

AVIVA INVESTORS FUNDS ICVC

Annual Report and Financial Statements

For the year ended 31 March 2016

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* These items comprise the Authorised Corporate Director's Report for the purposes of the rules contained in the Collective Investment Schemes Sourcebook ("the Regulations").

COMPANY INFORMATION

AUTHORISED CORPORATE DIRECTOR

Aviva Investors UK Fund Services Limited
No. 1 Poultry
London, EC2R 8EJ

Aviva Investors UK Fund Services Limited (the ACD) is a wholly owned subsidiary of Aviva Investors Holdings Limited, a company incorporated in the United Kingdom and within the Aviva Group of Companies. The ACD is a member of the Investment Association and is authorised and regulated by the Financial Conduct Authority.

DIRECTORS

I K Buckle
E E Potter (resigned 19 October 2015)
J Misselbrook
D Dahan (resigned 31 March 2016)
S Ebenston
C Abrahams (resigned 31 December 2015)
A Brown (appointed 2 February 2016)
M Craston (appointed 22 March 2016)
G B Cass (appointed 16 June 2016)

ADMINISTRATOR AND REGISTRAR

International Financial Data Services (UK) Limited
IFDS House
St Nicholas Lane
Basildon
Essex, SS15 5FS

INVESTMENT MANAGER

Aviva Investors Global Services Limited
No.1 Poultry
London, EC2R 8EJ

Aviva Investors Global Services Limited is a member of the Investment Association and is authorised and regulated by the Financial Conduct Authority. The ultimate parent company of Aviva Investors Global Services Limited is Aviva Plc.

DEPOSITARY

J.P. Morgan Europe Limited
25 Bank Street
Canary Wharf
London, E14 5JP

J.P. Morgan Europe Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
7 More London Riverside
London, SE1 2RT

PricewaterhouseCoopers LLP have been reappointed as auditors of the Company.

REPORT OF THE AUTHORISED CORPORATE DIRECTOR

THE COMPANY

Aviva Investors Funds ICVC ("the Company") is an Open-Ended Investment Company (OEIC) with variable capital incorporated in England and Wales on 7 April 2006. The property of the Company is entrusted to J.P. Morgan Europe Limited ("the Depository"). The shareholders are not liable for any debts of the Company.

The object of the Company is to invest the scheme property in transferable securities with the aim of spreading investment risk and giving its shareholders the benefit of the results of the management of the property.

The Company has an umbrella structure which means that it contains more than one Fund, each with a different investment objective. In the financial statements you will find an investment review for each Fund which includes details of the investment objectives. As at 31 March 2016 there were three Funds in the Aviva Investors Funds ICVC.

AUTHORISED STATUS

From 7 April 2006 the Company was authorised as an Open-Ended Investment Company under Regulation 7 of the Open-Ended Investment Companies Regulations 1996 (superseded by Regulation 12 of the Open-Ended Investment Companies Regulations 2001). The Company is authorised by Financial Conduct Authority ("the FCA") to operate as a "UCITS Scheme" for the purposes of the Regulations.

THE FINANCIAL STATEMENTS

We are pleased to present the annual financial statements of the Company for the year ended 31 March 2016. As required by the Regulations, information for each of the Funds has been included in these financial statements. On the following pages we review the performance of each of those Funds during the period. We hope that you find our review useful and informative.

SIGNIFICANT INFORMATION

CHANGES TO FCA RULES ON DELIVERY VERSUS PAYMENT (DVP) EXEMPTION FROM 1 JUNE 2015

The FCA's Client Assets regulations require that we protect money belonging to investors in a dedicated client money account to ensure it is not used for our own account and that it is safe in the unlikely event we become insolvent. Changes have been made to the rules we follow to improve the protection given to investors' money while it is not invested. For money held in relation to a direct investment in a collective investment scheme provided by Aviva Investors UK Fund Services Limited, the FCA grant an exemption, known as the Delivery Versus Payment (DVP) exemption, from the regulations requiring protection at all times.

We previously made use of this exemption which means that we had three business days to deal with investors' money in accordance with their instructions before having to transfer it to a protected client money account.

From 1 June 2015, the maximum period during which we were allowed to hold investors' money in a non-client money account under the DVP exemption was reduced from three business days to one business day.

We adopted this reduction early and from April 2015 the maximum period that uninvested money was held in non-protected accounts is one business day, unless the investment is settled via a Commercial Settlement System (such as EMX or Clearstream) in which case it will continue to be three business days. For further details please refer to the Prospectus.

CHANGES TO THE ACD'S PERIODIC CHARGE

On 19 April 2016, the ACD's periodic charge was reduced on The Global Balanced Income Fund and The Global Cautious Income Fund.

REGULAR SAVINGS MANDATES SET UP BEFORE 31 DECEMBER 2012

From 13 April 2016, the ACD has discontinued the initial charge in full on all future investment made in each of the Funds through regular investment mandates set up before 31 December 2012.

FUND CLOSURES

As advised in a letter to investors dated 3 June 2016, The Global Balanced Income Fund and The Global Cautious Income Fund will be closing on 16 August 2016.

FATCA AND CRS REPORTING

Tax regulations require us to collect information about your tax residency and you will have therefore provided this at the time of making your investment with us. The term tax regulations refers to the International Tax Compliance Regulations 2015 which implements the Foreign Account Tax Compliance Act (FATCA) and the OECD Common Reporting Standard (CRS) for Automatic Exchange of Financial Account Information. As a result, in certain circumstances we will be obliged to share information about your account(s) with Her Majesty's Revenue & Customs (HMRC) who may in turn share this information with any or all jurisdictions that have agreed to exchange information under FATCA and CRS. The information previously provided by you at the time of making your investment will be used by us to report to HMRC regarding your account(s), where so required. This does not apply where you have invested with us solely via an ISA.

REMUNERATION POLICY

UCITS V came into effect on 18 March 2016 and the ACD has been subject to the UCITS Remuneration Code from that date. Up to date details of its remuneration policy, including but not limited to (i) a description of how remuneration and benefits are calculated and (ii) the identities of persons responsible for awarding remuneration and benefits, including the composition of the Aviva Investors Remuneration Committee, are available from the ACD's website at <https://uk.avivainvestors.com/gb/en/individual/about-us/for-todays-investor.html>. A paper copy of the information available from the ACD's website in relation to remuneration is also available free of charge on request from the ACD.

The ACD is also required to disclose a range of information in relation to UCITS remuneration paid in respect of each full performance period after the implementation of UCITS V. As the first full performance period for the ACD will be the period from 1 January 2017 to 31 December 2017, that information is therefore not available to the ACD for this annual accounting period and as such no remuneration disclosures have been included in these financial statements. A full remuneration disclosure setting out the information required by COLL 4.5.7R(7) will be included in the annual financial statements from the year ended 31 March 2018 onwards.

STATEMENT OF CROSS HOLDINGS

There are no cross holdings as at 31 March 2016.

POLICIES AND RISKS

ACCOUNTING POLICIES

a Basis of accounting

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association (IMA) (now The Investment Association) in May 2014 (SORP 2014), which supersedes the Statement of Recommended Practice of Authorised funds issued by the IMA in October 2010 (SORP 2010), and in accordance with United Kingdom Generally Accepted Accounting Practice as defined within FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. Both of which became effective for the accounting periods commencing 1 January 2015.

There have been no changes to the financial position or financial performance of the Funds as a result of the above changes. However, certain comparative items have been restated in the Financial Statements, as a result of the above changes. These restatements are detailed within the Notes to the Financial Statements for each individual Fund.

The Authorised Corporate Director intends to terminate the Aviva Investors Global Balanced Income Fund and the Global Cautious Income Fund within one year of the date of approval of the financial statements and therefore the financial statements of these Funds have been prepared on a basis other than going concern. Comparative financial information continues to be prepared under the going concern basis. In applying this basis of preparation, the assets and liabilities of these Funds continue to be stated at their fair values which materially equate to their realisable values. No adjustments were necessary in the Funds' financial statements to reduce assets to their realisable values, to provide for liabilities arising from the termination and to reclassify fixed assets and long-term liabilities as current assets and liabilities. All other Funds have been prepared on a going concern basis.

b Share classes

The Funds have three types of share classes; retail shares (classes 6 and A), institutional shares (classes 2 and I) and shares held by associated undertakings of Aviva Plc (classes 3, 5 and 8). Each class bears different charges and consequently the level of revenue allocated to each share class will differ. Some share classes consist of income shares only, whilst others consist of both accumulation and income shares.

With the exception of share classes 3 and 8, all the expenses of the Aviva Investors Multi-Strategy Target Income Fund except the ACD's periodic charge and the registration fee are rebated by the ACD.

c Recognition of revenue

Dividends are recognised when the investment is quoted ex-dividend. Interest arising on fixed interest stocks is recognised on an effective yield basis. Deposit interest and other revenues are recognised on an accruals basis.

Premiums received on written call options are recognised as revenue, are amortised over the life of the option and a cash transfer is made between capital and revenue at the end of each calendar month.

Special dividends are either treated as income or capital depending on the facts of each dividend.

Revenue received from Collective Investment Schemes (CIS) is recognised when the CIS is quoted ex-dividend. Equalisation received as part of the revenue from CIS is deducted from the cost of the investment.

d Treatment of derivatives

In determining the accounting treatment for derivatives, consideration is given to the instrument itself and the Funds' objectives for investment in derivative instruments.

Where positions are held to protect capital, the returns are treated as capital. Where positions are held to generate revenue, the returns are treated as revenue. Where positions generate total returns, these returns are apportioned between capital and revenue to properly reflect the nature of the transaction.

The revenue element in respect of futures is calculated by reference to the quoted yield of the relevant index compared to LIBOR. This revenue element will either be revenue or an expense, depending on whether the position held is "long" or "short".

Premiums received on options are treated as revenue or capital depending on the motives and circumstances of the transaction.

e Basis of valuation of investments

Quoted investments

The quoted investments of the Company have been valued at bid market value at midday on the last working day of the accounting period for all Funds with the exception of the Aviva Investors Multi-Strategy Target Income Fund which has been valued at 11.59 p.m.

Unquoted and unapproved investments

The unquoted and unapproved investments of the Company have been valued by the Investment Manager using available information, such as recent transaction prices, valuations from reliable sources, financial performance and other relevant factors, to arrive at an estimated fair value.

Suspended securities

Suspended securities have been valued at the suspended market price per share or valued by the Investment Manager using available information to arrive at an estimated fair value.

Delisted securities

Delisted securities have been valued at nil pence per share.

Forward foreign currency contracts

The Company's forward foreign currency positions on the last working day of the accounting period are included in the portfolio statement as an asset or liability so as to reflect the value of each contract.

Over the counter (OTC) derivatives

OTC derivatives are either valued by the relevant counterparty or by the investment manager using available information to arrive at an estimated fair value.

Exchange traded derivatives (ETDs)

ETDs are included at the aggregate unrealised market value of the open contracts.

CIS investments

CIS investments are valued at the last sale price available at the valuation point.

f Exchange rates

Assets and liabilities held in foreign currencies are translated at the rate ruling at midday on the last working day of the accounting period for all Funds with the exception of the Aviva Investors Multi-Strategy Target Income Fund which was translated at 11.59 p.m. Income and expenditure items are translated at the rate ruling at the date of the transaction.

POLICIES AND RISKS (CONTINUED)

g Taxation and deferred taxation

Provision for Corporation Tax is based at the current rate, as appropriate, on the excess of taxable revenue over allowable expenses, with relief for overseas taxation taken as appropriate. Deferred taxation is provided using the liability method on all timing differences that have originated but not reversed at the balance sheet date, calculated at the rate for the period in which it is anticipated the timing differences will reverse, based on rates that have been enacted or substantially enacted at the balance sheet date. Deferred tax assets are recognised only when, on the basis of available evidence, it is more likely than not that there will be taxable profits in the future against which the deferred tax asset can be offset.

DISTRIBUTION POLICIES

a Distribution policy

Where appropriate the Company will pay any surplus revenue as a revenue distribution or accumulation to capital. The Global Cautious Income Fund was more than 60% invested in qualifying investments throughout the year and has proposed interest distributions. All other Funds have proposed dividend distributions.

Full details are set out in the distribution tables.

b Treatment of stock dividends

The ordinary element of stock dividends is treated as revenue and forms part of the Fund's distribution. The value of the stock dividend is based on the market value of the shares on the dates they are quoted ex-dividend. Where an enhancement is offered, the amount by which the market value of the shares (on the date they are quoted ex-dividend) exceeds the cash dividend is treated as capital.

c Treatment of management expenses

All expenses, except those relating to the purchase and sale of investments and transaction charges, are charged to revenue of the respective Funds, on an accruals basis. For the purposes of the distribution the ACD's periodic charge of the Aviva Investors Multi-Strategy Target Income is deducted from capital.

FINANCIAL INSTRUMENTS

The Company's financial instruments, other than derivatives, comprise securities and other investments, cash balances and debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for issue of shares and payable for cancellation of shares, and debtors for accrued revenue.

The Company also enters into derivative transactions in the form of forward foreign currency contracts, credit default swaps, interest rate swaps, equity variance swaps, options and stock index futures.

The Aviva Investors Multi-Strategy Target Income Fund uses these financial instruments as a cheaper or more liquid alternative to other investments, to hedge or reduce overall risk, or in pursuit of its investment objectives. All other Funds use these financial instruments for the purposes of efficient portfolio management.

In particular, forward foreign currency contracts are used to manage currency risk arising from holdings of overseas securities. Stock index futures are used to manage market price risk arising from the time lag between funds being receivable or payable by the Company and investment or disinvestment in underlying securities. Options are used to generate additional income.

Interest rate swaps and swaptions are generally held to mitigate exposure to interest rate movements which could adversely affect the value of bonds held within the fund portfolios. Credit default swaps are used to manage credit risk through selling protection.

In accordance with requirements set out in the Collective Investment Schemes Sourcebook (COLL) of the Financial Conduct Authority, such scheme transactions must be economically appropriate, any exposure must be fully covered and the transactions must be entered into with the aim of reducing risk and/or costs and/or generating additional capital or revenue for the scheme with no, or an acceptably low level of risk. Open-Ended Investment Companies are not permitted by the Regulations to enter into a transaction in derivatives if its purpose could reasonably be regarded as speculative.

The Company's use of financial instruments satisfies these requirements and no trading in financial instruments is undertaken.

The Company has exposure to a number of different risks to varying degrees. The main risks it faces from its financial instruments and the Manager's policies for managing these risks are summarised below:

a Foreign currency risk

The Funds can be exposed to foreign currency risk as a result of investing in assets denominated in currencies other than Sterling. Where the manager deems it necessary, this exposure to foreign currency fluctuations is mitigated by the use of forward foreign currency contracts. Numerical disclosures can be found in the notes to the financial statements for each Fund.

b Interest rate risk

The value of debt securities may be affected by interest rate movements or the expectation of such movements in the future. Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates. The Manager manages this risk by maintaining a balanced portfolio with due consideration to interest rate and redemption profiles. Interest rate risk is also managed by ensuring that deposits mature within a relatively short period. Numerical disclosures can be found in the notes to the financial statements for each Fund.

POLICIES AND RISKS (CONTINUED)

FINANCIAL INSTRUMENTS (CONTINUED)

c Market risk

The Funds' investment portfolios are exposed to market price fluctuations which are monitored by the Manager in pursuance of the investment objectives and policies of the Funds. Adherence to investment and borrowing powers set out in the Instrument of Incorporation and in the Collective Investment Schemes Sourcebook of the Financial Conduct Authority mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolios is set out in the investment reports and portfolio statements, of the individual Funds.

d Credit risk

The Funds restrict their exposure to credit losses on derivative instruments by trading via international Swap and Derivative Association (ISDA) Master Arrangements with each counterparty.

e Liquidity risk

This is the risk that there is insufficient liquidity which restricts a Fund's investment opportunities or ability to pay liabilities at short notice. This risk is managed by ensuring that overdrafts are monitored and maintained within investment limits and exposure to unquoted or illiquid securities is limited.

f Counterparty Risk

There is a risk that the Counterparty will not be able to settle its obligations under the agreement. This is mitigated by an assessment of the credit worthiness of the Counterparty, and the use of multiple counterparties to ensure that no more than 20% of the Fund value is exposed to one counterparty.

Further information on the investment portfolio is set out in the investment reports and portfolio statements.

THE GLOBAL BALANCED INCOME FUND

INVESTMENT OBJECTIVE

To achieve a target income rate, after the deduction of applicable management fees and allowable additional fund expenses, equal to the greater of 7.00% per annum or the prevailing Bank of England Base Rate plus 2.50% per annum.

INVESTMENT POLICY

Investment in a diversified portfolio of actively managed equities and bonds (including convertible bonds). The Fund will also use derivative instruments to generate additional income. The Manager may selectively sell short dated call options over securities in order to generate additional income by setting target 'strike' prices at which those securities may be sold in the future.

The Fund may invest in any of the following financial instruments in order to achieve its investment objective: transferable securities, units in collective investment schemes, derivatives including credit default swaps, forward transactions, money market instruments and deposits.

FUND MANAGER'S REPORT

Market review

Global equities posted a modest gain over the year in sterling terms as a rise in the heavyweight US stock market outweighed the impact of declines in share prices elsewhere.

US shares were aided by evidence that the US economy had continued to expand at a healthy pace as it withstood the twin impacts of a sharp contraction in China's economic growth rate and the first rise in US interest rates in nearly a decade.

However, it was a very different story elsewhere, with stocks tumbling across the board as economies struggled despite widespread efforts by leading central banks to underpin growth with looser monetary policy. Asian and emerging markets were among the weakest, although stocks also fell in Europe, the UK and Japan.

Corporate bonds and convertibles posted positive returns, aided by a sizeable decline in government bond yields.

Fund review

The Fund (share class A) returned 0.73 per cent*, which compared with an average return of -4.20 per cent generated by its peer group, the Investment Association's 'Specialist' sector. The Fund simultaneously delivered investment income of 4.88 per cent, thus meeting its revised objective of generating after-tax income, net of management fees and other fund expenses, of 4.20 per cent.

Industrial stocks were the main driver of performance during the period, with French infrastructure player Vinci one of the best performers for the Fund helped by a rise in income from roads. Its airport business also did well, benefitting from increased passenger traffic in Europe. Elevator and escalator manufacturer Kone also delivered solid returns, as growth in its US and European units offset weaker orders from China.

UK insurer Prudential was one of the main negative contributors, as dual concerns over new regulations and potential losses on corporate bond portfolios hit shares in the sector. A drop in the shares of French drugmaker Sanofi also impacted the Fund.

The Fund sold a number of call options (a derivative enabling the holder to choose to buy the underlying stock at a predetermined price), over the period, mainly targeting stocks which had already performed well and where the manager believed the potential for further gains was limited.

May 2016

* Fund performance figures – share class A, source Lipper, net of fees, net income reinvested in GBP, as at 31/03/2016.

As noted above, the performance figures in this commentary have been sourced from Lipper and are based on published prices. The performance figures quoted in the comparative tables on pages 9 and 10 are based on the net asset value per the published accounts and may be different due to post year end accounting adjustments.

Any opinions expressed are those of the Fund manager. They should not be viewed as a guarantee of a return from an investment in the Funds. The content of the commentary should not be viewed as a recommendation to invest nor buy or sell any securities. Past performance is not a guide to the future. The value of a fund and the income from it may go down as well as up, and the investor may not get back the original amount invested.

Material Portfolio Changes

Purchases	Sales
Aviva Investors Sterling Liquidity Fund	BASF SE
Teliasonera AB	Aviva Investors Sterling Liquidity Fund
Vivendi SA	Golden Agri-Resources Ltd. 2.50% 04/10/2017
Tele2 AB B	Novion Ltd., REIT 5.75% 04/07/2016
Snam SpA	Bouygues SA
Rexel SA	Teliasonera AB
Sampo OYJ A	Deutsche Boerse AG
Bouygues SA	BT Group plc
RWE AG	Rexel SA
Muenchener Rueckversicherungs-Gesellschaft AG	Snam SpA

Synthetic Risk and Reward Indicator



The Fund has been allocated a risk number based on the higher of the historic volatility of its share price, the historic volatility of its current asset classes or its intended maximum risk levels.

- This indicator is based on historical data, calculated using European Union rules, and may not be a reliable indication of the future risk profile of the Fund.
- The risk and reward category shown is not guaranteed to remain unchanged and may change over time. The lowest category does not mean 'risk free'.
- During the year ended 31 March 2016, the indicator changed from category 4 to category 6.
- Bond values are affected by changes in interest rates, and the bond issuer's creditworthiness. Bonds that produce a higher level of income usually have a greater risk of default.
- The value of investments will be affected by changes in exchange rates.
- Where a third party appointed to manage transactions or ensure the safe keeping of assets fails in their duty a loss may occur.
- Financial derivatives may only require a low initial deposit relative to the asset exposure, a relatively small price movement in the underlying asset may result in substantial losses to the Fund.
- Full information on the risks applicable to the Fund is detailed in the Prospectus.

COMPARATIVE TABLES

Class A Income	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	67.85	67.34	66.04
Return before operating charges [†]	1.25	5.57	7.24
Operating charges	(1.16)	(1.15)	(1.15)
Return after operating charges [†]	0.09	4.42	6.09
Distributions on income shares	(3.17)	(3.91)	(4.79)
Closing net asset value per share	64.77	67.85	67.34
Retained distributions on accumulation shares	–	–	–
† after direct transaction costs of	(0.14)	(0.25)	(0.25)
Performance			
Return after charges	0.13%	6.56%	9.22%
Other information			
Closing net asset value (£000)	2,492	62,145	69,145
Closing number of shares	3,848,359	91,593,472	102,678,562
Operating charges (%) [†]	1.78%	1.71%	1.71%
Direct transaction costs (%) [#]	0.21%	0.37%	0.37%
Prices[®]			
Highest share price	68.72	69.66	69.10
Lowest share price	60.23	63.36	65.05

Class I Income	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	68.59	68.08	66.76
Return before operating charges [†]	1.20	5.56	7.27
Operating charges	(0.86)	(0.82)	(0.83)
Return after operating charges [†]	0.34	4.74	6.44
Distributions on income shares	(3.46)	(4.23)	(5.12)
Closing net asset value per share	65.47	68.59	68.08
Retained distributions on accumulation shares	–	–	–
† after direct transaction costs of	(0.14)	(0.25)	(0.25)
Performance			
Return after charges	0.50%	6.96%	9.65%
Other information			
Closing net asset value (£000)	36,714	6,161	1,522
Closing number of shares	56,078,450	8,981,982	2,235,893
Operating charges (%) [†]	1.31%	1.21%	1.21%
Direct transaction costs (%) [#]	0.21%	0.37%	0.37%
Prices[®]			
Highest share price	69.49	70.48	69.91
Lowest share price	60.94	64.03	65.76

Class A Accumulation	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	128.36	120.23	109.80
Return before operating charges [†]	2.55	10.24	12.40
Operating charges	(2.23)	(2.11)	(1.97)
Return after operating charges [†]	0.32	8.13	10.43
Distributions on income shares	–	–	–
Closing net asset value per share	128.68	128.36	120.23
Retained distributions on accumulation shares	6.04	7.10	8.14
† after direct transaction costs of	(0.26)	(0.46)	(0.43)
Performance			
Return after charges	0.25%	6.76%	9.50%
Other information			
Closing net asset value (£000)	640	8,490	9,745
Closing number of shares	497,504	6,614,426	8,105,234
Operating charges (%) [†]	1.78%	1.71%	1.71%
Direct transaction costs (%) [#]	0.21%	0.37%	0.37%
Prices[®]			
Highest share price	130.04	129.35	120.42
Lowest share price	117.61	117.19	108.19

COMPARATIVE TABLES (CONTINUED)

Class I Accumulation	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	134.53	125.50	114.15
Return before operating charges [†]	2.55	10.58	12.81
Operating charges	(1.69)	(1.55)	(1.46)
Return after operating charges [†]	0.86	9.03	11.35
Distributions on income shares	–	–	–
Closing net asset value per share	135.39	134.53	125.50
Retained distributions on accumulation shares	6.85	8.06	8.97
[†] after direct transaction costs of	(0.28)	(0.48)	(0.45)
Performance			
Return after charges	0.64%	7.20%	9.94%
Other information			
Closing net asset value (£000)	5,963	1,362	565
Closing number of shares	4,404,027	1,012,468	450,511
Operating charges (%) [‡]	1.29%	1.21%	1.21%
Direct transaction costs (%) [#]	0.21%	0.37%	0.37%
Prices[≈]			
Highest share price	136.32	135.56	125.69
Lowest share price	123.67	122.60	112.52

[‡] The operating charges are calculated on an ex-post basis and as such may differ from the Ongoing Charges Figure where:

(a) Changes to fee rates were made during the year and the Ongoing Charges Figure has been amended to be future proofed for this change.

