

# Penguin Pension Plan

## The Funds

A brief description of each fund currently available is given below. More detailed fund factsheets are available on the Plan website which is at <https://workplace.aviva.co.uk/penguin> and on the Penguin Random House Benefits Portal. You can also request the fund factsheets by email from the Pensions Manager at [pensions@penguinrandomhouse.co.uk](mailto:pensions@penguinrandomhouse.co.uk) or you can access the individual factsheets by e-mail at [GM-Penguin@aviva.com](mailto:GM-Penguin@aviva.com) or by entering the URL given beside each of the fund names below.

You can:

- select up to ten funds from the list of funds available.
- If you do not make your specific fund selections you will be invested in the default Lifecycle Option B.

### [Aviva Pension BlackRock \(30:70\) Currency Hedged Global Equity Index Tracker IE](#)

Passive; AMC 0.24% Additional Expenses 0.00%

Investment risk rating: 5. Medium to High Volatility

BlackRock state that the fund invests primarily in equities in both the UK and overseas markets. The fund has approximately 30% invested in the shares of UK companies and 60% invested into developed overseas equities with the currency exposure hedged back to Sterling. The remaining 10% is invested in emerging markets equities. The fund aims to provide returns broadly consistent with the markets in which it invests.

### [Aviva Pension BlackRock UK Equity Index Tracker IE](#)

Passive; AMC 0.26% Additional Expenses 0.00%

Investment risk rating: 5. Medium to High Volatility

BlackRock state that the fund invests in the shares of UK companies and aims to achieve a return that is consistent with the return of the FTSE All-Share Index.

### [Aviva Pension BlackRock World ex UK Equity Index Tracker IE](#)

Passive; AMC 0.26% Additional Expenses 0.00%

Investment risk rating: 5. Medium to High Volatility

BlackRock state that the fund aims to achieve returns in line with global equity markets, excluding the UK. Within each of those markets, the fund aims to generate returns consistent with those of each country's primary share market. The fund aims to achieve a return in line with the FTSE All World Developed ex UK Index.

### [Aviva Pension Jupiter Ecology IE](#)

Active; AMC 1.16% Additional Expenses 0.00%

Investment risk rating: 5. Medium to High Volatility

Jupiter state the objective of the Fund is to achieve long-term capital appreciation together with growing income consistent with a policy of protecting the environment. The Fund's investment policy is to invest worldwide companies which demonstrate a positive commitment to the long-term protection of the environment.

### [Aviva Pension Threadneedle Pensions Property IE](#)

Active; AMC 0.91% Additional Expenses 0.00%

Investment risk rating: 4. Medium Volatility

BlackRock state that the fund aims to generate a total return that is above its benchmark, over a rolling 3-year period. The fund will invest primarily in direct commercial property in the UK.

<a href="#"><u>Aviva Pension Blackrock Over 5 Year Index-Linked Gilt Index Tracker IE</u></a>	Passive; AMC 0.24%	Additional Expenses 0.00%
	Investment risk rating:	4. Medium Volatility
<p>BlackRock state that the fund invests in UK Government index-linked fixed income securities that have a maturity period of 5 years or longer. The fund aims to achieve a return consistent with the FTSE UK Index-Linked Gilts Over 5 Years Index, which is widely regarded as the benchmark for UK pension fund investment in the longer dated end of the UK index-linked gilt market.</p>		

<a href="#"><u>Aviva Pension Blackrock Over 15 Year Corporate Bond Index Tracker IE</u></a>	Passive; AMC 0.24%	Additional Expenses 0.00%
	Investment risk rating:	4. Medium Volatility
<p>BlackRock state that the fund invests in investment grade corporate bonds denominated in Sterling. The fund aims to achieve a return consistent with the Markit iBoxx £ Non-Gilts Over 15 Years Index. This index consists of bonds with maturity periods of 15 years or longer.</p>		

<a href="#"><u>Aviva Pension Blackrock Over 15 Year Gilt Index Tracker IE</u></a>	Passive; AMC 0.24%	Additional Expenses 0.00%
	Investment risk rating:	3. Low to Medium Volatility
<p>BlackRock state that the fund invests in UK Government fixed income securities (gilts) that have a maturity period of 15 years or longer. The fund aims to achieve a return consistent with the FTSE UK Gilts Over 15 Years Index, which is widely regarded as the benchmark for UK pension fund investment in the longer dated end of the UK gilt market.</p>		

<a href="#"><u>Aviva Pension Money Market IE</u></a>	Active; AMC 0.24%	Additional Expenses 0.00%
	Investment risk rating:	1. Lowest Volatility
<p>The fund aims to protect capital by investing in deposit investments and similar assets with governments, first class banks and major companies. Although the fund aims to provide a lower risk return, the value can fall.</p>		

<a href="#"><u>Aviva Pension Schroder Life Intermediated Diversified Growth IE</u></a>	Active; AMC 0.96%	Additional Expenses 0.00%
	Investment risk rating:	4. Medium Volatility
<p>Schroders state that the aim of the fund is to invest in a broad range of asset classes to aim to generate a return of UK inflation (as measured by the UK Consumer Price Index) +5% per annum over an economic cycle, typically a five year period, with a volatility less than two thirds of global equities. However, there is no guarantee that this objective will be achieved and capital is at risk. The asset classes in which the fund may invest include equities, bonds, infrastructure, property, commodities and absolute return strategies. The fund may invest in these asset classes through a wide range of investments including transferable securities, derivatives (for investment purposes and efficient portfolio management), deposits, collective investment schemes, warrants, money market instruments and cash.</p>		

