

AVIVA INVESTORS INVESTMENT FUNDS ICVC

Annual Report and Financial Statements

For the year ended 15 October 2016

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

COMPANY INFORMATION

AUTHORISED CORPORATE DIRECTOR

Aviva Investors UK Fund Services Limited
St Helen's
1 Undershaft
London, EC3P 3DQ

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

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

DIRECTORS

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

ADMINISTRATOR AND REGISTRAR

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

INVESTMENT MANAGER

Aviva Investors Global Services Limited
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.

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

TRUSTEE AND DEPOSITARY

Citibank Europe plc, UK Branch
Citigroup Centre
25 Canada Square, Canary Wharf
London, E14 5LB

Citibank Europe plc is authorised and regulated by the Central Bank of Ireland, however, the UK branch is subject to Financial Conduct Authority (FCA) regulation.

On 1 January 2016, the Trustee and Depositary, Citibank International Limited, was replaced by Citibank Europe plc, UK Branch. All legal obligations, personnel and resources of Citibank International Limited were transferred to Citibank Europe plc, UK Branch. Citibank Europe plc, UK Branch, has the same substance and capability as Citibank International Limited.

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
7 More London Riverside
London, SE1 2RT

PricewaterhouseCoopers LLP have been reappointed as auditors of the Company.

REPORT OF THE AUTHORISED CORPORATE DIRECTOR

THE COMPANY

Aviva Investors Investment Funds ICVC ("the Company") is an Open-Ended Investment Company (OEIC) with variable capital incorporated in England and Wales on 9 September 1998. The property of the Company is entrusted to Citibank Europe plc, UK Branch ("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, money market instruments, units in collective investment schemes, deposits and derivatives and forward transactions in accordance with the COLL Sourcebook with the aim of spreading investment risk and giving its shareholders the benefit of the results of the management of that property.

The Company has an umbrella structure which means that it contains many Funds, 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. There are currently 17 Funds in the Aviva Investors Investment Funds ICVC.

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

REMUNERATION POLICY

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

The ACD is also required to disclose a range of information in relation to UCITS remuneration paid in respect of each full performance period after the implementation of UCITS V. As the first full performance period for the ACD will be the period from 1 January 2017 to 31 December 2017, that information is therefore not available to the ACD for this annual accounting period and as such no remuneration disclosures have been included in these financial statements. A full remuneration disclosure setting out the information required by COLL 4.5.7R(7) will be included in the annual financial statements from the year ended 15 October 2018.

AUTHORISED STATUS

From 9 September 1998 the Company has been authorised as an Open-Ended Investment Company under Regulation 7 of the Open-Ended Investment Companies Regulations 1996 (superseded by Regulation 12 of the Open-Ended Investment Companies Regulations 2001). The Company is a UCITS Scheme operating under the COLL Sourcebook and is constituted as an "umbrella company" under the Regulations, which means that the Company issues shares linked to different Funds.

THE FINANCIAL STATEMENTS

We are pleased to present the annual financial statements of the Company for the year ended 15 October 2016. As required by the Regulations, information for each of the Funds has been included in these financial statements. On the following pages we review the performance of each of those Funds during the year. We hope that you find our review useful and informative.

ANNUAL GENERAL MEETINGS

The Company will not be holding Annual General Meetings.

REPORT OF THE AUTHORISED CORPORATE DIRECTOR (CONTINUED)

CHANGES TO THE PROSPECTUS

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

Aviva Investors UK Growth Fund – closure of Share Class 3 (Accumulation)

With effect from 30 July 2015, the ACD closed Accumulation Share Class 3 for the Aviva Investors UK Growth Fund.

Aviva Investors UK Index Tracking Fund and Aviva Investors International Index Tracking Fund – AMC Reductions

The AMC for Share Class 1 of the Aviva Investors UK Index Tracking Fund and the Aviva Investors International Tracking Fund was changed from 0.90% to 0.60% with effect from 8 February 2016.

The AMC for Share Class A of the Aviva Investors UK Index Tracking Fund was changed from 1.50% to 0.15% with effect from 25 July 2016, and was further reduced to 0.10% with effect from 1 November 2016.

Closure of Funds

On 9 February 2016 the termination of the Aviva Investors Blue Chip Tracking Fund, the Aviva Investors Balanced Managed Fund, and the Aviva Investors UK Income and Growth Fund was completed and the FCA authorisation of the funds was revoked.