(b) The Ongoing Charges Figure has been annualised for a share class that has not yet been open for a full year.

[#] The direct transaction costs have been stated after deducting, in the case of single-priced funds, the proportion of the amounts collected from dilution adjustments or dilution levies that relates to direct transaction costs and, in the case of dual-priced funds, the amounts collected in relation to direct transaction costs added to, or subtracted from, the valuations by virtue of COLL 6.3.6 G (4).

[≈] The high and low prices disclosed are the high and low prices for the accounting period and not the calendar year.

Ongoing Charges Figure*

Share class	31.03.16	31.03.15
Class A	1.78%	1.71%
Class I	1.29%	1.21%

* The Ongoing Charges Figure (OCF) is calculated as the ratio of the total ongoing charges to the average net asset value of the Fund over the year. The OCF is made up of the Annual Management Charge and other operating costs deducted from the assets of the Fund during the year, except for those payments that are explicitly excluded (performance fees).

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

PORTFOLIO STATEMENT

As at 31 March 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Equities 71.46% (65.67%)				
Australia 0.84% (0.75%)				
Telstra Corp. Ltd.	AUD	136,055	386	0.84
			386	0.84
Bermuda 3.47% (3.17%)				
Bunge Ltd. Preference 4.88%	USD	10,000	593	1.30
Maiden Holdings Ltd. Preference 7.25%	USD	30,000	995	2.17
			1,588	3.47
Canada 1.09% (0.80%)				
Toronto-Dominion Bank (The)	CAD	16,629	501	1.09
			501	1.09
Finland 1.23% (0.00%)				
Kone OYJ 'B'	EUR	16,737	564	1.23
			564	1.23
France 6.56% (3.51%)				
AXA SA	EUR	37,792	609	1.33
Orange SA	EUR	43,527	528	1.15
Sanofi	EUR	9,448	534	1.17
Vinci SA	EUR	13,000	671	1.46
Vivendi SA	EUR	45,353	662	1.45
			3,004	6.56
Germany 7.36% (4.42%)				
Bayer AG	EUR	4,760	389	0.85
Deutsche Boerse AG	EUR	10,960	648	1.41
Deutsche Post AG	EUR	30,234	585	1.28
Deutsche Telekom AG	EUR	49,888	623	1.36
ProSiebenSat.1 Media SE	EUR	18,142	650	1.42
Siemens AG	EUR	6,424	474	1.04
			3,369	7.36
Ireland 0.00% (0.78%)				
Italy 0.00% (0.96%)				
Japan 0.00% (3.06%)				
Netherlands 1.28% (0.68%)				
LyondellBasell Industries NV 'A'	USD	9,848	587	1.28
			587	1.28
Spain 1.00% (0.90%)				
Telefonica SA	EUR	58,590	459	1.00
			459	1.00
Sweden 0.87% (1.78%)				
Swedbank AB 'A'	SEK	26,455	396	0.87
			396	0.87
Switzerland 2.57% (1.35%)				
Nestle SA	CHF	11,337	589	1.29
Roche Holding AG	CHF	3,438	589	1.28
			1,178	2.57

PORTFOLIO STATEMENT (CONTINUED)

As at 31 March 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
United Kingdom 16.75% (10.37%)				
AstraZeneca plc	GBP	13,705	538	1.17
BAE Systems plc	GBP	96,805	493	1.08
BP plc	GBP	93,861	332	0.72
British American Tobacco plc	GBP	15,575	636	1.39
BT Group plc	GBP	127,477	563	1.23
Diageo plc	GBP	32,502	613	1.34
GlaxoSmithKline plc	GBP	42,411	598	1.30
Imperial Brands plc	GBP	17,595	680	1.48
Legal & General Group plc	GBP	215,399	505	1.10
National Grid plc	GBP	65,004	644	1.41
Prudential plc	GBP	37,792	490	1.07
Severn Trent plc	GBP	27,969	608	1.33
Sky plc	GBP	58,853	603	1.32
Vodafone Group plc	GBP	167,792	371	0.81
			7,674	16.75
United States of America 28.44% (33.14%)				
AbbVie, Inc.	USD	13,198	522	1.14
Aflac, Inc.	USD	9,750	432	0.94
Altria Group, Inc.	USD	16,990	738	1.61
Amgen, Inc.	USD	5,346	555	1.21
Apple, Inc.	USD	7,559	575	1.26
Boeing Co. (The)	USD	5,135	458	1.00
Cisco Systems, Inc.	USD	32,510	642	1.40
Dominion Resources, Inc. Preference 6.00%	USD	25,000	1,007	2.20
General Electric Co.	USD	25,548	565	1.23
Honeywell International, Inc.	USD	7,257	565	1.24
Johnson & Johnson	USD	10,091	764	1.67
Kraft Heinz Co. (The)	USD	13,024	713	1.56
Merck & Co., Inc.	USD	13,435	496	1.08
MetLife, Inc.	USD	13,606	422	0.92
Microsoft Corp.	USD	18,142	693	1.51
Occidental Petroleum Corp.	USD	8,768	418	0.91
Pfizer, Inc.	USD	23,962	500	1.09
Texas Instruments, Inc.	USD	15,938	646	1.41
T-Mobile US, Inc. Preference 5.50%	USD	10,000	460	1.01
Valero Energy Corp.	USD	13,516	600	1.31
WEC Energy Group, Inc.	USD	13,304	551	1.20
Weyerhaeuser Co., REIT Preference 6.38%	USD	20,000	707	1.54
			13,029	28.44
Equities total			32,735	71.46
Government Bond 0.00% (0.36%)				
Germany 0.00% (0.36%)				
Corporate Bonds 18.13% (16.69%)				
Australia 0.84% (0.89%)				
BHP Billiton Finance Ltd., FRN 6.50% 22/10/2077	GBP	150,000	150	0.33
Goodman Australia Finance Pty. Ltd., REIT 9.75% 16/07/2018	GBP	200,000	232	0.51
			382	0.84
Cayman Islands 0.90% (0.78%)				
Thames Water Utilities Cayman Finance Ltd., FRN 5.38% 21/07/2025	GBP	200,000	207	0.45
Yorkshire Water Services Bradford Finance Ltd. 6.00% 21/08/2019	GBP	180,000	206	0.45
			413	0.90

PORTFOLIO STATEMENT (CONTINUED)

As at 31 March 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
France 1.15% (0.77%)				
AXA SA, FRN 5.62% 16/01/2054	GBP	200,000	190	0.41
Electricite de France SA, FRN 6.00% Perpetual	GBP	200,000	182	0.40
RCI Banque SA 3.25% 25/04/2018	GBP	150,000	154	0.34
			526	1.15
Ireland 0.00% (0.40%)				
Jersey 0.97% (0.59%)				
Gatwick Funding Ltd. 5.25% 23/01/2024	GBP	200,000	233	0.51
Heathrow Funding Ltd. 7.13% 14/02/2024	GBP	170,000	212	0.46
			445	0.97
Luxembourg 0.00% (0.26%)				
Netherlands 1.85% (1.63%)				
Cooperatieve Rabobank UA 4.00% 19/09/2022	GBP	170,000	186	0.41
Cooperatieve Rabobank UA 4.63% 23/05/2029	GBP	138,000	143	0.31
Enel Finance International NV 5.63% 14/08/2024	GBP	250,000	299	0.65
ING Bank NV, FRN 6.88% 29/05/2023	GBP	200,000	217	0.48
			845	1.85
Sweden 0.00% (0.16%)				
United Kingdom 9.30% (8.89%)				
Aviva plc, FRN 5.90% Perpetual [†]	GBP	170,000	170	0.37
Barclays Bank plc 10.00% 21/05/2021	GBP	200,000	251	0.55
Broadgate Financing plc 5.00% 05/10/2031	GBP	200,000	237	0.52
Canary Wharf Finance II plc, Series II A1 6.46% 22/04/2030	GBP	60,780	93	0.20
Eastern Power Networks plc 4.75% 30/09/2021	GBP	250,000	283	0.62
Eversholt Funding plc 6.70% 22/02/2035	GBP	160,000	209	0.46
Firstgroup plc 8.75% 08/04/2021	GBP	180,000	223	0.49
Great Rolling Stock Co. Ltd. (The) 6.50% 05/04/2031	GBP	115,200	147	0.32
HSBC Bank plc, FRN 5.00% 20/03/2023	GBP	320,000	331	0.72
Imperial Tobacco Finance plc 9.00% 17/02/2022	GBP	75,000	101	0.22
Intu Metrocentre Finance plc, REIT 4.13% 06/12/2023	GBP	200,000	213	0.46
Juturna European Loan Conduit No. 16 plc 5.06% 10/08/2033	GBP	227,776	259	0.57
Legal & General Group plc, FRN 10.00% 23/07/2041	GBP	170,000	215	0.47
Mitchells & Butlers Finance plc, Series C1 6.47% 15/09/2030	GBP	240,000	285	0.62
NGG Finance plc, FRN 5.63% 18/06/2073	GBP	100,000	103	0.22
Prudential plc, FRN 11.37% 29/05/2039	GBP	300,000	370	0.81
RELX Investments plc 2.75% 01/08/2019	GBP	200,000	207	0.45
Sky plc 4.00% 26/11/2029	GBP	92,000	95	0.21
Standard Chartered Bank 7.75% 03/04/2018	GBP	150,000	164	0.36
Tesco plc 6.13% 24/02/2022	GBP	165,000	176	0.38
Western Power Distribution West Midlands plc 3.88% 17/10/2024	GBP	120,000	130	0.28
			4,262	9.30
United States of America 3.12% (2.32%)				
Bank of America Corp. 7.75% 30/04/2018	GBP	200,000	224	0.49
Goldman Sachs Group, Inc. (The) 6.13% 14/05/2017	GBP	170,000	177	0.39
HSBC Finance Corp. 6.25% 19/08/2019	GBP	180,000	202	0.44
JPMorgan Chase & Co. 3.50% 18/12/2026	GBP	200,000	208	0.45
Metropolitan Life Global Funding I 3.50% 30/09/2026	GBP	220,000	227	0.49
Verizon Communications, Inc. 4.07% 18/06/2024	GBP	170,000	187	0.41
Wells Fargo & Co. 3.50% 12/09/2029	GBP	200,000	205	0.45
			1,430	3.12
Corporate Bonds total			8,303	18.13

PORTFOLIO STATEMENT (CONTINUED)
As at 31 March 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Convertible Bonds 9.55% (7.60%)				
Australia 0.00% (1.81%)				
France 0.99% (0.00%)				
Air France-KLM 2.03% 15/02/2023	EUR	5,000,000	453	0.99
			453	0.99
Mauritius 0.00% (1.69%)				
Netherlands 3.52% (2.63%)				
America Movil BV 5.50% 17/09/2018	EUR	600,000	508	1.11
Fiat Chrysler Automobiles NV 7.88% 15/12/2016	USD	2,200,000	1,108	2.41
			1,616	3.52
United States of America 5.04% (1.47%)				
Extra Space Storage LP, REIT 3.13% 01/10/2035	USD	750,000	592	1.29
Intel Corp. 3.25% 01/08/2039	USD	1,000,000	1,112	2.43
Prospect Capital Corp. 5.75% 15/03/2018	USD	900,000	604	1.32
			2,308	5.04
Convertible Bonds total			4,377	9.55
Supranational 0.00% (0.45%)				
Options 0.00% ((0.47)%)				
Forward Currency Contracts (0.17)% ((0.12)%)				
Buy GBP 4,302,688 sell EUR 5,533,591 dated 21/06/2016			(78)	(0.17)
Forward Currency Contracts total			(78)	(0.17)
Investment assets			45,337	98.97
Net other assets			472	1.03
Net assets			45,809	100.00

All holdings are ordinary stock units and admitted to official stock exchange unless otherwise stated.

The comparative percentage figures in brackets are as at 31 March 2015.

† Investment in the Aviva Group.

STATEMENT OF TOTAL RETURN

For the year ended 31 March 2016

	Notes	£000	Year ended 31.03.16 £000	£000	Restated* Year ended 31.03.15 £000
Income					
Net capital (losses)/gains	2		(4,104)		521
Revenue	3	4,633		6,698	
Expenses	4	(1,105)		(1,339)	
Net revenue before taxation		3,528		5,359	
Taxation	5	(201)		(721)	
Net revenue after taxation			3,327		4,638
Total return before distributions			(777)		5,159
Distributions	6		(3,415)		(4,638)
Change in net assets attributable to shareholders from investment activities			(4,192)		521

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 31 March 2016

	£000	Year ended 31.03.16 £000	£000	Year ended 31.03.15 £000
Opening net assets attributable to shareholders		78,158		80,977
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	2,437		8,618	
Amounts payable on cancellation of shares	(30,994)		(12,549)	
		(28,557)		(3,931)
Stamp duty reserve tax		–		(1)
Change in net assets attributable to shareholders from investment activities (see above)		(4,192)		521
Retained distribution on accumulation shares		400		592
Closing net assets attributable to shareholders		45,809		78,158

* Refer to the accounting policies note on page 17.

BALANCE SHEET

As at 31 March 2016

	Notes	As at 31.03.16 £000	Restated* As at 31.03.15 £000
Assets:			
Investments		45,415	71,136
Current assets:			
Debtors	8	673	883
Cash and bank balances	9	662	6,353
Cash equivalents		–	1,800
Total assets		46,750	80,172
Liabilities:			
Investment liabilities		(78)	(655)
Provisions	10	–	(4)
Creditors:			
Distribution payable		(745)	(326)
Other creditors	11	(118)	(1,029)
Total liabilities		(941)	(2,014)
Net assets attributable to shareholders		45,809	78,158

* Refer to the accounting policies note on page 17.

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting basis and policies

Please see pages 5 to 7 for accounting basis and policies.

There has been no changes to the financial position or financial performance of the Fund as a result of preparing these statements in accordance with SORP 2014 rather than SORP 2010. However, as a result of this change certain comparative items have been restated in the Financial Statements as set out below.

Statement of Total Return

Interest payable of £25,000 is now disclosed within 'Expenses', whereas under SORP 2010 this was disclosed within 'Finance costs'.

Balance sheet

The Deferred tax liabilities of £4,000 are now disclosed within 'Provisions' in the Balance Sheet, whereas under SORP 2010 this was disclosed within 'Creditors'.

2 Net capital (losses)/gains

	Year ended 31.03.16 £000	Year ended 31.03.15 £000
Net capital (losses)/gains on investments during the year comprise:		
Currency gains/(losses)	115	(413)
Derivative contracts gains/(losses)	312	(10)
Expenses relating to the purchase and sale of investments	(16)	(18)
Forward currency contracts gains/(losses)	66	(2,114)
Non-derivative securities (losses)/gains	(4,581)	3,076
Net capital (losses)/gains	(4,104)	521

3 Revenue

	Year ended 31.03.16 £000	Year ended 31.03.15 £000
Bank and deposit interest	7	–
Interest on debt securities	757	1,004
Option premiums	563	1,642
Overseas dividends	2,819	3,267
UK dividends	487	785
Total revenue	4,633	6,698

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 Expenses

	Year ended 31.03.16 £000	Restated* Year ended 31.03.15 £000
Payable to the Authorised Corporate Director ("ACD"), associates of the ACD or agents of either of them:		
ACD's periodic charge	928	1,165
Fund documentation production	34	35
Registration fees	65	79
	1,027	1,279
Payable to the Depositary, associates of the Depositary or agents of either of them:		
Depositary's fee	10	12
Interest payable	12	25
Safe custody fee	5	7
	27	44
Other expenses:		
Audit fee**	13	16
Professional fees	38	–
	51	16
Total expenses	1,105	1,339

* Refer to the accounting policies on page 17.

** The audit fee was £11,316 (2015: £10,763) net of VAT.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Taxation**a Analysis of tax charge**

	Year ended 31.03.16 £000	Year ended 31.03.15 £000
Corporation tax	61	289
Double tax relief	(6)	(6)
Overseas tax suffered	150	438
Total current tax (see note 5.b)	205	721
Deferred tax	(4)	–
Total deferred tax (see note 5.c)	(4)	–
Total tax for the year	201	721

b Factors affecting current tax charge

The tax assessed for the year is lower (2015: lower) than the standard rate of corporation tax in the UK for an Authorised Investment Fund (20%) (2015: 20%).

The differences are explained below:

	Year ended 31.03.16 £000	Year ended 31.03.15 £000
Net revenue before taxation	3,528	5,359
Corporation tax at 20%	706	1,072
Effects of:		
Double taxation relief	(6)	(6)
Expenses not deductible for tax purposes	7	–
Overseas dividends not subject to corporation tax	(555)	(638)
Overseas tax suffered	150	438
Revenue taxable in different periods	–	12
UK dividends not subject to corporation tax	(97)	(157)
	(501)	(351)
Current tax charge (see note 5.a)	205	721

Authorised Investment Funds are exempt from tax on capital gains. Therefore, any capital return is not included in the above reconciliation.

c Deferred tax

	Year ended 31.03.16 £000	Year ended 31.03.15 £000
The deferred tax provision is made up as follows:		
Provision at start of year	4	4
Charge for the year	(4)	–
Provision at the end of year	–	4

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 Distributions

	Year ended 31.03.16 £000	Year ended 31.03.15 £000
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:		
Distribution for the three months ended 30 June	746	1,447
Distribution for the three months ended 30 September	686	1,416
Distribution for the three months ended 31 December	613	1,374
Distribution for the three months ended 31 March	865	371
	2,910	4,608
Add: Revenue deducted on cancellation of shares	549	122
Deduct: Revenue received on issue of shares	(44)	(92)
Distributions	3,415	4,638
Reconciliations of distributions for the year to net revenue after taxation		
Distributions for the year	3,415	4,638
Equalisation on conversions	(50)	–
Other fees borne by capital account	(38)	–
Net revenue after taxation	3,327	4,638

Details of the distributions per share are set out in the distribution tables on pages 27 and 28.

7 Fair value hierarchy

Valuation technique	As at 31.03.16		As at 31.03.15	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Quoted prices for identical instruments in active markets	32,735	–	51,869	(366)
Valuation techniques using observable market data	12,680	(78)	19,267	(289)
Total	45,415	(78)	71,136	(655)

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities.

The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority is given to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

Quoted prices for identical instruments in active markets – Quoted in an active market in this context means quoted prices are readily and regularly available and those prices represent actual and regularly occurring market transactions for the same financial instrument on an arm's length basis. For this purpose a quoted price is a price at which the party performing the fair value measurement can enter into a transaction. Therefore the price must be binding on the party providing the quote.

Prices of recent transactions for identical instruments – When quoted prices are unavailable, the price of a recent transaction for an identical instrument provides evidence of fair value as long as the transaction is orderly and there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place.

Valuation techniques using observable market data – Valuation techniques should maximise the use of observable market data, such as publicly available information about actual events or transactions, and minimise the use of non-observable data. Observable data should be observable for substantially the full term of the instrument.

Valuation techniques using non-observable data – Non-observable entity specific data should be used only where relevant observable market data is not available.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8 Debtors

	As at 31.03.16 £000	As at 31.03.15 £000
Accrued revenue	345	570
Amounts receivable on issue of shares	178	92
Overseas tax recoverable	149	221
Sales awaiting settlement	1	–
Total debtors	673	883

9 Cash and bank balances

	As at 31.03.16 £000	As at 31.03.15 £000
Amounts held at futures clearing houses and brokers	46	1,638
Cash and bank balances	616	4,715
Total cash and bank balances	662	6,353

10 Provisions

	As at 31.03.16 £000	Restated* As at 31.03.15 £000
Deferred tax provision	–	4
Total provisions	–	4

* Refer to the accounting policies note on page 17.

11 Other creditors

	As at 31.03.16 £000	Restated* As at 31.03.15 £000
Accrued expenses	80	126
Amounts payable for cancellation of shares	17	62
Corporation tax payable	21	128
Purchases awaiting settlement	–	713
Total creditors	118	1,029

* Refer to the accounting policies note on page 17.

12 Contingent liabilities and commitments

There were no contingent liabilities or commitments at the year end (2015: £nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13 Related party transactions

ACD periodic charges paid to Aviva Investors UK Fund Services Limited ("the ACD") are shown in note 4 and details of shares issued and cancelled by the ACD are shown in the statement of change in net assets attributable to shareholders. The balance due to the ACD at the year end in respect of ACD periodic charges was £49,000 (2015: £99,000). Any balance due from the ACD in respect of issues is shown in note 8. Any balance due to the ACD in respect of cancellations is shown in note 11.

Distributions payable to the ACD and related parties of the ACD during the year amounted to £41,000 (2015: £38,000). The amount outstanding at the year end was £17,000 (2015: £4,000). Related parties of the ACD are deemed to be all companies under the control of Aviva Plc. This will include companies which hold shares in the Fund on behalf of other external investors.

All investments managed and advised by Aviva Investors Global Services Limited or associated with the Aviva Group are identified on the portfolio statement. The total purchases and sales on these investments during the year amounted to £1,500,000 (2015: £nil) and £1,500,000 (2015: £nil) respectively. The income received during the year amounted to £11,000 (2015: £nil).

Holdings at the year end and movements during the year are as follows:

	Holdings at 31.03.16 (shares)	Movement (shares)	Holdings at 31.03.15 (shares)
ACD and related parties (share class A Income shares)	360,517	89,050	271,467
ACD and related parties (share class A Accumulation shares)	149,153	124,125	25,028
ACD and related parties (share class I Income shares)	597,037	(40,402)	637,439
ACD and related parties (share class I Accumulation shares)	105,880	13,511	92,369

The ACD and related parties of the ACD are ineligible to vote at any general meeting.

14 Shareholder funds

The Fund currently has two share classes: Class A (Retail) and Class I (Institutional). The annual management charges are as follows:

Class A: 0.50%

Class I: 0.50%

The annual management charge was reduced from 1.50% to 0.50% for Class A shares and from 1.00% to 0.50% for Class I shares on 19 April 2016.

The net asset value per share class, the net asset value per share and the number of shares in the class are shown on pages 9 and 10. The distributions per share class are given in the distribution tables on pages 27 and 28. All the share classes have the same rights on winding up.

15 Shares in issue reconciliation

	Number of shares in issue at 31.03.15	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 31.03.16
Share Class A Income	91,593,472	1,261,529	(38,019,272)	(50,987,370)	3,848,359
Share Class A Accumulation	6,614,426	264,400	(2,546,162)	(3,835,160)	497,504
Share Class I Income	8,981,982	1,294,333	(4,572,655)	50,374,790	56,078,450
Share Class I Accumulation	1,012,468	355,604	(610,449)	3,646,404	4,404,027

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16 Derivatives and other financial instruments

The policies applied in the management of financial instruments are set out on pages 6 and 7.

Foreign currency risk

At the year end date, 55.76% (2015: 6.99%) of the net assets of the Fund were denominated in currencies other than sterling with the effect that the balance sheet and total return can be significantly affected by currency movements. If exchange rates were to change by 10.00%, the value of the Fund will change by 5.58%.

Currency	Net foreign currency assets					
	Monetary exposure £000		Non monetary exposure £000		Total £000	
	31.03.16	31.03.15	31.03.16	31.03.15	31.03.16	31.03.15
Australian Dollar	31	18	386	53	417	71
Canadian Dollar	24	–	502	622	526	622
Euro	241	681	3,976	468	4,217	1,149
Japanese Yen	–	556	–	58	–	614
Norwegian Krone	22	31	–	1,393	22	1,424
South African Rand	–	28	–	–	–	28
Swedish Krona	11	–	396	–	407	–
Swiss Franc	96	65	1,178	1,051	1,274	1,116
US Dollar	59	(1,905)	18,619	2,343	18,678	438

Interest rate risk profile of financial assets and financial liabilities

At the year end date 29.13% (2015: 35.53%) of the net assets of the Fund were interest bearing. If interest rates were to change by 1.00%, the value of the Fund would change by 1.70%. The interest rate profile of the Fund's financial assets and liabilities at 31 March 2016 was:

Currency 31.03.16	Floating Rate £000	Fixed Rate £000	None £000	Total £000
Financial Assets				
Sterling	398	8,303	12,431	21,132
Australian Dollar	19	–	398	417
Canadian Dollar	24	–	502	526
Euro	174	961	7,462	8,597
Norwegian Krone	–	–	22	22
Swedish Krona	11	–	396	407
Swiss Franc	39	–	1,235	1,274
US Dollar	(3)	3,416	15,265	18,678
Financial Liabilities				
Sterling	–	–	(864)	(864)
Euro	–	–	(4,380)	(4,380)
Total	662	12,680	32,467	45,809

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16 Derivatives and other financial instruments (continued)**Interest rate risk profile of financial assets and financial liabilities (continued)**

The interest rate profile of the Fund's financial assets and liabilities at 31 March 2015 was:

Currency 31.03.15	Floating Rate £000	Fixed Rate £000	None £000	Total £000
Financial Assets				
Sterling	9,555	13,172	51,328	74,055
Australian Dollar	1	1,413	(1,343)	71
Canadian Dollar	-	-	622	622
Euro	562	-	587	1,149
Israeli New Shekels	525	-	89	614
Norwegian Krone	-	-	28	28
Swedish Krona	-	-	1,424	1,424
Swiss Franc	-	-	1,116	1,116
US Dollar	(1,986)	4,529	(2,105)	438
Financial Liabilities				
Sterling	-	-	(1,359)	(1,359)
Total	8,657	19,114	50,387	78,158

The floating rate on bank balances is linked to the Depository's base rate.
The floating rate on deposits is linked to LIBOR or its overseas equivalent.

