

AVIVA INVESTORS FUNDS ICVC

Annual Report and Financial Statements

For the year ended 31 March 2018

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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.

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.

DIRECTORS

I Buckle
J Misselbrook (resigned on 23 November 2017)
S Ebenston
D Skinner
J Leadsom (appointed 6 April 2017)
D Clayton (appointed 5 April 2017)
M Craston (appointed 1 November 2017)
G Miller (appointed 20 December 2017)

ADMINISTRATOR AND REGISTRAR

DST Financial Services Europe Ltd
DST House
St Nicholas Lane
Basildon
Essex, SS15 5FS

Changes to Administrator and Registrar name

With effect from 14 August 2017, the name of the Administrator and Registrar was changed to DST Financial Services Europe Ltd. Prior to this date, the name was International Financial Data Services (UK) Limited.

FUND ACCOUNTING AND PRICING AGENT

J.P. Morgan Chase Bank, National Association (London Branch)
25 Bank Street
Canary Wharf
London, E14 5JP

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.

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
Atria One
144 Morrison St
Edinburgh, EH3 8EB

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 Depositary"). 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 sub-fund (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 2018 there was one Fund available for investment in the Aviva Investors Funds ICVC.

REMUNERATION POLICY

In line with the requirements of the Undertakings for Collective Investment in Transferable Securities Directive V ("UCITS V"), the ACD is subject to a remuneration policy which is consistent with the principles outlined in the European Securities and Markets Authority guidelines on sound remuneration policies under the UCITS Directive.

Aviva Investors' remuneration framework is based on a total reward approach and is designed to reflect the success or failure against a range of personal and company performance objectives. There are four components of pay: base salary; annual bonus (including deferred bonus); long term incentive plan; and benefits. Aviva believes in rewarding strong performance and the achievement of our business and individual goals; however, the manner in which these goals are achieved is also an important factor in determining outcomes. Annual bonus awards are discretionary and where bonuses are £75,000 and over a 3 year deferral with pro-rata vesting in Aviva Investors funds and/or Aviva Group plc shares occurs.

The extent to which each aspect of performance affects the overall payment level depends on the role and responsibilities of the individual. Performance is measured against personal objectives, including Risk and Control objectives, as well as Aviva Investors' and the business unit performance against agreed targets, which are a combination of individual, business unit, Aviva Investors and Group performance over an appropriate period.

- The financial considerations includes the following comparisons:-
 - Actual results vs. prior period results
 - Actual results vs. agreed plans
 - Actual results relative to competitors
 - Actual results vs., and progress towards, our long-term target ambition.

- The non-financial considerations include risk, conduct, culture, customer and employee engagement metrics, with Aviva values clearly underpinning all our decisions. In certain roles, adherence to Responsible Investment and ESG principles will also be a consideration.
- The performance assessment does not encourage risk taking outside the Aviva Investors stated risk appetite, and includes mechanisms by which performance against risk and conduct related measures has a significant impact on the availability and size of business and individual variable awards.

The remuneration policies are designed to ensure that any relevant conflicts of interest can be managed appropriately at all times and that the remuneration of its senior staff is in line with the risk policies and objectives of the UCITS funds it manages, and takes into account the promotion of sound and effective risk management and the achievement of fair outcomes for all customers.

The ACD has no employees but is a wholly owned subsidiary of Aviva Investors Holdings Limited. For the year to 31 December 2017, apportioned remuneration based on the time assessed to be spent on the ACD UCITS activity paid by Aviva Plc, the ultimate parent of the ACD, to its senior management team, and staff whose actions have a material impact on the risk profile of the ACD ("Code staff"), is as follows:

	Senior Management	Other Code Staff
Total Remuneration:	£0.4m	£0.2m
Of which, Fixed Remuneration:	35%	56%
Variable Remuneration:	58%	30%
Pension/Benefits:	7%	14%
Number of Code staff:	11	11

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) ("Regulations").

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 2018. 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.

REPORT OF THE AUTHORISED CORPORATE DIRECTOR (CONTINUED)

SIGNIFICANT INFORMATION

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.

CHANGES TO PROSPECTUS

On 11 May 2018, the Prospectus was amended to include wording setting out for investors the circumstances in which unclaimed client money will be paid to charity in accordance with the FCA's rules.

CHANGES TO ONGOING CHARGES

On 4 June 2018, we made a number of changes to our entire fund range, including the Funds of the Company. This resulted in us replacing a variety of separate fees, costs and expenses of operating and administering our funds with a simple single fee called the "Fund Management Fee" or "FMF". In connection with this, we also lowered fees on a large number of our funds and reduced entry charges to zero on all but one of our funds. We also renamed certain share classes of certain funds and closed other share classes and moved any investors into an alternative share class of the same fund. The review of a Fund notes if it was affected by such a share class merger or renaming.

STATEMENT OF CROSS HOLDINGS

There are no cross holdings as at 31 March 2018.

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 and any additional costs in respect of the termination of these Funds will be borne by the ACD. 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 Balanced 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. Aviva Investors Multi-Strategy Target Income Fund has 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 Aviva Investors Multi-Strategy Target Income Fund's (Fund) 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 Fund also enters into derivative transactions including but not limited to, in the form of forward foreign currency contracts, credit default swaps, interest rate swaps, equity variance swaps, options and stock index futures.

The 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. 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 and seek specific credit exposure through buying and 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.

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

a Foreign currency risk

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

b Interest rate risk

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

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.

POLICIES AND RISKS (CONTINUED)

FINANCIAL INSTRUMENTS (CONTINUED)

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 a counterparty will not be able to settle its obligations under the agreement. This is mitigated by an assessment of the credit worthiness of a 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, the Fund was closed on 16 August 2016 and is in the process of being terminated. No fund manager's report has been included within the interim report and financial statements as no investment activity has taken place during the period under review.

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.

Synthetic Risk and Reward Indicator



The Fund has been allocated a risk number based on the historic volatility of its share price. Where insufficient share price information is available, the risk number has been based on the historic volatility of the asset classes appropriate to the Fund.

- 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'.
- Further information on the risks applicable to the Fund is detailed in the Fund's Key Investor Information Document, and a full description is set out in the Prospectus, both of which are available on the internet at www.avivainvestors.com or from the ACD on request.

COMPARATIVE TABLES

	2018	2017 ^s	2016
Class A Income	p per share	p per share	p per share
Change in net assets per share			
Opening net asset value per share	–	64.77	67.85
Return before operating charges [†]	–	(60.39)	1.25
Operating charges	–	–	(1.16)
Return after operating charges [†]	–	(60.39)	0.09
Distributions	–	(4.38)	(3.17)
Closing net asset value per share	–	–	64.77
† after direct transaction costs of	–	–	(0.14)
Performance			
Return after charges	–	(93.24)%	0.13%
Other information			
Closing net asset value (£000)	–	–	2,492
Closing number of shares	–	–	3,848,359
Operating charges (%) [†]	–	–	1.78%
Direct transaction costs (%) [#]	–	0.08%	0.21%
Prices[®]			
Highest share price	–	70.93	68.72
Lowest share price	–	63.34	60.23

	2018	2017 ^s	2016
Class I Income	p per share	p per share	p per share
Change in net assets per share			
Opening net asset value per share	–	65.47	68.59
Return before operating charges [†]	–	(61.08)	1.20
Operating charges	–	–	(0.86)
Return after operating charges [†]	–	(61.08)	0.34
Distributions	–	(4.39)	(3.46)
Closing net asset value per share	–	–	65.47
† after direct transaction costs of	–	–	(0.14)
Performance			
Return after charges	–	(93.29)%	0.50%
Other information			
Closing net asset value (£000)	–	–	36,714
Closing number of shares	–	–	56,078,450
Operating charges (%) [†]	–	–	1.31%
Direct transaction costs (%) [#]	–	0.08%	0.21%
Prices[®]			
Highest share price	–	71.66	69.49
Lowest share price	–	64.04	60.94

	2018	2017 ^s	2016
Class A Accumulation	p per share	p per share	p per share
Change in net assets per share			
Opening net asset value per share	–	128.68	128.36
Return before operating charges [†]	–	(128.68)	2.55
Operating charges	–	–	(2.23)
Return after operating charges [†]	–	(128.68)	0.32
Distributions	–	(8.72)	(6.04)
Retained distributions on accumulation shares	–	8.72	6.04
Closing net asset value per share	–	–	128.68
† after direct transaction costs of	–	–	(0.26)
Performance			
Return after charges	–	(100.00)%	0.25%
Other information			
Closing net asset value (£000)	–	–	640
Closing number of shares	–	–	497,504
Operating charges (%) [†]	–	–	1.78%
Direct transaction costs (%) [#]	–	0.08%	0.21%
Prices[®]			
Highest share price	–	142.39	130.04
Lowest share price	–	125.86	117.61

COMPARATIVE TABLES (CONTINUED)

Class I Accumulation	2018 p per share	2017 [§] p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	–	135.39	134.53
Return before operating charges [‡]	–	(135.39)	2.55
Operating charges	–	–	(1.69)
Return after operating charges [‡]	–	(135.39)	0.86
Distributions	–	(9.08)	(6.85)
Retained distributions on accumulation shares	–	9.08	6.85
Closing net asset value per share	–	–	135.39
† after direct transaction costs of	–	–	(0.28)
Performance			
Return after charges	–	(100.00)%	0.64%
Other information			
Closing net asset value (£000)	–	–	5,963
Closing number of shares	–	–	4,404,027
Operating charges (%) [‡]	–	–	1.29%
Direct transaction costs (%) [‡]	–	0.08%	0.21%
Prices[≈]			
Highest share price	–	149.85	136.32
Lowest share price	–	132.46	123.67

‡ 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	31.03.18	For the period to 16.08.16
Class A	–	0.71%
Class I	–	0.71%

* 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 2018

	Notes	£000	Year ended 31.03.18 £000	£000	Year ended 31.03.17 £000
Income					
Net capital (losses)/gains	2		(24)		2,503
Revenue	3	137		1,829	
Expenses					
	4	(13)		(35)	
Net revenue before taxation		124		1,794	
Taxation	5	32		525	
Net revenue after taxation			156		2,319
Total return before distributions			132		4,822
Distributions	6		–		(2,358)
Change in net assets attributable to shareholders from investment activities			132		2,464

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 31 March 2018

	£000	Year ended 31.03.18 £000	£000	Year ended 31.03.17 £000
Opening net assets attributable to shareholders		–		45,809
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	–		701	
Amounts payable on cancellation of shares	–		(49,095)	
				(48,394)
Dilution adjustment		–		3
Change in net assets attributable to shareholders from investment activities (see above)		132		2,464
Retained distribution on accumulation shares		–		176
Unclaimed distribution monies		–		7
Fund closure		(132)		(65)
Closing net assets attributable to shareholders		–		–

BALANCE SHEET

As at 31 March 2018

	Notes	As at 31.03.18 £000	As at 31.03.17 £000
Assets:			
Investments		–	–
Current assets:			
Debtors	7	445	162
Cash and bank balances	8	1,231	1,158
Total assets		1,676	1,320
Liabilities:			
Investment liabilities		–	–
Creditors:			
Windfall payable*		(1,185)	(987)
Other creditors	9	(491)	(333)
Total liabilities		(1,676)	(1,320)
Net assets attributable to shareholders		–	–

* Amounts changed from 31 March 2017 due to over/under accruals in the current period. On commencement of the termination of the Fund, this amount will be distributed to investors who were in the Fund as at the date of close (16 August 2016).

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting basis and policies

Please see pages 6 to 8 for accounting basis and policies.

2 Net capital (losses)/gains

	Year ended 31.03.18 £000	Year ended 31.03.17 £000
Net capital gains/(losses) on investments during the year comprise:		
Currency (losses)/gains	(24)	255
Expenses relating to the purchase and sale of investments	–	(17)
Forward currency contracts losses	–	(270)
Non-derivative securities gains	–	2,535
Net capital (losses)/gains	(24)	2,503

3 Revenue

	Year ended 31.03.18 £000	Year ended 31.03.17 £000
Bank and deposit interest	1	11
Interest on French tax reclaims [†]	136	223
Interest on debt securities	–	214
Overseas dividends	–	1,276
UK dividends	–	105
Total revenue	137	1,829

[†] £223,307 has been reallocated from Bank and deposit interest to Interest on French tax reclaims in the prior year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 Expenses

	Year ended 31.03.18 £000	Year ended 31.03.17 £000
Payable to the Authorised Corporate Director ("ACD"), associates of the ACD or agents of either of them:		
ACD's periodic charge	–	85
ACD rebate	–	(128)
Fund documentation production	–	7
Registration fees	–	9
	–	(27)
Payable to the Depositary, associates of the Depositary or agents of either of them:		
Depositary's fee	–	4
Interest payable	–	5
Safe custody fee	–	1
	–	10
Other expenses:		
Audit fee	9	14
Closure costs	–	30
Professional fees	4	9
Statement fees	–	(1)
	13	52
Total expenses	13	35

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Taxation**a Analysis of tax charge**

	Year ended 31.03.18 £000	Year ended 31.03.17 £000
Corporation tax	25	87
Overseas tax reclaims	(57)	(698)
Adjustments in respect of prior periods	–	(5)
Overseas tax suffered	–	91
Total current tax (see note 5b)	(32)	(525)

b Factors affecting current tax charge

The tax assessed for the year is lower (2017: lower) than the standard rate of corporation tax in the UK for an Authorised Investment Fund (20%) (2017: 20%).

The differences are explained below:

	Year ended 31.03.18 £000	Year ended 31.03.17 £000
Net revenue before taxation	124	1,794
Corporation tax at 20%	25	359
Effects of:		
Adjustments in respect of prior periods	–	(5)
Movement in excess expenses	–	–
Expenses not deductible for tax purposes	–	8
Overseas dividends not subject to corporation tax	–	(260)
Overseas tax suffered	–	91
Revenue taxable in different periods	–	1
Overseas tax reclaims not subject to corporation tax	(57)	(698)
	(57)	(884)
Current tax charge (see note 5a)	(32)	(525)

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 Distributions

	Year ended 31.03.18 £000	Year ended 31.03.17 £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
Distribution for the period ended 15 August	–	679
Distribution for the three months ended 30 September	–	–
Distribution for the three months ended 31 December	–	–
Distribution for the three months ended 31 March	–	987
	–	2,096
Add: Revenue deducted on cancellation of shares	–	276
Deduct: Revenue received on issue of shares	–	(14)
Total distributions	–	2,358
Reconciliations of distributions for the year to net revenue after taxation		
Distributions for the year	–	2,358
Movement in revenue account	24	65
Other fees borne by capital account	–	(39)
Net revenue/(expense) transferred to capital	132	(65)
Net revenue after taxation	156	2,319

Details of the distributions per share are set out in the distribution tables on pages 19.

7 Debtors

	As at 31.03.18 £000	As at 31.03.17 £000
French tax reclaims recoverable	309	162
Interest on French tax reclaims recoverable	136	–
Total debtors	445	162

8 Cash and bank balances

	As at 31.03.18 £000	As at 31.03.17 £000
Cash and bank balances	1,231	1,158
Total cash and bank balances	1,231	1,158

9 Other creditors

	As at 31.03.18 £000	As at 31.03.17 £000
Accrued expenses	41	108
Corporation tax payable	25	88
Provision for Corporation Tax 2009	425	137
Total creditors	491	333

10 Contingent liabilities and commitments

There were no contingent liabilities or commitments at the year end (2017: £nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11 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.

There are no related party transactions or outstanding balances during the current year and the prior year.

12 Derivatives and other financial instruments

The policies applied in the management of financial instruments are set out on pages 7 and 8.

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 (2017: £nil).

13 Direct transaction costs

There were no direct transactions costs incurred during the year.

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%
	<u>(23,414)</u>	<u>(20)</u>	<u>(17)</u>	<u>(23,451)</u>		
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%
	<u>71,235</u>	<u>(25)</u>	<u>(1)</u>	<u>71,209</u>		
Total		<u>(45)</u>	<u>(18)</u>			
Percentage of fund average net assets		<u>0.06%</u>	<u>0.02%</u>			

14 Post balance sheet events

There are no post balance sheet events which require adjustment or disclosure at the year end (2017: £nil).

DISTRIBUTION TABLES

Final distribution payable in pence per share for the three months ended 31 March 2018

Income shares		Net revenue	Equalisation	Final distribution payable 10 May 2018	Final distribution paid 10 May 2017
Share Class A	Group 1	-	-	-	2.1751
	Group 2	-	-	-	2.1751
Share Class I	Group 1	-	-	-	2.1451
	Group 2	-	-	-	2.1451

Accumulation shares		Net revenue	Equalisation	Final distribution payable 10 May 2018	Final distribution paid 10 May 2017
Share Class A	Group 1	-	-	-	4.3325
	Group 2	-	-	-	4.3325
Share Class I	Group 1	-	-	-	4.4431
	Group 2	-	-	-	4.4431

Final distribution

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

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

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, the Fund was closed on 16 August 2016 and is in the process of being terminated. No fund manager's report has been included within the interim report and financial statements as no investment activity has taken place during the period under review.

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.

Synthetic Risk and Reward Indicator



The Fund has been allocated a risk number based on the historic volatility of its share price. Where insufficient share price information is available, the risk number has been based on the historic volatility of the asset classes appropriate to the Fund.

- 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'.
- Further information on the risks applicable to the Fund is detailed in the Fund's Key Investor Information Document, and a full description is set out in the Prospectus, both of which are available on the internet at www.avivainvestors.com or from the ACD on request.