Aviva Investors Multi-Strategy Target Return Fund – changes to Share Class 3

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

Aviva Investors Strategic Bond Fund – launch of Share Class 5

On 28 October 2016, a new share class 5 (income) was launched in the Aviva Investors Strategic Bond Fund. Full details of this class are set out in the prospectus.

Aviva Investors Multi-Strategy Target Return Fund – Addition of eligible securities markets

Following approval by the depositary, over the course of the period, the Mauritius Stock Exchange, the Pakistan Stock Exchange, the Abu Dhabi Securities Market, the Dubai Financial Market, the NASDAQ Dubai, Colombia Stock Exchange, the Qatar Exchange, the Moscow Exchange, the Colombo Stock Exchange, and the NYSE ARCA have been added as eligible securities markets for the Aviva Investors Multi-Strategy Target Return Fund.

SIGNIFICANT INFORMATION

FATCA AND CRS REPORTING

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

REGULAR SAVINGS MANDATES SET UP BEFORE 31 DECEMBER 2012

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

MANAGER'S MARKET REVIEW

EQUITY MARKET REVIEW

International equities performed well as investors were confident that interest rates globally would remain lower for longer. Indeed, asset markets found impetus as the central banks of the UK, Eurozone and Japan chose to expand their respective economic stimulus programmes. The year was also characterised by the changing fortunes of the commodity markets. The price of oil and other basic materials plunged over the winter in reaction to worries about demand from the stuttering Chinese economy. However, as these fears abated, the markets recovered, allowing resources stocks to regain some of the lost ground. Returns for Sterling-based investors in overseas assets were boosted by a sharp depreciation of the pound in the wake of the shock vote by the UK to leave the EU.

FIXED INCOME – CORPORATE AND HIGH-YIELD BONDS

Fixed income markets enjoyed strong returns as the world's main central banks continued to use, and in some cases expand, the bulk purchase of bonds as a means of stimulating economic growth. Markets were also boosted by strong ongoing demand for assets that were deemed able to both generate income and offer shelter from the global political and economic uncertainties that were present over the period. The markets weakened in the final months of the quarter, however, as signs that the central banks of Japan and the Eurozone were contemplating de-emphasising bond purchasing as their main monetary policy weapon. Worries that inflationary pressures were picking up around the world also weighed on confidence.

November 2016

Source of market data: FactSet, Bloomberg

Past performance is not a guide to the future. The value of an investment and any income from it can go down as well as up. Investors may not get back the original amount invested. 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 securities.

STATEMENT OF CROSS HOLDINGS

There are no cross holdings as at 15 October 2016.

POLICIES AND RISKS

ACCOUNTING POLICIES

a Basis of accounting

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

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

All of the Funds have been prepared on a going concern basis.

b Share classes

The Funds have three types of share classes; retail shares (classes 1, A, 2*, 4 and 6), institutional shares (classes 2* and R3) 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 accumulation shares only, some consist of income shares only, whilst others consist of both accumulation and income shares.

* For the Aviva Investors Cash Fund only, share class 2 has been deemed to be a retail share class, rather than an institutional share class.

Share class 1 of the following funds is priced in accordance with the CAT standard (Charges, Access, Terms standard).

- Aviva Investors UK Equity
- Aviva Investors UK Equity Income
- Aviva Investors UK Growth
- Aviva Investors UK Index Tracking
- Aviva Investors Higher Income Plus
- Aviva Investors European Equity
- Aviva Investors Corporate Bond

With the exception of the Aviva Investors UK Index Tracking Fund, the total charges borne by share class 1 in these Funds are limited to the ACD's periodic charge, which will be no more than 0.60% per annum. All other expenses for share class 1 are rebated by the ACD. In respect of the Aviva Investors UK Index Tracking Fund, additional expenses may be levied against share class 1, although the total charges borne by the share class will not exceed 0.70% per annum at any time.

With the exception of the Aviva Investors UK Index Tracking Fund, share class 1 in these Funds has been closed to new investment from 3 March 2003 and all new retail investments are shown in the share class A. This is not a CAT standard class and hence the total charges borne by the share class may exceed 1%.

The expenses of share class A of Aviva Investors UK Index Tracking Fund are limited to the ACD's periodic charge. All other expenses for this share class are rebated by the ACD.

The expenses of share classes 2, 5 and 6 of the Aviva Investors Multi-Strategy Target Return Fund are limited to the ACD's periodic charge and the registration fee. All other expenses for these share classes are rebated by the ACD.

c Recognition of revenue

Dividends are recognised when the investment is quoted ex-dividend.

