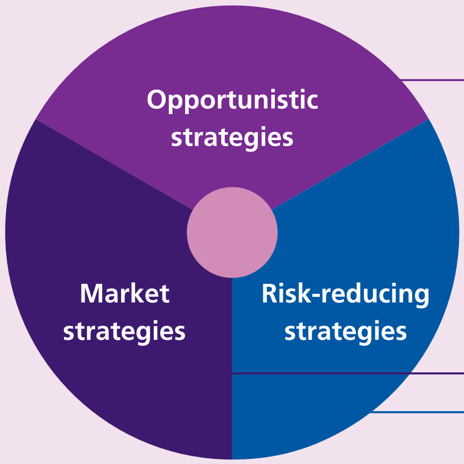
1. **Market strategies**
   These strategies aim to generate income.
2. **Opportunistic strategies**
   These strategies help to diversify the sources of income, provide capital growth and offset some risks to capital.
3. **Risk-reducing strategies**
   These strategies focus on helping to preserve capital 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 the fund managers aim 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.

Some examples of what the fund might hold:



Market strategies

- Dividends from global equities
- Bonds: Emerging market; developed market
- Real estate investment trusts

Opportunistic strategies

- Currency positions: US dollar vs Japanese yen
- Interest-rate positions: European

Risk-reducing strategies

- Interest-rate positions: Australian; South Korean; Italian
- Currency positions: US dollar vs Mexican peso; sterling vs US dollar

Some of the positions will be held as derivatives and some will be held as direct investments. The composition of the portfolio will vary over time as will the strategies held. **This is provided for illustrative purposes only.**

Availability and **charges**

The fund is currently open to new and existing customers in our actively marketed post retirement ARF and AMRF product and our single premium Investment Bond 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 to your product. A charges insert is also available from your financial broker.

Is the **AIMS Target Income Fund (Ireland)** suitable for me?

The fund **may be suitable** for you if:

- You are looking for regular income but still want to be able to access your investment (restrictions may apply).
- You are looking for a gross annual income of 4% above the European Central Bank (ECB) base rate (or equivalent).
- You are seeking exposure to a fund that invests in a range of different investment strategies where the fund managers aim 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 and specifically invests in income producing assets 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 and the income target may not be achieved.
- You are willing to accept that charges are likely to erode the value of your capital in the AIMS Target Income Fund (Ireland) in today's low interest rate environment.
- Where you invest in an ARF, you're willing to accept that your annual mandatory income requirements will erode the value of your capital and consequentially the value of your income in subsequent years.
- 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 amount of income each month.
- Your investment priority is capital growth.
- 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 Income Fund (Ireland) is a suitable investment for you.

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Glossary

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

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. The annuity payments are taxable as income.

APPROVED RETIREMENT FUND
An Approved Retirement Fund (ARF) or Approved Minimum Retirement Fund (AMRF) is a post-retirement product offering an investment option for your retirement fund. With an ARF or an AMRF you re-invest your pension fund and take the money out when you need it. In order to take out an Approved Retirement Fund you must have a guaranteed pension income for life of €12,700 per year (from sources other than your ARF investment). If you don't, you must invest €63,500 of your pension fund into an Approved Minimum Retirement Fund or buy an Annuity with that amount. In the event of your death, you can leave whatever is remaining in your ARF or AMRF to your dependants.

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

COLLATERAL
A 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.

INVESTMENT BOND
An Investment Bond is a single-contribution investment that can provide you with capital growth potential or regular income over the medium to long-term. Your single contribution buys units in one or more funds that you can match to your own needs and attitude to risk.

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.

REITS (REAL ESTATE INVESTMENT TRUSTS)
A real estate investment trust (REIT) is a company that owns, and in most cases, operates income-producing real estate.

SICAV
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 INCOME FUND
This type of fund targets a specific level of income 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, June 2016.

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