<p><b><u><a href="#">Aviva Pension Blackrock Market Advantage Strategy IE*</a></u></b> (this has been closed to new contributors from 20/3/19)</p>	Active; AMC 0.51%	Additional Expenses 0.00%
	Investment risk rating:	4. Medium Volatility
<p>BlackRock state that the objective of the fund is to provide a total return, which reflects the total return of worldwide equities. This objective will be achieved through strategic exposure to multiple asset classes. The policy is to gain exposure to equities, fixed-income securities, property companies and commodities globally. The fund will invest in derivatives, collective investment schemes, equity and fixed income securities. The fund may also invest in deposits, cash and money market instruments, and may include sub-investment grade securities. The fund may also invest up to 100% of its value in collective investment schemes. The fund may invest more than 20% of its value in emerging markets. The fund may also invest in derivatives for investment purposes and/or efficient portfolio management.</p>		
<p><b><u><a href="#">Aviva Pension Blackrock Market Advantage Tracker XE</a></u></b></p>	Passive; AMC 0.43%	Additional Expenses 0.00%
	Investment risk rating:	4. Medium Volatility
<p>BlackRock state that the fund aims to follow a diversified, risk-controlled investment process to achieve returns on par with a global 60% equity/40% bond portfolio over a market cycle, approximately 40% less risk than the 60/40 comparator and less downside exposure during extreme market conditions. The fund invests in a highly diversified mix of asset classes based on target exposures to fundamental economic risk factors. By managing exposure during market extremes, the fund seeks to deliver long-term returns in line with its target while reducing downside risk. The fund may invest in derivatives for investment purposes and/or efficient portfolio management.</p>		
<p><b><u><a href="#">Aviva Pension Standard Life Investments Global Absolute Return Strategies IE *</a></u></b> (this has closed to new contributors from 20/3/19)</p>	Active; AMC 0.96%	Additional Expenses 0.00%
	Investment risk rating:	4. Medium Volatility
<p>Standard Life state that the Fund aims to provide positive investment returns in all market conditions over the medium to long term. The fund is actively managed, with a wide investment remit to target a level of return over rolling three-year periods equivalent to cash plus five percent a year, gross of fees. It exploits market inefficiencies through active allocation to a diverse range of market positions. The fund uses a combination of traditional assets (such as equities and bonds) and investment strategies based on advance derivative techniques, resulting in a highly diversified portfolio. The fund can take long and short positions in markets, securities and groups of securities through derivative contracts.</p>		
<p><b><u><a href="#">Aviva Pension LGIM Diversified XE</a></u></b></p>	Active; AMC 0.42%	Additional Expenses 0.00%
	Investment risk rating:	4. Medium Volatility
<p>Legal &amp; General state that the fund aims to provide long-term investment growth through exposure to a diversified range of asset classes. The fund will hold between 20% and 50% in bonds, the remaining 50% to 80% will be held in a range of assets which may include equities, property, commodities and the shares of infrastructure companies. Exposure to each asset class will primarily be through investing in passively managed funds, although active management may be used for some asset classes.</p>		
<p><b><u><a href="#">Aviva Pension MFS Meridian Global Equity IE</a></u></b></p>	Active; AMC 1.06%	Additional Expenses 0.00%
	Investment risk rating:	5. Medium to High Volatility
<p>MFS state that the fund's objective is capital appreciation. The fund invests primarily in equity securities of companies located in developed and emerging market countries. The fund may invest in companies it believes to have above average earnings growth potential compared to other companies (growth companies), in companies it believes are undervalued compared to their perceived worth (value companies), or in a combination of growth and value companies. The fund generally focuses its investments in larger companies, but may invest in companies of any size. The fund may invest a relatively large percentage of the fund's assets in a small number of countries and/or a particular geographic region. The fund may use derivatives for investment purposes and efficient portfolio management or risk reduction.</p>		

Aviva allocates the risk rating of a fund using two stages:

Firstly, calculation of the volatility of historical performance based upon the guidelines recommended by the European Securities and Markets Authority (ESMA).

Secondly, given that volatility is not the only indicator of a fund's risk, Aviva undertake additional research to identify any further risks that may impact the fund and therefore its final risk rating result.

- 1 The historical performance of funds with this risk rating has typically experienced the lowest volatility of all the funds Aviva has rated. This means that these funds have the lowest potential for substantial changes in value compared with other Aviva funds.
- 2 The historical performance of funds with this risk rating has typically experienced low volatility compared with other funds Aviva has rated. This means that these funds have a low potential for substantial changes in value compared with other Aviva funds.
- 3 The historical performance of funds with this risk rating has typically experienced low to medium volatility compared with other funds Aviva has rated. This means that these funds have a low to medium potential for substantial changes in value compared with other Aviva funds.
- 4 The historical performance of funds with this risk rating has typically experienced medium volatility compared with other funds Aviva has rated. This means that these funds have a medium potential for substantial changes in value compared with other Aviva funds.
- 5 The historical performance of funds with this risk rating has typically experienced medium to high volatility compared with other funds Aviva has rated. This means that these funds have a medium to high potential for substantial changes in value compared with other Aviva funds.

Members should note that the Annual Management Charges (AMCs) quoted on the factsheets available held on the Plan website are not the actual Scheme AMCs, as the Scheme AMCs are much lower. Members should refer to the separate The Charges leaflet.

\* The Aviva Pension Standard Life Investments Global Absolute Return Strategies fund and the Aviva Pension BlackRock Market Advantage Strategy IE fund both closed to new contributors from 20 March 2019.

**Members should note that the Annual Management Charges (AMCs) quoted above are subject to change.**