Interest arising on interest stocks is recognised on an effective yield basis. Deposit interest and other revenues are recognised on an accruals basis.

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.

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

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.

POLICIES AND RISKS (CONTINUED)

ACCOUNTING POLICIES (CONTINUED)

g Basis of valuation of investments

Quoted investments

The quoted investments of the Company have been valued at bid market value at midday on the last working day of the accounting period with the exception of Aviva Investors UK Index Tracking Fund which was valued at bid market value at 5.00 p.m. and Aviva Investors Multi-Strategy Target Return Fund which was valued at bid market value at 11.59 p.m.

Unquoted and unapproved investments

The unquoted and unapproved investments of the Company have been valued by the Investment Manager using available information 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 the aggregate positions in each currency.

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 except for the Aviva Investors UK Index Tracking Fund which is translated at 5.00 p.m. and Aviva Investors Multi-Strategy Target Return Fund which was valued at bid market value at 11.59 p.m. Revenue 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 and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred taxation is provided using the liability method on all timing differences, and is calculated at the rate at which it is anticipated the timing differences will reverse. Deferred tax assets are recognised only when, on the basis of available evidence, it is more likely than not that there will be taxable profits in the future against which the deferred tax asset can be offset.

j Unclaimed distributions

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

DISTRIBUTION POLICIES

a Distribution policy

Where appropriate the Company will pay any surplus revenue as a revenue distribution or accumulation to capital. The following Funds were more than 60% invested in qualifying investments and so have proposed interest distributions:

- Aviva Investors Higher Income Plus Fund
- Aviva Investors Managed High Income Fund
- Aviva Investors Monthly Income Plus Fund
- Aviva Investors Distribution Fund
- Aviva Investors Corporate Bond Fund
- Aviva Investors Cash Fund
- Aviva Investors High Yield Bond Fund
- Aviva Investors Strategic Bond Fund

All other Funds have proposed dividend distributions. Full details are set out in the distribution tables.

b Treatment of stock dividends

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

c Treatment of management expenses

All expenses are charged to revenue on an accruals basis. For the purposes of the distribution, 100% of the ACD's periodic charge of the Aviva Investors UK Equity Income Fund and the Aviva Investors Global Equity Income Fund, and 50% of the ACD's periodic charge of the Aviva Investors Distribution Fund, is deducted from capital.

FINANCIAL INSTRUMENTS

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

The Company also enters into derivative transactions in the form of forward foreign currency contracts, credit default swaps, interest rate swaps, equity variance swaps, options and stock index futures. The Aviva Investors Multi-Strategy Target Return Fund uses these financial instruments as a cheaper or more liquid alternative to other investments, to hedge or reduce overall risk, or in pursuit of its investment objectives. All other Funds use these financial instruments for the purposes of efficient portfolio management. In particular, forward foreign currency contracts are used to manage currency risk arising from holdings of overseas securities. Stock index futures are used to manage market price risk arising from the time lag between funds being receivable or payable by the Company and investment or disinvestment in underlying securities.

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

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

POLICIES AND RISKS (CONTINUED)

FINANCIAL INSTRUMENTS (CONTINUED)

In accordance with requirements set out in the Collective Investment Schemes Sourcebook of the Financial Conduct Authority, such scheme transactions must be economically appropriate, any exposure must be fully covered and the transactions must be entered into with the aim of reducing risk and/or costs and/or generating additional capital or revenue for the scheme with no, or an acceptably low level of risk.

The Company's use of financial instruments satisfies these requirements and no trading in financial instruments is undertaken. The Company has exposure to a number of different risks to varying degrees. The main risks it faces from its financial instruments and the Manager's policies for managing these risks are summarised below:

a Foreign currency risk

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

b Interest rate risk

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

c Market risk

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

d Credit risk

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

The Funds are exposed to the risk that a bond issuer may default on the interest payments or the redemption of the bond. The Funds manage this risk by due consideration to interest rate and redemption profiles and maintaining a balanced portfolio with the credit worthiness of the bond issuer.

e Liquidity risk

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

f Counterparty Risk

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

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

AVIVA INVESTORS UK EQUITY FUND

INVESTMENT OBJECTIVE

Long term capital appreciation and income.

INVESTMENT POLICY

Diversified investment within the UK equity market. Individual security selections will be based on price and long term total return prospects.

