

AVIVA INVESTORS FUNDS ICVC

Annual Report and Financial Statements

For the year ended 31 March 2017

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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
St Helen's
1 Undershaft
London, EC3P 3DQ

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.

Changes to Registered Office

With effect from 19 December 2016, the registered office for the ACD was changed to St Helen's, 1 Undershaft, London, EC3P 3DQ. Prior to this date, the registered office was No. 1 Poultry, London, EC2R 8EJ.

DIRECTORS

I Buckle
J Misselbrook
S Ebenston
M Craston (resigned 8 February 2017)
G Cass (resigned 8 February 2017)
D Skinner (appointed 10 February 2017)
A Brown (resigned 22 July 2016)
J Leadsom (appointed 6 April 2017)
D Clayton (appointed 5 April 2017)

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
St Helen's
1 Undershaft
London, EC3P 3DQ

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.

Changes to Registered Office

With effect from 19 December 2016, the registered office for the Investment Manager was changed to St Helen's, 1 Undershaft, London, EC3P 3DQ. Prior to this date, the registered office was No. 1 Poultry, London, EC2R 8EJ.

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 2017 there was one Fund available for investment, in the Aviva Investors Funds ICVC.

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.

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 2017. 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 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. With effect from 24 October 2016, the Annual Management Charge in share class 3 of the Aviva Investors Multi-Strategy Target Income Fund was increased to 0.67%. The eligibility criteria for share class 3, which is aimed at institutional investors, were also changed. Please see the prospectus for full details.

CHANGES TO THE PROSPECTUS

On 12 August 2016, we made several updates to our prospectuses, as we do annually to include updated fund performance information and to make sure all elements of the prospectus are up to date. One of the changes made was to set out that if, following the closure of one of our funds, any amount remaining after the payment of all amounts due to shareholders and the liabilities of the Fund is agreed with the Fund's depository to be "immaterial", this amount will be paid to charity. We also made some changes to the way in which the charges applicable to the funds are displayed, in order to make this clearer for our investors.

ELIGIBLE MARKETS

Following approval from the Depository (i) the Qatar Stock Exchange has been added on 1 September 2016, (ii) the Colombia Stock Exchange has been added on 7 September 2016 and (iii) the Buenos Aires Stock Exchange, the Moscow Exchange, the Pakistan Stock Exchange, the Abu Dhabi Securities Market, the Dubai Financial Market and the NASDAQ Dubai have been added on 8 November 2016, in each case as an eligible securities market for the Aviva Investors Multi-Strategy Target 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 closed on 16 August 2016. All investments were realised prior to closure.

STATEMENT OF CROSS HOLDINGS

There are no cross holdings as at 31 March 2017.

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), 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.

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 or to reclassify fixed assets and long-term liabilities as current assets and liabilities.

Aviva Investors Multi Strategy Target Income Fund has 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 Dilution Levy Policy

The Company reserves the right to charge a dilution levy (Investor Protection Fee) to protect existing investors in a fund from the costs of buying or selling investments that may result from the sale and/or purchase of shares in that fund. The amount of any such dilution levy is calculated by reference to the estimated costs of dealing in the underlying investments, including any dealing spreads, broker commissions and taxes. When the Company impose a dilution levy on a particular investor or group of investors, this is paid into the fund and helps to protect existing investors from the costs of the resultant transactions. For details of the circumstances in which a dilution levy may be imposed, dilution levies applied in a fund historically, and on what values, please see that fund's Prospectus.

f Underwriting commission

Underwriting commission is accounted for when the issue underwritten takes place and is normally taken to revenue. Where the Company is required to take up all the shares underwritten, the commission received is treated as a deduction from the cost of the shares taken up. Where the Company is required to take up a proportion of the shares underwritten, the same proportion of the commission received is treated as a deduction from the cost of shares taken up and the balance is taken to revenue.

g Basis of valuation of investments

Quoted investments

The quoted investments of Aviva Investors Multi-Strategy Target Income Fund have been valued at bid market value at 11.59pm. The Global Balance Income Fund and the Global Cautious Income Fund have closed and therefore were last valued on 16 August 2016.

Unquoted and unapproved investments

The unquoted and unapproved investments of the Company have been valued by the Investment Manager using available information, 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.

POLICIES AND RISKS (CONTINUED)

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.

h 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.

i 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.

j Unclaimed distributions

Any distribution remaining unclaimed after a period of six years is paid back to the relevant Fund and forms part of the capital property of the Fund.

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 creations and payable for liquidations, and debtors for accrued income.

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.

Interest and finance charges from interest rate swaps are taken to revenue. The premiums from credit default swaps are taken to revenue. The gains and losses on interest rate swaps and credit default swaps are taken to capital.

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.

POLICIES AND RISKS (CONTINUED)

FINANCIAL INSTRUMENTS (CONTINUED)

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.

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

The Fund closed on 16 August 2016, and will be terminated in due course.

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

Please note, as the fund is in the process of being terminated, the fund manager's report relates to the period to September 2016 and should not be relied upon by investors.

Market review

Global equities made gains over the period as investors welcomed a general improvement in the prospects for the global economy after a nervous start to the year. Confidence was buoyed by a recovery in commodity prices and hopes that loose monetary policies would remain in place in the major economies for longer than had been anticipated.

The UK's EU membership referendum was a source of uncertainty, but shares rallied following the shock vote for Brexit as the central banks responded with the promise of further support if necessary. US stocks hit a succession of new highs, even though the performance of the economy remained inconsistent.

UK government bonds posted gains as investors favoured lower risk assets amid concerns about Brexit. The market was lent further impetus by the Bank of England's announcement of the relaunch of its asset-buying programme at the beginning of August. The bank also cut interest rates to 0.25 per cent, the first change since March 2009.

The sterling corporate bond market was pushed higher by the rally in government bonds, although excess returns were a little disappointing as company fundamentals remained generally weak. Performance across the convertibles market was a mixed bag with most European issuers struggling in the face of uncertainty surrounding Brexit.

Fund review

The Fund returned 8.00 per cent*, which compared with a net return of 18.24 per cent generated by its peer group, the Investment Association's 'Specialist' sector.

Relative returns were hurt by insurance stocks (Legal & General, AXA) as downward pressure on interest rates (as a result of central bank policies) held back the performance of their asset portfolios.

The Fund was boosted by its holdings in UK companies with foreign revenue exposure which directly benefited from the depreciation of sterling in the aftermath of the EU referendum vote in the UK. Stocks such as AstraZeneca, BP and Diageo were good examples of this. US pharmaceutical stock Merck also performed well as its main immuno-oncology drug Keytruda displayed promising results in trials with lung cancer patients.

September 2016

* Fund performance figures – share class A, source Lipper, net of fees, net income reinvested in GBP, as at 30/09/2016.

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 Class 3, Income shares, GBP | Intel 3.25% 01/08/2039 |
| Kesko 'B' | Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP |
| Telia | Maiden Holdings Preference 7.25% |
| Nokian Renkaat | Dominion Resources |
| Telefonaktiebolaget LM Ericsson 'B' | Fiat Chrysler Automobiles 7.88% 15/12/2016 |
| Orkla | Johnson & Johnson |
| ING Groep | Kraft Heinz |
| Swisscom | Altria Group |
| Klepierre, REIT | Texas Instruments |
| Swiss Re | Microsoft |

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 A Income | 2017 [§] p per share | 2016 p per share | 2015 p per share |
|--|----------------------------------|---------------------|---------------------|
| Change in net assets per share | | | |
| Opening net asset value per share | 64.77 | 67.85 | 67.34 |
| Return before operating charges [†] | (60.39) | 1.25 | 5.57 |
| Operating charges | – | (1.16) | (1.15) |
| Return after operating charges [†] | (60.39) | 0.09 | 4.42 |
| Distributions | (4.38) | (3.17) | (3.91) |
| Closing net asset value per share | – | 64.77 | 67.85 |
| † after direct transaction costs of | – | (0.14) | (0.25) |
| Performance | | | |
| Return after charges | (93.24)% | 0.13% | 6.56% |
| Other information | | | |
| Closing net asset value (£000) | – | 2,492 | 62,145 |
| Closing number of shares | – | 3,848,359 | 91,593,472 |
| Operating charges (%) [†] | – | 1.78% | 1.71% |
| Direct transaction costs (%) [‡] | 0.08% | 0.21% | 0.37% |
| Prices[®] | | | |
| Highest share price | 70.93 | 68.72 | 69.66 |
| Lowest share price | 63.34 | 60.23 | 63.36 |

| Class I Income | 2017 [§] p per share | 2016 p per share | 2015 p per share |
|--|----------------------------------|---------------------|---------------------|
| Change in net assets per share | | | |
| Opening net asset value per share | 65.47 | 68.59 | 68.08 |
| Return before operating charges [†] | (61.08) | 1.20 | 5.56 |
| Operating charges | – | (0.86) | (0.82) |
| Return after operating charges [†] | (61.08) | 0.34 | 4.74 |
| Distributions | (4.39) | (3.46) | (4.23) |
| Closing net asset value per share | – | 65.47 | 68.59 |
| † after direct transaction costs of | – | (0.14) | (0.25) |
| Performance | | | |
| Return after charges | (93.29)% | 0.50% | 6.96% |
| Other information | | | |
| Closing net asset value (£000) | – | 36,714 | 6,161 |
| Closing number of shares | – | 56,078,450 | 8,981,982 |
| Operating charges (%) [†] | – | 1.31% | 1.21% |
| Direct transaction costs (%) [‡] | 0.08% | 0.21% | 0.37% |
| Prices[®] | | | |
| Highest share price | 71.66 | 69.49 | 70.48 |
| Lowest share price | 64.04 | 60.94 | 64.03 |

| Class A Accumulation | 2017 [§] p per share | 2016 p per share | 2015 p per share |
|---|----------------------------------|---------------------|---------------------|
| Change in net assets per share | | | |
| Opening net asset value per share | 128.68 | 128.36 | 120.23 |
| Return before operating charges [†] | (128.68) | 2.55 | 10.24 |
| Operating charges | – | (2.23) | (2.11) |
| Return after operating charges [†] | (128.68) | 0.32 | 8.13 |
| Distributions | (8.72) | (6.04) | (7.10) |
| Retained distributions on accumulation shares | 8.72 | 6.04 | 7.10 |
| Closing net asset value per share | – | 128.68 | 128.36 |
| † after direct transaction costs of | – | (0.26) | (0.46) |
| Performance | | | |
| Return after charges | (100.00)% | 0.25% | 6.76% |
| Other information | | | |
| Closing net asset value (£000) | – | 640 | 8,490 |
| Closing number of shares | – | 497,504 | 6,614,426 |
| Operating charges (%) [†] | – | 1.78% | 1.71% |
| Direct transaction costs (%) [‡] | 0.08% | 0.21% | 0.37% |
| Prices[®] | | | |
| Highest share price | 142.39 | 130.04 | 129.35 |
| Lowest share price | 125.86 | 117.61 | 117.19 |

COMPARATIVE TABLES (CONTINUED)

| Class I Accumulation | 2017 [§] p per share | 2016 p per share | 2015 p per share |
|--|----------------------------------|---------------------|---------------------|
| Change in net assets per share | | | |
| Opening net asset value per share | 135.39 | 134.53 | 125.50 |
| Return before operating charges [‡] | (135.39) | 2.55 | 10.58 |
| Operating charges | – | (1.69) | (1.55) |
| Return after operating charges [‡] | (135.39) | 0.86 | 9.03 |
| Distributions | (9.08) | (6.85) | (8.06) |
| Retained distributions on accumulation shares | 9.08 | 6.85 | 8.06 |
| Closing net asset value per share | – | 135.39 | 134.53 |
| [†] after direct transaction costs of | – | (0.28) | (0.48) |
| Performance | | | |
| Return after charges | (100.00)% | 0.64% | 7.20% |
| Other information | | | |
| Closing net asset value (£000) | – | 5,963 | 1,362 |
| Closing number of shares | – | 4,404,027 | 1,012,468 |
| Operating charges (%) [‡] | – | 1.29% | 1.21% |
| Direct transaction costs (%) [‡] | 0.08% | 0.21% | 0.37% |
| Prices[≈] | | | |
| Highest share price | 149.85 | 136.32 | 135.56 |
| Lowest share price | 132.46 | 123.67 | 122.60 |

‡ 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.
 (c) The Fund was closed on 16 August 2016, hence the Operating charges (%) for the current year are zero.

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.

§ Up to 16 August 2016 (date the Fund closed).

Ongoing Charges Figure*

| Share class | For the period to | |
|-------------|-------------------|----------|
| | 16.08.16 | 31.03.16 |
| Class A | 0.71% | 1.78% |
| Class I | 0.71% | 1.29% |

* 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.

STATEMENT OF TOTAL RETURN

For the year ended 31 March 2017

| | Notes | £000 | Year ended 31.03.17 £000 | £000 | Year ended 31.03.16 £000 |
|---|-------|-------|--------------------------------|---------|--------------------------------|
| Income | | | | | |
| Net capital gains/(losses) | 2 | | 2,503 | | (4,104) |
| Revenue | 3 | 1,829 | | 4,633 | |
| Expenses | 4 | (35) | | (1,105) | |
| Net revenue before taxation | | 1,794 | | 3,528 | |
| Taxation | 5 | 525 | | (201) | |
| Net revenue after taxation | | | 2,319 | | 3,327 |
| Total return before distributions | | | 4,822 | | (777) |
| Distributions | 6 | | (2,358) | | (3,415) |
| Change in net assets attributable to shareholders from investment activities | | | 2,464 | | (4,192) |

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 31 March 2017

| | £000 | Year ended 31.03.17 £000 | £000 | Year ended 31.03.16 £000 |
|--|----------|--------------------------------|----------|--------------------------------|
| Opening net assets attributable to shareholders | | 45,809 | | 78,158 |
| Movement due to issue and cancellation of shares: | | | | |
| Amounts receivable on issue of shares | 701 | | 2,437 | |
| Amounts payable on cancellation of shares | (49,095) | | (30,994) | |
| | | (48,394) | | (28,557) |
| Dilution adjustment | | 3 | | – |
| Change in net assets attributable to shareholders from investment activities (see above) | | 2,464 | | (4,192) |
| Retained distribution on accumulation shares | | 176 | | 400 |
| Unclaimed distribution monies | | 7 | | – |
| Fund closure | | (65) | | – |
| Closing net assets attributable to shareholders | | – | | 45,809 |

BALANCE SHEET

As at 31 March 2017

| | Notes | As at 31.03.17 £000 | As at 31.03.16 £000 |
|--|-------|---------------------------|---------------------------|
| Assets: | | | |
| Investments | | – | 45,415 |
| Current assets: | | | |
| Debtors | 8 | 162 | 673 |
| Cash and bank balances | 9 | 1,158 | 662 |
| Total assets | | 1,320 | 46,750 |
| Liabilities: | | | |
| Investment liabilities | | – | (78) |
| Creditors: | | | |
| Distribution payable | | (987) | (745) |
| Other creditors | 10 | (333) | (118) |
| Total liabilities | | (1,320) | (941) |
| Net assets attributable to shareholders | | – | 45,809 |

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting basis and policies

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

2 Net capital gains/(losses)

| | Year ended 31.03.17 £000 | Year ended 31.03.16 £000 |
|--|--------------------------------|--------------------------------|
| Net capital gains/(losses) on investments during the year comprise: | | |
| Currency gains | 255 | 115 |
| Derivative contracts gains | – | 312 |
| Expenses relating to the purchase and sale of investments | (17) | (16) |
| Forward currency contracts (losses)/gains | (270) | 66 |
| Non-derivative securities gains/(losses) | 2,535 | (4,581) |
| Net capital gains/(losses) | 2,503 | (4,104) |

3 Revenue

| | Year ended 31.03.17 £000 | Year ended 31.03.16 £000 |
|-----------------------------|--------------------------------|--------------------------------|
| Bank and deposit interest | 234 | 7 |
| Interest on debt securities | 214 | 757 |
| Option premiums | – | 563 |
| Overseas dividends | 1,276 | 2,819 |
| UK dividends | 105 | 487 |
| Total revenue | 1,829 | 4,633 |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 Expenses

| | Year ended 31.03.17 £000 | Year ended 31.03.16 £000 |
|---|--------------------------------|--------------------------------|
| Payable to the Authorised Corporate Director ("ACD"), associates of the ACD or agents of either of them: | | |
| ACD's periodic charge | 85 | 928 |
| ACD rebate | (128) | – |
| Fund documentation production | 7 | 34 |
| Registration fees | 9 | 65 |
| | (27) | 1,027 |
| Payable to the Depositary, associates of the Depositary or agents of either of them: | | |
| Depositary's fee | 4 | 10 |
| Interest payable | 5 | 12 |
| Safe custody fee | 1 | 5 |
| | 10 | 27 |
| Other expenses: | | |
| Audit fee* | 14 | 13 |
| Closure costs | 30 | – |
| Professional fees | 9 | 38 |
| Statement fees | (1) | – |
| | 52 | 51 |
| Total expenses | 35 | 1,105 |

* The audit fee was £9,000 (2016: £11,316) net of VAT.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Taxation**a Analysis of tax charge**

| | Year ended 31.03.17 £000 | Year ended 31.03.16 £000 |
|---|--------------------------------|--------------------------------|
| Corporation tax | 87 | 61 |
| Double tax relief | – | (6) |
| French tax reclaims | (698) | – |
| Adjustments in respect of prior periods | (5) | – |
| Overseas tax suffered | 91 | 150 |
| Total current tax (see note 5b) | (525) | 205 |
| Deferred tax | – | (4) |
| Total deferred tax (see note 5c) | – | (4) |
| Total tax for the year | (525) | 201 |

b Factors affecting current tax charge

The tax assessed for the year is lower (2016: lower) than the standard rate of corporation tax in the UK for an Authorised Investment Fund (20%) (2016: 20%).

The differences are explained below:

| | Year ended 31.03.17 £000 | Year ended 31.03.16 £000 |
|---|--------------------------------|--------------------------------|
| Net revenue before taxation | 1,794 | 3,528 |
| Corporation tax at 20% | 359 | 706 |
| Effects of: | | |
| Adjustments in respect of prior periods | (5) | – |
| Double taxation relief | – | (6) |
| Expenses not deductible for tax purposes | 8 | 7 |
| Overseas dividends not subject to corporation tax | (260) | (555) |
| Overseas tax suffered | 91 | 150 |
| Revenue taxable in different periods | 1 | – |
| UK dividends not subject to corporation tax | (698) | (97) |
| | (884) | (501) |
| Current tax charge (see note 5a) | (525) | 205 |

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 31.03.17 £000 | Year ended 31.03.16 £000 |
|---|--------------------------------|--------------------------------|
| The deferred tax provision is made up as follows: | | |
| Provision at start of year | – | 4 |
| Charge for the year | – | (4) |
| Provision at the end of year | – | – |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 Distributions

| | Year ended 31.03.17 £000 | Year ended 31.03.16 £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 | 430 | 746 |
| Distribution for the period ended 15 August | 679 | – |
| Distribution for the three months ended 30 September | – | 686 |
| Distribution for the three months ended 31 December | – | 613 |
| Distribution for the three months ended 31 March | 987 | 865 |
| | 2,096 | 2,910 |
| Add: Revenue deducted on cancellation of shares | 276 | 549 |
| Deduct: Revenue received on issue of shares | (14) | (44) |
| Total distributions | 2,358 | 3,415 |
| Reconciliations of distributions for the year to net revenue after taxation | | |
| Distributions for the year | 2,319 | 3,415 |
| Equalisation on conversions | – | (50) |
| Movement in revenue account | (65) | – |
| Other fees borne by capital account | 39 | (38) |
| Revenue deficit transferred to capital | 65 | – |
| Net revenue after taxation | 2,358 | 3,327 |

Details of the distributions per share are set out in the distribution tables on pages 22 to 24.

7 Fair value hierarchy

| Valuation technique | As at 31.03.17 | | As at 31.03.16 | |
|--|----------------|---------------------|----------------|---------------------|
| | Assets £000 | Liabilities £000 | Assets £000 | Liabilities £000 |
| Level 1: Quoted prices for identical instruments in active markets | – | – | 32,735 | – |
| Level 3: Valuation techniques using non-observable market data | – | – | 12,680 | (78) |
| Total | – | – | 45,415 | (78) |

Financial instruments have been measured at their fair value and have been classified below using a hierarchy that reflects the significance of the inputs used in measuring their fair value:

Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable (ie developed using market data) for the asset or liability, either directly or indirectly.

Level 3: Inputs are unobservable (ie for which market data is unavailable) for the asset or liability.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8 Debtors

| | As at 31.03.17 £000 | As at 31.03.16 £000 |
|--|---------------------------|---------------------------|
| Accrued revenue | – | 345 |
| Amounts receivable on issue of shares | – | 178 |
| Compensation payment receivable from ACD | 162 | – |
| Overseas tax recoverable | – | 149 |
| Sales awaiting settlement | – | 1 |
| Total debtors | 162 | 673 |

9 Cash and bank balances

| | As at 31.03.17 £000 | As at 31.03.16 £000 |
|---|---------------------------|---------------------------|
| Amounts held at futures clearing houses and brokers | – | 46 |
| Cash and bank balances | 1,158 | 616 |
| Total cash and bank balances | 1,158 | 662 |

10 Other creditors

| | As at 31.03.17 £000 | As at 31.03.16 £000 |
|--|---------------------------|---------------------------|
| Accrued expenses | 108 | 80 |
| Amounts payable for cancellation of shares | – | 17 |
| Corporation tax payable | 88 | 21 |
| Provision for Corporation Tax 2009 | 137 | – |
| Total creditors | 333 | 118 |

11 Contingent liabilities and commitments

There were no contingent liabilities or commitments at the year end (2016: £nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12 Related party transactions

Aviva Investors UK Fund Services Limited, Aviva Investors Global Services Limited and the Aviva group are deemed to be related parties per section 33.10 of FRS 102 as they are entities with control, joint control or significant influence over the entity.

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 is £nil (2016: £49,000). 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 £nil (2016: £41,000). The amount outstanding at the year end was £nil (2016: £17,000). Related parties of the ACD were deemed to be all companies under the control of Aviva Plc. This included companies which held shares in the Fund on behalf of other external investors.

Annual management charge rebates received or receivable from the Manager of £7,377 (2016: £nil) are disclosed under Net capital gains/(losses) and Revenue in the Notes to the Accounts. Amounts due from the Manager at the balance sheet date of £nil (2016: £nil) are disclosed under Debtors in the Notes to the Accounts.

All investments managed and advised by Aviva Investors Global Services Limited or associated with the Aviva Group were identified on the portfolio statement. The total purchases and sales on these investments during the year amounted to £1,200,000 (2016: £1,500,000) and £1,381,000 (2016: £1,500,000) respectively. The income received during the year amounted to £4,000 (2016: £11,000).

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

| | Holdings at 31.03.17 (shares) | Movement (shares) | Holdings at 31.03.16 (shares) |
|---|-------------------------------------|----------------------|-------------------------------------|
| ACD and related parties (share class A Income shares) | – | (360,517) | 360,517 |
| ACD and related parties (share class A Accumulation shares) | – | (149,153) | 149,153 |
| ACD and related parties (share class I Income shares) | – | (597,037) | 597,037 |
| ACD and related parties (share class I Accumulation shares) | – | (105,880) | 105,880 |

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: 0.50%
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 of the share class, the net asset value per share and the number of shares in the class were shown on pages 9 and 10. The distributions per share class are given in the distribution tables on pages 22 to 24. All the share classes had the same rights on winding up.

14 Shares in issue reconciliation

| | Number of shares in issue at 31.03.16 | Number of shares issued | Number of shares cancelled | Number of shares converted | Number of shares in issue at 31.03.17 |
|----------------------------|---|----------------------------|-------------------------------|-------------------------------|---|
| Share Class A Income | 3,848,359 | 32,603 | (3,368,825) | (512,137) | – |
| Share Class A Accumulation | 497,504 | 165,604 | (660,925) | (2,183) | – |
| Share Class I Income | 56,078,450 | 258,273 | (56,843,366) | 506,643 | – |
| Share Class I Accumulation | 4,404,027 | 213,989 | (4,620,091) | 2,075 | – |

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.

Fair value of financial assets and financial liabilities

There is no significant difference between the carrying values of the financial assets and liabilities and their fair values (2016: £nil).

Currency risk

At the year end date, 0.00% (2016: 55.76%) 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 currency rates were to change by 10.00%, the value of the Fund would change by nil% (2016: 5.58%).

| Currency | Net foreign currency assets | | | | | |
|-------------------|-----------------------------|----------|-------------------------------|----------|---------------|----------|
| | Monetary exposure £000 | | Non-monetary exposure £000 | | Total £000 | |
| | 31.03.17 | 31.03.16 | 31.03.17 | 31.03.16 | 31.03.17 | 31.03.16 |
| Australian Dollar | – | 31 | – | 386 | – | 417 |
| Canadian Dollar | – | 24 | – | 502 | – | 526 |
| Euro | 1,059 | 241 | – | 3,976 | 1,059 | 4,217 |
| Norwegian Krone | – | 22 | – | – | – | 22 |
| Swedish Krona | – | 11 | – | 396 | – | 407 |
| Swiss Franc | – | 96 | – | 1,178 | – | 1,274 |
| US Dollar | – | 59 | – | 18,619 | – | 18,678 |

Interest rate risk

At the year end date 0.00% (2016: 29.13%) 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 0.00% (2016: 0.29%). The interest rate profile of the Fund's financial assets and liabilities at 31 March 2017 was:

| Currency 31.03.17 | Floating Rate £000 | Fixed Rate £000 | None £000 | Total £000 |
|------------------------------|-----------------------|--------------------|----------------|---------------|
| Financial Assets | | | | |
| Sterling | 99 | – | 162 | 261 |
| Euro | 1,059 | – | – | 1,059 |
| Financial Liabilities | | | | |
| Sterling | – | – | (1,320) | (1,320) |
| Total | 1,158 | – | (1,158) | – |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 Derivatives and other financial instruments (continued)

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 |

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, 0.00% (2016: 98.97%) of the net assets of the Fund were invested in ordinary shares or stock units or debt securities admitted to an official stock exchange.

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 | (40) | (40) |
| UBS | (38) | (38) |
| Total | (78) | (78) |

The counterparty exposure on forward currency contracts is reported at their mark to market values.

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 2017: £nil (2016: £nil).

17 Debt security credit analysis

| | Market value £000 | | Total net assets % | |
|------------------------------|----------------------|---------------|-----------------------|---------------|
| | 31.03.17 | 31.03.16 | 31.03.17 | 31.03.16 |
| Investment grade | – | 9,700 | – | 21.17% |
| Below investment grade | – | 827 | – | 1.81% |
| Unrated | – | 2,153 | – | 4.70% |
| Total debt securities | – | 12,680 | – | 27.68% |

Credit rating designations BBB or above are considered investment grade whereas credit rating designations BBB- or lower are considered below investment grade. There is no Debt security to disclose for the current year.

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.

| 31.03.17 | 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 | (21,806) | (20) | (17) | (21,843) | 0.09% | 0.08% |
| Bonds | (1,608) | – | – | (1,608) | 0.00% | 0.00% |
| | (23,414) | (20) | (17) | (23,451) | | |
| Sales (excluding in-specie transfers and corporate actions) | | | | | | |
| Equities | 56,351 | (25) | (1) | 56,325 | 0.04% | 0.00% |
| Bonds | 14,884 | – | – | 14,884 | 0.00% | 0.00% |
| | 71,235 | (25) | (1) | 71,209 | | |
| Total | | (45) | (18) | | | |
| Percentage of fund average net assets | | 0.06% | 0.02% | | | |

| 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% | | | |

Dealing spread

As at 31 March 2017, the average portfolio dealing spread was 0.00% (2016: 0.30%). 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

There are no post balance sheet events which require adjustment or disclosure at the year end (2016: £nil).

