Statement of Investment Principles

Aviva Master Trust

Summary

Introduction

Aviva Master Trust (`the Scheme') is designed for multiple employers but delivered under a single trust arrangement and, since 26 May 2023, has been governed by a Corporate Trustee, (prior to that date there was a board of individual trustees), chaired by Elizabeth Renshaw-Ames. References to "Trustee" in this document refer to the Corporate Trustee and its predecessor trustees, as appropriate. A specialist independent investment adviser (Isio), legal advisers (Squire Patton Boggs and Sackers), scheme accountant (RSM) and statutory auditor (Crowe) make up the team of experts that supports the Trustee to deliver strong governance standards.

This Statement of Investment Principles ("the Statement") states the investment principles governing decisions about investments for the purposes of the Scheme, a defined contribution pension arrangement made up of a number of employer-specific sections registered with HMRC under Finance Act 2004. It has been produced by the Trustee of the Scheme in compliance with section 35 of the Pensions Act 1995 and any relevant subsequent legislation.

The Statement will be made available to all participating employers prior to selecting the Scheme. All advice the Trustee receives regarding investment options for an employer section will make reference to the Statement and indicate how the principles defined within it have been addressed. It will also consider the appropriateness of fees and charges payable by members of the Scheme.

Separately, the Trustee produces an Implementation Statement each year which sets out how they have acted on the principles set out in the version of the Statement that applied during the relevant year, in particular in relation to Environmental, Social and Governance (ESG) factors. A copy of the most recent Implementation Statement can be found online, at the web address: https://library.aviva.com/tridion/documents/view/sp991091.pdf

Policy for choosing investments

The Scheme invests through investment policies with Aviva in pooled funds accessed via the Aviva investment platform. It offers a large, diverse range of pooled funds which can be selected by members of each section of the Scheme. In agreeing to this arrangement, the Trustee has specified that the Scheme's fund range should:

- include choices suitable for members of different ages and with different retirement benefit plans.
- be designed to deliver long-term positive returns taking account of a number of different risks.
- seek, where possible, to mitigate the risks described below.
- be suitable for employers regardless of their industry or size.
- include options suited for use as default investment options, as required by automatic enrolment legislation.
- include options where ESG considerations are integrated into the investment process.

The day-to-day management of the Scheme's assets is ultimately delegated to one or more investment managers via insurance contracts or investment management agreements.

The Scheme offers a standard default investment option as well as alternative default investment options, for which the Trustee receives advice from its specialist independent investment adviser. In addition, employers are able to take independent advice and should they wish, and with the agreement of the Trustee, establish their own bespoke default investment option or other investment options. There are also a number of additional defaults that have been created following the transfer-in of members from other schemes on a non-consent basis. The Trustee remains responsible for the establishment and ongoing governance of all these investment options.

Details of the standard, alternative and additional default investment options for the Scheme are contained in Appendix 1.

Where the Trustee has established a bespoke default investment option and/or fund range, details are contained in a separate “Employer Specific” document which can be found in Appendix 2.

For all sections of the Scheme, the Trustee will consider how best to safeguard members from the risks associated with investing their pension savings. The following list summarises some of the key risks and how the fund range is designed to mitigate these:

Inflation – Inflation - Taking the fund range as a whole it is expected that the performance of member funds should protect the real value of their pension savings over an appropriate time horizon.

Shortfall – Although the Trustee has no influence over the level of contributions paid, members may potentially receive a lower retirement benefit than they had hoped for. The Trustee will inform members annually of the projected value of their pension account at retirement in order to inform their decision making.

Performance ups and downs – Those funds which have a chance of achieving higher returns for members are likely to have greater volatility over shorter time periods. An appropriate level of risk for a specific default investment option will be considered against the profile of the membership.

Pension conversion – For members approaching retirement, the impact of poor performance is significantly increased as they have less time to make up any lost money. Default investment options may factor in a de-risking mechanism such as lifestyling that recognises the changing requirements of members as they approach retirement, for example with a greater focus on capital preservation and reduced volatility.

Manager – There is no guarantee that any fund within the default investment option or self-select range will achieve its long-term objective. The Trustee will continue to monitor the funds and managers available to Scheme members to try and minimise this risk as much as is practically possible.

Diversification – Failure to diversify increases the risk of losing money if one particular investment does not perform as expected. A default investment option will need to contain an appropriate level of diversification.

Liquidity – Some investment types are not easy to sell (for example, real estate), potentially resulting in a delay in buying or selling assets. The use of investments that may have liquidity issues will be restricted unless this risk is specifically managed.

Credit – The risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation, either directly or indirectly. The Scheme is subject to credit risk through its investment policy with Aviva, and through the underlying investments in the underlying funds. Aviva is regulated by the Prudential Regulation Authority and the Financial Conduct Authority and, in the event of default by Aviva, the Scheme is protected by the Financial Services Compensation Scheme. The Trustee monitors the financial strength of Aviva and the security of the Scheme assets in conjunction with their specialist independent investment adviser.

Market – The funds offered by the Scheme may be subject to a number of market risks depending on their portfolio characteristics:

- Currency risk: the risk that the value of a fund will fluctuate because of changes in foreign currency exchange rates.
- Interest rate risk: the risk that the value of a fund will fluctuate because of changes in interest rates.
- Other price risk: the risk that the value of a fund will fluctuate because of changes in market prices (other than those arising from currency or interest rate risk), whether these changes are caused by factors specific to the individual fund assets or their issuers, or factors affecting all similar assets traded in the market.

Environmental, Social and Governance Factors – Management of investments with regard to Environmental, Social and Governance (ESG) factors, including but not limited to climate change, can impact performance and member outcomes. The Trustee has formulated its own set of ESG beliefs as detailed in the Trustee’s Environmental, Social and Governance Policy Statement’ which is set out in Appendix 3. The Trustee has carried out a detailed process to formulate their beliefs and to reflect the importance it believes ESG factors should play in the Scheme’s investment strategy decisions. The Trustee’s ESG beliefs and Policy Statement are reviewed on a regular basis.

The day-to-day management of the underlying investments is the responsibility of the underlying fund managers, including the direct management of credit and market risks. The Trustee monitors the Scheme's investment options and the fund managers on a regular basis, with the help from its specialist independent investment adviser. The Trustee, with assistance from Aviva and their investment advisers, also oversee the voting and engagement activity of the Scheme's fund managers, in order to ensure the managers are acting in line with the Trustee's ESG beliefs and policies.