The portfolio includes bonds which have no fixed redemption dates. In order to calculate the weighted average period for which the rate is fixed, it has been assumed that these bonds will be held for at least as long as the longest-dated bond held in the portfolio.

Market price risk

At the year end date, 98.97% (2015: 90.18%) of the net assets of the Fund were invested in ordinary shares or stock units and admitted to an official stock exchange. If the market were to change by 10%, the value of the Fund will change by 9.90%.

17 Counterparty Exposure**Financial derivative exposure**

The types of derivatives held at the year end date were forward currency contracts. Details of individual contracts are disclosed in the Portfolio Statement and the total position by counterparty at the year end date was as follows:

31.03.16	Forward currency contracts £000	Total £000
Citibank	(40)	(40)
UBS	(38)	(38)
Total	(78)	(78)

31.03.15	Forward currency contracts £000	Total £000
Goldman Sachs Group, Inc.	1	1
JPMorgan Chase & Co	(140)	(140)
Morgan Stanley	4	4
Standard Chartered Bank	(144)	(144)
UBS	185	185
Total	(94)	(94)

At the year end date no collateral was held or pledged by the company or on behalf of the counterparties in respect of the above (2015: £nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18 Debt security credit analysis

	Market value £000		Total net assets %	
	31.03.16	31.03.15	31.03.16	31.03.15
Investment grade	9,700	15,656	21.17%	20.02%
Below investment grade	827	2,443	1.81%	3.13%
Unrated	2,153	2,770	4.70%	3.54%
Total debt securities	12,680	20,869	27.68%	26.69%

Credit rating designations BBB or above are considered investment grade whereas credit rating designations BBB- or lower are considered below investment grade.

19 Direct transaction costs

In the case of shares, broker commissions and transfer taxes, stamp duty is paid by the Fund on each transaction. In addition, there is a dealing spread between buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread.

31.03.16	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
Purchases (excluding in-specie transfers and corporate actions)						
Equities	(56,470)	(23)	(69)	(56,562)	0.04%	0.12%
Bonds	(4,398)	–	–	(4,398)	0.00%	0.00%
	(60,868)	(23)	(69)	(60,960)		
Sales (excluding in-specie transfers and corporate actions)						
Equities	71,931	(34)	–	71,897	0.05%	0.00%
Bonds	9,929	–	–	9,929	0.00%	0.00%
	81,860	(34)	–	81,826		
Derivative purchases and sales		(8)	–			
Total		(65)	(69)			
Percentage of fund average net assets		0.10%	0.11%			

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19 Direct transaction costs (continued)

31.03.15	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
Purchases (excluding in-specie transfers and corporate actions)						
Equities	(121,143)	(56)	(158)	(121,357)	0.05%	0.13%
Bonds	(6,022)	–	–	(6,022)	0.00%	0.00%
	(127,165)	(56)	(158)	(127,379)		
Sales (excluding in-specie transfers and corporate actions)						
Equities	125,165	(43)	–	125,122	0.03%	0.00%
Bonds	11,307	–	–	11,307	0.00%	0.00%
	136,472	(43)	–	136,429		
Derivative purchases and sales		(33)	–			
Total		(132)	(158)			
Percentage of fund average net assets		0.17%	0.20%			

Dealing spread

As at 31 March 2016, the average portfolio dealing spread was 0.30% (2015: 0.39%). This spread represents the difference between the values determined retrospectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

20 Post balance sheet events

As advised in a letter to investors dated 3 June 2016, The Global Balanced Income Fund will be closing on 16 August 2016.

On 23 June 2016, UK voters elected to leave the European Union. This will not happen immediately, as it will take several years to negotiate a new relationship between the UK and EU. Aviva Investors continues to closely monitor events surrounding the referendum and any potential impact on customers' assets. Following the vote, there was some volatility in the markets, however, this has not impacted the fair value of assets and liabilities reported at the balance sheet date (31 March 2016).

DISTRIBUTION TABLES

Final distribution payable in pence per share for the three months ended 31 March 2016

Income shares		Net revenue	Equalisation	Final distribution payable 10 May 2016	Final distribution paid 10 May 2015
Share Class A	Group 1	1.1343	–	1.1343	0.3220
	Group 2	0.3300	0.8043	1.1343	0.3220
Share Class I	Group 1	1.2512	–	1.2512	0.3436
	Group 2	0.2189	1.0323	1.2512	0.3436

Accumulation shares		Net revenue	Equalisation	Final distribution payable 10 May 2016	Final distribution paid 10 May 2015
Share Class A	Group 1	2.1481	–	2.1481	0.5748
	Group 2	0.0618	2.0863	2.1481	0.5748
Share Class I	Group 1	2.4748	–	2.4748	0.7496
	Group 2	0.3702	2.1046	2.4748	0.7496

Final distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 31 December 2015.

Group 2 shares are those shares purchased after 12:00 noon on 31 December 2015.

Interim distribution paid in pence per share for the three months ended 31 December 2015

Income shares		Net revenue	Equalisation	Interim distribution paid 10 February 2016	Interim distribution paid 10 February 2015
Share Class A	Group 1	0.6983	–	0.6983	1.1845
	Group 2	0.0000	0.6983	0.6983	1.1845
Share Class I	Group 1	0.7572	–	0.7572	1.2837
	Group 2	0.0000	0.7572	0.7572	1.2837

Accumulation shares		Net revenue	Equalisation	Interim distribution paid 10 February 2016	Interim distribution paid 10 February 2015
Share Class A	Group 1	1.3490	–	1.3490	2.1910
	Group 2	0.0000	1.3490	1.3490	2.1910
Share Class I	Group 1	1.5191	–	1.5191	2.4580
	Group 2	0.0000	1.5191	1.5191	2.4580

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 30 September 2015.

Group 2 shares are those shares purchased after 12:00 noon on 30 September 2015.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the three months ended 30 September 2015

Income shares		Net revenue	Equalisation	Interim distribution paid 10 November 2015	Interim distribution paid 10 November 2014
Share Class A	Group 1	0.6607	–	0.6607	1.1964
	Group 2	0.0000	0.6607	0.6607	1.1964
Share Class I	Group 1	0.7163	–	0.7163	1.2969
	Group 2	0.0000	0.7163	0.7163	1.2969

Accumulation shares		Net revenue	Equalisation	Interim distribution paid 10 November 2015	Interim distribution paid 10 November 2014
Share Class A	Group 1	1.2631	–	1.2631	2.1740
	Group 2	0.0000	1.2631	1.2631	2.1740
Share Class I	Group 1	1.4209	–	1.4209	2.4364
	Group 2	0.0000	1.4209	1.4209	2.4364

Final distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 30 June 2015.

Group 2 shares are those shares purchased after 12:00 noon on 30 June 2015.

Interim distribution paid in pence per share for the three months ended 30 June 2015

Income shares		Net revenue	Equalisation	Interim distribution paid 10 August 2015	Interim distribution paid 10 August 2014
Share Class A	Group 1	0.6764	–	0.6764	1.2073
	Group 2	0.0000	0.6764	0.6764	1.2073
Share Class I	Group 1	0.7335	–	0.7335	1.3090
	Group 2	0.0000	0.7335	0.7335	1.3090

Accumulation shares		Net revenue	Equalisation	Interim distribution paid 10 August 2015	Interim distribution paid 10 August 2014
Share Class A	Group 1	1.2797	–	1.2797	2.1554
	Group 2	0.0000	1.2797	1.2797	2.1554
Share Class I	Group 1	1.4388	–	1.4388	2.4131
	Group 2	0.0000	1.4388	1.4388	2.4131

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 31 March 2015.

Group 2 shares are those shares purchased after 12:00 noon on 31 March 2015.

Equalisation

Equalisation applies only to Group 2 shares, in other words shares purchased during the period. It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to the holders of these shares as return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

THE GLOBAL CAUTIOUS INCOME FUND

INVESTMENT OBJECTIVE

To achieve a target income rate, after the deduction of applicable management fees and allowable additional fund expenses, equal to the greater of 5.50% per annum or the prevailing Bank of England Base Rate plus 1.00% per annum.

INVESTMENT POLICY

Investment mainly in a diversified portfolio of bonds and also in actively managed equities. The Fund will also use derivative instruments to generate additional income. The Manager may selectively sell short dated call options over securities in order to generate additional income by setting target 'strike' prices at which those securities may be sold in the future.

The Fund may invest in any of the following financial instruments in order to achieve its investment objective: transferable securities, units in collective investment schemes, derivatives and forward transactions, money market instruments and deposits.

FUND MANAGER'S REPORT

Market review

Global equities posted a modest gain over the year as a rise in the heavyweight US stock market outweighed the impact of declines in stock prices elsewhere.

US shares were aided by evidence that the US economy had continued to expand at a healthy pace as it withstood the twin impacts of a sharp contraction in China's economic growth rate and the first rise in US interest rates in nearly a decade.

However, it was a very different story elsewhere, with stocks tumbling across the board as economies struggled despite widespread efforts by leading central banks to underpin growth with looser monetary policy. Asian and emerging markets were among the weakest, although stocks also fell in Europe, the UK and Japan.

UK government bonds posted gains as plummeting commodity and oil prices helped push UK inflation to its lowest level on record and as demand for 'safe-haven' assets was boosted by volatile conditions in stock markets. Sterling corporate bonds also delivered positive returns, helped by the drop in yields on underlying gilts. But credit spreads – the difference between government and corporate bond yields – widened as investors grew more concerned about companies' ability to repay their obligations after the amount of outstanding debt exploded to a record in recent years.

Fund review

The Fund (share class A) returned 0.10 per cent* which compared with an average return of -3.86 per cent generated by its peer group, the Investment Association's 'Specialist' sector. It simultaneously generated investment income of 3.01 per cent, thus meeting its revised objective of generating after-tax income, net of management fees and other fund expenses, of 2.64 per cent.

Industrial stocks were the main driver of performance during the period, with French infrastructure player Vinci one of the best performers for the Fund helped by a rise in income from roads. Its airport business also did well, benefitting from increased passenger traffic in Europe. Elevator and escalator manufacturer Kone also delivered solid returns, as growth in its US and European units offset weaker orders from China.

UK insurer Prudential was one of the main negative contributors, as dual concerns over new regulations and potential losses on corporate bond portfolios hit shares in the sector. A drop in the shares of French drugmaker Sanofi also impacted the Fund.

The Fund sold a number of call options (a derivative enabling the holder to choose to buy the underlying stock at a predetermined price), over the period, mainly targeting stocks which had already performed well and where the manager believed the potential for further gains was limited.

May 2016

* Fund performance figures – share class A, source Lipper, net of fees, net income reinvested in GBP, as at 31/03/2016.

As noted above, the performance figures in this commentary have been sourced from Lipper and are based on published prices. The performance figures quoted in the comparative tables on pages 30 and 31 are based on the net asset value per the published accounts and may be different due to post year end accounting adjustments.

Any opinions expressed are those of the Fund manager. They should not be viewed as a guarantee of a return from an investment in the Funds. The content of the commentary should not be viewed as a recommendation to invest nor buy or sell any securities. Past performance is not a guide to the future. The value of a fund and the income from it may go down as well as up, and the investor may not get back the original amount invested.

Material Portfolio Changes

Purchases	Sales
UK Treasury 4.75% 07/09/2015	UK Treasury 4.75% 07/09/2015
UK Treasury 2.00% 22/01/2016	UK Treasury 5.00% 07/03/2025
UK Treasury 5.00% 07/03/2025	UK Treasury 2.00% 22/01/2016
UK Treasury 2.00% 07/09/2025	UK Treasury 2.75% 07/09/2024
UK Treasury 2.75% 07/09/2024	UK Treasury 4.00% 07/09/2016
UK Treasury 4.00% 07/09/2016	UK Treasury 2.00% 07/09/2025
UK Treasury 2.00% 22/07/2020	UK Treasury 3.25% 22/01/2044
UK Treasury 3.50% 22/01/2045	UK Treasury 3.75% 07/09/2020
UK Treasury 3.25% 22/01/2044	UK Treasury 3.50% 22/01/2045
UK Treasury 2.50% 22/07/2065	UK Treasury 2.00% 22/07/2020

Synthetic Risk and Reward Indicator



The Fund has been allocated a risk number based on the higher of the historic volatility of its share price, the historic volatility of its current asset classes or its intended maximum risk levels.

- This indicator is based on historical data, calculated using European Union rules, and may not be a reliable indication of the future risk profile of the Fund.
- The risk and reward category shown is not guaranteed to remain unchanged and may change over time. The lowest category does not mean 'risk free'.
- During the year ended 31 March 2016, the indicator changed from category 4 to category 6.
- Bond values are affected by changes in interest rates, and the bond issuer's creditworthiness. Bonds that produce a higher level of income usually have a greater risk of default.
- The value of investments will be affected by changes in exchange rates.
- Where a third party appointed to manage transactions or ensure the safe keeping of assets fails in their duty a loss may occur.
- Financial derivatives may only require a low initial deposit relative to the asset exposure, a relatively small price movement in the underlying asset may result in substantial losses to the Fund.
- Full information on the risks applicable to the Fund is detailed in the Prospectus.

COMPARATIVE TABLES

Class A Income	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	89.20	85.40	87.10
Return before operating charges [†]	1.92	9.00	4.23
Operating charges	(1.27)	(1.26)	(1.25)
Return after operating charges [†]	0.65	7.74	2.98
Distributions on income shares	(3.25)	(3.94)	(4.68)
Closing net asset value per share	86.60	89.20	85.40
Retained distributions on accumulation shares	–	–	–
† after direct transaction costs of	(0.10)	(0.17)	(0.18)
Performance			
Return after charges	0.73%	9.06%	3.42%
Other information			
Closing net asset value (£000)	1,050	88,826	95,672
Closing number of shares	1,212,864	99,578,642	112,023,647
Operating charges (%) [†]	1.48%	1.45%	1.45%
Direct transaction costs (%) [#]	0.11%	0.20%	0.21%
Prices[®]			
Highest share price	89.87	90.03	89.02
Lowest share price	83.82	84.65	84.31

Class I Income	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	89.06	85.29	86.99
Return before operating charges [†]	2.01	9.01	4.34
Operating charges	(0.90)	(0.83)	(0.82)
Return after operating charges [†]	1.11	8.18	3.52
Distributions on income shares	(3.71)	(4.41)	(5.22)
Closing net asset value per share	86.46	89.06	85.29
Retained distributions on accumulation shares	–	–	–
† after direct transaction costs of	(0.10)	(0.17)	(0.18)
Performance			
Return after charges	1.25%	9.59%	4.05%
Other information			
Closing net asset value (£000)	56,401	699	373
Closing number of shares	65,234,878	785,315	437,356
Operating charges (%) [†]	1.03%	0.95%	0.95%
Direct transaction costs (%) [#]	0.11%	0.20%	0.21%
Prices[®]			
Highest share price	89.74	89.99	89.03
Lowest share price	83.83	84.55	84.28

Class A Accumulation	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	135.28	124.91	121.94
Return before operating charges [†]	2.05	12.25	4.75
Operating charges	(1.95)	(1.88)	(1.78)
Return after operating charges [†]	0.10	10.37	2.97
Distributions on income shares	–	–	–
Closing net asset value per share	135.38	135.28	124.91
Retained distributions on accumulation shares	4.98	5.83	6.65
† after direct transaction costs of	(0.15)	(0.26)	(0.26)
Performance			
Return after charges	0.07%	8.30%	2.44%
Other information			
Closing net asset value (£000)	560	12,109	12,894
Closing number of shares	413,395	8,950,619	10,322,638
Operating charges (%) [†]	1.48%	1.45%	1.45%
Direct transaction costs (%) [#]	0.11%	0.20%	0.21%
Prices[®]			
Highest share price	136.30	136.14	125.40
Lowest share price	128.32	125.06	118.16

COMPARATIVE TABLES (CONTINUED)

Class I Accumulation	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	141.12	129.79	126.12
Return before operating charges [‡]	2.05	12.62	4.88
Operating charges	(1.36)	(1.29)	(1.21)
Return after operating charges [‡]	0.69	11.33	3.67
Distributions on income shares	–	–	–
Closing net asset value per share	141.81	141.12	129.79
Retained distributions on accumulation shares	5.91	6.83	7.53
† after direct transaction costs of	(0.15)	(0.27)	(0.27)
Performance			
Return after charges	0.49%	8.73%	2.91%
Other information			
Closing net asset value (£000)	9,838	1,187	498
Closing number of shares	6,937,721	841,303	383,663
Operating charges (%) [‡]	0.98%	0.95%	0.95%
Direct transaction costs (%) [#]	0.11%	0.20%	0.21%
Prices[≈]			
Highest share price	142.21	142.02	130.26
Lowest share price	134.08	129.94	122.33

‡ The operating charges are calculated on an ex-post basis and as such may differ from the Ongoing Charges Figure where:

(a) Changes to fee rates were made during the year and the Ongoing Charges Figure has been amended to be future proofed for this change.

(b) The Ongoing Charges Figure has been annualised for a share class that has not yet been open for a full year.

The direct transaction costs have been stated after deducting, in the case of single-priced funds, the proportion of the amounts collected from dilution adjustments or dilution levies that relates to direct transaction costs and, in the case of dual-priced funds, the amounts collected in relation to direct transaction costs added to, or subtracted from, the valuations by virtue of COLL 6.3.6 G (4).

≈ The high and low prices disclosed are the high and low prices for the accounting period and not the calendar year.

Ongoing Charges Figure*

Share class	31.03.16	31.03.15
Class A	1.49%	1.45%
Class I	0.99%	0.95%

* The Ongoing Charges Figure (OCF) is calculated as the ratio of the total ongoing charges to the average net asset value of the Fund over the year. The OCF is made up of the Annual Management Charge and other operating costs deducted from the assets of the Fund during the year, except for those payments that are explicitly excluded (performance fees).

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

PORTFOLIO STATEMENT

As at 31 March 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Equities 36.77% (34.02%)				
Australia 0.53% (0.47%)				
Telstra Corp. Ltd.	AUD	128,039	363	0.53
			363	0.53
Canada 0.61% (0.44%)				
Toronto-Dominion Bank (The)	CAD	13,656	412	0.61
			412	0.61
Finland 0.79% (0.00%)				
Kone OYJ 'B'	EUR	15,829	533	0.79
			533	0.79
France 3.60% (1.92%)				
AXA SA	EUR	31,581	509	0.75
Orange SA	EUR	37,659	457	0.67
Sanofi	EUR	8,024	453	0.67
Vinci SA	EUR	8,960	462	0.68
Vivendi SA	EUR	38,408	561	0.83
			2,442	3.60
Germany 4.31% (2.65%)				
Bayer AG	EUR	4,864	398	0.59
Deutsche Boerse AG	EUR	9,389	555	0.82
Deutsche Post AG	EUR	25,605	496	0.73
Deutsche Telekom AG	EUR	42,678	533	0.79
ProSiebenSat.1 Media SE	EUR	15,363	550	0.81
Siemens AG	EUR	5,291	390	0.57
			2,922	4.31
Ireland 0.00% (0.49%)				
Italy 0.00% (0.41%)				
Japan 0.00% (1.86%)				
Netherlands 0.73% (0.43%)				
LyondellBasell Industries NV 'A'	USD	8,306	495	0.73
			495	0.73
Spain 0.63% (0.57%)				
Telefonica SA	EUR	54,415	427	0.63
			427	0.63
Sweden 0.48% (0.88%)				
Swedbank AB 'A'	SEK	21,680	325	0.48
			325	0.48
Switzerland 1.48% (0.91%)				
Nestle SA	CHF	9,815	510	0.75
Roche Holding AG	CHF	2,867	491	0.73
			1,001	1.48
United Kingdom 9.91% (6.52%)				
AstraZeneca plc	GBP	11,758	461	0.68
BAE Systems plc	GBP	93,068	474	0.70
BP plc	GBP	89,627	317	0.47
British American Tobacco plc	GBP	14,719	601	0.88
BT Group plc	GBP	101,148	446	0.66
Diageo plc	GBP	30,728	579	0.85
GlaxoSmithKline plc	GBP	34,785	491	0.72
Imperial Brands plc	GBP	13,804	534	0.79
Legal & General Group plc	GBP	186,942	439	0.65
National Grid plc	GBP	55,481	549	0.81

PORTFOLIO STATEMENT (CONTINUED)

As at 31 March 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Prudential plc	GBP	29,875	387	0.57
Severn Trent plc	GBP	23,388	509	0.75
Sky plc	GBP	57,188	586	0.86
Vodafone Group plc	GBP	159,628	353	0.52
			6,726	9.91
United States of America 13.70% (16.47%)				
AbbVie, Inc.	USD	12,466	493	0.73
Aflac, Inc.	USD	9,189	407	0.60
Altria Group, Inc.	USD	12,890	560	0.82
Amgen, Inc.	USD	5,098	529	0.78
Apple, Inc.	USD	6,855	521	0.77
Boeing Co. (The)	USD	3,703	330	0.49
Cisco Systems, Inc.	USD	30,719	607	0.89
General Electric Co.	USD	24,559	543	0.80
Honeywell International, Inc.	USD	6,423	500	0.74
Johnson & Johnson	USD	7,684	582	0.86
Kraft Heinz Co. (The)	USD	9,945	545	0.80
Merck & Co., Inc.	USD	12,836	474	0.70
MetLife, Inc.	USD	12,804	397	0.58
Microsoft Corp.	USD	14,596	558	0.82
Occidental Petroleum Corp.	USD	7,032	335	0.49
Pfizer, Inc.	USD	22,636	472	0.70
Texas Instruments, Inc.	USD	15,191	616	0.91
Valero Energy Corp.	USD	8,588	381	0.56
WEC Energy Group, Inc.	USD	10,822	448	0.66
			9,298	13.70
Equities total			24,944	36.77
Government Bonds 24.39% (24.58%)				
Australia 0.00% (0.69%)				
Germany 0.00% (0.48%)				
United Kingdom 24.39% (23.41%)				
UK Treasury 4.00% 07/09/2016	GBP	387,500	393	0.58
UK Treasury 4.50% 07/03/2019	GBP	751,000	840	1.24
UK Treasury 1.75% 22/07/2019	GBP	417,000	432	0.64
UK Treasury 2.00% 22/07/2020	GBP	1,877,000	1,975	2.91
UK Treasury 3.75% 07/09/2020	GBP	1,380,000	1,564	2.31
UK Treasury 1.50% 22/01/2021	GBP	1,037,000	1,069	1.58
UK Treasury 1.75% 07/09/2022	GBP	1,013,000	1,058	1.56
UK Treasury 2.00% 07/09/2025	GBP	1,773,500	1,866	2.75
UK Treasury 4.25% 07/12/2027	GBP	214,000	274	0.40
UK Treasury 4.25% 07/06/2032	GBP	485,000	638	0.94
UK Treasury 4.50% 07/09/2034	GBP	620,000	849	1.25
UK Treasury 4.25% 07/09/2039	GBP	821,000	1,122	1.65
UK Treasury 4.25% 07/12/2040	GBP	461,000	636	0.94
UK Treasury 4.50% 07/12/2042	GBP	247,000	358	0.53
UK Treasury 3.25% 22/01/2044	GBP	23,000	28	0.04
UK Treasury 3.50% 22/01/2045	GBP	294,081	369	0.54
UK Treasury 3.75% 22/07/2052	GBP	573,000	796	1.17
UK Treasury 2.50% 22/07/2065	GBP	1,314,000	1,460	2.15
UK Treasury Inflation Linked 1.25% 22/11/2017	GBP	585,000	820	1.21
			16,547	24.39
Government Bonds total			16,547	24.39

PORTFOLIO STATEMENT (CONTINUED)

