



Aviva Investors, Administration Office,
PO Box 10410, Chelmsford CM99 2AY

12 October 2018

Dear

Changes to the Aviva Investors US Equity Income Fund and the Aviva Investors US Equity Income Fund II.

This letter is for your information only. You do not need to take any action.

We are writing to inform you of some changes to the Aviva Investors US Equity Income Fund and the Aviva Investors US Equity Income Fund II.

The changes will not result in any change to the Funds' investment strategies or risk profiles and are being made to more clearly describe how the Funds are managed. The changes will take effect on 17 December 2018.

What are the changes?

1. The investment objectives of the Funds will be amended to:
 - Lower the income target to better reflect the realistic income expectations of the Funds and to change the way the income target is calculated:
From: 1.5% higher than the Russell 3000 Value Index ¹ (the "Index")
To: 125% of the income of the Index.
By way of example, if the income return of the Index is 2.50% over a 12-month period, the income target will now be calculated as 3.13% (125% of 2.50%).
 - The revised wording also clarifies that the Funds aim to deliver a combined income and capital return, greater than that of the Index, over a five-year period, while at the same time aiming to deliver the specific income target return set out above, over a 12-month period. The Funds' objectives will continue to be measured before the deduction of fund charges and tax.
2. The investment policy of the Aviva Investors US Equity Income Fund will be amended to clarify that it primarily invests in companies of a minimum size of 300 million US Dollars. This wording is being added to describe the existing investment strategy of the Fund and to help

clarify the primary difference in the investment strategy between the two Funds. Further details are set out in Appendix 1.

The Key Investor Information Document (KIID) of each Fund is also being amended to reflect the revised investment policy and objective which, in the case of the Aviva Investors US Equity Income Fund, will result in a statement that the Fund will be invested in the shares of companies listed on North American stock exchanges (as opposed to US stock exchanges as is currently the case), as this is reflective of the investment policy as stated in the Fund's prospectus (both currently and following these changes) and the way in which this Fund has always been run.

Why are these changes being made and how will they affect you?

The amendments being made will not change the way in which the Funds are managed or their existing investment purpose. The Funds' holdings, investment strategies and risk profiles will be unaffected by these changes.

Since launching the Funds in 2011 and 2013 respectively, the prevailing general market conditions have developed into a sustained low yield environment. As a result, our view is that the current income target has become outdated. The new lower income target better reflects the realistic income prospects of each Fund and is set at a level which we consider continues to be competitive.

We have also changed the way in which the income target for each Fund will be calculated to a proportion of the income generated by the Index. This means the income target will move with the market over time, ensuring that it does not become outdated and remains appropriate should market conditions change.

It is important to remember that the objectives and income targets of the Funds are not guaranteed and may not be achieved. The value of investments and income from them will change over time.

What action should you take?

This letter is for information purposes and you are not required to take any action. We are providing you with advance notice of the changes to the Funds in order that you have time to consider them and time to take action, should you wish to do so, before the changes become effective on 17 December 2018. Once the changes take effect, an updated KIID will be available by writing to us using the address above, telephoning our Customer Service Team, or on-line at <https://www.avivainvestors.com/en-gb/individual/fund-centre.html>.

If you have any queries on the changes we are making, please contact your financial adviser or our Customer Service Team on 0800 051 2003*. We recommend that you speak to your financial adviser before making any investment decisions. You should not interpret anything in this letter as financial advice. If you do not have a financial adviser then you can obtain details of independent financial advisers in your area by visiting www.unbiased.co.uk.

Thank you for investing with Aviva Investors.