The Department for Work & Pensions (DWP) has introduced additional climate-specific legislation, whereby from 1 October 2021, the Trustee is required to have in place an effective governance framework on how to address climate-related risks within the Scheme; carry out climate scenario analysis; and monitor climate-specific ESG metrics. The Trustee published the first edition of what will now be an annual Climate-related Financial Disclosure report in October 2022. A copy of the most recent report can be found online, at the web address: https://library.aviva.com/tridion/documents/view/sp991809.pdf

The Expected Return on Investments

The overarching objective for the Scheme's default investment options and other investment options is to deliver long term positive returns, after charges, taking account of the risks described above.

The Trustee has regard to the relative investment return and risk that each asset class is expected to provide. The Trustee is advised by their independent professional advisers on these matters, who they deem to be appropriately qualified experts. However, the day-to-day selection of investments is delegated to the investment managers.

Realisation of Investments

The Scheme invests in pooled funds which can be quickly realised as required, under normal market conditions.

Financially Material Considerations and Stewardship Policy

The Trustee has considered how financially material considerations, including ESG factors (which include climate change), are taken into account in the selection, retention, realisation and monitoring of the Scheme's investment options over the appropriate time horizon applicable to members invested in those options.

As the Scheme invests via pooled funds, this means that the Trustee has delegated responsibility for the selection, retention and realisation of investments to the underlying fund managers of those funds (within certain guidelines and restrictions) and the Trustee's approach to managing financially material considerations is limited by the nature of those pooled funds.

- For passively managed funds, the Trustee recognises that the role of the manager is to track an index and the choice of index will dictate the assets held. The Trustee will periodically review the indices used for this purpose.
- For actively managed funds (where the fund manager decides where to invest) fund managers are expected to take financially material considerations into account when deciding on the selection, retention and realisation of investments where permissible within the applicable guidelines and instructions.

The Trustee also delegates exercise of the rights (including voting rights) attaching to the investments to the individual fund managers. Fund managers are expected to:

- exercise the voting rights attached to individual investments; and
- engage with key stakeholders which may include corporate management, regulators and governance bodies, relating to their investments in order to improve corporate behaviours, improve performance and mitigate financial risks in accordance with their own house policy.

The Trustee has developed an ESG Policy which has been integrated into monitoring the Scheme's investment arrangements. This policy is provided in Appendix 3 and is reviewed by the Trustee on a regular basis. The Trustee believes that by including ESG factors in investment decision making, it will reduce overall investment risks whilst generating sustainable investment returns over the long-term. The Trustee is also currently in the process of forming their own position regarding Stewardship in light of DWP guidance and agreeing their own set of stewardship priorities.

In terms of managers' voting activity, the Trustee has acknowledged responsibility for the voting policies that are implemented by the Scheme's investment managers on their behalf. The Trustee will seek to receive data/information on key votes cast and the outcomes of these votes as part of their regular reporting. The Trustee will also obtain verbal updates from the investment managers as part of Investment Committee meetings in order to understand, challenge and influence the process the managers take in casting votes on behalf of the Scheme and its members, and to ensure that managers are voting in line with the Trustee's own policies.

In terms of managers' engagement activity, the Trustee has acknowledged responsibility for the engagement policies that are implemented by the Scheme's investment managers on their behalf. The Trustee will engage, via their investment adviser, with investment managers and/or other relevant persons about relevant matters at least annually. From an AMT perspective these 'relevant persons' will be defined as the Scheme's investment managers. These are primarily BlackRock for My Future and Aviva Investors for My Future Focus, but it also extends to self-select fund managers and investment managers associated with any of the bespoke section investment strategies.

Aviva Investors take ownership of the voting and engagement activity on behalf of the Trustee in respect of the My Future Focus and My Future default investment options. Example stewardship activities that the Trustees have considered are listed below.

- Selecting and appointing asset managers – the Trustee will consider potential managers' stewardship policies and activities
- Asset manager engagement and monitoring – on an annual basis, the Trustee assesses the voting and engagement activity of their asset managers. The results of this analysis feeds into the Trustee's investment decision making and is recorded in the Implementation Statement
- Collaborative investor initiatives – the Trustee will consider joining/ supporting collaborative investor initiatives.

As part of considering the AMT's stewardship priorities and reviewing their investment managers' engagement and voting activity, the Trustee keeps in mind that any stewardship-related engagement and action should be taken where it is in the members' best financial interests.

The Trustee additionally recognises the importance of offering a suitable range of investment options for members who wish to express an ethical preference in their pension savings. The Trustee may take non-financial factors into account in the self-select investment options and in alternative and bespoke default investment options, where this is in compliance with the Trustee's legal duties. The basis on which such factors are taken into account would be made clear in the description of such funds.

Environmental, Social and Governance (ESG) factors

The Trustee engages with Aviva and the fund managers on the integration of ESG into the Scheme's investments and how this can be improved.

The Trustee has adopted Aviva's My Future Focus Universal Lifestyle strategy as the standard default investment option for the Scheme. The My Future Focus solution integrates ESG factors into its design and ongoing management, with the use of ESG factors in stock selection in the actively managed investments and the application of an ESG focused tilt on the passive regional equity investments, together with active voting and engagement.

As of September 2022, the Scheme also offers an ethical alternative default investment option (Aviva 'Stewardship' Lifestyle) and a range of funds incorporating both ESG and non-financial factors as part of the self-select fund range.

The Trustee expects to further develop the level of ESG integration within the default investment options and funds offered by the Scheme.

During the Scheme year ended 31st March 2023 the Trustee has agreed to implement changes to the bespoke default investment options within the Scheme operated for the WM Morrison Supermarkets and Mott MacDonald sections which will increase the integration of ESG factors within these defaults.

On behalf of the Trustee, Aviva has developed additional reporting on specific ESG metrics so that the Trustee can measure the development of ESG considerations within the overall investment arrangements.

Arrangement with fund managers

The Scheme invests in pooled funds managed by one or more investment managers.

The Trustee selects such funds with an expectation of a long-term appointment and ensuring that the investment objectives and guidelines of the fund are consistent with the Trustee's investment policies.