COMPARATIVE TABLES

Class A Income	2018 p per share	2017 ^s p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	–	86.60	89.20
Return before operating charges [†]	–	(83.06)	1.92
Operating charges	–	–	(1.27)
Return after operating charges [†]	–	(83.06)	0.65
Distributions	–	(3.54)	(3.25)
Closing net asset value per share	–	–	86.60
† after direct transaction costs of	–	–	(0.10)
Performance			
Return after charges	–	–	0.73%
Other information			
Closing net asset value (£000)	–	–	1,050
Closing number of shares	–	–	1,212,864
Operating charges (%) [†]	–	–	1.48%
Direct transaction costs (%) [#]	–	0.00%	0.11%
Prices[®]			
Highest share price	–	93.65	89.87
Lowest share price	–	85.71	83.82

Class I Income	2018 p per share	2017 ^s p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	–	86.46	89.06
Return before operating charges [†]	–	(82.94)	2.01
Operating charges	–	–	(0.90)
Return after operating charges [†]	–	(82.94)	1.11
Distributions	–	(3.52)	(3.71)
Closing net asset value per share	–	–	86.46
† after direct transaction costs of	–	–	(0.10)
Performance			
Return after charges	–	–	1.25%
Other information			
Closing net asset value (£000)	–	–	56,401
Closing number of shares	–	–	65,234,878
Operating charges (%) [†]	–	–	1.03%
Direct transaction costs (%) [#]	–	0.00%	0.11%
Prices[®]			
Highest share price	–	93.46	89.74
Lowest share price	–	85.59	83.83

Class A Accumulation	2018 p per share	2017 ^s p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	–	135.38	135.28
Return before operating charges [†]	–	(134.69)	2.05
Operating charges	–	–	(1.95)
Return after operating charges [†]	–	(134.69)	0.10
Distributions	–	(5.54)	(4.98)
Retained distributions on accumulation shares	–	4.85	4.98
Closing net asset value per share	–	–	135.38
† after direct transaction costs of	–	–	(0.15)
Performance			
Return after charges	–	–	0.07%
Other information			
Closing net asset value (£000)	–	–	560
Closing number of shares	–	–	413,395
Operating charges (%) [†]	–	–	1.48%
Direct transaction costs (%) [#]	–	0.00%	0.11%
Prices[®]			
Highest share price	–	147.36	136.30
Lowest share price	–	134.00	128.32

COMPARATIVE TABLES (CONTINUED)

Class I Accumulation	2018 p per share	2017 [§] p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	–	141.81	141.12
Return before operating charges [‡]	–	(141.08)	2.05
Operating charges	–	–	(1.36)
Return after operating charges [‡]	–	(141.08)	0.69
Distributions	–	(5.77)	(5.91)
Retained distributions on accumulation shares	–	5.04	5.91
Closing net asset value per share	–	–	141.81
† after direct transaction costs of	–	–	(0.15)
Performance			
Return after charges	–	–	0.49%
Other information			
Closing net asset value (£000)	–	–	9,838
Closing number of shares	–	–	6,937,721
Operating charges (%) [‡]	–	–	0.98%
Direct transaction costs (%) [#]	–	0.00%	0.11%
Prices[≈]			
Highest share price	–	154.39	142.21
Lowest share price	–	140.39	134.08

‡ 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	31.03.18	For the period to 16.08.16
Class A	–	0.60%
Class I	–	0.60%

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

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

STATEMENT OF TOTAL RETURN

For the year ended 31 March 2018

	Notes	£000	Year ended 31.03.18 £000	£000	Year ended 31.03.17 £000
Income					
Net capital gains/(losses)	2		28		3,768
Revenue	3	30		1,968	
Expenses	4	(9)		(4)	
Net revenue before taxation		21		1,964	
Taxation	5	87		351	
Net revenue after taxation			108		2,315
Total return before distributions			136		6,083
Distributions	6		–		(2,354)
Change in net assets attributable to shareholders from investment activities			136		3,729

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 31 March 2018

	£000	Year ended 31.03.18 £000	£000	Year ended 31.03.17 £000
Opening net assets attributable to shareholders		–		67,849
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	–		736	
Amounts payable on cancellation of shares	–		(72,560)	
				(71,824)
Change in net assets attributable to shareholders from investment activities (see above)		136		3,729
Retained distribution on accumulation shares		–		178
Fund closure		(136)		68
Closing net assets attributable to shareholders			–	–

BALANCE SHEET

As at 31 March 2018

	Notes	As at 31.03.18 £000	As at 31.03.17 £000
Assets:			
Investments		–	–
Current assets:			
Debtors	8	88	121
Cash and bank balances	9	899	741
Total assets		987	862
Liabilities:			
Investment liabilities		–	–
Creditors:			
Bank overdrafts		–	–
Windfall payable*		(839)	(771)
Other creditors	10	(148)	(91)
Total liabilities		(987)	(862)
Net assets attributable to shareholders		–	–

* Amounts changed from 31 March 2017 due to over/under accruals in the current period. On commencement of the termination of the Fund, this amount will be distributed to investors who were in the Fund as at the date of close (16 August 2016).

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting basis and policies

Please see pages 6 to 8 for accounting basis and policies.

2 Net capital gains/(losses)

	Year ended 31.03.18 £000	Year ended 31.03.17 £000
Net capital gains/(losses) on investments during the year comprise:		
Currency gains	28	244
Derivative contracts (losses)/gains	–	(10)
Expenses relating to the purchase and sale of investments	–	(18)
Forward currency contracts losses	–	(215)
Non-derivative securities gains/(losses)	–	3,767
Net capital gains/(losses)	28	3,768

3 Revenue

	Year ended 31.03.18 £000	Year ended 31.03.17 £000
Bank and deposit interest	1	13
Interest on French tax reclaims [†]	29	128
Interest on debt securities	–	523
Option premiums	–	(3)
Overseas dividends	–	1,211
UK dividends	–	96
Total revenue	30	1,968

[†] £128,220 has been reallocated from Bank and deposit interest to Interest on French tax reclaims in the prior year.

4 Expenses

	Year ended 31.03.18 £000	Year ended 31.03.17 £000
Payable to the Authorised Corporate Director ("ACD"), associates of the ACD or agents of either of them:		
ACD's periodic charge	–	104
ACD rebate	–	(186)
Fund documentation production	–	10
Registration fees	–	23
	–	(49)
Payable to the Depositary, associates of the Depositary or agents of either of them:		
Depositary's fee	–	5
Interest payable	–	1
Safe custody fee	–	1
	–	7
Other expenses:		
Audit fee	9	14
Closure Costs	–	30
Professional fees	–	2
	9	46
Total expenses	9	4

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Taxation**a Analysis of tax charge**

	Year ended 31.03.18 £000	Year ended 31.03.17 £000
Overseas tax reclaims	(87)	(411)
Adjustment in respect of prior periods	–	(6)
Overseas tax suffered	–	66
Total current tax (see note 5b)	(87)	(351)

b Factors affecting current tax charge

The tax assessed for the year is lower (2017: lower) than the standard rate of corporation tax in the UK for an Authorised Investment Fund (20%) (2017: 20%).

The differences are explained below:

	Year ended 31.03.18 £000	Year ended 31.03.17 £000
Net revenue before taxation	21	1,964
Corporation tax at 20%	4	393
Effects of:		
Adjustment in respect of prior periods	–	(6)
Expenses not deductible for tax purposes	–	7
Movement in excess expenses	(4)	(139)
Overseas dividends not subject to corporation tax	–	(242)
Overseas tax suffered	–	66
UK dividends not subject to corporation tax	–	(19)
Overseas tax reclaims not subject to corporation tax	(87)	(411)
	(91)	(744)
Current tax charge (see note 5a)	(87)	(351)

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 £289,405 (2017: £310,383) creating a potential deferred tax asset of £57,881 (2017: £62,076). 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 31.03.18 £000	Year ended 31.03.17 £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
Gross interest distribution for the period ended 15 August	–	716
Gross interest distribution for the three months ended 30 September	–	–
Gross interest distribution for the three months ended 31 December	–	–
Gross interest distribution for the three months ended 31 March	–	771
	–	2,200
Add: Revenue deducted on cancellation of shares	–	163
Deduct: Revenue received on issue of shares	–	(9)
Distributions	–	2,354
Reconciliation of distributions for the year to net revenue after taxation		
Distributions for the year	–	2,354
Movement in revenue account	(28)	67
Other fees borne by capital account	–	(39)
Net revenue/(expense) transferred to capital	136	(67)
Net revenue after taxation	108	2,315

Details of the distributions per share are set out in the distribution tables on page 29.

7 Debtors

	As at 31.03.18 £000	As at 31.03.17 £000
French tax reclaims recoverable	59	–
Interest on French tax reclaims recoverable	29	–
Prepaid expenses	–	121
Total debtors	88	121

8 Cash and bank balances

	As at 31.03.18 £000	As at 31.03.17 £000
Cash and bank balances	899	741
Total cash and bank balances	899	741

9 Other creditors

	As at 31.03.18 £000	As at 31.03.17 £000
Accrued expenses	41	43
Provision for Income Tax 2009	107	48
Total creditors	148	91

10 Contingent liabilities and commitments

There were no contingent liabilities or commitments at the year end (2017: £nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11 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.

There are no related party transactions or outstanding balances during the current year and the prior year.

12 Derivatives and other financial instruments

The policies applied in the management of financial instruments are set out on pages 7 and 8.

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 (2017: £nil).

13 Direct transaction costs

There were no transaction costs in the current year.

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%
	<u>(35,644)</u>	<u>(20)</u>	<u>(17)</u>	<u>(35,681)</u>		
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%
	<u>106,404</u>	<u>(23)</u>	<u>–</u>	<u>106,381</u>		
Derivative purchases and sales		<u>–</u>	<u>–</u>			
Total		<u>(43)</u>	<u>(17)</u>			
Percentage of fund average net assets		<u>0.04%</u>	<u>0.01%</u>			

14 Post balance sheet events

There are no post balance sheet events which require adjustment or disclosure at the year end (2017: £nil).

DISTRIBUTION TABLES

Final distribution payable in pence per share for the three months ended 31 March 2018

Income shares		Gross revenue	Income tax	Net revenue	Equalisation	Final distribution payable 10 May 2018	Final distribution paid 10 May 2017
Share Class A	Group 1	-	-	-	-	-	1.3300
	Group 2	-	-	-	-	-	1.3300
Share Class I	Group 1	-	-	-	-	-	1.2889
	Group 2	-	-	-	-	-	1.2889

Accumulation shares		Gross revenue	Income tax	Net revenue	Equalisation	Final distribution payable 10 May 2018	Final distribution paid 10 May 2017
Share Class A	Group 1	-	-	-	-	-	2.0853
	Group 2	-	-	-	-	-	2.0853
Share Class I	Group 1	-	-	-	-	-	2.1165
	Group 2	-	-	-	-	-	2.1165

Final distribution

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

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

Interim distribution paid in pence per share for the three months ended 31 December 2017

Income shares		Gross revenue	Income tax at 20%	Net revenue	Equalisation	Interim distribution paid 10 February 2018	Interim distribution paid 10 February 2017
Share Class A	Group 1	-	-	-	-	-	0.0000
	Group 2	-	-	-	-	-	0.0000
Share Class I	Group 1	-	-	-	-	-	0.0000
	Group 2	-	-	-	-	-	0.0000

Accumulation shares		Gross revenue	Income tax at 20%	Net revenue	Equalisation	Interim distribution paid 10 February 2018	Interim distribution paid 10 February 2017
Share Class A	Group 1	-	-	-	-	-	0.0000
	Group 2	-	-	-	-	-	0.0000
Share Class I	Group 1	-	-	-	-	-	0.0000
	Group 2	-	-	-	-	-	0.0000

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 30 September 2017.

Group 2 shares are those shares purchased after 12:00 noon on 30 September 2017.

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

On 4 June 2018, share class 6 of this Fund was renamed as share class 1, share class 8 of this Fund was renamed as share class 3, share class 3 of this Fund was renamed as share class 5 and share class 5 of this Fund was renamed as share class 9.

PERFORMANCE

Over the twelve months ended 31 March 2018, the Fund* returned -2.88 per cent.

The Fund delivered a gross yield of 5.51 per cent and a net yield of 4.71 per cent (after corporation tax payable by the Fund) over the period, achieving its objective of delivering gross annual income of 4 per cent above the Bank of England base rate.

REVIEW

While the Fund continued to generate income successfully and achieved its income target, it did not meet its overall performance objectives over the period.

Detractors from the Fund's capital performance included strategies anticipating a strengthening of the US dollar. In the event, the dollar weakened as the stronger-than-expected recovery of the global economy pushed up the relative value of other leading world currencies.

Strategies that were designed to protect the Fund from market volatility also had a negative impact on performance as asset prices were generally stable. When markets were ultimately hit by turbulence in the first quarter of 2018, strategies designed to benefit from US equities being less volatile than selected other markets also weighed on performance. This was a consequence of the US market suffering the brunt of the fallout from worries about possible global trade wars.

Strategies that added to performance included the Fund's positive exposure to corporate bonds, which posted higher returns than government bonds in an environment of improving company earnings. The Fund also benefited from its positioning within government bond markets, with a strategy anticipating weakness in US Treasury bonds making a useful contribution as the market traded lower in response to rising American interest rates.

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 2018

* 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 32 and 33 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
First Abu Dhabi Bank 0.35% 16/10/2017	South Africa Government Bond 10.50% 21/12/2026
Toronto-Dominion Bank, 0.26% 27/12/2017	First Abu Dhabi Bank 0.35% 16/10/2017
Abbey National Treasury Services 0.29% 31/10/2017	Qatar National Bank Saq – London Branch 0.00% 23/06/2017
Banque Federative Du Credit 0.33% 02/10/2017	Toronto-Dominion Bank, 0.26% 27/12/2017
Industrial & Commercial Bank of China 0.45% 09/10/2017	Banque Federative Du Credit 0.33% 02/10/2017
Albion Capital 0.50% 20/03/2018	Banque Federative Du Credit 0.39% 06/12/2017
Natixis 0.36% 01/09/2017	Industrial & Commercial Bank of China 0.45% 09/10/2017
South Africa Government Bond 10.50% 21/12/2026	Abbey National Treasury Services 0.29% 31/10/2017
Banque Federative Du Credit 0.51% 05/04/2018	Albion Capital 0.50% 20/03/2018
Bank of Tokyo-Mitsubishi UFJ 0.52% 18/04/2018	Natixis 0.38% 01/06/2017

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.
- 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.
- Further information on the risks applicable to the Fund is detailed in the Fund's Key Investor Information Document, and a full description is set out in the Prospectus, both of which are available on the internet at www.avivainvestors.com or from the ACD on request.

COMPARATIVE TABLES

Class 2 Income	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	96.72	100.14	104.62
Return before operating charges [†]	(1.62)	1.74	0.87
Operating charges	(0.80)	(0.83)	(0.86)
Return after operating charges [†]	(2.42)	0.91	0.01
Distributions	(4.24)	(4.33)	(4.49)
Closing net asset value per share	90.06	96.72	100.14
[†] after direct transaction costs of	(0.04)	(0.16)	(0.17)
Performance			
Return after charges	(2.50)%	0.91%	0.01%
Other information			
Closing net asset value (£000)	643,308	984,252	357,309
Closing number of shares	714,317,008	1,017,624,648	356,823,300
Operating charges (%) [†]	0.85%	0.85%	0.85%
Direct transaction costs (%) [#]	0.04%	0.16%	0.17%
Prices[*]			
Highest share price	97.68	100.78	105.94
Lowest share price	89.63	96.73	100.20

Class 3 Income	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	97.53	100.85	104.79
Return before operating charges [†]	(1.70)	1.17	0.71
Operating charges	(0.64)	(0.14)	(0.14)
Return after operating charges [†]	(2.34)	1.03	0.57
Distributions	(4.26)	(4.35)	(4.51)
Closing net asset value per share	90.93	97.53	100.85
[†] after direct transaction costs of	(0.04)	(0.16)	(0.17)
Performance			
Return after charges	(2.40)%	1.02%	0.54%
Other information			
Closing net asset value (£000)	134,872	79	167,381
Closing number of shares	148,328,866	80,838	165,964,794
Operating charges (%) [†]	0.69%	0.70%	0.14%
Direct transaction costs (%) [#]	0.04%	0.16%	0.17%
Prices[*]			
Highest share price	98.52	101.58	106.12
Lowest share price	90.53	97.52	100.69

Class 5 Income	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	96.81	100.18	104.62
Return before operating charges [†]	(1.62)	1.75	0.85
Operating charges	(0.76)	(0.79)	(0.80)
Return after operating charges [†]	(2.38)	0.96	0.05
Distributions	(4.25)	(4.33)	(4.49)
Closing net asset value per share	90.18	96.81	100.18
[†] after direct transaction costs of	(0.04)	(0.16)	(0.17)
Performance			
Return after charges	(2.46)%	0.96%	0.05%
Other information			
Closing net asset value (£000)	22,837	36,301	14,405
Closing number of shares	25,324,984	37,497,622	14,378,207
Operating charges (%) [†]	0.80%	0.80%	0.78%
Direct transaction costs (%) [#]	0.04%	0.16%	0.17%
Prices[*]			
Highest share price	97.78	100.84	105.95
Lowest share price	89.75	96.81	100.25

Class 6 Income	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	96.26	99.86	104.55
Return before operating charges [†]	(1.57)	1.79	0.91
Operating charges	(1.03)	(1.08)	(1.11)
Return after operating charges [†]	(2.60)	0.71	(0.20)
Distributions	(4.21)	(4.31)	(4.49)
Closing net asset value per share	89.45	96.26	99.86
[†] after direct transaction costs of	(0.04)	(0.16)	(0.17)
Performance			
Return after charges	(2.70)%	0.71%	(0.19)%
Other information			
Closing net asset value (£000)	1,297	1,169	839
Closing number of shares	1,450,505	1,214,600	840,074
Operating charges (%) [†]	1.10%	1.10%	1.09%
Direct transaction costs (%) [#]	0.04%	0.16%	0.17%
Prices[*]			
Highest share price	97.18	100.48	105.87
Lowest share price	89.01	96.30	99.93

COMPARATIVE TABLES (CONTINUED)

	2018	2017	2016*
Class 8 Income	p per share	p per share	p per share
Change in net assets per share			
Opening net asset value per share	97.44	100.67	101.59
Return before operating charges [‡]	(1.69)	1.70	1.77
Operating charges	(0.55)	(0.58)	(0.33)
Return after operating charges [‡]	(2.24)	1.12	1.44
Distributions	(4.28)	(4.35)	(2.36)
Closing net asset value per share	90.92	97.44	100.67
† after direct transaction costs of	(0.04)	(0.16)	(0.17)
Performance			
Return after charges	(2.30)%	1.11%	1.42%
Other information			
Closing net asset value (£000)	1,263,020	1,371,929	163,651
Closing number of shares	1,389,088,493	1,407,967,514	162,559,599
Operating charges (%) [‡]	0.58%	0.59%	0.33%
Direct transaction costs (%) [#]	0.04%	0.16%	0.17%
Prices[≈]			
Highest share price	98.45	101.35	103.69
Lowest share price	90.52	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.