DISTRIBUTION TABLES

Final distribution payable in pence per share for the three months ended 31 March 2017

| Income shares | | Net revenue | Equalisation | Final distribution payable 10 May 2017 | Final distribution paid 10 May 2016 |
|---------------|---------|-------------|--------------|---|--|
| Share Class A | Group 1 | 2.1751 | – | 2.1751 | 1.1343 |
| | Group 2 | 2.1751 | 0.0000 | 2.1751 | 1.1343 |
| Share Class I | Group 1 | 2.1451 | – | 2.1451 | 1.2512 |
| | Group 2 | 2.1451 | 0.0000 | 2.1451 | 1.2512 |

| Accumulation shares | | Net revenue | Equalisation | Final distribution payable 10 May 2017 | Final distribution paid 10 May 2016 |
|---------------------|---------|-------------|--------------|---|--|
| Share Class A | Group 1 | 4.3325 | – | 4.3325 | 2.1481 |
| | Group 2 | 4.3325 | 0.0000 | 4.3325 | 2.1481 |
| Share Class I | Group 1 | 4.4431 | – | 4.4431 | 2.4748 |
| | Group 2 | 4.4431 | 0.0000 | 4.4431 | 2.4748 |

Final distribution

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

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

Interim distribution paid in pence per share for the three months ended 31 December 2016

| Income shares | | Net revenue | Equalisation | Interim distribution paid 10 February 2017 | Interim distribution paid 10 February 2016 |
|---------------|---------|-------------|--------------|---|---|
| Share Class A | Group 1 | 0.0000 | – | 0.0000 | 0.6983 |
| | Group 2 | 0.0000 | 0.0000 | 0.0000 | 0.6983 |
| Share Class I | Group 1 | 0.0000 | – | 0.0000 | 0.7572 |
| | Group 2 | 0.0000 | 0.0000 | 0.0000 | 0.7572 |

| Accumulation shares | | Net revenue | Equalisation | Interim distribution paid 10 February 2017 | Interim distribution paid 10 February 2016 |
|---------------------|---------|-------------|--------------|---|---|
| Share Class A | Group 1 | 0.0000 | – | 0.0000 | 1.3490 |
| | Group 2 | 0.0000 | 0.0000 | 0.0000 | 1.3490 |
| Share Class I | Group 1 | 0.0000 | – | 0.0000 | 1.5191 |
| | Group 2 | 0.0000 | 0.0000 | 0.0000 | 1.5191 |

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 30 September 2016.

Group 2 shares are those shares purchased after 12:00 noon on 30 September 2016.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the three months ended 30 September 2016

| Income shares | | Net revenue | Equalisation | Interim distribution paid 10 November 2016 | Interim distribution paid 10 November 2015 |
|---------------|---------|-------------|--------------|---|---|
| Share Class A | Group 1 | 0.0000 | – | 0.0000 | 0.6607 |
| | Group 2 | 0.0000 | 0.0000 | 0.0000 | 0.6607 |
| Share Class I | Group 1 | 0.0000 | – | 0.0000 | 0.7163 |
| | Group 2 | 0.0000 | 0.0000 | 0.0000 | 0.7163 |

| Accumulation shares | | Net revenue | Equalisation | Interim distribution paid 10 November 2016 | Interim distribution paid 10 November 2015 |
|---------------------|---------|-------------|--------------|---|---|
| Share Class A | Group 1 | 0.0000 | – | 0.0000 | 1.2631 |
| | Group 2 | 0.0000 | 0.0000 | 0.0000 | 1.2631 |
| Share Class I | Group 1 | 0.0000 | – | 0.0000 | 1.4209 |
| | Group 2 | 0.0000 | 0.0000 | 0.0000 | 1.4209 |

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 30 June 2016.

Group 2 shares are those shares purchased after 12:00 noon on 30 June 2016.

Interim distribution paid in pence per share for the period ended 15 August 2016

| Income shares | | Net revenue | Equalisation | Interim distribution paid 30 September 2016 | Interim distribution paid 30 September 2015 |
|---------------|---------|-------------|--------------|--|--|
| Share Class A | Group 1 | 1.4978 | – | 1.4978 | – |
| | Group 2 | 0.1474 | 1.3504 | 1.4978 | – |
| Share Class I | Group 1 | 1.4772 | – | 1.4772 | – |
| | Group 2 | 1.3491 | 0.1281 | 1.4772 | – |

| Accumulation shares | | Net revenue | Equalisation | Interim distribution paid 30 September 2016 | Interim distribution paid 30 September 2015 |
|---------------------|---------|-------------|--------------|--|--|
| Share Class A | Group 1 | 2.9836 | – | 2.9836 | – |
| | Group 2 | 0.0951 | 2.8885 | 2.9836 | – |
| Share Class I | Group 1 | 3.0598 | – | 3.0598 | – |
| | Group 2 | 2.7792 | 0.2806 | 3.0598 | – |

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 30 June 2016.

Group 2 shares are those shares purchased after 12:00 noon on 30 June 2016.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the three months ended 30 June 2016

| Income shares | | Net revenue | Equalisation | Interim distribution paid 10 August 2016 | Interim distribution paid 10 August 2015 |
|---------------|---------|-------------|--------------|---|---|
| Share Class A | Group 1 | 0.7042 | – | 0.7042 | 0.6764 |
| | Group 2 | 0.0000 | 0.7042 | 0.7042 | 0.6764 |
| Share Class I | Group 1 | 0.7628 | – | 0.7628 | 0.7335 |
| | Group 2 | 0.0000 | 0.7628 | 0.7628 | 0.7335 |

| Accumulation shares | | Net revenue | Equalisation | Interim distribution paid 10 August 2016 | Interim distribution paid 10 August 2015 |
|---------------------|---------|-------------|--------------|---|---|
| Share Class A | Group 1 | 1.3992 | – | 1.3992 | 1.2797 |
| | Group 2 | 0.0000 | 1.3992 | 1.3992 | 1.2797 |
| Share Class I | Group 1 | 1.5777 | – | 1.5777 | 1.4388 |
| | Group 2 | 0.0000 | 1.5777 | 1.5777 | 1.4388 |

Interim distribution

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

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

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

The Fund closed on 16 August 2016 and will be terminated in due course.

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

Please note, as the fund is in the process of being terminated, the fund manager's report relates to the period to September 2016 and should not be relied upon by investors.

Market review

Global equities made gains over the period as investors welcomed a general improvement in the prospects for the global economy after a nervous start to the year. Confidence was buoyed by a recovery in commodity prices and hopes that loose monetary policies would remain in place in the major economies for longer than had been anticipated.

The UK's EU membership referendum was a source of uncertainty, but shares rallied following the shock vote for Brexit as the central banks responded with the promise of further support if necessary. US stocks hit a succession of new highs, even though the performance of the economy remained inconsistent.

UK government bonds posted gains as investors favoured lower risk assets amid concerns about Brexit. The market was lent further impetus by the Bank of England's announcement of the relaunch of its asset-buying programme at the beginning of August. The bank also cut interest rates to 0.25 per cent, the first change since March 2009.

The sterling corporate bond market was pushed higher by the rally in government bonds, although excess returns were a little disappointing as company fundamentals remained generally weak.

Fund review

The Fund returned 7.30 per cent* which compared with net return of 18.24 per cent generated by its peer group, the Investment Association's 'Specialist' sector.

Relative returns were hurt by insurance stocks (Legal & General, AXA) as downward pressure on interest rates (as a result of central bank policies) held back the performance of their asset portfolios.

The Fund was boosted by its holdings in UK companies with foreign revenue exposure which directly benefited from the depreciation of sterling in the aftermath of the EU referendum vote in the UK. Stocks such as AstraZeneca, BP and Diageo were good examples of this. US pharmaceutical stock Merck also performed well as its main immuno-oncology drug Keytruda displayed promising results in trials with lung cancer patients.

September 2016

* Fund performance figures – share class A, source Lipper, net of fees, net income reinvested in GBP, as at 30/09/2016.

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 26 and 27 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 1.50% 22/07/2026 | UK Treasury 1.50% 22/07/2026 |
| UK Treasury 4.00% 07/09/2016 | UK Treasury 4.00% 07/09/2016 |
| Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP | UK Treasury 2.00% 07/09/2025 |
| UK Treasury 2.00% 07/09/2025 | Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP |
| UK Treasury 3.50% 22/01/2045 | UK Treasury 2.50% 22/07/2065 |
| UK Treasury 1.00% 07/09/2017 | UK Treasury 2.00% 22/07/2020 |
| Kesko 'B' | UK Treasury 3.50% 22/01/2045 |
| UK Treasury 1.75% 22/07/2019 | UK Treasury 3.75% 07/09/2020 |
| Telia | UK Treasury 4.25% 07/09/2039 |
| Nokian Renkaat | UK Treasury 1.00% 07/09/2017 |

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 A Income | 2017 [§] p per share | 2016 p per share | 2015 p per share |
|--|----------------------------------|---------------------|---------------------|
| Change in net assets per share | | | |
| Opening net asset value per share | 86.60 | 89.20 | 85.40 |
| Return before operating charges [†] | (83.06) | 1.92 | 9.00 |
| Operating charges | – | (1.27) | (1.26) |
| Return after operating charges [†] | (83.06) | 0.65 | 7.74 |
| Distributions | (3.54) | (3.25) | (3.94) |
| Closing net asset value per share | – | 86.60 | 89.20 |
| † after direct transaction costs of | – | (0.10) | (0.17) |
| Performance | | | |
| Return after charges | – | 0.73% | 9.06% |
| Other information | | | |
| Closing net asset value (£000) | – | 1,050 | 88,826 |
| Closing number of shares | – | 1,212,864 | 99,578,642 |
| Operating charges (%) [†] | – | 1.48% | 1.45% |
| Direct transaction costs (%) [‡] | 0.00% | 0.11% | 0.20% |
| Prices[®] | | | |
| Highest share price | 93.65 | 89.87 | 90.03 |
| Lowest share price | 85.71 | 83.82 | 84.65 |

| Class I Income | 2017 [§] p per share | 2016 p per share | 2015 p per share |
|--|----------------------------------|---------------------|---------------------|
| Change in net assets per share | | | |
| Opening net asset value per share | 86.46 | 89.06 | 85.29 |
| Return before operating charges [†] | (82.94) | 2.01 | 9.01 |
| Operating charges | – | (0.90) | (0.83) |
| Return after operating charges [†] | (82.94) | 1.11 | 8.18 |
| Distributions | (3.52) | (3.71) | (4.41) |
| Closing net asset value per share | – | 86.46 | 89.06 |
| † after direct transaction costs of | – | (0.10) | (0.17) |
| Performance | | | |
| Return after charges | – | 1.25% | 9.59% |
| Other information | | | |
| Closing net asset value (£000) | – | 56,401 | 699 |
| Closing number of shares | – | 65,234,878 | 785,315 |
| Operating charges (%) [†] | – | 1.03% | 0.95% |
| Direct transaction costs (%) [‡] | 0.00% | 0.11% | 0.20% |
| Prices[®] | | | |
| Highest share price | 93.46 | 89.74 | 89.99 |
| Lowest share price | 85.59 | 83.83 | 84.55 |

| Class A Accumulation | 2017 [§] p per share | 2016 p per share | 2015 p per share |
|---|----------------------------------|---------------------|---------------------|
| Change in net assets per share | | | |
| Opening net asset value per share | 135.38 | 135.28 | 124.91 |
| Return before operating charges [†] | (134.69) | 2.05 | 12.25 |
| Operating charges | – | (1.95) | (1.88) |
| Return after operating charges [†] | (134.69) | 0.10 | 10.37 |
| Distributions | (5.54) | (4.98) | (5.83) |
| Retained distributions on accumulation shares | 4.85 | 4.98 | 5.83 |
| Closing net asset value per share | – | 135.38 | 135.28 |
| † after direct transaction costs of | – | (0.15) | (0.26) |
| Performance | | | |
| Return after charges | – | 0.07% | 8.30% |
| Other information | | | |
| Closing net asset value (£000) | – | 560 | 12,109 |
| Closing number of shares | – | 413,395 | 8,950,619 |
| Operating charges (%) [†] | – | 1.48% | 1.45% |
| Direct transaction costs (%) [‡] | 0.00% | 0.11% | 0.20% |
| Prices[®] | | | |
| Highest share price | 147.36 | 136.30 | 136.14 |
| Lowest share price | 134.00 | 128.32 | 125.06 |

COMPARATIVE TABLES (CONTINUED)

| Class I Accumulation | 2017 [§] p per share | 2016 p per share | 2015 p per share |
|--|----------------------------------|---------------------|---------------------|
| Change in net assets per share | | | |
| Opening net asset value per share | 141.81 | 141.12 | 129.79 |
| Return before operating charges [‡] | (141.08) | 2.05 | 12.62 |
| Operating charges | – | (1.36) | (1.29) |
| Return after operating charges [‡] | (141.08) | 0.69 | 11.33 |
| Distributions | (5.77) | (5.91) | (6.83) |
| Retained distributions on accumulation shares | 5.04 | 5.91 | 6.83 |
| Closing net asset value per share | – | 141.81 | 141.12 |
| [†] after direct transaction costs of | – | (0.15) | (0.27) |
| Performance | | | |
| Return after charges | – | 0.49% | 8.73% |
| Other information | | | |
| Closing net asset value (£000) | – | 9,838 | 1,187 |
| Closing number of shares | – | 6,937,721 | 841,303 |
| Operating charges (%) [‡] | – | 0.98% | 0.95% |
| Direct transaction costs (%) [#] | 0.00% | 0.11% | 0.20% |
| Prices[≈] | | | |
| Highest share price | 154.39 | 142.21 | 142.02 |
| Lowest share price | 140.39 | 134.08 | 129.94 |

‡ 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.
 (c) The Fund was closed on 16 August 2016, hence the Ongoing Charges Figures for the current year is '0'.

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. The net asset value per share price is based on the net asset value in the published accounts and may be different due to post year end accounting adjustments.

§ Up to 16 August 2016 (date the Fund closed).

Ongoing Charges Figure*

| Share class | For the period to | |
|-------------|-------------------|----------|
| | 16.08.16 | 31.03.16 |
| Class A | 0.60% | 1.49% |
| Class I | 0.60% | 0.99% |

* 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.

STATEMENT OF TOTAL RETURN

For the year ended 31 March 2017

| | Notes | £000 | Year ended 31.03.17 £000 | £000 | Year ended 31.03.16 £000 |
|---|-------|-------|--------------------------------|---------|--------------------------------|
| Income | | | | | |
| Net capital gains/(losses) | 2 | | 3,768 | | (3,556) |
| Revenue | 3 | 1,968 | | 4,868 | |
| Expenses | 4 | (4) | | (1,265) | |
| Net revenue before taxation | | 1,964 | | 3,603 | |
| Taxation | 5 | 351 | | (116) | |
| Net revenue after taxation | | | 2,315 | | 3,487 |
| Total return before distributions | | | 6,083 | | (69) |
| Distributions | 6 | | (2,354) | | (3,633) |
| Change in net assets attributable to shareholders from investment activities | | | 3,729 | | (3,702) |

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 31 March 2017

| | £000 | Year ended 31.03.17 £000 | £000 | Year ended 31.03.16 £000 |
|--|----------|--------------------------------|----------|--------------------------------|
| Opening net assets attributable to shareholders | | 67,849 | | 102,821 |
| Movement due to issue and cancellation of shares: | | | | |
| Amounts receivable on issue of shares | 736 | | 2,912 | |
| Amounts payable on cancellation of shares | (72,560) | | (34,559) | |
| | | (71,824) | | (31,647) |
| Change in net assets attributable to shareholders from investment activities (see above) | | 3,729 | | (3,702) |
| Retained distribution on accumulation shares | | 178 | | 377 |
| Fund closure | | 68 | | – |
| Closing net assets attributable to shareholders | | – | | 67,849 |

BALANCE SHEET

As at 31 March 2017

| | Notes | As at 31.03.17 £000 | As at 31.03.16 £000 |
|--|-------|---------------------------|---------------------------|
| Assets: | | | |
| Investments | | – | 67,044 |
| Current assets: | | | |
| Debtors | 8 | 121 | 936 |
| Cash and bank balances | 9 | 741 | 1,140 |
| Total assets | | 862 | 69,120 |
| Liabilities: | | | |
| Investment liabilities | | – | (66) |
| Creditors: | | | |
| Bank overdrafts | | – | (27) |
| Distribution payable | | (771) | (1,066) |
| Other creditors | 10 | (91) | (112) |
| Total liabilities | | (862) | (1,271) |
| Net assets attributable to shareholders | | – | 67,849 |

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting basis and policies

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

2 Net capital gains/(losses)

| | Year ended 31.03.17 £000 | Year ended 31.03.16 £000 |
|--|--------------------------------|--------------------------------|
| Net capital gains/(losses) on investments during the year comprise: | | |
| Currency gains | 244 | 104 |
| Derivative contracts (losses)/gains | (10) | 230 |
| Expenses relating to the purchase and sale of investments | (18) | (17) |
| Forward currency contracts losses | (215) | (18) |
| Non-derivative securities gains/(losses) | 3,767 | (3,855) |
| Net capital gains/(losses) | 3,768 | (3,556) |

3 Revenue

| | Year ended 31.03.17 £000 | Year ended 31.03.16 £000 |
|-----------------------------|--------------------------------|--------------------------------|
| Bank and deposit interest | 141 | 3 |
| Interest on debt securities | 523 | 2,129 |
| Option premiums | (3) | 439 |
| Overseas dividends | 1,211 | 1,904 |
| UK dividends | 96 | 393 |
| Total revenue | 1,968 | 4,868 |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 Expenses

| | Year ended 31.03.17 £000 | Year ended 31.03.16 £000 |
|---|--------------------------------|--------------------------------|
| Payable to the Authorised Corporate Director ("ACD"), associates of the ACD or agents of either of them: | | |
| ACD's periodic charge | 104 | 1,077 |
| ACD rebate | (186) | – |
| Fund documentation production | 10 | 46 |
| Registration fees | 23 | 88 |
| | (49) | 1,211 |
| Payable to the Depositary, associates of the Depositary or agents of either of them: | | |
| Depositary's fee | 5 | 13 |
| Interest payable | 1 | 8 |
| Safe custody fee | 1 | 6 |
| | 7 | 27 |
| Other expenses: | | |
| Audit fee* | 14 | 14 |
| Closure Costs | 30 | – |
| Professional fees | 2 | 13 |
| | 46 | 27 |
| Total expenses | 4 | 1,265 |

* The audit fee was £9,000 (2016: £11,316) net of VAT.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Taxation**a Analysis of tax charge**

| | Year ended 31.03.17 £000 | Year ended 31.03.16 £000 |
|--|--------------------------------|--------------------------------|
| French tax reclaims | (411) | – |
| Adjustment in respect of prior periods | (6) | – |
| Overseas tax suffered | 66 | 116 |
| Total current tax (see note 5b) | (351) | 116 |

b Factors affecting current tax charge

The tax assessed for the year is lower (2016: lower) than the standard rate of corporation tax in the UK for an Authorised Investment Fund (20%) (2016: 20%).

The differences are explained below:

| | Year ended 31.03.17 £000 | Year ended 31.03.16 £000 |
|---|--------------------------------|--------------------------------|
| Net revenue before taxation | 1,964 | 3,603 |
| Corporation tax at 20% | 393 | 721 |
| Effects of: | | |
| Adjustment in respect of prior periods | (6) | – |
| Expenses not deductible for tax purposes | 7 | – |
| Movement in excess expenses | (139) | (261) |
| Overseas dividends not subject to corporation tax | (242) | (381) |
| Overseas tax suffered | 66 | 116 |
| UK dividends not subject to corporation tax | (19) | (79) |
| French tax reclaims | (411) | – |
| | (744) | (605) |
| Current tax charge (see note 5a) | (351) | 116 |

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 (2017: £nil).

After claiming relief against accrued income taxable on receipt, the Fund has unrelieved excess expenses of £4,640,000 (2016: £5,336,000) creating a potential deferred tax asset of £928,000 (2016: £1,067,000). 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 31.03.17 £000 | Year ended 31.03.16 £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 | 713 | 976 |
| Gross interest distribution for the period ended 15 August | 716 | – |
| Gross interest distribution for the three months ended 30 September | – | 762 |
| Gross interest distribution for the three months ended 31 December | – | 625 |
| Gross interest distribution for the three months ended 31 March | 771 | 950 |
| | 2,200 | 3,313 |
| Add: Revenue deducted on cancellation of shares | 163 | 343 |
| Deduct: Revenue received on issue of shares | (9) | (23) |
| Distributions | 2,354 | 3,633 |
| Reconciliation of distributions for the year to net revenue after taxation | | |
| Distributions for the year | 2,315 | 3,633 |
| Equalisation on conversions | – | (132) |
| Movement in revenue account | (67) | – |
| Other fees borne by capital account | 39 | (14) |
| Revenue deficit transferred to capital | 67 | – |
| Net revenue after taxation | 2,354 | 3,487 |

Details of the distributions per share are set out in the distribution tables on pages 40 and 42.

7 Fair value hierarchy

| Valuation technique | As at 31.03.17 | | As at 31.03.16 | |
|--|----------------|---------------------|----------------|---------------------|
| | Assets £000 | Liabilities £000 | Assets £000 | Liabilities £000 |
| Level 1: Quoted prices for identical instruments in active markets | – | – | 41,491 | (8) |
| Level 2: Valuation techniques using non-observable market data | – | – | 25,553 | (58) |
| Total value | – | – | 67,044 | (66) |

Financial instruments have been measured at their fair value and have been classified below using a hierarchy that reflects the significance of the inputs used in measuring their fair value:

Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable (ie developed using market data) for the asset or liability, either directly or indirectly.

Level 3: Inputs are unobservable (ie for which market data is unavailable) for the asset or liability.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8 Debtors

| | As at 31.03.17 £000 | As at 31.03.16 £000 |
|---------------------------------------|---------------------------|---------------------------|
| Accrued revenue | – | 800 |
| Amounts receivable on issue of shares | – | 13 |
| Income tax recoverable | – | 3 |
| Overseas tax recoverable | – | 119 |
| Sales awaiting settlement | – | 1 |
| Prepaid expenses | 121 | – |
| Total debtors | 121 | 936 |

9 Cash and bank balances

| | As at 31.03.17 £000 | As at 31.03.16 £000 |
|---|---------------------------|---------------------------|
| Amounts held at futures clearing houses and brokers | – | 126 |
| Cash and bank balances | 741 | 1,014 |
| Total cash and bank balances | 741 | 1,140 |

10 Other creditors

| | As at 31.03.17 £000 | As at 31.03.16 £000 |
|--|---------------------------|---------------------------|
| Accrued expenses | 43 | 88 |
| Amounts payable for cancellation of shares | – | 24 |
| Provision for Income Tax 2009 | 48 | – |
| Total creditors | 91 | 112 |

11 Contingent liabilities and commitments

There were no contingent liabilities or commitments at the year end (2016: £nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12 Related party transactions

Aviva Investors UK Fund Services Limited, Aviva Investors Global Services Limited and the Aviva group are deemed to be related parties per section 33.10 of FRS 102 as they are entities with control, joint control or significant influence over the entity.

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 Manager 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 £nil (2016: £58,000). 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 £nil (2016: £18,000). The amount outstanding at the year end was £nil (2016: £7,000). Related parties of the ACD were 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.

Annual management charge rebates received or receivable from the Manager of £186,293 (2016: £nil) are disclosed under Net capital gains/(losses) and Revenue in the Notes to the Accounts. Amounts due from the Manager at the balance sheet date of £nil (2016: £nil) are disclosed under Debtors in the Notes to the Accounts.

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 £2,300,000 (2016: £nil) and £2,809,976 (2016: £nil) respectively. The income received during the year amounted to £10,900 (2016: £28,900).

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

| | Holdings at 31.03.17 (shares) | Movement (shares) | Holdings at 31.03.16 (shares) |
|--|-------------------------------------|----------------------|-------------------------------------|
| ACD and related parties (share class A Income) | - | (158,077) | 158,077 |
| ACD and related parties (share class A Accumulation) | - | (227,760) | 227,760 |
| ACD and related parties (share class I Income) | - | (84,201) | 84,201 |
| ACD and related parties (share class I Accumulation) | - | (106,962) | 106,962 |

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 26 and 27. The distributions per share class are given in the distribution tables on pages 40 and 42. All the share classes have the same rights on winding up.

14 Shares in issue reconciliation

| | Number of shares in issue at 31.03.16 | Number of shares issued | Number of shares cancelled | Number of shares converted | Number of shares in issue at 31.03.17 |
|----------------------------|---|----------------------------|-------------------------------|-------------------------------|---|
| Share Class A Income | 1,212,864 | 83,298 | (1,209,732) | (86,430) | - |
| Share Class A Accumulation | 413,395 | 70,131 | (470,060) | (13,466) | - |
| Share Class I Income | 65,234,878 | 471,894 | (65,793,341) | 86,569 | - |
| Share Class I Accumulation | 6,937,721 | 103,651 | (7,054,226) | 12,854 | - |

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.

Fair value of financial assets and financial liabilities

There is no significant difference between the carrying values of the financial assets and liabilities and their fair values (2016: £nil).

Currency risk

At the year end date, 0.00% (2016: 23.02%) 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 currency rates were to change by 10.00%, the value of the Fund would change by nil% (2016: 2.30%).

| Currency | Net foreign currency assets | | | | | |
|-------------------|-----------------------------|----------|-------------------------------|----------|---------------|----------|
| | Monetary exposure £000 | | Non-monetary exposure £000 | | Total £000 | |
| | 31.03.17 | 31.03.16 | 31.03.17 | 31.03.16 | 31.03.17 | 31.03.16 |
| Australian Dollar | – | 79 | – | 363 | – | 442 |
| Canadian Dollar | – | 70 | – | 412 | – | 482 |
| Euro | 587 | 69 | – | 3,188 | 587 | 3,257 |
| Norwegian Krone | – | 16 | – | – | – | 16 |
| Swedish Krona | – | 67 | – | 325 | – | 392 |
| Swiss Franc | – | 222 | – | 1,000 | – | 1,222 |
| US Dollar | – | 17 | – | 9,794 | – | 9,811 |

Interest rate risk profile of financial assets and financial liabilities

At the year end date 0.00% (2016: 63.69%) 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 nil% (2016: 0.64%). The interest rate profile of the Fund's financial assets and liabilities at 31 March 2017 was:

| Currency 31.03.17 | Floating Rate £000 | Fixed Rate £000 | None £000 | Total £000 |
|------------------------------|-----------------------|--------------------|--------------|---------------|
| Financial Assets | | | | |
| Sterling | 154 | – | 54 | 208 |
| Euro | 587 | – | – | 587 |
| Financial Liabilities | | | | |
| Total | 741 | – | 54 | 795 |

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 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 |

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, 0.00% (2016: 98.72%) of the net assets of the Fund were invested in ordinary shares or stock units or debt securities admitted to an official stock exchange. If the market value were to change by 10%, the value of the Fund would change by nil%.

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) |

The counterparty exposure on forward currency contracts is reported at their mark to market values.

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 2017: £nil (2016: £nil).

17 Debt security credit analysis

| | Market value £000 | | Total net assets % | |
|------------------------------|----------------------|---------------|-----------------------|---------------|
| | 31.03.17 | 31.03.16 | 31.03.17 | 31.03.16 |
| Investment grade | – | 39,527 | – | 58.26% |
| Unrated | – | 2,574 | – | 3.79% |
| Total debt securities | – | 42,101 | – | 62.05% |

Credit rating designations BBB or above are considered investment grade whereas credit rating designations BBB- or lower are considered below investment grade. There is no Debt security to disclose for the current year.

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.

| 31.03.17 | 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 | (21,622) | (20) | (17) | (21,659) | 0.09% | 0.08% |
| Bonds | (14,022) | – | – | (14,022) | 0.00% | 0.00% |
| | (35,644) | (20) | (17) | (35,681) | | |
| Sales (excluding in-specie transfers and corporate actions) | | | | | | |
| Equities | 47,765 | (23) | – | 47,742 | 0.05% | 0.00% |
| Bonds | 58,639 | – | – | 58,639 | 0.00% | 0.00% |
| | 106,404 | (23) | – | 106,381 | | |
| Derivative purchases and sales | | – | – | | | |
| Total | | (43) | (17) | | | |
| Percentage of fund average net assets | | 0.04% | 0.01% | | | |

| 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% | | | |

Dealing spread

As at 31 March 2017, the average portfolio dealing spread was nil% (2016: 0.34%). 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

There are no post balance sheet events which require adjustment or disclosure at the year end (2016: £nil).