The Trustee does not expect the Scheme's fund managers to take excessive short-term risk. The performance of the Scheme's investments against their benchmarks and objectives over medium to long term periods will be regularly monitored by the Trustee (with the assistance of its specialist independent investment adviser). The Trustee believes reviewing performance over these timeframes is consistent with ensuring the fund manager makes decisions based on an appropriate time horizon. The Trustee will also consider the extent to which the investment strategy and decisions of the Scheme's fund managers are aligned with the Trustee's policies. This includes monitoring:

- the extent to which fund managers make decisions based on assessments about medium- to long-term performance of an issuer of debt or equity;
- the managers' approach to engagement with issuers of debt or equity in order to improve their performance in the medium- to long-term;
- the managers' approach to ESG integration (particularly in respect of climate change risk), their voting and engagement activity and alignment with the Trustee's policies in this area;
- the managers' fees and costs; and
- the level of portfolio turnover and associated costs.

Fund managers are remunerated based on the value of assets which they manage for the Scheme. This incentivises an alignment of interests between the fund managers and the Trustee, with positive long-term returns supporting member outcomes. The Trustee also believes this structure enables the fund manager to focus on long-term performance without the concern of short-term falls in performance affecting their revenue.

There is no set duration for arrangements with fund managers, however they can be replaced at any time by the Trustee. The duration of the existing manager relationships is summarised in Aviva's quarterly reporting prepared for the Trustee. Where fund managers fail to adhere to the Scheme's policies, the Trustee works with Aviva and engage with the manager to discuss how alignment may be improved. If, following engagement with the manager, it is the view of the Trustee that the degree of alignment remains unsatisfactory, the arrangements with the manager may be altered or their appointment terminated where this is deemed necessary.

When appointing a manager, the Trustee considers the fund manager's investment philosophy, process and policies and how ESG factors, and particularly climate risk, are integrated into these and how these are aligned with the Trustee's beliefs.

Investment Objectives

The Trustee's overall objective is to provide investment options that enable members to grow their pension savings after charges over the long term, and to manage risks appropriately.

The default investment options, as described below, are expected to meet this objective and also take into account guidance from the Pensions Regulator and the Department for Work & Pensions for offering a default investment option for defined contribution automatic enrolment pension schemes.

Furthermore, the Trustee believes that the self-select funds offered as an alternative to the default investment options enable members to choose their own portfolio of funds which would achieve the overall objective.

Default Investment Options

The Scheme provides the following default investment options:

Standard Default Investment Option

- A standard default investment option is provided which will apply for all sections where employers have not requested an alternative or bespoke default investment option.

Alternative Default Investment Options

- Alternative default investment options are available that employers can request are used as the default option for their section in place of the standard default investment option.

Bespoke Default Investment Options

- A small number of employers have requested that the Trustee considers implementing a bespoke default investment option in respect of their employees, rather than utilising the standard or alternative default investment options. For these bespoke default investment options, the employer and the Trustee receive advice on the suitability of that bespoke default investment option.

Additional Default Investment Options

- The Scheme also incorporates additional default investment options which were created following the transfer of benefits from certain single employer schemes into the Scheme. In such cases, the members have been transferred to these additional default investment options on a non-consent basis.

Aims and objectives of Default Investment Options

- The Trustee's wider investment policies and considerations as disclosed throughout this Statement apply to the design and construction of the default investment options.

- In selecting the default investment options under the Scheme to ensure that assets are invested in the best interests of members, the Trustee, in conjunction with their investment advisers, gave in-depth consideration to the demographic profile and expected member behaviour together with the retirement outcome needs and the risk tolerance of the membership. In addition, where relevant, consideration was given to the funds previously chosen by members and the similarity between the objectives of the Scheme's fund options and those of the member's most recent active fund choice. Due consideration was also given to compliance with the charge cap.

Review of Default Investment Options

- The Trustee will continue to obtain ongoing advice from their investment advisers relating to the ongoing suitability of the default investment options outlined in this Appendix.

- The retirement outcome choices reflected in the design of the default investment options will be reviewed at least triennially or earlier in the event of any significant changes in the investment policy or member demographics. The review will take into account the manner in which members take their pension savings from the Scheme and any significant changes in the demographic profile of the relevant members.

Self-Select Funds

- The self-select fund options encompass a wider range of asset classes including equity, fixed income and multi-asset funds, with both passively and actively managed options available to members. In addition, the Stewardship range of funds provide members with options incorporating both ethical and ESG principles in their design and management are available.

Before revising the Statement at any time in the future, the Trustee will obtain and consider the written advice of a specialist independent investment adviser and will consult with Aviva.

The Statement will be reviewed triennially by the Trustee and without delay following any significant change in the Trustee's investment policy.

In preparing the Statement, the Trustee has obtained and considered the written advice of a person who is reasonably believed by the Trustee to be qualified by their ability in and practical experience of financial matters and to have the appropriate knowledge and experience of the management of the investments of pension arrangements such as the Scheme. The Trustee has consulted with Aviva Life and Pensions UK Limited ("Aviva") as sponsoring employer and the company appointed to act on behalf of the participating employers to the Scheme.

Signature *Elizabeth Renshaw-Ames*

Position: Chair of Trustees

Name: Elizabeth Renshaw-Ames

Date: 26/09/2023

Appendix 1 – Sections adopting the Scheme's Standard/Alternative/Additional Default Investment Options

Standard Default Investment Option

The Trustee has designated Aviva's My Future Focus Universal lifestyle strategy as the standard default investment option for members, and this will be used as the default investment option by participating employers who do not request that the Trustee implements an alternative default investment option or bespoke default investment option.

The My Future Focus strategy is structured as a framework comprising 1 `universal' lifestyle and 3 lifestyles targeting annuity purchase, cash withdrawal and drawdown. The `universal' lifestyle for My Future Focus has been designed to cater for the broad range of different member profiles within the Scheme and is therefore generally adopted as the default investment option for employers adopting the standard default investment option.

The My Future Focus Universal Lifestyle invests in the Aviva My Future Focus Growth Fund during the growth phase of the lifestyle strategy. The Fund aims to provide long-term growth by investing in a broad and diversified range of asset classes. During the pre-retirement phase, starting 10 years away from retirement, the Aviva My Future Focus Consolidation Fund is introduced and members' asset allocations are phased such that the exposure to the Aviva My Future Focus Growth Fund is reduced and exposure to the Aviva My Future Focus Consolidation Fund is increased. At retirement, a member will be 100% invested in the Aviva My Future Focus Consolidation Fund. This fund aims to provide growth with a reduced level of risk compared to the Growth Fund by investing in a broad and diversified range of asset classes.