* Share class 8 was launched on 2 October 2015.

Ongoing Charges Figure*

Share class	31.03.18	31.03.17
Class 2	0.85%	0.85%
Class 3	0.69%	0.70%
Class 5	0.80%	0.80%
Class 6	1.10%	1.10%
Class 8	0.58%	0.59%

* 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 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Collective Investment Schemes 0.76% (0.66%)				
Lyxor MSCI India Fund C-EUR	EUR	1,178,523	15,647	0.76
Collective Investment Schemes total			15,647	0.76
Equities 41.38% (41.12%)				
Australia 0.16% (0.45%)				
Vicinity Centres, REIT	AUD	2,545,544	3,355	0.16
			3,355	0.16
Bermuda 0.41% (0.38%)				
Hiscox	GBP	480,474	6,991	0.34
VEON, ADR	USD	127,410	241	0.01
VTech Holdings	HKD	132,310	1,190	0.06
			8,422	0.41
Brazil 0.81% (0.59%)				
Grendene	BRL	115,658	679	0.03
Itau Unibanco Holding Preference	BRL	533,050	5,866	0.28
Kroton Educacional	BRL	502,462	1,463	0.07
Multiplus	BRL	231,555	1,531	0.08
Telefonica Brasil, ADR Preference	USD	144,905	1,586	0.08
Ultrapar Participacoes	BRL	100,550	1,529	0.07
Vale	BRL	461,043	4,174	0.20
			16,828	0.81
Canada 0.11% (0.20%)				
SmartCentres REIT	CAD	137,956	2,220	0.11
			2,220	0.11
Cayman Islands 1.07% (0.65%)				
China Medical System Holdings	HKD	2,052,516	3,322	0.16
NetEase, ADR	USD	6,050	1,209	0.06
Sands China	HKD	608,185	2,329	0.11
Shenzhou International Group Holdings	HKD	1,042,757	7,828	0.38
Tencent Holdings	HKD	198,150	7,372	0.36
			22,060	1.07
Chile 0.15% (0.08%)				
Banco de Chile	CLP	25,993,578	3,115	0.15
			3,115	0.15
China 1.40% (0.99%)				
China Petroleum & Chemical 'H'	HKD	6,689,124	4,186	0.20
Fuyao Glass Industry Group 'H'	HKD	1,156,600	3,162	0.15
Huaneng Power International 'H'	HKD	3,202,407	1,530	0.08
Industrial & Commercial Bank of China 'H'	HKD	16,179,681	9,891	0.48
Ping An Insurance Group Co. of China 'H'	HKD	402,686	2,917	0.14
SAIC Motor (UBS) Warrant 13/03/2019	USD	1,508,475	5,643	0.28
Zhejiang Expressway 'H'	HKD	2,050,934	1,490	0.07
			28,819	1.40
Czech Republic 0.08% (0.05%)				
Komerční banka	CZK	51,584	1,675	0.08
			1,675	0.08
Denmark 0.14% (0.00%)				
Danske Bank	DKK	106,065	2,817	0.14
			2,817	0.14
Finland 0.82% (0.82%)				
Kone 'B'	EUR	248,500	8,847	0.43
Nokian Renkaat	EUR	250,290	8,097	0.39
			16,944	0.82

PORTFOLIO STATEMENT (CONTINUED)

As at 31 March 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
France 3.15% (3.10%)				
BNP Paribas	EUR	260,277	13,730	0.66
ICADE, REIT	EUR	41,165	2,844	0.14
Klepierre, REIT	EUR	87,878	2,523	0.12
Orange	EUR	1,011,275	12,217	0.59
TOTAL	EUR	284,073	11,489	0.56
Unibail-Rodamco, REIT	EUR	90,006	14,650	0.71
Vinci	EUR	109,283	7,655	0.37
			65,108	3.15
Germany 3.11% (3.39%)				
Allianz	EUR	77,025	12,424	0.60
BASF	EUR	134,405	9,719	0.47
Deutsche Post	EUR	362,196	11,317	0.55
Muenchener Rueckversicherungs-Gesellschaft	EUR	72,420	11,990	0.58
SAP	EUR	64,188	4,791	0.23
Siemens	EUR	118,017	10,750	0.52
Vonovia	EUR	89,475	3,158	0.16
			64,149	3.11
Hong Kong 0.12% (0.20%)				
China Mobile	HKD	374,686	2,447	0.12
			2,447	0.12
India 0.00% (0.05%)				
Indonesia 0.29% (0.35%)				
Astra International	IDR	7,036,837	2,651	0.13
Bank Rakyat Indonesia Persero	IDR	11,683,464	2,172	0.10
Telekomunikasi Indonesia Persero	IDR	6,835,674	1,267	0.06
			6,090	0.29
Japan 0.43% (0.20%)				
GLP J-Reit, REIT	JPY	2,593	2,032	0.10
Japan Hotel REIT Investment	JPY	2,301	1,158	0.06
Kenedix Retail REIT	JPY	742	1,151	0.05
LaSalle Logiport REIT	JPY	3,739	2,832	0.14
Nippon Prologis REIT	JPY	1,138	1,750	0.08
			8,923	0.43
Jersey 0.24% (0.00%)				
WPP	GBP	441,384	4,996	0.24
			4,996	0.24
Malaysia 0.38% (0.21%)				
Malayan Banking	MYR	2,668,900	5,165	0.25
Sunway	MYR	8,995,073	2,603	0.13
Sunway Warrant 31/12/2024	MYR	1,066,233	80	–
			7,848	0.38
Mexico 0.30% (0.36%)				
Grupo Financiero Banorte 'O'	MXN	311,278	1,340	0.07
Grupo Mexico	MXN	939,186	2,220	0.11
Kimberly-Clark de Mexico 'A'	MXN	981,460	1,303	0.06
Macquarie Mexico Real Estate Management, REIT	MXN	1,566,605	1,248	0.06
			6,111	0.30
Netherlands 1.35% (2.03%)				
ING Groep	EUR	969,355	11,641	0.57
Koninklijke Philips	EUR	300,763	8,218	0.40
LyondellBasell Industries 'A'	USD	82,508	6,214	0.30
NSI, REIT	EUR	57,652	1,726	0.08
			27,799	1.35

PORTFOLIO STATEMENT (CONTINUED)

As at 31 March 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Philippines 0.14% (0.18%)				
Aboitiz Power	PHP	2,810,600	1,486	0.07
Globe Telecom	PHP	66,450	1,471	0.07
			2,957	0.14
Russia 0.45% (0.25%)				
LUKOIL, ADR	USD	95,607	4,696	0.23
Sberbank of Russia, ADR	USD	272,912	3,608	0.18
Severstal, GDR	USD	83,365	895	0.04
			9,199	0.45
Singapore 0.92% (0.30%)				
Ascendas REIT	SGD	2,179,800	3,116	0.15
Broadcom	USD	95,034	15,966	0.77
			19,082	0.92
South Africa 0.60% (0.37%)				
Barclays Africa Group	ZAR	233,675	2,657	0.13
Bidvest Group	ZAR	250,856	3,382	0.16
Foschini Group	ZAR	337,597	4,540	0.22
Sasol	ZAR	31,891	774	0.04
Sibanye Gold	ZAR	1,475,295	1,045	0.05
			12,398	0.60
South Korea 1.23% (1.09%)				
Coway	KRW	21,051	1,236	0.06
DB Insurance	KRW	29,325	1,295	0.06
Hyundai Motor Preference	KRW	10,905	679	0.03
Hyundai Motor	KRW	2,681	257	0.01
KB Financial Group	KRW	70,652	2,911	0.14
Korea Electric Power	KRW	52,121	1,145	0.05
KT&G	KRW	61,744	4,129	0.20
Macquarie Korea Infrastructure Fund	KRW	303,683	1,785	0.09
Samsung Electronics	KRW	6,241	10,234	0.50
SK Telecom	KRW	11,922	1,834	0.09
			25,505	1.23
Sweden 0.44% (0.51%)				
Swedbank 'A'	SEK	570,658	9,125	0.44
			9,125	0.44
Switzerland 1.44% (1.43%)				
ABB	CHF	319,962	5,412	0.26
Nestle	CHF	195,371	10,998	0.53
Roche Holding	CHF	82,469	13,451	0.65
			29,861	1.44
Taiwan 1.34% (0.82%)				
Chicony Electronics (Macquarie Bank) Warrant 03/04/2019	USD	1,371,907	2,484	0.12
Hon Hai Precision Industry (Macquarie Bank) Warrant 31/03/2020	USD	1,861,346	4,093	0.20
Huaku Development (Macquarie Bank) Warrant 29/03/2019	USD	954,683	1,677	0.08
Lite-On Technology (Macquarie Bank) Warrant 17/03/2014	USD	940,246	935	0.05
Mega Financial Holding (Macquarie Bank) Warrant 09/07/2015	USD	6,125,974	3,749	0.18
Pegatron (Macquarie Bank) Warrant 03/04/2019	USD	1,092,058	1,937	0.10
Taiwan Semiconductor Manufacturing (Macquarie Bank) Warrant 03/04/2019	USD	1,880,467	11,211	0.54
WT Microelectronics (Macquarie Bank) Warrant 03/04/2019	USD	1,299,648	1,496	0.07
			27,582	1.34
Thailand 0.38% (0.29%)				
Delta Electronics Thailand	THB	1,291,500	1,928	0.09
Kiatnakin Bank	THB	1,806,300	2,965	0.15
Krung Thai Bank	THB	3,324,800	1,433	0.07
Quality Houses	THB	22,406,200	1,481	0.07
			7,807	0.38

PORTFOLIO STATEMENT (CONTINUED)

As at 31 March 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Turkey 0.19% (0.11%)				
Ford Otomotiv Sanayi	TRY	158,989	1,755	0.09
Turk Traktor ve Ziraat Makineleri	TRY	43,947	572	0.03
Turkiye Garanti Bankasi	TRY	764,360	1,499	0.07
			3,826	0.19
United Kingdom 10.10% (11.43%)				
Assura, REIT	GBP	6,468,255	3,829	0.18
AstraZeneca	GBP	180,373	8,829	0.43
BAE Systems	GBP	1,710,308	9,940	0.48
BBA Aviation	GBP	2,327,920	7,459	0.36
Big Yellow Group, REIT	GBP	375,783	3,206	0.15
British American Tobacco	GBP	398,879	16,478	0.80
BT Group	GBP	2,239,024	5,094	0.25
Compass Group	GBP	415,003	6,040	0.29
Diageo	GBP	258,784	6,242	0.30
HSBC Holdings	GBP	723,937	4,816	0.23
Imperial Brands	GBP	311,541	7,552	0.37
Legal & General Group	GBP	5,342,518	13,773	0.67
Midea Group (UBS)11/10/2018	USD	606,692	3,800	0.18
National Grid	GBP	849,149	6,812	0.33
NewRiver REIT	GBP	1,279,824	3,686	0.18
Next	GBP	189,307	9,005	0.44
RELX	GBP	494,990	7,252	0.35
Rio Tinto	GBP	442,766	15,988	0.77
Royal Dutch Shell 'B'	GBP	485,650	11,058	0.54
Sage Group	GBP	1,440,121	9,202	0.45
Severn Trent	GBP	419,650	7,738	0.37
SSE	GBP	771,605	9,846	0.48
Standard Life Aberdeen	GBP	2,925,181	10,522	0.51
Unilever	GBP	340,418	13,465	0.65
Vodafone Group	GBP	3,586,016	6,959	0.34
			208,591	10.10
United States of America 9.63% (10.24%)				
3M	USD	38,896	6,089	0.29
Altria Group	USD	272,691	12,114	0.59
Applied Materials	USD	160,365	6,357	0.31
AT&T	USD	395,853	10,060	0.49
Blackstone Mortgage Trust, REIT 'A'	USD	61,513	1,377	0.07
Boeing	USD	47,869	11,186	0.54
Chevron	USD	94,466	7,681	0.37
Cisco Systems	USD	383,404	11,673	0.56
CoreSite Realty, REIT	USD	69,193	4,945	0.24
Crown Castle International, REIT	USD	28,565	2,231	0.11
Digital Realty Trust, REIT	USD	54,026	4,058	0.20
Essex Property Trust, REIT	USD	15,029	2,578	0.12
Extra Space Storage, REIT	USD	47,259	2,943	0.14
Federal Realty Investment Trust, REIT	USD	24,954	2,065	0.10
GGP, REIT	USD	80,885	1,180	0.06
Healthcare Trust of America, REIT 'A'	USD	156,556	2,952	0.14
Home Depot	USD	56,047	7,113	0.34
HP	USD	506,618	7,916	0.38
Invitation Homes, REIT	USD	88,106	1,433	0.07
JPMorgan Chase	USD	105,618	8,278	0.40
Kimco Realty, REIT	USD	249,618	2,561	0.12
McDonald's	USD	89,996	10,172	0.49
Merck	USD	156,466	6,076	0.29
Microsoft	USD	160,858	10,461	0.51
Occidental Petroleum	USD	79,779	3,694	0.18
Pfizer	USD	473,290	11,977	0.58
Praxair	USD	77,472	7,967	0.39
Prologis, REIT	USD	49,411	2,219	0.11

PORTFOLIO STATEMENT (CONTINUED)

As at 31 March 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
United States of America 9.63% (10.24%) (continued)				
Rexford Industrial Realty, REIT	USD	87,735	1,800	0.09
Simon Property Group, REIT	USD	29,626	3,258	0.16
SL Green Realty, REIT	USD	43,178	2,980	0.14
STORE Capital, REIT	USD	161,787	2,863	0.14
Verizon Communications	USD	289,518	9,869	0.48
WEC Energy Group	USD	127,923	5,717	0.28
Welltower, REIT	USD	80,827	3,135	0.15
			198,978	9.63
Equities total			854,637	41.38
Government Bonds 7.21% (6.59%)				
Argentina 0.23% (0.00%)				
Argentina Government Bond 7.50% 22/04/2026	USD	6,150,000	4,678	0.23
			4,678	0.23
Brazil 0.40% (0.00%)				
Brazil Government Bond 4.63% 13/01/2028	USD	3,100,000	2,164	0.10
Brazil Notas do Tesouro Nacional 10.00% 01/01/2023	BRL	2,705,000	6,193	0.30
			8,357	0.40
Egypt 0.22% (0.00%)				
Egypt Government Bond 6.13% 31/01/2022	USD	6,200,000	4,572	0.22
			4,572	0.22
Indonesia 3.23% (2.48%)				
Indonesia Government Bond 11.00% 15/11/2020	IDR	176,265,000,000	4,433	0.22
Indonesia Government Bond 8.25% 15/07/2021	IDR	474,400,000,000	26,114	1.26
Indonesia Government Bond 7.00% 15/05/2022	IDR	61,235,000,000	3,262	0.16
Indonesia Government Bond 8.38% 15/03/2024	IDR	130,386,000,000	7,376	0.36
Indonesia Government Bond 4.55% 29/03/2026	USD	4,000,000	2,910	0.14
Indonesia Government Bond 8.38% 15/09/2026	IDR	395,259,000,000	22,589	1.09
			66,684	3.23
Iraq 0.07% (0.00%)				
Iraq Government Bond 6.75% 09/03/2023	USD	2,000,000	1,445	0.07
			1,445	0.07
Ivory Coast 0.07% (0.00%)				
Cote d'Ivoire Government Bond 5.25% 22/03/2030	EUR	1,748,000	1,533	0.07
			1,533	0.07
Lebanon 0.07% (0.00%)				
Lebanon Government Bond 5.15% 12/11/2018	USD	2,120,000	1,510	0.07
			1,510	0.07
Malaysia 0.30% (0.00%)				
Malaysia Government Bond 3.62% 30/11/2021	MYR	33,750,000	6,253	0.30
			6,253	0.30
Mexico 0.47% (0.00%)				
Mexican Bonos 8.00% 11/06/2020	MXN	243,000,000	9,640	0.47
			9,640	0.47
Oman 0.07% (0.00%)				
Oman Government Bond 4.13% 17/01/2023	USD	2,200,000	1,507	0.07
			1,507	0.07
Pakistan 0.13% (0.00%)				
Second Pakistan International Sukuk 6.75% 03/12/2019	USD	3,670,000	2,671	0.13
			2,671	0.13
Paraguay 0.09% (0.00%)				
Paraguay Government Bond 4.63% 25/01/2023	USD	2,620,000	1,924	0.09
			1,924	0.09

