



## **Aviva Investors Multi-Strategy Target Return Fund (the “ILP Sub-Fund”)**

**This Fund Summary should be read in conjunction with the Product Summary**

### **Structure of ILP Sub-Fund**

The ILP Sub-Fund is an open-ended feeder fund and invests all or substantially all of its assets into the underlying Aviva Investors Multi-Strategy Target Return Fund Ah SGD (“Underlying Fund”), a sub-fund of Aviva Investors SICAV (“the Umbrella Fund”) which is a société d’investissement à capital variable (“SICAV”) incorporated on 16 January 1990 in Luxembourg and registered with the Registre de Commerce et des Sociétés de Luxembourg under number B 32 640.

The Underlying Fund qualifies as an Undertaking for Collective Investment in Transferable Securities (“UCITS”) under the Luxembourg law of 17 December 2010 on Undertakings for Collective Investment, as amended from time to time (the “2010 Law”), and is registered on the official list of collective investment undertakings maintained by the Commission de Surveillance du Secteur Financier (the “CSSF”).

The units in the ILP Sub-Fund are not classified as Excluded Investment Products.

### **Information on the Manager**

Aviva Investors Luxembourg S.A. is engaged as the management company of the Underlying Fund (the “Management Company”). It is a company incorporated in Luxembourg and is subject to chapter 15 of the 2010 Law and to the supervision of the CSSF. It has been managing collective investment schemes and discretionary funds since 1990. The Management Company has responsibility for investment management services, administrative services and distribution services.

Aviva Investors Global Services Limited (the “Investment Manager”) is appointed as the investment manager to handle the day-to-day management of the Underlying Fund. It is domiciled in the United Kingdom and is licensed and regulated by the Financial Conduct Authority. It has been managing collective investment schemes and discretionary funds since 1971.

### **Other Parties**

There is no other party who advises the Investment Manager in the management of the Underlying Fund. The auditor of the ILP Sub-Fund is PricewaterhouseCoopers LLP.

### **Investment Objective, Focus & Approach**

The investment objective of the ILP Sub-Fund is achieved through investing all or substantially all of its assets into the Underlying Fund.

The investment objective of the Underlying Fund is to target a 5% per annum gross return above the European Central Bank base rate (or equivalent) over a 3-year rolling period, regardless of market conditions (absolute return).

The Underlying Fund invests in equities, bonds, money market instruments and bank deposits from anywhere in the world. The Underlying Fund may also invest in UCITS and/or other UCIs. The Underlying Fund makes extensive use of derivatives for investment purposes by taking long and synthetic short positions in markets, securities and baskets of securities. The Underlying Fund’s derivatives may include futures, options, swap contracts, swaptions, total return swaps, currency forwards (deliverable or non-deliverable), foreign exchange options and credit default swaps. The Underlying Fund may also use derivatives for hedging and for efficient portfolio management.

## Risks

In addition to the risks stated in the Product Summary, the following are risks specific to the Underlying Fund:

### General Risks Associated with an Investment in the Underlying Fund

#### ***Collective investment risk***

Investing in any type of collective investment involves certain risks an investor would not face if investing in markets directly. Investors in the Underlying Fund could experience the following risks:

- the actions of other investors, in particular sudden large outflows of cash, could interfere with orderly management of the Underlying Fund and cause the Underlying Fund's NAV to fall.
- the investor cannot direct or influence how money is invested while it is in the Underlying Fund.
- performance fees may create an incentive for a manager to take greater risks than otherwise.
- the Underlying Fund's buying and selling of investments may not be optimal for the tax efficiency of any given investor.
- the Underlying Fund is subject to various investment laws and regulations that limit the use of certain securities and investment techniques that might improve performance.
- because Underlying Fund Shares are not publicly traded, the only option for liquidation is generally redemption, which could be subject to delays and any other redemption policies set by the Umbrella Fund.
- management techniques used by the Investment Manager, whether novel or associated with a particular level of performance in the past, could fail to yield the desired results.

In addition, there are risks associated with the structure of the Umbrella Fund and the business interests of the Management Company.

These include:

- the fact that any investment in other UCITS or UCIs is likely to mean that investors will be paying investment and/or management fees both to the Underlying Fund and to the UCITS or UCI, and that these combined fees could be higher than the investor might pay to invest directly in a similar type of investment to the underlying UCITS or UCI
- The Management Company, the Investment Manager, or either of their designees may at times find their obligations to the Underlying Fund to be in conflict with their obligations to other investment portfolios they manage (although in such cases, all portfolios will be dealt with equitably).
- Under certain circumstances, such as if there is pending dispute or tax audit at the time, the Umbrella Fund may withhold a portion of redemption proceeds as a reserve against possible adjustments or claims arising from the dispute or audit.