Alternative Default Investment Options

An employer for a section within the Scheme can alternatively adopt the My Future Focus Target Drawdown Lifestyle or the My Future Focus Target Cash Lifestyle as the default for their section, where the membership profile for that section fits within parameters for each Lifestyle agreed by the Trustee.

The My Future Focus Target Drawdown Lifestyle invests in the Aviva My Future Focus Growth Fund during the growth phase of the lifestyle strategy. During the pre-retirement phase, starting 10 years away from retirement, the Aviva My Future Focus Drawdown Fund is introduced and members' asset allocations are phased such that the exposure to the Aviva My Future Focus Growth Fund is reduced and exposure to the Aviva My Future Focus Drawdown Fund is increased. At retirement a member will be 100% invested in the Aviva My Future Focus Drawdown Fund.

The My Future Focus Target Cash Lifestyle invests in the Aviva My Future Focus Growth Fund during the growth phase of the lifestyle strategy. During the pre-retirement phase, starting 10 years away from retirement, the My Future Focus Cash Lump Sum Fund is introduced and members' asset allocations are phased such that the exposure to the Aviva My Future Focus Growth Fund is reduced and exposure to the Aviva My Future Focus Cash Lump Sum Fund is increased. At retirement a member will be 100% invested in the Aviva My Future Focus Cash Lump Sum Fund.

The Trustee has also designated Aviva's My Future Universal Lifestyle strategy as an alternative default investment option which employers may request that the Trustee invests in.

The My Future strategy is structured as a framework comprising 1 `universal' lifestyle and 3 lifestyles targeting annuity purchase, cash withdrawal and drawdown. The `universal' lifestyle for My Future has been designed to cater for the broad range of different member profiles within the Scheme and is therefore generally adopted as the default investment option for employers adopting this alternative default investment option.

The My Future Universal Lifestyle invests in the Aviva My Future Growth Fund during the growth phase of the lifestyle strategy. During the pre-retirement phase, starting 15 years away from retirement, the Aviva My Future Consolidation Fund is introduced and members' asset allocations are phased such that the exposure to the Aviva My Future Growth Fund is reduced and exposure to the Aviva My Future Consolidation Fund is increased. At retirement, a member will be 100% invested in the Aviva My Future Consolidation Fund.

Alternatively an employer for a section within the Scheme can adopt the My Future Target Drawdown Lifestyle or the My Future Target Cash Lump Sum Lifestyle as the default for their section, where the membership profile for that section fits within parameters for each Lifestyle agreed by the Trustee.

The My Future Target Drawdown Lifestyle invests in the Aviva My Future Growth Fund during the growth phase of the strategy. During the pre-retirement phase, starting 15 years away from retirement, the My Future Drawdown Fund is introduced and members' asset allocations are phased such that the exposure to the Aviva My Future Growth Fund is reduced and exposure to the Aviva My Future Drawdown Fund is increased. At retirement, a member will be 100% invested in the Aviva My Future Drawdown Fund.

The My Future Target Cash Lump Sum Lifestyle invests in the Aviva My Future Growth Fund during the growth phase of the lifestyle strategy. During the pre-retirement phase, starting 15 years away from retirement, the Aviva My Future Consolidation Fund and then, from 10 years away from retirement, the Aviva My Future Cash Lump Sum Fund are introduced. Members' asset allocations are phased such that the exposure to the Aviva My Future Growth Fund is reduced and exposure to the Aviva My Future Consolidation and Aviva My Future Cash Lump Sum Funds are increased. At retirement, a member will be 100% invested in the Aviva My Future Cash Lump Sum Fund.

The Trustee has also designated Aviva's Stewardship Lifestyle as an alternative default investment option which employers may request as the default for their section. Use of this alternative default investment option is currently subject to review and agreement by the Trustee on a case-by-case basis.

The Stewardship Lifestyle invests in 3 underlying funds:

- Stewardship International Equity Fund (global equity)
- Stewardship Bond Fund (investment grade credit)
- Stewardship Managed Fund (70% Stewardship International Equity Fund / 30% Stewardship Bond Fund)

The Stewardship Lifestyle moves from a Growth Phase to a Retirement Phase, starting 10 years away from retirement. Where a member is more than 10 years from retirement, they are invested 40% in the Stewardship International Equity Fund and 60% in the Stewardship Managed Fund, with zero allocation to the Stewardship Bond Fund. Starting 10 years away from retirement member's asset allocations are gradually changed such that exposure to the Stewardship International Equity Fund and Stewardship Managed Fund are reduced and exposure to the Stewardship Bond Fund is added then increased. At retirement, a member will be invested 50% in the Stewardship Managed Fund, 50% in the Stewardship Bond Fund with zero allocation to the Stewardship International Equity Fund.

Bespoke Default Investment Options

Where the Trustee agrees to establish a bespoke default investment option for an employer, details are contained in a separate “Employer Specific” document within Appendix 2.

Additional Default Investment Options

There are a number of additional funds which are considered and therefore governed as, default investment options. These default investment options have resulted from the transfer of members’ assets from single employer occupational schemes on a non-consent basis. The overarching objective of these additional default investment options is to provide members with a risk and return profile and objective that is consistent with the fund from which they were mapped. Specific aims and objectives for these funds are set out below.

Name of Additional Default Investment Option	Aims and objectives
Aviva Pension My Future Growth	This fund aims to provide long term growth through exposure to a range of asset classes, including company shares, bonds and cash. The fund targets an annualised level of volatility of 12% over the long-term. The fund is designed to provide members with exposure to a range of different asset classes, with a risk and return profile and objective that is consistent with the fund from which they were mapped.
Aviva Pension My Future Consolidation	This fund aims to provide growth with a reduced level of risk through exposure to a range of asset classes, including company shares, bonds and cash. The fund targets an annualised level of volatility of 4% over the long-term. The fund is designed to provide members with exposure to a range of different asset classes, with a risk and return profile and objective that is consistent with the fund from which they were mapped.
Aviva Pension My Future Focus Growth	This fund aims to provide long term growth through exposure to a range of asset classes, that include company shares, bonds, cash, and property. The fund targets volatility of 75% of Global Equities (as measured on a rolling 5 years basis). The fund is designed to provide members with exposure to a range of different asset classes, with a risk and return profile and objective that is consistent with the fund from which they were mapped.
Aviva Pension My Future Focus Consolidation	This fund aims to provide growth with a reduced level of risk through exposure to a range of asset classes, that include company shares, bonds, cash and property. The fund targets volatility of 25% of Global Equities (as measured on a rolling 5 years basis). The fund is designed to provide members with exposure to a range of different asset classes, with a risk and return profile and objective that is consistent with the fund from which they were mapped.