PORTFOLIO STATEMENT (CONTINUED)

As at 31 March 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Peru 0.43% (0.00%)				
Peru Government Bond 8.20% 12/08/2026	PEN	32,300,000	8,949	0.43
			8,949	0.43
Russia 0.53% (0.00%)				
Russian Federal Bond - OFZ 7.60% 20/07/2022	RUB	685,000,000	8,869	0.43
Russian Federal Bond - OFZ 4.38% 21/03/2029	USD	2,800,000	1,969	0.10
			10,838	0.53
Saudi Arabia 0.11% (0.00%)				
Saudi Government Bond 2.38% 26/10/2021	USD	3,250,000	2,230	0.11
			2,230	0.11
Senegal 0.03% (0.00%)				
Senegal Government Bond 8.75% 13/05/2021	USD	660,000	529	0.03
			529	0.03
Serbia 0.11% (0.00%)				
Serbia Government Bond 7.25% 28/09/2021	USD	2,852,000	2,260	0.11
			2,260	0.11
South Africa 0.00% (2.15%)				
Sri Lanka 0.09% (0.00%)				
Sri Lanka Government Bond 6.00% 14/01/2019	USD	2,450,000	1,776	0.09
			1,776	0.09
Turkey 0.13% (1.96%)				
Turkey Government Bond 6.00% 25/03/2027	USD	3,600,000	2,599	0.13
			2,599	0.13
Ukraine 0.14% (0.00%)				
Ukraine Government Bond 7.75% 01/09/2020	USD	3,900,000	2,906	0.14
			2,906	0.14
Uruguay 0.29% (0.00%)				
Uruguay Government Bond 9.88% 20/06/2022	UYU	236,944,000	6,051	0.29
			6,051	0.29
Government Bonds total			148,912	7.21
Municipal Bond 0.00% (0.07%)				
United States of America 0.00% (0.07%)				
Corporate Bonds 14.12% (23.11%)				
Argentina 0.07% (0.00%)				
YPF 8.75% 04/04/2024	USD	1,840,000	1,454	0.07
			1,454	0.07
Australia 0.12% (0.06%)				
FMG Resources August 2006 4.75% 15/05/2022	USD	1,075,000	764	0.04
FMG Resources August 2006 5.13% 15/03/2023	USD	320,000	226	0.01
Goodman Australia Finance, REIT 9.75% 16/07/2018	GBP	1,381,000	1,414	0.07
			2,404	0.12
Belgium 0.00% (0.14%)				
Bermuda 0.14% (0.18%)				
Cosan 5.95% 20/09/2024	USD	2,050,000	1,481	0.07
Fly Leasing 6.38% 15/10/2021	USD	800,000	592	0.03
Fly Leasing 5.25% 15/10/2024	USD	345,000	237	0.01
Viking Cruises 5.88% 15/09/2027	USD	800,000	537	0.03
			2,847	0.14
Brazil 0.06% (0.00%)				
Cia Brasileira de Alumínio 6.75% 05/04/2021	USD	1,747,000	1,334	0.06
			1,334	0.06

PORTFOLIO STATEMENT (CONTINUED)

As at 31 March 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Canada 0.41% (0.86%)				
Eldorado Gold 6.13% 15/12/2020	USD	1,776,000	1,203	0.06
Enbridge 5.50% 01/12/2046	USD	1,340,000	1,069	0.05
IAMGOLD 7.00% 15/04/2025	USD	1,205,000	878	0.04
Kinross Gold 4.50% 15/07/2027	USD	1,400,000	974	0.05
NOVA Chemicals 5.25% 01/06/2027	USD	600,000	405	0.02
Seven Generations Energy 5.38% 30/09/2025	USD	1,060,000	723	0.03
Teck Resources 4.50% 15/01/2021	USD	300,000	214	0.01
Teck Resources 6.25% 15/07/2041	USD	1,850,000	1,398	0.07
Valeant Pharmaceuticals International 7.50% 15/07/2021	USD	1,075,000	771	0.04
Yamana Gold 4.63% 15/12/2027	USD	1,320,000	927	0.04
			8,562	0.41
Chile 0.07% (0.00%)				
Empresa Electrica Angamos 4.88% 25/05/2029	USD	2,000,000	1,399	0.07
			1,399	0.07
Colombia 0.07% (0.00%)				
Ecopetrol 5.88% 18/09/2023	USD	2,000,000	1,524	0.07
			1,524	0.07
Costa Rica 0.07% (0.00%)				
Banco Nacional de Costa Rica 5.88% 25/04/2021	USD	2,000,000	1,467	0.07
			1,467	0.07
Croatia 0.07% (0.00%)				
Hrvatska Elektroprivreda 5.88% 23/10/2022	USD	1,900,000	1,454	0.07
			1,454	0.07
France 0.45% (0.94%)				
Altice France 5.38% 15/05/2022	EUR	1,700,000	1,517	0.07
Altice France 6.00% 15/05/2022	USD	655,000	455	0.02
AXA, FRN 5.45% Perpetual	GBP	3,337,000	3,613	0.18
Electricite de France, FRN 6.00% Perpetual	GBP	2,000,000	2,080	0.10
Orange, FRN 5.88% Perpetual	GBP	1,400,000	1,540	0.08
			9,205	0.45
Germany 0.08% (0.31%)				
Unitymedia Hessen 4.63% 15/02/2026	EUR	1,700,000	1,628	0.08
			1,628	0.08
India 0.07% (0.00%)				
Rural Electrification 3.88% 07/07/2027	USD	2,250,000	1,512	0.07
			1,512	0.07
Italy 0.30% (0.53%)				
Enel, FRN 6.62% 15/09/2076	GBP	2,500,000	2,824	0.14
Telecom Italia 5.88% 19/05/2023	GBP	1,700,000	1,935	0.09
Telecom Italia 2.38% 12/10/2027	EUR	1,555,000	1,335	0.07
			6,094	0.30
Japan 0.11% (0.06%)				
SoftBank Group 4.75% 30/07/2025	EUR	1,600,000	1,456	0.07
Suntory Holdings 2.55% 28/06/2022	USD	1,225,000	846	0.04
			2,302	0.11
Jersey 0.47% (0.86%)				
AA Bond 5.50% 31/07/2043	GBP	1,800,000	1,644	0.08
Bank of Scotland Capital Funding, FRN 7.75% Perpetual	GBP	1,700,000	1,928	0.09
CPUK Finance 4.88% 28/02/2047	GBP	784,000	786	0.04
Gatwick Funding 5.25% 23/01/2026	GBP	2,800,000	3,225	0.16
Heathrow Funding 7.13% 14/02/2024	GBP	1,700,000	2,089	0.10
			9,672	0.47

PORTFOLIO STATEMENT (CONTINUED)

As at 31 March 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Kazakhstan 0.14% (0.00%)				
KazMunayGas National 7.00% 05/05/2020	USD	2,000,000	1,528	0.07
KazTransGas 4.38% 26/09/2027	USD	2,000,000	1,367	0.07
			2,895	0.14
Luxembourg 0.35% (0.67%)				
Altice Luxembourg 7.25% 15/05/2022	EUR	1,500,000	1,278	0.06
Altice Luxembourg 7.75% 15/05/2022	USD	1,725,000	1,136	0.06
Intelsat Jackson Holdings 8.00% 15/02/2024	USD	400,000	300	0.01
Mallinckrodt International Finance 3.50% 15/04/2018	USD	700,000	498	0.02
Millicom International Cellular 5.13% 15/01/2028	USD	2,080,000	1,409	0.07
Nexa Resources 5.38% 04/05/2027	USD	1,950,000	1,417	0.07
Telenet Finance Luxembourg Notes Sarl 3.50% 01/03/2028	EUR	1,400,000	1,201	0.06
			7,239	0.35
Malaysia 0.07% (0.00%)				
Petronas Capital 5.25% 12/08/2019	USD	2,000,000	1,468	0.07
			1,468	0.07
Mexico 0.25% (0.20%)				
Banco Mercantil del Norte, FRN 6.87% Perpetual	USD	2,000,000	1,461	0.07
Petroleos Mexicanos 5.38% 13/03/2022	USD	3,975,000	2,949	0.14
Petroleos Mexicanos 5.35% 12/02/2028	USD	1,150,000	805	0.04
			5,215	0.25
Netherlands 0.68% (0.89%)				
Alpha 3 6.25% 01/02/2025	USD	670,000	484	0.02
Cooperatieve Rabobank 4.63% 23/05/2029	GBP	1,500,000	1,691	0.08
GTH Finance 7.25% 26/04/2023	USD	2,000,000	1,550	0.08
Koninklijke KPN, FRN 6.88% 14/03/2073	GBP	1,800,000	1,943	0.09
Petrobras Global Finance 8.38% 23/05/2021	USD	2,760,000	2,236	0.11
Petrobras Global Finance 7.38% 17/01/2027	USD	1,870,000	1,438	0.07
Telefonica Europe, FRN 6.75% Perpetual	GBP	2,000,000	2,176	0.11
Teva Pharmaceutical Finance Netherlands III 3.25% 15/04/2022	EUR	566,000	497	0.02
Teva Pharmaceutical Finance Netherlands III 2.80% 21/07/2023	USD	1,620,000	976	0.05
Ziggo Secured Finance 3.75% 15/01/2025	EUR	1,200,000	1,062	0.05
			14,053	0.68
Panama 0.07% (0.00%)				
Global Bank 4.50% 20/10/2021	USD	2,000,000	1,435	0.07
			1,435	0.07
Peru 0.07% (0.00%)				
SAN Miguel Industrias Pet 4.50% 18/09/2022	USD	2,000,000	1,424	0.07
			1,424	0.07
Switzerland 0.09% (0.00%)				
Credit Suisse Group, FRN 2.13% 12/09/2025	GBP	1,944,000	1,888	0.09
			1,888	0.09
Turkey 0.08% (0.00%)				
Türkiye İş Bankası 5.00% 30/04/2020	USD	2,200,000	1,563	0.08
			1,563	0.08
United Arab Emirates 0.08% (0.00%)				
Abu Dhabi Crude Oil Pipeline 4.60% 02/11/2047	USD	2,500,000	1,728	0.08
			1,728	0.08

PORTFOLIO STATEMENT (CONTINUED)

As at 31 March 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
United Kingdom 2.67% (4.14%)				
Anglian Water Osprey Financing 4.00% 08/03/2026	GBP	1,800,000	1,708	0.08
Annington Funding 2.65% 12/07/2025	GBP	2,280,000	2,259	0.11
Aviva, FRN 5.90% Perpetual†	GBP	2,700,000	2,825	0.14
Barclays 3.68% 10/01/2023	USD	2,210,000	1,560	0.08
Barclays Bank 10.00% 21/05/2021	GBP	2,600,000	3,162	0.15
BAT International Finance 7.25% 12/03/2024	GBP	1,594,000	2,016	0.10
Debenhams 5.25% 15/07/2021	GBP	1,706,000	1,615	0.08
DS Smith 2.88% 26/07/2029	GBP	1,100,000	1,070	0.05
EnSCO 5.20% 15/03/2025	USD	240,000	138	0.01
EnSCO 7.75% 01/02/2026	USD	100,000	65	–
Eversholt Funding 6.70% 22/02/2035	GBP	1,500,000	1,960	0.09
Heathrow Finance 3.88% 01/03/2027	GBP	1,900,000	1,821	0.09
HSBC Holdings 6.75% 11/09/2028	GBP	1,500,000	1,946	0.09
Imperial Brands Finance 9.00% 17/02/2022	GBP	2,000,000	2,521	0.12
Intu Metrocentre Finance, REIT 4.13% 06/12/2028	GBP	1,000,000	1,085	0.05
Investec Bank 9.63% 17/02/2022	GBP	1,700,000	2,067	0.10
Jaguar Land Rover Automotive 5.00% 15/02/2022	GBP	1,400,000	1,488	0.07
Legal & General Group, FRN 10.00% 23/07/2041	GBP	1,800,000	2,226	0.11
Lloyds Bank 7.63% 22/04/2025	GBP	2,500,000	3,246	0.16
Mitchells & Butlers Finance, Series C1 6.47% 15/09/2032	GBP	1,700,000	2,002	0.10
New Look Secured Issuer 6.50% 01/07/2022	GBP	1,500,000	727	0.04
NGG Finance, FRN 5.63% 18/06/2073	GBP	4,500,000	5,003	0.24
NWEN Finance 5.88% 21/06/2021	GBP	1,800,000	1,959	0.09
Prudential, FRN 11.37% 29/05/2039	GBP	2,600,000	2,885	0.14
RAC Bond 4.57% 06/05/2046	GBP	1,900,000	1,970	0.10
RAC Bond 5.00% 06/05/2046	GBP	1,500,000	1,414	0.07
Royal Bank of Scotland Group, FRN 2.87% 19/09/2026	GBP	1,100,000	1,097	0.05
Tesco 6.13% 24/02/2022	GBP	1,800,000	2,027	0.10
Virgin Media Finance 6.38% 15/04/2023	USD	1,425,000	1,028	0.05
Virgin Media Secured Finance 5.50% 15/01/2025	GBP	196,200	201	0.01
			55,091	2.67
United States of America 6.86% (13.27%)				
Abbott Laboratories 3.40% 30/11/2023	USD	3,050,000	2,157	0.10
AbbVie 3.60% 14/05/2025	USD	2,200,000	1,544	0.08
AbbVie 4.50% 14/05/2035	USD	1,515,000	1,105	0.05
Acadia Healthcare 5.63% 15/02/2023	USD	800,000	578	0.03
Actavis 3.25% 01/10/2022	USD	1,610,000	1,123	0.05
AES 4.50% 15/03/2023	USD	495,000	357	0.02
Alliance Data Systems 6.38% 01/04/2020	USD	975,000	695	0.03
Alliance Data Systems 4.50% 15/03/2022	EUR	1,300,000	1,174	0.06
Ally Financial 5.75% 20/11/2025	USD	785,000	576	0.03
Amazon.com 3.88% 22/08/2037	USD	1,420,000	1,007	0.05
American Axle & Manufacturing 6.25% 15/03/2026	USD	265,000	187	0.01
Anheuser-Busch InBev Finance 3.65% 01/02/2026	USD	4,635,000	3,275	0.16
Anheuser-Busch InBev Worldwide 3.50% 12/01/2024	USD	1,185,000	849	0.04
Antero Resources 5.13% 01/12/2022	USD	675,000	485	0.02
Aramark Services 5.00% 01/02/2028	USD	200,000	139	0.01
Arch Capital Finance 4.01% 15/12/2026	USD	2,730,000	1,953	0.10
Ashtead Capital 4.13% 15/08/2025	USD	1,005,000	686	0.03
AT&T 3.90% 14/08/2027	USD	1,520,000	1,089	0.05
AT&T 4.38% 14/09/2029	GBP	1,900,000	2,121	0.10
AT&T 5.45% 01/03/2047	USD	1,350,000	1,020	0.05
Ball 4.88% 15/03/2026	USD	735,000	522	0.03
Bank of America 7.00% 31/07/2028	GBP	1,900,000	2,633	0.13
Bank of America, FRN 3.00% 20/12/2023	USD	1,220,000	850	0.04
Boyer USA 7.25% 01/05/2025	USD	82,000	60	–
Brink's 4.63% 15/10/2027	USD	505,000	334	0.02
Caesars Resort Collection 5.25% 15/10/2025	USD	400,000	272	0.01
Calpine 5.75% 15/01/2025	USD	2,275,000	1,477	0.07
CCO Holdings 5.13% 01/05/2023	USD	800,000	571	0.03
CCO Holdings 5.50% 01/05/2026	USD	1,115,000	777	0.04

PORTFOLIO STATEMENT (CONTINUED)