DISTRIBUTION TABLES

Final distribution payable in pence per share for the three months ended 31 March 2017

| Income shares | | Gross revenue | Income tax | Net revenue | Equalisation | Final distribution payable 10 May 2017 | Final distribution paid 10 May 2016 |
|---------------|---------|---------------|------------|-------------|--------------|---|--|
| Share Class A | Group 1 | 1.3300 | 0.0000 | 1.3300 | – | 1.3300 | 0.9020 |
| | Group 2 | 1.3300 | 0.0000 | 1.3300 | – | 1.3300 | 0.9020 |
| Share Class I | Group 1 | 1.2889 | 0.0000 | 1.2889 | – | 1.2889 | 1.1093 |
| | Group 2 | 1.2889 | 0.0000 | 1.2889 | – | 1.2889 | 1.1093 |

| Accumulation shares | | Gross revenue | Income tax | Net revenue | Equalisation | Final distribution payable 10 May 2017 | Final distribution paid 10 May 2016 |
|---------------------|---------|---------------|------------|-------------|--------------|---|--|
| Share Class A | Group 1 | 2.0853 | 0.0000 | 2.0883 | – | 2.0853 | 1.3899 |
| | Group 2 | 2.0853 | 0.0000 | 2.0883 | – | 2.0853 | 1.3899 |
| Share Class I | Group 1 | 2.1165 | 0.0000 | 2.1165 | – | 2.1165 | 1.7694 |
| | Group 2 | 2.1165 | 0.0000 | 2.1165 | – | 2.1165 | 1.7694 |

Final distribution

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

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

Interim distribution paid in pence per share for the three months ended 31 December 2016

| Income shares | | Gross revenue | Income tax at 20% | Net revenue | Equalisation | Interim distribution paid 10 February 2017 | Interim distribution paid 10 February 2016 |
|---------------|---------|---------------|----------------------|-------------|--------------|---|---|
| Share Class A | Group 1 | 0.0000 | 0.0000 | 0.0000 | – | 0.0000 | 0.5757 |
| | Group 2 | 0.0000 | 0.0000 | 0.0000 | – | 0.0000 | 0.5757 |
| Share Class I | Group 1 | 0.0000 | 0.0000 | 0.0000 | – | 0.0000 | 0.6282 |
| | Group 2 | 0.0000 | 0.0000 | 0.0000 | – | 0.0000 | 0.6282 |

| Accumulation shares | | Gross revenue | Income tax at 20% | Net revenue | Equalisation | Interim distribution paid 10 February 2017 | Interim distribution paid 10 February 2016 |
|---------------------|---------|---------------|----------------------|-------------|--------------|---|---|
| Share Class A | Group 1 | 0.0000 | 0.0000 | 0.0000 | – | 0.0000 | 0.8847 |
| | Group 2 | 0.0000 | 0.0000 | 0.0000 | – | 0.0000 | 0.8847 |
| Share Class I | Group 1 | 0.0000 | 0.0000 | 0.0000 | – | 0.0000 | 1.0099 |
| | Group 2 | 0.0000 | 0.0000 | 0.0000 | – | 0.0000 | 1.0099 |

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 30 September 2016.

Group 2 shares are those shares purchased after 12:00 noon on 30 September 2016.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the three months ended 30 September 2016

| Income shares | | Gross revenue | Income tax at 20% | Net revenue | Equalisation | Interim distribution paid 10 November 2016 | Interim distribution paid 10 November 2015 |
|---------------|---------|---------------|-------------------|-------------|--------------|--|--|
| Share Class A | Group 1 | 0.0000 | 0.0000 | 0.0000 | – | 0.0000 | 0.5618 |
| | Group 2 | 0.0000 | 0.0000 | 0.0000 | – | 0.0000 | 0.5618 |
| Share Class I | Group 1 | 0.0000 | 0.0000 | 0.0000 | – | 0.0000 | 0.6128 |
| | Group 2 | 0.0000 | 0.0000 | 0.0000 | – | 0.0000 | 0.6128 |

| Accumulation shares | | Gross revenue | Income tax at 20% | Net revenue | Equalisation | Interim distribution paid 10 November 2016 | Interim distribution paid 10 November 2016 |
|---------------------|---------|---------------|-------------------|-------------|--------------|--|--|
| Share Class A | Group 1 | 0.0000 | 0.0000 | 0.0000 | – | 0.0000 | 0.8577 |
| | Group 2 | 0.0000 | 0.0000 | 0.0000 | – | 0.0000 | 0.8577 |
| Share Class I | Group 1 | 0.0000 | 0.0000 | 0.0000 | – | 0.0000 | 0.9781 |
| | Group 2 | 0.0000 | 0.0000 | 0.0000 | – | 0.0000 | 0.9781 |

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 30 June 2016.

Group 2 shares are those shares purchased after 12:00 noon on 30 June 2016.

Interim distribution paid in pence per share for the three months ended 30 June 2016

| Income shares | | Gross revenue | Income tax at 20% | Net revenue | Equalisation | Interim distribution paid 10 August 2016 | Interim distribution paid 10 August 2015 |
|---------------|---------|---------------|-------------------|-------------|--------------|--|--|
| Share Class A | Group 1 | 0.7370 | 0.1474 | 0.5896 | 0.5896 | 0.0000 | 0.5629 |
| | Group 2 | 0.7370 | 0.1474 | 0.5896 | 0.5896 | 0.0000 | 0.5629 |
| Share Class I | Group 1 | 0.8029 | 0.1606 | 0.6423 | 0.6423 | 0.0000 | 0.6137 |
| | Group 2 | 0.8029 | 0.1606 | 0.6423 | 0.6423 | 0.0000 | 0.6137 |

| Accumulation shares | | Gross revenue | Income tax at 20% | Net revenue | Equalisation | Interim distribution paid 10 August 2016 | Interim distribution paid 10 August 2015 |
|---------------------|---------|---------------|-------------------|-------------|--------------|--|--|
| Share Class A | Group 1 | 1.1523 | 0.2305 | 0.9218 | 0.8186 | 0.0000 | 0.8538 |
| | Group 2 | 1.1523 | 0.2305 | 0.9218 | 0.8186 | 0.0000 | 0.8538 |
| Share Class I | Group 1 | 1.3170 | 0.2634 | 1.0536 | 1.0536 | 0.0000 | 0.9726 |
| | Group 2 | 1.3170 | 0.2634 | 1.0536 | 1.0536 | 0.0000 | 0.9726 |

Interim distribution

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

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

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the period ended 15 August 2016

| Income shares | | Gross revenue | Income tax at 20% | Net revenue | Equalisation | Interim distribution paid 30 September 2016 | Interim distribution paid 30 September 2015 |
|---------------|---------|---------------|-------------------|-------------|--------------|---|---|
| Share Class A | Group 1 | 1.4688 | 0.2938 | 1.1750 | 1.0658 | 0.0000 | 0.0000 |
| | Group 2 | 1.4688 | 0.2938 | 1.1750 | 1.0658 | 0.0000 | 0.0000 |
| Share Class I | Group 1 | 1.4233 | 0.2847 | 1.1386 | 1.0191 | 0.0000 | 0.0000 |
| | Group 2 | 1.4233 | 0.2847 | 1.1386 | 1.0191 | 0.0000 | 0.0000 |

| Accumulation shares | | Gross revenue | Income tax at 20% | Net revenue | Equalisation | Interim distribution paid 31 August 2016 | Interim distribution paid 10 August 2015 |
|---------------------|---------|---------------|-------------------|-------------|--------------|--|--|
| Share Class A | Group 1 | 2.3028 | 0.4606 | 1.8422 | 1.7964 | 0.0000 | 0.0000 |
| | Group 2 | 2.3028 | 0.4606 | 1.8422 | 1.7964 | 0.0000 | 0.0000 |
| Share Class I | Group 1 | 2.3373 | 0.4675 | 1.8698 | 1.6775 | 0.0000 | 0.0000 |
| | Group 2 | 2.3373 | 0.4675 | 1.8698 | 1.6775 | 0.0000 | 0.0000 |

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 30 June 2016.

Group 2 shares are those shares purchased after 12:00 noon on 30 June 2016.

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 0.69%* in the twelve months to 31 March 2017.

The Fund yields 4.45% income (after corporation tax payable by the Fund) and 5.15 % (before tax). Its objective is to deliver gross annual income of 4% above the Bank of England base rate (before corporation tax).

In the twelve months to 31 March 2017, the main contribution to performance was made by the Fund's market-return strategies. The most value was added by the exposure to developed market corporate bonds and the basket of global equities that are held for income. Within opportunistic-return strategies, holding currency positions favouring the US dollar over the Saudi Riyal and Japanese yen detracted, as did the negative stance on US biotechnology companies. However, the trade anticipating a rise in long-dated Australian government bond yields relative to short-dated yields worked well. Among the strategies designed to reduce risk, the stand-out trade was the negative position we took on the pound versus the US dollar. This performed well given the sharp fall in the value of Sterling following the Brexit vote. However, trades anticipating increased equity volatility performed disappointingly as market conditions were generally less choppy than expected.

Looking forward, we believe the Fund is well placed to weather potentially volatile global markets as it is built to generate income in a range of scenarios. Our clear focus remains on delivering on objectives consistently over time.

May 2017

* Fund performance figures – share class 6, source Lipper, net of fees, in GBP, as at 31/03/2017.

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 45 and 46 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 |
|---|---|
| State of Israel 1.75% 31/08/2025 | State of Israel 1.75% 31/08/2025 |
| South Africa Government Bond 10.50% 21/12/2026 | Mexican Bonos 'A' 10.00% 05/12/2024 |
| Mexican Bonos 'A' 10.00% 05/12/2024 | Barclays Bank 0.43% 15/07/2016 |
| Indonesia Government Bond 8.38% 15/09/2026 | Indonesia Government Bond 8.38% 15/09/2026 |
| Turkey Government Bond 6.25% 26/09/2022 | Sky |
| Indonesia Government Bond 8.25% 15/07/2021 | Kraft Heinz |
| Barclays Bank 0.43% 15/07/2016 | HSBC Holdings |
| Turkey Government Bond 5.63% 30/03/2021 | Republic of Indonesia 7.00% 15/05/2027 |
| Lyxor MSCI India C-EUR | British Land, REIT |
| British American Tobacco | Ball |

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.
- Developing market investments can be less easy to buy and sell, and their values may be influenced by the economic and political risks of the countries of issue.
- Full information on the risks applicable to the Fund is detailed in the Prospectus.

COMPARATIVE TABLES

| | 2017 | 2016 | 2015* |
|--|---------------|-------------|-------------|
| | p per share | p per share | p per share |
| Class 2 Income | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 100.14 | 104.62 | 100.00 |
| Return before operating charges [†] | 1.74 | 0.87 | 6.03 |
| Operating charges | (0.83) | (0.86) | (0.30) |
| Return after operating charges [†] | 0.91 | 0.01 | 5.73 |
| Distributions | (4.33) | (4.49) | (1.11) |
| Closing net asset value per share | 96.72 | 100.14 | 104.62 |
| [†] after direct transaction costs of | (0.16) | (0.17) | (0.11) |
| Performance | | | |
| Return after charges | 0.91% | 0.01% | 5.73% |
| Other information | | | |
| Closing net asset value (£000) | 984,252 | 357,309 | 10,769 |
| Closing number of shares | 1,017,624,648 | 356,823,300 | 10,294,056 |
| Operating charges (%) [†] | 0.85% | 0.85% | 0.30% |
| Direct transaction costs (%) [#] | 0.16% | 0.17% | 0.11% |
| Prices[®] | | | |
| Highest share price | 100.78 | 105.94 | 105.31 |
| Lowest share price | 96.73 | 100.20 | 99.16 |

| | 2017 | 2016 | 2015* |
|--|-------------|-------------|-------------|
| | p per share | p per share | p per share |
| Class 3 Income | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 100.85 | 104.79 | 100.00 |
| Return before operating charges [†] | 1.17 | 0.71 | 5.96 |
| Operating charges | (0.14) | (0.14) | (0.06) |
| Return after operating charges [†] | 1.03 | 0.57 | 5.90 |
| Distributions | (4.35) | (4.51) | (1.11) |
| Closing net asset value per share | 97.53 | 100.85 | 104.79 |
| [†] after direct transaction costs of | (0.16) | (0.17) | (0.11) |
| Performance | | | |
| Return after charges | 1.02% | 0.54% | 5.90% |
| Other information | | | |
| Closing net asset value (£000) | 79 | 167,381 | 168,191 |
| Closing number of shares | 80,838 | 165,964,794 | 160,509,381 |
| Operating charges (%) [†] | 0.70% | 0.14% | 0.05% |
| Direct transaction costs (%) [#] | 0.16% | 0.17% | 0.11% |
| Prices[®] | | | |
| Highest share price | 101.58 | 106.12 | 105.46 |
| Lowest share price | 97.52 | 100.69 | 99.18 |

| | 2017 | 2016 | 2015* |
|--|-------------|-------------|-------------|
| | p per share | p per share | p per share |
| Class 5 Income | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 100.18 | 104.62 | 100.00 |
| Return before operating charges [†] | 1.75 | 0.85 | 6.02 |
| Operating charges | (0.79) | (0.80) | (0.29) |
| Return after operating charges [†] | 0.96 | 0.05 | 5.73 |
| Distributions | (4.33) | (4.49) | (1.11) |
| Closing net asset value per share | 96.81 | 100.18 | 104.62 |
| [†] after direct transaction costs of | (0.16) | (0.17) | (0.11) |
| Performance | | | |
| Return after charges | 0.96% | 0.05% | 5.73% |
| Other information | | | |
| Closing net asset value (£000) | 36,301 | 14,405 | 1,011 |
| Closing number of shares | 37,497,622 | 14,378,207 | 965,873 |
| Operating charges (%) [†] | 0.80% | 0.78% | 0.28% |
| Direct transaction costs (%) [#] | 0.16% | 0.17% | 0.11% |
| Prices[®] | | | |
| Highest share price | 100.84 | 105.95 | 105.32 |
| Lowest share price | 96.81 | 100.25 | 99.17 |

| | 2017 | 2016 | 2015* |
|--|-------------|-------------|-------------|
| | p per share | p per share | p per share |
| Class 6 Income | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 99.86 | 104.55 | 100.00 |
| Return before operating charges [†] | 1.79 | 0.91 | 6.05 |
| Operating charges | (1.08) | (1.11) | (0.39) |
| Return after operating charges [†] | 0.71 | (0.20) | 5.66 |
| Distributions | (4.31) | (4.49) | (1.11) |
| Closing net asset value per share | 96.26 | 99.86 | 104.55 |
| [†] after direct transaction costs of | (0.16) | (0.17) | (0.11) |
| Performance | | | |
| Return after charges | 0.71% | (0.19)% | 5.66% |
| Other information | | | |
| Closing net asset value (£000) | 1,169 | 839 | 780 |
| Closing number of shares | 1,214,600 | 840,074 | 746,057 |
| Operating charges (%) [†] | 1.10% | 1.09% | 0.38% |
| Direct transaction costs (%) [#] | 0.16% | 0.17% | 0.11% |
| Prices[®] | | | |
| Highest share price | 100.48 | 105.87 | 105.26 |
| Lowest share price | 96.30 | 99.93 | 99.17 |

COMPARATIVE TABLES (CONTINUED)

| | 2017 | 2016** | 2015 |
|---------------------------------------|---------------|-------------|-------------|
| Class 8 Income | p per share | p per share | p per share |
| Change in net assets per share | | | |
| Opening net asset value per share | 100.67 | 101.59 | – |
| Return before operating charges† | 1.70 | 1.77 | – |
| Operating charges | (0.58) | (0.33) | – |
| Return after operating charges† | 1.12 | 1.44 | – |
| Distributions | (4.35) | (2.36) | – |
| Closing net asset value per share | 97.44 | 100.67 | – |
| † after direct transaction costs of | (0.16) | (0.17) | – |
| Performance | | | |
| Return after charges | 1.11% | 1.42% | – |
| Other information | | | |
| Closing net asset value (£000) | 1,371,929 | 163,651 | – |
| Closing number of shares | 1,407,967,514 | 162,559,599 | – |
| Operating charges (%)† | 0.59% | 0.33% | – |
| Direct transaction costs (%)# | 0.16% | 0.17% | – |
| Prices* | | | |
| Highest share price | 101.35 | 103.69 | – |
| Lowest share price | 97.42 | 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. The net asset value per share price is based on the net asset value in the published accounts and may be different due to post year end accounting adjustments.

* The Fund was launched on 1 December 2014.

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

Ongoing Charges Figure*

| Share class | 31.03.17 | 31.03.16 |
|-------------|----------|----------|
| Class 2 | 0.85% | 0.85% |
| Class 3 | 0.70% | 0.14% |
| Class 5 | 0.80% | 0.78% |
| Class 6 | 1.10% | 1.09% |
| Class 8 | 0.59% | 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). The OCF on share class 2, 5 and 6 is capped at 0.85%, 0.80% and 1.10% respectively. This excludes, amongst other things, the charges of any other funds in which this Fund invests and which are included in the OCF. Please see the Prospectus for full details.

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 2017

| Investment | Currency | Holding | Market Value £000 | % of Net Assets |
|--|----------|------------|----------------------|-----------------|
| Collective Investment Scheme 0.66% (0.00%) | | | | |
| Lyxor MSCI India C-EUR | EUR | 1,157,071 | 15,894 | 0.66 |
| Collective Investment Scheme total | | | 15,894 | 0.66 |
| Equities 41.12% (37.99%) | | | | |
| Australia 0.45% (0.37%) | | | | |
| Hon Hai Precision Industry (Macquarie Bank) Warrant 19/01/2018 | USD | 1,668,520 | 4,001 | 0.17 |
| Nanya Technology (Macquarie Bank) Warrant 27/02/2019 | USD | 1,504,013 | 1,918 | 0.08 |
| Vicinity Centres, REIT | AUD | 2,830,288 | 4,887 | 0.20 |
| | | | 10,806 | 0.45 |
| Belgium 0.00% (0.18%) | | | | |
| Bermuda 0.38% (0.45%) | | | | |
| Hiscox | GBP | 547,704 | 5,992 | 0.25 |
| VEON, ADR | USD | 596,287 | 1,941 | 0.08 |
| VTech Holdings | HKD | 118,610 | 1,131 | 0.05 |
| | | | 9,064 | 0.38 |
| Brazil 0.59% (0.00%) | | | | |
| Cielo | BRL | 317,121 | 2,240 | 0.09 |
| Grendene | BRL | 105,910 | 603 | 0.03 |
| Itau Unibanco Holding Preference | BRL | 455,328 | 4,345 | 0.18 |
| Multiplus | BRL | 207,546 | 1,880 | 0.08 |
| Telefonica Brasil, ADR Preference | USD | 129,543 | 1,538 | 0.06 |
| Ultrapar Participacoes | BRL | 111,422 | 2,009 | 0.08 |
| Vale | BRL | 209,710 | 1,574 | 0.07 |
| | | | 14,189 | 0.59 |
| Canada 0.20% (0.18%) | | | | |
| Smart Real Estate Investment Trust | CAD | 247,142 | 4,831 | 0.20 |
| | | | 4,831 | 0.20 |
| Cayman Islands 0.65% (0.00%) | | | | |
| China Medical System Holdings | HKD | 1,832,516 | 2,595 | 0.11 |
| NetEase, ADR | USD | 10,576 | 2,402 | 0.10 |
| Sands China | HKD | 487,573 | 1,806 | 0.08 |
| Shenzhou International Group Holdings | HKD | 930,757 | 4,698 | 0.20 |
| Tencent Holdings | HKD | 172,050 | 3,944 | 0.16 |
| | | | 15,445 | 0.65 |
| Chile 0.08% (0.00%) | | | | |
| Banco de Chile | CLP | 20,899,256 | 2,010 | 0.08 |
| | | | 2,010 | 0.08 |
| China 0.99% (0.00%) | | | | |
| China Petroleum & Chemical 'H' | HKD | 5,968,078 | 3,869 | 0.16 |
| Fuyao Glass Industry Group 'H' | HKD | 967,800 | 2,674 | 0.11 |
| Huaneng Power International 'H' | HKD | 2,082,689 | 1,112 | 0.05 |
| Industrial & Commercial Bank of China 'H' | HKD | 13,832,973 | 7,231 | 0.30 |
| Midea Group (UBS) Warrant 20/10/2017 | USD | 507,218 | 1,958 | 0.08 |
| PICC Property & Casualty 'H' | HKD | 861,283 | 1,062 | 0.05 |
| SAIC Motor (UBS) Warrant 04/10/2017 | USD | 1,290,705 | 3,807 | 0.16 |
| Zhejiang Expressway 'H' | HKD | 1,830,934 | 1,914 | 0.08 |
| | | | 23,627 | 0.99 |
| Czech Republic 0.05% (0.00%) | | | | |
| Komerční banka | CZK | 42,266 | 1,260 | 0.05 |
| | | | 1,260 | 0.05 |

PORTFOLIO STATEMENT (CONTINUED)

As at 31 March 2017

| Investment | Currency | Holding | Market Value £000 | % of Net Assets |
|---|----------|------------|----------------------|-----------------|
| Finland 0.82% (1.08%) | | | | |
| Kone 'B' | EUR | 283,271 | 9,975 | 0.42 |
| Nokian Renkaat | EUR | 285,312 | 9,554 | 0.40 |
| | | | 19,529 | 0.82 |
| France 3.10% (2.76%) | | | | |
| ICADE, REIT | EUR | 82,845 | 4,858 | 0.20 |
| Klepierre, REIT | EUR | 156,424 | 4,877 | 0.20 |
| Orange | EUR | 1,152,778 | 14,356 | 0.60 |
| Sanofi | EUR | 200,931 | 14,541 | 0.61 |
| TOTAL | EUR | 323,823 | 13,119 | 0.55 |
| Unibail-Rodamco, REIT | EUR | 77,302 | 14,483 | 0.61 |
| Vinci | EUR | 124,575 | 7,917 | 0.33 |
| | | | 74,151 | 3.10 |
| Germany 3.39% (3.40%) | | | | |
| Allianz | EUR | 87,803 | 13,026 | 0.54 |
| BASF | EUR | 153,212 | 12,157 | 0.51 |
| Deutsche Post | EUR | 412,877 | 11,320 | 0.47 |
| Muenchener Rueckversicherungs-Gesellschaft | EUR | 82,553 | 12,950 | 0.54 |
| ProSiebenSat.1 Media | EUR | 374,494 | 13,303 | 0.56 |
| SAP | EUR | 45,668 | 3,591 | 0.15 |
| Siemens | EUR | 134,532 | 14,729 | 0.62 |
| | | | 81,076 | 3.39 |
| Guernsey 0.00% (0.27%) | | | | |
| Hong Kong 0.20% (0.18%) | | | | |
| China Mobile | HKD | 453,014 | 3,965 | 0.17 |
| Television Broadcasts | HKD | 251,913 | 811 | 0.03 |
| | | | 4,776 | 0.20 |
| India 0.05% (0.00%) | | | | |
| WT Microelectronics (UBS) Warrant 27/10/2017 | USD | 1,113,553 | 1,300 | 0.05 |
| | | | 1,300 | 0.05 |
| Indonesia 0.35% (0.00%) | | | | |
| Astra International | IDR | 6,722,319 | 3,479 | 0.14 |
| Matahari Department Store | IDR | 1,378,696 | 1,088 | 0.05 |
| Telekomunikasi Indonesia Persero | IDR | 15,790,236 | 3,914 | 0.16 |
| | | | 8,481 | 0.35 |
| Italy 0.00% (0.27%) | | | | |
| Japan 0.20% (0.10%) | | | | |
| LaSalle Logiport REIT | JPY | 6,394 | 4,731 | 0.20 |
| | | | 4,731 | 0.20 |
| Malaysia 0.21% (0.00%) | | | | |
| Malayan Banking | MYR | 1,981,200 | 3,190 | 0.13 |
| Sunway | MYR | 3,140,300 | 1,844 | 0.08 |
| | | | 5,034 | 0.21 |
| Mexico 0.36% (0.00%) | | | | |
| Genera | MXN | 501,986 | 655 | 0.03 |
| Grupo Mexico | MXN | 838,552 | 2,000 | 0.08 |
| Kimberly-Clark de Mexico 'A' | MXN | 2,818,209 | 4,825 | 0.20 |
| Macquarie Mexico Real Estate Management, REIT | MXN | 1,398,686 | 1,244 | 0.05 |
| | | | 8,724 | 0.36 |

PORTFOLIO STATEMENT (CONTINUED)

As at 31 March 2017

| Investment | Currency | Holding | Market Value £000 | % of Net Assets |
|--|----------|-----------|----------------------|-----------------|
| Netherlands 2.03% (0.86%) | | | | |
| ING Groep | EUR | 904,791 | 10,931 | 0.46 |
| Koninklijke Ahold Delhaize | EUR | 619,300 | 10,623 | 0.44 |
| Koninklijke Philips | EUR | 342,847 | 8,831 | 0.37 |
| LyondellBasell Industries 'A' | USD | 94,054 | 6,857 | 0.29 |
| NSI, REIT | EUR | 1,448,521 | 4,753 | 0.20 |
| Steinhoff International Holdings | ZAR | 451,168 | 1,727 | 0.07 |
| Wereldhave, REIT | EUR | 135,291 | 4,768 | 0.20 |
| | | | 48,490 | 2.03 |
| Philippines 0.18% (0.00%) | | | | |
| Aboitiz Power | PHP | 2,994,300 | 1,990 | 0.08 |
| Globe Telecom | PHP | 74,735 | 2,421 | 0.10 |
| | | | 4,411 | 0.18 |
| Russia 0.25% (0.00%) | | | | |
| LUKOIL, ADR | USD | 85,925 | 3,638 | 0.15 |
| Sberbank of Russia, ADR | USD | 150,354 | 1,388 | 0.06 |
| Severstal, GDR | USD | 74,362 | 856 | 0.04 |
| | | | 5,882 | 0.25 |
| Singapore 0.29% (0.18%) | | | | |
| Ascendas REIT | SGD | 3,088,100 | 4,436 | 0.18 |
| RHT Health Trust | SGD | 1,533,400 | 781 | 0.03 |
| Singapore Exchange | SGD | 417,500 | 1,838 | 0.08 |
| | | | 7,055 | 0.29 |
| South Africa 0.37% (0.00%) | | | | |
| Barclays Africa Group | ZAR | 125,471 | 1,044 | 0.04 |
| Bidvest Group | ZAR | 170,978 | 1,569 | 0.07 |
| Foschini Group | ZAR | 229,352 | 2,113 | 0.09 |
| Life Healthcare Group Holdings | ZAR | 479,289 | 829 | 0.03 |
| Life Healthcare Group Holdings Rights 13/04/2017 | ZAR | 163,996 | 44 | – |
| MTN Group | ZAR | 162,540 | 1,183 | 0.05 |
| Sasol | ZAR | 42,612 | 992 | 0.04 |
| Sibanye Gold | ZAR | 634,145 | 1,085 | 0.05 |
| | | | 8,859 | 0.37 |
| South Korea 1.09% (0.00%) | | | | |
| Coway | KRW | 15,993 | 1,099 | 0.05 |
| Dongbu Insurance | KRW | 26,489 | 1,212 | 0.05 |
| Hyundai Motor | KRW | 15,701 | 1,769 | 0.07 |
| Hyundai Motor Preference | KRW | 11,275 | 831 | 0.04 |
| KB Financial Group | KRW | 63,277 | 2,217 | 0.09 |
| Korea Electric Power | KRW | 37,120 | 1,232 | 0.05 |
| KT&G | KRW | 55,408 | 3,863 | 0.16 |
| Macquarie Korea Infrastructure Fund | KRW | 233,336 | 1,387 | 0.06 |
| Samsung Electronics | KRW | 5,853 | 8,622 | 0.36 |
| SK Telecom | KRW | 20,894 | 3,765 | 0.16 |
| | | | 25,997 | 1.09 |
| Spain 0.00% (0.26%) | | | | |
| Sweden 0.51% (0.96%) | | | | |
| Swedbank 'A' | SEK | 650,508 | 12,102 | 0.51 |
| | | | 12,102 | 0.51 |
| Switzerland 1.43% (1.74%) | | | | |
| ABB | CHF | 364,733 | 6,824 | 0.28 |
| Nestle | CHF | 134,785 | 8,276 | 0.35 |
| Roche Holding | CHF | 94,009 | 19,213 | 0.80 |
| | | | 34,313 | 1.43 |

PORTFOLIO STATEMENT (CONTINUED)