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

FUND MANAGER'S REPORT

Over the twelve months ended 15 October 2016, the Aviva Investors UK Equity Fund delivered a total return of 12.51 per cent (share class A), net of fees, compared with an average return of 10.50 per cent for its peer group, the Investment Association UK All Companies sector. The FTSE® All-Share Index, the Fund's benchmark, returned 13.95 per cent.

Overall, sector allocation detracted from performance relative to the benchmark FTSE® All Share Index over the reporting period. Limited exposure to energy stocks detracted from returns, as the recovery in the oil price since February has led investors to upgrade earnings forecasts for the industry. Likewise, a cautious approach to investing in mining stocks detracted as commodity markets have rallied in recent months. These factors offset our exposure to the technology sector, which performed strongly due to a successful takeover bid from Japanese group Softbank for chip designer ARM Holdings. This lifted share prices and a cautious approach to investing in banks. The latter was beneficial as concerns about non-performing loans and a Brexit-induced downturn in the UK economy affected sentiment towards the sector.

Stakes in BBA Aviation, Melrose Industries, Ashtead and Compass helped relative performance. Flight support group BBA Aviation delivered encouraging interim results with a strong contribution from its acquisition of Landmark Aviation, completed in February. Investors reacted positively to Melrose Industries' recent acquisition of US group Nortek, a manufacturer of home ventilation systems, providing exposure to the recovering US construction market. Melrose has established a strong track record of acquiring manufacturing companies, improving and investing in the business and then subsequently disposing of them at a higher price. Earnings announcements from both industrial equipment hire group Ashtead and catering company Compass highlighted the strength of their US businesses. In contrast, exposure to the telecoms sector detracted as the performance of holdings in BT and satellite operator Inmarsat was disappointing. BT's share price weakened after UK telecom industry regulator Ofcom ruled that the operator must cut costs, speed up broadband installation and open its network to rivals. Inmarsat's share price fell back on negative market sentiment towards the satellite industry, largely fuelled by issues surrounding its competitors which are unrelated to the company's business.

We exited our positions in Restaurant Group, Majestic Wine and Stagecoach, and established a new holding in Royal Dutch Shell. We believe trading conditions for Restaurant Group could well deteriorate in response to competitive pressures and a higher national minimum wage. Lower petrol costs are squeezing Stagecoach's regional bus business, causing passengers to migrate back to car usage. Royal Dutch Shell is embarking on an extensive cost cutting programme following the acquisition of BG Group, which should generate sufficient cash flow to cover dividend payments over the near-term.

Looking ahead, it will be some time before the full implications of the EU referendum vote become apparent and we expect the UK equity market to remain focused on short-term political and economic news flow. The Bank of England has reacted swiftly to Brexit-related concerns and there are signs that their policy initiatives have helped to avert a sharp slowdown in the UK economy. The new Chancellor is adopting a more pragmatic approach towards fiscal policy than his predecessor, abandoning the target of reaching a budget surplus by 2020, and fiscal policy should become more supportive for economic growth. This reflects understandable concerns that the UK economy faces significant downside risks in the near-term and during official EU exit negotiations over the next two years.

November 2016

Sources: Fund and peer group performance figures – Lipper, a Thomson Reuters Company, mid to mid basis with net income reinvested in GBP, with no initial charges applied. Market data – Bloomberg.

As noted above, the performance figures in this commentary have been sourced from an external party and are based on published prices. The performance figures quoted in the comparative tables on pages 12 and 13 are based on the net asset value per the published accounts and may be different due to post year end accounting adjustments.

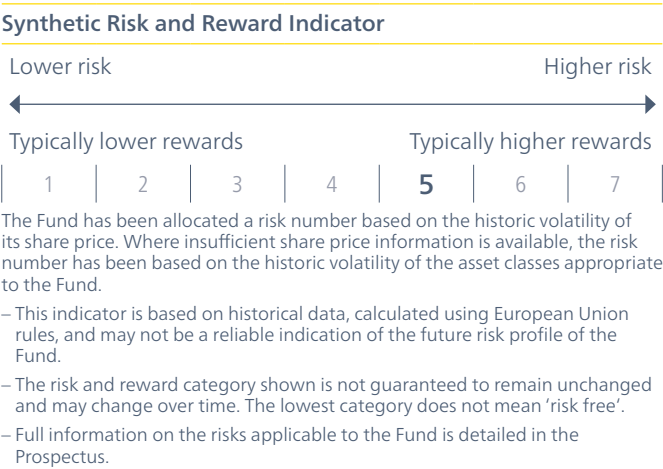
Any opinions expressed are those of the Fund manager. They should not be viewed as a guarantee of a return from an investment in the Funds. The content of the commentary should not be viewed as a recommendation to invest nor buy or sell securities. Past performance is not a guide to the future. The value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