Appendix 2 - Sections with Bespoke Default Investment Options
L'Oréal Section of the Scheme

This Appendix is for the L'Oréal Section of the Aviva Master Trust. The Trustee has taken advice from Hymans Robertson LLP on the suitability of the investment strategy for this section.

Investment Objectives

The main investment objectives are:

- Ensure that the Plan has effective investment performance monitoring
- Ensure that the default investment strategy offered is suitable for the Plan's membership
- Ensure that the plan offers other investment funds that are suitable for the membership
- Ensure best practice investment governance

Default Investment Option

A default option has been selected for the L'Oreal Section, and has been designed to be suitable for a typical member. The default has been chosen taking account of:

- The kinds of investments to be held
- The balance between different kinds of investments
- Investment risks
- The expected return on investments
- Realisation of investments
- The expectation of how members will take their benefits at retirement
- The integration of ESG factors into the investments

Based on analysis of retirements in the L'Oreal Section since 2018 and the current average pot size for members over the age of 55, it is expected that members will take a one-off cash lump sum or UFPLS.

The objective of the default investment solution is to provide an appropriate investment strategy for members who do not wish to make an investment choice for themselves.

Up until 20 years from the member's selected retirement date, their contributions are invested in the L'Oreal Growth Blend, which aims to grow the value of the member's pension pot over time.

From 20 years to the selected retirement date, the strategy gradually moves members' savings into the L'Oreal Diversified Blend fund and then, from 4 years before the selected retirement date, the My Future Cash Lump Sum Fund, with the aim of preparing members' pots for being taken as a cash lump sum at retirement.

Alternative Lifestyles & Self-Select Options

There is also an alternative lifestyle that members can choose to invest in, known as the L'Oreal - Adventurous Strategy. The building blocks of the L'Oreal- Adventurous Strategy are the same as the default strategy but a higher level of risk is targeted earlier on in the glidepath, and drawdown is targeted at retirement instead of cash. In addition, members can choose from the Scheme's full standard range of self-select fund options.

Mott MacDonald Section of the Scheme

This Appendix is for the Mott MacDonald Group Section of the Aviva Master Trust. The Trustee has taken advice from Lane Clark & Peacock LLP ("LCP") on the suitability of the investment strategy for this Section.

Investment Objectives

The main investment objectives are to provide members with access to:

- an appropriate range of investment options, reflecting the membership profile and the variety of ways that members can draw their benefits in retirement; and
- a default investment option that is reasonable for those members that do not wish to make their own investment decisions. The objective of the default option is to generate long term investment returns above inflation whilst members are some distance from retirement, but then to switch automatically and gradually to lower expected risk investments as members near retirement.

Default Investment Option

A default option has been selected for the Mott MacDonald Group Section and has been designed to be suitable for a typical member. The default has been chosen taking account of:

- The kinds of investments to be held;
- The balance between different kinds of investments;
- Investment risks;
- The expected return on investments; and
- Realisation of investments.

The default investment strategy ("strategy") targets income drawdown at retirement because this is the retirement option that the Trustee believes that most members are likely to take. The strategy consists of four white labelled funds, each determined by the underlying asset classes.

The strategy aims to provide strong growth in early years when members can take on more risk, by investing in the LIP Global Equity Fund. The underlying fund in the LIP Global Equity Fund is a low-carbon tilted global equity fund. If climate risk becomes more material over time as expected, then it is likely that this fund will perform better than a standard global equity index (such as the FTSE All World Index). The underlying fund also has high levels of engagement by the investment manager with companies that it invests in (eg meeting with management on key issues for investors, exercising voting rights), to drive better Environmental Social and Governance ("ESG") standards across those companies, which the Trustee believes to have a financially material impact on returns.

From 20 years before the member's selected retirement date the strategy then aims to reduce investment risk while maintaining a reasonable level of growth consistent with a drawdown strategy. It aims to achieve this by investing in the LIP Diversified Fund and reducing the allocation to the LIP Global Equity Fund.

The LIP Diversified Fund has two underlying funds, both of which the Trustee's advisers have confirmed are appropriately considering ESG factors. The Trustee expects a potential improvement in risk adjusted return due to better mitigation of ESG related risks including climate change, relative to other funds which do not integrate ESG factors as well.

From 8 and 3 years before the selected retirement date, allocations to the LIP Bond Fund and LIP Liquidity Fund are, respectively, introduced, further reducing the allocation to the LIP Global Equity Fund. At the member's selected retirement date, the strategy is invested 15% in the LIP Global Equity Fund; 50% in the LIP Diversified Fund; 10% in the LIP Bond Fund; and 25% in the LIP Liquidity Fund.

Alternative Lifestyles & Self-Select Options

A lifestyle strategy targeting annuity purchase at selected retirement age, the LIP Annuity strategy, and a lifestyle strategy targeting cash withdrawal at selected retirement age, the LIP Cash strategy, are both available for members to self-select as an alternative to the default investment strategy.

The LIP Global Equity Fund, LIP Diversified Fund, LIP Bond Fund and LIP Liquidity Fund are also available for members to self-select as an alternative to the default investment strategy.

In addition, members can choose from the Scheme's full standard range of self-select fund options.

WM Morrison Supermarkets Section of the Scheme

This Appendix is for the WM Morrison Supermarkets Section of the Aviva Master Trust. The Trustee has taken advice from Lane Clark & Peacock LLP ("LCP") on the suitability of the investment strategy for this Section.

Investment Objectives

The main investment objectives are to provide members with access to:

- an appropriate range of investment options, reflecting the membership profile and the variety of ways that members can draw their benefits in retirement; and
- a default investment option that is reasonable for those members that do not wish to make their own investment decisions. The objective of the default option is to generate long term investment returns above inflation whilst members are some distance from retirement, but then to switch automatically and gradually to lower expected risk

Default Investment Option

A default option has been selected for the WM Morrison Supermarkets Section and has been designed to be suitable for a typical member. The default has been chosen taking account of:

- The kinds of investments to be held
- The balance between different kinds of investments
- Investment risks
- The expected return on investments
- Realisation of investments

The default investment strategy ("strategy") targets cash lump sum withdrawal at retirement because this is the retirement option that the Trustee believes that most members are likely to take.