As at 31 March 2017

| Investment | Currency | Holding | Market Value £000 | % of Net Assets |
|---|----------|------------|----------------------|-----------------|
| Taiwan 0.82% (0.00%) | | | | |
| Chicony Electronics (UBS) Warrant 27/10/2017 | USD | 1,126,465 | 2,298 | 0.09 |
| Huaku Development (UBS) Warrant 27/10/2017 | USD | 985,655 | 1,814 | 0.07 |
| Lite-On Technology (UBS) Warrant 27/10/2017 | USD | 838,726 | 1,150 | 0.05 |
| Mega Financial Holding (UBS) Warrant 27/02/2017 | USD | 1,022,000 | 659 | 0.03 |
| Mega Financial Holding (UBS) Warrant 31/10/2017 | USD | 2,902,180 | 1,872 | 0.08 |
| Pegatron (UBS) Warrant 27/10/2017 | USD | 1,279,516 | 3,025 | 0.13 |
| Taiwan Semiconductor Manufacturing (UBS) Warrant 31/10/2017 | USD | 1,766,675 | 8,792 | 0.37 |
| WT Microelectronics (UBS) Warrant 27/10/2017 | USD | 77,000 | 90 | – |
| | | | 19,700 | 0.82 |
| Thailand 0.29% (0.00%) | | | | |
| Delta Electronics Thailand | THB | 1,038,900 | 2,115 | 0.09 |
| Kiatnakin Bank | THB | 1,482,500 | 2,398 | 0.10 |
| Krung Thai Bank | THB | 2,967,600 | 1,402 | 0.06 |
| Quality Houses | THB | 16,504,500 | 999 | 0.04 |
| | | | 6,914 | 0.29 |
| Turkey 0.11% (0.00%) | | | | |
| Ford Otomotiv Sanayi | TRY | 142,147 | 1,111 | 0.04 |
| TAV Havalimanlari Holding | TRY | 216,336 | 689 | 0.03 |
| Turk Traktor ve Ziraat Makineleri | TRY | 51,241 | 920 | 0.04 |
| | | | 2,720 | 0.11 |
| United Kingdom 11.43% (14.69%) | | | | |
| AstraZeneca | GBP | 277,779 | 13,646 | 0.57 |
| BAE Systems | GBP | 1,949,623 | 12,526 | 0.52 |
| BBA Aviation | GBP | 2,653,656 | 8,078 | 0.34 |
| Big Yellow Group, REIT | GBP | 676,849 | 4,944 | 0.21 |
| British American Tobacco | GBP | 436,492 | 23,134 | 0.97 |
| British Land, REIT | GBP | 1,196,256 | 7,297 | 0.30 |
| BT Group | GBP | 2,552,320 | 8,121 | 0.34 |
| Compass Group | GBP | 491,996 | 7,405 | 0.31 |
| Diageo | GBP | 294,995 | 6,736 | 0.28 |
| GlaxoSmithKline | GBP | 433,101 | 7,187 | 0.30 |
| HSBC Holdings | GBP | 825,235 | 5,371 | 0.22 |
| Imperial Brands | GBP | 355,133 | 13,733 | 0.57 |
| Legal & General Group | GBP | 6,090,073 | 15,061 | 0.63 |
| LondonMetric Property, REIT | GBP | 3,159,665 | 5,043 | 0.21 |
| Mega Financial Holding (UBS) Warrant 31/10/2017 | USD | 1,330,729 | 858 | 0.04 |
| National Grid | GBP | 1,055,964 | 10,702 | 0.45 |
| NewRiver REIT | GBP | 1,421,943 | 4,802 | 0.20 |
| Next | GBP | 259,689 | 11,216 | 0.47 |
| RELX | GBP | 486,265 | 7,600 | 0.32 |
| Rio Tinto | GBP | 359,463 | 11,532 | 0.48 |
| Royal Dutch Shell 'B' | GBP | 553,605 | 12,094 | 0.51 |
| Sage Group | GBP | 1,641,630 | 10,350 | 0.43 |
| Severn Trent | GBP | 478,369 | 11,395 | 0.48 |
| SSE | GBP | 879,572 | 12,982 | 0.54 |
| Standard Life | GBP | 3,108,018 | 11,024 | 0.46 |
| Taiwan Semiconductor Manufacturing (UBS) 31/10/2017 | USD | 599,097 | 2,982 | 0.12 |
| Unilever | GBP | 437,031 | 17,217 | 0.72 |
| Vodafone Group | GBP | 5,095,413 | 10,604 | 0.44 |
| | | | 273,640 | 11.43 |

PORTFOLIO STATEMENT (CONTINUED)

As at 31 March 2017

| Investment | Currency | Holding | Market Value £000 | % of Net Assets |
|--|----------|-----------------|----------------------|-----------------|
| United States of America 10.24% (10.06%) | | | | |
| Altria Group | USD | 310,847 | 17,754 | 0.74 |
| AT&T | USD | 451,243 | 14,994 | 0.63 |
| Boeing | USD | 54,567 | 7,717 | 0.32 |
| Chevron | USD | 107,684 | 9,244 | 0.39 |
| Cisco Systems | USD | 437,052 | 11,810 | 0.49 |
| Clorox | USD | 105,449 | 11,368 | 0.47 |
| CoreSite Realty, REIT | USD | 66,045 | 4,755 | 0.20 |
| Digital Realty Trust, REIT | USD | 56,570 | 4,769 | 0.20 |
| Extra Space Storage, REIT | USD | 79,669 | 4,714 | 0.20 |
| Ford Motor | USD | 584,891 | 5,440 | 0.23 |
| General Electric | USD | 775,163 | 18,467 | 0.77 |
| Healthcare Trust of America, REIT 'A' | USD | 192,662 | 4,841 | 0.20 |
| Home Depot | USD | 46,020 | 5,403 | 0.23 |
| Intel | USD | 207,353 | 5,981 | 0.25 |
| Johnson & Johnson | USD | 63,171 | 6,290 | 0.26 |
| JPMorgan Chase | USD | 120,397 | 8,458 | 0.35 |
| Kimberly-Clark | USD | 102,718 | 10,812 | 0.45 |
| Kimco Realty, REIT | USD | 267,082 | 4,688 | 0.20 |
| Life Storage, REIT | USD | 71,038 | 4,663 | 0.19 |
| McDonald's | USD | 75,428 | 7,801 | 0.33 |
| Merck | USD | 178,359 | 9,052 | 0.38 |
| Microsoft | USD | 238,198 | 12,546 | 0.52 |
| Occidental Petroleum | USD | 90,941 | 4,607 | 0.19 |
| Pfizer | USD | 539,514 | 14,756 | 0.62 |
| Prologis, REIT | USD | 118,396 | 4,910 | 0.20 |
| Simon Property Group, REIT | USD | 34,594 | 4,703 | 0.20 |
| Spirit Realty Capital, REIT | USD | 578,942 | 4,685 | 0.20 |
| Verizon Communications | USD | 330,030 | 12,867 | 0.54 |
| WEC Energy Group | USD | 145,823 | 7,046 | 0.29 |
| | | | 245,141 | 10.24 |
| Equities total | | | 984,258 | 41.12 |
| Government Bonds 6.59% (5.49%) | | | | |
| Indonesia 2.48% (0.00%) | | | | |
| Indonesia Government Bond 8.25% 15/07/2021 | IDR | 474,400,000,000 | 29,876 | 1.25 |
| Indonesia Government Bond 7.00% 15/05/2022 | IDR | 61,235,000,000 | 3,697 | 0.15 |
| Indonesia Government Bond 8.38% 15/09/2026 | IDR | 395,259,000,000 | 25,792 | 1.08 |
| | | | 59,365 | 2.48 |
| Mexico 0.00% (5.07%) | | | | |
| South Africa 2.15% (0.00%) | | | | |
| South Africa Government Bond 10.50% 21/12/2026 | ZAR | 781,000,000 | 51,398 | 2.15 |
| | | | 51,398 | 2.15 |
| Turkey 1.96% (0.00%) | | | | |
| Turkey Government Bond 5.63% 30/03/2021 | USD | \$18,884,000 | 15,752 | 0.66 |
| Turkey Government Bond 6.25% 26/09/2022 | USD | \$36,538,000 | 31,188 | 1.30 |
| | | | 46,940 | 1.96 |
| United Kingdom 0.00% (0.42%) | | | | |
| Government Bonds total | | | 157,703 | 6.59 |
| Municipal Bond 0.07% (0.00%) | | | | |
| United States of America 0.07% (0.00%) | | | | |
| Mohegan Tribal Gaming Authority 7.88% 15/10/2024 | USD | 2,017,000 | 1,635 | 0.07 |
| | | | 1,635 | 0.07 |
| Municipal Bond total | | | 1,635 | 0.07 |

PORTFOLIO STATEMENT (CONTINUED)

As at 31 March 2017

| Investment | Currency | Holding | Market Value £000 | % of Net Assets |
|---|----------|-----------|----------------------|-----------------|
| Corporate Bonds 23.11% (27.12%) | | | | |
| Australia 0.06% (0.48%) | | | | |
| Goodman Australia Finance, REIT 9.75% 16/07/2018 | GBP | 1,381,000 | 1,530 | 0.06 |
| | | | 1,530 | 0.06 |
| Belgium 0.14% (0.19%) | | | | |
| Anheuser-Busch InBev 'B' 9.75% 30/07/2024 | GBP | 2,194,000 | 3,378 | 0.14 |
| | | | 3,378 | 0.14 |
| Bermuda 0.18% (0.00%) | | | | |
| Aircastle 6.25% 12/01/2019 | USD | 2,625,000 | 2,256 | 0.10 |
| Fly Leasing 6.38% 15/10/2021 | USD | 2,350,000 | 1,923 | 0.08 |
| | | | 4,179 | 0.18 |
| Canada 0.86% (0.00%) | | | | |
| Eldorado Gold 6.13% 15/12/2020 | USD | 2,500,000 | 2,049 | 0.09 |
| Enbridge 5.50% 12/01/2046 | USD | 5,250,000 | 4,435 | 0.18 |
| IAMGOLD 6.75% 10/01/2020 | USD | 2,000,000 | 1,653 | 0.07 |
| IAMGOLD 7.00% 15/04/2025 | USD | 3,850,000 | 3,048 | 0.13 |
| MEG Energy 6.50% 15/01/2025 | USD | 150,000 | 120 | – |
| Ritchie Bros Auctioneers 5.38% 15/01/2025 | USD | 110,000 | 90 | – |
| Teck Resources 4.50% 15/01/2021 | USD | 2,300,000 | 1,895 | 0.08 |
| Toronto-Dominion Bank, FRN 3.62% 15/09/2031 | USD | 6,240,000 | 4,882 | 0.20 |
| Trinidad Drilling 6.63% 15/02/2025 | USD | 190,000 | 152 | 0.01 |
| Valeant Pharmaceuticals International 7.50% 15/07/2021 | USD | 3,075,000 | 2,123 | 0.09 |
| Valeant Pharmaceuticals International 6.50% 15/03/2022 | USD | 250,000 | 204 | 0.01 |
| | | | 20,651 | 0.86 |
| France 0.94% (1.73%) | | | | |
| AXA, FRN 5.45% Perpetual | GBP | 3,337,000 | 3,579 | 0.15 |
| Electricite de France, FRN 6.00% Perpetual | GBP | 2,700,000 | 2,709 | 0.11 |
| Engie, FRN 4.62% Perpetual | GBP | 4,200,000 | 4,359 | 0.18 |
| Lafarge 8.75% 30/05/2017 | GBP | 1,940,000 | 1,962 | 0.08 |
| Orange, FRN 5.88% Perpetual | GBP | 4,280,000 | 4,646 | 0.20 |
| SFR Group 5.38% 15/05/2022 | EUR | 3,237,000 | 2,887 | 0.12 |
| SFR Group 6.00% 15/05/2022 | USD | 2,930,000 | 2,428 | 0.10 |
| | | | 22,570 | 0.94 |
| Germany 0.31% (1.19%) | | | | |
| Allianz, FRN 4.75% Perpetual | EUR | 2,600,000 | 2,507 | 0.10 |
| IHO Verwaltungs 4.12% 15/09/2021 | USD | 1,830,000 | 1,465 | 0.06 |
| Unitymedia Hessen 4.63% 15/02/2026 | EUR | 3,861,000 | 3,527 | 0.15 |
| | | | 7,499 | 0.31 |
| Italy 0.53% (1.07%) | | | | |
| Enel, FRN 6.62% 15/09/2076 | GBP | 3,237,000 | 3,489 | 0.15 |
| Intesa Sanpaolo 6.63% 13/09/2023 | EUR | 3,080,000 | 3,115 | 0.13 |
| Telecom Italia 5.88% 19/05/2023 | GBP | 5,450,000 | 6,114 | 0.25 |
| | | | 12,718 | 0.53 |
| Japan 0.06% (0.00%) | | | | |
| SoftBank Group 4.75% 30/07/2025 | EUR | 1,600,000 | 1,511 | 0.06 |
| | | | 1,511 | 0.06 |
| Jersey 0.86% (2.14%) | | | | |
| AA Bond 5.50% 31/07/2043 | GBP | 3,549,000 | 3,642 | 0.15 |
| Adient Global Holdings 4.88% 15/08/2026 | USD | 1,565,000 | 1,228 | 0.05 |
| Bank of Scotland Capital Funding, FRN 7.75% Perpetual | GBP | 2,294,000 | 2,610 | 0.11 |
| CPUK Finance 7.00% 28/02/2042 | GBP | 3,500,000 | 3,679 | 0.15 |
| Gatwick Funding 5.25% 23/01/2026 | GBP | 2,507,000 | 3,022 | 0.13 |
| Heathrow Funding 7.13% 14/02/2024 | GBP | 2,912,000 | 3,784 | 0.16 |
| HSBC Bank Capital Funding Sterling 2, FRN 5.86% Perpetual | GBP | 2,337,000 | 2,527 | 0.11 |
| | | | 20,492 | 0.86 |

PORTFOLIO STATEMENT (CONTINUED)

As at 31 March 2017

| Investment | Currency | Holding | Market Value £000 | % of Net Assets |
|--|----------|-----------|----------------------|-----------------|
| Luxembourg 0.67% (0.92%) | | | | |
| Altice Financing 5.25% 15/02/2023 | EUR | 3,656,000 | 3,333 | 0.14 |
| Altice Luxembourg 7.25% 15/05/2022 | EUR | 1,500,000 | 1,357 | 0.06 |
| Altice Luxembourg 7.75% 15/05/2022 | USD | 7,125,000 | 6,013 | 0.25 |
| Fiat Chrysler Finance Europe 4.75% 15/07/2022 | EUR | 2,012,000 | 1,898 | 0.08 |
| Mallinckrodt International Finance 3.50% 15/04/2018 | USD | 2,165,000 | 1,726 | 0.07 |
| Wind Acquisition Finance 7.00% 23/04/2021 | EUR | 1,807,000 | 1,602 | 0.07 |
| | | | 15,929 | 0.67 |
| Mexico 0.20% (0.42%) | | | | |
| America Movil, FRN 6.37% 09/06/2073 | GBP | 4,387,000 | 4,662 | 0.20 |
| | | | 4,662 | 0.20 |
| Netherlands 0.89% (2.58%) | | | | |
| Alpha 3 6.25% 02/01/2025 | USD | 3,000,000 | 2,429 | 0.10 |
| CNH Industrial 4.50% 15/08/2023 | USD | 1,600,000 | 1,294 | 0.05 |
| Cooperatieve Rabobank 4.63% 23/05/2029 | GBP | 2,000,000 | 2,214 | 0.09 |
| ING Bank, FRN 6.87% 29/05/2023 | GBP | 4,500,000 | 4,759 | 0.20 |
| Koninklijke KPN, FRN 6.88% 14/03/2073 | GBP | 4,280,000 | 4,687 | 0.19 |
| Telefonica Europe, FRN 6.75% Perpetual | GBP | 2,600,000 | 2,790 | 0.12 |
| Teva Pharmaceutical Finance Netherlands III 3.15% 10/01/2026 | USD | 1,200,000 | 881 | 0.04 |
| Ziggo Secured Finance 3.75% 15/01/2025 | EUR | 2,200,000 | 1,934 | 0.08 |
| Ziggo Secured Finance 5.50% 15/01/2027 | USD | 515,000 | 410 | 0.02 |
| | | | 21,398 | 0.89 |
| Switzerland 0.00% (0.33%) | | | | |
| United Kingdom 4.14% (11.18%) | | | | |
| Anglian Water Osprey Financing 7.00% 31/01/2018 | GBP | 3,888,000 | 4,075 | 0.17 |
| Aviva, FRN 5.90% Perpetual [†] | GBP | 2,443,000 | 2,614 | 0.11 |
| Aviva, FRN 6.87% 20/05/2058 [†] | GBP | 1,381,000 | 1,671 | 0.07 |
| Barclays 3.68% 01/10/2023 | USD | 3,700,000 | 2,969 | 0.12 |
| Barclays Bank 10.00% 21/05/2021 | GBP | 3,656,000 | 4,697 | 0.20 |
| BAT International Finance 7.25% 12/03/2024 | GBP | 1,594,000 | 2,120 | 0.09 |
| Debenhams 5.25% 15/07/2021 | GBP | 3,400,000 | 3,504 | 0.15 |
| Eversholt Funding 6.70% 22/02/2035 | GBP | 1,500,000 | 2,069 | 0.09 |
| Firstgroup 6.88% 18/09/2024 | GBP | 2,194,000 | 2,841 | 0.12 |
| Imperial Brands Finance 9.00% 17/02/2022 | GBP | 2,443,000 | 3,283 | 0.14 |
| Intu Metrocentre Finance, REIT 4.13% 12/06/2023 | GBP | 3,130,000 | 3,508 | 0.15 |
| Investec Bank 9.63% 17/02/2022 | GBP | 2,990,000 | 3,674 | 0.15 |
| Jaguar Land Rover Automotive 5.00% 15/02/2022 | GBP | 3,237,000 | 3,538 | 0.15 |
| Legal & General Group, FRN 10.00% 23/07/2041 | GBP | 4,387,000 | 5,754 | 0.24 |
| Lloyds Bank 7.63% 22/04/2025 | GBP | 2,775,000 | 3,665 | 0.15 |
| Mitchells & Butlers Finance, Series C1 6.47% 15/09/2032 | GBP | 3,240,000 | 4,042 | 0.17 |
| New Look Secured Issuer 6.50% 07/01/2022 | GBP | 2,953,000 | 2,593 | 0.11 |
| NGG Finance, FRN 5.62% 18/06/2073 | GBP | 4,280,000 | 4,728 | 0.20 |
| NWEN Finance 5.88% 21/06/2021 | GBP | 1,800,000 | 1,999 | 0.08 |
| Prudential, FRN 11.37% 29/05/2039 | GBP | 3,283,000 | 3,953 | 0.16 |
| RAC Bond 4.57% 05/06/2023 | GBP | 4,280,000 | 4,681 | 0.19 |
| Royal Bank of Scotland Group, FRN 3.63% 25/03/2024 | EUR | 4,600,000 | 4,019 | 0.17 |
| Standard Chartered Bank 7.75% 03/04/2018 | GBP | 2,650,000 | 2,822 | 0.12 |
| Standard Life, FRN 5.50% 12/04/2042 | GBP | 2,443,000 | 2,654 | 0.11 |
| Tesco 6.13% 24/02/2022 | GBP | 3,130,000 | 3,599 | 0.15 |
| Thames Water Kemble Finance 7.75% 04/01/2019 | GBP | 2,400,000 | 2,686 | 0.11 |
| Travis Perkins 4.38% 15/09/2021 | GBP | 3,549,000 | 3,680 | 0.15 |
| Virgin Media Finance 6.38% 15/04/2023 | USD | 2,100,000 | 1,752 | 0.07 |
| Virgin Media Secured Finance 5.50% 15/01/2025 | GBP | 4,696,200 | 4,925 | 0.21 |
| William Hill 4.25% 06/05/2020 | GBP | 950,000 | 993 | 0.04 |
| | | | 99,108 | 4.14 |

PORTFOLIO STATEMENT (CONTINUED)

As at 31 March 2017

| Investment | Currency | Holding | Market Value £000 | % of Net Assets |
|---|----------|-------------|----------------------|-----------------|
| United States of America 13.27% (4.89%) | | | | |
| Abbott Laboratories 3.40% 30/11/2023 | USD | 5,590,000 | 4,500 | 0.19 |
| AbbVie 3.60% 14/05/2025 | USD | 4,885,000 | 3,898 | 0.16 |
| AbbVie 4.50% 14/05/2035 | USD | 3,375,000 | 2,684 | 0.11 |
| ADT C 3.50% 15/07/2022 | USD | 3,025,000 | 2,309 | 0.10 |
| AECOM 5.13% 15/03/2027 | USD | 1,375,000 | 1,100 | 0.05 |
| Alliance Data Systems 6.38% 04/01/2020 | USD | 2,250,000 | 1,831 | 0.08 |
| Alliance Data Systems 4.50% 15/03/2022 | EUR | 2,332,000 | 2,044 | 0.09 |
| Ally Financial 4.13% 13/02/2022 | USD | 375,000 | 300 | 0.01 |
| Ally Financial 5.75% 20/11/2025 | USD | 585,000 | 479 | 0.02 |
| Anheuser-Busch InBev Finance 'B' 3.65% 02/01/2026 | USD | 9,845,000 | 7,938 | 0.33 |
| Antero Resources 5.13% 12/01/2022 | USD | 1,550,000 | 1,243 | 0.05 |
| APX Group 8.75% 12/01/2020 | USD | 2,200,000 | 1,824 | 0.08 |
| Arch Capital Finance 4.01% 15/12/2026 | USD | 3,470,000 | 2,834 | 0.12 |
| Arconic 6.15% 15/08/2020 | USD | 2,550,000 | 2,205 | 0.09 |
| AT&T 4.38% 14/09/2029 | GBP | 4,153,000 | 4,678 | 0.20 |
| AT&T 5.65% 15/02/2047 | USD | 2,715,000 | 2,278 | 0.10 |
| B&G Foods 5.25% 01/04/2025 | USD | 345,000 | 278 | 0.01 |
| Bank of America 2.63% 19/04/2021 | USD | 3,740,000 | 2,987 | 0.13 |
| Bank of America 4.20% 26/08/2024 | USD | 5,770,000 | 4,717 | 0.20 |
| Bank of America 7.00% 31/07/2028 | GBP | 4,850,000 | 6,855 | 0.29 |
| Berkshire Hathaway 3.13% 15/03/2026 | USD | 1,675,000 | 1,334 | 0.06 |
| Biogen 5.20% 15/09/2045 | USD | 2,905,000 | 2,512 | 0.11 |
| BlueLine Rental Finance 9.25% 15/03/2024 | USD | 171,000 | 140 | 0.01 |
| Cablevision Systems 7.75% 15/04/2018 | USD | 1,000,000 | 829 | 0.03 |
| Caterpillar Financial Services 1.70% 08/09/2021 | USD | 3,418,000 | 2,635 | 0.11 |
| CCO Holdings 5.50% 05/01/2026 | USD | 2,565,000 | 2,116 | 0.09 |
| Centene 4.75% 15/05/2022 | USD | 1,620,000 | 1,322 | 0.06 |
| CenturyLink 7.50% 04/01/2024 | USD | 2,750,000 | 2,315 | 0.10 |
| Chemtura 5.75% 15/07/2021 | USD | 975,000 | 806 | 0.03 |
| Cheniere Corpus Christi Holdings 7.00% 30/06/2024 | USD | 2,000,000 | 1,755 | 0.07 |
| CIT Group 5.00% 15/08/2022 | USD | 2,775,000 | 2,317 | 0.10 |
| Citigroup 2.65% 26/10/2020 | USD | 8,535,000 | 6,853 | 0.29 |
| CNO Financial Group 4.50% 30/05/2020 | USD | 775,000 | 640 | 0.03 |
| Community Health Systems 8.00% 15/11/2019 | USD | 3,250,000 | 2,549 | 0.11 |
| Cott Beverages 5.38% 07/01/2022 | USD | 790,000 | 645 | 0.03 |
| Crescent Communities 8.88% 15/10/2021 | USD | 1,225,000 | 1,019 | 0.04 |
| CSC Holdings 5.50% 15/04/2027 | USD | 1,410,000 | 1,140 | 0.05 |
| CyrusOne, REIT 5.00% 15/03/2024 | USD | 600,000 | 493 | 0.02 |
| DaVita 5.13% 15/07/2024 | USD | 3,063,000 | 2,470 | 0.10 |
| DCP Midstream Operating 2.50% 12/01/2017 | USD | 1,000,000 | 797 | 0.03 |
| Diamond 1 Finance 7.13% 15/06/2024 | USD | 4,100,000 | 3,585 | 0.15 |
| Diamondback Energy 4.75% 11/01/2024 | USD | 1,599,000 | 1,286 | 0.05 |
| Discover Bank 3.10% 06/04/2020 | USD | 1,455,000 | 1,185 | 0.05 |
| DISH DBS 5.13% 05/01/2020 | USD | 2,010,000 | 1,664 | 0.07 |
| DISH DBS 6.75% 06/01/2021 | USD | 1,625,000 | 1,401 | 0.06 |
| Dollar Tree 5.75% 03/01/2023 | USD | 1,970,000 | 1,667 | 0.07 |
| Dynegy 8.00% 15/01/2025 | USD | 1,750,000 | 1,340 | 0.06 |
| Eagle II Acquisition 6.00% 01/04/2025 | USD | 235,000 | 194 | 0.01 |
| FHLMC, IO, FRN, Series K055 'X1' 1.37% 25/03/2026 | USD | 82,736,715 | 6,548 | 0.27 |
| FHLMC, IO, FRN, Series K062 'X1' 0.31% 25/12/2026 | USD | 270,307,062 | 5,835 | 0.24 |
| FHLMC, IO, FRN, Series K063 'X1' 0.43% 25/01/2027 | USD | 148,570,000 | 2,971 | 0.12 |
| FHLMC, IO, FRN, Series K151 'X1' 0.48% 25/04/2030 | USD | 11,024,168 | 333 | 0.01 |
| FHLMC, IO, FRN 'X1' 0.95% 25/01/2031 | USD | 57,654,040 | 4,221 | 0.18 |
| First Data 7.00% 12/01/2023 | USD | 4,345,000 | 3,727 | 0.16 |
| Ford Motor 4.35% 12/08/2026 | USD | 2,750,000 | 2,237 | 0.09 |
| Ford Motor 5.29% 12/08/2046 | USD | 4,610,000 | 3,686 | 0.15 |
| Foresight Energy 11.50% 01/04/2023 | USD | 915,000 | 684 | 0.03 |
| Forest Laboratories 5.00% 15/12/2021 | USD | 3,960,000 | 3,427 | 0.14 |
| Frontier Communications 8.88% 15/09/2020 | USD | 1,495,000 | 1,257 | 0.05 |
| Frontier Communications 10.50% 15/09/2022 | USD | 1,395,000 | 1,124 | 0.05 |
| Frontier Communications 11.00% 15/09/2025 | USD | 375,000 | 290 | 0.01 |

PORTFOLIO STATEMENT (CONTINUED)