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Material Portfolio Changes

Purchases	Sales
Aviva Investors Sterling Liquidity Fund Class 3	Aviva Investors Sterling Liquidity Fund Class 3
Royal Dutch Shell 'B'	BG Group
DS Smith	Restaurant Group
BBA Aviation	BBA Aviation
Tritax Big Box	Carnival
Young & Co's Brewery, (Non-Voting)	RELX
Imperial Brands	Stagecoach
Moneysupermarket.com Group	Melrose Industries
McCarthy & Stone	Sky
Melrose Industries	Schroders

AVIVA INVESTORS UK EQUITY FUND (CONTINUED)



COMPARATIVE TABLES

Class 1 Income	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	102.42	92.91	96.94
Return before operating charges [†]	14.52	12.87	(0.83)
Operating charges	(1.06)	(1.04)	(1.00)
Return after operating charges [†]	13.46	11.83	(1.83)
Distributions on income shares	(2.75)	(2.32)	(2.20)
Closing net asset value per share	113.13	102.42	92.91
Retained distributions on accumulation shares	–	–	–
[†] after direct transaction costs of	(0.11)	(0.10)	(0.20)
Performance			
Return after charges	13.14%	12.73%	(1.89)%
Other information			
Closing net asset value (£000)	145,857	145,153	139,746
Closing number of shares	128,923,392	141,720,417	150,409,203
Operating charges (%) [†]	1.00%	1.00%	1.00%
Direct transaction costs (%) [#]	0.10%	0.10%	0.20%
Prices^{**}			
Highest share price	117.05	111.65	104.61
Lowest share price	95.29	89.94	93.51

Class 2 Accumulation	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	231.90	205.30	208.97
Return before operating charges [†]	33.07	28.49	(1.89)
Operating charges	(1.98)	(1.89)	(1.78)
Return after operating charges [†]	31.09	26.60	(3.67)
Distributions on income shares	–	–	–
Closing net asset value per share	262.99	231.90	205.30
Retained distributions on accumulation shares	6.69	5.55	5.17
[†] after direct transaction costs of	(0.24)	(0.23)	(0.44)
Performance			
Return after charges	13.41%	12.96%	(1.76)%
Other information			
Closing net asset value (£000)	15,142	26,625	13,821
Closing number of shares	5,757,476	11,481,389	6,731,818
Operating charges (%) [†]	0.82%	0.82%	0.82%
Direct transaction costs (%) [#]	0.10%	0.10%	0.20%
Prices^{**}			
Highest share price	268.14	249.04	225.65
Lowest share price	215.86	199.10	203.86

Class 2 Income	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	125.55	113.89	118.86
Return before operating charges [†]	17.81	15.78	(1.04)
Operating charges	(1.07)	(1.05)	(1.01)
Return after operating charges [†]	16.74	14.73	(2.05)
Distributions on income shares	(3.60)	(3.07)	(2.92)
Closing net asset value per share	138.69	125.55	113.89
Retained distributions on accumulation shares	–	–	–
[†] after direct transaction costs of	(0.13)	(0.13)	(0.25)
Performance			
Return after charges	13.33%	12.93%	(1.72)%
Other information			
Closing net asset value (£000)	18,299	10,537	13,678
Closing number of shares	13,194,246	8,392,714	12,010,081
Operating charges (%) [†]	0.82%	0.82%	0.82%
Direct transaction costs (%) [#]	0.10%	0.10%	0.20%
Prices^{**}			
Highest share price	143.60	136.89	128.33
Lowest share price	116.88	110.25	114.74

Class 3 Income	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	203.08	184.22	192.31
Return before operating charges [†]	28.87	25.53	(1.73)
Operating charges	(0.68)	(0.66)	(0.64)
Return after operating charges [†]	28.19	24.87	(2.37)
Distributions on income shares	(6.89)	(6.01)	(5.72)
Closing net asset value per share	224.38	203.08	184.22
Retained distributions on accumulation shares	–	–	–
[†] after direct transaction costs of	(0.21)	(0.21)	(0.40)
Performance			
Return after charges	13.88%	13.50%	(1.23)%
Other information			
Closing net asset value (£000)	74,624	66,215	59,406
Closing number of shares	33,258,354	32,605,856	32,247,711
Operating charges (%) [†]	0.32%	0.32%	0.32%
Direct transaction costs (%) [#]	0.10%	0.10%	0.20%
Prices^{**}			
Highest share price	232.85	221.58	208.02
Lowest share price	189.36	178.32	186.08