As at 31 March 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Corporate Bonds 37.66% (37.38%)				
Australia 1.40% (1.71%)				
BHP Billiton Finance Ltd., FRN 6.50% 22/10/2077	GBP	288,000	288	0.42
Goodman Australia Finance Pty. Ltd., REIT 9.75% 16/07/2018	GBP	570,000	662	0.98
			950	1.40
Cayman Islands 1.76% (2.00%)				
Thames Water Utilities Cayman Finance Ltd., FRN 5.38% 21/07/2025	GBP	600,000	621	0.92
Yorkshire Water Services Bradford Finance Ltd. 6.00% 21/08/2019	GBP	500,000	571	0.84
			1,192	1.76
France 2.00% (1.50%)				
AXA SA, FRN 5.62% 16/01/2054	GBP	600,000	572	0.84
Electricite de France SA, FRN 6.00% Perpetual	GBP	400,000	364	0.54
RCI Banque SA 3.25% 25/04/2018	GBP	411,000	422	0.62
			1,358	2.00
Ireland 1.27% (0.86%)				
GE Capital UK Funding 5.63% 25/04/2019	GBP	770,000	864	1.27
			864	1.27
Jersey 1.64% (1.31%)				
Gatwick Funding Ltd. 5.25% 23/01/2024	GBP	530,000	617	0.91
Heathrow Funding Ltd. 7.13% 14/02/2024	GBP	400,000	499	0.73
			1,116	1.64
Luxembourg 0.00% (0.60%)				
Netherlands 3.54% (3.60%)				
Cooperatieve Rabobank UA 4.00% 19/09/2022	GBP	500,000	548	0.80
Cooperatieve Rabobank UA 4.63% 23/05/2029	GBP	405,000	420	0.62
Enel Finance International NV 5.63% 14/08/2024	GBP	750,000	895	1.32
ING Bank NV, FRN 6.88% 29/05/2023	GBP	500,000	542	0.80
			2,405	3.54
Sweden 0.68% (0.45%)				
Svenska Handelsbanken AB 3.00% 20/11/2020	GBP	434,000	458	0.68
			458	0.68
United Kingdom 19.25% (20.10%)				
Aviva plc, FRN 5.90% Perpetual [†]	GBP	480,000	481	0.71
Barclays Bank plc 10.00% 21/05/2021	GBP	600,000	752	1.11
Broadgate Financing plc 5.00% 05/10/2031	GBP	530,000	628	0.93
Canary Wharf Finance II plc, Series II A1 6.46% 22/04/2030	GBP	183,691	282	0.42
CRH Finance UK plc 4.13% 02/12/2029	GBP	127,000	136	0.20
Eastern Power Networks plc 4.75% 30/09/2021	GBP	650,000	736	1.08
Eversholt Funding plc 6.70% 22/02/2035	GBP	450,000	589	0.87
Firstgroup plc 8.75% 08/04/2021	GBP	550,000	681	1.00
Great Rolling Stock Co. Ltd. (The) 6.50% 05/04/2031	GBP	355,200	452	0.67
HSBC Bank plc, FRN 5.00% 20/03/2023	GBP	800,000	828	1.22
Imperial Tobacco Finance plc 9.00% 17/02/2022	GBP	650,000	872	1.29
Intu Metrocentre Finance plc, REIT 4.13% 06/12/2023	GBP	600,000	640	0.94
Juturna European Loan Conduit No. 16 plc 5.06% 10/08/2033	GBP	728,883	827	1.22
Legal & General Group plc, FRN 10.00% 23/07/2041	GBP	500,000	633	0.93
Mitchells & Butlers Finance plc, Series C1 6.47% 15/09/2030	GBP	700,000	831	1.22
NGG Finance plc, FRN 5.63% 18/06/2073	GBP	301,000	311	0.46
Prudential plc, FRN 11.37% 29/05/2039	GBP	730,000	900	1.33
RELX Investments plc 2.75% 01/08/2019	GBP	400,000	414	0.61
Sky plc 4.00% 26/11/2029	GBP	576,000	598	0.88
Standard Chartered Bank 7.75% 03/04/2018	GBP	500,000	545	0.80
Tesco plc 6.13% 24/02/2022	GBP	510,000	546	0.80
Western Power Distribution West Midlands plc 3.88% 17/10/2024	GBP	350,000	378	0.56
			13,060	19.25

PORTFOLIO STATEMENT (CONTINUED)

As at 31 March 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
United States of America 6.12% (5.25%)				
Bank of America Corp. 7.75% 30/04/2018	GBP	550,000	616	0.91
Goldman Sachs Group, Inc. (The) 6.13% 14/05/2017	GBP	570,000	595	0.88
HSBC Finance Corp. 6.25% 19/08/2019	GBP	550,000	616	0.91
JPMorgan Chase & Co. 3.50% 18/12/2026	GBP	500,000	519	0.77
Metropolitan Life Global Funding I 3.50% 30/09/2026	GBP	680,000	702	1.03
Verizon Communications, Inc. 4.07% 18/06/2024	GBP	490,000	538	0.79
Wells Fargo & Co. 3.50% 12/09/2029	GBP	550,000	565	0.83
			4,151	6.12
Corporate Bonds total			25,554	37.66
Supranational 0.00% (0.88%)				
Options 0.00% ((0.27)%)				
Forward Currency Contracts (0.09)% ((0.11)%)				
Buy EUR 203,133 sell GBP 160,808 dated 21/06/2016			–	–
Buy GBP 3,238,122 sell EUR 4,164,477 dated 21/06/2016			(59)	(0.09)
Forward Currency Contracts total			(59)	(0.09)
Futures (0.01)% (0.00%)				
Long Gilt 28/06/2016	GBP	(14)	(8)	(0.01)
Futures total			(8)	(0.01)
Investment assets			66,978	98.72
Net other assets			871	1.28
Net assets			67,849	100.00

All holdings are ordinary shares or stock units and admitted to an official stock exchange unless otherwise stated.

The comparative percentage figures in brackets are as at 31 March 2015.

† Investment in the Aviva Group.

STATEMENT OF TOTAL RETURN

For the year ended 31 March 2016

	Notes	£000	Year ended 31.03.16 £000	£000	Restated* Year ended 31.03.15 £000
Income					
Net capital (losses)/gains	2		(3,556)		4,520
Revenue	3	4,868		6,707	
Expenses	4	(1,265)		(1,523)	
Net revenue before taxation		3,603		5,184	
Taxation	5	(116)		(350)	
Net revenue after taxation			3,487		4,834
Total return before distributions			(69)		9,354
Distributions	6		(3,633)		(4,834)
Change in net assets attributable to shareholders from investment activities			(3,702)		4,520

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 31 March 2016

	£000	Year ended 31.03.16 £000	£000	Year ended 31.03.15 £000
Opening net assets attributable to shareholders		102,821		109,437
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	2,912		3,988	
Amounts payable on cancellation of shares	(34,559)		(15,600)	
		(31,647)		(11,612)
Change in net assets attributable to shareholders from investment activities (see above)		(3,702)		4,520
Retained distribution on accumulation shares		377		476
Closing net assets attributable to shareholders		67,849		102,821

* Refer to the accounting policies note on page 38.

BALANCE SHEET

As at 31 March 2016

	Notes	As at 31.03.16 £000	Restated* As at 31.03.15 £000
Assets:			
Investments		67,044	99,713
Current assets:			
Debtors	8	936	2,662
Cash and bank balances	9	1,140	2,407
Cash equivalents		–	1,100
Total assets		69,120	105,882
Liabilities:			
Investment liabilities		(66)	(507)
Creditors:			
Bank overdrafts		(27)	–
Distribution payable		(1,066)	(616)
Other creditors	10	(112)	(1,938)
Total liabilities		(1,271)	(3,061)
Net assets attributable to shareholders		67,849	102,821

* Refer to the accounting policies note on page 38.

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting basis and policies

Please see pages 5 to 7 for accounting basis and policies.

There has been no changes to the financial position or financial performance of the Fund as a result of preparing these statements in accordance with SORP 2014 rather than SORP 2010. However, as a result of this change certain comparative items have been restated in the Financial Statements as set out below.

Statement of Total Return

Interest payable of £16,000 is now disclosed within 'Expenses', whereas under SORP 2010 this was disclosed within 'Finance costs'.

Balance sheet

The Income tax withheld on distributions of £359,000 is now included within 'Distributions payable', whereas under SORP 2010 this was disclosed within 'Creditors'.

2 Net capital (losses)/gains

	Year ended 31.03.16 £000	Year ended 31.03.15 £000
Net capital (losses)/gains on investments during the year comprise:		
Currency gains/(losses)	104	(322)
Derivative contracts gains/(losses)	230	(78)
Expenses relating to the purchase and sale of investments	(17)	(20)
Forward currency contracts losses	(18)	(744)
Non-derivative securities (losses)/gains	(3,855)	5,684
Net capital (losses)/gains	(3,556)	4,520

3 Revenue

	Year ended 31.03.16 £000	Year ended 31.03.15 £000
Bank and deposit interest	3	3
Interest on debt securities	2,129	2,628
Option premiums	439	1,309
Overseas dividends	1,904	2,181
UK dividends	393	586
Total revenue	4,868	6,707

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 Expenses

	Year ended 31.03.16 £000	Restated* Year ended 31.03.15 £000
Payable to the Authorised Corporate Director ("ACD"), associates of the ACD or agents of either of them:		
ACD's periodic charge	1,077	1,316
Fund documentation production	46	47
Registration fees	88	106
	1,211	1,469
Payable to the Depositary, associates of the Depositary or agents of either of them:		
Depositary's fee	13	15
Interest payable	8	16
Safe custody fee	6	7
	27	38
Other expenses:		
Audit fee**	14	16
Professional fees	13	–
	27	16
Total expenses	1,265	1,523

* Refer to the accounting policies on page 38.

** The audit fee was £11,316 (2015: £10,763) net of VAT.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Taxation**a Analysis of tax charge**

	Year ended 31.03.16 £000	Year ended 31.03.15 £000
Overseas tax suffered	116	350
Total current tax (see note 5.b)	116	350

b Factors affecting current tax charge

The tax assessed for the year is lower (2015: lower) than the standard rate of corporation tax in the UK for an Authorised Investment Fund (20%) (2015: 20%).

The differences are explained below:

	Year ended 31.03.16 £000	Year ended 31.03.15 £000
Net revenue before taxation	3,603	5,184
Corporation tax at 20%	721	1,037
Effects of:		
Movement in excess expenses	(261)	206
Overseas dividends not subject to corporation tax	(381)	(431)
Overseas tax suffered	116	350
Revenue taxable in different periods	–	9
Tax deductible on interest distributions	–	(704)
UK dividends not subject to corporation tax	(79)	(117)
	(605)	(687)
Current tax charge (see note 5.a)	116	350

Authorised Investment Funds are exempt from tax on capital gains. Therefore, any capital return is not included in the above reconciliation.

c Deferred tax

There was no provision for deferred tax at the balance sheet date (2015: £nil).

After claiming relief against accrued income taxable on receipt, the Fund has unrelieved excess expenses of £5,336,000 (2015: £6,642,000) creating a potential deferred tax asset of £1,067,000 (2015: £1,328,000). It is unlikely that the Fund will generate taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 Distributions

	Year ended 31.03.16 £000	Year ended 31.03.15 £000
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:		
Gross interest distribution for the three months ended 30 June	976	1,194
Gross interest distribution for the three months ended 30 September	762	1,791
Gross interest distribution for the three months ended 31 December	625	1,306
Gross interest distribution for the three months ended 31 March	950	482
	3,313	4,773
Add: Revenue deducted on cancellation of shares	343	88
Deduct: Revenue received on issue of shares	(23)	(27)
Distributions	3,633	4,834
Reconciliation of distributions for the year to net revenue after taxation		
Distributions for the year	3,633	4,834
Equalisation on conversions	(132)	–
Other fees borne by the capital account	(14)	–
Net revenue after taxation	3,487	4,834

Details of the distributions per share are set out in the distribution tables on pages 48 and 49.

7 Fair value hierarchy

Valuation technique	As at 31.03.16		As at 31.03.15	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Quoted prices for identical instruments in active markets	41,491	(8)	61,171	(280)
Valuation techniques using observable market data	25,553	(58)	38,542	(227)
Total value	67,044	(66)	99,713	(507)

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities.

The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority is given to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

Quoted prices for identical instruments in active markets – Quoted in an active market in this context means quoted prices are readily and regularly available and those prices represent actual and regularly occurring market transactions for the same financial instrument on an arm's length basis. For this purpose a quoted price is a price at which the party performing the fair value measurement can enter into a transaction. Therefore the price must be binding on the party providing the quote.

Prices of recent transactions for identical instruments – When quoted prices are unavailable, the price of a recent transaction for an identical instrument provides evidence of fair value as long as the transaction is orderly and there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place.

Valuation techniques using observable market data – Valuation techniques should maximise the use of observable market data, such as publicly available information about actual events or transactions, and minimise the use of non-observable data. Observable data should be observable for substantially the full term of the instrument.

Valuation techniques using non-observable data – Non-observable entity specific data should be used only where relevant observable market data is not available.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8 Debtors

	As at 31.03.16 £000	As at 31.03.15 £000
Accrued revenue	800	1,229
Amounts receivable on issue of shares	13	65
Income tax recoverable	3	–
Overseas tax recoverable	119	175
Sales awaiting settlement	1	1,193
Total debtors	936	2,662

9 Cash and bank balances

	As at 31.03.16 £000	As at 31.03.15 £000
Amounts held at futures clearing houses and brokers	126	1,485
Cash and bank balances	1,014	922
Total cash and bank balances	1,140	2,407

10 Other creditors

	As at 31.03.16 £000	Restated* As at 31.03.15 £000
Accrued expenses	88	142
Amounts payable for cancellation of shares	24	151
Purchases awaiting settlement	–	1,645
Total creditors	112	1,938

* Refer to the accounting policies note on page 38.

11 Contingent liabilities and commitments

There were no contingent liabilities or commitments at the year end (2015: £nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12 Related party transactions

ACD periodic charges paid to Aviva Investors UK Fund Services Limited ("the ACD") are shown in note 4 and details of shares issued and cancelled by the ACD are shown in the statement of change in net assets attributable to shareholders. The balance due to the ACD at the year end in respect of ACD periodic charges was £58,000 (2015: £112,000). Any balance due from the ACD in respect of issues is shown in note 8. Any balance due to the ACD in respect of cancellations is shown in note 10.

Distributions payable to the ACD and related parties of the ACD during the year amounted to £18,000 (2015: £13,000). The amount outstanding at the year end was £7,000 (2015: £2,000). Related parties of the ACD are deemed to be all companies under the control of Aviva Plc. This will include companies which hold shares in the Fund on behalf of other external investors.

All investments managed and advised by Aviva Investors Global Services Limited or associated with the Aviva Group are identified on the portfolio statement.

Holdings at the year end and movements during the year are as follows:

	Holdings at 31.03.16 (shares)	Movement (shares)	Holdings at 31.03.15 (shares)
ACD and related parties (share class A Income)	158,077	(4,072)	162,149
ACD and related parties (share class A Accumulation)	227,760	70,980	156,780
ACD and related parties (share class I Income)	84,201	42,074	42,127
ACD and related parties (share class I Accumulation)	106,962	24,766	82,196

The ACD and related parties of the ACD are ineligible to vote at any general meeting.

13 Shareholder funds

The Fund currently has two share classes: Class A (Retail) and Class I (Institutional). The annual management charges are as follows:

Class A: 0.40%

Class I: 0.40%

The annual management charge was reduced from 1.25% to 0.40% for Class A shares and from 0.75% to 0.40% for Class I shares on 19 April 2016.

The net asset value per share class, the net asset value per share and the number of shares in the class are shown on pages 30 and 31. The distributions per share class are given in the distribution tables on pages 48 and 49. All the share classes have the same rights on winding up.

14 Shares in issue reconciliation

	Number of shares in issue at 31.03.15	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 31.03.16
Share Class A Income	99,578,642	1,324,504	(34,998,809)	(64,691,473)	1,212,864
Share Class A Accumulation	8,950,619	286,201	(2,281,526)	(6,541,899)	413,395
Share Class I Income	785,315	397,276	(609,183)	64,661,470	65,234,878
Share Class I Accumulation	841,303	769,550	(920,679)	6,247,547	6,937,721

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 Derivatives and other financial instruments

The policies applied in the management of financial instruments are set out on pages 6 and 7.

Foreign currency risk

At the year end date, 23.02% (2015: 1.17%) of the net assets of the Fund were denominated in currencies other than sterling and with the effect that the balance sheet and total return can be significantly affected by currency movements. If exchange rates were to change by 10.00%, the value of the Fund will change by 2.30%.

Currency	Net foreign currency assets					
	Monetary exposure £000		Non monetary exposure £000		Total £000	
	31.03.16	31.03.15	31.03.16	31.03.15	31.03.16	31.03.15
Australian Dollar	79	(348)	363	(305)	442	(653)
Canadian Dollar	70	–	412	452	482	452
Euro	69	77	3,188	37	3,257	114
Japanese Yen	–	60	–	49	–	109
Norwegian Krone	16	23	–	–	16	23
Swedish Krona	67	23	325	7	392	30
Swiss Franc	222	51	1,000	938	1,222	989
US Dollar	17	(1,439)	9,794	683	9,811	(756)

Interest rate risk profile of financial assets and financial liabilities

At the year end date 63.69% (2015: 66.26%) of the net assets of the Fund were interest bearing. If interest rates were to change by 1.00%, the value of the Fund would change by 4.45%. The interest rate profile of the Fund's financial assets and liabilities at 31 March 2016 was:

Currency 31.03.16	Floating Rate £000	Fixed Rate £000	None £000	Total £000
Financial Assets				
Sterling	3,136	39,686	10,755	53,577
Australian Dollar	68	–	374	442
Canadian Dollar	70	–	412	482
Euro	22	–	6,541	6,563
Norwegian Krone	–	–	16	16
Swedish Krona	67	–	325	392
Swiss Franc	192	–	1,046	1,238
US Dollar	–	–	9,813	9,813
Financial Liabilities				
Sterling	–	–	(1,350)	(1,350)
Euro	(9)	–	(3,297)	(3,306)
Swiss Franc	(16)	–	–	(16)
US Dollar	(2)	–	–	(2)
Total	3,528	39,686	24,635	67,849

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 Derivatives and other financial instruments (continued)**Interest rate risk profile of financial assets and financial liabilities (continued)**

The interest rate profile of the Fund's financial assets and liabilities at 31 March 2015 was:

Currency 31.03.15	Floating Rate £000	Fixed Rate £000	None £000	Total £000
Financial Assets				
Sterling	6,325	62,602	36,017	104,944
Australian Dollar	–	712	854	1,566
Canadian Dollar	–	–	452	452
Euro	13	–	6,074	6,087
Japanese Yen	34	–	2,511	2,545
Norwegian Krone	–	–	23	23
Swedish Krona	–	–	930	930
Swiss Franc	–	–	1,004	1,004
US Dollar	6	–	17,783	17,789
Financial Liabilities				
Sterling	(63)	–	(3,268)	(3,331)
Australian Dollar	–	–	(2,219)	(2,219)
Euro	(35)	–	(5,938)	(5,973)
Japanese Yen	–	–	(2,436)	(2,436)
Swiss Franc	–	–	(15)	(15)
US Dollar	(1,465)	–	(17,080)	(18,545)
Total	4,815	63,314	34,692	102,821

The floating rate on bank balances is linked to the Depositary's base rate.

The floating rate on deposits is linked to LIBOR or its overseas equivalent.

Market price risk

At the year end date, 98.72% (2015: 96.48%) of the net assets of the Fund were invested in ordinary shares or stock units and admitted to an official stock exchange. If the market were to change by 10%, the value of the Fund will change by 9.87%.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16 Counterparty Exposure**Financial derivative exposure**

The types of derivatives held at the year end date were forward currency contracts. Details of individual contracts are disclosed in the Portfolio Statement and the total position by counterparty at the year end date was as follows:

31.03.16	Forward currency contracts £000	Total £000
Citibank	(30)	(30)
UBS	(29)	(29)
Total	(59)	(59)

31.03.15	Forward currency contracts £000	Total £000
Goldman Sachs	1	1
JPMorgan	(110)	(110)
Morgan Stanley	9	9
Standard Chartered	(112)	(112)
UBS	104	104
Total	(109)	(109)

At the year end date no collateral was held or pledged by the company or on behalf of the counterparties in respect of the above (2015: £nil).

17 Debt security credit analysis

	Market value £000		Total net assets %	
	31.03.16	31.03.15	31.03.16	31.03.15
Investment grade	39,527	63,483	58.26%	61.73%
Unrated	2,574	1,140	3.79%	1.11%
Total debt securities	42,101	64,623	62.05%	62.84%

Credit rating designations BBB or above are considered investment grade whereas credit rating designations BBB- or lower are considered below investment grade.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18 Direct transaction costs

In the case of shares, broker commissions and transfer taxes, stamp duty is paid by the Fund on each transaction. In addition, there is a dealing spread between buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread.

31.03.16	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
Purchases (excluding in-specie transfers and corporate actions)						
Equities	(41,811)	(17)	(53)	(41,881)	0.04%	0.13%
Bonds	(61,040)	–	–	(61,040)	0.00%	0.00%
	(102,851)	(17)	(53)	(102,921)		
Sales (excluding in-specie transfers and corporate actions)						
Equities	49,524	(23)	–	49,501	0.05%	0.00%
Bonds	81,847	–	–	81,847	0.00%	0.00%
	131,371	(23)	–	131,348		
Derivative purchases and sales		(6)	–			
Total		(46)	(53)			
Percentage of fund average net assets		0.05%	0.06%			

31.03.15	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
Purchases (excluding in-specie transfers and corporate actions)						
Equities	(89,042)	(41)	(116)	(89,199)	0.05%	0.13%
Bonds	(142,759)	–	–	(142,759)	0.00%	0.00%
	(231,801)	(41)	(116)	(231,958)		
Sales (excluding in-specie transfers and corporate actions)						
Equities	93,180	(33)	–	93,147	0.04%	0.00%
Bonds	149,838	–	–	149,838	0.00%	0.00%
	243,018	(33)	–	242,985		
Derivative purchases and sales		(25)	–			
Total		(99)	(116)			
Percentage of fund average net assets		0.09%	0.11%			

Dealing spread

As at 31 March 2016, the average portfolio dealing spread was 0.34% (2015: 0.25%). This spread represents the difference between the values determined retrospectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

19 Post balance sheet events

As advised in a letter to investors dated 3 June 2016, The Global Cautious Income Fund will be closing on 16 August 2016.

On 23 June 2016, UK voters elected to leave the European Union. This will not happen immediately, as it will take several years to negotiate a new relationship between the UK and EU. Aviva Investors continues to closely monitor events surrounding the referendum and any potential impact on customers' assets. Following the vote, there was some volatility in the markets, however, this has not impacted the fair value of assets and liabilities reported at the balance sheet date (31 March 2016).

DISTRIBUTION TABLES

Final distribution payable in pence per share for the three months ended 31 March 2016

Income shares		Gross revenue	Income tax	Net revenue	Equalisation	Final distribution payable 10 May 2016	Final distribution paid 10 May 2015
Share Class A	Group 1	1.1275	0.2255	0.9020	–	0.9020	0.2553
	Group 2	0.3236	0.0647	0.2589	0.6431	0.9020	0.2553
Share Class I	Group 1	1.3866	0.2773	1.1093	–	1.1093	0.3710
	Group 2	0.3083	0.0617	0.2466	0.8627	1.1093	0.3710

Accumulation shares		Gross revenue	Income tax	Net revenue	Equalisation	Final distribution payable 10 May 2016	Final distribution paid 10 May 2015
Share Class A	Group 1	1.7374	0.3475	1.3899	–	1.3899	0.3850
	Group 2	0.4829	0.0966	0.3863	1.0036	1.3899	0.3850
Share Class I	Group 1	2.2118	0.4424	1.7694	–	1.7694	0.6039
	Group 2	0.3973	0.0795	0.3178	1.4516	1.7694	0.6039

Final distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 31 December 2015.

Group 2 shares are those shares purchased after 12:00 noon on 31 December 2015.

Interim distribution paid in pence per share for the three months ended 31 December 2015

Income shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 10 February 2016	Interim distribution paid 10 February 2015
Share Class A	Group 1	0.7196	0.1439	0.5757	–	0.5757	0.9788
	Group 2	0.0000	0.0000	0.0000	0.5757	0.5757	0.9788
Share Class I	Group 1	0.7853	0.1571	0.6282	–	0.6282	1.0675
	Group 2	0.0000	0.0000	0.0000	0.6282	0.6282	1.0675

Accumulation shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 10 February 2016	Interim distribution paid 10 February 2015
Share Class A	Group 1	1.1059	0.2212	0.8847	–	0.8847	1.4637
	Group 2	0.0000	0.0000	0.0000	0.8847	0.8847	1.4637
Share Class I	Group 1	1.2624	0.2525	1.0099	–	1.0099	1.6642
	Group 2	0.0000	0.0000	0.0000	1.0099	1.0099	1.6642

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 30 September 2015.