As at 31 March 2017

| Investment | Currency | Holding | Market Value £000 | % of Net Assets |
|---|----------|-------------|----------------------|-----------------|
| United States of America 13.27% (4.89%) (continued) | | | | |
| General Motors Financial 4.00% 15/01/2025 | USD | 3,375,000 | 2,707 | 0.11 |
| GNMA, IO, FRN, Series 2015-145 0.91% 16/07/2057 | USD | 29,395,720 | 1,460 | 0.06 |
| GNMA, IO, FRN, Series 2015-37 0.95% 16/11/2056 | USD | 30,447,269 | 1,614 | 0.07 |
| GNMA, IO, FRN, Series 2015-51 0.92% 16/12/2056 | USD | 38,783,594 | 1,963 | 0.08 |
| GNMA, IO, FRN, Series 2015-73 0.83% 16/11/2055 | USD | 93,817,674 | 4,372 | 0.18 |
| GNMA, IO, FRN, Series 2016-11 0.90% 16/01/2056 | USD | 78,599,285 | 4,528 | 0.19 |
| GNMA, IO, FRN, Series 2016-35 0.90% 16/03/2058 | USD | 64,983,246 | 3,682 | 0.15 |
| GNMA, IO, FRN, Series 2016-36 0.94% 16/08/2057 | USD | 48,689,210 | 2,883 | 0.12 |
| GNMA, IO, FRN, Series 2016-39, 0.86% 16/01/2056 | USD | 83,603,061 | 4,522 | 0.19 |
| GNMA, IO, FRN, Series 2016-64 1.02% 16/12/2057 | USD | 94,140,487 | 5,582 | 0.23 |
| GNMA, IO, FRN, Series 2017-30 0.76% 16/08/2058 | USD | 126,409,269 | 7,259 | 0.30 |
| Goldman Sachs Group 5.38% 15/03/2020 | USD | 7,980,000 | 6,901 | 0.29 |
| Goldman Sachs Group 6.13% 14/05/2017 | GBP | 2,017,000 | 2,028 | 0.09 |
| Greystar Real Estate Partners 8.25% 12/01/2022 | USD | 2,600,000 | 2,243 | 0.09 |
| HCA 6.50% 15/02/2020 | USD | 1,925,000 | 1,683 | 0.07 |
| HCA 5.88% 05/01/2023 | USD | 2,450,000 | 2,113 | 0.09 |
| HCA 5.00% 15/03/2024 | USD | 3,500,000 | 2,931 | 0.12 |
| HCP, REIT 3.40% 02/01/2025 | USD | 5,405,000 | 4,173 | 0.17 |
| Hecla Mining 6.88% 05/01/2021 | USD | 2,700,000 | 2,191 | 0.09 |
| Infor US 5.75% 15/08/2020 | USD | 410,000 | 341 | 0.01 |
| JC Penney 5.65% 01/06/2020 | USD | 1,575,000 | 1,243 | 0.05 |
| JC Penney 5.88% 07/01/2023 | USD | 1,250,000 | 1,000 | 0.04 |
| JPMorgan Chase 4.40% 22/07/2020 | USD | 5,050,000 | 4,298 | 0.18 |
| KFC Holding 5.00% 06/01/2024 | USD | 1,450,000 | 1,179 | 0.05 |
| Landry's 6.75% 15/10/2024 | USD | 2,070,000 | 1,718 | 0.07 |
| Live Nation Entertainment 5.38% 15/06/2022 | USD | 1,095,000 | 911 | 0.04 |
| LPL Holdings 5.75% 15/09/2025 | USD | 1,500,000 | 1,212 | 0.05 |
| Macy's Retail Holdings 4.30% 15/02/2043 | USD | 4,290,000 | 2,711 | 0.11 |
| Medtronic 3.50% 15/03/2025 | USD | 2,535,000 | 2,069 | 0.09 |
| Merck 3.70% 02/10/2045 | USD | 1,185,000 | 898 | 0.04 |
| MGM Resorts International 8.63% 02/01/2019 | USD | 1,050,000 | 923 | 0.04 |
| MGM Resorts International 6.63% 15/12/2021 | USD | 850,000 | 751 | 0.03 |
| Morgan Stanley 2.65% 27/01/2020 | USD | 2,973,000 | 2,399 | 0.10 |
| Morgan Stanley 4.10% 22/05/2023 | USD | 4,575,000 | 3,777 | 0.16 |
| Murphy Oil 6.88% 15/08/2024 | USD | 2,125,000 | 1,793 | 0.08 |
| Nature's Bounty 7.63% 15/05/2021 | USD | 1,825,000 | 1,536 | 0.06 |
| NIKE 3.88% 11/01/2045 | USD | 3,050,000 | 2,347 | 0.10 |
| Nuance Communications 5.38% 15/08/2020 | USD | 94,000 | 76 | – |
| Nuance Communications 5.63% 15/12/2026 | USD | 2,195,000 | 1,795 | 0.08 |
| OneMain Financial Holdings 7.25% 15/12/2021 | USD | 2,865,000 | 2,400 | 0.10 |
| Parsley Energy 6.25% 06/01/2024 | USD | 2,095,000 | 1,776 | 0.07 |
| Peabody Securities Finance 6.00% 31/03/2022 | USD | 2,000,000 | 1,586 | 0.07 |
| Penn National Gaming 5.63% 15/01/2027 | USD | 1,590,000 | 1,262 | 0.05 |
| QCP SNF West, REIT 8.13% 11/01/2023 | USD | 255,000 | 212 | 0.01 |
| Quintiles IMS 3.50% 15/10/2024 | EUR | 2,937,000 | 2,561 | 0.11 |
| RSP Permian 5.25% 15/01/2025 | USD | 1,235,000 | 995 | 0.04 |
| Sabine Pass Liquefaction 5.63% 03/01/2025 | USD | 3,420,000 | 2,951 | 0.12 |
| Sabine Pass Liquefaction, FRN 5.63% 02/01/2021 | USD | 1,188,000 | 1,020 | 0.04 |
| Scientific Games International 10.00% 12/01/2022 | USD | 1,825,000 | 1,543 | 0.06 |
| Silgan Holdings 3.25% 15/03/2025 | EUR | 2,811,000 | 2,391 | 0.10 |
| Six Flags Entertainment 4.88% 31/07/2024 | USD | 880,000 | 697 | 0.03 |
| Six Flags Entertainment Corp. Callable Notes Fixed 5.50% 15/04/2027 | USD | 835,000 | 668 | 0.03 |
| Springleaf Finance 7.75% 10/01/2021 | USD | 1,520,000 | 1,294 | 0.05 |
| Sprint 7.13% 15/06/2024 | USD | 2,690,000 | 2,274 | 0.10 |
| Sprint Communications 9.00% 15/11/2018 | USD | 2,800,000 | 2,424 | 0.10 |
| Sprint Spectrum 3.36% 20/03/2023 | USD | 2,800,000 | 2,235 | 0.09 |
| Tenet Healthcare 5.00% 03/01/2019 | USD | 5,140,000 | 4,117 | 0.17 |
| Terex 5.63% 01/02/2025 | USD | 85,000 | 69 | – |
| Tesoro Logistics 5.25% 15/01/2025 | USD | 590,000 | 491 | 0.02 |
| T-Mobile USA 6.63% 04/01/2023 | USD | 2,485,000 | 2,107 | 0.09 |
| T-Mobile USA 6.50% 15/01/2026 | USD | 1,875,000 | 1,635 | 0.07 |

PORTFOLIO STATEMENT (CONTINUED)

As at 31 March 2017

| Investment | Currency | Holding | Market Value £000 | % of Net Assets |
|--|----------|-------------|----------------------|-----------------|
| United States of America 13.27% (4.89%) (continued) | | | | |
| Toyota Motor Credit 1.90% 04/08/2021 | USD | 4,745,000 | 3,731 | 0.16 |
| Travelers Cos., 4.30% 25/08/2045 | USD | 1,425,000 | 1,179 | 0.05 |
| United States Steel 8.38% 07/01/2021 | USD | 2,510,000 | 2,228 | 0.09 |
| UnitedHealth Group 3.75% 15/07/2025 | USD | 2,340,000 | 1,949 | 0.08 |
| Universal Health Services 4.75% 08/01/2022 | USD | 2,114,000 | 1,737 | 0.07 |
| US Bancorp, FRN 5.30% Perpetual | USD | 5,000,000 | 4,066 | 0.17 |
| Vector Group 6.13% 02/01/2025 | USD | 5,500,000 | 4,492 | 0.19 |
| Verizon Communications 4.13% 15/08/2046 | USD | 4,760,000 | 3,289 | 0.14 |
| Wal-Mart Stores 4.00% 04/11/2043 | USD | 2,220,000 | 1,775 | 0.07 |
| Wells Fargo 4.13% 15/08/2023 | USD | 2,695,000 | 2,258 | 0.09 |
| Wells Fargo Bank 2.15% 12/06/2019 | USD | 7,450,000 | 5,979 | 0.25 |
| Welltower, REIT 4.95% 15/01/2021 | USD | 225,000 | 193 | 0.01 |
| Western Digital 10.50% 04/01/2024 | USD | 3,000,000 | 2,823 | 0.12 |
| Westlake Chemical 3.60% 15/08/2026 | USD | 4,620,000 | 3,616 | 0.15 |
| William Lyon Homes 5.88% 31/01/2025 | USD | 1,600,000 | 1,289 | 0.05 |
| Zayo Group 5.75% 15/01/2027 | USD | 2,175,000 | 1,820 | 0.08 |
| ZF North America Capital 4.75% 29/04/2025 | USD | 340,000 | 280 | 0.01 |
| | | | 317,555 | 13.27 |
| Corporate Bonds total | | | 553,180 | 23.11 |
| Certificates of Deposit 15.06% (8.81%) | | | | |
| Finland 0.00% (2.13%) | | | | |
| United Kingdom 15.06% (6.40%) | | | | |
| ABN Amro Bank 0.41% 01/06/2017 | GBP | 30,000,000 | 30,000 | 1.25 |
| Bank of China 0.00% 04/10/2017 | GBP | 30,000,000 | 29,996 | 1.25 |
| Credit Agricole Corporate and Investment Bank 0.36% 19/06/2017 | GBP | 25,000,000 | 25,000 | 1.04 |
| Mizuho Bank Ltd 0.39% 06/04/2017 | GBP | 15,000,000 | 15,000 | 0.63 |
| National Bank of Abu Dhabi 0.42% 19/06/2017 | GBP | 25,000,000 | 25,000 | 1.04 |
| National Bank of Abu Dhabi 0.40% 31/07/2017 | GBP | 10,000,000 | 10,000 | 0.42 |
| Nationwide Building Society 0.64% 06/05/2017 | GBP | 15,000,000 | 15,007 | 0.63 |
| Nationwide Building Society 0.40% 01/06/2017 | GBP | 20,000,000 | 20,000 | 0.84 |
| Natixis 0.38% 01/06/2017 | GBP | 35,000,000 | 35,000 | 1.46 |
| Norinchukin Bank 0.00% 15/05/2017 | GBP | 25,500,000 | 25,490 | 1.07 |
| Qatar National Bank Saq – London Branch 0.00% 23/06/2017 | GBP | 50,000,000 | 49,948 | 2.09 |
| Standard Chartered Bank 0.36% 19/06/2017 | GBP | 25,000,000 | 25,000 | 1.04 |
| Sumitomo Mitsui Banking 0.38% 15/05/2017 | GBP | 25,000,000 | 25,000 | 1.05 |
| Sumitomo Mitsui Banking 0.36% 23/05/2017 | GBP | 30,000,000 | 30,000 | 1.25 |
| | | | 360,441 | 15.06 |
| United States of America 0.00% (0.28%) | | | | |
| Certificates of Deposit total | | | 360,441 | 15.06 |
| Commercial Papers 4.24% (3.69%) | | | | |
| United Kingdom 4.24% (3.69%) | | | | |
| Banque Federative Du Credit 0.39% 06/12/2017 | GBP | 40,000,000 | 39,969 | 1.67 |
| Chesham Finance 0.47% 19/04/2017 | GBP | 20,000,000 | 19,995 | 0.84 |
| Op Corporate Bank 0.33% 25/04/2017 | GBP | 11,500,000 | 11,498 | 0.48 |
| Sheffield Receivables 0.45% 21/04/2017 | GBP | 30,000,000 | 29,993 | 1.25 |
| | | | 101,455 | 4.24 |
| Commercial Papers total | | | 101,455 | 4.24 |
| Swaps (0.28%) (0.21%) | | | | |
| Equity Variance Swap J.P. Morgan 28/12/2018 | HKD | 166,656,000 | (12) | – |
| Equity Variance Swap J.P. Morgan 28/12/2018 | HKD | 306,992,100 | (163) | (0.01) |
| Equity Variance Swap J.P. Morgan 28/12/2018 | HKD | 321,039,500 | (178) | (0.01) |
| Equity Variance Swap J.P. Morgan 21/12/2018 | USD | 58,500,800 | 141 | 0.01 |
| Equity Variance Swap J.P. Morgan 21/12/2018 | USD | 56,096,100 | 126 | 0.01 |
| Equity Variance Swap J.P. Morgan 21/12/2018 | USD | 30,770,200 | (6) | – |
| Equity Variance Swap Societe Generale EURO STOXX 50 Index 21/12/2018 | EUR | 45,496,500 | (1,339) | (0.06) |
| Equity Variance Swap BNP Paribas EURO STOXX 50 Index 21/12/2018 | EUR | 65,500,000 | (1,621) | (0.07) |

PORTFOLIO STATEMENT (CONTINUED)

As at 31 March 2017

| Investment | Currency | Holding | Market Value £000 | % of Net Assets |
|--|----------|---------------|----------------------|-----------------|
| Swaps (0.28)% (0.21%) (continued) | | | | |
| Equity Variance Swap Societe Generale EURO STOXX 50 Index 21/12/2018 | EUR | 65,296,000 | (1,711) | (0.07) |
| Equity Variance Swap Goldman Sachs EURO STOXX 50 Index 21/12/2018 | EUR | 66,890,000 | (2,042) | (0.09) |
| Equity Variance Swap BNP Paribas EURO STOXX 50 Index 21/12/2018 | EUR | 238,610,000 | (2,821) | (0.12) |
| Equity Variance Swap Societe Generale EURO STOXX 50 Index 21/12/2018 | EUR | 149,342,700 | (4,976) | (0.21) |
| Equity Variance Swap Bank of America EURO STOXX 50 Index 15/06/2018 | EUR | 71,450,000 | (2,313) | (0.10) |
| Equity Variance Swap Goldman Sachs EURO STOXX 50 Index 15/06/2018 | EUR | 99,148,200 | (3,538) | (0.15) |
| Equity Variance Swap Societe Generale EURO STOXX 50 Index 15/12/2017 | EUR | 83,783,900 | 3,137 | 0.13 |
| Equity Variance Swap BNP Paribas EURO STOXX 50 Index 15/12/2017 | EUR | 109,050,000 | 1,493 | 0.06 |
| Equity Variance Swap Goldman Sachs EURO STOXX 50 Index 15/12/2017 | EUR | 36,340,000 | 1,231 | 0.05 |
| Equity Variance Swap Societe Generale EURO STOXX 50 Index 15/12/2017 | EUR | 33,021,700 | 959 | 0.04 |
| Equity Variance Swap BNP Paribas EURO STOXX 50 Index 15/12/2017 | EUR | 33,310,000 | 935 | 0.04 |
| Equity Variance Swap Societe Generale EURO STOXX 50 Index 15/12/2017 | EUR | 23,993,600 | 833 | 0.04 |
| Equity Variance Swap BNP Paribas EURO STOXX 50 Index 15/12/2017 | EUR | 12,556,700 | (176) | (0.01) |
| Equity Variance Swap Societe Generale EURO STOXX 50 Index 15/12/2017 | EUR | 28,735,600 | (351) | (0.01) |
| Equity Variance Swap Societe Generale EURO STOXX 50 Index 15/12/2017 | EUR | 28,938,300 | (405) | (0.02) |
| Equity Variance Swap Societe Generale EURO STOXX 50 Index 15/12/2017 | EUR | 24,018,800 | (474) | (0.02) |
| Equity Variance Swap Goldman Sachs EURO STOXX 50 Index 16/06/2017 | EUR | 46,130,000 | 1,837 | 0.08 |
| Equity Variance Swap Bank of America EURO STOXX 50 Index 16/06/2017 | EUR | 37,400,000 | 1,442 | 0.06 |
| Equity Variance Swap Societe Generale Hang Seng China Enterprises Index 28/12/2018 | HKD | 157,835,000 | (140) | (0.01) |
| Equity Variance Swap Societe Generale Hang Seng China Enterprises Index 28/12/2018 | HKD | 153,570,900 | (160) | (0.01) |
| Equity Variance Swap Societe Generale Hang Seng China Enterprises Index 28/12/2018 | HKD | 153,020,400 | (172) | (0.01) |
| Equity Variance Swap Societe Generale Hang Seng China Enterprises Index 28/12/2018 | HKD | 156,137,800 | (178) | (0.01) |
| Equity Variance Swap Societe Generale Hang Seng China Enterprises Index 28/12/2018 | HKD | 155,302,900 | (185) | (0.01) |
| Equity Variance Swap Societe Generale Hang Seng China Enterprises Index 28/12/2018 | HKD | 154,751,200 | (196) | (0.01) |
| Equity Variance Swap J.P. Morgan Hang Seng China Enterprises Index 28/12/2018 | HKD | 315,230,700 | (336) | (0.01) |
| Equity Variance Swap Societe Generale Hang Seng China Enterprises Index 28/12/2018 | HKD | 312,275,600 | (355) | (0.01) |
| Equity Variance Swap J.P. Morgan Hang Seng China Enterprises Index 28/12/2018 | HKD | 312,107,200 | (391) | (0.02) |
| Equity Variance Swap Societe Generale Hang Seng China Enterprises Index 28/12/2018 | HKD | 465,908,400 | (545) | (0.02) |
| Equity Variance Swap Societe Generale Japan Nikkei 225 Index 14/12/2018 | JPY | 1,820,350,000 | (129) | (0.01) |
| Equity Variance Swap Societe Generale S&P 500 Index 21/12/2018 | USD | 16,440,000 | 392 | 0.02 |
| Equity Variance Swap Societe Generale S&P 500 Index 21/12/2018 | USD | 87,259,800 | 300 | 0.01 |
| Equity Variance Swap J.P. Morgan S&P 500 Index 21/12/2018 | USD | 58,309,800 | 227 | 0.01 |
| Equity Variance Swap J.P. Morgan S&P 500 Index 21/12/2018 | USD | 58,885,700 | 189 | 0.01 |
| Equity Variance Swap Societe Generale S&P 500 Index 21/12/2018 | USD | 58,782,500 | 174 | 0.01 |
| Equity Variance Swap Societe Generale S&P 500 Index 21/12/2018 | USD | 29,011,400 | 106 | – |
| Equity Variance Swap Societe Generale S&P 500 Index 21/12/2018 | USD | 29,162,100 | 99 | – |
| Equity Variance Swap Societe Generale S&P 500 Index 21/12/2018 | USD | 28,706,000 | 92 | – |
| Equity Variance Swap Societe Generale S&P 500 Index 21/12/2018 | USD | 28,706,000 | 89 | – |
| Equity Variance Swap Societe Generale S&P 500 Index 21/12/2018 | USD | 29,391,100 | 87 | – |
| Equity Variance Swap Societe Generale S&P 500 Index 21/12/2018 | USD | 29,391,100 | 80 | – |
| Equity Variance Swap Societe Generale S&P 500 Index 15/12/2017 | USD | 35,955,100 | 832 | 0.04 |
| Equity Variance Swap Societe Generale S&P 500 Index 15/12/2017 | USD | 29,347,000 | 824 | 0.03 |
| Equity Variance Swap Societe Generale S&P 500 Index 15/12/2017 | USD | 36,363,600 | 791 | 0.03 |
| Equity Variance Swap BNP Paribas S&P 500 Index 15/12/2017 | USD | 15,730,300 | 364 | 0.02 |
| FX Volatility Swap BNP Paribas EUR/JPY 15/01/2018 | EUR | 345,975 | (926) | (0.04) |
| FX Volatility Swap BNP Paribas EUR/JPY 28/11/2017 | EUR | 400,716 | (1,065) | (0.04) |
| FX Volatility Swap BNP Paribas EUR/JPY 10/11/2017 | EUR | 413,580 | (785) | (0.03) |
| FX Volatility Swap Goldman Sachs EUR/JPY 03/11/2017 | EUR | 198,288 | (518) | (0.02) |
| FX Volatility Swap Societe Generale EUR/JPY 05/10/2017 | EUR | 216,183 | (587) | (0.02) |
| FX Volatility Swap Goldman Sachs EUR/JPY 22/09/2017 | EUR | 96,958 | (230) | (0.01) |
| FX Volatility Swap Societe Generale EUR/JPY 22/09/2017 | EUR | 216,183 | (491) | (0.02) |
| FX Volatility Swap BNP Paribas USD/JPY 15/01/2018 | USD | 368,464 | 714 | 0.03 |
| FX Volatility Swap BNP Paribas USD/JPY 28/11/2017 | USD | 423,958 | 458 | 0.02 |
| FX Volatility Swap BNP Paribas USD/JPY 10/11/2017 | USD | 450,802 | 83 | – |
| FX Volatility Swap Goldman Sachs USD/JPY 03/11/2017 | USD | 220,100 | 85 | – |
| FX Volatility Swap Societe Generale USD/JPY 05/10/2017 | USD | 242,527 | 78 | – |
| FX Volatility Swap Goldman Sachs USD/JPY 22/09/2017 | USD | 108,080 | 12 | – |
| FX Volatility Swap Societe Generale USD/JPY 22/09/2017 | USD | 241,878 | (17) | – |
| Inflation Rate Swap Morgan Stanley Pay floating UKRPI 1 month Receive fixed 3.59% 15/02/2027 | GBP | 34,800,000 | 552 | 0.02 |
| Inflation Rate Swap Citigroup Pay floating UKRPI 1 month Receive fixed 3.59% 15/02/2027 | GBP | 34,800,000 | 534 | 0.02 |
| Inflation Rate Swap J.P. Morgan Pay floating UKRPI 1 month Receive fixed 3.59% 15/02/2027 | GBP | 34,800,000 | 530 | 0.02 |

PORTFOLIO STATEMENT (CONTINUED)

As at 31 March 2017

| Investment | Currency | Holding | Market Value £000 | % of Net Assets |
|---|----------|-------------|----------------------|-----------------|
| Swaps (0.28)% (0.21)% (continued) | | | | |
| Inflation Rate Swap UBS Pay floating UKRPI 1 month Receive fixed 3.55% 15/02/2027 | GBP | 34,800,000 | 377 | 0.02 |
| Inflation Rate Swap J.P. Morgan Pay floating UKRPI 1 month Receive fixed 3.55% 15/02/2027 | GBP | 34,800,000 | 366 | 0.02 |
| Inflation Rate Swap Bank of America Pay floating UKRPI 1 month Receive fixed 3.55% 15/02/2027 | GBP | 34,800,000 | 359 | 0.02 |
| Inflation Rate Swap Citigroup Pay floating UKRPI 1 month Receive fixed 3.55% 15/02/2027 | GBP | 34,800,000 | 355 | 0.02 |
| Inflation Rate Swap Nomura Pay floating UKRPI 1 month Receive fixed 3.55% 15/02/2027 | GBP | 34,800,000 | 355 | 0.02 |
| Inflation Rate Swap Bank of America Pay floating UKRPI 1 month Receive fixed 3.53% 15/02/2027 | GBP | 34,800,000 | 294 | 0.01 |
| Inflation Rate Swap RBS Pay floating UKRPI 1 month Receive fixed 3.52% 15/02/2027 | GBP | 34,800,000 | 246 | 0.01 |
| Inflation Rate Swap Bank of America Pay floating UKRPI 1 month Receive fixed 3.48% 15/02/2027 | GBP | 35,600,000 | 70 | – |
| Inflation Rate Swap UBS Pay floating UKRPI 1 month Receive fixed 3.48% 15/02/2027 | GBP | 35,600,000 | 63 | – |
| Inflation Rate Swap BNP Paribas Pay floating UKRPI 1 month Receive fixed 3.44% 15/02/2027 | GBP | 35,600,000 | (92) | – |
| Inflation Rate Swap Goldman Sachs Pay floating UKRPI 1 month Receive fixed 3.44% 15/02/2027 | GBP | 35,600,000 | (103) | – |
| Inflation Rate Swap UBS Pay floating UKRPI 1 month Receive fixed 3.44% 15/02/2027 | GBP | 35,600,000 | (114) | – |
| Inflation Rate Swap UBS Pay fixed 3.45% Receive floating UKRPI 1 month 15/02/2022 | GBP | 35,600,000 | 66 | – |
| Inflation Rate Swap Goldman Sachs Pay fixed 3.46% Receive floating UKRPI 1 month 15/02/2022 | GBP | 35,600,000 | 56 | – |
| Inflation Rate Swap BNP Paribas Pay fixed 3.46% Receive floating UKRPI 1 month 15/02/2022 | GBP | 35,600,000 | 46 | – |
| Inflation Rate Swap UBS Pay fixed 3.49% Receive floating UKRPI 1 month 15/02/2022 | GBP | 35,600,000 | (8) | – |
| Inflation Rate Swap Bank of America Pay fixed 3.49% Receive floating UKRPI 1 month 15/02/2022 | GBP | 35,600,000 | (8) | – |
| Inflation Rate Swap RBS Pay fixed 3.55% Receive floating UKRPI 1 month 15/02/2022 | GBP | 34,800,000 | (120) | – |
| Inflation Rate Swap Bank of America Pay fixed 3.55% Receive floating UKRPI 1 month 15/02/2022 | GBP | 34,800,000 | (134) | (0.01) |
| Inflation Rate Swap J.P. Morgan Pay fixed 3.57% Receive floating UKRPI 1 month 15/02/2022 | GBP | 34,800,000 | (159) | (0.01) |
| Inflation Rate Swap Nomura Pay fixed 3.57% Receive floating UKRPI 1 month 15/02/2022 | GBP | 34,800,000 | (159) | (0.01) |
| Inflation Rate Swap Bank of America Pay fixed 3.57% Receive floating UKRPI 1 month 15/02/2022 | GBP | 34,800,000 | (164) | (0.01) |
| Inflation Rate Swap Citigroup Pay fixed 3.57% Receive floating UKRPI 1 month 15/02/2022 | GBP | 34,800,000 | (169) | (0.01) |
| Inflation Rate Swap UBS Pay fixed 3.57% Receive floating UKRPI 1 month 15/02/2022 | GBP | 34,800,000 | (174) | (0.01) |
| Inflation Rate Swap Citigroup Pay fixed 3.62% Receive floating UKRPI 1 month 15/02/2022 | GBP | 34,800,000 | (257) | (0.01) |
| Inflation Rate Swap J.P. Morgan Pay fixed 3.62% Receive floating UKRPI 1 month 15/02/2022 | GBP | 34,800,000 | (263) | (0.01) |
| Inflation Rate Swap Morgan Stanley Pay fixed 3.62% Receive floating UKRPI 1 month 15/02/2022 | GBP | 34,800,000 | (271) | (0.01) |
| Inflation Rate Swap HSBC Pay fixed 2.32% Receive floating USCPI 1 month 14/02/2027 | USD | 122,500,000 | (316) | (0.01) |
| Inflation Rate Swap Barclays Pay fixed 2.29% Receive floating USCPI 1 month 13/02/2027 | USD | 122,500,000 | 27 | – |
| Inflation Rate Swap Bank of America Pay fixed 2.34% Receive floating USCPI 1 month 02/02/2027 | USD | 68,000,000 | (252) | (0.01) |
| Inflation Rate Swap Barclays Pay fixed 2.16% Receive floating USCPI 1 month 14/11/2026 | USD | 200,000,000 | 2,053 | 0.09 |
| Inflation Rate Swap UBS Pay fixed 2.18% Receive floating USCPI 1 month 14/11/2026 | USD | 200,000,000 | 1,675 | 0.07 |
| Inflation Rate Swap Barclays Pay fixed 1.75% Receive floating USCPI 1 month 30/08/2026 | USD | 20,000,000 | 754 | 0.03 |
| Inflation Rate Swap Barclays Pay fixed 1.73% Receive floating USCPI 1 month 03/08/2026 | USD | 51,000,000 | 2,038 | 0.09 |
| Inflation Rate Swap J.P. Morgan Pay fixed 1.75% Receive floating USCPI 1 month 02/08/2026 | USD | 65,600,000 | 2,535 | 0.11 |
| Inflation Rate Swap Citigroup Pay fixed 1.76% Receive floating USCPI 1 month 02/08/2026 | USD | 65,600,000 | 2,498 | 0.10 |
| Inflation Rate Swap Barclays Pay fixed 1.86% Receive floating USCPI 1 month 13/06/2026 | USD | 10,000,000 | 323 | 0.01 |
| Inflation Rate Swap Morgan Stanley Pay fixed 1.87% Receive floating USCPI 1 month 16/05/2026 | USD | 9,000,000 | 283 | 0.01 |
| Inflation Rate Swap BNP Paribas Pay fixed 1.87% Receive floating USCPI 1 month 25/04/2026 | USD | 8,000,000 | 232 | 0.01 |
| Inflation Rate Swap Barclays Pay fixed 1.84% Receive floating USCPI 1 month 14/04/2026 | USD | 23,500,000 | 753 | 0.03 |
| Inflation Rate Swap Barclays Pay fixed 1.87% Receive floating USCPI 1 month 07/04/2026 | USD | 24,000,000 | 703 | 0.03 |
| Inflation Rate Swap Nomura Pay fixed 1.87% Receive floating USCPI 1 month 29/03/2026 | USD | 11,000,000 | 312 | 0.01 |
| Inflation Rate Swap Citigroup Pay fixed 1.87% Receive floating USCPI 1 month 22/03/2026 | USD | 9,100,000 | 252 | 0.01 |
| Inflation Rate Swap Barclays Pay fixed 1.85% Receive floating USCPI 1 month 21/03/2026 | USD | 1,500,000 | 45 | – |
| Inflation Rate Swap Citigroup Pay fixed 1.78% Receive floating USCPI 1 month 14/03/2026 | USD | 2,700,000 | 93 | – |
| Inflation Rate Swap Nomura Pay fixed 1.60% Receive floating USCPI 1 month 10/02/2026 | USD | 3,300,000 | 153 | 0.01 |
| Inflation Rate Swap Citigroup Pay fixed 1.74% Receive floating USCPI 1 month 01/02/2026 | USD | 4,700,000 | 167 | 0.01 |
| Inflation Rate Swap Citigroup Pay fixed 1.83% Receive floating USCPI 1 month 23/12/2025 | USD | 6,500,000 | 176 | 0.01 |
| Inflation Rate Swap Barclays Pay fixed 1.92% Receive floating USCPI 1 month 07/12/2025 | USD | 3,800,000 | 77 | – |
| Inflation Rate Swap Bank of America Pay fixed 1.86% Receive floating USCPI 1 month 16/11/2025 | USD | 2,900,000 | 68 | – |
| Inflation Rate Swap Goldman Sachs Pay fixed 1.76% Receive floating USCPI 1 month 29/10/2025 | USD | 2,800,000 | 76 | – |
| Inflation Rate Swap HSBC Pay floating USCPI 1 month Receive fixed 2.18% 14/02/2022 | USD | 122,500,000 | (125) | – |
| Inflation Rate Swap Barclays Pay floating USCPI 1 month Receive fixed 2.16% 13/02/2022 | USD | 122,500,000 | (202) | (0.01) |
| Inflation Rate Swap UBS Pay floating USCPI 1 month Receive fixed 2.15% 13/02/2022 | USD | 159,000,000 | (300) | (0.01) |
| Inflation Rate Swap Bank of America Pay floating USCPI 1 month Receive fixed 2.25% 02/02/2022 | USD | 68,000,000 | 78 | – |
| Inflation Rate Swap Nomura Pay floating USCPI 1 month Receive fixed 2.24% 01/02/2022 | USD | 45,600,000 | 46 | – |
| Inflation Rate Swap Citigroup Pay floating USCPI 1 month Receive fixed 2.26% 31/01/2022 | USD | 45,600,000 | 69 | – |
| Inflation Rate Swap Bank of America Pay floating USCPI 1 month Receive fixed 2.26% 31/01/2022 | USD | 45,600,000 | 69 | – |
| Inflation Rate Swap UBS Pay floating USCPI 1 month Receive fixed 2.25% 31/01/2022 | USD | 45,600,000 | 64 | – |
| Inflation Rate Swap Morgan Stanley Pay floating USCPI 1 month Receive fixed 2.25% 31/01/2022 | USD | 45,600,000 | 62 | – |
| Inflation Rate Swap Bank of America Pay floating USCPI 1 month Receive fixed 2.20% 25/01/2022 | USD | 44,620,000 | (33) | – |

