

# AI Developed Overseas Government Bond (Ex UK) Index Fund



LEI	FUND SIZE	AS AT
54930035AQ6RT73PQT59	GBP 2,552m	31/12/2023

## TCFD Fund Disclosures

**This Climate-related Disclosure report outlines the potential climate impact of this investment fund based on the climate metrics recommended by the Taskforce on Climate-related Financial Disclosure (TCFD).**

## Fund Objectives & Policy

The aim of the Fund is to seek to provide capital growth and income for investors by tracking the performance of the JP Morgan Global Government Bond Index ex UK. In pursuing this objective the Fund will directly invest into constituents of the Benchmark Index and also other investments which are not Benchmark Index constituents but which have similar characteristics. Exposure to both Benchmark Index and non Benchmark Index constituents may also be obtained indirectly via other transferable securities. The Fund may also invest in permitted money-market instruments, permitted deposits, and units in collective investment schemes (including schemes operated by other Aviva Group entities and group entities of the Investment Manager). Derivatives and forward transactions may be used for the purposes of efficient portfolio management.

In addition, the Sub-Fund has limited exclusions based on Aviva Investors' UK Responsible Investment policy. Further information on the Aviva Investors UK Responsible Investment policy and how we engage with companies is available on our website and in the Prospectus.

The benchmark provider does not endorse the product, nor confirm the accuracy of the information in this report.

## Climate Risk Strategy

As the Fund's objective is to track an index, the Fund does not have a climate specific strategy. However, the Fund has specific exclusions based on Aviva Investors' UK Responsible Investment policy including, unconventional fossil fuels and thermal coal and these form a key part of Aviva investors broader climate mitigation strategy. For the investments selected within the portfolio, Aviva Investors retains the voting rights, and use these with the aim of positively influencing each companies climate risk strategy, whilst helping to create competitive returns.

## Climate Risk Management

As the Fund's objective is to track an index, the Fund does not aim to manage climate risk, however controls are in place to ensure the Fund's exclusion policy is applied accurately.

## Climate Risk Governance

Aviva Investors UK Fund Service Limited, the funds Authorised Corporate Director, has an independent governance structure which allows the Board, management committee and senior management to integrate climate related risks and opportunities into its strategy, decision making and business processes.

For further information on how we integrate ESG please refer to the Aviva Investors UK Fund Service Limited's Responsible Investment policy which is available on our website and in the prospectus. Please see our Responsible Investment Policy available here. [Responsible Investment Policy](#).

Please see page 90 of [Aviva's Climate-related Financial Disclosure](#).

## Fund Greenhouse Gas Emissions

The table below show the key measures used to evaluate the Greenhouse Gas emissions impact of the fund.

Climate Metrics	Unit of measurement	31 Dec 2022		31 Dec 2023		Trend
		Data Coverage %	Amount	Data Coverage %	Amount	
Sovereign absolute GHG emissions	tCO <sub>2</sub> e - shown in thousands	100%	449.56	100%	694.85	▲ +54.56%
Sovereign Intensity	tCO <sub>2</sub> e / £million PPP adjusted GDP	100%	284.04	100%	271.74	▼ -4.33%

Trend analysis may not always be available, meaningful or relevant depending on the basis of the data and the comparison. There are various factors that could influence trends and direction including macro-economic factors.

\* In 2023 we have updated our methodology for Total carbon footprint and Sovereign intensity to be reported in pounds sterling (£) rather than US dollars (\$). This reflects the functional and presentational currency of our Product reporting. The comparatives have been re-presented on a consistent basis.

PCAF score for scope 1 and 2 greenhouse gas emissions is 2 for Sovereigns.

**Data sources** - please see information on data sources shown later in this document. **Note** - Zero balances may be a result of rounding.

**Carbon Emissions Metrics Explained:** We use the following metrics to measure the collective carbon impact of the fund's holdings, calculated according to TCFD standards, which in turn are based on the internationally accepted [GHG Protocol](#):

Metric	TCFD Definition, based on GHG Protocol
Sovereign absolute GHG emissions	Attributed ownership of the sovereign's PPP-adjusted GDP in tonnes.
Sovereign Intensity	The issuing country's GHG intensity tCO <sub>2</sub> e / £million invested.

## Product Scenario Alignment

Indicating the likely implied temperature rise associated with a fund's investments is inherently complex, it is a rapidly evolving metric which has to include a host of assumptions by its very nature, guidance on how best to calculate this forward looking indicator is improving all the time, but currently we do not feel it appropriate to publish this data as it risks being potentially misleading and in any event would be heavily caveated and only indicative of a range of potential temperature rises and subsequent associated scenario's given the uncertainty of forecasts for the global economy to decarbonise. We intend to publish the implied temperature rise (ITR) of our investment products in subsequent years once we have designed a suitably robust methodology to represent the most likely possible future decarbonisation pathway of a representative basket of assets for a fund based on its sector, asset class and/or investee company specific projected decarbonisation pathways and other relevant carbon intensity data such as the likes of progress against the Science Based Target Initiative.

In the meantime the most decision useful information to enable comparison between funds based on their implied temperature rise is to use independent research that compares funds using the same methodology, this is freely available from climate data providers such as MSCI as per their ESG fund ratings and climate search tool

<https://www.msci.com/our-solutions/esg-investing/esg-fund-ratings-climate-search-tool>. Comparing funds ITR scores from different firms which may be using proprietary models and differing assumptions could produce misleading results in that near identical funds could show very different numbers based on the method and bullishness of the model used and assumptive inputs.

## Climate Value-at-Risk

Climate Value at Risk (Climate VaR) has emerged as a measure to estimate the potential financial losses that a company or portfolio of assets could incur as a result of climate change, we are currently evaluating the robustness of this measure and intend to publish it for future iterations of our fund level TCFD reports once we are comfortable the data has sufficient coverage and quality and once we have fully understood the potential limitations and weaknesses of the metric so we can present it in a suitable way. This includes ensuring the appropriate time horizon of the indicator and the appropriate scenarios are reflected in the output in a way that ensures it is not potentially misleading.

## Other Metrics

There are countless options rapidly developing that are designed to convey climate risks and opportunities, we will keep this metrics under review and where they are deemed to be decision useful we will endeavour to incorporate them into our future reporting suite in conjunction with formal adoption of additional data by TCFD and other disclosure standards boards and regulations.

## Climate Metrics

Our key climate figures show the carbon emissions for each investment fund. Metrics are disclosed for Equities and Corporate Bonds and Sovereigns. There are three types of emissions we consider: Scope 1 (direct), Scope 2 (indirect) and Scope 3 (from a company's value chain).

Climate metrics include estimates of emissions and climate change, for more details, our reporting approach and cautionary statements are provided in the Aviva plc Climate-related Financial Disclosure 2023 report available at <https://www.aviva.com/sustainability/reporting/>.

## Useful Link

[Aviva's Climate-related Financial Disclosure](https://www.aviva.com/sustainability/reporting/)

## Data sources

### Use of MSCI Data

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Refer to Aviva's reporting policies and criteria in note 14 of the Aviva plc Climate-related Financial Disclosure 2023 report, available at <https://www.aviva.com/sustainability/reporting/>, for further details on the use of MSCI data, we have used climate and other data from MSCI ESG Research LLC or its affiliates or information providers.

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