As at 31 March 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
United States of America 6.86% (13.27%) (continued)				
Centene 4.75% 15/05/2022	USD	695,000	501	0.02
Centennial Resource Production 5.38% 15/01/2026	USD	680,000	476	0.02
CenturyLink, Series Y 7.50% 01/04/2024	USD	750,000	537	0.03
CIT Group 5.25% 07/03/2025	USD	170,000	123	0.01
Citigroup, FRN 3.89% 10/01/2028	USD	2,905,000	2,054	0.10
Community Health Systems 6.25% 31/03/2023	USD	425,000	276	0.01
Crescent Communities 8.88% 15/10/2021	USD	514,000	386	0.02
CSC Holdings 5.50% 15/04/2027	USD	1,110,000	758	0.04
CSC Holdings 5.38% 01/02/2028	USD	445,000	299	0.01
CVS Health 4.78% 25/03/2038	USD	930,000	671	0.03
DaVita 5.13% 15/07/2024	USD	828,000	574	0.03
Dell International 7.13% 15/06/2024	USD	1,400,000	1,067	0.05
Diamondback Energy 4.75% 01/11/2024	USD	699,000	491	0.02
Diamondback Energy 5.38% 31/05/2025	USD	325,000	235	0.01
DISH DBS 6.75% 01/06/2021	USD	310,000	222	0.01
DISH DBS 7.75% 01/07/2026	USD	525,000	350	0.02
Dynegy 8.00% 15/01/2025	USD	1,645,000	1,281	0.06
Dynegy 8.13% 30/01/2026	USD	350,000	275	0.01
Energy Transfer Equity 4.25% 15/03/2023	USD	1,125,000	776	0.04
Equinix, REIT 2.88% 01/02/2026	EUR	900,000	748	0.04
Extraction Oil & Gas 5.63% 01/02/2026	USD	490,000	332	0.02
FHLMC, IO, Series K071 'X1' 0.29% 25/11/2027	USD	199,857,937	3,549	0.17
FHLMC, IO, FRN, Series K055 'X1' 1.37% 25/03/2026	USD	82,335,222	5,265	0.26
FHLMC, IO, FRN, Series K062 'X1' 0.31% 25/12/2026	USD	269,640,509	4,686	0.23
FHLMC, IO, FRN, Series K063 'X1' 0.29% 25/01/2027	USD	148,257,296	2,416	0.12
FHLMC, IO, FRN, Series K151 'X1' 0.43% 25/04/2030	USD	10,963,959	282	0.01
FHLMC, IO, FRN, Series K152 'X1' 0.95% 25/01/2031	USD	57,297,809	3,513	0.17
FHLMC, IO, FRN, Series K154 'X1' 0.31% 25/11/2032	USD	142,922,453	3,388	0.16
First Data 7.00% 01/12/2023	USD	1,260,000	940	0.05
Ford Motor Credit 3.47% 05/04/2021	USD	1,460,000	1,039	0.05
Foresight Energy 11.50% 01/04/2023	USD	390,000	225	0.01
Frontier Communications 10.50% 15/09/2022	USD	225,000	134	0.01
Frontier Communications 8.50% 01/04/2026	USD	535,000	368	0.02
General Motors Financial 3.15% 30/06/2022	USD	1,620,000	1,129	0.06
Genesis Energy 6.50% 01/10/2025	USD	2,000,000	1,401	0.07
GNMA, IO, FRN 01/03/2059	USD	123,112,690	5,635	0.27
GNMA, IO, FRN, Series 2015-73 'IO' 0.81% 16/11/2055	USD	89,910,183	3,288	0.16
GNMA, IO, FRN, Series 2016-64 'IO' 0.96% 16/12/2057	USD	83,845,015	4,051	0.20
GNMA, IO, FRN, Series 2017-30 'IO' 0.76% 16/08/2058	USD	124,363,052	5,671	0.28
GNMA, IO, FRN, Series 2017-64 0.72% 16/11/2057	USD	81,371,300	3,919	0.19
GNMA, IO, FRN, Series 2018-16 0.66% 16/03/2059	USD	105,716,019	4,912	0.24
Golden Nugget 6.75% 15/10/2024	USD	895,000	641	0.03
Golden Nugget 8.75% 01/10/2025	USD	550,000	406	0.02
Goldman Sachs Group 3.50% 23/01/2025	USD	2,100,000	1,467	0.07
HCA 6.50% 15/02/2020	USD	875,000	654	0.03
HCA 5.00% 15/03/2024	USD	1,500,000	1,080	0.05
HCA 5.25% 15/06/2026	USD	1,135,000	819	0.04
Hecla Mining 6.88% 01/05/2021	USD	725,000	525	0.03
Hologic 4.63% 01/02/2028	USD	640,000	438	0.02
Home Depot 3.90% 15/06/2047	USD	915,000	646	0.03
Icahn Enterprises 6.38% 15/12/2025	USD	970,000	693	0.03
Infor US 6.50% 15/05/2022	USD	800,000	577	0.03
Iron Mountain, REIT 4.88% 15/09/2027	USD	2,375,000	1,557	0.08
Jack Ohio Finance 6.75% 15/11/2021	USD	425,000	313	0.02
JPMorgan Chase, FRN 2.78% 25/04/2023	USD	3,105,000	2,156	0.10
JPMorgan Chase, FRN 4.62% Perpetual	USD	2,035,000	1,382	0.07
KFC Holding 5.00% 01/06/2024	USD	400,000	283	0.01
LPL Holdings 5.75% 15/09/2025	USD	710,000	497	0.02
Mattel 6.75% 31/12/2025	USD	920,000	638	0.03
MGM Resorts International 6.63% 15/12/2021	USD	375,000	287	0.01
Mohegan Gaming & Entertainment 7.88% 15/10/2024	USD	414,000	294	0.01

PORTFOLIO STATEMENT (CONTINUED)

As at 31 March 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
United States of America 6.86% (13.27%) (continued)				
Morgan Stanley 4.10% 22/05/2023	USD	2,610,000	1,886	0.09
Morgan Stanley 3.88% 27/01/2026	USD	1,465,000	1,041	0.05
Moss Creek Resources Holdings 7.50% 15/01/2026	USD	400,000	288	0.01
Multi-Color 4.88% 01/11/2025	USD	1,075,000	723	0.04
Newell Brands 4.20% 01/04/2026	USD	1,475,000	1,040	0.05
NRG Energy 5.75% 15/01/2028	USD	420,000	292	0.01
Nuance Communications 5.63% 15/12/2026	USD	950,000	665	0.03
OneMain Financial Holdings 7.25% 15/12/2021	USD	1,240,000	916	0.04
Parsley Energy 6.25% 01/06/2024	USD	595,000	436	0.02
Parsley Energy 5.63% 15/10/2027	USD	225,000	160	0.01
PBF Holding 7.25% 15/06/2025	USD	1,350,000	1,001	0.05
Peabody Energy 6.00% 31/03/2022	USD	650,000	473	0.02
Plastipak Holdings 6.25% 15/10/2025	USD	1,325,000	941	0.05
Quintiles IMS 3.50% 15/10/2024	EUR	1,000,000	901	0.04
RSP Permian 6.63% 01/10/2022	USD	700,000	521	0.03
RSP Permian 5.25% 15/01/2025	USD	304,000	221	0.01
Scientific Games International 10.00% 01/12/2022	USD	775,000	595	0.03
SemGroup 5.63% 15/11/2023	USD	95,000	64	–
Six Flags Entertainment 4.88% 31/07/2024	USD	1,000,000	694	0.03
Six Flags Entertainment 5.50% 15/04/2027	USD	115,000	81	–
Springleaf Finance 5.63% 15/03/2023	USD	320,000	223	0.01
Sprint 7.88% 15/09/2023	USD	1,265,000	919	0.04
Sprint Spectrum 3.36% 20/03/2023	USD	1,043,750	739	0.04
Sunoco 4.88% 15/01/2023	USD	245,000	168	0.01
Sunoco Logistics Partners Operations 5.40% 01/10/2047	USD	735,000	500	0.02
Teleflex 4.63% 15/11/2027	USD	535,000	365	0.02
Tenet Healthcare 4.50% 01/04/2021	USD	410,000	289	0.01
Tenet Healthcare 7.00% 01/08/2025	USD	1,176,000	821	0.04
T-Mobile USA 6.50% 15/01/2026	USD	1,675,000	1,267	0.06
Triumph Group 7.75% 15/08/2025	USD	425,000	311	0.02
United Rentals North America 4.63% 15/10/2025	USD	1,075,000	744	0.04
United States Steel 6.25% 15/03/2026	USD	1,000,000	710	0.03
USA Compression Partners 6.88% 01/04/2026	USD	220,000	158	0.01
Vantiv 4.38% 15/11/2025	USD	350,000	241	0.01
Vector Group 6.13% 01/02/2025	USD	1,300,000	926	0.05
Verizon Communications 2.88% 15/01/2038	EUR	2,300,000	2,010	0.10
Wells Fargo 3.55% 29/09/2025	USD	2,075,000	1,452	0.07
Westlake Chemical 3.60% 15/08/2026	USD	2,650,000	1,830	0.09
William Lyon Homes 5.88% 31/01/2025	USD	700,000	485	0.02
Williams Cos 3.70% 15/01/2023	USD	405,000	279	0.01
Williams Partners 5.10% 15/09/2045	USD	900,000	652	0.03
Zayo Group 5.75% 15/01/2027	USD	650,000	454	0.02
			141,694	6.86
Virgin Islands, British 0.15% (0.00%)				
Proven Honour Capital 4.13% 19/05/2025	USD	2,080,000	1,453	0.07
Sinopec Group Overseas Development 2015 2.50% 28/04/2020	USD	2,185,000	1,536	0.08
			2,989	0.15
Corporate Bonds total			291,540	14.12
Certificates of Deposit 16.94% (15.06%)				
China 1.21% (1.25%)				
Industrial & Commercial Bank of China 0.73% 29/05/2018	GBP	25,000,000	24,971	1.21
			24,971	1.21
France 5.32% (2.50%)				
Banque Federative Du Credit 0.51% 05/04/2018	GBP	30,000,000	30,000	1.45
Natixis 0.66% 01/06/2018	GBP	30,000,000	30,000	1.45
Societe Generale 0.53% 31/05/2018	GBP	25,000,000	25,000	1.21
Societe Generale 0.62% 11/07/2018	GBP	25,000,000	25,000	1.21
			110,000	5.32

PORTFOLIO STATEMENT (CONTINUED)

As at 31 March 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Germany 0.48% (0.00%)				
DZ Bank 0.49% 16/04/2018	GBP	10,000,000	10,000	0.48
			10,000	0.48
Japan 3.15% (4.00%)				
Bank of Tokyo-Mitsubishi UFJ 0.52% 18/04/2018	GBP	30,000,000	30,000	1.45
Norinchukin Bank 0.55% 29/05/2018	GBP	10,000,000	9,991	0.49
Sumitomo Mitsui Banking 0.58% 23/05/2018	GBP	25,000,000	25,000	1.21
			64,991	3.15
Netherlands 2.42% (1.25%)				
ABN Amro Bank 0.69% 20/07/2018	GBP	25,000,000	25,000	1.21
ING Bank 0.51% 18/04/2018	GBP	25,000,000	25,000	1.21
			50,000	2.42
Norway 1.94% (0.00%)				
DNB Bank 0.73% 26/06/2018	GBP	25,000,000	25,000	1.21
DNB Bank 0.57% 29/06/2018	GBP	15,000,000	15,000	0.73
			40,000	1.94
Qatar 0.00% (2.09%)				
United Arab Emirates 0.00% (1.46%)				
United Kingdom 2.42% (2.51%)				
Santander UK 0.50% 03/04/2018	GBP	25,000,000	25,000	1.21
Standard Chartered Bank 0.75% 23/07/2018	GBP	25,000,000	25,000	1.21
			50,000	2.42
Certificates of Deposit total			349,962	16.94
Commercial Papers 3.15% (4.24%)				
Cayman Islands 2.18% (0.84%)				
Chesham Finance 0.50% 09/04/2018	GBP	25,000,000	24,996	1.21
Chesham Finance 0.65% 14/05/2018	GBP	20,000,000	19,985	0.97
			44,981	2.18
Finland 0.00% (0.48%)				
France 0.00% (1.67%)				
United Kingdom 0.48% (0.00%)				
Anglesea Funding 0.54% 23/04/2018	GBP	10,000,000	9,997	0.48
			9,997	0.48
United States of America 0.49% (1.25%)				
Sheffield Receivables 0.56% 09/04/2018	GBP	10,000,000	9,998	0.49
			9,998	0.49
Commercial Papers total			64,976	3.15
Swaps 1.28% ((0.28%))				
Credit Default Swap Goldman Sachs Sell CDX.NA.HY.29-V1 20/12/2022	USD	220,525,000	10,453	0.51
Equity Variance Swap BNP Paribas EURO STOXX 50 Index 20/12/2019	EUR	36,520,000	(106)	(0.01)
Equity Variance Swap BNP Paribas EURO STOXX 50 Index 21/12/2018	EUR	159,876,900	(81)	-
Equity Variance Swap BNP Paribas Hang Seng China Enterprises Index 28/12/2018	HKD	413,865,500	(288)	(0.02)
Equity Variance Swap BNP Paribas NIKKEI 225 Index 14/12/2018	JPY	5,329,230,000	153	0.01
Equity Variance Swap BNP Paribas S&P 500 Index 20/12/2019	USD	47,560,000	(49)	-
Equity Variance Swap BNP Paribas S&P 500 Index 21/12/2018	USD	376,204,400	(1,216)	(0.05)
Equity Variance Swap Goldman Sachs EURO STOXX 50 Index 20/12/2019	EUR	53,010,000	(542)	(0.03)
Equity Variance Swap Goldman Sachs EURO STOXX 50 Index 21/12/2018	EUR	30,200,800	(15)	-
Equity Variance Swap Goldman Sachs S&P 500 Index 20/12/2019	USD	68,090,000	362	0.02
Equity Variance Swap Goldman Sachs S&P 500 Index 21/12/2018	USD	45,577,700	(212)	(0.01)
Equity Variance Swap J.P. Morgan S&P 500 Index 21/12/2018	USD	621,593,300	1,496	0.09
Equity Variance Swap J.P. Morgan EURO STOXX 50 Index 20/12/2019	EUR	57,750,000	(158)	(0.01)
Equity Variance Swap J.P. Morgan EURO STOXX 50 Index 21/12/2018	EUR	46,876,800	(24)	-
Equity Variance Swap J.P. Morgan Hang Seng China Enterprises Index 28/12/2018	HKD	2,269,349,200	(2,367)	(0.12)
Equity Variance Swap J.P. Morgan Hang Seng China Enterprises Index 30/12/2019	HKD	489,192,200	260	0.02

PORTFOLIO STATEMENT (CONTINUED)