PORTFOLIO STATEMENT (CONTINUED)

As at 31 March 2017

| Investment | Currency | Holding | Market Value £000 | % of Net Assets |
|---|----------|-------------|----------------------|-----------------|
| Swaps (0.28)% (0.21)% (continued) | | | | |
| Inflation Rate Swap Barclays Pay floating USCPI 1 month Receive fixed 2.19% 25/01/2022 | USD | 44,620,000 | (42) | – |
| Inflation Rate Swap Nomura Pay floating USCPI 1 month Receive fixed 2.19% 25/01/2022 | USD | 44,620,000 | (42) | – |
| Inflation Rate Swap Morgan Stanley Pay floating USCPI 1 month Receive fixed 2.22% 24/01/2022 | USD | 44,620,000 | 15 | – |
| Inflation Rate Swap Morgan Stanley Pay floating USCPI 1 month Receive fixed 2.22% 24/01/2022 | USD | 44,620,000 | 15 | – |
| Inflation Rate Swap UBS Pay floating USCPI 1 month Receive fixed 1.97% 14/11/2021 | USD | 200,000,000 | (2,053) | (0.09) |
| Inflation Rate Swap Barclays Pay floating USCPI 1 month Receive fixed 1.96% 14/11/2021 | USD | 200,000,000 | (2,201) | (0.09) |
| Inflation Rate Swap Barclays Pay floating USCPI 1 month Receive fixed 1.54% 30/08/2021 | USD | 20,000,000 | (503) | (0.02) |
| Inflation Rate Swap Barclays Pay floating USCPI 1 month Receive fixed 1.52% 03/08/2021 | USD | 51,000,000 | (1,392) | (0.06) |
| Inflation Rate Swap J.P. Morgan Pay floating USCPI 1 month Receive fixed 1.53% 02/08/2021 | USD | 65,600,000 | (1,755) | (0.07) |
| Inflation Rate Swap Citigroup Pay floating USCPI 1 month Receive fixed 1.53% 02/08/2021 | USD | 65,600,000 | (1,755) | (0.07) |
| Inflation Rate Swap Barclays Pay floating USCPI 1 month Receive fixed 1.71% 13/06/2021 | USD | 10,000,000 | (219) | (0.01) |
| Inflation Rate Swap Morgan Stanley Pay floating USCPI 1 month Receive fixed 1.68% 16/05/2021 | USD | 9,000,000 | (210) | (0.01) |
| Inflation Rate Swap BNP Paribas Pay floating USCPI 1 month Receive fixed 1.68% 25/04/2021 | USD | 8,000,000 | (167) | (0.01) |
| Inflation Rate Swap Barclays Pay floating USCPI 1 month Receive fixed 1.63% 14/04/2021 | USD | 23,500,000 | (559) | (0.02) |
| Inflation Rate Swap Barclays Pay floating USCPI 1 month Receive fixed 1.67% 07/04/2021 | USD | 24,000,000 | (521) | (0.02) |
| Inflation Rate Swap Nomura Pay floating USCPI 1 month Receive fixed 1.68% 29/03/2021 | USD | 11,000,000 | (227) | (0.01) |
| Inflation Rate Swap Citigroup Pay floating USCPI 1 month Receive fixed 1.69% 22/03/2021 | USD | 9,100,000 | (178) | (0.01) |
| Inflation Rate Swap Barclays Pay floating USCPI 1 month Receive fixed 1.67% 21/03/2021 | USD | 1,500,000 | (32) | – |
| Inflation Rate Swap Citigroup Pay floating USCPI 1 month Receive fixed 1.59% 14/03/2021 | USD | 2,700,000 | (64) | – |
| Inflation Rate Swap Nomura Pay floating USCPI 1 month Receive fixed 1.30% 10/02/2021 | USD | 3,300,000 | (111) | – |
| Inflation Rate Swap Citigroup Pay floating USCPI 1 month Receive fixed 1.47% 01/02/2021 | USD | 4,700,000 | (124) | – |
| Inflation Rate Swap Citigroup Pay floating USCPI 1 month Receive fixed 1.53% 23/12/2020 | USD | 6,500,000 | (147) | (0.01) |
| Inflation Rate Swap Barclays Pay floating USCPI 1 month Receive fixed 1.62% 07/12/2020 | USD | 3,800,000 | (72) | – |
| Inflation Rate Swap Bank of America Pay floating USCPI 1 month Receive fixed 1.52% 16/11/2020 | USD | 2,900,000 | (63) | – |
| Inflation Rate Swap Goldman Sachs Pay floating USCPI 1 month Receive fixed 1.43% 29/10/2020 | USD | 2,800,000 | (61) | – |
| Inflation Rate Swap Nomura Pay fixed 1.72% Receive floating USCPI 1 month 05/10/2025 | USD | 8,000,000 | 242 | 0.01 |
| Inflation Rate Swap Citigroup Pay fixed 1.76% Receive floating USCPI 1 month 16/10/2025 | USD | 1,400,000 | 39 | – |
| Inflation Rate Swap Barclays Pay fixed 1.81% Receive floating USCPI 1 month 17/08/2025 | USD | 2,400,000 | 56 | – |
| Inflation Rate Swap Nomura Pay fixed 1.91% Receive floating USCPI 1 month 24/11/2025 | USD | 3,600,000 | 66 | – |
| Inflation Rate Swap Goldman Sachs Pay fixed 2.02% Receive floating USCPI 1 month 03/06/2025 | USD | 2,000,000 | 16 | – |
| Inflation Rate Swap Goldman Sachs Pay fixed 2.09% Receive floating USCPI 1 month 21/07/2025 | USD | 2,320,000 | 6 | – |
| Inflation Rate Swap Goldman Sachs Pay fixed 2.10% Receive floating USCPI 1 month 23/06/2025 | USD | 2,220,000 | 5 | – |
| Inflation Rate Swap Citigroup Pay fixed 2.14% Receive floating USCPI 1 month 04/05/2025 | USD | 33,000,000 | (22) | – |
| Inflation Rate Swap Nomura Pay floating USCPI 1 month Receive fixed 1.39% 05/10/2020 | USD | 8,000,000 | (190) | (0.01) |
| Inflation Rate Swap Citigroup Pay floating USCPI 1 month Receive fixed 1.40% 16/10/2020 | USD | 1,400,000 | (34) | – |
| Inflation Rate Swap Barclays Pay floating USCPI 1 month Receive fixed 1.50% 17/08/2020 | USD | 2,400,000 | (48) | – |
| Inflation Rate Swap Nomura Pay floating USCPI 1 month Receive fixed 1.57% 24/11/2020 | USD | 3,600,000 | (67) | – |
| Inflation Rate Swap Goldman Sachs Pay floating USCPI 1 month Receive fixed 1.75% 03/06/2020 | USD | 2,000,000 | (22) | – |
| Inflation Rate Swap Goldman Sachs Pay floating USCPI 1 month Receive fixed 1.83% 21/07/2020 | USD | 2,320,000 | (17) | – |
| Inflation Rate Swap Goldman Sachs Pay floating USCPI 1 month Receive fixed 1.84% 23/06/2020 | USD | 2,220,000 | (16) | – |
| Inflation Rate Swap Citigroup Pay floating USCPI 1 month Receive fixed 1.92% 04/05/2020 | USD | 33,000,000 | (159) | (0.01) |
| Interest Rate Swap J.P. Morgan Pay fixed 3.07% Receive floating BBR 6 month 01/11/2028 | AUD | 9,200,000 | 21 | – |
| Interest Rate Swap J.P. Morgan Pay fixed 3.08% Receive floating BBR 6 month 12/02/2028 | AUD | 103,000,000 | 236 | 0.01 |
| Interest Rate Swap J.P. Morgan Pay fixed 3.05% Receive floating BBR 6 month 27/11/2027 | AUD | 27,000,000 | 50 | – |
| Interest Rate Swap J.P. Morgan Pay fixed 2.95% Receive floating BBR 6 month 16/11/2027 | AUD | 19,537,500 | 140 | 0.01 |
| Interest Rate Swap J.P. Morgan Pay fixed 3.00% Receive floating BBR 6 month 15/11/2027 | AUD | 39,075,000 | 176 | 0.01 |
| Interest Rate Swap J.P. Morgan Pay fixed 2.87% Receive floating BBR 6 month 14/11/2027 | AUD | 39,075,000 | 433 | 0.02 |
| Interest Rate Swap J.P. Morgan Pay floating STIBOR 3 month Receive fixed 1.01% 04/03/2024 | SEK | 269,200,000 | (63) | – |
| Interest Rate Swap J.P. Morgan Pay floating STIBOR 3 month Receive fixed 1.01% 04/03/2024 | SEK | 269,200,000 | (63) | – |
| Interest Rate Swap J.P. Morgan Pay floating STIBOR 3 month Receive fixed 1.00% 01/03/2024 | SEK | 269,200,000 | (71) | – |
| Interest Rate Swap J.P. Morgan Pay floating STIBOR 3 month Receive fixed 1.02% 28/02/2024 | SEK | 269,200,000 | (48) | – |
| Interest Rate Swap J.P. Morgan Pay floating STIBOR 3 month Receive fixed 1.07% 27/02/2024 | SEK | 269,200,000 | 15 | – |
| Interest Rate Swap J.P. Morgan Pay floating STIBOR 3 month Receive fixed 1.08% 25/02/2024 | SEK | 269,200,000 | 29 | – |
| Interest Rate Swap J.P. Morgan Pay floating STIBOR 3 month Receive fixed 1.05% 25/02/2024 | SEK | 269,200,000 | (7) | – |
| Interest Rate Swap J.P. Morgan Pay floating STIBOR 3 month Receive fixed 1.04% 25/02/2024 | SEK | 269,200,000 | (19) | – |
| Interest Rate Swap J.P. Morgan Pay fixed 2.50% Receive floating LIBOR 3 month 25/02/2024 | USD | 84,654,000 | (77) | – |
| Interest Rate Swap J.P. Morgan Pay fixed 2.51% Receive floating LIBOR 3 month 25/02/2024 | USD | 108,169,000 | (123) | – |
| Interest Rate Swap J.P. Morgan Pay fixed 2.51% Receive floating LIBOR 3 month 25/02/2024 | USD | 155,199,000 | (170) | (0.01) |
| Interest Rate Swap J.P. Morgan Pay floating STIBOR 3 month Receive fixed 1.10% 23/02/2024 | SEK | 269,200,000 | 54 | – |
| Interest Rate Swap J.P. Morgan Pay fixed 2.52% Receive floating LIBOR 3 month 23/02/2024 | USD | 94,060,000 | (144) | (0.01) |
| Interest Rate Swap J.P. Morgan Pay fixed 2.52% Receive floating LIBOR 3 month 23/02/2024 | USD | 103,466,000 | (159) | (0.01) |

PORTFOLIO STATEMENT (CONTINUED)

As at 31 March 2017

| Investment | Currency | Holding | Market Value £000 | % of Net Assets |
|---|----------|---------------|----------------------|-----------------|
| Swaps (0.28)% (0.21%) (continued) | | | | |
| Interest Rate Swap J.P. Morgan Pay floating STIBOR 3 month Receive fixed 1.12% 22/02/2024 | SEK | 269,200,000 | 80 | – |
| Interest Rate Swap J.P. Morgan Pay floating STIBOR 3 month Receive fixed 1.16% 21/02/2024 | SEK | 269,200,000 | 128 | 0.01 |
| Interest Rate Swap J.P. Morgan Pay floating STIBOR 3 month Receive fixed 1.09% 21/02/2024 | SEK | 538,400,000 | 97 | – |
| Interest Rate Swap J.P. Morgan Pay fixed 2.49% Receive floating LIBOR 3 month 21/02/2024 | USD | 103,466,000 | (63) | – |
| Interest Rate Swap J.P. Morgan Pay fixed 2.49% Receive floating LIBOR 3 month 21/02/2024 | USD | 103,466,000 | (76) | – |
| Interest Rate Swap J.P. Morgan Pay fixed 2.53% Receive floating LIBOR 3 month 21/02/2024 | USD | 188,120,000 | (375) | (0.02) |
| Interest Rate Swap J.P. Morgan Pay floating STIBOR 3 month Receive fixed 1.17% 20/02/2024 | SEK | 269,200,000 | 135 | 0.01 |
| Interest Rate Swap J.P. Morgan Pay floating STIBOR 3 month Receive fixed 1.20% 19/02/2024 | SEK | 269,200,000 | 178 | 0.01 |
| Interest Rate Swap J.P. Morgan Pay floating STIBOR 3 month Receive fixed 1.19% 19/02/2024 | SEK | 269,200,000 | 166 | 0.01 |
| Interest Rate Swap J.P. Morgan Pay fixed 2.49% Receive floating LIBOR 3 month 19/02/2024 | USD | 64,800,000 | (33) | – |
| Interest Rate Swap J.P. Morgan Pay floating STIBOR 3 month Receive fixed 1.19% 18/02/2024 | SEK | 269,200,000 | 167 | 0.01 |
| Interest Rate Swap J.P. Morgan Pay floating STIBOR 3 month Receive fixed 1.20% 17/02/2024 | SEK | 269,200,000 | 177 | 0.01 |
| Interest Rate Swap J.P. Morgan Pay floating STIBOR 3 month Receive fixed 1.19% 16/02/2024 | SEK | 269,200,000 | 166 | 0.01 |
| Interest Rate Swap J.P. Morgan Pay floating STIBOR 3 month Receive fixed 1.18% 16/02/2024 | SEK | 269,200,000 | 160 | 0.01 |
| Interest Rate Swap J.P. Morgan Pay fixed 2.48% Receive floating LIBOR 3 month 16/02/2024 | USD | 64,800,000 | (28) | – |
| Interest Rate Swap J.P. Morgan Pay fixed 2.47% Receive floating LIBOR 3 month 15/02/2024 | USD | 129,600,000 | 5 | – |
| Interest Rate Swap J.P. Morgan Pay fixed 2.47% Receive floating LIBOR 3 month 15/02/2024 | USD | 129,600,000 | 5 | – |
| Interest Rate Swap J.P. Morgan Pay fixed 2.48% Receive floating LIBOR 3 month 15/02/2024 | USD | 129,600,000 | (38) | – |
| Interest Rate Swap J.P. Morgan Pay fixed 2.48% Receive floating LIBOR 3 month 15/02/2024 | USD | 129,600,000 | (58) | – |
| Interest Rate Swap J.P. Morgan Pay fixed 1.94% Receive floating LIBOR 3 month 13/02/2022 | USD | 166,000,000 | 498 | 0.02 |
| Interest Rate Swap J.P. Morgan Pay fixed 2.01% Receive floating LIBOR 3 month 01/02/2022 | USD | 48,000,000 | (9) | – |
| Interest Rate Swap J.P. Morgan Pay fixed 2.02% Receive floating LIBOR 3 month 31/01/2022 | USD | 48,000,000 | (16) | – |
| Interest Rate Swap J.P. Morgan Pay fixed 2.02% Receive floating LIBOR 3 month 31/01/2022 | USD | 48,000,000 | (17) | – |
| Interest Rate Swap J.P. Morgan Pay fixed 2.04% Receive floating LIBOR 3 month 31/01/2022 | USD | 48,000,000 | (54) | – |
| Interest Rate Swap J.P. Morgan Pay fixed 2.05% Receive floating LIBOR 3 month 31/01/2022 | USD | 48,000,000 | (80) | – |
| Interest Rate Swap J.P. Morgan Pay fixed 1.95% Receive floating LIBOR 3 month 25/01/2022 | USD | 46,650,000 | 86 | – |
| Interest Rate Swap J.P. Morgan Pay fixed 1.96% Receive floating LIBOR 3 month 25/01/2022 | USD | 46,650,000 | 81 | – |
| Interest Rate Swap J.P. Morgan Pay fixed 1.99% Receive floating LIBOR 3 month 25/01/2022 | USD | 46,650,000 | 30 | – |
| Interest Rate Swap J.P. Morgan Pay fixed 2.04% Receive floating LIBOR 3 month 24/01/2022 | USD | 46,650,000 | (60) | – |
| Interest Rate Swap J.P. Morgan Pay fixed 2.04% Receive floating LIBOR 3 month 24/01/2022 | USD | 46,650,000 | (67) | – |
| Interest Rate Swap J.P. Morgan Pay floating BBR 3 month Receive fixed 2.25% 01/11/2020 | AUD | 41,500,000 | 53 | – |
| Interest Rate Swap J.P. Morgan Pay fixed 0.04% Receive floating STIBOR 3 month 02/03/2020 | SEK | 657,500,000 | 57 | – |
| Interest Rate Swap J.P. Morgan Pay fixed 0.05% Receive floating STIBOR 3 month 02/03/2020 | SEK | 657,500,000 | 51 | – |
| Interest Rate Swap J.P. Morgan Pay fixed 0.02% Receive floating STIBOR 3 month 01/03/2020 | SEK | 657,500,000 | 83 | – |
| Interest Rate Swap J.P. Morgan Pay fixed 0.03% Receive floating STIBOR 3 month 28/02/2020 | SEK | 657,500,000 | 65 | – |
| Interest Rate Swap J.P. Morgan Pay fixed 0.06% Receive floating STIBOR 3 month 27/02/2020 | SEK | 657,500,000 | 28 | – |
| Interest Rate Swap J.P. Morgan Pay floating LIBOR 3 month Receive fixed 2.00% 26/02/2020 | USD | 327,717,000 | 60 | – |
| Interest Rate Swap J.P. Morgan Pay fixed 0.05% Receive floating STIBOR 3 month 26/02/2020 | SEK | 657,500,000 | 44 | – |
| Interest Rate Swap J.P. Morgan Pay fixed 0.05% Receive floating STIBOR 3 month 26/02/2020 | SEK | 657,500,000 | 38 | – |
| Interest Rate Swap J.P. Morgan Pay floating LIBOR 3 month Receive fixed 2.02% 23/02/2020 | USD | 168,060,000 | 79 | – |
| Interest Rate Swap J.P. Morgan Pay floating LIBOR 3 month Receive fixed 2.01% 23/02/2020 | USD | 201,672,000 | 76 | – |
| Interest Rate Swap J.P. Morgan Pay floating LIBOR 3 month Receive fixed 2.00% 23/02/2020 | USD | 201,672,000 | 54 | – |
| Interest Rate Swap J.P. Morgan Pay fixed 0.05% Receive floating STIBOR 3 month 23/02/2020 | SEK | 657,500,000 | 39 | – |
| Interest Rate Swap J.P. Morgan Pay fixed 0.06% Receive floating STIBOR 3 month 23/02/2020 | SEK | 657,500,000 | 19 | – |
| Interest Rate Swap J.P. Morgan Pay fixed 0.07% Receive floating STIBOR 3 month 22/02/2020 | SEK | 657,500,000 | 10 | – |
| Interest Rate Swap J.P. Morgan Pay floating LIBOR 3 month Receive fixed 2.03% 21/02/2020 | USD | 378,135,000 | 246 | 0.01 |
| Interest Rate Swap J.P. Morgan Pay floating LIBOR 3 month Receive fixed 2.00% 21/02/2020 | USD | 201,672,000 | 53 | – |
| Interest Rate Swap J.P. Morgan Pay floating LIBOR 3 month Receive fixed 2.00% 21/02/2020 | USD | 201,672,000 | 47 | – |
| Interest Rate Swap J.P. Morgan Pay fixed 0.07% Receive floating STIBOR 3 month 21/02/2020 | SEK | 1,315,000,000 | 14 | – |
| Interest Rate Swap J.P. Morgan Pay fixed 0.12% Receive floating STIBOR 3 month 21/02/2020 | SEK | 657,500,000 | (49) | – |
| Interest Rate Swap J.P. Morgan Pay fixed 0.11% Receive floating STIBOR 3 month 20/02/2020 | SEK | 657,500,000 | (42) | – |
| Interest Rate Swap J.P. Morgan Pay fixed 0.13% Receive floating STIBOR 3 month 19/02/2020 | SEK | 657,500,000 | (67) | – |
| Interest Rate Swap J.P. Morgan Pay fixed 0.13% Receive floating STIBOR 3 month 19/02/2020 | SEK | 657,500,000 | (70) | – |
| Interest Rate Swap J.P. Morgan Pay fixed 0.13% Receive floating STIBOR 3 month 17/02/2020 | SEK | 657,500,000 | (66) | – |
| Interest Rate Swap J.P. Morgan Pay floating LIBOR 3 month Receive fixed 1.96% 16/02/2020 | USD | 153,600,000 | (46) | – |
| Interest Rate Swap J.P. Morgan Pay floating LIBOR 3 month Receive fixed 1.96% 16/02/2020 | USD | 153,600,000 | (53) | – |
| Interest Rate Swap J.P. Morgan Pay fixed 0.12% Receive floating STIBOR 3 month 16/02/2020 | SEK | 657,500,000 | (59) | – |
| Interest Rate Swap J.P. Morgan Pay fixed 0.13% Receive floating STIBOR 3 month 16/02/2020 | SEK | 657,500,000 | (69) | – |
| Interest Rate Swap J.P. Morgan Pay fixed 0.13% Receive floating STIBOR 3 month 16/02/2020 | SEK | 657,500,000 | (74) | – |
| Interest Rate Swap J.P. Morgan Pay floating LIBOR 3 month Receive fixed 1.96% 15/02/2020 | USD | 307,200,000 | (98) | – |
| Interest Rate Swap J.P. Morgan Pay floating LIBOR 3 month Receive fixed 1.95% 15/02/2020 | USD | 307,200,000 | (117) | – |

PORTFOLIO STATEMENT (CONTINUED)

As at 31 March 2017

| Investment | Currency | Holding | Market Value £000 | % of Net Assets |
|--|----------|-------------|----------------------|-----------------|
| Swaps (0.28)% (0.21%) (continued) | | | | |
| Interest Rate Swap J.P. Morgan Pay floating LIBOR 3 month Receive fixed 1.95% 15/02/2020 | USD | 307,200,000 | (131) | (0.01) |
| Interest Rate Swap J.P. Morgan Pay floating LIBOR 3 month Receive fixed 1.95% 15/02/2020 | USD | 307,200,000 | (136) | (0.01) |
| Interest Rate Swap J.P. Morgan Pay floating LIBOR 3 month Receive fixed 1.88% 13/02/2020 | USD | 590,600,000 | (911) | (0.04) |
| Interest Rate Swap J.P. Morgan Pay floating BBR 3 month Receive fixed 2.18% 12/02/2020 | AUD | 466,000,000 | 53 | – |
| Interest Rate Swap J.P. Morgan Pay floating BBR 3 month Receive fixed 2.19% 27/11/2019 | AUD | 75,200,000 | 80 | – |
| Interest Rate Swap J.P. Morgan Pay floating BBR 3 month Receive fixed 2.10% 16/11/2019 | AUD | 89,125,000 | 6 | – |
| Interest Rate Swap J.P. Morgan Pay floating BBR 3 month Receive fixed 2.15% 15/11/2019 | AUD | 178,250,000 | 122 | 0.01 |
| Interest Rate Swap J.P. Morgan Pay floating BBR 3 month Receive fixed 2.06% 14/11/2019 | AUD | 178,250,000 | (72) | – |
| Swaps total | | | (6,696) | (0.28) |
| Swaptions 1.65% (1.54%) | | | | |
| Goldman Sachs Interest Rate Swap Goldman Sachs Pay fixed 3.85% Receive floating LIBOR 3 month, Call, 3.85, 11/02/2047 | USD | 150,000,000 | 7,600 | 0.32 |
| Goldman Sachs Interest Rate Swap Goldman Sachs Pay floating LIBOR 3 month Receive fixed 1.00%, Put, 1, 11/02/2047 | USD | 66,000,000 | 2,103 | 0.09 |
| Interest Rate Swap Bank of America Interest Rate Swap Merrill Lynch Pay fixed 3.85% Receive floating LIBOR 3 month, Call, 3.85, 25/04/2045 | USD | 29,800,000 | 1,038 | 0.04 |
| Interest Rate Swap Barclays Interest Rate Swap Barclays Pay fixed 3.60% Receive floating LIBOR 6 month, Call, 3.6, 03/02/2046 | GBP | 2,900,000 | 83 | – |
| Interest Rate Swap Barclays Interest Rate Swap Barclays Pay fixed 3.60% Receive floating LIBOR 6 month, Call, 3.6, 11/12/2045 | GBP | 2,500,000 | 72 | – |
| Interest Rate Swap Barclays Interest Rate Swap Barclays Pay fixed 3.85% Receive floating LIBOR 3 month, Call, 3.85, 03/10/2046 | USD | 8,100,000 | 390 | 0.02 |
| Interest Rate Swap Barclays Interest Rate Swap Barclays Pay floating LIBOR 3 month Receive fixed 1.00%, Put, 1, 03/10/2046 | USD | 7,500,000 | 254 | 0.01 |
| Interest Rate Swap Citigroup Interest Rate Swap Citi Global Markets Limited Pay fixed 3.85% Receive floating LIBOR 3 month, Call, 3.85, 12/11/2046 | USD | 21,500,000 | 1,028 | 0.04 |
| Interest Rate Swap Citigroup Interest Rate Swap Citi Global Markets Limited Pay fixed 3.85% Receive floating LIBOR 3 month, Call, 3.85, 17/04/2046 | USD | 1,500,000 | 73 | – |
| Interest Rate Swap Citigroup Interest Rate Swap Citi Global Markets Limited Pay fixed 3.85% Receive floating LIBOR 3 month, Call, 3.85, 20/11/2045 | USD | 6,200,000 | 214 | 0.01 |
| Interest Rate Swap Citigroup Interest Rate Swap Citi Global Markets Limited Pay fixed 3.85% Receive floating LIBOR 3 month, Call, 3.85, 29/01/2046 | USD | 8,000,000 | 275 | 0.01 |
| Interest Rate Swap Citigroup Interest Rate Swap Citi Global Markets Limited Pay floating LIBOR 3 month Receive fixed 1.00%, Put, 1, 17/04/2046 | USD | 1,800,000 | 60 | – |
| Interest Rate Swap Goldman Sachs Interest Rate Swap Goldman Sachs Pay fixed 3.60% Receive floating LIBOR 6 month, Call, 3.6, 10/04/2045 | GBP | 2,400,000 | 69 | – |
| Interest Rate Swap Goldman Sachs Interest Rate Swap Goldman Sachs Pay fixed 3.60% Receive floating LIBOR 6 month, Call, 3.6, 17/09/2045 | GBP | 1,360,000 | 39 | – |
| Interest Rate Swap Goldman Sachs Interest Rate Swap Goldman Sachs Pay fixed 3.60% Receive floating LIBOR 6 month, Call, 3.6, 28/10/2045 | GBP | 2,100,000 | 60 | – |
| Interest Rate Swap Goldman Sachs Interest Rate Swap Goldman Sachs Pay fixed 3.60% Receive floating LIBOR 6 month, Call, 3.6, 11/11/2045 | GBP | 1,900,000 | 55 | – |
| Interest Rate Swap Goldman Sachs Interest Rate Swap Goldman Sachs Pay fixed 3.60% Receive floating LIBOR 6 month, Call, 3.6, 20/11/2045 | GBP | 2,300,000 | 66 | – |
| Interest Rate Swap Goldman Sachs Interest Rate Swap Goldman Sachs Pay fixed 3.60% Receive floating LIBOR 6 month, Call, 3.6, 20/01/2046 | GBP | 3,300,000 | 95 | 0.01 |
| Interest Rate Swap Goldman Sachs Interest Rate Swap Goldman Sachs Pay fixed 3.60% Receive floating LIBOR 6 month, Call, 3.6, 07/04/2046 | GBP | 32,000,000 | 1,128 | 0.05 |
| Interest Rate Swap Goldman Sachs Interest Rate Swap Goldman Sachs Pay fixed 3.60% Receive floating LIBOR 6 month, Put, 3.6, 01/10/2045 | GBP | 4,850,000 | 139 | 0.01 |
| Interest Rate Swap Goldman Sachs Interest Rate Swap Goldman Sachs Pay fixed 3.85% Receive floating LIBOR 3 month, Call, 3.85, 13/03/2045 | USD | 26,500,000 | 924 | 0.04 |
| Interest Rate Swap Goldman Sachs Interest Rate Swap Goldman Sachs Pay fixed 3.85% Receive floating LIBOR 3 month, Call, 3.85, 21/06/2045 | USD | 5,082,393 | 176 | 0.01 |
| Interest Rate Swap Goldman Sachs Interest Rate Swap Goldman Sachs Pay fixed 3.85% Receive floating LIBOR 3 month, Call, 3.85, 18/07/2045 | USD | 4,430,000 | 154 | 0.01 |
| Interest Rate Swap Goldman Sachs Interest Rate Swap Goldman Sachs Pay fixed 3.85% Receive floating LIBOR 3 month, Call, 3.85, 18/10/2045 | USD | 5,700,000 | 197 | 0.01 |
| Interest Rate Swap Goldman Sachs Interest Rate Swap Goldman Sachs Pay fixed 3.85% Receive floating LIBOR 3 month, Call, 3.85, 11/12/2045 | USD | 7,700,000 | 265 | 0.01 |