Group 2 shares are those shares purchased after 12:00 noon on 30 September 2015.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the three months ended 30 September 2015

Income shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 10 November 2015	Interim distribution paid 10 November 2014
Share Class A	Group 1	0.7023	0.1405	0.5618	–	0.5618	0.9613
	Group 2	0.0000	0.0000	0.0000	0.5618	0.5618	0.9613
Share Class I	Group 1	0.7660	0.1532	0.6128	–	0.6128	1.0483
	Group 2	0.0000	0.0000	0.0000	0.6128	0.6128	1.0483

Accumulation shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 10 November 2015	Interim distribution paid 10 November 2014
Share Class A	Group 1	1.0721	0.2144	0.8577	–	0.8577	1.4216
	Group 2	0.0000	0.0000	0.0000	0.8577	0.8577	1.4216
Share Class I	Group 1	1.2226	0.2445	0.9781	–	0.9781	1.6146
	Group 2	0.0000	0.0000	0.0000	0.9781	0.9781	1.6146

Final distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 30 June 2015.

Group 2 shares are those shares purchased after 12:00 noon on 30 June 2015.

Interim distribution paid in pence per share for the three months ended 30 June 2015

Income shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 10 August 2015	Interim distribution paid 10 August 2014
Share Class A	Group 1	0.7036	0.1407	0.5629	–	0.5629	0.9532
	Group 2	0.0000	0.0000	0.0000	0.5629	0.5629	0.9532
Share Class I	Group 1	0.7671	0.1534	0.6137	–	0.6137	1.0395
	Group 2	0.0000	0.0000	0.0000	0.6137	0.6137	1.0395

Accumulation shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 10 August 2015	Interim distribution paid 10 August 2014
Share Class A	Group 1	1.0673	0.2135	0.8538	–	0.8538	1.3942
	Group 2	0.0000	0.0000	0.0000	0.8538	0.8538	1.3942
Share Class I	Group 1	1.2158	0.2432	0.9726	–	0.9726	1.5818
	Group 2	0.2470	0.0494	0.1976	0.7750	0.9726	1.5818

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 31 March 2015.

Group 2 shares are those shares purchased after 12:00 noon on 31 March 2015.

Equalisation

Equalisation applies only to Group 2 shares, in other words shares purchased during the period. It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to the holders of these shares as return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

AVIVA INVESTORS MULTI-STRATEGY TARGET INCOME FUND

INVESTMENT OBJECTIVE

The Fund aims to deliver an annual income yield of 4% above the Bank of England Base Rate before corporation tax payable by the Fund* regardless of the prevailing market environment. In addition the Fund aims to preserve capital, and to manage volatility to a target of less than half the volatility of global equities over rolling three year periods.

These aims, however, are not guaranteed and it may not always be possible to achieve them over the periods stated, or over any period of investment. Consequently, investors' capital is at risk.

* The target income yield is an annual target measured from 1st April to 31st March each year. The target income yield will be measured daily using the prevailing Bank of England Base Rate and is based on the daily net asset value of the Fund. Income on the Fund will be paid monthly.

INVESTMENT POLICY

In aiming to achieve the investment objective, the Fund may invest globally in any of the following financial instruments: transferable securities, money market instruments, fixed interest securities, units in collective investment schemes, derivatives, forwards and deposits.

The Fund will make significant use of derivative instruments including: futures, options, swaps, swaptions and forwards. The Fund may take both long and synthetic short positions and derivative usage may include but is not limited to derivatives on interest rates, inflation rates, bonds, credit, equity, financial indices, volatility, dividend payments and currencies.

Derivatives usage may be for the purposes of hedging, efficient portfolio management, or investment purposes and may be exchange traded or traded off exchange through market counterparties. The use of derivative instruments as part of the investment policy may mean that the Fund may, from time to time, have substantial holdings in liquid assets including deposits and money market instruments.

FUND MANAGER'S REPORT

The Aviva Investors Multi-Strategy Target Income Fund returned -0.15 per cent* in the year to the end of March.

The Fund generated 4.47 per cent income (after corporation tax payable by the Fund) and 5.11 per cent (before tax). Its objective is to deliver gross annual income of 4.5 per cent.

Among the major sources of income, just under 30 per cent came from the Fund's exposure to global equities offering relatively high dividend yields, with a similar contribution coming from positions in corporate bonds. Additional income was generated by positions in emerging-market debt and a strategy that looks to generate income by selling certain types of derivatives on individual stocks.

The Fund's exposure to stocks with attractive dividend yields and corporate bonds both generated positive returns.

And a strategy that looks to profit from shares in larger US companies outperforming those in smaller ones paid off as did a position that anticipates the US dollar rising against the Mexican peso.

But other currency positions detracted from performance.

Looking forward, we believe the Fund is well placed to benefit from an improvement in risk sentiment. However, it is built to generate income in a range of scenarios. Our clear focus remains on delivering on objectives consistently over time.

May 2016

* Fund performance figures – share class 6, source Lipper, net of fees, in GBP, as at 31/03/2016.

As noted above, the performance figures in this commentary have been sourced from Lipper and are based on published prices. The performance figures quoted in the comparative tables on pages 52 and 53 are based on the net asset value per the published accounts and may be different due to post year end accounting adjustments.

Any opinions expressed are those of the Fund manager. They should not be viewed as a guarantee of a return from an investment in the Funds. The content of the commentary should not be viewed as a recommendation to invest nor buy or sell any securities. Past performance is not a guide to the future. The value of a fund and the income from it may go down as well as up, and the investor may not get back the original amount invested.

AVIVA INVESTORS MULTI-STRATEGY TARGET INCOME FUND (CONTINUED)

Material Portfolio Changes

Purchases	Sales
Mexican Bonos 10.00% 05/12/2024	Italy Buoni Poliennali Del Tesoro 5.00% 01/09/2040
ING Bank NV 0.54% 01/06/2015	Federal Republic of Brazil 10.00% 01/01/2019
Italy Buoni Poliennali Del Tesoro 5.00% 01/09/2040	ING Bank NV 0.54% 01/06/2015
Standard Chartered Plc 0.70% 03/08/2015	Standard Chartered Plc 0.70% 03/08/2015
Imperial Brands plc	European Investment Bank 3.00% 07/12/2015
UK Treasury 5.00% 07/03/2025	Skandinaviska Enskilda Banken AB 0.53% 03/06/2015
AstraZeneca plc	UK Treasury 5.00% 07/03/2025
Skandinaviska Enskilda Banken AB 0.53% 03/06/2015	Ball Corp. 4.38% 15/12/2023
Federal Republic of Brazil 10.00% 01/01/2019	Rexel SA
Altria Group, Inc.	Goodyear Dunlop Tires Europe BV 3.75% 15/12/2023

Synthetic Risk and Reward Indicator

The Fund has been allocated a risk number based on the higher of the historic volatility of its share price, the historic volatility of its current asset classes or its intended maximum risk levels.

- This indicator is based on historical data, calculated using European Union rules, and may not be a reliable indication of the future risk profile of the Fund.
- The risk and reward category shown is not guaranteed to remain unchanged and may change over time. The lowest category does not mean 'risk free'.
- Bond values are affected by changes in interest rates, and the bond issuer's creditworthiness. Bonds that produce a higher level of income usually have a greater risk of default.
- The value of investments will be affected by changes in exchange rates.
- Where a third party appointed to manage transactions or ensure the safe keeping of assets fails in their duty a loss may occur.
- Financial derivatives may only require a low initial deposit relative to the asset exposure, a relatively small price movement in the underlying asset may result in substantial losses to the Fund.
- Full information on the risks applicable to the Fund is detailed in the Prospectus.

COMPARATIVE TABLES

Class 2 Income	2016 p per share	2015* p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	104.62	100.00	–
Return before operating charges [†]	0.87	6.03	–
Operating charges	(0.86)	(0.30)	–
Return after operating charges [†]	0.01	5.73	–
Distributions on income shares	(4.49)	(1.11)	–
Closing net asset value per share	100.14	104.62	–
Retained distributions on accumulation shares	–	–	–
† after direct transaction costs of	(0.17)	(0.11)	–
Performance			
Return after charges	0.01%	5.73%	–
Other information			
Closing net asset value (£000)	357,309	10,769	–
Closing number of shares	356,823,300	10,294,056	–
Operating charges (%) [†]	0.85%	0.30%	–
Direct transaction costs (%) [#]	0.17%	0.11%	–
Prices[®]			
Highest share price	105.94	105.31	–
Lowest share price	100.20	99.16	–

Class 5 Income	2016 p per share	2015* p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	104.62	100.00	–
Return before operating charges [†]	0.85	6.02	–
Operating charges	(0.80)	(0.29)	–
Return after operating charges [†]	0.05	5.73	–
Distributions on income shares	(4.49)	(1.11)	–
Closing net asset value per share	100.18	104.62	–
Retained distributions on accumulation shares	–	–	–
† after direct transaction costs of	(0.17)	(0.11)	–
Performance			
Return after charges	0.05%	5.73%	–
Other information			
Closing net asset value (£000)	14,405	1,011	–
Closing number of shares	14,378,207	965,873	–
Operating charges (%) [†]	0.78%	0.28%	–
Direct transaction costs (%) [#]	0.17%	0.11%	–
Prices[®]			
Highest share price	105.95	105.32	–
Lowest share price	100.25	99.17	–

Class 3 Income	2016 p per share	2015* p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	104.79	100.00	–
Return before operating charges [†]	0.71	5.96	–
Operating charges	(0.14)	(0.06)	–
Return after operating charges [†]	0.57	5.90	–
Distributions on income shares	(4.51)	(1.11)	–
Closing net asset value per share	100.85	104.79	–
Retained distributions on accumulation shares	–	–	–
† after direct transaction costs of	(0.17)	(0.11)	–
Performance			
Return after charges	0.54%	5.90%	–
Other information			
Closing net asset value (£000)	167,381	168,191	–
Closing number of shares	165,964,794	160,509,381	–
Operating charges (%) [†]	0.14%	0.05%	–
Direct transaction costs (%) [#]	0.17%	0.11%	–
Prices[®]			
Highest share price	106.12	105.46	–
Lowest share price	100.69	99.18	–

Class 6 Income	2016 p per share	2015* p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	104.55	100.00	–
Return before operating charges [†]	0.91	6.05	–
Operating charges	(1.11)	(0.39)	–
Return after operating charges [†]	(0.20)	5.66	–
Distributions on income shares	(4.49)	(1.11)	–
Closing net asset value per share	99.86	104.55	–
Retained distributions on accumulation shares	–	–	–
† after direct transaction costs of	(0.17)	(0.11)	–
Performance			
Return after charges	(0.19)%	5.66%	–
Other information			
Closing net asset value (£000)	839	780	–
Closing number of shares	840,074	746,057	–
Operating charges (%) [†]	1.09%	0.38%	–
Direct transaction costs (%) [#]	0.17%	0.11%	–
Prices[®]			
Highest share price	105.87	105.26	–
Lowest share price	99.93	99.17	–

COMPARATIVE TABLES (CONTINUED)

	2016**	2015	2014
Class 8 Income	p per share	p per share	p per share
Change in net assets per share			
Opening net asset value per share	101.59	–	–
Return before operating charges [‡]	1.77	–	–
Operating charges	(0.33)	–	–
Return after operating charges [‡]	1.44	–	–
Distributions on income shares	(2.36)	–	–
Closing net asset value per share	100.67	–	–
Retained distributions on accumulation shares	–	–	–
† after direct transaction costs of	(0.17)	–	–
Performance			
Return after charges	1.42%	–	–
Other information			
Closing net asset value (£000)	163,651	–	–
Closing number of shares	162,559,599	–	–
Operating charges (%) [‡]	0.33%	–	–
Direct transaction costs (%) [#]	0.17%	–	–
Prices[≈]			
Highest share price	103.69	–	–
Lowest share price	100.72	–	–

‡ The operating charges are calculated on an ex-post basis and as such may differ from the Ongoing Charges Figure where:

(a) Changes to fee rates were made during the year and the Ongoing Charges Figure has been amended to be future proofed for this change.

(b) The Ongoing Charges Figure has been annualised for a share class that has not yet been open for a full year.

The direct transaction costs have been stated after deducting, in the case of single-priced funds, the proportion of the amounts collected from dilution adjustments or dilution levies that relates to direct transaction costs and, in the case of dual-priced funds, the amounts collected in relation to direct transaction costs added to, or subtracted from, the valuations by virtue of COLL 6.3.6 G (4).

≈ The high and low prices disclosed are the high and low prices for the accounting period and not the calendar year, and are on a mid market value basis and include revenue whereas the closing net asset value per share is at bid market value and excludes income.

* The Fund was launched on 1 December 2014.

** Share class 8 was launched on 2 October 2015.

Ongoing Charges Figure*

Share class	31.03.16	31.03.15
Class 2	0.85%	0.85%
Class 3	0.14%	0.15%
Class 5	0.80%	0.80%
Class 6	1.10%	1.10%
Class 8	0.60%	–

* The Ongoing Charges Figure (OCF) is calculated as the ratio of the total ongoing charges to the average net asset value of the Fund over the year. The OCF is made up of the Annual Management Charge and other operating costs deducted from the assets of the Fund during the year, except for those payments that are explicitly excluded (performance fees).

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

PORTFOLIO STATEMENT

As at 31 March 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Equities 37.99% (37.00%)				
Australia 0.37% (0.37%)				
Scentre Group, REIT	AUD	546,678	1,296	0.19
Vicinity Centres, REIT	AUD	755,858	1,291	0.18
			<u>2,587</u>	<u>0.37</u>
Belgium 0.18% (0.34%)				
Befimmo SA, REIT	EUR	28,555	1,277	0.18
			<u>1,277</u>	<u>0.18</u>
Bermuda 0.45% (1.17%)				
Hiscox Ltd.	GBP	323,856	3,138	0.45
			<u>3,138</u>	<u>0.45</u>
Canada 0.18% (0.00%)				
Smart Real Estate Investment Trust	CAD	70,072	1,270	0.18
			<u>1,270</u>	<u>0.18</u>
Finland 1.08% (0.64%)				
Kone OYJ 'B'	EUR	87,648	2,953	0.42
Nokian Renkaat OYJ	EUR	105,481	2,593	0.37
Stora Enso OYJ	EUR	336,610	2,088	0.29
			<u>7,634</u>	<u>1.08</u>
France 2.76% (1.88%)				
Amundi SA	EUR	49,671	1,644	0.24
Fonciere Des Regions, REIT	EUR	19,280	1,268	0.18
ICADE, REIT	EUR	23,771	1,269	0.18
Klepierre, REIT	EUR	38,244	1,276	0.18
Orange SA	EUR	426,184	5,202	0.74
Sanofi	EUR	74,285	4,173	0.59
TOTAL SA	EUR	66,889	2,124	0.30
Vivendi SA	EUR	169,302	2,481	0.35
			<u>19,437</u>	<u>2.76</u>
Germany 3.40% (2.59%)				
Allianz SE	EUR	37,992	4,304	0.61
BASF SE	EUR	56,643	2,974	0.42
Deutsche Post AG	EUR	184,133	3,561	0.51
Muenchener Rueckversicherungs-Gesellschaft AG	EUR	36,381	5,147	0.73
ProSiebenSat.1 Media SE	EUR	118,581	4,256	0.61
Siemens AG	EUR	49,737	3,676	0.52
			<u>23,918</u>	<u>3.40</u>
Guernsey 0.27% (0.00%)				
NewRiver Retail Ltd., REIT*	GBP	572,043	1,888	0.27
			<u>1,888</u>	<u>0.27</u>
Hong Kong 0.18% (0.00%)				
Champion REIT	HKD	3,498,279	1,233	0.18
			<u>1,233</u>	<u>0.18</u>
Italy 0.27% (0.27%)				
Enel SpA	EUR	625,112	1,932	0.27
			<u>1,932</u>	<u>0.27</u>
Japan 0.10% (0.00%)				
LaSalle Logiport REIT	JPY	1,058	712	0.10
			<u>712</u>	<u>0.10</u>

PORTFOLIO STATEMENT (CONTINUED)

As at 31 March 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Netherlands 0.86% (0.94%)				
Eurocommercial Properties NV, REIT, CVA	EUR	19,268	628	0.09
LyondellBasell Industries NV 'A'	USD	34,773	2,070	0.29
Wereldhave NV, REIT	EUR	32,156	1,253	0.18
Wolters Kluwer NV	EUR	75,778	2,108	0.30
			6,059	0.86
Singapore 0.18% (0.40%)				
CapitaLand Mall Trust, REIT	SGD	1,145,200	1,237	0.18
			1,237	0.18
Spain 0.26% (0.47%)				
Gas Natural SDG SA	EUR	129,668	1,826	0.26
			1,826	0.26
Sweden 0.96% (1.08%)				
Hennes & Mauritz AB 'B'	SEK	145,978	3,385	0.48
Swedbank AB 'A'	SEK	225,613	3,375	0.48
			6,760	0.96
Switzerland 1.74% (1.63%)				
ABB Ltd.	CHF	134,842	1,836	0.26
Nestle SA	CHF	49,830	2,601	0.37
Novartis AG	CHF	26,106	1,322	0.19
Roche Holding AG	CHF	13,698	2,356	0.33
Swiss Re AG	CHF	34,709	2,240	0.32
Swisscom AG	CHF	5,023	1,903	0.27
			12,258	1.74
United Kingdom 14.69% (15.78%)				
AstraZeneca plc	GBP	113,237	4,419	0.63
BAE Systems plc	GBP	720,776	3,669	0.52
BBA Aviation plc	GBP	1,297,066	2,599	0.37
British American Tobacco plc	GBP	123,510	5,052	0.72
British Land Co. plc (The), REIT	GBP	619,881	4,339	0.62
BT Group plc	GBP	830,113	3,657	0.52
Centrica plc	GBP	1,207,957	2,749	0.39
Cobham plc	GBP	1,148,784	2,494	0.35
Compass Group plc	GBP	146,171	1,795	0.25
Diageo plc	GBP	109,061	2,051	0.29
GlaxoSmithKline plc	GBP	216,251	3,051	0.43
Hammerson plc, REIT	GBP	652,347	3,774	0.54
HSBC Holdings plc	GBP	855,957	3,714	0.53
Imperial Brands plc	GBP	153,907	5,945	0.84
Inmarsat plc	GBP	439,159	4,324	0.61
Legal & General Group plc	GBP	1,844,521	4,337	0.62
LondonMetric Property plc, REIT	GBP	778,217	1,234	0.18
National Grid plc	GBP	488,638	4,822	0.69
Pearson plc	GBP	280,968	2,459	0.35
RELX plc	GBP	145,321	1,879	0.27
Rexam plc	GBP	592,436	3,747	0.53
Rio Tinto plc	GBP	107,688	2,105	0.30
Royal Dutch Shell plc 'B'	GBP	204,669	3,479	0.49
Sage Group plc (The)	GBP	860,797	5,410	0.77
Severn Trent plc	GBP	213,491	4,637	0.66
Sky plc	GBP	369,891	3,784	0.54
Standard Life plc	GBP	921,043	3,279	0.47
Unilever plc	GBP	139,360	4,393	0.62
Vodafone Group plc	GBP	1,883,769	4,166	0.59
			103,363	14.69

PORTFOLIO STATEMENT (CONTINUED)

As at 31 March 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
United States of America 10.06% (9.44%)				
AbbVie, Inc.	USD	38,649	1,535	0.22
Alexandria Real Estate Equities, Inc., REIT	USD	19,913	1,259	0.18
Altria Group, Inc.	USD	138,420	6,034	0.86
Apple, Inc.	USD	17,481	1,325	0.19
AT&T, Inc.	USD	166,826	4,546	0.65
Boeing Co. (The)	USD	20,173	1,782	0.25
Chevron Corp.	USD	39,811	2,642	0.37
Cisco Systems, Inc.	USD	161,579	3,201	0.45
Digital Realty Trust, Inc., REIT	USD	20,334	1,252	0.18
Eli Lilly & Co.	USD	38,987	1,953	0.28
Ford Motor Co.	USD	216,235	2,030	0.29
General Electric Co.	USD	286,579	6,339	0.90
Home Depot, Inc. (The)	USD	17,014	1,579	0.22
Johnson & Johnson	USD	23,354	1,758	0.25
JPMorgan Chase & Co.	USD	44,511	1,834	0.26
Kimberly-Clark Corp.	USD	23,046	2,157	0.31
Kraft Heinz Co. (The)	USD	56,146	3,069	0.44
Macerich Co. (The), REIT	USD	22,582	1,245	0.18
McDonald's Corp.	USD	27,886	2,442	0.35
Merck & Co., Inc.	USD	65,940	2,427	0.34
Microsoft Corp.	USD	54,928	2,110	0.30
Occidental Petroleum Corp.	USD	33,621	1,601	0.23
Pfizer, Inc.	USD	80,719	1,663	0.24
Philip Morris International, Inc.	USD	46,027	3,142	0.45
Prologis, Inc., REIT	USD	41,316	1,271	0.18
Retail Opportunity Investments Corp., REIT	USD	90,097	1,261	0.18
Simon Property Group, Inc., REIT	USD	8,704	1,258	0.18
Spirit Realty Capital, Inc., REIT	USD	162,879	1,275	0.18
Texas Instruments, Inc.	USD	31,003	1,238	0.17
Verizon Communications, Inc.	USD	53,377	2,008	0.28
WEC Energy Group, Inc.	USD	53,911	2,252	0.32
Welltower, Inc., REIT	USD	26,268	1,267	0.18
			70,755	10.06
Equities total			267,284	37.99
Government Bonds 5.49% (12.63%)				
Brazil 0.00% (4.62%)				
Italy 0.00% (3.11%)				
Mexico 5.07% (4.90%)				
Mexican Bonos 10.00% 05/12/2024	MXN	684,571,000	35,678	5.07
			35,678	5.07
United Kingdom 0.42% (0.00%)				
UK Treasury 5.00% 07/03/2025	GBP	1,950,000	2,558	0.37
UK Treasury 6.00% 07/12/2028	GBP	250,000	376	0.05
			2,934	0.42
Government Bonds total			38,612	5.49
Corporate Bonds 27.12% (21.34%)				
Australia 0.48% (0.63%)				
BHP Billiton Finance Ltd., FRN 6.50% 22/10/2077	GBP	1,900,000	1,895	0.27
Goodman Australia Finance Pty. Ltd., REIT 9.75% 16/07/2018	GBP	1,300,000	1,511	0.21
			3,406	0.48
Belgium 0.19% (0.00%)				
Anheuser-Busch InBev SA 9.75% 30/07/2024	GBP	900,000	1,357	0.19
			1,357	0.19

PORTFOLIO STATEMENT (CONTINUED)