As at 31 March 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Swaps 1.28% ((0.28)%) (continued)				
Equity Variance Swap J.P. Morgan NIKKEI 225 Index 14/12/2018	JPY	18,451,220,000	276	–
Equity Variance Swap J.P. Morgan S&P 500 Index 20/12/2019	USD	159,547,700	(349)	(0)
Equity Variance Swap Societe Generale EURO STOXX 50 Index 21/06/2019	EUR	91,706,400	155	0.01
Equity Variance Swap Societe Generale EURO STOXX 50 Index 21/12/2018	EUR	117,490,000	(59)	–
Equity Variance Swap Societe Generale Hang Seng China Enterprises Index 28/12/2018	HKD	2,009,858,800	(4,252)	(0.21)
Equity Variance Swap Societe Generale Hang Seng China Enterprises Index 30/12/2019	HKD	111,679,600	57	–
Equity Variance Swap Societe Generale Japan Nikkei 225 Index 14/12/2018	JPY	1,820,350,000	(246)	(0.01)
Equity Variance Swap Societe Generale S&P 500 Index 20/12/2019	USD	1,933	(65)	–
Equity Variance Swap Societe Generale S&P 500 Index 21/06/2019	USD	99,801,500	(592)	(0.03)
Equity Variance Swap Societe Generale S&P 500 Index 21/12/2018	USD	623,194,000	1,757	0.08
Equity Variance Swap UBS Hang Seng China Enterprises Index 28/12/2018	HKD	294,387,300	(312)	(0.02)
Equity Variance Swap UBS S&P 500 Index 21/12/2018	USD	52,644,900	278	0.01
Inflation Rate Swap Barclays Pay fixed 2.21% Receive floating USCPI 1 month 04/05/2027	USD	146,000,000	436	0.02
Inflation Rate Swap Barclays Pay fixed 2.29% Receive floating USCPI 1 month 13/02/2027	USD	122,500,000	(115)	(0.01)
Inflation Rate Swap BNP Paribas Pay floating UKRPI 1 month Receive fixed 3.44% 15/02/2027	GBP	17,800,000	202	0.01
Inflation Rate Swap Citi Global Markets Pay floating UKRPI 1 month Receive fixed 3.55% 15/02/2027	GBP	34,800,000	834	0.04
Inflation Rate Swap Citi Global Markets Pay floating UKRPI 1 month Receive fixed 3.59% 15/02/2027	GBP	34,800,000	1,010	0.05
Inflation Rate Swap Goldman Sachs Pay floating UKRPI 1 month Receive fixed 3.44% 15/02/2027	GBP	35,600,000	393	0.02
Inflation Rate Swap HSBC Pay fixed 2.32% Receive floating USCPI 1 month 14/02/2027	USD	122,500,000	(421)	(0.02)
Inflation Rate Swap J.P. Morgan Pay fixed 1.41% Receive floating HICPXT 1 month 15/02/2023	EUR	475,000,000	(517)	(0)
Inflation Rate Swap J.P. Morgan Pay fixed 2.12% Receive floating USCPI 1 month 23/05/2027	USD	345,708,000	3,546	0.18
Inflation Rate Swap J.P. Morgan Pay floating UKRPI 1 month Receive fixed 3.59% 15/02/2027	GBP	34,800,000	1,006	0.05
Inflation Rate Swap Merrill Lynch Pay fixed 2.34% Receive floating USCPI 1 month 02/02/2027	USD	68,000,000	(300)	(0.01)
Inflation Rate Swap Merrill Lynch Pay floating UKRPI 1 month Receive fixed 3.55% 15/02/2027	GBP	34,800,000	838	0.04
Inflation Rate Swap Morgan Stanley Pay floating UKRPI 1 month Receive fixed 3.59% 15/02/2027	GBP	34,800,000	1,028	0.05
Inflation Rate Swap UBS Pay floating UKRPI 1 month Receive fixed 3.44% 15/02/2027	GBP	35,600,000	382	0.02
Inflation Rate Swap UBS Pay floating UKRPI 1 month Receive fixed 3.55% 15/02/2027	GBP	34,800,000	855	0.04
Interest Rate Swap BNP Paribas Pay fixed 2.57% Receive floating CD_KSDA 3 month 20/03/2029	KRW	41,538,972,136	(448)	(0.02)
Interest Rate Swap BNP Paribas Pay floating CD_KSDA 3 month Receive fixed 2.43% 20/03/2021	KRW	187,238,045,428	437	0.02
Interest Rate Swap Deutsche Bank Pay fixed 2.40% Receive floating CD_KSDA 3 month 20/03/2029	KRW	28,356,671,863	(7)	–
Interest Rate Swap Deutsche Bank Pay floating CD_KSDA 3 month Receive fixed 2.25% 20/03/2021	KRW	126,263,804,988	12	–
Interest Rate Swap Goldman Sachs Pay fixed 2.56% Receive floating CD_KSDA 3 month 20/03/2029	KRW	53,243,323,400	(534)	(0.02)
Interest Rate Swap Goldman Sachs Pay floating CD_KSDA 3 month Receive fixed 2.42% 20/03/2021	KRW	244,899,855,294	540	0.02
Interest Rate Swap Goldman Sachs Pay floating MIBOR 1 day Receive fixed 6.93% 19/09/2023	INR	2,116,682,258	235	0.01
Interest Rate Swap HSBC Pay floating MIBOR 1 day Receive fixed 6.79% 19/09/2023	INR	2,036,974,558	102	–
Interest Rate Swap HSBC Pay floating MIBOR 1 day Receive fixed 6.84% 19/09/2023	INR	1,363,887,313	96	–
Interest Rate Swap HSBC Pay floating MIBOR 1 day Receive fixed 6.87% 19/09/2023	INR	2,036,974,558	178	0.01
Interest Rate Swap HSBC Pay floating MIBOR 1 day Receive fixed 6.92% 19/09/2023	INR	2,045,830,969	222	0.01
Interest Rate Swap J.P. Morgan Pay fixed 0.50% Receive floating LIBOR 6 month 16/10/2030	JPY	14,126,000,000	(36)	–
Interest Rate Swap J.P. Morgan Pay fixed 0.51% Receive floating LIBOR 6 month 16/10/2030	JPY	7,063,000,000	(48)	–
Interest Rate Swap J.P. Morgan Pay fixed 0.52% Receive floating LIBOR 6 month 16/10/2030	JPY	14,126,000,000	(200)	–
Interest Rate Swap J.P. Morgan Pay fixed 0.53% Receive floating LIBOR 6 month 16/10/2030	JPY	14,126,000,000	(301)	–
Interest Rate Swap J.P. Morgan Pay fixed 0.54% Receive floating LIBOR 6 month 16/10/2030	JPY	14,126,000,000	(402)	(0.01)
Interest Rate Swap J.P. Morgan Pay fixed 1.69% Receive floating LIBOR 6 month 01/02/2048	GBP	29,500,000	(809)	(0.04)
Interest Rate Swap J.P. Morgan Pay fixed 1.70% Receive floating LIBOR 6 month 05/07/2047	GBP	28,250,000	(759)	(0.04)
Interest Rate Swap J.P. Morgan Pay fixed 1.71% Receive floating LIBOR 6 month 05/07/2047	GBP	28,250,000	(779)	(0.04)
Interest Rate Swap J.P. Morgan Pay fixed 1.72% Receive floating LIBOR 6 month 05/07/2047	GBP	84,750,000	(2,431)	(0.12)
Interest Rate Swap J.P. Morgan Pay fixed 1.73% Receive floating LIBOR 6 month 05/07/2047	GBP	66,750,000	(1,978)	(0.09)
Interest Rate Swap J.P. Morgan Pay fixed 1.90% Receive floating EURIBOR 6 month 16/03/2048	EUR	206,836,037	(3,508)	(0.17)
Interest Rate Swap J.P. Morgan Pay fixed 2.35% Receive floating LIBOR 3 month 09/05/2024	USD	93,329,000	1,372	0.07
Interest Rate Swap J.P. Morgan Pay fixed 2.47% Receive floating LIBOR 3 month 15/02/2024	USD	259,200,000	2,704	0.14
Interest Rate Swap J.P. Morgan Pay fixed 2.48% Receive floating LIBOR 3 month 15/02/2024	USD	259,200,000	2,611	0.12
Interest Rate Swap J.P. Morgan Pay fixed 2.48% Receive floating LIBOR 3 month 16/02/2024	USD	64,800,000	647	0.03
Interest Rate Swap J.P. Morgan Pay fixed 2.49% Receive floating LIBOR 3 month 19/02/2024	USD	64,800,000	643	0.03
Interest Rate Swap J.P. Morgan Pay fixed 2.49% Receive floating LIBOR 3 month 21/02/2024	USD	206,932,000	2,017	0.10

PORTFOLIO STATEMENT (CONTINUED)

As at 31 March 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Swaps 1.28% ((0.28)%) (continued)				
Interest Rate Swap J.P. Morgan Pay fixed 2.50% Receive floating LIBOR 3 month 25/02/2024	USD	84,654,000	804	0.04
Interest Rate Swap J.P. Morgan Pay fixed 2.51% Receive floating LIBOR 3 month 25/02/2024	USD	155,199,000	1,449	0.07
Interest Rate Swap J.P. Morgan Pay fixed 2.52% Receive floating LIBOR 3 month 23/02/2024	USD	197,526,000	1,766	0.08
Interest Rate Swap J.P. Morgan Pay fixed 2.53% Receive floating LIBOR 3 month 21/02/2024	USD	188,120,000	1,613	0.08
Interest Rate Swap J.P. Morgan Pay fixed 2.83% Receive floating LIBOR 3 month 03/02/2025	USD	79,000,000	(38)	–
Interest Rate Swap J.P. Morgan Pay fixed 3.06% Receive floating LIBOR 3 month 20/03/2049	USD	75,675,000	(2,315)	(0.11)
Interest Rate Swap J.P. Morgan Pay fixed 3.07% Receive floating LIBOR 3 month 20/03/2049	USD	76,325,000	(2,417)	(0.12)
Interest Rate Swap J.P. Morgan Pay floating BBR 3 month Receive fixed 2.15% 16/04/2020	AUD	454,122,980	437	0.02
Interest Rate Swap J.P. Morgan Pay floating BBR 3 month Receive fixed 2.18% 16/04/2020	AUD	514,877,020	634	0.03
Interest Rate Swap J.P. Morgan Pay floating BBR 3 month Receive fixed 2.33% 19/06/2021	AUD	199,467,543	30	–
Interest Rate Swap J.P. Morgan Pay floating BBR 3 month Receive fixed 2.37% 28/09/2020	AUD	894,720,616	2,109	0.10
Interest Rate Swap J.P. Morgan Pay floating BBR 3 month Receive fixed 2.38% 28/09/2020	AUD	529,839,692	1,283	0.06
Interest Rate Swap J.P. Morgan Pay floating BBR 3 month Receive fixed 2.39% 28/09/2020	AUD	529,839,692	1,334	0.06
Interest Rate Swap J.P. Morgan Pay floating LIBOR 3 month Receive fixed 3.06% 20/03/2029	USD	356,815,000	4,693	0.22
Interest Rate Swap J.P. Morgan Pay floating LIBOR 6 month Receive fixed 0.26% 16/10/2025	JPY	7,015,000,000	(30)	–
Interest Rate Swap J.P. Morgan Pay floating LIBOR 6 month Receive fixed 0.27% 16/10/2025	JPY	14,030,000,000	(13)	–
Interest Rate Swap J.P. Morgan Pay floating LIBOR 6 month Receive fixed 0.28% 16/10/2025	JPY	7,015,000,000	12	–
Interest Rate Swap J.P. Morgan Pay floating LIBOR 6 month Receive fixed 0.29% 16/10/2025	JPY	63,135,000,000	378	–
Interest Rate Swap J.P. Morgan Pay floating LIBOR 6 month Receive fixed 0.30% 16/10/2025	JPY	35,075,000,000	318	–
Interest Rate Swap J.P. Morgan Pay floating MIBOR 1 day Receive fixed 6.78% 19/09/2023	INR	2,391,231,002	103	0.01
Interest Rate Swap J.P. Morgan Pay floating MIBOR 1 day Receive fixed 6.80% 19/09/2023	INR	61,427,270	3	–
Interest Rate Swap J.P. Morgan Pay floating MIBOR 1 day Receive fixed 6.90% 19/09/2023	INR	2,834,051,559	286	0.01
Interest Rate Swap J.P. Morgan Pay floating MIBOR 1 day Receive fixed 6.93% 19/09/2023	INR	4,038,523,471	457	0.02
Interest Rate Swap Merrill Lynch Pay floating MIBOR 1 day Receive fixed 6.82% 19/09/2023	INR	2,048,878,373	127	0.01
Interest Rate Swap Merrill Lynch Pay floating MIBOR 1 day Receive fixed 6.95% 19/09/2023	INR	2,125,538,669	262	0.01
Swaps total			26,352	1.28
Swaptions 1.34% (1.65%)				
Interest Rate Swap Barclays Pay fixed 2.57% Receive floating LIBOR 3 month, Put, 2.57, 25/10/2029	USD	(165,500,000)	(5,364)	(0.26)
Interest Rate Swap Barclays Pay fixed 2.62% Receive floating LIBOR 3 month, Put, 2.62, 5/10/2029	USD	(165,500,000)	(5,035)	(0.24)
Interest Rate Swap Barclays Pay fixed 3.09% Receive floating LIBOR 3 month, Call, 3.09, 25/10/2029	USD	331,000,000	5,259	0.25
Interest Rate Swap Barclays Pay fixed 3.17% Receive floating LIBOR 3 month, Call, 3.17, 25/10/2029	USD	331,000,000	4,692	0.23
Interest Rate Swap Barclays Pay fixed 3.85% Receive floating LIBOR 3 month, Call, 3.85, 03/10/2046	USD	8,100,000	306	0.01
Interest Rate Swap Barclays Pay floating LIBOR 3 month Receive fixed 1.00% , Put, 1, 03/10/2046	USD	7,500,000	201	0.01
Interest Rate Swap Citi Global Markets Pay fixed 2.57% Receive floating LIBOR 3 month, Put, 2.57, 25/10/2029	USD	(165,500,000)	(5,283)	(0.26)
Interest Rate Swap Citi Global Markets Pay fixed 3.09% Receive floating LIBOR 3 month, Call, 3.09, 25/10/2029	USD	331,000,000	5,180	0.25
Interest Rate Swap Citi Global Markets Pay fixed 3.85% Receive floating LIBOR 3 month, Call, 3.85, 20/11/2045	USD	6,200,000	156	0.01
Interest Rate Swap Citi Global Markets Pay fixed 3.85% Receive floating LIBOR 3 month, Call, 3.85, 29/01/2046	USD	8,000,000	200	0.01
Interest Rate Swap Citi Global Markets Pay fixed 3.85% Recieve floating LIBOR 3 month, Call, 3.85, 17/04/2046	USD	1,500,000	57	–
Interest Rate Swap Citi Global Markets Pay fixed 3.85% Recieve floating LIBOR 3 month, Call, 3.85, 12/11/2046	USD	21,500,000	804	0.04
Interest Rate Swap Citi Global Markets Pay floating LIBOR 3 month Receive fixed 1.00% , Put, 1, 17/04/2046	USD	1,800,000	48	–
Interest Rate Swap Deutsche Bank Pay fixed 3.09% Recieve floating LIBOR 3 month, Call, 3.09, 25/10/2029	USD	993,000,000	15,578	0.75
Interest Rate Swap Deutsche Bank Pay fixed 3.17% Recieve floating LIBOR 3 month, Call, 3.17, 25/10/2029	USD	331,000,000	4,625	0.22
Interest Rate Swap Deutsche Bank Pay fixed 2.57% Recieve floating LIBOR 3 month, Put, 2.57, 25/10/2029	USD	(496,500,000)	(15,878)	(0.78)

PORTFOLIO STATEMENT (CONTINUED)

As at 31 March 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Swaptions 1.34% (1.65%) (continued)				
Interest Rate Swap Deutsche Bank Pay fixed 2.62% Recieve floating LIBOR 3 month, Put, 2.62, 25/10/2029	USD	(165,500,000)	(4,960)	(0.24)
Interest Rate Swap Goldman Sachs Pay fixed 3.09% Recieve floating LIBOR 3 month, Call, 3.09, 25/10/2029	USD	331,000,000	5,261	0.25
Interest Rate Swap Goldman Sachs Pay fixed 3.17% Recieve floating LIBOR 3 month, Call, 3.17, 25/10/2029	USD	662,000,000	9,382	0.46
Interest Rate Swap Goldman Sachs Pay fixed 3.85% Receive floating LIBOR 3 month, Call, 3.85, 13/03/2045	USD	26,500,000	681	0.03
Interest Rate Swap Goldman Sachs Pay fixed 3.85% Receive floating LIBOR 3 month, Call, 3.85, 21/06/2045	USD	5,082,393	130	0.01
Interest Rate Swap Goldman Sachs Pay fixed 3.85% Receive floating LIBOR 3 month, Call, 3.85, 18/07/2045	USD	4,430,000	114	0.01
Interest Rate Swap Goldman Sachs Pay fixed 3.85% Receive floating LIBOR 3 month, Call, 3.85, 18/10/2045	USD	5,700,000	146	0.01
Interest Rate Swap Goldman Sachs Pay fixed 3.85% Receive floating LIBOR 3 month, Call, 3.85, 11/12/2045	USD	7,700,000	197	0.01
Interest Rate Swap Goldman Sachs Pay fixed 3.85% Receive floating LIBOR 3 month, Call, 3.85, 27/12/2045	USD	7,000,000	179	0.01
Interest Rate Swap Goldman Sachs Pay fixed 3.85% Receive floating LIBOR 3 month, Call, 3.85, 05/02/2046	USD	2,700,000	69	–
Interest Rate Swap Goldman Sachs Pay fixed 3.85% Receive floating LIBOR 3 month, Call, 3.85, 27/02/2046	USD	1,300,000	33	–
Interest Rate Swap Goldman Sachs Pay fixed 3.85% Recieve floating LIBOR 3 month, Call, 3.85, 20/08/2046	USD	79,000,000	2,900	0.14
Interest Rate Swap Goldman Sachs Pay fixed 3.85% Recieve floating LIBOR 3 month, Call, 3.85, 11/02/2047	USD	150,000,000	6,019	0.29
Interest Rate Swap Goldman Sachs Pay fixed 2.57% Recieve floating LIBOR 3 month, Put, 2.57, 25/10/2029	USD	(165,500,000)	(5,366)	(0.26)
Interest Rate Swap Goldman Sachs Pay fixed 2.62% Recieve floating LIBOR 3 month, Put, 2.62, 25/10/2029	USD	(331,000,000)	(10,067)	(0.48)
Interest Rate Swap Goldman Sachs Pay fixed 3.85% Receive floating LIBOR 3 month, Put, 3.85, 03/10/2045	USD	15,000,000	384	0.02
Interest Rate Swap Goldman Sachs Pay floating LIBOR 3 month Receive fixed 1.00%, Put, 1, 20/08/2046	USD	32,000,000	1,017	0.05
Interest Rate Swap Goldman Sachs Pay floating LIBOR 3 month Receive fixed 1.00%, Put, 1, 11/02/2047	USD	66,000,000	1,663	0.08
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	128	0.01
Interest Rate Swap J.P. Morgan Pay fixed 3.85% Recieve floating LIBOR 3 month, Call, 3.85, 30/05/2045	USD	4,500,000	115	0.01
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	116	0.01
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	164	0.01
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	189	0.01
Interest Rate Swap J.P. Morgan Pay fixed 3.85% Recieve floating LIBOR 3 month, Call, 3.85, 10/12/2046	USD	22,000,000	897	0.04
Interest Rate Swap J.P. Morgan Pay fixed 3.85% Recieve floating LIBOR 3 month, Call, 3.85, 07/05/2047	USD	35,000,000	1,374	0.07
Interest Rate Swap J.P. Morgan Pay floating LIBOR 3 month Receive fixed 1.00%, Put, 1, 10/12/2046	USD	10,000,000	252	0.01
Interest Rate Swap J.P. Morgan Pay floating LIBOR 3 month Receive fixed 1.00%, Put, 1, 07/05/2047	USD	15,200,000	376	0.02
Interest Rate Swap Merrill Lynch Pay fixed 3.85% Receive floating LIBOR 3 month, Call, 3.85, 25/04/2045	USD	29,800,000	753	0.04
Interest Rate Swap Nomura Pay fixed 3.85% Recieve floating LIBOR 3 month, Call, 3.85, 09/04/2046	USD	85,000,000	3,217	0.16
Interest Rate Swap Nomura Pay fixed 3.85% Recieve floating LIBOR 3 month, Call, 3.85, 17/04/2046	USD	45,000,000	1,723	0.08

PORTFOLIO STATEMENT (CONTINUED)