The investment strategy comprises of two white-labelled funds; the Morrisons Growth Fund and the Morrisons Pre-Retirement Fund, together with the BlackRock Sterling Liquidity Fund.

The strategy aims to provide strong growth in early years when members can take on more risk (given their long time horizon) by investing in the Morrisons Growth Fund.

The underlying fund in the Morrisons Growth Fund is a low-carbon tilted global equity fund. If climate risk becomes more material over time as expected, then it is likely that this fund will perform better than a standard global equity index (such as the FTSE All-World Index). The underlying fund also has high levels of engagement by the investment manager with companies that it invests in eg meeting with management on key issues for investors, exercising voting rights), to drive better Environmental Social and Governance ("ESG") standards across those companies, which the Trustee believes to have a financially material impact on returns.

From 15 years before the members' selected retirement date, the strategy then aims to reduce investment risk by investing in the Morrisons Pre-Retirement Fund while reducing the allocation to the Morrisons Growth Fund. From 3 years before the selected retirement date, an allocation to the BlackRock Sterling Liquidity Fund is introduced, further reducing the allocation to the Morrisons Growth Fund. At the member's selected retirement date, the strategy is invested 100% invested in the BlackRock Sterling Liquidity Fund.

Alternative Lifestyles & Self-Select Options

A lifestyle strategy targeting annuity purchase at selected retirement age, the Annuity Targeting strategy, and a lifestyle strategy targeting income drawdown at selected retirement age, the Income Drawdown strategy, are both available for members to self-select as an alternative to the default investment strategy.

The Morrisons Growth Fund, Morrisons Pre-Retirement Fund and Morrisons Annuity Fund are available for members to self-select as an alternative to the default investment strategy. In addition, members can choose from the Scheme's full standard range of self-select fund options.

Thomas Cook Section of the Scheme

This Appendix is for the Thomas Cook Section of the Aviva Master Trust. The Trustee has taken advice from Mercer Limited on the suitability of the investment strategy for this section.

Investment Objectives

The main investment objectives are to provide members with access to:

- a default investment option that is reasonable for those members that do not wish to make their own investment decisions; and
- an appropriate range of self-select options for members who wish to design their own investment strategy.

Default Investment Option

A default option has been selected for the Thomas Cook Section and has been designed to be suitable for a typical member. The default has been chosen taking account of:

- The kinds of investments to be held
- The balance between different kinds of investments
- Investment risks
- The expected return on investments
- Realisation of investments
- The expectation of how members will take their benefits at retirement
- The integration of environmental, social and governance considerations.

The objective of the default is to provide an appropriate investment strategy for members who do not wish to make an investment choice and / or those who are expected to withdraw benefits flexibly, for example through a drawdown policy.

Until eight years from the member's selected retirement date, the default investment option invests in a growth-focused fund, the TC Growth Fund, which invests in equities and other growth-seeking assets. This Fund is expected to provide equity-like growth over the long term with some downside protection and some protection against inflation erosion.

From eight years before their selected retirement date, members in the default option have their holdings gradually transitioned towards a lower risk portfolio, the TC Flexible Journey De-Risking Fund. This lower risk portfolio is designed to provide exposure to assets aiming for income and stable growth through retirement, along with an allowance for tax-free cash through an allocation to money market investments, with the BlackRock Sterling Liquidity Fund introduced into the default option five years before a member's selected retirement date. At the member's selected retirement date, the strategy is invested 75% in the TC Flexible Journey De-Risking Fund and 25% in the BlackRock Sterling Liquidity Fund.

Alternative lifestyles and self-select options

In addition to the default members can choose from two alternative lifestyle options (designed to meet the needs of members who intend to withdraw their benefits as cash, and members who intend to purchase an annuity at retirement, as well as taking tax free cash) or the Scheme's full standard range of self-select fund options.

Marylebone Cricket Club Legacy Deferred Members Section of the Scheme

This Appendix is for the Marylebone Cricket Club Section of the Aviva Master Trust. The Trustee has taken advice from Willis Towers Watson (WTW) on the suitability of the investment strategy for this section.

Investment Objectives

The main investment objectives are to provide members with access to:

- a default investment option that is reasonable for those members that do not wish to make their own investment decisions; and
- an appropriate range of self-select options for members who wish to design their own investment strategy.

Default Investment Option

A default option has been selected for the Marylebone Cricket Club Section and has been designed to be suitable for a typical member. The default has been chosen taking account of a number of key factors:

- Ensuring that the proposed funds provide value for members particularly in terms of ongoing charges
- Satisfying the requirements of the membership from a risk / return perspective
- Aiming to minimise (where possible) disruption to the transferring members by taking account of the ceding Scheme design.

The objective of the default is to provide an appropriate investment strategy for members who do not wish to make an investment choice and / or those who are expected to withdraw benefits flexibly, for example through a drawdown policy.

The design is consistent with the ceding Scheme design in terms of the de-risking period and the 100% allocation to cash at retirement. Both designs have been deemed appropriate when considering the risk profile of the membership (with members benefiting from a guaranteed DB benefit) and how members are expected to take their DC savings (as part of their Scheme DB PCLS entitlement):

- Growth Phase: Due to the transferring members being able to rely on a Defined Benefit (DB) provision within the Scheme a 100% equity-based investment within the growth phase has been retained using the BlackRock World ESG Insights Equity fund.
- Transition phase: Commencing 15 years from retirement members are gradually transitioned into the LGIM Diversified fund.
- At retirement phase: Commencing 5 years from retirement members are gradually transitioned into the BlackRock Sterling Liquidity fund with 100% of the asset allocation being to this fund at the member's selected retirement date.

Self-Select Options

In addition to the default the members can choose from the Scheme's full standard range of self-select fund options.

Appendix 3 - Aviva Master Trust Environmental, Social and Governance Policy Statement

1. Introduction

This Environmental, Social and Governance ("ESG") Policy Statement ("the Policy") has been prepared by the Trustee of the Aviva Master Trust ("the Scheme") to set out their views on ESG factors (including climate change). It considers how they are addressed whilst meeting the overall objectives of the Scheme's investment strategy, as set out in the Statement of Investment Principles ("SIP"), and as outlined in the Trustee's Mission Statement & Strategic Objectives.