PORTFOLIO STATEMENT (CONTINUED)

As at 31 March 2017

| Investment | Currency | Holding | Market Value £000 | % of Net Assets |
|---|----------|------------|----------------------|-----------------|
| Swaptions 1.65% (1.54%) (continued) | | | | |
| Interest Rate Swap Goldman Sachs Interest Rate Swap Goldman Sachs Pay fixed 3.85% Receive floating LIBOR 3 month, Call, 3.85, 27/12/2045 | USD | 7,000,000 | 241 | 0.01 |
| Interest Rate Swap Goldman Sachs Interest Rate Swap Goldman Sachs Pay fixed 3.85% Receive floating LIBOR 3 month, Call, 3.85, 05/02/2046 | USD | 2,700,000 | 93 | 0.01 |
| Interest Rate Swap Goldman Sachs Interest Rate Swap Goldman Sachs Pay fixed 3.85% Receive floating LIBOR 3 month, Call, 3.85, 27/02/2046 | USD | 1,300,000 | 45 | – |
| Interest Rate Swap Goldman Sachs Interest Rate Swap Goldman Sachs Pay fixed 3.85% Receive floating LIBOR 3 month, Call, 3.85, 20/08/2046 | USD | 79,000,000 | 3,706 | 0.16 |
| Interest Rate Swap Goldman Sachs Interest Rate Swap Goldman Sachs Pay fixed 3.85% Receive floating LIBOR 3 month, Put, 3.85, 03/10/2045 | USD | 15,000,000 | 518 | 0.02 |
| Interest Rate Swap Goldman Sachs Interest Rate Swap Goldman Sachs Pay floating LIBOR 3 month Receive fixed 1.00%, Put, 1, 20/08/2046 | USD | 32,000,000 | 1,262 | 0.05 |
| Interest Rate Swap HSBC Interest Rate Swap HSBC Pay fixed 3.60% Receive floating LIBOR 6 month, Call, 3.6, 23/12/2045 | GBP | 3,000,000 | 86 | 0.01 |
| Interest Rate Swap HSBC Interest Rate Swap HSBC Pay fixed 3.60% Receive floating LIBOR 6 month, Call, 3.6, 28/05/2045 | GBP | 1,500,000 | 43 | – |
| Interest Rate Swap J.P. Morgan Interest Rate Swap J.P. Morgan Pay fixed 2.73% Receive floating LIBOR 6 month, Call, 2.73, 03/12/2044 | GBP | 8,900,000 | 439 | 0.02 |
| Interest Rate Swap J.P. Morgan Interest Rate Swap J.P. Morgan Pay fixed 3.60% Receive floating LIBOR 6 month, Call, 3.6, 28/01/2045 | GBP | 1,800,000 | 52 | – |
| Interest Rate Swap J.P. Morgan Interest Rate Swap J.P. Morgan Pay fixed 3.60% Receive floating LIBOR 6 month, Call, 3.6, 30/04/2045 | GBP | 1,000,000 | 29 | – |
| Interest Rate Swap J.P. Morgan Interest Rate Swap J.P. Morgan Pay fixed 3.60% Receive floating LIBOR 6 month, Call, 3.6, 15/07/2045 | GBP | 1,300,000 | 37 | – |
| Interest Rate Swap J.P. Morgan Interest Rate Swap J.P. Morgan Pay fixed 3.60% Receive floating LIBOR 6 month, Call, 3.6, 07/08/2045 | GBP | 1,400,000 | 40 | – |
| Interest Rate Swap J.P. Morgan Interest Rate Swap J.P. Morgan Pay fixed 3.60% Receive floating LIBOR 6 month, Call, 3.6, 25/11/2045 | GBP | 2,000,000 | 58 | – |
| Interest Rate Swap J.P. Morgan Interest Rate Swap J.P. Morgan Pay fixed 3.60% Receive floating LIBOR 6 month, Call, 3.6, 25/02/2046 | GBP | 1,500,000 | 43 | – |
| Interest Rate Swap J.P. Morgan Interest Rate Swap J.P. Morgan Pay fixed 3.60% Receive floating LIBOR 6 month, Call, 3.6, 15/04/2046 | GBP | 1,000,000 | 35 | – |
| Interest Rate Swap J.P. Morgan Interest Rate Swap J.P. Morgan Pay fixed 3.85% Receive floating LIBOR 3 month, Call, 3.85, 02/05/2045 | USD | 5,000,000 | 174 | 0.01 |
| Interest Rate Swap J.P. Morgan Interest Rate Swap J.P. Morgan Pay fixed 3.85% Receive floating LIBOR 3 month, Call, 3.85, 30/05/2045 | USD | 4,500,000 | 156 | 0.01 |
| Interest Rate Swap J.P. Morgan Interest Rate Swap J.P. Morgan Pay fixed 3.85% Receive floating LIBOR 3 month, Call, 3.85, 15/08/2045 | USD | 4,520,000 | 157 | 0.01 |
| Interest Rate Swap J.P. Morgan Interest Rate Swap J.P. Morgan Pay fixed 3.85% Receive floating LIBOR 3 month, Call, 3.85, 08/11/2045 | USD | 6,400,000 | 221 | 0.01 |
| Interest Rate Swap J.P. Morgan Interest Rate Swap J.P. Morgan Pay fixed 3.85% Receive floating LIBOR 3 month, Call, 3.85, 25/11/2045 | USD | 7,400,000 | 255 | 0.01 |
| Interest Rate Swap J.P. Morgan Interest Rate Swap J.P. Morgan Pay fixed 3.85% Receive floating LIBOR 3 month, Call, 3.85, 10/12/2046 | USD | 22,000,000 | 1,131 | 0.05 |
| Interest Rate Swap J.P. Morgan Interest Rate Swap J.P. Morgan Pay floating LIBOR 3 month Receive fixed 1.00%, Put, 1, 10/12/2046 | USD | 10,000,000 | 320 | 0.01 |
| Interest Rate Swap Morgan Stanley Interest Rate Swap Morgan Stanley Pay fixed 3.60% Receive floating LIBOR 6 month, Call, 3.6, 11/02/2045 | GBP | 5,770,000 | 165 | 0.01 |
| Interest Rate Swap Morgan Stanley Interest Rate Swap Morgan Stanley Pay fixed 3.60% Receive floating LIBOR 6 month, Call, 3.6, 24/06/2045 | GBP | 1,200,000 | 34 | – |
| Interest Rate Swap Morgan Stanley Interest Rate Swap Morgan Stanley Pay fixed 3.60% Receive floating LIBOR 6 month, Call, 3.6, 23/05/2046 | GBP | 6,500,000 | 232 | 0.01 |
| Interest Rate Swap Nomura Interest Rate Swap Nomura Pay fixed 3.85% Receive floating LIBOR 3 month, Call, 3.85, 09/04/2046 | USD | 85,000,000 | 4,118 | 0.17 |
| Interest Rate Swap Nomura Interest Rate Swap Nomura Pay fixed 3.85% Receive floating LIBOR 3 month, Call, 3.85, 17/04/2046 | USD | 45,000,000 | 2,202 | 0.09 |
| Interest Rate Swap Nomura Interest Rate Swap Nomura Pay fixed 3.85% Receive floating LIBOR 3 month, Call, 3.85, 23/04/2046 | USD | 16,000,000 | 779 | 0.03 |
| Interest Rate Swap Nomura Interest Rate Swap Nomura Pay fixed 3.85% Receive floating LIBOR 3 month, Call, 3.85, 14/05/2046 | USD | 16,000,000 | 770 | 0.03 |

PORTFOLIO STATEMENT (CONTINUED)

As at 31 March 2017

| Investment | Currency | Holding | Market Value £000 | % of Net Assets |
|--|----------|---------------|----------------------|-----------------|
| Swaptions 1.65% (1.54%) (continued) | | | | |
| Interest Rate Swap Nomura Interest Rate Swap Nomura Pay floating LIBOR 3 month Receive fixed 1.00%, Put, 1, 09/04/2046 | USD | 74,000,000 | 2,462 | 0.10 |
| Interest Rate Swap Nomura Interest Rate Swap Nomura Pay floating LIBOR 3 month Receive fixed 1.00%, Put, 1, 17/04/2046 | USD | 40,000,000 | 1,332 | 0.06 |
| Interest Rate Swap Nomura Interest Rate Swap Nomura Pay floating LIBOR 3 month Receive fixed 1.00%, Put, 1, 23/04/2046 | USD | 13,500,000 | 435 | 0.02 |
| Interest Rate Swap Nomura Interest Rate Swap Nomura Pay floating LIBOR 3 month Receive fixed 1.00%, Put, 1, 14/05/2046 | USD | 14,000,000 | 463 | 0.02 |
| Interest Rate Swap RBS Interest Rate Swap RBS Pay fixed 3.60% Receive floating LIBOR 6 month, Call, 3.6, 15/04/2046 | GBP | 15,000,000 | 530 | 0.02 |
| Interest Rate Swap RBS Interest Rate Swap RBS Pay fixed 3.60% Receive floating LIBOR 6 month, Call, 3.6, 29/04/2046 | GBP | 6,000,000 | 214 | 0.01 |
| Swaptions total | | | 39,434 | 1.65 |
| Options 1.91% (0.40%) | | | | |
| ETFS Physical Gold, Call, 132, 16/03/2018 | USD | 545,160,000 | 10,569 | 0.44 |
| ETFS Physical Gold, Call, 156, 16/03/2018 | USD | (644,280,000) | (2,663) | (0.11) |
| EURO STOXX 50 Index, Call, 3,900, 15/09/2017 | EUR | 24,620 | 2,717 | 0.11 |
| EURO STOXX 50 Index, Call, 3,950, 15/09/2017 | EUR | 20,400 | 1,570 | 0.07 |
| EURO STOXX 50 Index, Call, 3,950, 15/12/2017 | EUR | 20,400 | 4,100 | 0.17 |
| EURO STOXX 50 Index, Call, 4,000, 15/09/2017 | EUR | (24,620) | (1,327) | (0.05) |
| EURO STOXX 50 Index, Call, 4,100, 15/09/2017 | EUR | (20,400) | (523) | (0.02) |
| EURO STOXX 50 Index, Call, 4,100, 15/12/2017 | EUR | (20,400) | (1,832) | (0.08) |
| EURO STOXX 50 Index, Put, 2,750, 16/06/2017 | EUR | (370) | (19) | - |
| EURO STOXX 50 Index, Put, 2,900, 15/12/2017 | EUR | (4,984) | (2,562) | (0.11) |
| EURO STOXX 50 Index, Put, 3,100, 15/12/2017 | EUR | (290) | (244) | (0.01) |
| EURO STOXX Bank Index, Call, 155, 15/09/2017 | EUR | 45,117 | 1,833 | 0.08 |
| EURO STOXX Bank Index, Call, 155, 15/12/2017 | EUR | 45,117 | 3,763 | 0.16 |
| EURO STOXX Bank Index, Call, 160, 15/09/2017 | EUR | (45,117) | (1,158) | (0.05) |
| EURO STOXX Bank Index, Call, 160, 15/12/2017 | EUR | (45,117) | (2,701) | (0.11) |
| Foreign Exchange USD/CNH, Call, 7.04, 13/10/2017 | USD | 510,900,000 | 4,420 | 0.19 |
| Foreign Exchange USD/CNH, Call, 7.17, 15/11/2017 | USD | 28,900,000 | 191 | 0.01 |
| Foreign Exchange USD/CNH, Call, 7.216, 08/02/2018 | USD | 166,000,000 | 1,568 | 0.07 |
| Foreign Exchange USD/CNH, Call, 7.29, 02/02/2018 | USD | 33,200,000 | 250 | 0.01 |
| Foreign Exchange USD/CNH, Call, 7.59, 13/10/2017 | USD | (510,900,000) | (635) | (0.03) |
| Foreign Exchange USD/CNH, Call, 7.74, 15/11/2017 | USD | (28,900,000) | (36) | - |
| Foreign Exchange USD/CNH, Call, 7.781, 08/02/2018 | USD | (166,000,000) | (420) | (0.02) |
| Foreign Exchange USD/CNH, Call, 7.86, 02/02/2018 | USD | (33,200,000) | (69) | - |
| Foreign Exchange USD/INR, Call, 67.06, 08/02/2018 | USD | (181,000,000) | (3,492) | (0.15) |
| Foreign Exchange USD/INR, Call, 67.52, 31/01/2018 | USD | (8,100,000) | (133) | - |
| Foreign Exchange USD/INR, Call, 67.85, 17/11/2017 | USD | (106,500,000) | (1,053) | (0.04) |
| Foreign Exchange USD/INR, Call, 74.77, 08/02/2018 | USD | 181,000,000 | 523 | 0.02 |
| Foreign Exchange USD/INR, Call, 75.22, 31/01/2018 | USD | 8,100,000 | 20 | - |
| Foreign Exchange USD/INR, Call, 75.86, 17/11/2017 | USD | 106,500,000 | 88 | - |
| Foreign Exchange USD/JPY, Call, 90.81, 08/07/2021 | USD | 38,595,000 | 3,792 | 0.16 |
| Foreign Exchange USD/JPY, Call, 91.4, 13/08/2021 | USD | 4,000,000 | 377 | 0.02 |
| Foreign Exchange USD/JPY, Call, 92.4, 29/07/2021 | USD | 27,000,000 | 2,415 | 0.10 |
| Foreign Exchange USD/JPY, Call, 92.45, 09/07/2021 | USD | 115,905,000 | 10,399 | 0.43 |
| Foreign Exchange USD/JPY, Call, 93.16, 06/09/2021 | USD | 12,000,000 | 1,018 | 0.04 |
| Foreign Exchange USD/JPY, Call, 93.26, 26/07/2021 | USD | 11,900,000 | 1,015 | 0.04 |
| Foreign Exchange USD/JPY, Call, 97.8, 31/01/2022 | USD | 19,800,000 | 1,240 | 0.05 |
| Foreign Exchange USD/JPY, Call, 98.35, 08/02/2022 | USD | 66,300,000 | 4,019 | 0.17 |
| Foreign Exchange USD/SAR, Call, 3.82, 11/02/2019 | USD | 18,500,000 | 209 | 0.01 |
| Foreign Exchange USD/SAR, Call, 3.837, 30/04/2018 | USD | 5,000,000 | 24 | - |
| Foreign Exchange USD/SAR, Call, 3.84, 23/04/2018 | USD | 8,000,000 | 37 | - |
| Foreign Exchange USD/SAR, Call, 3.86, 11/04/2018 | USD | 20,500,000 | 86 | - |
| Foreign Exchange USD/SAR, Call, 3.86, 11/12/2018 | USD | 15,500,000 | 140 | 0.01 |
| Foreign Exchange USD/SAR, Call, 3.86, 22/05/2018 | USD | 10,500,000 | 52 | - |
| Foreign Exchange USD/SAR, Call, 3.873, 04/04/2018 | USD | 23,000,000 | 91 | - |
| Foreign Exchange USD/SAR, Call, 3.885, 29/05/2018 | USD | 2,000,000 | 10 | - |
| Foreign Exchange USD/SAR, Call, 3.89, 27/08/2018 | USD | 11,000,000 | 70 | - |

PORTFOLIO STATEMENT (CONTINUED)

As at 31 March 2017

| Investment | Currency | Holding | Market Value £000 | % of Net Assets |
|---|----------|----------------|----------------------|-----------------|
| Options 1.91% (0.40%) (continued) | | | | |
| Foreign Exchange USD/SAR, Call, 3.902, 13/12/2017 | USD | 3,900,000 | 7 | – |
| Foreign Exchange USD/SAR, Call, 3.92, 31/07/2018 | USD | 26,000,000 | 148 | 0.01 |
| Foreign Exchange USD/SAR, Call, 3.939, 31/01/2018 | USD | 4,500,000 | 11 | – |
| Foreign Exchange USD/TRY, Put, 3.9, 21/03/2019 | USD | 110,865,000 | 3,063 | 0.13 |
| Foreign Exchange USD/TRY, Put, 4, 08/03/2019 | USD | 110,585,000 | 3,864 | 0.16 |
| Foreign Exchange USD/ZAR, Call, 15.12, 02/08/2017 | USD | (15,000,000) | (191) | (0.01) |
| Foreign Exchange USD/ZAR, Call, 15.19, 08/09/2017 | USD | (7,300,000) | (120) | – |
| Foreign Exchange USD/ZAR, Call, 15.71, 26/07/2017 | USD | (4,200,000) | (33) | – |
| Foreign Exchange USD/ZAR, Call, 15.92, 05/07/2017 | USD | (79,000,000) | (403) | (0.02) |
| Foreign Exchange USD/ZAR, Call, 16.31, 02/08/2017 | USD | 15,000,000 | 88 | – |
| Foreign Exchange USD/ZAR, Call, 16.38, 08/09/2017 | USD | 7,300,000 | 62 | – |
| Foreign Exchange USD/ZAR, Call, 16.94, 26/07/2017 | USD | 4,200,000 | 15 | – |
| Foreign Exchange USD/ZAR, Call, 17.16, 05/07/2017 | USD | 79,000,000 | 164 | 0.01 |
| iShares MSCI Brazil Capped ETF, Put, 31, 19/01/2018 | USD | 120,648,900 | 5,754 | 0.24 |
| iShares MSCI Brazil Capped ETF, Put, 35, 19/01/2018 | USD | (68,110,000) | (5,068) | (0.21) |
| iShares MSCI Brazil UCITS ETF, Put, 24.75, 19/01/2018 | USD | 112,340,250 | 5,256 | 0.22 |
| iShares MSCI Brazil UCITS ETF, Put, 24.75, 19/01/2018 | USD | 112,340,250 | 5,255 | 0.22 |
| iShares MSCI Brazil UCITS ETF, Put, 28.75, 19/01/2018 | USD | (65,248,125) | (5,285) | (0.22) |
| iShares MSCI Brazil UCITS ETF, Put, 28.75, 19/01/2018 | USD | (65,248,125) | (5,285) | (0.22) |
| KOSPI 200 Index, Put, 245, 08/06/2017 | KRW | 10,412,500,000 | 8 | – |
| Nikkei 225 Index, Put, 17,500, 08/12/2017 | JPY | (350) | (1,608) | (0.07) |
| S&P 500 Index, Call, 2,500, 30/06/2017 | USD | 3,900 | 1,466 | 0.06 |
| S&P 500 Index, Call, 2,525, 15/09/2017 | USD | 1,255 | 1,104 | 0.05 |
| S&P 500 Index, Call, 2,600, 30/06/2017 | USD | (3,900) | (187) | (0.01) |
| S&P 500 Index, Call, 2,650, 15/09/2017 | USD | (1,255) | (151) | (0.01) |
| Options total | | | 45,673 | 1.91 |
| Forward Currency Contracts 0.56% ((0.44)%) | | | | |
| Buy EUR 12,770,142 sell GBP 10,889,100 dated 06/04/2017 | | | 34 | – |
| Buy EUR 53,735,985 sell GBP 46,379,529 dated 06/04/2017 | | | (415) | (0.02) |
| Buy EUR 12,590,447 sell GBP 10,889,100 dated 05/07/2017 | | | (96) | – |
| Buy GBP 4,886,432 sell AUD 7,911,812 dated 21/06/2017 | | | 76 | – |
| Buy GBP 198,946,011 sell CAD 327,846,506 dated 21/06/2017 | | | 2,515 | 0.11 |
| Buy GBP 33,659,317 sell CHF 41,456,868 dated 21/06/2017 | | | 442 | 0.02 |
| Buy GBP 12,020,562 sell EUR 13,916,267 dated 06/04/2017 | | | 117 | – |
| Buy GBP 44,728,220 sell EUR 52,435,985 dated 06/04/2017 | | | (124) | (0.01) |
| Buy GBP 208,124,938 sell EUR 240,493,449 dated 21/06/2017 | | | 2,037 | 0.09 |
| Buy GBP 46,443,519 sell EUR 53,700,000 dated 05/07/2017 | | | 410 | 0.02 |
| Buy GBP 377,339 sell JPY 52,388,690 dated 21/06/2017 | | | 1 | – |
| Buy GBP 4,300,218 sell JPY 601,974,855 dated 21/06/2017 | | | (25) | – |
| Buy GBP 16,187,275 sell SEK 178,328,943 dated 21/06/2017 | | | 183 | 0.01 |
| Buy GBP 4,516,806 sell SGD 7,823,172 dated 21/06/2017 | | | 45 | – |
| Buy GBP 623,242,744 sell USD 762,989,639 dated 21/06/2017 | | | 14,239 | 0.59 |
| Buy GBP 196,413,834 sell USD 247,034,000 dated 21/06/2017 | | | (764) | (0.03) |
| Buy INR 3,951,300,000 sell USD 60,000,000 dated 21/06/2017 | | | 420 | 0.02 |
| Buy KRW 30,504,600,000 sell USD 27,000,000 dated 21/06/2017 | | | 245 | 0.01 |
| Buy USD 18,914,000 sell GBP 15,434,531 dated 21/06/2017 | | | (338) | (0.01) |
| Buy USD 207,200,000 sell KRW 233,310,370,160 dated 21/06/2017 | | | (1,321) | (0.06) |
| Buy USD 20,512,821 sell SAR 84,430,771 dated 18/01/2022 | | | (684) | (0.03) |
| Buy USD 20,512,820 sell SAR 84,299,998 dated 24/01/2022 | | | (655) | (0.03) |
| Buy USD 10,055,096 sell SAR 41,118,807 dated 07/02/2022 | | | (278) | (0.01) |
| Buy USD 10,055,096 sell SAR 41,257,064 dated 09/02/2022 | | | (304) | (0.01) |
| Buy USD 5,027,548 sell SAR 20,555,633 dated 14/02/2022 | | | (137) | (0.01) |
| Buy USD 24,859,569 sell SAR 101,392,823 dated 15/02/2022 | | | (631) | (0.03) |
| Buy USD 19,010,259 sell SAR 77,385,208 dated 16/02/2022 | | | (453) | (0.02) |
| Buy USD 19,424,292 sell SAR 78,988,236 dated 22/02/2022 | | | (444) | (0.02) |
| Buy USD 12,949,527 sell SAR 52,578,964 dated 02/03/2022 | | | (278) | (0.01) |
| Buy USD 10,618,613 sell SAR 43,167,148 dated 07/03/2022 | | | (236) | (0.01) |
| Forward Currency Contracts total | | | 13,581 | 0.56 |

PORTFOLIO STATEMENT (CONTINUED)

As at 31 March 2017

| Investment | Currency | Holding | Market Value £000 | % of Net Assets |
|------------------------------------|----------|---------|----------------------|-----------------|
| Futures (0.15)% ((0.06)%) | | | | |
| FTSE 100 Index 16/06/2017 | GBP | (2312) | 272 | 0.01 |
| Russell 2000 Mini Index 16/06/2017 | USD | (4339) | (4,554) | (0.19) |
| S&P 500 Emini Index 16/06/2017 | USD | 939 | 664 | 0.03 |
| Futures total | | | (3,618) | (0.15) |
| Investment assets | | | 2,262,940 | 94.54 |
| Net other assets | | | 130,790 | 5.46 |
| Net assets | | | 2,393,730 | 100.00 |

The comparative percentage figures in brackets are as at 31 March 2016.

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

† A related party to the Fund.

STATEMENT OF TOTAL RETURN

For the year ended 31 March 2017

| | Notes | £000 | Year ended 31.03.17 £000 | £000 | Year ended 31.03.16 £000 |
|---|-------|----------|--------------------------------|---------|--------------------------------|
| Income | | | | | |
| Net capital losses | 2 | | (51,317) | | (12,535) |
| Revenue | 3 | 83,216 | | 17,741 | |
| Expenses | 4 | (11,154) | | (1,656) | |
| Net revenue before taxation | | 72,062 | | 16,085 | |
| Taxation | 5 | (12,203) | | (2,683) | |
| Net revenue after taxation | | | 59,859 | | 13,402 |
| Total return before distributions | | | 8,542 | | 867 |
| Distributions | 6 | | (68,545) | | (14,696) |
| Change in net assets attributable to shareholders from investment activities | | | (60,003) | | (13,829) |

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 31 March 2017

| | £000 | Year ended 31.03.17 £000 | £000 | Year ended 31.03.16 £000 |
|--|-----------|--------------------------------|----------|--------------------------------|
| Opening net assets attributable to shareholders | | 703,585 | | 180,751 |
| Movement due to issue and cancellation of shares: | | | | |
| Amounts receivable on issue of shares | 1,791,100 | | 565,199 | |
| Amounts payable on cancellation of shares | (43,714) | | (29,063) | |
| | | 1,747,386 | | 536,136 |
| Dilution adjustment | | 2,762 | | 527 |
| Change in net assets attributable to shareholders from investment activities (see above) | | (60,003) | | (13,829) |
| Closing net assets attributable to shareholders | | 2,393,730 | | 703,585 |

BALANCE SHEET

As at 31 March 2017

| | Notes | As at 31.03.17 £000 | As at 31.03.16 £000 |
|--|-------|---------------------------|---------------------------|
| Assets: | | | |
| Investments | | 2,361,881 | 617,739 |
| Current assets: | | | |
| Debtors | 8 | 28,746 | 18,682 |
| Cash and bank balances | 9 | 157,439 | 96,311 |
| Total assets | | 2,548,066 | 732,732 |
| Liabilities: | | | |
| Investment liabilities | | (98,941) | (21,481) |
| Provisions | 10 | (18) | (2) |
| Creditors: | | | |
| Distribution payable | | (10,272) | (2,810) |
| Other creditors | 11 | 45,105 | (4,854) |
| Total liabilities | | 154,336 | (29,147) |
| Net assets attributable to shareholders | | 2,393,730 | 703,585 |

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting basis and policies

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

2 Net capital losses

| | Year ended 31.03.17 £000 | Year ended 31.03.16 £000 |
|--|--------------------------------|--------------------------------|
| Net capital losses on investments during the year comprise: | | |
| Currency gains/(losses) | 9 | (1,231) |
| Derivative contracts losses | (85,747) | (6,402) |
| Expenses relating to the purchase and sale of investments | (68) | (44) |
| Forward currency contracts losses | (76,029) | (8,618) |
| Non-derivative securities gains | 110,518 | 3,760 |
| Net capital losses | (51,317) | (12,535) |

3 Revenue

| | Year ended 31.03.17 £000 | Year ended 31.03.16 £000 |
|-------------------------------|--------------------------------|--------------------------------|
| Bank and deposit interest | 539 | 108 |
| Interest on debt securities | 29,041 | 6,856 |
| Interest on derivatives | 29,823 | 5,971 |
| Overseas dividends | 14,841 | 2,720 |
| Property income distributions | 482 | 178 |
| UK dividends | 8,490 | 1,908 |
| Total revenue | 83,216 | 17,741 |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 Expenses

| | Year ended 31.03.17 £000 | Year ended 31.03.16 £000 |
|---|--------------------------------|--------------------------------|
| Payable to the Authorised Corporate Director ("ACD"), associates of the ACD or agents of either of them: | | |
| ACD's periodic charge | 9,898 | 1,428 |
| Registration fees | 759 | 152 |
| | 10,657 | 1,580 |
| Payable to the Depositary, associates of the Depositary or agents of either of them: | | |
| Depositary's fee | 93 | 41 |
| Interest payable | 280 | 38 |
| Safe custody fee | 336 | 28 |
| | 709 | 107 |
| Other expenses: | | |
| Audit fee* | 20 | 14 |
| Dividend collection charges | 1 | – |
| Fund accounting fees | 25 | 6 |
| Professional fees | 1 | 1 |
| Statement fees | 6 | 7 |
| | 53 | 28 |
| Total expenses | 11,419 | 1,715 |
| Less those expenses rebated by the ACD | (265) | (59) |
| Net expenses | 11,154 | 1,656 |

* The audit fee was £17,900 (2016: £11,316) net of VAT.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Taxation**a Analysis of tax charge**

| | Year ended 31.03.17 £000 | Year ended 31.03.16 £000 |
|---|--------------------------------|--------------------------------|
| Corporation tax | 10,063 | 2,351 |
| Double tax relief | (163) | (38) |
| Overseas tax suffered | 2,287 | 369 |
| Total current tax (see note 5b) | 12,187 | 2,682 |
| Deferred tax | 16 | 1 |
| Total deferred tax (see note 5c) | 16 | 1 |
| Total tax for the year | 12,203 | 2,683 |

b Factors affecting current tax charge

The tax assessed for the year is lower (2016: lower) than the standard rate of corporation tax in the UK for an Authorised Investment Fund (20%) (2016: 20%).