As at 31 March 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Swaptions 1.34% (1.65%) (continued)				
Interest Rate Swap Nomura Pay fixed 3.85% Recieve floating LIBOR 3 month, Call, 3.85, 23/04/2046	USD	16,000,000	609	0.03
Interest Rate Swap Nomura Pay fixed 3.85% Recieve floating LIBOR 3 month, Call, 3.85, 14/05/2046	USD	16,000,000	601	0.03
Interest Rate Swap Nomura Pay floating LIBOR 3 month Receive fixed 1.00%, Put, 1, 09/04/2046	USD	74,000,000	1,963	0.09
Interest Rate Swap Nomura Pay floating LIBOR 3 month Receive fixed 1.00%, Put, 1, 14/05/2046	USD	14,000,000	369	0.02
Interest Rate Swap Nomura Pay floating LIBOR 3 month Receive fixed 1.00%, Put, 1, 17/04/2046	USD	40,000,000	1,062	0.05
Interest Rate Swap Nomura Pay floating LIBOR 3 month Receive fixed 1.00%, Put, 1, 23/04/2046	USD	13,500,000	345	0.02
Swaptions total			27,581	1.34
Options (1.51)% (1.91%)				
EURO STOXX 50 Index, Call, 3,400, 15/06/2018	EUR	20,000	6,733	0.33
EURO STOXX 50 Index, Put, 3,200, 15/06/2018	EUR	(1,860)	(1,055)	(0.05)
EURO STOXX 50 Index, Call, 3,450, 15/06/2018	EUR	(20,000)	(4,208)	(0.20)
EURO STOXX Bank Index, Put, 120, 21/09/2018	EUR	(19,300)	(5,076)	(0.24)
Foreign Exchange USD/INR, Call, 71.78, 07/05/2018	USD	17,600,000	–	–
Foreign Exchange USD/INR, Call, 64.35, 07/05/2018	USD	(17,600,000)	(204)	(0.01)
Foreign Exchange USD/INR, Call, 71.55, 26/07/2018	USD	359,600,000	200	0.01
Foreign Exchange USD/INR, Call, 64.37, 26/07/2018	USD	(359,600,000)	(6,939)	(0.34)
Foreign Exchange USD/MXN, Call, 20.675, 31/08/2018	USD	312,000,000	2,574	0.13
Foreign Exchange USD/MXN, Call, 17.775, 31/08/2018	USD	(312,000,000)	(14,073)	(0.68)
Foreign Exchange USD/RUB, Call, 59.92, 24/07/2018	USD	111,300,000	1,095	0.05
Foreign Exchange USD/RUB, Call, 56.38, 24/07/2018	USD	(111,300,000)	(3,162)	(0.15)
Foreign Exchange USD/SAR, Call, 3.873, 04/04/2018	USD	23,000,000	–	–
Foreign Exchange USD/SAR, Call, 3.86, 11/04/2018	USD	20,500,000	–	–
Foreign Exchange USD/SAR, Call, 3.84, 23/04/2018	USD	8,000,000	–	–
Foreign Exchange USD/SAR, Call, 3.837, 30/04/2018	USD	5,000,000	–	–
Foreign Exchange USD/SAR, Call, 3.86, 22/05/2018	USD	10,500,000	2	–
Foreign Exchange USD/SAR, Call, 3.885, 29/05/2018	USD	2,000,000	–	–
Foreign Exchange USD/SAR, Call, 3.92, 31/07/2018	USD	26,000,000	9	–
Foreign Exchange USD/SAR, Call, 3.89, 27/08/2018	USD	11,000,000	5	–
Foreign Exchange USD/SAR, Call, 3.86, 11/12/2018	USD	15,500,000	17	–
Foreign Exchange USD/SAR, Call, 3.82, 11/02/2019	USD	18,500,000	36	–
Foreign Exchange USD/TRY, Put, 4, 08/03/2019	USD	110,585,000	1,049	0.05
Foreign Exchange USD/TRY, Put, 3.9, 21/03/2019	USD	110,865,000	694	0.03
Foreign Exchange USD/TRY, Put, 3.9, 05/04/2019	USD	76,190,000	470	0.02
Foreign Exchange USD/TRY, Put, 3.9, 02/05/2019	USD	17,000,000	105	0.01
Foreign Exchange USD/TRY, Put, 3.8, 19/06/2019	USD	20,286,240	82	–
Foreign Exchange USD/TRY, Put, 3.8, 27/06/2019	USD	10,145,000	41	–
Foreign Exchange USD/TRY, Put, 3.8, 10/07/2019	USD	20,284,360	81	–
Foreign Exchange USD/TRY, Put, 3.8, 17/07/2019	USD	10,143,120	41	–
Foreign Exchange USD/TRY, Put, 4, 04/05/2020	USD	10,145,000	76	–
Foreign Exchange USD/TRY, Put, 4, 04/06/2020	USD	20,290,000	152	0.01
FTSE 100 Index, Call, 8,400, 15/06/2018	GBP	11,510	115	0.01
FTSE 100 Index, Put, 7,300, 15/06/2018	GBP	(729)	(2,610)	(0.13)
Nikkei 225 Index, Put, 19,500, 14/09/2018	JPY	(464)	(1,866)	(0.09)
Nikkei 225 Index, Put, 20,250, 14/09/2018	JPY	(770)	(4,155)	(0.20)
S&P 500 Index, Call, 3,150, 18/05/2018	USD	3,500	56	–
S&P 500 Index, Put, 2,550, 18/05/2018	USD	(560)	(1,405)	(0.07)
Options total			(31,120)	(1.51)

PORTFOLIO STATEMENT (CONTINUED)

As at 31 March 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Forward Currency Contracts 0.32% (0.56%)				
Buy EUR 14,500,000 sell GBP 12,929,514 dated 16/05/2018			(201)	(0.01)
Buy GBP 78,000,000 sell AUD 138,619,728 dated 16/05/2018			2,332	0.11
Buy GBP 3,802,486 sell AUD 6,808,117 dated 20/06/2018			91	–
Buy GBP 71,800,000 sell CAD 131,334,119 dated 16/05/2018			(749)	(0.04)
Buy GBP 2,289,187 sell CAD 4,170,793 dated 20/06/2018			(13)	–
Buy GBP 34,174,762 sell CHF 44,685,433 dated 15/06/2018			806	0.04
Buy GBP 17,228,511 sell EUR 19,385,000 dated 14/06/2018			194	0.01
Buy GBP 171,483,838 sell EUR 191,724,372 dated 15/06/2018			3,004	0.15
Buy GBP 15,171,680 sell EUR 17,126,228 dated 20/06/2018			119	0.01
Buy GBP 9,185,324 sell JPY 1,355,517,766 dated 20/06/2018			82	–
Buy GBP 75,250,000 sell NZD 143,552,920 dated 23/04/2018			1,489	0.07
Buy GBP 53,300,000 sell NZD 101,875,648 dated 16/05/2018			1,008	0.05
Buy GBP 10,158,889 sell SEK 115,853,582 dated 15/06/2018			274	0.01
Buy GBP 3,107,543 sell SGD 5,701,458 dated 20/06/2018			13	–
Buy GBP 78,050,000 sell USD 106,724,009 dated 23/04/2018			2,032	0.10
Buy GBP 105,416,397 sell USD 146,708,000 dated 25/04/2018			927	0.04
Buy GBP 150,039,085 sell USD 209,120,500 dated 16/05/2018			1,225	0.06
Buy GBP 179,590,403 sell USD 249,462,563 dated 15/06/2018			2,296	0.11
Buy GBP 43,321,059 sell USD 60,736,121 dated 20/06/2018			166	0.01
Buy JPY 20,260,241,388 sell USD 189,300,000 dated 16/05/2018			1,225	0.06
Buy TWD 3,078,770,000 sell USD 106,000,000 dated 23/04/2018			(55)	–
Buy USD 109,943,572 sell GBP 78,050,000 dated 23/04/2018			262	0.01
Buy USD 22,500,000 sell GBP 15,928,592 dated 16/05/2018			83	–
Buy USD 73,600,000 sell GBP 52,806,493 dated 16/05/2018			(431)	(0.02)
Buy USD 76,128,733 sell JPY 8,057,954,174 dated 16/05/2018			111	0.01
Buy USD 113,171,267 sell JPY 12,063,065,796 dated 16/05/2018			(401)	(0.02)
Buy USD 20,512,821 sell SAR 84,430,771 dated 18/01/2022			(1,089)	(0.05)
Buy USD 20,512,820 sell SAR 84,299,998 dated 24/01/2022			(1,064)	(0.05)
Buy USD 10,055,096 sell SAR 41,118,807 dated 07/02/2022			(483)	(0.02)
Buy USD 10,055,096 sell SAR 41,257,064 dated 09/02/2022			(507)	(0.02)
Buy USD 5,027,548 sell SAR 20,555,633 dated 14/02/2022			(240)	(0.01)
Buy USD 24,859,569 sell SAR 101,392,823 dated 15/02/2022			(1,145)	(0.06)
Buy USD 19,010,259 sell SAR 77,385,208 dated 16/02/2022			(849)	(0.04)
Buy USD 19,424,292 sell SAR 78,988,236 dated 22/02/2022			(851)	(0.04)
Buy USD 12,949,527 sell SAR 52,578,964 dated 02/03/2022			(552)	(0.03)
Buy USD 10,618,613 sell SAR 43,167,148 dated 07/03/2022			(461)	(0.02)
Buy USD 4,500,000 sell SAR 18,091,800 dated 15/08/2022			(149)	(0.01)
Buy USD 88,400,000 sell TWD 2,567,578,000 dated 23/04/2018			46	–
Buy USD 167,220,000 sell TWD 4,927,226,860 dated 23/04/2018			(1,637)	(0.08)
Buy USD 61,220,000 sell TWD 1,777,155,380 dated 16/05/2018			(52)	–
Buy USD 61,220,000 sell TWD 1,777,706,360 dated 20/06/2018			(220)	(0.01)
Forward Currency Contracts total			6,636	0.32
Futures 0.27% ((0.15)%)				
FTSE 100 Index 15/06/2018	GBP	(2642)	3,203	0.15
Russell 2000 Mini Index 15/06/2018	USD	(749)	1,871	0.09
S&P 500 Emini Index 15/06/2018	USD	(434)	628	0.03
Futures total			5,702	0.27
Investment assets (including investment liabilities)			1,760,825	85.26
Net other assets			304,509	14.74
Net assets			2,065,334	100.00

The comparative percentage figures in brackets are as at 31 March 2017.

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 2018

	Notes	£000	Year ended 31.03.18 £000	£000	Year ended 31.03.17 £000
Income					
Net capital losses	2		(145,727)		(51,317)
Revenue	3	127,025		83,216	
Expenses	4	(16,943)		(11,154)	
Net revenue before taxation		110,082		72,062	
Taxation	5	(18,399)		(12,203)	
Net revenue after taxation			91,683		59,859
Total return before distributions			(54,044)		8,542
Distributions	6		(104,465)		(68,545)
Change in net assets attributable to shareholders from investment activities			(158,509)		(60,003)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 31 March 2018

	£000	Year ended 31.03.18 £000	£000	Year ended 31.03.17 £000
Opening net assets attributable to shareholders		2,393,730		703,585
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	191,938		1,791,100	
Amounts payable on cancellation of shares	(361,825)		(43,714)	
		(169,887)		1,747,386
Dilution adjustment		–		2,762
Change in net assets attributable to shareholders from investment activities (see above)		(158,509)		(60,003)
Closing net assets attributable to shareholders		2,065,334		2,393,730

BALANCE SHEET

As at 31 March 2018

	Notes	As at 31.03.18 £000	As at 31.03.17 £000
Assets:			
Investments		1,898,019	2,361,881
Current assets:			
Debtors	8	71,634	28,746
Cash and bank balances	9	346,057	157,439
Total assets		2,315,710	2,548,066
Liabilities:			
Investment liabilities		(137,194)	(98,941)
Provisions	10	(26)	(18)
Creditors:			
Distribution payable		(9,430)	(10,272)
Other creditors	11	(103,726)	45,105
Total liabilities		(250,376)	154,336
Net assets attributable to shareholders		2,065,334	2,393,730

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting basis and policies

Please see pages 6 to 8 for accounting basis and policies.

2 Net capital losses

	Year ended 31.03.18 £000	Year ended 31.03.17 £000
Net capital losses on investments during the year comprise:		
Currency gains	7,992	9
Derivative contracts losses	(125,158)	(85,747)
Expenses relating to the purchase and sale of investments	(58)	(68)
Forward currency contracts gains/(losses)	69,685	(76,029)
Non-derivative securities (losses)/gains	(98,188)	110,518
Net capital losses	(145,727)	(51,317)

3 Revenue

	Year ended 31.03.18 £000	Year ended 31.03.17 £000
Bank and deposit interest	825	539
Interest on debt securities	35,385	29,041
Income from derivatives	52,416	29,823
Overseas dividends	27,082	14,841
Property income distributions	806	482
Stock dividends	54	–
UK dividends	10,457	8,490
Total revenue	127,025	83,216

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 Expenses

	Year ended 31.03.18 £000	Year ended 31.03.17 £000
Payable to the Authorised Corporate Director ("ACD"), associates of the ACD or agents of either of them:		
ACD's periodic charge	14,788	9,898
Registration fees	921	759
	15,709	10,657
Payable to the Depositary, associates of the Depositary or agents of either of them:		
Depositary's fee	104	93
Interest payable	991	280
Safe custody fee	255	336
	1,350	709
Other expenses:		
Audit fee*	20	20
Dividend collection charges	25	1
Fund accounting fees	15	25
Professional fees	1	1
Statement fees	5	6
	66	53
Total expenses	17,125	11,419
Less those expenses rebated by the ACD	(182)	(265)
Net expenses	16,943	11,154

* The audit fee was £17,468 (2017: £17,000) net of VAT.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Taxation**a Analysis of tax charge**

	Year ended 31.03.18 £000	Year ended 31.03.17 £000
Corporation tax	15,509	10,063
Double tax relief	(855)	(163)
Overseas tax suffered	4,200	2,287
Adjustments in respect of prior periods	(463)	–
Total current tax (see note 5b)	18,391	12,187
Deferred tax	8	16
Total deferred tax (see note 5c)	8	16
Total tax for the year	18,399	12,203

b Factors affecting current tax charge

The tax assessed for the year is lower than (2017: lower than) the standard rate of corporation tax in the UK for an Authorised Investment Fund (20%) (2017: 20%).

The differences are explained below:

	Year ended 31.03.18 £000	Year ended 31.03.17 £000
Net revenue before taxation	110,082	72,062
Corporation tax at 20%	22,016	14,412
Effects of:		
Double taxation relief	(855)	(163)
Overseas dividends not subject to corporation tax	(4,429)	(2,608)
Overseas tax suffered	4,200	2,287
Revenue taxable in different periods	(25)	(43)
Adjustments in respect of prior periods	(463)	–
UK dividends not subject to corporation tax	(2,053)	(1,698)
	(3,625)	(2,225)
Current tax charge (see note 5a)	18,391	12,187

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 31.03.18 £000	Year ended 31.03.17 £000
Provision at start of year	18	2
Charge for the year	8	16
Provision at the end of year	26	18

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 Distributions

	Year ended 31.03.18 £000	Year ended 31.03.17 £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	52,703	31,076
Distribution for the five months ended 28/29 February	41,884	31,258
Distribution for the month ended 31 March	9,430	10,272
	104,017	72,606
Add: Revenue deducted on cancellation of shares	1,378	92
Deduct: Revenue received on issue of shares	(930)	(4,153)
Total distributions	104,465	68,545
Reconciliation of distributions for the year to net revenue after taxation		
Distributions for the year	104,465	68,545
ACD's periodic charge borne by the capital account	(14,788)	(9,898)
Equalisation on conversions	(38)	10
Movement in revenue account	(1)	2
Other fees borne by capital account	(1,141)	(974)
Tax relief on capitalised ACD's periodic charge	3,186	2,174
Net revenue after taxation	91,683	59,859

Details of the distributions per share are set out in the distribution tables on pages 63 to 68.

7 Fair value hierarchy

Valuation technique	As at 31.03.18		As at 31.03.17	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1: Quoted prices	882,890	(20,375)	1,017,641	(16,865)
Level 2: Observable market data	1,015,129	(116,819)	1,344,240	(82,076)
Total value	1,898,019	(137,194)	2,361,881	(98,941)

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

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

The disclosure is split into the following categories:

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8 Debtors

	As at 31.03.18 £000	As at 31.03.17 £000
Accrued revenue	8,633	14,628
Amounts receivable on issue of shares	3,516	8,586
Income tax recoverable	2	17
Overseas tax recoverable	876	721
Sales awaiting settlement	58,607	4,794
Total debtors	71,634	28,746

9 Cash and bank balances

	As at 31.03.18 £000	As at 31.03.17 £000
Amounts held at futures clearing houses and brokers	49,624	37,347
Cash and bank balances	296,433	120,092
Total cash and bank balances	346,057	157,439

10 Provisions

	As at 31.03.18 £000	As at 31.03.17 £000
Deferred tax provision	26	18
Total provisions	26	18

11 Other creditors

	As at 31.03.18 £000	As at 31.03.17 £000
Accrued expenses	1,311	1,575
Amounts payable for cancellation of shares	5,288	45
Corporation tax payable	6,308	5,644
Purchases awaiting settlement	90,819	37,841
Total creditors	103,726	45,105

12 Contingent liabilities and commitments

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

	As at 31.03.18 £000	As at 31.03.17 £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 £1,055,000 (2017: £1,315,000). 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 £61,739,004 (2017: £31,897,837). The amount outstanding at the year end was £6,012,501 (2017: £5,912,595). 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 £182,319 (2017: £265,402) are disclosed under Expense in the Notes to the Accounts. Amounts due from the Manager at the balance sheet date of £7,580 (2017: £28,051) 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 £278,000 (2017: £1,864,000) and £1,908,000 (2017: £978,000) respectively. The income received during the year amounted to £238,000 (2017: £254,000).