### Main Risks

#### ***Counterparty***

The Underlying Fund could lose money if an entity with which it does business becomes unwilling or unable to meet its obligations to the Underlying Fund. If a counterparty fails to meet its obligations, the Underlying Fund may have the right to try to recover any losses by using any collateral associated with the obligation. However, the value of collateral may be worth less than the cash or securities owed to the fund, whether because of market action, inaccurate pricing, deteriorating issuer credit or market liquidity problems. If a counterparty is late in honouring its obligations, it could affect the Underlying Fund's ability to meet its own obligations to other counterparties and could cause a delay in the processing of redemptions. Making a lending commitment involving a long term or large sum could lead to similar problems

#### ***Credit***

If the financial health of the issuer of a bond or money market security weakens, the value of the bond or money market security may fall. In extreme cases, the issuer may delay scheduled payments to investors, or may become unable to make its payments at all, and the issuer's bonds or money market securities may become worthless. Additional risk of unusual market conditions: Significant numbers of bond or money market security issuers could become unable to make payments to their investors.

***Currency***

Changes in currency exchange rates could reduce investment gains or increase investment losses. Exchange rates can change rapidly and unpredictably.

***Derivatives***

Derivatives transactions are complex and imply a higher volatility than traditional investments. They may involve a loss that is significantly greater than the cost of the derivative. The pricing and volatility of some derivatives (such as credit default swaps) may diverge from the pricing or volatility of their underlying reference(s). OTC derivatives are private agreements between an Underlying Fund and one or more counterparties, and are less highly regulated than market-traded securities.

OTC derivatives carry greater counterparty risk and liquidity risk, and it may be more difficult to force a counterparty to honour its obligations to an Underlying Fund. If a counterparty ceases to offer a derivative that an Underlying Fund had been planning on using, the Underlying Fund may not be able to find a comparable derivative elsewhere and may miss an opportunity for gain or find itself unexpectedly exposed to risks or losses, including losses from a derivative position for which it was unable to buy an offsetting derivative.

Because it is generally impractical for the Umbrella Fund to divide its OTC derivatives transactions among a wide variety of counterparties, a decline in the financial health of any one counterparty could cause significant losses. Conversely, if any Underlying Fund experiences any financial weakness or fails to meet an obligation, counterparties could become unwilling to do business with the Umbrella Fund, which could leave the Umbrella Fund unable to operate efficiently and competitively.

While exchange-traded derivatives are generally considered lower risk than OTC derivatives, there is still the risk that a suspension of trading in derivatives or in their underlying assets could make it impossible for an Underlying Fund to realize gains or avoid losses, which in turn could cause a delay in handling redemptions of Shares.

***Emerging Markets***

In general, emerging markets (such as the less developed markets of Asia, Africa, South America, and Eastern Europe) involve higher risks than developed markets (such as those of Western Europe, the US, and Japan), for such reasons as:

- political, economic, or social instability
- unfavorable changes in regulations and laws
- excessive fees, trading costs or taxation, or outright seizure of assets
- rules or practices that place outside investors at a disadvantage
- incomplete, misleading, or inaccurate information about securities issuers
- lack of standardized or reliable custody arrangements, particularly in Russia, where the securities are not directly held or controlled by the Custodian or its local agent
- lack of uniform accounting, auditing and financial reporting standards
- manipulation of market prices by large investors
- arbitrary delays and unscheduled market closures
- fraud and corruption

***Equity***

In general, equities involve higher risks than bonds or money market instruments. Equities can lose value rapidly, and can remain at low prices indefinitely. Equities of rapidly growing companies can be highly sensitive to bad news, because much of their value is based on high expectations for the future. Equities of companies that appear to be priced below true value may continue to be undervalued. If a company goes through bankruptcy or other financial restructuring, its equities may lose most or all of their value.

Equities of small and mid-size companies can be more volatile than those of larger companies. Small and mid-size companies often have fewer financial resources, shorter operating histories, and less diverse business lines, and as a result can be at greater risk of long-term or permanent business setbacks. To the extent that a hedge is successful, it generally eliminates opportunities for gain as well as risks of loss.

***Interest rate***

When interest rates rise, bond values generally fall. This risk is generally greater the longer the maturity of a bond investment and the higher its credit quality.

***Leverage***

To the extent an Underlying Fund creates leverage (invests in a way that magnifies the gain or loss it would normally receive from a given investment or group of investments), its NAV is likely to be more volatile and the risk of large losses is greater.

***Liquidity***

Any type of security that is not publicly traded (such as Rule 144A Securities) may be hard to value, and may be hard to sell at a desired time and price, especially in any volume. This also applies to securities that are publicly traded, but represent a small issue, trade infrequently, or trade on markets that are comparatively small or that have long settlement times. In addition to creating investment losses, liquidity problems could lead to a delay in the processing of Shareholder requests to redeem Shares.