The differences are explained below:

| | Year ended 31.03.17 £000 | Year ended 31.03.16 £000 |
|---|--------------------------------|--------------------------------|
| Net revenue before taxation | 72,062 | 16,085 |
| Corporation tax at 20% | 14,412 | 3,217 |
| Effects of: | | |
| Double taxation relief | (163) | (38) |
| Overseas dividends not subject to corporation tax | (2,608) | (481) |
| Overseas tax suffered | 2,287 | 369 |
| Revenue taxable in different periods | (43) | (3) |
| UK dividends not subject to corporation tax | (1,698) | (382) |
| | (2,225) | (535) |
| Current tax charge (see note 5a) | 12,187 | 2,682 |

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 31.03.17 £000 | Year ended 31.03.16 £000 |
|-------------------------------------|--------------------------------|--------------------------------|
| Provision at start of year | 2 | 1 |
| Charge for the year | 16 | 1 |
| Provision at the end of year | 18 | 2 |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 Distributions

| | Year ended 31.03.17 £000 | Year ended 31.03.16 £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 | 31,076 | 5,176 |
| Distribution for the five months ended 28/29 February | 31,258 | 8,681 |
| Distribution for the month ended 31 March | 10,272 | 2,810 |
| | 72,606 | 16,667 |
| Add: Revenue deducted on cancellation of shares | 92 | 77 |
| Deduct: Revenue received on issue of shares | (4,153) | (2,048) |
| Total distributions | 68,545 | 14,696 |
| Reconciliation of distributions for the year to net revenue after taxation | | |
| Distributions for the year | 68,545 | 14,696 |
| ACD's periodic charge borne by the capital account | (9,898) | (1,428) |
| Equalisation on conversions | 10 | – |
| Movement in revenue account | 2 | – |
| Other fees borne by capital account | (974) | (190) |
| Other expenses over and above the ACD | 2,174 | 324 |
| Net revenue after taxation | 59,859 | 13,402 |

Details of the distributions per share are set out in the distribution tables on pages 78 to 83.

7 Fair value hierarchy

| Valuation technique | As at 31.03.17 | | As at 31.03.16 | |
|--|------------------|---------------------|----------------|---------------------|
| | Assets £000 | Liabilities £000 | Assets £000 | Liabilities £000 |
| Level 1: Quoted prices for identical instruments in active markets | 984,565 | (6,823) | 321,818 | (13,562) |
| Level 2: Valuation techniques using observable market data | 872,106 | (32,067) | – | – |
| Level 3: Valuation techniques using non-observable market data | 505,210 | (60,051) | 295,921 | (7,919) |
| Total value | 2,361,881 | (98,941) | 617,739 | (21,481) |

Financial instruments have been measured at their fair value and have been classified below using a hierarchy that reflects the significance of the inputs used in measuring their fair value:

Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable (ie developed using market data) for the asset or liability, either directly or indirectly.

Level 3: Inputs are unobservable (ie for which market data is unavailable) for the asset or liability.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8 Debtors

| | As at 31.03.17 £000 | As at 31.03.16 £000 |
|---------------------------------------|---------------------------|---------------------------|
| Accrued revenue | 14,628 | 5,864 |
| Amounts receivable on issue of shares | 8,586 | 11,190 |
| Income tax recoverable | 17 | – |
| Overseas tax recoverable | 721 | 127 |
| Sales awaiting settlement | 4,794 | 1,501 |
| Total debtors | 28,746 | 18,682 |

9 Cash and bank balances

| | As at 31.03.17 £000 | As at 31.03.16 £000 |
|---|---------------------------|---------------------------|
| Amounts held at futures clearing houses and brokers | 37,347 | 21,131 |
| Cash and bank balances | 120,092 | 75,180 |
| Total cash and bank balances | 157,439 | 96,311 |

10 Provisions

| | As at 31.03.17 £000 | As at 31.03.16 £000 |
|-------------------------|---------------------------|---------------------------|
| Deferred tax provision | 18 | 2 |
| Total provisions | 18 | 2 |

11 Other creditors

| | As at 31.03.17 £000 | As at 31.03.16 £000 |
|--|---------------------------|---------------------------|
| Accrued expenses | 1,575 | 354 |
| Amounts payable for cancellation of shares | 45 | – |
| Corporation tax payable | 5,644 | 1,382 |
| Purchases awaiting settlement | 37,841 | 3,118 |
| Total creditors | 45,105 | 4,854 |

12 Contingent liabilities and commitments

The contingent liabilities and commitments at the year end date are as follows:

| | As at 31.03.17 £000 | As at 31.03.16 £000 |
|---|---------------------------|---------------------------|
| Life Healthcare Group Holdings Rights 13/04/2017 | 240 | – |
| Total contingent liabilities and commitments | 240 | – |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13 Related party transactions

Aviva Investors UK Fund Services Limited, Aviva Investors Global Services Limited and the Aviva group are deemed to be related parties per section 33.10 of FRS 102 as they are entities with control, joint control or significant influence over the entity.

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 £1,315,000 (2016: £273,000). 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 £31,897,837 (2016: £9,509,000). The amount outstanding at the year end was £5,912,595 (2016: £1,399,000). 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.

Annual management charge rebates received or receivable from the Manager of £265,402 (2016: £58,676) are disclosed under Net capital gains/(losses) and Revenue in the Notes to the Accounts. Amounts due from the Manager at the balance sheet date of £28,051 (2016: £3,871) are disclosed under Debtors in the Notes to the Accounts.

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 £1,864,000 (2016: £3,177,000) and £978,000 (2016: £nil) respectively. The income received during the year amounted to £254,000 (2016: £89,000).

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

| | Holdings at 31.03.17 (shares) | Movement (shares) | Holdings at 31.03.16 (shares) |
|--|-------------------------------------|----------------------|-------------------------------------|
| ACD and related parties (share class 3 Income) | 80,838 | (165,883,956) | 165,964,794 |
| ACD and related parties (share class 5 Income) | 9,456,274 | (4,905,648) | 14,361,922 |
| ACD and related parties (share class 8 Income) | 1,404,394,938 | 1,241,835,339 | 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: | 0.67% |
| 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 45 and 46. The distributions per share class are given in the distribution tables on pages 78 to 83. All the share classes have the same rights on winding up.

The annual management charge was increased to 0.67% for Class 3 share on 24 October 2016.

15 Shares in issue reconciliation

| | Number of shares in issue at 31.03.16 | Number of shares issued | Number of shares cancelled | Number of shares converted | Number of shares in issue at 31.03.17 |
|----------------------|---|----------------------------|-------------------------------|-------------------------------|---|
| Share Class 2 Income | 356,823,300 | 681,151,817 | (20,350,469) | – | 1,017,624,648 |
| Share Class 3 Income | 165,964,794 | 3,542,401 | (19,690) | (169,406,667) | 80,838 |
| Share Class 5 Income | 14,378,207 | 29,706,718 | (6,587,303) | – | 37,497,622 |
| Share Class 6 Income | 840,074 | 662,285 | (287,759) | – | 1,214,600 |
| Share Class 8 Income | 162,559,599 | 1,092,755,710 | (17,417,727) | 170,069,932 | 1,407,967,514 |

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 5 and 7.

Fair value of financial assets and financial liabilities

There is no significant difference between the carrying values of the financial assets and liabilities and their fair values (2016: £nil).

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 2017 was as follows:

| | 31.03.17 % | 31.03.16 % |
|---|---------------|---------------|
| As at 31 March, the company's value at risk is | | |
| During the financial year, the highest utilisation of value at risk was | 1.72 | (0.99) |
| During the financial year, the average utilisation of value at risk was | (2.06) | (0.60) |
| During the financial year, the lowest utilisation of value at risk was | (4.57) | (0.41) |

Further information on the derivative risks can be found in the accounting policies note on pages 5 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 2017 the average leverage was 737.79% (2016: 434.94%).

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:

| 31.03.17 | Credit default swaps £000 | Equity variance swaps £000 | Forward currency contracts £000 | Futures contracts £000 | FX Volatility swaps £000 | Inflation rate swaps £000 | Interest rate swaps £000 | Options contracts £000 | Total £000 |
|--------------------------|------------------------------|-------------------------------|------------------------------------|---------------------------|-----------------------------|------------------------------|-----------------------------|---------------------------|----------------|
| Bank of America | - | 1,442 | - | - | - | 938 | 1,038 | - | 3,418 |
| Barclays | - | - | - | - | - | 6,829 | 799 | - | 7,628 |
| BNP Paribas | - | 2,792 | (3,170) | - | 1,255 | 278 | - | 16,548 | 17,703 |
| Citigroup Global Markets | - | - | (385) | - | - | 4,183 | 1,650 | 259 | 5,707 |
| Goldman Sachs | - | 3,068 | 11,135 | - | 97 | 159 | 18,935 | 21,080 | 54,474 |
| HSBC | - | - | 2,183 | - | - | - | 129 | - | 2,312 |
| JPMorgan | - | 683 | (670) | - | - | 3,431 | 7,837 | 7,330 | 18,611 |
| Morgan Stanley | - | - | - | - | - | 927 | 431 | - | 1,358 |
| Nomura International | - | - | (25) | - | - | 1,174 | 12,561 | 11,434 | 25,144 |
| Royal Bank of Canada | - | - | (24) | - | - | - | - | - | (24) |
| Royal Bank of Scotland | - | - | - | - | - | 246 | 744 | - | 990 |
| Société Générale | - | 8,795 | (1,236) | - | 78 | - | - | 8,696 | 16,333 |
| Standard Chartered Bank | - | - | 5,660 | - | - | - | - | 971 | 6,631 |
| UBS | - | - | 113 | 936 | - | 2,245 | - | 16,553 | 19,847 |
| Total | - | 16,780 | 13,581 | 936 | 1,430 | 20,410 | 44,124 | 82,871 | 180,132 |

| 31.03.16 | Credit default swaps £000 | Equity variance swaps £000 | Forward currency contracts £000 | Futures contracts £000 | FX Volatility swaps £000 | Inflation rate swaps £000 | Interest rate swaps £000 | Options contracts £000 | Total £000 |
|------------------------------------|------------------------------|-------------------------------|------------------------------------|---------------------------|-----------------------------|------------------------------|-----------------------------|---------------------------|---------------|
| 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 |

The counterparty exposure on forward currency contracts is reported at their mark to market values but for futures contracts, options contracts and swaps it is only the positive mark to market values that are reported.

Collateral

There is £49,161,000 (2016: £8,661,000) of collateral held on the above derivatives in the form of cash.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18 Debt security credit analysis

| | Market value £000 | | Total net assets % | |
|------------------------------|----------------------|----------------|-----------------------|---------------|
| | 31.03.17 | 31.03.16 | 31.03.17 | 31.03.16 |
| Investment grade | 284,385 | 219,491 | 11.89% | 31.19% |
| Below investment grade | 381,171 | 72,326 | 15.92% | 10.29% |
| Unrated | 46,962 | 25,550 | 1.96% | 3.63% |
| Total debt securities | 712,518 | 317,367 | 29.77% | 45.11% |

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.

| 31.03.17 | 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 | (860,607) | (474) | (1,728) | (862,809) | 0.06% | 0.20% |
| Bonds | (942,328) | – | – | (942,328) | 0.00% | 0.00% |
| Funds | (1,203,579) | – | – | (1,203,579) | 0.00% | 0.00% |
| Repurchase Agreement | (50,000) | – | – | (50,000) | 0.00% | 0.00% |
| Purchases (include corporate actions activity only) | | | | | | |
| Equities | (784) | – | – | (784) | 0.00% | 0.00% |
| | <u>(3,057,298)</u> | <u>(474)</u> | <u>(1,728)</u> | <u>(3,059,500)</u> | | |
| Sales (excluding in-specie transfers and corporate actions) | | | | | | |
| Equities | 213,626 | (243) | (91) | 213,292 | 0.11% | 0.04% |
| Bonds | 484,089 | – | – | 484,089 | 0.00% | 0.00% |
| Funds | 830,003 | – | – | 830,003 | 0.00% | 0.00% |
| Repurchase Agreement | 50,000 | – | – | 50,000 | 0.00% | 0.00% |
| | <u>1,577,718</u> | <u>(243)</u> | <u>(91)</u> | <u>1,577,384</u> | | |
| Derivative purchases and sales | | <u>(391)</u> | <u>–</u> | | | |
| Total | | <u>(1,108)</u> | <u>(1,819)</u> | | | |
| Percentage of fund average net assets | | <u>0.07%</u> | <u>0.11%</u> | | | |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19 Direct transaction costs (continued)

| 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% | | | |

Dealing spread

As at 31 March 2017, the average portfolio dealing spread was 0.27% (2016: 0.31%). 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

There are no post balance sheet events which require adjustment or disclosure at the year end (2016: £nil).

DISTRIBUTION TABLES

Final distribution payable in pence per share for the month ended 31 March 2017

| | | Net revenue | Equalisation | Final distribution payable 30 April 2017 | Final distribution paid 30 April 2016 |
|---------------|---------|----------------|--------------|--|---|
| Share Class 2 | Group 1 | 0.4151 | – | 0.4151 | 0.3945 |
| | Group 2 | 0.1981 | 0.2170 | 0.4151 | 0.3945 |
| Share Class 3 | Group 1 | 0.4182 | – | 0.4182 | 0.4122 |
| | Group 2 | 0.3337 | 0.0845 | 0.4182 | 0.4122 |
| Share Class 5 | Group 1 | 0.4155 | – | 0.4155 | 0.3938 |
| | Group 2 | 0.1957 | 0.2198 | 0.4155 | 0.3938 |
| Share Class 6 | Group 1 | 0.4132 | – | 0.4132 | 0.3880 |
| | Group 2 | 0.0000 | 0.4132 | 0.4132 | 0.3880 |
| Share Class 8 | Group 1 | 0.4181 | – | 0.4181 | 0.4051 |
| | Group 2 | 0.0000 | 0.4181 | 0.4181 | 0.4051 |

Final distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 28 February 2017.

Group 2 shares are those shares purchased after 12:00 noon on 28 February 2017.

Interim distribution paid in pence per share for the month ended 28 February 2017

| | | Net revenue | Equalisation | Interim distribution paid 31 March 2017 | Interim distribution paid 31 March 2016 |
|---------------|---------|----------------|--------------|--|--|
| Share Class 2 | Group 1 | 0.3536 | – | 0.3536 | 0.4000 |
| | Group 2 | 0.1679 | 0.1857 | 0.3536 | 0.4000 |
| Share Class 3 | Group 1 | 0.3565 | – | 0.3565 | 0.4000 |
| | Group 2 | 0.3565 | 0.0000 | 0.3565 | 0.4000 |
| Share Class 5 | Group 1 | 0.3539 | – | 0.3539 | 0.4000 |
| | Group 2 | 0.1255 | 0.2284 | 0.3539 | 0.4000 |
| Share Class 6 | Group 1 | 0.3520 | – | 0.3520 | 0.4000 |
| | Group 2 | 0.0000 | 0.3520 | 0.3520 | 0.4000 |
| Share Class 8 | Group 1 | 0.3562 | – | 0.3562 | 0.4000 |
| | Group 2 | 0.2718 | 0.0844 | 0.3562 | 0.4000 |

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 31 January 2017.

Group 2 shares are those shares purchased after 12:00 noon on 31 January 2017.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the month ended 31 January 2017

| | | Net revenue | Equalisation | Interim distribution paid 28 February 2017 | Interim distribution paid 29 February 2016 |
|---------------|---------|----------------|--------------|---|---|
| Share Class 2 | Group 1 | 0.2995 | – | 0.2995 | 0.4000 |
| | Group 2 | 0.1519 | 0.1476 | 0.2995 | 0.4000 |
| Share Class 3 | Group 1 | 0.3018 | – | 0.3018 | 0.4000 |
| | Group 2 | 0.3018 | 0.0000 | 0.3018 | 0.4000 |
| Share Class 5 | Group 1 | 0.2997 | – | 0.2997 | 0.4000 |
| | Group 2 | 0.1688 | 0.1309 | 0.2997 | 0.4000 |
| Share Class 6 | Group 1 | 0.2981 | – | 0.2981 | 0.4000 |
| | Group 2 | 0.0758 | 0.2223 | 0.2981 | 0.4000 |
| Share Class 8 | Group 1 | 0.3015 | – | 0.3015 | 0.4000 |
| | Group 2 | 0.0941 | 0.2074 | 0.3015 | 0.4000 |

Interim distribution

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

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

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

| | | Net revenue | Equalisation | Interim distribution paid 31 January 2017 | Interim distribution paid 31 January 2016 |
|---------------|---------|----------------|--------------|--|--|
| Share Class 2 | Group 1 | 0.3062 | – | 0.3062 | 0.3850 |
| | Group 2 | 0.1653 | 0.1409 | 0.3062 | 0.3850 |
| Share Class 3 | Group 1 | 0.3086 | – | 0.3086 | 0.3850 |
| | Group 2 | 0.3086 | 0.0000 | 0.3086 | 0.3850 |
| Share Class 5 | Group 1 | 0.3064 | – | 0.3064 | 0.3850 |
| | Group 2 | 0.1570 | 0.1494 | 0.3064 | 0.3850 |
| Share Class 6 | Group 1 | 0.3049 | – | 0.3049 | 0.3850 |
| | Group 2 | 0.1294 | 0.1755 | 0.3049 | 0.3850 |
| Share Class 8 | Group 1 | 0.3083 | – | 0.3083 | 0.3850 |
| | Group 2 | 0.0000 | 0.3083 | 0.3083 | 0.3850 |

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 30 November 2016.

Group 2 shares are those shares purchased after 12:00 noon on 30 November 2016.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the month ended 30 November 2016

| | | Net revenue | Equalisation | Interim distribution paid 31 December 2016 | Interim distribution paid 31 December 2015 |
|---------------|---------|----------------|--------------|---|---|
| Share Class 2 | Group 1 | 0.2815 | – | 0.2815 | 0.3850 |
| | Group 2 | 0.1391 | 0.1424 | 0.2815 | 0.3850 |
| Share Class 3 | Group 1 | 0.2910 | – | 0.2910 | 0.3850 |
| | Group 2 | 0.2910 | 0.0000 | 0.2910 | 0.3850 |
| Share Class 5 | Group 1 | 0.2833 | – | 0.2833 | 0.3850 |
| | Group 2 | 0.1049 | 0.1784 | 0.2833 | 0.3850 |
| Share Class 6 | Group 1 | 0.2717 | – | 0.2717 | 0.3850 |
| | Group 2 | 0.0000 | 0.2717 | 0.2717 | 0.3850 |
| Share Class 8 | Group 1 | 0.2993 | – | 0.2993 | 0.3850 |
| | Group 2 | 0.0149 | 0.2844 | 0.2993 | 0.3850 |

Interim distribution

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

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

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

| | | Net revenue | Equalisation | Interim distribution paid 30 November 2016 | Interim distribution paid 30 November 2015 |
|---------------|---------|----------------|--------------|---|---|
| Share Class 2 | Group 1 | 0.3600 | – | 0.3600 | 0.3850 |
| | Group 2 | 0.1243 | 0.2357 | 0.3600 | 0.3850 |
| Share Class 3 | Group 1 | 0.3600 | – | 0.3600 | 0.3850 |
| | Group 2 | 0.0000 | 0.3600 | 0.3600 | 0.3850 |
| Share Class 5 | Group 1 | 0.3600 | – | 0.3600 | 0.3850 |
| | Group 2 | 0.0739 | 0.2861 | 0.3600 | 0.3850 |
| Share Class 6 | Group 1 | 0.3600 | – | 0.3600 | 0.3850 |
| | Group 2 | 0.0000 | 0.3600 | 0.3600 | 0.3850 |
| Share Class 8 | Group 1 | 0.3600 | – | 0.3600 | 0.3850 |
| | Group 2 | 0.0780 | 0.2820 | 0.3600 | 0.3850 |

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 30 September 2016.

Group 2 shares are those shares purchased after 12:00 noon on 30 September 2016.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the month ended 30 September 2016

| | | Net revenue | Equalisation | Interim distribution paid 31 October 2016 | Interim distribution paid 31 October 2015 |
|---------------|---------|----------------|--------------|--|--|
| Share Class 2 | Group 1 | 0.3850 | – | 0.3850 | 0.3800 |
| | Group 2 | 0.0481 | 0.3369 | 0.3850 | 0.3800 |
| Share Class 3 | Group 1 | 0.3850 | – | 0.3850 | 0.3800 |
| | Group 2 | 0.0000 | 0.3850 | 0.3850 | 0.3800 |
| Share Class 5 | Group 1 | 0.3850 | – | 0.3850 | 0.3800 |
| | Group 2 | 0.0791 | 0.3059 | 0.3850 | 0.3800 |
| Share Class 6 | Group 1 | 0.3850 | – | 0.3850 | 0.3800 |
| | Group 2 | 0.0315 | 0.3535 | 0.3850 | 0.3800 |
| Share Class 8 | Group 1 | 0.3850 | – | 0.3850 | 0.3800 |
| | Group 2 | 0.0000 | 0.3850 | 0.3850 | 0.3800 |

Interim distribution

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

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

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

| | | Net revenue | Equalisation | Interim distribution paid 30 September 2016 | Interim distribution paid 30 September 2015 |
|---------------|---------|----------------|--------------|---|---|
| Share Class 2 | Group 1 | 0.3850 | – | 0.3850 | 0.3800 |
| | Group 2 | 0.0391 | 0.3459 | 0.3850 | 0.3800 |
| Share Class 3 | Group 1 | 0.3850 | – | 0.3850 | 0.3800 |
| | Group 2 | 0.0000 | 0.3850 | 0.3850 | 0.3800 |
| Share Class 5 | Group 1 | 0.3850 | – | 0.3850 | 0.3800 |
| | Group 2 | 0.0263 | 0.3587 | 0.3850 | 0.3800 |
| Share Class 6 | Group 1 | 0.3850 | – | 0.3850 | 0.3800 |
| | Group 2 | 0.0000 | 0.3850 | 0.3850 | 0.3800 |
| Share Class 8 | Group 1 | 0.3850 | – | 0.3850 | – |
| | Group 2 | 0.0000 | 0.3850 | 0.3850 | – |

Interim distribution

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

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

DISTRIBUTION TABLES (CONTINUED)

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

| | | Net revenue | Equalisation | Interim distribution paid 31 August 2016 | Interim distribution paid 31 August 2015 |
|---------------|---------|----------------|--------------|---|---|
| Share Class 2 | Group 1 | 0.3850 | – | 0.3850 | 0.3600 |
| | Group 2 | 0.0000 | 0.3850 | 0.3850 | 0.3600 |
| Share Class 3 | Group 1 | 0.3850 | – | 0.3850 | 0.3600 |
| | Group 2 | 0.0000 | 0.3850 | 0.3850 | 0.3600 |
| Share Class 5 | Group 1 | 0.3850 | – | 0.3850 | 0.3600 |
| | Group 2 | 0.0000 | 0.3850 | 0.3850 | 0.3600 |
| Share Class 6 | Group 1 | 0.3850 | – | 0.3850 | 0.3600 |
| | Group 2 | 0.0000 | 0.3850 | 0.3850 | 0.3600 |
| Share Class 8 | Group 1 | 0.3850 | – | 0.3850 | – |
| | Group 2 | 0.0000 | 0.3850 | 0.3850 | – |

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 30 June 2016.

Group 2 shares are those shares purchased after 12:00 noon on 30 June 2016.

Interim distribution paid in pence per share for the month ended 30 June 2016

| | | Net revenue | Equalisation | Interim distribution paid 31 July 2016 | Interim distribution paid 31 July 2015 |
|---------------|---------|----------------|--------------|---|---|
| Share Class 2 | Group 1 | 0.3850 | – | 0.3850 | 0.3544 |
| | Group 2 | 0.0178 | 0.3672 | 0.3850 | 0.3544 |
| Share Class 3 | Group 1 | 0.3850 | – | 0.3850 | 0.3554 |
| | Group 2 | 0.0000 | 0.3850 | 0.3850 | 0.3554 |
| Share Class 5 | Group 1 | 0.3850 | – | 0.3850 | 0.3545 |
| | Group 2 | 0.0349 | 0.3501 | 0.3850 | 0.3545 |
| Share Class 6 | Group 1 | 0.3850 | – | 0.3850 | 0.3540 |
| | Group 2 | 0.0925 | 0.2925 | 0.3850 | 0.3540 |
| Share Class 8 | Group 1 | 0.3850 | – | 0.3850 | – |
| | Group 2 | 0.0000 | 0.3850 | 0.3850 | – |

Interim distribution

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

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

DISTRIBUTION TABLES (CONTINUED)

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

| | | Net revenue | Equalisation | Interim distribution paid 30 June 2016 | Interim distribution paid 30 June 2015 |
|---------------|---------|----------------|--------------|---|---|
| Share Class 2 | Group 1 | 0.3850 | – | 0.3850 | 0.3222 |
| | Group 2 | 0.0337 | 0.3513 | 0.3850 | 0.3222 |
| Share Class 3 | Group 1 | 0.3850 | – | 0.3850 | 0.3230 |
| | Group 2 | 0.0000 | 0.3850 | 0.3850 | 0.3230 |
| Share Class 5 | Group 1 | 0.3850 | – | 0.3850 | 0.3224 |
| | Group 2 | 0.0000 | 0.3850 | 0.3850 | 0.3224 |
| Share Class 6 | Group 1 | 0.3850 | – | 0.3850 | 0.3222 |
| | Group 2 | 0.0000 | 0.3850 | 0.3850 | 0.3222 |
| Share Class 8 | Group 1 | 0.3850 | – | 0.3850 | – |
| | Group 2 | 0.0000 | 0.3850 | 0.3850 | – |

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 30 April 2016.

Group 2 shares are those shares purchased after 12:00 noon on 30 April 2016.

Interim distribution paid in pence per share for the month ended 30 April 2016

| | | Net revenue | Equalisation | Interim distribution paid 31 May 2016 | Interim distribution paid 31 May 2015 |
|---------------|---------|----------------|--------------|--|--|
| Share Class 2 | Group 1 | 0.3850 | – | 0.3850 | 0.3466 |
| | Group 2 | 0.1373 | 0.2477 | 0.3850 | 0.3466 |
| Share Class 3 | Group 1 | 0.3850 | – | 0.3850 | 0.3473 |
| | Group 2 | 0.0000 | 0.3850 | 0.3850 | 0.3473 |
| Share Class 5 | Group 1 | 0.3850 | – | 0.3850 | 0.3467 |
| | Group 2 | 0.1584 | 0.2266 | 0.3850 | 0.3467 |
| Share Class 6 | Group 1 | 0.3850 | – | 0.3850 | 0.3464 |
| | Group 2 | 0.1403 | 0.2447 | 0.3850 | 0.3464 |
| Share Class 8 | Group 1 | 0.3850 | – | 0.3850 | – |
| | Group 2 | 0.2658 | 0.1192 | 0.3850 | – |

Interim distribution

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

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

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 2017 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
27 July 2017

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 income 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
27 July 2017

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 2017 and of the net revenue and the net capital gains/(losses) 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 sub-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 sub-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 2017
- 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and applicable law), 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.

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 84, 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.

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

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
27 July 2017

(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.

SECURITIES FINANCING TRANSACTIONS REGULATION DISCLOSURE (UNAUDITED)

As defined in Article 3 of Regulation (EU) 2015/2365, securities financing transactions include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions and margin lending transactions. The only fund impacted by this new regulation is the Aviva Investors Multi-Strategy Target Income Fund. Whilst the Fund does not engage in such SFT's, it does engage in Total Return Swaps ("TRS") and Repurchase transactions ("Repo's") therefore, in accordance with Article 13 of the Regulation, the Fund's involvement in and exposures related to TRS and Repo's for the accounting period ended 31 March 2017 are detailed below.

AMOUNT OF ASSETS ENGAGED IN TRS AND REPO'S

The total fair value of assets engaged in TRS and Repo's as at the balance sheet date is £ Nil.

RETURN AND COST

All returns from TRS and Repo's will accrue to the fund and are not subject to any return sharing arrangements with the Authorised Fund Manager, Investment Manager or any other third parties. Returns from those instruments are disclosed in Note 2 and Note 3 to the financial Statements for the Aviva Investors Multi-Strategy Target Income Fund.

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 are those of the Investment Managers and should not be relied upon as indicating any guarantee of return from investment in the Funds.

The performance figure given for each Fund are based on 11.59pm values.

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 to this number may be recorded for training or monitoring purposes. Calls are free from landlines and mobiles.