As at 31 March 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
France 1.73% (2.34%)				
AXA SA, FRN 5.45% Perpetual	GBP	2,700,000	2,629	0.38
Crown European Holdings SA 3.38% 15/05/2025	EUR	1,000,000	786	0.11
Electricite de France SA, FRN 6.00% Perpetual	GBP	2,100,000	1,907	0.27
Engie SA, FRN 4.62% Perpetual	GBP	1,900,000	1,969	0.28
Lafarge SA 10.00% 30/05/2017	GBP	1,827,000	1,967	0.28
Orange SA, FRN 5.87% Perpetual	GBP	2,300,000	2,315	0.33
TOTAL SA, FRN 2.63% Perpetual	EUR	792,000	571	0.08
			12,144	1.73
Germany 1.19% (0.73%)				
Allianz SE, FRN 4.75% Perpetual	EUR	3,200,000	2,748	0.39
HeidelbergCement AG 2.25% 30/03/2023	EUR	2,800,000	2,217	0.32
Muenchener Rueckversicherungs-Gesellschaft AG, FRN 6.62% 26/05/2042	GBP	600,000	684	0.10
Unitymedia Hessen GmbH & Co. KG 4.63% 15/02/2026	EUR	3,300,000	2,692	0.38
			8,341	1.19
Ireland 0.00% (0.35%)				
Italy 1.07% (0.76%)				
Assicurazioni Generali SpA, FRN 6.42% Perpetual	GBP	1,900,000	1,845	0.26
Enel SpA, FRN 6.62% 15/09/2076	GBP	2,200,000	2,249	0.32
Telecom Italia SpA 5.88% 19/05/2023	GBP	3,100,000	3,411	0.49
			7,505	1.07
Jersey 2.14% (2.49%)				
AA Bond Co. Ltd. 5.50% 31/07/2022	GBP	2,400,000	2,314	0.33
Bank of Scotland Capital Funding LP, FRN 7.75% Perpetual	GBP	1,400,000	1,541	0.22
CPUK Finance Ltd. 7.00% 28/08/2020	GBP	1,900,000	1,970	0.28
Gatwick Funding Ltd. 5.25% 23/01/2024	GBP	2,500,000	2,913	0.41
Heathrow Funding Ltd. 7.13% 14/02/2024	GBP	2,900,000	3,620	0.51
HSBC Bank Capital Funding Sterling 2 LP, FRN 5.86% Perpetual	GBP	2,700,000	2,722	0.39
			15,080	2.14
Luxembourg 0.92% (1.67%)				
Altice Financing SA 5.25% 15/02/2023	EUR	2,500,000	2,024	0.29
Fiat Chrysler Finance Europe 4.75% 15/07/2022	EUR	2,300,000	1,958	0.28
Wind Acquisition Finance SA 7.00% 23/04/2021	EUR	3,300,000	2,508	0.35
			6,490	0.92
Mexico 0.42% (0.39%)				
America Movil SAB de CV, FRN 6.37% 06/09/2073	GBP	2,900,000	2,929	0.42
			2,929	0.42
Netherlands 2.58% (2.54%)				
Cooperatieve Rabobank UA 4.63% 23/05/2029	GBP	2,500,000	2,592	0.37
Grupo Antolin Dutch BV 4.75% 01/04/2021	EUR	1,100,000	903	0.13
ING Bank NV, FRN 6.88% 29/05/2023	GBP	2,600,000	2,820	0.40
Koninklijke KPN NV, FRN 6.87% 14/03/2073	GBP	2,500,000	2,588	0.37
RWE Finance BV 5.50% 06/07/2022	GBP	1,700,000	1,885	0.27
Samvardhana Motherson Automotive Systems Group BV 4.13% 15/07/2021	EUR	880,000	682	0.09
Schaeffler Finance BV 3.25% 15/05/2025	EUR	2,700,000	2,173	0.31
Siemens Financieringsmaatschappij NV, FRN 6.12% 14/09/2066	GBP	1,500,000	1,516	0.21
Telefonica Europe BV, FRN 6.75% Perpetual	GBP	3,000,000	3,026	0.43
			18,185	2.58
Switzerland 0.33% (0.36%)				
Credit Suisse AG, FRN 5.75% 18/09/2025	EUR	2,700,000	2,307	0.33
			2,307	0.33

PORTFOLIO STATEMENT (CONTINUED)

As at 31 March 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
United Kingdom 11.18% (8.67%)				
Anglian Water Osprey Financing plc 7.00% 31/01/2018	GBP	2,500,000	2,691	0.38
Aviva plc, FRN 5.90% Perpetual [†]	GBP	2,100,000	2,100	0.30
Aviva plc, FRN 6.88% 20/05/2058 [†]	GBP	845,000	910	0.13
Barclays Bank plc 10.00% 21/05/2021	GBP	2,600,000	3,263	0.46
BAT International Finance plc 7.25% 12/03/2024	GBP	1,700,000	2,250	0.32
CRH Finance UK plc 4.13% 02/12/2029	GBP	1,665,000	1,781	0.25
Daily Mail & General Trust plc 6.38% 21/06/2027	GBP	500,000	582	0.08
Debenhams plc 5.25% 15/07/2021	GBP	2,000,000	2,019	0.29
Eversholt Funding plc 6.70% 22/02/2035	GBP	2,100,000	2,749	0.39
Firstgroup plc 6.88% 18/09/2024	GBP	1,900,000	2,302	0.33
Great Rolling Stock Co. Ltd. (The) 6.50% 05/04/2031	GBP	2,016,000	2,568	0.37
Imperial Tobacco Finance plc 9.00% 17/02/2022	GBP	2,300,000	3,088	0.44
Infinis plc 7.00% 15/02/2019	GBP	650,000	653	0.09
Intu Metrocentre Finance plc, REIT 4.13% 06/12/2023	GBP	2,400,000	2,560	0.36
Investec Bank plc 9.63% 17/02/2022	GBP	1,400,000	1,631	0.23
Jaguar Land Rover Automotive plc 5.00% 15/02/2022	GBP	2,000,000	2,024	0.29
Kelda Finance No. 3 plc 5.75% 17/02/2020	GBP	1,800,000	1,891	0.27
Legal & General Group plc, FRN 10.00% 23/07/2041	GBP	2,300,000	2,913	0.41
Lloyds Bank plc 7.63% 22/04/2025	GBP	1,800,000	2,255	0.32
Mitchells & Butlers Finance plc, Series C1 6.47% 15/09/2030	GBP	2,100,000	2,487	0.35
Moto Finance plc 6.38% 01/09/2020	GBP	1,000,000	1,020	0.15
New Look Secured Issuer plc 6.50% 01/07/2022	GBP	1,800,000	1,768	0.25
NGG Finance plc, FRN 5.63% 18/06/2073	GBP	2,800,000	2,897	0.41
NWEN Finance plc 5.88% 21/06/2021	GBP	1,800,000	1,882	0.27
Prudential plc, FRN 11.37% 29/05/2039	GBP	2,000,000	2,467	0.35
RELX Investments plc 2.75% 01/08/2019	GBP	2,300,000	2,381	0.34
Royal Bank of Scotland Group plc, FRN 3.62% 25/03/2024	EUR	2,700,000	2,075	0.30
RSA Insurance Group plc, FRN 9.37% 20/05/2039	GBP	2,200,000	2,558	0.36
Segro plc, REIT 6.75% 23/11/2021	GBP	2,000,000	2,451	0.35
Southern Gas Networks plc 2.50% 03/02/2025	GBP	2,700,000	2,639	0.38
Standard Chartered Bank 7.75% 03/04/2018	GBP	1,200,000	1,309	0.19
Standard Life plc, FRN 5.50% 04/12/2042	GBP	1,800,000	1,846	0.26
Tesco plc 6.13% 24/02/2022	GBP	1,800,000	1,929	0.28
Travis Perkins plc 4.38% 15/09/2021	GBP	2,400,000	2,415	0.34
Virgin Media Secured Finance plc 5.50% 15/01/2025	GBP	2,790,000	2,734	0.39
Western Power Distribution West Midlands plc 3.88% 17/10/2024	GBP	2,500,000	2,701	0.38
William Hill plc 4.25% 05/06/2020	GBP	850,000	854	0.12
			78,643	11.18
United States of America 4.89% (0.41%)				
AT&T, Inc. 4.38% 14/09/2029	GBP	1,800,000	1,942	0.28
AT&T, Inc. 4.25% 01/06/2043	GBP	1,700,000	1,683	0.24
Bank of America Corp. 7.00% 31/07/2028	GBP	2,200,000	3,009	0.43
Chemours Co. (The) 6.13% 15/05/2023	EUR	1,250,000	779	0.11
Citigroup, Inc. 5.88% 01/07/2024	GBP	1,600,000	1,844	0.26
FHLMC, IO, FRN, Series K048 'X1' 0.26% 25/06/2025	USD	23,958,240	346	0.05
FHLMC, IO, FRN, Series K049 'X1' 0.62% 25/07/2025	USD	3,766,918	119	0.02
FHLMC, IO, FRN, Series K151 'X1' 0.49% 25/04/2030	USD	11,356,113	349	0.05
GNMA, IO, FRN, Series 2015-145 0.95% 16/07/2057	USD	31,838,083	1,684	0.24
GNMA, IO, FRN 0.89% 16/11/2055	USD	69,316,412	3,308	0.47
GNMA, IO, FRN, Series 2015-37 1.12% 16/10/2056	USD	40,181,239	2,307	0.33
GNMA, IO, FRN, Series 2015-51 0.99% 16/12/2056	USD	44,324,313	2,357	0.33
GNMA, IO, FRN, Series 2016-11 0.90% 16/01/2056	USD	49,878,141	2,715	0.39
GNMA, IO, FRN, Series 2016-36 0.94% 16/08/2057	USD	50,000,000	2,844	0.40
Goldman Sachs Group, Inc. (The) 6.13% 14/05/2017	GBP	2,500,000	2,612	0.37
JPMorgan Chase & Co. 1.88% 10/02/2020	GBP	2,000,000	2,001	0.28
Verizon Communications, Inc. 4.07% 18/06/2024	GBP	1,300,000	1,427	0.20
Wells Fargo & Co. 3.50% 12/09/2029	GBP	3,000,000	3,086	0.44
			34,412	4.89
Corporate Bonds total			190,799	27.12

PORTFOLIO STATEMENT (CONTINUED)

As at 31 March 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Supranational 0.00% (0.73%)				
Supranational total			–	–
Certificates of Deposit 8.81% (18.81%)				
Finland 2.13% (0.00%)				
Nordea Bank Finland plc 0.60% 15/07/2016	GBP	15,000,000	15,000	2.13
			15,000	2.13
United Kingdom 6.40% (18.81%)				
Australia & New Zealand Banking Group Ltd. 0.55% 16/06/2016	GBP	10,000,000	10,000	1.42
National Bank Of Abu Dhabi PJSC 0.65% 15/04/2016	GBP	10,000,000	10,000	1.43
National Bank Of Abu Dhabi PJSC 0.60% 20/04/2016	GBP	5,000,000	5,000	0.71
Natixis SA 0.71% 02/06/2016	GBP	10,000,000	10,000	1.42
Svenska Handelsbanken AB	GBP	10,000,000	10,000	1.42
			45,000	6.40
United States of America 0.28% (0.00%)				
Citibank NA 0.57% 10/05/2016	GBP	2,000,000	2,000	0.28
			2,000	0.28
Certificates of Deposit total			62,000	8.81
Commercial Papers 3.69% (0.00%)				
United Kingdom 3.69% (0.00%)				
Chesham Finance Ltd. 0.65% 17/06/2016	GBP	10,000,000	9,986	1.42
Pohjola Bank plc	GBP	16,000,000	15,970	2.27
			25,956	3.69
Commercial Papers total			25,956	3.69
Swaps 0.21% (0.63%)				
Credit Default Swap Goldman Sachs Buy iTraxx Europe Senior Financials Series 25 Version 1 20/06/2021	EUR	19,000,000	(86)	(0.01)
Credit Default Swap HSBC Buy iTraxx Europe Senior Financials Series 25 Version 1 20/06/2021	EUR	152,000,000	(688)	(0.10)
Credit Default Swap HSBC Sell iTraxx Europe Series 25 Version 1 20/06/2021	EUR	150,000,000	1,687	0.24
Credit Default Swap Goldman Sachs Sell iTraxx Europe Series 25 Version 1 20/06/2021	EUR	18,700,000	210	0.03
Equity Variance Swap BNP Paribas Buy EURO STOXX 50 Index 15/12/2017	EUR	12,556,700	117	0.02
Equity Variance Swap Societe Generale Buy EURO STOXX 50 Index 15/12/2017	EUR	303,324,500	455	0.06
Equity Variance Swap Societe Generale Buy KOSPI 200 Index 08/12/2016	KRW	8,280,870,000	(130)	(0.02)
Equity Variance Swap Societe Generale Buy NIKKEI 225 Index 14/12/2018	JPY	1,820,350,000	141	0.02
Equity Variance Swap Societe Generale Sell EURO STOXX 50 Index 16/12/2016	EUR	108,943,800	(94)	(0.01)
Equity Variance Swap Societe Generale Sell S&P 500 Index 16/12/2016	USD	6,780,000	118	0.02
Equity Variance Swap BNP Paribas Sell S&P 500 Index 15/12/2017	USD	15,730,300	71	0.01
Equity Variance Swap Societe Generale Sell S&P 500 Index 15/12/2017	USD	101,665,700	537	0.08
Equity Variance Swap Societe Generale Sell S&P 500 Index 21/12/2018	USD	16,440,000	75	0.01
Inflation Rate Swap Barclays Pay fixed 0.68% floating HICPXT 1 month 15/03/2021	EUR	9,300,000	(14)	–
Inflation Rate Swap Citibank Pay fixed 0.68% floating HICPXT 1 month 17/02/2021	EUR	23,100,000	(92)	(0.01)
Inflation Rate Swap BNP Paribas Pay fixed 0.68% floating HICPXT 1 month 17/02/2021	EUR	23,100,000	(94)	(0.01)
Inflation Rate Swap Citibank Pay fixed 0.69% floating HICPXT 1 month 17/02/2021	EUR	19,800,000	(87)	(0.01)
Inflation Rate Swap BNP Paribas Pay fixed 0.71% floating HICPXT 1 month 15/03/2021	EUR	780,000	(22)	–
Inflation Rate Swap Nomura Pay fixed 1.6% floating USCPI 1 month 10/02/2026	USD	3,300,000	75	0.01
Inflation Rate Swap Nomura Pay fixed 1.72% floating USCPI 1 month 05/10/2025	USD	8,000,000	60	0.01
Inflation Rate Swap Citibank Pay fixed 1.74% floating USCPI 1 month 01/02/2026	USD	4,700,000	59	0.01
Inflation Rate Swap Goldman Sachs Pay fixed 1.76% floating USCPI 1 month 29/10/2025	USD	2,800,000	13	–
Inflation Rate Swap Citibank Pay fixed 1.76% floating USCPI 1 month 16/10/2025	USD	1,400,000	7	–
Inflation Rate Swap Citibank Pay fixed 1.78% floating USCPI 1 month 14/03/2026	USD	2,700,000	28	–
Inflation Rate Swap Barclays Pay fixed 1.81% floating USCPI 1 month 17/08/2025	USD	2,400,000	(2)	–
Inflation Rate Swap Citibank Pay fixed 1.83% floating USCPI 1 month 23/12/2025	USD	6,500,000	30	–
Inflation Rate Swap Barclays Pay fixed 1.85% floating USCPI 1 month 21/03/2026	USD	1,500,000	7	–
Inflation Rate Swap Bank of America Pay fixed 1.86% floating USCPI 1 month 16/11/2025	USD	2,900,000	–	–
Inflation Rate Swap Nomura Pay fixed 1.87% floating USCPI 1 month 29/03/2026	USD	11,000,000	27	–
Inflation Rate Swap Citibank Pay fixed 1.87% floating USCPI 1 month 22/03/2026	USD	9,100,000	39	–
Inflation Rate Swap Nomura Pay fixed 1.91% floating USCPI 1 month 24/11/2025	USD	3,600,000	(10)	–

PORTFOLIO STATEMENT (CONTINUED)

As at 31 March 2016

Investment	Currency	Holding	Market Value	
			£000	% of Net Assets
Inflation Rate Swap Barclays Pay fixed 1.92% floating USCPI 1 month 07/12/2025	USD	3,800,000	(10)	–
Inflation Rate Swap Goldman Sachs Pay fixed 2.02% floating USCPI 1 month 03/06/2025	USD	2,000,000	(33)	(0.01)
Inflation Rate Swap Goldman Sachs Pay fixed 2.09% floating USCPI 1 month 21/07/2025	USD	2,320,000	(46)	(0.01)
Inflation Rate Swap Goldman Sachs Pay fixed 2.1% floating USCPI 1 month 23/06/2025	USD	2,220,000	(45)	(0.01)
Inflation Rate Swap Citibank Pay fixed 2.14% floating USCPI 1 month 04/05/2025	USD	33,000,000	(814)	(0.12)
Inflation Rate Swap Nomura Pay floating USCPI 1 month fixed 1.3% 10/02/2021	USD	3,300,000	(57)	(0.01)
Inflation Rate Swap Nomura Pay floating USCPI 1 month fixed 1.39% 05/10/2020	USD	8,000,000	(70)	(0.01)
Inflation Rate Swap Citibank Pay floating USCPI 1 month fixed 1.4% 16/10/2020	USD	1,400,000	(12)	–
Inflation Rate Swap Goldman Sachs Pay floating USCPI 1 month fixed 1.43% 29/10/2020	USD	2,800,000	(20)	–
Inflation Rate Swap Citibank Pay floating USCPI 1 month fixed 1.47% 01/02/2021	USD	4,700,000	(51)	(0.01)
Inflation Rate Swap Barclays Pay floating USCPI 1 month fixed 1.5% 17/08/2020	USD	2,400,000	(14)	–
Inflation Rate Swap Bank of America Pay floating USCPI 1 month fixed 1.52% 16/11/2020	USD	2,900,000	(17)	–
Inflation Rate Swap Citibank Pay floating USCPI 1 month fixed 1.53% 23/12/2020	USD	6,500,000	(48)	(0.01)
Inflation Rate Swap Nomura Pay floating USCPI 1 month fixed 1.57% 24/11/2020	USD	3,600,000	(18)	–
Inflation Rate Swap Citibank Pay floating USCPI 1 month fixed 1.59% 14/03/2021	USD	2,700,000	(18)	–
Inflation Rate Swap Barclays Pay floating USCPI 1 month fixed 1.62% 07/12/2020	USD	3,800,000	(14)	–
Inflation Rate Swap Barclays Pay floating USCPI 1 month fixed 1.67% 21/03/2021	USD	1,500,000	(5)	–
Inflation Rate Swap Nomura Pay floating USCPI 1 month fixed 1.68% 29/03/2021	USD	11,000,000	(21)	–
Inflation Rate Swap Citibank Pay floating USCPI 1 month fixed 1.69% 22/03/2021	USD	9,100,000	(29)	–
Inflation Rate Swap Goldman Sachs Pay floating USCPI 1 month fixed 1.75% 03/06/2020	USD	2,000,000	10	–
Inflation Rate Swap Goldman Sachs Pay floating USCPI 1 month fixed 1.83% 21/07/2020	USD	2,320,000	15	–
Inflation Rate Swap Goldman Sachs Pay floating USCPI 1 month fixed 1.84% 23/06/2020	USD	2,220,000	15	–
Inflation Rate Swap Citibank Pay floating USCPI 1 month fixed 1.92% 04/05/2020	USD	33,000,000	340	0.05
Interest Rate Swap J.P. Morgan Pay Fixed 0.03% floating EURIBOR 6 months 31/03/2021	EUR	500,000	–	–
Interest Rate Swap J.P. Morgan Pay floating EURIBOR 6 months fixed 0.02% 31/03/2021	EUR	500,000	–	–
Swaps total			1,475	0.21
Swaptions 1.54% (1.48%)				
Interest Rate Swap J.P. Morgan Pay fixed 2.73% receive floating LIBOR 6 months, Call, 2.73, 03/12/2029	GBP	8,900,000	519	0.07
Interest Rate Swap J.P. Morgan Pay fixed 3.60% receive floating LIBOR 6 months, Call, 3.6, 28/01/2030	GBP	1,800,000	59	0.01
Interest Rate Swap Morgan Stanley Pay fixed 3.60% receive floating LIBOR 6 months, Call, 3.6, 11/02/2030	GBP	5,770,000	189	0.03
Interest Rate Swap Goldman Sachs Pay fixed 3.60% receive floating LIBOR 6 months, Call, 3.6, 10/04/2030	GBP	2,400,000	79	0.01
Interest Rate Swap J.P. Morgan Pay fixed 3.60% receive floating LIBOR 6 months, Call, 3.6, 30/04/2030	GBP	1,000,000	33	–
Interest Rate Swap HSBC Pay fixed 3.60% receive floating LIBOR 6 months, Call, 3.6, 28/05/2030	GBP	1,500,000	49	0.01
Interest Rate Swap Morgan Stanley Pay fixed 3.60% receive floating LIBOR 6 months, Call, 3.6, 24/06/2030	GBP	1,200,000	39	0.01
Interest Rate Swap J.P. Morgan Pay fixed 3.60% receive floating LIBOR 6 months, Call, 3.6, 15/07/2030	GBP	1,300,000	43	0.01
Interest Rate Swap J.P. Morgan Pay fixed 3.60% receive floating LIBOR 6 months, Call, 3.6, 07/08/2030	GBP	1,400,000	46	0.01
Interest Rate Swap Goldman Sachs Pay fixed 3.60% receive floating LIBOR 6 months, Call, 3.6, 17/09/2030	GBP	1,360,000	44	0.01
Interest Rate Swap Goldman Sachs Pay fixed 3.60% receive floating LIBOR 6 months, Put, 3.6, 01/10/2030	GBP	4,850,000	158	0.02
Interest Rate Swap Goldman Sachs Pay fixed 3.60% receive floating LIBOR 6 months, Call, 3.6, 28/10/2030	GBP	2,100,000	68	0.01
Interest Rate Swap Goldman Sachs Pay fixed 3.60% receive floating LIBOR 6 months, Call, 3.6, 11/11/2030	GBP	1,900,000	62	0.01
Interest Rate Swap Goldman Sachs Pay fixed 3.60% receive floating LIBOR 6 months, Call, 3.6, 20/11/2030	GBP	2,300,000	75	0.01
Interest Rate Swap J.P. Morgan Pay fixed 3.60% receive floating LIBOR 6 months, Call, 3.6, 25/11/2030	GBP	2,000,000	65	0.01
Interest Rate Swap Barclays Pay fixed 3.60% receive floating LIBOR 6 months, Call, 3.6, 11/12/2030	GBP	2,500,000	81	0.01
Interest Rate Swap HSBC Pay fixed 3.60% receive floating LIBOR 6 months, Call, 3.6, 23/12/2030	GBP	3,000,000	97	0.01
Interest Rate Swap Goldman Sachs Pay fixed 3.60% receive floating LIBOR 6 months, Call, 3.6, 20/01/2031	GBP	3,300,000	107	0.01
Interest Rate Swap Barclays Pay fixed 3.60% receive floating LIBOR 6 months, Call, 3.6, 03/02/2031	GBP	2,900,000	94	0.01

PORTFOLIO STATEMENT (CONTINUED)