***Market***

Prices of many securities change daily, and can fall based on a wide variety of factors, such as:

- political and economic news
- government policy
- changes in technology and business practices
- changes in demographics, cultures and populations
- natural or human-caused disasters
- weather and climate patterns
- scientific or investigative discoveries
- costs and availability of energy, commodities and natural resources

The effects of market risk can be immediate or gradual, short-term or long-term, narrow or broad.

**Other Important Risks**

***Operational***

The Underlying Fund could suffer from losses through people, process and system failures.

**Fees and Charges**

In addition to the fees and charges shown in the Product Summary, the following fees are also payable through deduction from the asset value of the Underlying Fund.

<b>Fees Payable by the Underlying Fund</b>	
Annual Management Fee	1.50%
Custodian Fee	Up to 0.20% p.a.
Administration Fee	Up to 0.125% p.a.

The Custodian and Fund Administrator for the Underlying Fund is J.P. Morgan Bank Luxembourg S.A..

**Past Performance<sup>1</sup> of the Underlying Fund:** as at 31 October 2018

**NOTE: PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE.**

**Cumulative Performance of the Underlying Fund**

<b>Underlying Fund</b>	<b>1 Yr</b>	<b>3 Yr</b>	<b>5 Yr</b>	<b>10 Yr</b>	<b>Since Inception (5 Jan 2016)</b>
Aviva Investors Multi-Strategy Target Return Fund Ah SGD	-1.52%	NA	NA	NA	-2.24%

**Annualised Performance of the Underlying Fund**

<b>Underlying Fund</b>	<b>1 Yr</b>	<b>3 Yr</b>	<b>5 Yr</b>	<b>10 Yr</b>	<b>Since Inception (5 Jan 2016)</b>
Aviva Investors Multi-Strategy Target Return Fund Ah SGD	-1.52%	NA	NA	NA	-0.80%

Source: Aviva Investors, gross income reinvested, NAV-NAV basis in SGD terms.

Note: There is no benchmark against which the performance of Aviva Investors – Multi-Strategy Target Return Fund will be measured as this Underlying Fund employs many differing strategies to achieve a stated return and there is no appropriate benchmark reflective of such combined strategies.

<sup>1</sup> Performance shown in fund currency and calculated before sales charges are deducted. Fees and charges payable through deduction of premium or cancellation of units are excluded in deriving the performance. Performance is calculated on the assumption that all dividends and distributions are reinvested, taking into account all charges which would have been payable upon such reinvestment.

**Expense Ratio and Turnover Ratio of the Underlying Fund**

<b>Underlying Fund</b>	<b>Expense Ratio</b>	<b>Turnover Ratio</b>
Aviva Investors Multi-Strategy Target Return Fund Ah SGD	1.60%	54.74%

# Not available as the Underlying Fund was launched for less than one year.

The expense ratio is calculated in accordance with the Investment Management Association of Singapore guidelines on the disclosure of expense ratios. It does not include (where applicable) brokerage and other transaction costs, performance fee, interest expense, foreign exchange gains /losses, front or back-end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. It is calculated by dividing expenses by daily average NAV, and multiplied by the appropriate factor to annualise the figure and is disclosed as a percentage.

The turnover ratio is calculated based on the lower of purchases and sales expressed as a percentage of the daily average net asset value.

**Soft Dollar Commissions or Arrangements**

The Management Company and the Investment Manager do not and will not be entitled to receive any soft-dollar commissions/arrangements in respect of their management of the Underlying Fund.

**Conflicts of Interest**

The Management Company, the Investment Manager and other companies within the Aviva group may, from time to time, act as managers, corporate directors, investment managers or advisers to other funds or sub-funds which follow similar investment objectives to those of the Underlying Fund. It is therefore possible that the Management Company or the Investment Manager may, in the course of their business, have potential conflicts of interest with the Umbrella Fund or a particular sub-fund. Each of the Management Company or the Investment Manager will, however, have regard in such event to its obligations under the Management Agreement and the Investment Management Agreement respectively and, in particular, to its obligation to act in the best interests of the Underlying Fund so far as obligations to other clients are concerned when undertaking investment where potential conflicts of interest may arise.



The Management Company and the Investment Manager shall conduct all transactions with or for each relevant sub-fund at arm's length.

### **Reports**

The financial year-end of the ILP Sub-Fund is 30 June. Aviva Ltd will make available semi-annual report and annual audited report of the ILP Sub-Fund within 2 months and 3 months respectively from the relevant reporting periods.

In addition, Aviva Ltd will make available financial reports of the Underlying Fund as they become available from the Investment Manager. Policyholders can access these reports via the Aviva website at [www.aviva.com.sg](http://www.aviva.com.sg).

### **Specialised ILP Sub-Fund**

The ILP Sub-Fund is a Multi-Strategy specialised sub-fund as set out in MAS Notice 307 on Investment-Linked Policies issued by the Monetary Authority of Singapore.