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

	Holdings at 31.03.18 (shares)	Movement (shares)	Holdings at 31.03.17 (shares)
ACD and related parties (share class 2 Income)	1	-	-
ACD and related parties (share class 3 Income)	-	(80,838)	80,838
ACD and related parties (share class 5 Income)	25,324,984	15,868,710	9,456,274
ACD and related parties (share class 8 Income)	1,389,088,493	(15,306,445)	1,404,394,938

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 32 and 33. The distributions per share class are given in the distribution tables on pages 63 to 68. All the share classes have the same rights on winding up.

15 Shares in issue reconciliation

	Number of shares in issue at 31.03.17	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 31.03.18
Share Class 2 Income	1,017,624,648	111,936,107	(230,945,908)	(184,297,839)	714,317,008
Share Class 3 Income	80,838	9,011,940	(43,336,315)	182,572,403	148,328,866
Share Class 5 Income	37,497,622	9,511,918	(21,684,556)	-	25,324,984
Share Class 6 Income	1,214,600	403,599	(170,202)	2,508	1,450,505
Share Class 8 Income	1,407,967,514	70,004,374	(88,883,395)	-	1,389,088,493

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 7 and 8.

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 (2017: £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 2018 was as follows:

	31.03.18 %	31.03.17 %
As at 31 March, the company's value at risk is		
During the financial year, the highest utilisation of value at risk was	(2.43)	1.72
During the financial year, the average utilisation of value at risk was	(3.33)	(2.06)
During the financial year, the lowest utilisation of value at risk was	(5.04)	(4.57)

Further information on the derivative risks can be found in the accounting policies note on pages 6 and 8.

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 2018 the average leverage was 653.78% (2017: 737.79%).

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:

31.03.18	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	-	-	806	-	-	436	10,458	-	11,700
BNP Paribas	-	153	(3,358)	-	-	202	437	1,271	(1,295)
Citibank	-	-	(1,143)	-	-	-	-	397	(746)
Citigroup Global Markets	-	-	-	-	-	1,844	6,445	183	8,472
Deutsche Bank	-	-	2,417	-	-	-	20,215	-	22,632
Goldman Sachs	10,453	362	605	-	-	393	28,950	-	40,763
HSBC	-	-	653	-	-	-	598	-	1,251
JPMorgan	-	2,032	(348)	-	-	4,552	31,314	4,833	42,383
Merrill Lynch	-	-	2,361	-	-	838	1,142	-	4,341
Morgan Stanley	-	-	-	-	-	1,028	-	-	1,028
Nomura International	-	-	991	-	-	-	9,889	-	10,880
Royal Bank of Canada	-	-	2,030	-	-	-	-	-	2,030
Royal Bank of Scotland	-	-	270	-	-	-	-	-	270
Société Générale	-	1,969	(1,516)	-	-	-	-	-	453
Standard Chartered Bank	-	-	2,868	-	-	-	-	45	2,913
UBS	-	278	-	5,702	-	1,237	-	6,904	14,121
Total	10,453	4,794	6,636	5,702	-	10,530	109,448	13,633	161,196

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

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 £25,849,000 (2017: £49,161,000) 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 %	
	31.03.18	31.03.17	31.03.18	31.03.17
Investment grade	204,549	284,385	9.91%	11.89%
Below investment grade	197,922	381,171	9.58%	15.92%
Unrated	37,981	46,962	1.84%	1.96%
Total debt securities	440,452	712,518	21.33%	29.77%

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.

31.03.18	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	(291,073)	(206)	(325)	(291,604)	0.07%	0.11%
Bonds	(435,711)	–	–	(435,711)	0.00%	0.00%
Funds	(1,749,438)	–	–	(1,749,438)	0.00%	0.00%
Purchases (include corporate actions activity only)						
Equities	(804)	–	–	(804)	0.00%	0.00%
	(2,477,026)	(206)	(325)	(2,477,557)		
Sales (excluding in-specie transfers and corporate actions)						
Equities	374,956	(225)	(183)	374,548	0.06%	0.05%
Bonds	653,306	–	–	653,306	0.00%	0.00%
Funds	1,797,126	–	–	1,797,126	0.00%	0.00%
	2,825,388	(225)	(183)	2,824,980		
Derivative purchases and sales						
		(217)	–			
Total						
		(648)	(508)			
Percentage of fund average net assets						
		0.03%	0.02%			

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19 Direct transaction costs (continued)

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>			

Dealing spread

As at 31 March 2018, the average portfolio dealing spread was 0.19% (2017: 0.27%). 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 (2017: £nil).

DISTRIBUTION TABLES

Final distribution payable in pence per share for the month ended 31 March 2018

		Net revenue	Equalisation	Final distribution payable 30 April 2018	Final distribution paid 30 April 2017
Share Class 2	Group 1	0.3920	–	0.3920	0.4151
	Group 2	0.2018	0.1902	0.3920	0.4151
Share Class 3	Group 1	0.4132	–	0.4132	0.4182
	Group 2	0.2025	0.2107	0.4132	0.4182
Share Class 5	Group 1	0.3970	–	0.3970	0.4155
	Group 2	0.1624	0.2346	0.3970	0.4155
Share Class 6	Group 1	0.3581	–	0.3581	0.4132
	Group 2	0.0369	0.3212	0.3581	0.4132
Share Class 8	Group 1	0.4256	–	0.4256	0.4181
	Group 2	0.0441	0.3815	0.4256	0.4181

Final distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 28 February 2018.
Group 2 shares are those shares purchased after 12:00 noon on 28 February 2018.

Interim distribution paid in pence per share for the month ended 28 February 2018

		Net revenue	Equalisation	Interim distribution paid 31 March 2018	Interim distribution paid 31 March 2017
Share Class 2	Group 1	0.3500	–	0.3500	0.3536
	Group 2	0.1099	0.2401	0.3500	0.3536
Share Class 3	Group 1	0.3500	–	0.3500	0.3565
	Group 2	0.0724	0.2776	0.3500	0.3565
Share Class 5	Group 1	0.3500	–	0.3500	0.3539
	Group 2	0.1470	0.2030	0.3500	0.3539
Share Class 6	Group 1	0.3500	–	0.3500	0.3520
	Group 2	0.1216	0.2284	0.3500	0.3520
Share Class 8	Group 1	0.3500	–	0.3500	0.3562
	Group 2	0.0000	0.3500	0.3500	0.3562

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 31 January 2018.
Group 2 shares are those shares purchased after 12:00 noon on 31 January 2018.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the month ended 31 January 2018

		Net revenue	Equalisation	Interim distribution paid 28 February 2018	Interim distribution paid 28 February 2017
Share Class 2	Group 1	0.3500	–	0.3500	0.2995
	Group 2	0.0293	0.3207	0.3500	0.2995
Share Class 3	Group 1	0.3500	–	0.3500	0.3018
	Group 2	0.0000	0.3500	0.3500	0.3018
Share Class 5	Group 1	0.3500	–	0.3500	0.2997
	Group 2	0.0639	0.2861	0.3500	0.2997
Share Class 6	Group 1	0.3500	–	0.3500	0.2981
	Group 2	0.0000	0.3500	0.3500	0.2981
Share Class 8	Group 1	0.3500	–	0.3500	0.3015
	Group 2	0.0000	0.3500	0.3500	0.3015

Interim distribution

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

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

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

		Net revenue	Equalisation	Interim distribution paid 31 January 2018	Interim distribution paid 31 January 2017
Share Class 2	Group 1	0.3500	–	0.3500	0.3062
	Group 2	0.0721	0.2779	0.3500	0.3062
Share Class 3	Group 1	0.3500	–	0.3500	0.3086
	Group 2	0.0000	0.3500	0.3500	0.3086
Share Class 5	Group 1	0.3500	–	0.3500	0.3064
	Group 2	0.0054	0.3446	0.3500	0.3064
Share Class 6	Group 1	0.3500	–	0.3500	0.3049
	Group 2	0.0000	0.3500	0.3500	0.3049
Share Class 8	Group 1	0.3500	–	0.3500	0.3083
	Group 2	0.0000	0.3500	0.3500	0.3083

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 30 November 2017.

Group 2 shares are those shares purchased after 12:00 noon on 30 November 2017.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the month ended 30 November 2017

		Net revenue	Equalisation	Interim distribution paid 31 December 2017	Interim distribution paid 31 December 2016
Share Class 2	Group 1	0.3500	–	0.3500	0.2815
	Group 2	0.0214	0.3286	0.3500	0.2815
Share Class 3	Group 1	0.3500	–	0.3500	0.2910
	Group 2	0.0000	0.3500	0.3500	0.2910
Share Class 5	Group 1	0.3500	–	0.3500	0.2833
	Group 2	0.0142	0.3358	0.3500	0.2833
Share Class 6	Group 1	0.3500	–	0.3500	0.2717
	Group 2	0.0000	0.3500	0.3500	0.2717
Share Class 8	Group 1	0.3500	–	0.3500	0.2993
	Group 2	0.0000	0.3500	0.3500	0.2993

Interim distribution

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

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

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

		Net revenue	Equalisation	Interim distribution paid 30 November 2017	Interim distribution paid 30 November 2016
Share Class 2	Group 1	0.3500	–	0.3500	0.3600
	Group 2	0.0292	0.3208	0.3500	0.3600
Share Class 3	Group 1	0.3500	–	0.3500	0.3600
	Group 2	0.0358	0.3142	0.3500	0.3600
Share Class 5	Group 1	0.3500	–	0.3500	0.3600
	Group 2	0.0238	0.3262	0.3500	0.3600
Share Class 6	Group 1	0.3500	–	0.3500	0.3600
	Group 2	0.0000	0.3500	0.3500	0.3600
Share Class 8	Group 1	0.3500	–	0.3500	0.3600
	Group 2	0.0000	0.3500	0.3500	0.3600

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 30 September 2017.

Group 2 shares are those shares purchased after 12:00 noon on 30 September 2017.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the month ended 30 September 2017

		Net revenue	Equalisation	Interim distribution paid 31 October 2017	Interim distribution paid 31 October 2016
Share Class 2	Group 1	0.3500	–	0.3500	0.3850
	Group 2	0.0000	0.3500	0.3500	0.3850
Share Class 3	Group 1	0.3500	–	0.3500	0.3850
	Group 2	0.0000	0.3500	0.3500	0.3850
Share Class 5	Group 1	0.3500	–	0.3500	0.3850
	Group 2	0.0000	0.3500	0.3500	0.3850
Share Class 6	Group 1	0.3500	–	0.3500	0.3850
	Group 2	0.0000	0.3500	0.3500	0.3850
Share Class 8	Group 1	0.3500	–	0.3500	0.3850
	Group 2	0.0000	0.3500	0.3500	0.3850

Interim distribution

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

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

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

		Net revenue	Equalisation	Interim distribution paid 30 September 2017	Interim distribution paid 30 September 2016
Share Class 2	Group 1	0.3500	–	0.3500	0.3850
	Group 2	0.0000	0.3500	0.3500	0.3850
Share Class 3	Group 1	0.3500	–	0.3500	0.3850
	Group 2	0.0000	0.3500	0.3500	0.3850
Share Class 5	Group 1	0.3500	–	0.3500	0.3850
	Group 2	0.0000	0.3500	0.3500	0.3850
Share Class 6	Group 1	0.3500	–	0.3500	0.3850
	Group 2	0.0000	0.3500	0.3500	0.3850
Share Class 8	Group 1	0.3500	–	0.3500	0.3850
	Group 2	0.0000	0.3500	0.3500	0.3850

Interim distribution

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

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

DISTRIBUTION TABLES (CONTINUED)

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

		Net revenue	Equalisation	Interim distribution paid 31 August 2017	Interim distribution paid 31 August 2016
Share Class 2	Group 1	0.3500	–	0.3500	0.3850
	Group 2	0.0000	0.3500	0.3500	0.3850
Share Class 3	Group 1	0.3500	–	0.3500	0.3850
	Group 2	0.0000	0.3500	0.3500	0.3850
Share Class 5	Group 1	0.3500	–	0.3500	0.3850
	Group 2	0.0000	0.3500	0.3500	0.3850
Share Class 6	Group 1	0.3500	–	0.3500	0.3850
	Group 2	0.0000	0.3500	0.3500	0.3850
Share Class 8	Group 1	0.3500	–	0.3500	0.3850
	Group 2	0.0000	0.3500	0.3500	0.3850

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 30 June 2017.

Group 2 shares are those shares purchased after 12:00 noon on 30 June 2017.

Interim distribution paid in pence per share for the month ended 30 June 2017

		Net revenue	Equalisation	Interim distribution paid 31 July 2017	Interim distribution paid 31 July 2016
Share Class 2	Group 1	0.3500	–	0.3500	0.3850
	Group 2	0.0000	0.3500	0.3500	0.3850
Share Class 3	Group 1	0.3500	–	0.3500	0.3850
	Group 2	0.3500	0.0000	0.3500	0.3850
Share Class 5	Group 1	0.3500	–	0.3500	0.3850
	Group 2	0.0000	0.3500	0.3500	0.3850
Share Class 6	Group 1	0.3500	–	0.3500	0.3850
	Group 2	0.0000	0.3500	0.3500	0.3850
Share Class 8	Group 1	0.3500	–	0.3500	0.3850
	Group 2	0.0000	0.3500	0.3500	0.3850

Interim distribution

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

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

DISTRIBUTION TABLES (CONTINUED)

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

		Net revenue	Equalisation	Interim distribution paid 30 June 2017	Interim distribution paid 30 June 2016
Share Class 2	Group 1	0.3500	–	0.3500	0.3850
	Group 2	0.0000	0.3500	0.3500	0.3850
Share Class 3	Group 1	0.3500	–	0.3500	0.3850
	Group 2	0.0000	0.3500	0.3500	0.3850
Share Class 5	Group 1	0.3500	–	0.3500	0.3850
	Group 2	0.0000	0.3500	0.3500	0.3850
Share Class 6	Group 1	0.3500	–	0.3500	0.3850
	Group 2	0.0000	0.3500	0.3500	0.3850
Share Class 8	Group 1	0.3500	–	0.3500	0.3850
	Group 2	0.0000	0.3500	0.3500	0.3850

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 30 April 2017.

Group 2 shares are those shares purchased after 12:00 noon on 30 April 2017.

Interim distribution paid in pence per share for the month ended 30 April 2017

		Net revenue	Equalisation	Interim distribution paid 31 May 2017	Interim distribution paid 31 May 2016
Share Class 2	Group 1	0.3500	–	0.3500	0.3850
	Group 2	0.1279	0.2221	0.3500	0.3850
Share Class 3	Group 1	0.3500	–	0.3500	0.3850
	Group 2	0.0000	0.3500	0.3500	0.3850
Share Class 5	Group 1	0.3500	–	0.3500	0.3850
	Group 2	0.1318	0.2182	0.3500	0.3850
Share Class 6	Group 1	0.3500	–	0.3500	0.3850
	Group 2	0.0000	0.3500	0.3500	0.3850
Share Class 8	Group 1	0.3500	–	0.3500	0.3850
	Group 2	0.0000	0.3500	0.3500	0.3850

Interim distribution

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

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

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 of the Company 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 2018 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
31 July 2018

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
London
31 July 2018

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

In our opinion, Aviva Investors Funds ICVC's financial statements:

- give a true and fair view of the financial position of the Company and each of the sub-funds as at 31 March 2018 and of the net revenue and the net capital gains/(losses) on 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 (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 for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Instrument of Incorporation.

Aviva Investors Funds ICVC (the "company") is an Open Ended Investment Company ("OEIC") with 3 sub-funds. The financial statements of the company comprise the financial statements of each of the sub-funds. We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheets as at 31 March 2018; the statements of total return, the statements of change in net assets attributable to shareholders and the statement of cash flows for the year then ended; the distribution tables; the accounting policies; and the notes to the financial statements, which include a description of the significant accounting policies.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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.

REPORTING ON OTHER INFORMATION

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Authorised Corporate Director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Authorised Corporate Director's Report

In our opinion, the information given in the Authorised Corporate Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Responsibilities of the Authorised Corporate Director for the financial statements

As explained more fully in the Authorised Corporate Director's Responsibilities Statement set out on page 69, the Authorised Corporate Director is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Authorised Corporate Director is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Authorised Corporate Director is responsible for assessing the company's and each of the sub-funds ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Authorised Corporate Director either intends to wind up or terminate the company or individual sub-fund, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

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

Use of this report

This report, including the opinions, has been prepared for and only for the Company's shareholders 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.

OTHER REQUIRED REPORTING

OPINION ON MATTER REQUIRED 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.

COLLECTIVE INVESTMENT SCHEMES SOURCEBOOK EXCEPTION REPORTING

Under the Collective Investment Schemes sourcebook we are also 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.

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
31 July 2018

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 regulation is the Aviva Investors Multi- Strategy Target Income Fund which is permitted to engage in Total Return Swaps ("TRS") and Repurchase transactions ("Repos").

During the year, Aviva Investors Multi-Strategy Target Income Fund did not undertake securities financing transactions or use TRS and Repos.

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.