Yours sincerely,



Iain Buckle
Head of UK Management Companies
Aviva Investors

**Calls to this number may be recorded for training or monitoring purposes, and to comply with applicable law and regulations. Lines are open 8:30am-5:30pm Monday to Friday. Calls are free from UK mobiles and landlines.*

Appendix 1 – Overview of changes to the investment objectives and policies of the Funds

Aviva Investors US Equity Income Fund –

Existing Objective	To provide an annualised income yield 1.5% higher than that of the Russell 3000 Value Index ¹ which is paid quarterly, with the potential for capital growth.
New Objective	To deliver a combined income and capital growth return greater than that of the Russell 3000 Value Index ¹ , measured over a rolling 5-year period. Within this combined return, the Fund aims to deliver an income return of at least 125% of the income return of the Russell 3000 Value Index ¹ over a rolling 12-month period. Both the income and combined return aims are measured before the deduction of Fund charges and tax. Income will be paid quarterly.
Existing Policy	The Fund aims to achieve the investment objective by principally investing in equity securities listed on regulated North American exchanges. Limited exposure to other geographic regions may be possible. The Fund may also invest in other transferable securities, collective investment schemes, money-market instruments, deposits, cash or near cash. The Fund may also use derivative instruments for the purposes of efficient portfolio management.
New Policy	The Fund aims to achieve the investment objective by principally investing in equity securities listed on regulated North American exchanges with a minimum market capitalisation of 300 million US Dollars. Limited exposure to other geographic regions may be possible. The Fund may also invest in other transferable securities, collective investment schemes, money-market instruments, deposits, cash or near cash. The Fund may also use derivative instruments for the purposes of efficient portfolio management.

Aviva Investors US Equity Income Fund II –

Existing Objective	To provide an annualised income yield 1.5% higher than the annual income yield obtainable on the Russell 3000 Value index ^{*1} , with the potential for capital growth. * Income on the Fund will be paid quarterly. The income aim is a 12 month rolling target and is before the deduction of charges and tax. For the purposes of measuring the income aim the annual income yield of the Index will also be calculated on a 12 month rolling basis.
New Objective	To deliver a combined income and capital growth return greater than that of the Russell 3000 Value Index ¹ , measured over a rolling 5-year period. Within this combined return, the Fund aims to deliver an income return of at least 125% of the income return of the Russell 3000 Value Index ¹ over a rolling 12-month period. Both the income and combined return aims are measured before the deduction of Fund charges and tax. Income will be paid quarterly.
Existing Policy	The Fund aims to achieve the investment objective by principally investing in equity securities with a minimum market capitalisation of \$1bn which are

	<p>listed on regulated North American exchanges. Limited exposure to other geographic regions may be possible.</p> <p>The Fund may also invest in other transferable securities, collective investment schemes, money-market instruments, deposits, cash or near cash. The Fund may also use derivative instruments for the purposes of efficient portfolio management.</p>
New Policy	N/A - no change to existing policy

¹ *The Russell 3000 Value Index (the "Index") is a trademark of Frank Russell Company ("Russell") and has been licensed for use by Aviva Investors. "The Aviva Investors US Equity Income Fund and the Aviva Investors US Equity Income Fund II are not in any way sponsored, endorsed, sold or promoted by Russell or the London Stock Exchange Group companies ("LSEG") (together the "Licensor Parties") and none of the Licensor Parties make any claim, prediction, warranty or representation whatsoever, expressly or impliedly, either as to (i) the results to be obtained from the use of the Index (upon which the Aviva Investors US Equity Income Fund and the Aviva Investors US Equity Income Fund II are based), (ii) the figure at which the Index is said to stand at any particular time on any particular day or otherwise, or (iii) the suitability of the Index for the purpose to which it is being put in connection with the Aviva Investors US Equity Income Fund and the Aviva Investors US Equity Income Fund II. None of the Licensor Parties have provided or will provide any financial or investment advice or recommendation in relation to the Index to Aviva Investors or to its clients. The Index is calculated by Russell or its agent. None of the Licensor Parties shall be (a) liable (whether in negligence or otherwise) to any person for any error in the Index or (b) under any obligation to advise any person of any error therein.*

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CI064315 10/2018