As at 31 March 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Interest Rate Swap J.P. Morgan Pay fixed 3.60% receive floating LIBOR 6 months, Call, 3.6, 25/02/2031	GBP	1,500,000	49	0.01
Interest Rate Swap Goldman Sachs Pay fixed 3.85% receive floating LIBOR 3 months, Call, 3.85, 11/03/2030	USD	26,500,000	803	0.11
Interest Rate Swap Bank of America Pay fixed 3.85% receive floating LIBOR 3 months, Call, 3.85, 22/04/2030	USD	29,800,000	903	0.13
Interest Rate Swap J.P. Morgan Pay fixed 3.85% receive floating LIBOR 3 months, Call, 3.85, 30/04/2030	USD	5,000,000	152	0.02
Interest Rate Swap J.P. Morgan Pay fixed 3.85% receive floating LIBOR 3 months, Call, 3.85, 28/05/2030	USD	4,500,000	136	0.02
Interest Rate Swap Goldman Sachs Pay fixed 3.85% receive floating LIBOR 3 months, Call, 3.85, 19/06/2030	USD	5,082,393	154	0.02
Interest Rate Swap Goldman Sachs Pay fixed 3.85% receive floating LIBOR 3 months, Call, 3.85, 18/07/2030	USD	4,430,000	134	0.02
Interest Rate Swap J.P. Morgan Pay fixed 3.85% receive floating LIBOR 3 months, Call, 3.85, 13/08/2030	USD	4,520,000	137	0.02
Interest Rate Swap Goldman Sachs Pay fixed 3.85% receive floating LIBOR 3 months, Put, 3.85, 01/10/2030	USD	15,000,000	454	0.06
Interest Rate Swap Goldman Sachs Pay fixed 3.85% receive floating LIBOR 3 months, Call, 3.85, 16/10/2030	USD	5,700,000	172	0.02
Interest Rate Swap J.P. Morgan Pay fixed 3.85% receive floating LIBOR 3 months, Call, 3.85, 06/11/2030	USD	6,400,000	193	0.03
Interest Rate Swap Citibank Pay fixed 3.85% receive floating LIBOR 3 months, Call, 3.85, 18/11/2030	USD	6,200,000	187	0.03
Interest Rate Swap J.P. Morgan Pay fixed 3.85% receive floating LIBOR 3 months, Call, 3.85, 25/11/2030	USD	7,400,000	224	0.03
Interest Rate Swap Goldman Sachs Pay fixed 3.85% receive floating LIBOR 3 months, Call, 3.85, 11/12/2030	USD	7,700,000	233	0.03
Interest Rate Swap Goldman Sachs Pay fixed 3.85% receive floating LIBOR 3 months, Call, 3.85, 23/12/2030	USD	7,000,000	211	0.03
Interest Rate Swap Citibank Pay fixed 3.85% receive floating LIBOR 3 months, Call, 3.85, 27/01/2031	USD	8,000,000	241	0.03
Interest Rate Swap Goldman Sachs Pay fixed 3.85% receive floating LIBOR 3 months, Call, 3.85, 03/02/2031	USD	2,700,000	81	0.01
Interest Rate Swap Goldman Sachs Pay fixed 3.85% receive floating LIBOR 3 months, Call, 3.85, 25/02/2031	USD	1,300,000	39	0.01
Interest Rate Swap Barclays Pay fixed 3.85% receive floating LIBOR 3 months, Call, 3.85, 12/03/2031	USD	8,100,000	328	0.05
Interest Rate Swap J.P. Morgan Pay floating LIBOR 3 months receive fixed 1.00%, Put, 1, 24/02/2031	USD	63,500,000	1,890	0.27
Interest Rate Swap Goldman Sachs Pay floating LIBOR 3 months receive fixed 1.00%, Put, 1, 24/02/2031	USD	63,500,000	1,890	0.27
Interest Rate Swap Goldman Sachs Pay floating LIBOR 3 months receive fixed 1.00%, Put, 1, 25/02/2031	USD	1,400,000	42	0.01
Interest Rate Swap Barclays Pay floating LIBOR 3 months receive fixed 1.00%, Put, 1, 12/03/2031	USD	7,500,000	296	0.04
Swaptions total			10,856	1.54
Options 0.40% (0.03%)				
EURO STOXX 50 Index, Put, 3,200, 17/06/2016	EUR	(202)	(463)	(0.06)
EURO STOXX 50 Index, Put, 3,100, 16/12/2016	EUR	(272)	(683)	(0.10)
EURO STOXX 50 Index, Put, 2,750, 16/12/2016	EUR	(694)	(868)	(0.12)
EURO STOXX 50 Index, Put, 2,900, 15/12/2017	EUR	(337)	(969)	(0.14)
Foreign Exchange CNH/USD, Call, 6.87, 30/01/2017	USD	11,000,000	114	0.02
Foreign Exchange CNH/USD, Call, 7.42, 30/01/2017	USD	(11,000,000)	(51)	(0.01)
Foreign Exchange CNH/USD, Call, 6.815, 14/02/2017	USD	10,100,000	121	0.02
Foreign Exchange CNH/USD, Call, 7.36, 14/02/2017	USD	(10,100,000)	(54)	(0.01)
Foreign Exchange CNH/USD, Call, 6.815, 10/03/2017	USD	169,000,000	2,202	0.31
Foreign Exchange CNH/USD, Call, 7.35, 10/03/2017	USD	(169,000,000)	(1,020)	(0.14)
Foreign Exchange CNH/USD, Call, 6.752, 20/03/2017	USD	29,500,000	441	0.06
Foreign Exchange CNH/USD, Call, 7.282, 20/03/2017	USD	(29,500,000)	(202)	(0.03)
Foreign Exchange CNH/USD, Call, 6.796, 27/03/2017	USD	26,000,000	369	0.05
Foreign Exchange CNH/USD, Call, 7.329, 27/03/2017	USD	(26,000,000)	(173)	(0.02)
Foreign Exchange INR/USD, Call, 74, 18/05/2016	USD	17,030,000	-	0.00
Foreign Exchange INR/USD, Call, 64, 18/05/2016	USD	(17,030,000)	(471)	(0.06)
Foreign Exchange INR/USD, Call, 74, 21/06/2016	USD	1,512,000	-	-

PORTFOLIO STATEMENT (CONTINUED)

As at 31 March 2016

Investment	Currency	Holding	Market Value	
			£000	% of Net Assets
Foreign Exchange INR/USD, Call, 64, 21/06/2016	USD	(1,512,000)	(48)	(0.01)
Foreign Exchange INR/USD, Call, 74, 04/08/2016	USD	2,000,000	2	–
Foreign Exchange INR/USD, Call, 64, 04/08/2016	USD	(2,000,000)	(74)	(0.01)
Foreign Exchange INR/USD, Call, 74, 20/09/2016	USD	1,300,000	4	–
Foreign Exchange INR/USD, Call, 64, 20/09/2016	USD	(1,300,000)	(55)	(0.01)
Foreign Exchange INR/USD, Call, 75.973, 04/10/2016	USD	3,150,000	6	–
Foreign Exchange INR/USD, Call, 66.215, 04/10/2016	USD	(3,150,000)	(80)	(0.01)
Foreign Exchange INR/USD, Call, 75.22, 20/10/2016	USD	1,900,000	6	–
Foreign Exchange INR/USD, Call, 65.42, 20/10/2016	USD	(1,900,000)	(64)	(0.01)
Foreign Exchange INR/USD, Call, 76.57, 11/11/2016	USD	1,650,000	5	–
Foreign Exchange INR/USD, Call, 66.6, 11/11/2016	USD	(1,650,000)	(45)	(0.01)
Foreign Exchange INR/USD, Call, 76.702, 24/11/2016	USD	3,100,000	11	–
Foreign Exchange INR/USD, Call, 66.71, 24/11/2016	USD	(3,100,000)	(86)	(0.01)
Foreign Exchange INR/USD, Call, 77.231, 12/12/2016	USD	2,000,000	7	–
Foreign Exchange INR/USD, Call, 67.139, 12/12/2016	USD	(2,000,000)	(54)	(0.01)
Foreign Exchange INR/USD, Call, 76.5, 20/12/2016	USD	1,800,000	8	–
Foreign Exchange INR/USD, Call, 66.54, 20/12/2016	USD	(1,800,000)	(57)	(0.01)
Foreign Exchange INR/USD, Call, 78.665, 30/01/2017	USD	2,400,000	11	–
Foreign Exchange INR/USD, Call, 68.403, 30/01/2017	USD	(2,400,000)	(60)	(0.01)
Foreign Exchange INR/USD, Call, 78.09, 07/02/2017	USD	2,100,000	11	–
Foreign Exchange INR/USD, Call, 67.92, 07/02/2017	USD	(2,100,000)	(59)	(0.01)
Foreign Exchange INR/USD, Call, 77.298, 27/03/2017	USD	11,600,000	88	0.01
Foreign Exchange INR/USD, Call, 67.223, 27/03/2017	USD	(11,600,000)	(434)	(0.06)
Foreign Exchange SAR/USD, Call, 3.925, 29/11/2017	USD	60,270,000	812	0.11
Foreign Exchange SAR/USD, Call, 3.902, 13/12/2017	USD	3,900,000	56	0.01
Foreign Exchange SAR/USD, Call, 3.924, 22/12/2017	USD	3,400,000	48	0.01
Foreign Exchange SAR/USD, Call, 3.939, 31/01/2018	USD	4,500,000	69	0.01
Foreign Exchange SAR/USD, Call, 3.915, 07/02/2018	USD	4,000,000	64	0.01
Foreign Exchange SAR/USD, Call, 3.855, 20/03/2018	USD	11,800,000	229	0.03
Foreign Exchange SAR/USD, Call, 3.863, 26/03/2018	USD	10,400,000	201	0.03
Foreign Exchange SGD/USD, Call, 1.42, 18/10/2017	USD	110,000,000	1,803	0.26
Foreign Exchange SGD/USD, Call, 1.56, 18/10/2017	USD	(110,000,000)	(743)	(0.10)
Foreign Exchange SGD/USD, Call, 1.463, 16/11/2017	USD	7,500,000	98	0.01
Foreign Exchange SGD/USD, Call, 1.607, 16/11/2017	USD	(7,500,000)	(41)	–
Foreign Exchange SGD/USD, Call, 1.454, 23/11/2017	USD	15,000,000	211	0.03
Foreign Exchange SGD/USD, Call, 1.598, 23/11/2017	USD	(15,000,000)	(89)	(0.01)
Foreign Exchange SGD/USD, Call, 1.447, 12/12/2017	USD	8,500,000	129	0.02
Foreign Exchange SGD/USD, Call, 1.59, 12/12/2017	USD	(8,500,000)	(56)	(0.01)
Foreign Exchange SGD/USD, Call, 1.45, 21/12/2017	USD	7,700,000	117	0.02
Foreign Exchange SGD/USD, Call, 1.593, 21/12/2017	USD	(7,700,000)	(51)	(0.01)
Foreign Exchange SGD/USD, Call, 1.465, 30/01/2018	USD	10,000,000	149	0.02
Foreign Exchange SGD/USD, Call, 1.61, 30/01/2018	USD	(10,000,000)	(66)	(0.01)
Foreign Exchange SGD/USD, Call, 1.439, 08/02/2018	USD	8,600,000	151	0.02
Foreign Exchange SGD/USD, Call, 1.582, 08/02/2018	USD	(8,600,000)	(68)	(0.01)
Foreign Exchange USD/JPY, Put, 100, 12/02/2019	USD	(2,830,000)	(115)	(0.02)
Foreign Exchange USD/JPY, Put, 107, 02/12/2019	USD	(8,531,000)	(535)	(0.07)
Foreign Exchange USD/JPY, Put, 100, 02/12/2019	USD	(10,280,000)	(418)	(0.06)
Foreign Exchange USD/JPY, Put, 102.6, 01/10/2020	USD	(3,400,000)	(209)	(0.03)
Foreign Exchange USD/JPY, Put, 102.85, 06/11/2020	USD	(3,000,000)	(192)	(0.03)
Foreign Exchange USD/JPY, Put, 103.8, 18/11/2020	USD	(1,800,000)	(122)	(0.02)
Foreign Exchange USD/JPY, Put, 103.39, 25/11/2020	USD	(1,800,000)	(120)	(0.02)
Foreign Exchange USD/JPY, Put, 102.37, 10/12/2020	USD	(2,000,000)	(128)	(0.02)
Foreign Exchange USD/JPY, Put, 102.25, 18/12/2020	USD	(1,800,000)	(115)	(0.02)
Foreign Exchange USD/JPY, Put, 101.43, 28/01/2021	USD	(2,400,000)	(151)	(0.02)
Foreign Exchange USD/JPY, Put, 98.93, 05/02/2021	USD	(2,100,000)	(115)	(0.02)
Foreign Exchange USD/JPY, Put, 94.85, 23/03/2021	USD	(5,500,000)	(249)	(0.03)
Foreign Exchange USD/JPY, Put, 93.99, 29/03/2021	USD	(6,200,000)	(268)	(0.04)
FTSE 100 (European-Style) Index, Put, 6,000, 16/12/2016	GBP	(79)	(296)	(0.04)
FTSE 100 (European-style) Index, Put, 5,800, 15/12/2017	GBP	(64)	(357)	(0.05)
FTSE 100 (European-style) Index, Put, 5,400, 15/12/2017	GBP	(91)	(376)	(0.05)

PORTFOLIO STATEMENT (CONTINUED)

As at 31 March 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Nikkei 225 Index, Call, 20,000, 11/12/2020	JPY	906	6,898	0.98
S&P 500 Index, Put, 1,825, 16/12/2016	USD	(40)	(147)	(0.02)
S&P 500 Index, Put, 1,700, 15/12/2017	USD	(16)	(101)	(0.01)
S&P 500 Index, Put, 1,900, 15/12/2017	USD	(45)	(451)	(0.06)
Options total			2,792	0.40
Forward Currency Contracts (0.44)% (0.54%)				
Buy AUD 321,178 sell GBP 169,066 dated 15/06/2016			2	–
Buy CAD 182,829 sell GBP 97,357 dated 15/06/2016			1	–
Buy EUR 4,459,000 sell GBP 3,424,961 dated 13/04/2016			111	0.01
Buy EUR 323,508 sell GBP 253,366 dated 15/06/2016			4	–
Buy EUR 1,712,403 sell GBP 1,340,372 dated 16/06/2016			20	–
Buy GBP 2,549,376 sell AUD 4,849,576 dated 15/06/2016			(38)	–
Buy GBP 1,301,033 sell CAD 2,446,811 dated 15/06/2016			(15)	–
Buy GBP 1,787,224 sell CHF 2,451,517 dated 16/06/2016			1	–
Buy GBP 10,457,117 sell CHF 14,528,469 dated 16/06/2016			(131)	(0.02)
Buy GBP 27,238,342 sell EUR 35,828,000 dated 13/04/2016			(1,174)	(0.15)
Buy GBP 6,932,451 sell EUR 8,803,096 dated 15/06/2016			(61)	(0.01)
Buy GBP 54,627,265 sell EUR 69,289,792 dated 16/06/2016			(422)	(0.06)
Buy GBP 7,995,713 sell EUR 10,285,000 dated 21/06/2016			(177)	(0.03)
Buy GBP 1,076,870 sell HKD 11,776,799 dated 15/06/2016			20	–
Buy GBP 140,404 sell HKD 1,566,380 dated 15/06/2016			–	–
Buy GBP 717,880 sell JPY 114,677,961 dated 15/06/2016			6	–
Buy GBP 6,763,299 sell JPY 1,100,000,000 dated 21/06/2016			(60)	(0.01)
Buy GBP 31,053,221 sell MXN 796,910,215 dated 21/06/2016			(1,060)	(0.15)
Buy GBP 6,761,270 sell SEK 79,151,833 dated 16/06/2016			(49)	(0.01)
Buy GBP 1,304,480 sell SGD 2,545,449 dated 15/06/2016			(9)	–
Buy GBP 9,130,396 sell USD 12,869,823 dated 15/06/2016			178	0.02
Buy GBP 1,082,806 sell USD 1,561,177 dated 15/06/2016			(3)	–
Buy GBP 57,872,648 sell USD 81,529,622 dated 16/06/2016			1,163	0.17
Buy GBP 7,176,850 sell USD 10,337,365 dated 16/06/2016			(13)	–
Buy GBP 29,068,358 sell USD 41,600,000 dated 21/06/2016			133	0.02
Buy GBP 2,757,459 sell USD 4,000,000 dated 21/06/2016			(25)	–
Buy JPY 2,025,588 sell GBP 12,627 dated 15/06/2016			–	–
Buy MXN 656,788,067 sell USD 37,290,807 dated 21/06/2016			528	0.07
Buy SGD 245,550 sell GBP 125,376 dated 15/06/2016			1	–
Buy USD 48,991,807 sell AUD 65,320,460 dated 21/06/2016			(745)	(0.11)
Buy USD 278,372 sell GBP 192,863 dated 15/06/2016			1	–
Buy USD 1,160,295 sell GBP 803,803 dated 16/06/2016			3	–
Buy USD 42,481,958 sell MXN 764,929,015 dated 21/06/2016			(1,275)	(0.18)
Forward Currency Contracts total			(3,085)	(0.44)
Futures (0.06)% ((0.02)%)				
Australia 10 Year Bond 15/06/2016	AUD	315	157	0.02
EURO STOXX 50 Index 17/06/2016	EUR	(1873)	1,045	0.15
Euro-bund 08/06/2016	EUR	(307)	15	–
FTSE 100 Index 17/06/2016	GBP	(1133)	(382)	(0.06)
Russell 2000 Mini Index 17/06/2016	USD	(405)	(1,291)	(0.18)
S&P 500 E-mini Index 17/06/2016	USD	(215)	(238)	(0.03)
Swiss Market IX Index 17/06/2016	CHF	(253)	263	0.04
Futures total			(431)	(0.06)
Investment assets			596,258	84.75
Net other assets			107,327	15.25
Net assets			703,585	100.00

All holdings are debt securities and admitted to an official stock exchange unless otherwise stated.

The comparative percentage figures in brackets are as at 31 March 2015.

Security traded on another regulated market.

† Investment in the Aviva Group.

STATEMENT OF TOTAL RETURN

For the year ended 31 March 2016

	Notes	£000	Year ended 31.03.16 £000	£000	Period from 01.12.14 to 31.03.15 £000
Income					
Net capital (losses)/gains	2		(12,535)		6,657
Revenue	3	17,741		2,052	
Expenses	4	(1,656)		(89)	
Net revenue before taxation		16,085		1,963	
Taxation	5	(2,683)		(317)	
Net revenue after taxation			13,402		1,646
Total return before distributions			867		8,303
Distributions	6		(14,696)		(1,717)
Change in net assets attributable to shareholders from investment activities			(13,829)		6,586

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 31 March 2016

	£000	Year ended 31.03.16 £000	£000	Period from 01.12.14 to 31.03.15 £000
Opening net assets attributable to shareholders		180,751		–
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	565,199		174,082	
Amounts payable on cancellation of shares	(29,063)		–	
		536,136		174,082
Dilution adjustment		527		83
Change in net assets attributable to shareholders from investment activities (see above)		(13,829)		6,586
Closing net assets attributable to shareholders		703,585		180,751

BALANCE SHEET

As at 31 March 2016

	Notes	As at 31.03.16 £000	Restated* As at 31.03.15 £000
Assets:			
Investments		617,739	172,787
Current assets:			
Debtors	8	18,682	2,939
Cash and bank balances	9	96,311	16,625
Total assets		732,732	192,351
Liabilities:			
Investment liabilities		(21,481)	(4,376)
Provisions	10	(2)	(1)
Creditors:			
Distribution payable		(2,810)	(771)
Other creditors	11	(4,854)	(6,452)
Total liabilities		(29,147)	(11,600)
Net assets attributable to shareholders		703,585	180,751

* Refer to the accounting policies note on page 66.

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting basis and policies

Please see pages 5 to 7 for accounting basis and policies.

There has been no changes to the financial position or financial performance of the Fund as a result of preparing these statements in accordance with SORP 2014 rather than SORP 2010. However, as a result of this change certain comparative items have been restated in the Financial Statements as set out below.

Balance sheet

The Deferred tax liabilities of £1,000 are now disclosed within 'Provisions' in the Balance Sheet, whereas under SORP 2010 this was disclosed within 'Creditors'.

2 Net capital (losses)/gains

	Year ended 31.03.16 £000	Period from 01.12.14 to 31.03.15 £000
Net capital (losses)/gains on investments during the year comprise:		
Currency (losses)/gains	(1,231)	306
Derivative contracts (losses)/gains	(6,402)	2,104
Expenses relating to the purchase and sale of investments	(44)	(5)
Forward currency contracts (losses)/gains	(8,618)	3,618
Non-derivative securities gains	3,760	634
Net capital (losses)/gains	(12,535)	6,657

3 Revenue

	Year ended 31.03.16 £000	Period from 01.12.14 to 31.03.15 £000
Bank and deposit interest	108	17
Interest on debt securities	6,856	875
Income on derivatives	5,971	505
Overseas dividends	2,720	392
Property income distributions	178	17
UK dividends	1,908	246
Total revenue	17,741	2,052

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 Expenses

	Year ended 31.03.16 £000	Period from 01.12.14 to 31.03.15 £000
Payable to the Authorised Corporate Director ("ACD"), associates of the ACD or agents of either of them:		
ACD's periodic charge	1,428	60
Expense rebate from ACD	(59)	–
Printing & postage expenses	6	2
Registration fees	152	–
	1,527	62
Payable to the Depositary, associates of the Depositary or agents of either of them:		
Depositary's fee	41	7
Interest payable	38	–
Safe custody fee	28	5
	107	12
Other expenses:		
Audit fee*	14	13
Professional fees	1	–
Statement fees	7	2
	22	15
Total expenses	1,656	89

* The audit fee was £11,316 (2015: £10,763) net of VAT.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Taxation**a Analysis of tax charge**

	Year ended 31.03.16 £000	Period from 01.12.14 to 31.03.15 £000
Corporation tax	2,351	280
Double tax relief	(38)	(8)
Overseas tax suffered	369	44
Total current tax (see note 5.b)	2,682	316
Deferred tax	1	1
Total deferred tax (see note 5.c)	1	1
Total tax for the period	2,683	317

b Factors affecting current tax charge

The tax assessed for the year is lower (2015: lower) than the standard rate of corporation tax in the UK for an Authorised Investment Fund (20%) (2015: 20%).

The differences are explained below:

	Year ended 31.03.16 £000	Period from 01.12.14 to 31.03.15 £000
Net revenue before taxation	16,085	1,963
Corporation tax at 20%	3,217	393
Effects of:		
Double taxation relief	(38)	(8)
Overseas dividends not subject to corporation tax	(481)	(60)
Overseas tax suffered	369	44
Revenue taxable in different periods	(3)	(4)
UK dividends not subject to corporation tax	(382)	(49)
	(535)	(77)
Current tax charge (see note 5.a)	2,682	316

Authorised Investment Funds are exempt from tax on capital gains. Therefore, any capital return is not included in the above reconciliation.

c Deferred tax

The deferred tax provision is made up as follows:

	Year ended 31.03.16 £000	Period from 01.12.14 to 31.03.15 £000
Provision at start of year	1	–
Charge for the year	1	1
Provision at the end of year	2	1

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 Distributions

	Year ended 31.03.16 £000	Period from 01.12.14 to 31.03.15 £000
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:		
Distribution for the six months ended 30 September	5,176	–
Distribution for the five months ended 28/29 February	8,681	983
Distribution for the month ended 31 March	2,810	771
	16,667	1,754
Add: Revenue deducted on cancellation of shares	77	–
Deduct: Revenue received on issue of shares	(2,048)	(37)
Distributions	14,696	1,717
Reconciliation of distributions for the year to net revenue after taxation		
Distributions for the year	14,696	1,717
ACD's periodic charge borne by the capital account	(1,428)	(60)
Other fees borne by the capital account	(190)	(29)
Tax relief on capitalised ACD's periodic charge	324	18
Net revenue after taxation	13,402	1,646

Details of the distributions per share are set out in the distribution tables on pages 76 to 81.

7 Fair value hierarchy

Valuation technique	As at 31.03.16		As at 31.03.15	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Quoted prices for identical instruments in active markets	321,818	(13,562)	101,524	(2,811)
Valuation techniques using observable market data	295,921	(7,919)	71,263	(1,565)
Total value	617,739	(21,481)	172,787	(4,376)

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities.

The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority is given to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

Quoted prices for identical instruments in active markets – Quoted in an active market in this context means quoted prices are readily and regularly available and those prices represent actual and regularly occurring market transactions for the same financial instrument on an arm's length basis. For this purpose a quoted price is a price at which the party performing the fair value measurement can enter into a transaction. Therefore the price must be binding on the party providing the quote.

Prices of recent transactions for identical instruments – When quoted prices are unavailable, the price of a recent transaction for an identical instrument provides evidence of fair value as long as the transaction is orderly and there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place.

Valuation techniques using observable market data – Valuation techniques should maximise the use of observable market data, such as publicly available information about actual events or transactions, and minimise the use of non-observable data. Observable data should be observable for substantially the full term of the instrument.

Valuation techniques using non-observable data – Non-observable entity specific data should be used only where relevant observable market data is not available.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8 Debtors

	As at 31.03.16 £000	As at 31.03.15 £000
Accrued revenue	5,864	1,638
Amounts receivable on issue of shares	11,190	1,008
Overseas tax recoverable	127	22
Sales awaiting settlement	1,501	271
Total debtors	18,682	2,939

9 Cash and bank balances

	As at 31.03.16 £000	As at 31.03.15 £000
Amounts held at futures clearing houses and brokers	21,131	5,525
Cash and bank balances	75,180	11,100
Total cash and bank balances	96,311	16,625

10 Provisions

	As at 31.03.16 £000	Restated* As at 31.03.15 £000
Deferred tax provision	2	1
Total provisions	2	1

* Refer to the accounting policies note on page 66.

11 Other creditors

	As at 31.03.16 £000	Restated* As at 31.03.15 £000
Accrued expenses	354	47
Corporation tax payable	1,382	272
Purchases awaiting settlement	3,118	6,133
Total creditors	4,854	6,452

* Refer to the accounting policies note on page 66.

12 Contingent liabilities and commitments

There were no contingent liabilities or commitments at the year end (2015: £nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13 Related party transactions

ACD periodic charges paid to Aviva Investors UK Fund Services Limited ("the ACD") are shown in note 4 and details of shares issued and cancelled by the ACD are shown in the statement of change in net assets attributable to shareholders. The balance due to the ACD at the year end in respect of ACD periodic charges was £273,000 (2015: £21,000). Any balance due from the ACD in respect of issues is shown in note 8. Any balance due to the ACD in respect of cancellations is shown in note 11.

Distributions payable to the ACD and related parties of the ACD during the year amounted to £9,509,000 (2015: £1,675,000). The amount outstanding at the year end was £1,399,000 (2015: £1,189,000). Related parties of the ACD are deemed to be all companies under the control of Aviva Plc. This will include companies which hold shares in the Fund on behalf of other external investors.

All investments managed and advised by Aviva Investors Global Services Limited or associated with the Aviva Group are identified on the portfolio statement. The total purchases on these investments during the year amounted to £3,177,000 (2015: £nil). The income received during the year amounted to £89,000 (2015: £nil).

Holdings at the year end and movements during the year are as follows:

	Holdings at 31.03.16 (shares)	Movement (shares)	Holdings at 31.03.15 (shares)
ACD and related parties (share class 3 Income)	165,964,794	5,455,413	160,509,381
ACD and related parties (share class 5 Income)	14,361,922	13,396,049	965,873
ACD and related parties (share class 8 Income)	162,559,599	162,559,599	–

The ACD and related parties of the ACD are ineligible to vote at any general meeting.