Responsible Investment is the term that the Trustee uses to define an approach to investing that aims to incorporate ESG factors into investment decisions, to better manage risk and generate long-term, sustainable returns for members of the Scheme over the time horizons applicable to their membership.

The purpose of the Policy is to sit alongside the Scheme's SIP, formalising the Trustee's beliefs on ESG factors as discussed with their legal and investment advisers. The Policy provides a reference point for the Trustee for incorporating ESG factors into investment decision making. It covers those factors that are considered to have a financial impact on investment values, but not non-financial ones such as members' ethical views.

2. Rationale for the Policy

The Scheme is designed for multiple employers, but delivered under a single trust arrangement and governed by a Corporate Trustee investing on behalf of members.

As part of their duties, which includes a comprehensive approach to risk management, the Trustee recognises the need for the Scheme to be a long-term, responsible stakeholder.

By taking an active approach to include ESG factors in investment decision making, the Trustee believes they will reduce overall investment risks whilst generating sustainable investment returns.

The Department for Work & Pensions ("DWP") has expanded the scope of regulations to improve disclosure of Trustee's policies on factors financially material to their investment decision making, including ESG factors and climate change. The Trustee is required to include in the SIP their policies on how they take account of these factors, and are also required to prepare an annual implementation statement to communicate to members how, and the extent to which, these polices set out in the SIP have been followed during the year.

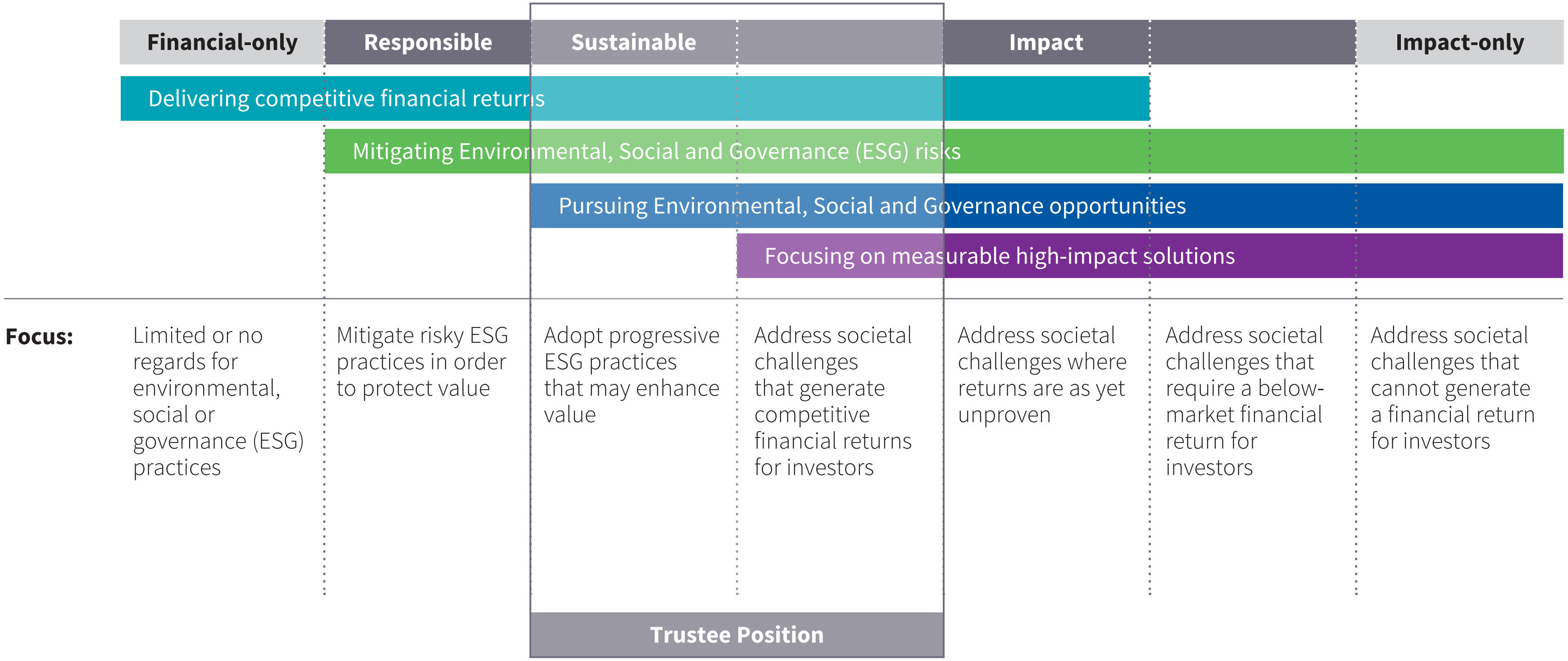
Furthermore, the DWP has introduced additional climate-specific legislation, whereby from 1 October 2021, the Trustee is required to have in place an effective governance framework on how to address climate-related risks within the Scheme; carry out climate scenario analysis; and monitor climate-specific ESG metrics. At the publication of the first set of Report & Accounts post this date, the Scheme produced a report in accordance with the Task Force on Climate-Related Financial Disclosures ("TCFD"). There are numerous governance requirements on the Trustee in order to comply with the TCFD regulations. The Trustee has ensured the requirements of TCFD have also been taken into account when reviewing their ESG beliefs and this Policy.

3. Process undertaken in agreeing the ESG policy

The Trustee first established a separate ESG policy and set of beliefs which was effective from 9 September 2019. Reflecting the importance to the Trustee of properly integrating ESG within the Scheme's investments, this policy and beliefs are kept under regular review with the latest review undertaken in the first half of 2021. The next review is scheduled to take place in September 2023.

The Trustee has mapped their beliefs against the Bridges Spectrum of Capital (a widely-used industry benchmark for aligning investment beliefs to various approaches to ESG investing). The illustration below sets out the different approaches that can be taken.

The Trustees' aspiration is for the Scheme to pursue a "sustainable" investment approach that integrates ESG in investment decision making in order to generate more sustainable long-term investment returns. The Trustee also agreed that the Scheme should seek to invest in a way which is likely to generate a positive and measurable environmental or societal impact whilst generating competitive financial returns. The Trustees' position is indicated on the Bridges Spectrum of Capital below.



Source: Bridges Fund management

4. The Trustees' ESG beliefs

The Trustee agreed to the following set of ESG beliefs in Q2 2021 and these beliefs are currently under review in H2 2023:

1. The Trustee believes that integrating ESG factors, including climate change, into the Aviva Master Trust's investment arrangements will lead to better outcomes for members, both through a higher investment return and also better management of risk.
2. ESG factors which are considered to be financially material should be integrated into the overall management of the default investment options. The Trustees' aspiration is to reflect ESG across as many of the asset classes as possible within the default investment options.
3. The self-select range should include ESG-based funds which reflect the diversity of approaches that may appeal to the Aviva Master Trust's membership.
4. The Trustee believes that fund managers should properly integrate ESG within their overall decision making - this applies for the default investment options as well as the self-select funds.
5. The Trustee believes that it is important to actively monitor key ESG metrics to understand the impact of their investments and to assess improvements over time.
6. Asset managers should take a positive stance to ESG when they vote and engage on behalf of the Trustee, in order to support the Trustees' belief that better integration of ESG will lead to improved member outcomes.
7. Asset managers should be actively engaging and collaborating with other market participants to raise ESG investment standards and facilitate best practices.

The Trustee continues to work with their advisers and Aviva (as sponsor and provider of the investment platform) to implement these beliefs most appropriately within the Scheme's investment strategy.

5. Impact of the Policy on investment decision making and the investment strategy

The Trustee decides the range of funds to be offered within the Scheme and the design of the default investment options.

With regards to the design of the default investment options, the Trustee looks to ensure that the funds making up the default investment options integrate ESG into the investment decision making process where permissible within applicable guidelines and restrictions. In addition, the Trustee takes into consideration any potential impact on fees/member charges which could arise as a result of further ESG integration into the default investment options.

Furthermore, the Trustee looks to offer a lifestyle option (the Stewardship Lifestyle) comprised of specialist funds which invest according to enhanced sustainable and/or responsible investment themes only, for those members seeking further integration. With effect from September 2022 this option has also been designated as an alternative investment option which can be designation by employers as a default, subject to review and agreement by the Trustee on a case-by-case basis.

The Trustee's aim is to ensure that all funds available through the Scheme have considered ESG and have a clear approach and framework for managing these factors. The Trustee also looks to offer specialist funds which invest according to enhanced sustainable and/or responsible investment themes for the major asset classes where available, as self-select specialist funds that are available for members.

In appointing and reviewing the Scheme's asset managers, the Trustee, with the assistance of its adviser, should consider, monitor and challenge their approach to ESG. The Trustee will engage, via its investment adviser, with investment managers and/or other relevant persons about relevant matters, including ESG, at least annually.

This will include gathering data on specific ESG metrics (in order to assess managers' progress over time against Trustee defined targets) and also monitoring and engaging with managers over their voting and engagement activities (to ensure managers are acting in accordance with the Trustee's ESG Policy and beliefs).

6. Implementing the Policy

The Trustee will consider the following steps when implementing their ESG beliefs and policy into the Scheme's investments:

Investment Approach

a) The Trustee's preference is for ESG factors to be fully integrated throughout the Scheme's investments. From the Trustee's perspective, integrating ESG factors means that investment decision making ensures that companies have a robust approach to the full range of ESG issues. For example: Environmental factors include climate change and sustainability policies; Social factors include gender diversity and supply chain policies; and Governance factors include board structure and executive remuneration.

b) The default investment options will continue to be reviewed to ensure all financially material (including ESG) risks are managed appropriately.

c) The self-select range will continue to be reviewed to ensure there is appropriate availability of ESG funds and specialist funds which invest according to enhanced sustainable and/or responsible investment themes.

d) As part of the Scheme's annual/triennial strategy reviews, the Trustee will review each of the Scheme's asset managers' approach to ESG. The Trustee and their advisers will review and challenge the asset managers on their approach in order to ensure all asset managers are making investment decisions in line with the Trustee's own ESG beliefs and this Policy.

e) ESG beliefs will be formally reviewed triennially or more frequently if required by the Trustee or by legislative or regulatory change.

Sponsor/member consultation

f) The Trustee will consult with Aviva on ESG issues and on the ongoing improvement of the Scheme's default investment options and available self-select options. Aviva will be expected to share its own knowledge and experience on ESG integration, in order to improve the overall offering to members.

g) Where possible and appropriate, the Trustee will seek out and reflect the views of the Scheme membership in respect of ESG, which may inform the Trustee's periodic review of the self-select range and their communication of ESG matters more broadly.

Metrics and targets

h) The Trustee will obtain data on key ESG metrics from Aviva Investors and the Scheme's other investment managers, in order to ensure ongoing compliance with any required legislation.

i) Metrics data will also be used to evidence the investment managers' compliance with the Trustee's ESG Policy and Beliefs. These metrics should be included in the managers' regular ongoing reporting. The Trustee expects to see evidence that improvements to the ESG score of the portfolios are being made.

j) To assist in the production of TCFD disclosures, the Trustee will initially focus on the collection of climate-based metrics and will communicate specific targets to their managers.

k) However, the Trustee recognises the importance to assess the Scheme's investments against all areas of ESG (and not just focus on Environmental/climate change). Therefore, the Trustee will also ask managers to report on key metrics covering Social factors (e.g. gender diversity; supply chain policies) and Governance factors (e.g. board diversity; executive pay; CSR strategy).

l) The Trustee will also obtain updates from the investment managers on their voting and engagement activity. This will be formally documented in the annual SIP Implementation Statement but the Trustee will also request data on votes cast to be included within regular reporting.

Ongoing compliance

m) As ESG issues are dynamic and continually evolving, the Trustee will ensure they continue to develop their understanding of ESG factors through training and experience.

n) The Trustee, with support from their advisers, will remain up to date and compliant with any latest developments, both from a product perspective in the market, but also from a regulatory/legislative perspective.

o) In particular, the Trustee will work with their advisers and Aviva to ensure the Scheme produces annual reporting in accordance with TCFD requirements.

p) The Trustee will also consider whether to sign the Scheme up to a recognised ESG framework/body, in order to enhance ESG knowledge and encourage wider investor collaboration.

7. Monitoring and reviewing the Policy

The Trustee will monitor the Scheme's assets against this Policy on an ongoing basis, with the assistance of its investment adviser. The development of the Policy is viewed as an ongoing process, with the Trustee reviewing the Policy periodically in line with the SIP. When reviewing the Policy, the Trustee will take account of any significant developments in the market.

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