14 Shareholder funds

The Fund currently has five share classes: Class 6 (Retail), Class 2 (Institutional) and Classes 3, 5 and 8 (Associated undertakings of Aviva Plc). The annual management charges are as follows:

Class 2:	0.75%
Class 3:	0.10%
Class 5:	0.70%
Class 6:	1.00%
Class 8:	0.56%

The net asset value per share class, the net asset value per share and the number of shares in the class are shown on pages 52 and 53. The distributions per share class are given in the distribution tables on pages 76 to 81. All the share classes have the same rights on winding up.

15 Shares in issue reconciliation

	Number of shares in issue at 31.03.15	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 31.03.16
Share Class 2 Income	10,294,056	346,529,244	–	–	356,823,300
Share Class 3 Income	160,509,381	5,455,413	–	–	165,964,794
Share Class 5 Income	965,873	53,611,719	(673,224)	(39,526,161)	14,378,207
Share Class 6 Income	746,057	867,632	(773,615)	–	840,074
Share Class 8 Income	–	150,472,123	(27,270,488)	39,357,964	162,559,599

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16 Derivatives and other financial instruments

The policies applied in the management of financial instruments are set out on pages 6 and 7.

Value at risk

The Fund enters into derivative transactions in the form of forward currency contracts, futures, options and swaps for the purpose of efficient portfolio management. The commitment approach has been used to calculate the global exposure.

The Investment Adviser assesses the market risk of the Fund's investments, including derivative exposure, using historical simulation methodology. This process provides an estimate of the maximum potential loss that could be expected to occur as a result of changes in market prices over a given period of time in all but a given percentage of circumstances. The VaR is calculated on a 99% confidence level with a 20 day horizon & 250 days of history.

The VaR calculated for the year ended 31 March 2016 was as follows:

	As at 31.03.16 £000	As at 31.03.15 £000
As at 31 March 2016, the company's value at risk is		
During the financial year, the highest utilisation of value at risk was	(0.99)%	3.73%
During the financial year, the average utilisation of value at risk was	(0.60)%	2.66%
During the financial year, the lowest utilisation of value at risk was	(0.41)%	2.07%

Further information on the derivative risks can be found in the accounting policies note on pages 6 and 7.

Leverage

Average leverage is calculated as the sum of the net asset value and the incremental exposure generated through the use of derivatives (calculated in accordance with the commitment approach (CESR/10-788)) divided by the net asset value.

As at 31 March 2016 the average leverage was 434.94% (31.03.15: 298.49%).

Market price risk

At the year end date, 84.75% (2015: 93.17%) of the net assets of the Fund were invested in ordinary shares or stock units and admitted to an official stock exchange. If the market were to change by 10%, the value of the Fund will change by 8.47%.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17 Counterparty exposure**Financial derivative exposure**

The types of derivatives held at the year end date were forward currency contracts, futures contracts, credit default swaps, equity variance swaps, interest rate swaps, inflation linked swaps, option contracts and swaption contracts. Details of individual contracts are disclosed in the Portfolio Statement and the total position by counterparty at the year end date was as follows:

	Credit default swaps £000	Equity variance swaps £000	Forward currency contracts £000	Futures contracts £000	Inflation rate swaps £000	Interest rate swaps £000	Options contracts £000	Total £000
31.03.16								
Barclays	-	-	-	-	7	799	-	806
BNP Paribas	-	188	(1,227)	-	-	-	4,844	3,805
Canadian Imperial Bank of Commerce	-	-	(91)	-	-	-	-	(91)
Citibank	-	-	-	-	503	-	-	503
Citigroup	-	-	528	-	-	428	511	1,467
Goldman Sachs	210	-	(1,470)	-	53	4,806	263	3,862
HSBC	1,687	-	(62)	-	-	146	88	1,859
JPMorgan	-	-	-	157	-	3,546	-	3,703
Merrill Lynch	-	-	2	-	-	903	-	905
Morgan Stanley	-	-	-	-	-	228	-	228
Nomura	-	-	(734)	-	162	-	1,803	1,231
RBC – Royal Bank of Canada	-	-	1,265	-	-	-	-	1,265
RBS – Royal Bank of Scotland	-	-	(8)	-	-	-	-	(8)
Société Générale	-	1,326	(1,221)	-	-	-	-	105
Standard Chartered Bank	-	-	(68)	-	-	-	34	(34)
UBS	-	-	1	1,323	-	-	6,898	8,222
Total	1,897	1,514	(3,085)	1,480	725	10,856	14,441	27,828

	Credit default swaps £000	Equity variance swaps £000	Forward currency contracts £000	Futures contracts £000	Inflation rate swaps £000	Interest rate swaps £000	Options contracts £000	Total £000
31.03.15								
Barclays	-	-	(5)	-	-	-	-	(5)
BNP Paribas	-	-	-	-	-	-	721	721
Citigroup	-	-	-	-	-	-	177	177
Goldman Sachs	-	-	408	-	-	-	1,044	1,452
HSBC	-	-	(376)	-	-	-	541	165
JPMorgan	-	-	(152)	398	-	1,257	1,632	3,135
Merrill Lynch	-	-	(24)	-	-	-	-	(24)
Morgan Stanley	-	-	25	-	-	-	223	248
Nomura	-	-	(1)	-	-	-	42	41
Société Générale	-	479	1,119	-	-	-	-	1,598
Standard Chartered Bank	-	-	(7)	-	-	-	-	(7)
UBS	-	-	-	7	-	-	717	724
Total	-	479	987	405	-	1,257	5,097	8,255

At the year end date no collateral was held or pledged by the company or on behalf of the counterparties in respect of the above (2015: £nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18 Debt security credit analysis

	Market value £000		Total net assets %	
	31.03.16	31.03.15	31.03.16	31.03.15
Investment grade	219,491	76,278	31.19%	42.21%
Below investment grade	72,326	13,496	10.29%	7.45%
Unrated	25,550	1,942	3.63%	1.07%
Total debt securities	317,367	91,716	45.11%	50.73%

Credit rating designations BBB or above are considered investment grade whereas credit rating designations BBB- or lower are considered below investment grade.

19 Direct transaction costs

In the case of shares, broker commissions and transfer taxes, stamp duty is paid by the Fund on each transaction. In addition, there is a dealing spread between buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread.

31.03.16	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
Purchases (excluding in-specie transfers and corporate actions)						
Equities	(217,931)	(138)	(451)	(218,520)	0.06%	0.21%
Bonds	(221,986)	–	–	(221,986)	0.00%	0.00%
Funds	(198,936)	–	–	(198,936)	0.00%	0.00%
	(638,853)	(138)	(451)	(639,442)		
Sales (excluding in-specie transfers and corporate actions)						
Equities	23,570	(17)	–	23,553	0.07%	0.00%
Bonds	52,473	–	–	52,473	0.00%	0.00%
Funds	145,000	–	–	145,000	0.00%	0.00%
	221,043	(17)	–	221,026		
Derivative purchases and sales		(24)	–			
Total		(179)	(451)			
Percentage of fund average net assets		0.05%	0.12%			

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19 Direct transaction costs (continued)

31.03.15	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
Purchases (excluding in-specie transfers and corporate actions)						
Equities	(64,851)	(15)	(149)	(65,015)	0.02%	0.23%
Bonds	(68,484)	–	–	(68,484)	0.00%	0.00%
Funds	(38,497)	–	–	(38,497)	0.00%	0.00%
	<u>(171,832)</u>	<u>(15)</u>	<u>(149)</u>	<u>(171,996)</u>		
Sales (excluding in-specie transfers and corporate actions)						
Equities	450	–	–	450	0.00%	0.00%
Bonds	3,957	–	–	3,957	0.00%	0.00%
Funds	4,499	–	–	4,499	0.00%	0.00%
	<u>8,906</u>	<u>–</u>	<u>–</u>	<u>8,906</u>		
Derivative purchases and sales		<u>(2)</u>	<u>–</u>			
Total		<u>(17)</u>	<u>(149)</u>			
Percentage of fund average net assets		<u>0.01%</u>	<u>0.10%</u>			

Dealing spread

As at 31 March 2016, the average portfolio dealing spread was 0.31% (31.03.15: 0.22%). This spread represents the difference between the values determined retrospectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

21 Post balance sheet events

On 23 June 2016, UK voters elected to leave the European Union. This will not happen immediately, as it will take several years to negotiate a new relationship between the UK and EU. Aviva Investors continues to closely monitor events surrounding the referendum and any potential impact on customers' assets. Following the vote, there was some volatility in the markets, however, this has not impacted the fair value of assets and liabilities reported at the balance sheet date (31 March 2016).

DISTRIBUTION TABLES

Final distribution payable in pence per share for the month ended 31 March 2016

		Net revenue	Equalisation	Final distribution payable 30 April 2016	Final distribution paid 30 April 2015
Share Class 2	Group 1	0.3945	–	0.3945	0.4461
	Group 2	0.1558	0.2387	0.3945	0.4461
Share Class 3	Group 1	0.4122	–	0.4122	0.4469
	Group 2	0.0016	0.4106	0.4122	0.4469
Share Class 5	Group 1	0.3938	–	0.3938	0.4462
	Group 2	0.1520	0.2418	0.3938	0.4462
Share Class 6	Group 1	0.3880	–	0.3880	0.4462
	Group 2	0.0508	0.3372	0.3880	0.4462
Share Class 8	Group 1	0.4051	–	0.4051	–
	Group 2	0.0807	0.3244	0.4051	–

Final distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 29 February 2016.

Group 2 shares are those shares purchased after 12:00 noon on 29 February 2016.

Interim distribution paid in pence per share for the month ended 29 February 2016

		Net revenue	Equalisation	Interim distribution paid 31 March 2016	Interim distribution paid 31 March 2015
Share Class 2	Group 1	0.4000	–	0.4000	0.2902
	Group 2	0.1411	0.2589	0.4000	0.2902
Share Class 3	Group 1	0.4000	–	0.4000	0.2897
	Group 2	0.0000	0.4000	0.4000	0.2897
Share Class 5	Group 1	0.4000	–	0.4000	0.2899
	Group 2	0.1947	0.2053	0.4000	0.2899
Share Class 6	Group 1	0.4000	–	0.4000	0.2892
	Group 2	0.2429	0.1571	0.4000	0.2892
Share Class 8	Group 1	0.4000	–	0.4000	–
	Group 2	0.0000	0.4000	0.4000	–

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 31 January 2016.

Group 2 shares are those shares purchased after 12:00 noon on 31 January 2016.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the month ended 31 January 2016

		Net revenue	Equalisation	Interim distribution paid 29 February 2016	Interim distribution paid 28 February 2015
Share Class 2	Group 1	0.4000	–	0.4000	0.2447
	Group 2	0.0883	0.3117	0.4000	0.2447
Share Class 3	Group 1	0.4000	–	0.4000	0.2436
	Group 2	0.0000	0.4000	0.4000	0.2436
Share Class 5	Group 1	0.4000	–	0.4000	0.2445
	Group 2	0.0780	0.3220	0.4000	0.2445
Share Class 6	Group 1	0.4000	–	0.4000	0.2434
	Group 2	0.1704	0.2296	0.4000	0.2434
Share Class 8	Group 1	0.4000	–	0.4000	–
	Group 2	0.0000	0.4000	0.4000	–

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 31 December 2015.

Group 2 shares are those shares purchased after 12:00 noon on 31 December 2015.

Interim distribution paid in pence per share for the month ended 31 December 2015

		Net revenue	Equalisation	Interim distribution paid 31 January 2016	Interim distribution paid 31 January 2015
Share Class 2	Group 1	0.3850	–	0.3850	0.1260
	Group 2	0.0737	0.3113	0.3850	0.1260
Share Class 3	Group 1	0.3850	–	0.3850	0.1262
	Group 2	0.0000	0.3850	0.3850	0.1262
Share Class 5	Group 1	0.3850	–	0.3850	0.1262
	Group 2	0.0033	0.3817	0.3850	0.1262
Share Class 6	Group 1	0.3850	–	0.3850	0.1262
	Group 2	0.0000	0.3850	0.3850	0.1262
Share Class 8	Group 1	0.3850	–	0.3850	–
	Group 2	0.0485	0.3365	0.3850	–

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 30 November 2015.

Group 2 shares are those shares purchased after 12:00 noon on 30 November 2015.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the month ended 30 November 2015

		Net revenue	Equalisation	Interim distribution paid 31 December 2015	Interim distribution paid 31 December 2014
Share Class 2	Group 1	0.3850	–	0.3850	–
	Group 2	0.0000	0.3850	0.3850	–
Share Class 3	Group 1	0.3850	–	0.3850	–
	Group 2	0.0000	0.3850	0.3850	–
Share Class 5	Group 1	0.3850	–	0.3850	–
	Group 2	0.0000	0.3850	0.3850	–
Share Class 6	Group 1	0.3850	–	0.3850	–
	Group 2	0.0041	0.3809	0.3850	–
Share Class 8	Group 1	0.3850	–	0.3850	–
	Group 2	0.0504	0.3346	0.3850	–

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 31 October 2015.

Group 2 shares are those shares purchased after 12:00 noon on 31 October 2015.

Interim distribution paid in pence per share for the month ended 31 October 2015

		Net revenue	Equalisation	Interim distribution paid 30 November 2015	Interim distribution paid 30 November 2014
Share Class 2	Group 1	0.3850	–	0.3850	–
	Group 2	0.0000	0.3850	0.3850	–
Share Class 3	Group 1	0.3850	–	0.3850	–
	Group 2	0.0000	0.3850	0.3850	–
Share Class 5	Group 1	0.3850	–	0.3850	–
	Group 2	0.0000	0.3850	0.3850	–
Share Class 6	Group 1	0.3850	–	0.3850	–
	Group 2	0.0000	0.3850	0.3850	–
Share Class 8	Group 1	0.3850	–	0.3850	–
	Group 2	0.3850	0.0000	0.3850	–

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 30 September 2015.

Group 2 shares are those shares purchased after 12:00 noon on 30 September 2015.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the month ended 30 September 2015

		Net revenue	Equalisation	Interim distribution paid 31 October 2015	Interim distribution paid 31 October 2014
Share Class 2	Group 1	0.3800	–	0.3800	–
	Group 2	0.0000	0.3800	0.3800	–
Share Class 3	Group 1	0.3800	–	0.3800	–
	Group 2	0.0000	0.3800	0.3800	–
Share Class 5	Group 1	0.3800	–	0.3800	–
	Group 2	0.0000	0.3800	0.3800	–
Share Class 6	Group 1	0.3800	–	0.3800	–
	Group 2	0.0000	0.3800	0.3800	–

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 31 August 2015.

Group 2 shares are those shares purchased after 12:00 noon on 31 August 2015.

Interim distribution paid in pence per share for the month ended 31 August 2015

		Net revenue	Equalisation	Interim distribution paid 30 September 2015	Interim distribution paid 30 September 2014
Share Class 2	Group 1	0.3800	–	0.3800	–
	Group 2	0.0000	0.3800	0.3800	–
Share Class 3	Group 1	0.3800	–	0.3800	–
	Group 2	0.0000	0.3800	0.3800	–
Share Class 5	Group 1	0.3800	–	0.3800	–
	Group 2	0.0000	0.3800	0.3800	–
Share Class 6	Group 1	0.3800	–	0.3800	–
	Group 2	0.0000	0.3800	0.3800	–

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 31 July 2015.

Group 2 shares are those shares purchased after 12:00 noon on 31 July 2015.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the month ended 31 July 2015

		Net revenue	Equalisation	Interim distribution paid 31 August 2015	Interim distribution paid 31 August 2014
Share Class 2	Group 1	0.3600	–	0.3600	–
	Group 2	0.0000	0.3600	0.3600	–
Share Class 3	Group 1	0.3600	–	0.3600	–
	Group 2	0.0000	0.3600	0.3600	–
Share Class 5	Group 1	0.3600	–	0.3600	–
	Group 2	0.0000	0.3600	0.3600	–
Share Class 6	Group 1	0.3600	–	0.3600	–
	Group 2	0.0000	0.3600	0.3600	–

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 30 June 2015.

Group 2 shares are those shares purchased after 12:00 noon on 30 June 2015.

Interim distribution paid in pence per share for the month ended 30 June 2015

		Net revenue	Equalisation	Interim distribution paid 31 July 2015	Interim distribution paid 31 July 2014
Share Class 2	Group 1	0.3544	–	0.3544	–
	Group 2	0.0000	0.3544	0.3544	–
Share Class 3	Group 1	0.3554	–	0.3554	–
	Group 2	0.0000	0.3554	0.3554	–
Share Class 5	Group 1	0.3545	–	0.3545	–
	Group 2	0.0000	0.3545	0.3545	–
Share Class 6	Group 1	0.3540	–	0.3540	–
	Group 2	0.0000	0.3540	0.3540	–

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 31 May 2015.

Group 2 shares are those shares purchased after 12:00 noon on 31 May 2015.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the month ended 31 May 2015

		Net revenue	Equalisation	Interim distribution paid 30 June 2015	Interim distribution paid 30 June 2014
Share Class 2	Group 1	0.3222	–	0.3222	–
	Group 2	0.0000	0.3222	0.3222	–
Share Class 3	Group 1	0.3230	–	0.3230	–
	Group 2	0.0000	0.3230	0.3230	–
Share Class 5	Group 1	0.3224	–	0.3224	–
	Group 2	0.0000	0.3224	0.3224	–
Share Class 6	Group 1	0.3222	–	0.3222	–
	Group 2	0.1323	0.1899	0.3222	–

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 30 April 2015.

Group 2 shares are those shares purchased after 12:00 noon on 30 April 2015.

Interim distribution paid in pence per share for the month ended 30 April 2015

		Net revenue	Equalisation	Interim distribution paid 31 May 2015	Interim distribution paid 31 May 2014
Share Class 2	Group 1	0.3466	–	0.3466	–
	Group 2	0.0271	0.3195	0.3466	–
Share Class 3	Group 1	0.3473	–	0.3473	–
	Group 2	0.0000	0.3473	0.3473	–
Share Class 5	Group 1	0.3467	–	0.3467	–
	Group 2	0.0225	0.3242	0.3467	–
Share Class 6	Group 1	0.3464	–	0.3464	–
	Group 2	0.1388	0.2076	0.3464	–

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 31 March 2015.

Group 2 shares are those shares purchased after 12:00 noon on 31 March 2015.

Equalisation

Equalisation applies only to Group 2 shares, in other words shares purchased during the period. It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to the holders of these shares as return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

STATEMENT OF THE AUTHORISED CORPORATE DIRECTOR'S RESPONSIBILITIES

The Collective Investment Schemes Sourcebook of the Financial Conduct Authority requires the Authorised Corporate Director (ACD) to prepare financial statements for each accounting period which give a true and fair view of the financial position of the Company at the period end and of the net income and net gains or losses on the scheme property of the Company for the period then ended.

In preparing the financial statements the ACD is required to:

- follow applicable accounting standards;
- make judgements and estimates that are reasonable and prudent;
- select suitable accounting policies and then apply them consistently;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation for the foreseeable future; and
- comply with the Instrument of Incorporation and the Statement of Recommended Practice for Authorised Funds.

The ACD is required to keep proper accounting records and to manage the Company in accordance with the Regulations and the Instrument of Incorporation.

The ACD is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUTHORISED CORPORATE DIRECTOR'S STATEMENT

We hereby approve the Report and Financial Statements of Aviva Investors Funds ICVC for the year ended 31 March 2016 on behalf of Aviva Investors UK Fund Services Limited in accordance with the requirements of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority.

I K Buckle
Director

S Ebenston
Director
28 July 2016

STATEMENT OF THE DEPOSITARY'S RESPONSIBILITIES

The Depositary is responsible for the safe keeping of all of the property of the Company (other than tangible moveable property) which is entrusted to it and for the collection of revenue that arises from that property.

It is the duty of the Depositary to take reasonable care to ensure that the Company is managed by the Authorised Corporate Director in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook ("the COLL Sourcebook"), the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) ("the OEIC Regulations") and the Company's Instrument of Incorporation and Prospectus, as appropriate, in relation to the pricing of, and dealings in, shares in the Company; the application of revenue of the Company; and the investment and borrowing powers of the Company.

DEPOSITARY'S REPORT TO THE SHAREHOLDERS

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Authorised Corporate Director:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's revenue in accordance with the COLL Sourcebook, and, where applicable, the OEIC Regulations and the Company's Instrument of Incorporation and Prospectus.
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

J.P. Morgan Europe Limited
Bournemouth
28 July 2016

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF AVIVA INVESTORS FUNDS ICVC

REPORT ON THE FINANCIAL STATEMENTS

OUR OPINION

In our opinion, Aviva Investors Funds ICVC's financial statements, and (the "financial statements of the Company"):

- give a true and fair view of the financial position of the Company and each of the Sub-Funds as at 31 March 2016 and of the net revenue and the net capital gains of the scheme property of the Company and each of the Sub-Funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Instrument of Incorporation.

EMPHASIS OF MATTER

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 1a to the financial statements concerning the basis of accounting for the Aviva Investors Global Balanced Income Fund and the Aviva Investors Global Cautious Income Fund, for which the Authorised Corporate Director has confirmed their intention to terminate within one year of the date of approval of the financial statements. Accordingly, the going concern basis of accounting is no longer appropriate and the financial statements for these Funds have been prepared on a basis other than going concern as described in note 1a to the financial statements. No adjustments were necessary in the Funds' financial statements to reduce assets to their realisable values, to provide for liabilities arising from the decision to terminate or to reclassify fixed assets and long-term liabilities as current assets and liabilities.

WHAT WE HAVE AUDITED

Aviva Investors Funds ICVC (the "Company") is an umbrella fund with a number of Sub-Funds. The financial statements of the Company, included within the Annual Report and Financial Statements (the "Annual Report") comprise the financial statements of each of the Sub-Funds, which are prepared by Aviva Investors UK Funds Services Limited (the "Authorised Corporate Director"), and comprise for each of the Sub-Funds:

- the balance sheet as at 31 March 2016
- the statement of total return for the year then ended;
- the statement of change in net assets attributable to shareholders for the year then ended;
- the accounting policies and notes applicable to the financial statements of all Sub-Funds and notes to the financial statements of individual Sub-Funds, which include other explanatory information; and
- the distribution table

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice 'Financial Statements of UK Authorised Funds' issued by the Investment Management Association (the "Statement of Recommended Practice for UK Authorised Funds"), the Collective Investment Schemes sourcebook and the Instrument of Incorporation.

In applying the financial reporting framework, the Authorised Corporate Director has made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

OPINIONS ON MATTERS PRESCRIBED BY THE COLLECTIVE INVESTMENT SCHEMES SOURCEBOOK

In our opinion:

- we have obtained all the information and explanations we consider necessary for the purposes of the audit; and
- the information given in the Authorised Corporate Director Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

PROPRIETY OF ACCOUNTING RECORDS AND INFORMATION AND EXPLANATIONS RECEIVED

Under the Collective Investment Schemes sourcebook we are required to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AVIVA INVESTORS FUNDS ICVC (CONTINUED)

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

OUR RESPONSIBILITIES AND THOSE OF THE AUTHORISED FUND MANAGER

As explained more fully in the Statement of Authorised Corporate Director's Responsibilities set out on page 82, the Authorised Corporate Director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook as required by paragraph 67(2) of the Open-Ended Investment Companies Regulations 2001 and for no other purpose.

We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

WHAT AN AUDIT OF FINANCIAL STATEMENTS INVOLVES

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's and each of the Company's Sub-Funds' circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Authorised Corporate Director; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
28 July 2016

(a) The maintenance and integrity of the Aviva Investors website is the responsibility of the Authorised Corporate Director; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

(b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

GENERAL INFORMATION

Investments in Aviva Investors Funds ICVC are intended to be medium to long term investments and should not be considered as a short term investment.

Past performance is not a guide to the future.

The value of an investment in the Funds and the revenue from it may go down as well as up, and you may not get back the original amount invested.

Where Funds are invested abroad, the value of your investment may rise and fall purely on account of movement in exchange rates.

Please refer to the Prospectus (which is available from the ACD on request) for a full description of the risks involved when investing in the Funds.

Any future returns and opinions expressed should not be relied upon as indicating any guarantee of return from investment in the Funds.

The performance figure given for each Fund is based on either midday or 11.59pm values, depending on the valuation point of the Fund.

The information contained within this document should not be construed as a recommendation to purchase or sell stocks.

Publication of Prices

Information on the prices of Shares will be available by calling 0800 051 2003 or on the internet at www.avivainvestors.com. Calls are free from landlines and mobiles, and may be recorded for training or monitoring purposes.