COMPARATIVE TABLES (CONTINUED)

	2016 p per share	2015 p per share	2014 p per share
Class A Income			
Change in net assets per share			
Opening net asset value per share	134.06	121.61	126.87
Return before operating charges [†]	18.96	16.84	(1.08)
Operating charges	(2.25)	(2.20)	(2.12)
Return after operating charges [†]	16.71	14.64	(3.20)
Distributions on income shares	(2.73)	(2.19)	(2.06)
Closing net asset value per share	148.04	134.06	121.61
Retained distributions on accumulation shares	–	–	–
[†] after direct transaction costs of	(0.14)	(0.14)	(0.26)
Performance			
Return after charges	12.46%	12.04%	(2.52)%
Other information			
Closing net asset value (£000)	10,221	12,973	22,347
Closing number of shares	6,904,462	9,677,153	18,376,015
Operating charges (%) [‡]	1.62%	1.62%	1.62%
Direct transaction costs (%) [#]	0.10%	0.10%	0.20%
Prices[≈]			
Highest share price	152.74	146.02	136.57
Lowest share price	124.47	117.74	121.99

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

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

(b) The Ongoing Charge 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.

Ongoing Charges Figure*

Share class	15.10.16	15.10.15
Class 1	1.00%	1.00%
Class 2	0.82%	0.82%
Class 3	0.32%	0.32%
Class A	1.62%	1.62%

* 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 for share class 1 is capped at 1.00%. 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 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Equities 99.36% (98.53%)				
Consumer Discretionary 16.57% (25.22%)				
Hotels, Restaurants & Leisure 7.04% (8.01%)				
Carnival	GBP	73,695	2,787	1.06
Compass Group	GBP	684,733	10,257	3.88
Merlin Entertainments	GBP	542,755	2,453	0.93
Young & Co's Brewery, (Non-Voting)#	GBP	294,456	3,095	1.17
			18,592	7.04
Media 6.31% (9.97%)				
Cineworld Group	GBP	791,267	4,368	1.65
Daily Mail & General Trust 'A'	GBP	475,339	3,513	1.33
ITV	GBP	2,512,433	4,344	1.65
Sky	GBP	522,291	4,442	1.68
			16,667	6.31
Specialty Retail 3.22% (3.82%)				
BCA Marketplace	GBP	3,944,949	7,022	2.66
Sports Direct International	GBP	534,193	1,495	0.56
			8,517	3.22
Consumer Discretionary total			43,776	16.57
Consumer Staples 11.61% (9.89%)				
Beverages 0.76% (0.61%)				
Fevertree Drinks#	GBP	210,553	2,002	0.76
			2,002	0.76
Food & Staples Retailing 0.00% (0.77%)				
Household Products 4.10% (3.17%)				
Reckitt Benckiser Group	GBP	145,536	10,828	4.10
			10,828	4.10
Personal Products 3.03% (2.60%)				
Unilever	GBP	225,393	8,013	3.03
			8,013	3.03
Tobacco 3.72% (2.74%)				
British American Tobacco	GBP	84,033	4,104	1.55
Imperial Brands	GBP	146,866	5,730	2.17
			9,834	3.72
Consumer Staples total			30,677	11.61
Energy 7.71% (4.31%)				
Oil, Gas & Consumable Fuels 7.71% (4.31%)				
BP	GBP	1,408,614	6,931	2.62
Royal Dutch Shell 'B'	GBP	609,291	13,438	5.09
			20,369	7.71
Energy total			20,369	7.71
Financials 15.58% (18.09%)				
Banks 3.36% (3.90%)				
HSBC Holdings	GBP	1,026,321	6,365	2.41
Lloyds Banking Group	GBP	4,712,230	2,507	0.95
			8,872	3.36
Capital Markets 5.73% (7.57%)				
Close Brothers Group	GBP	288,853	3,825	1.45
Intermediate Capital Group	GBP	865,312	5,157	1.95
Rathbone Brothers	GBP	201,246	3,580	1.36
Schroders	GBP	92,846	2,570	0.97
			15,132	5.73

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Diversified Financial Services 1.13% (0.88%)				
Sherborne Investors Guernsey B	GBP	2,347,036	2,981	1.13
			2,981	1.13
Insurance 5.36% (5.74%)				
Aviva [†]	GBP	739,664	3,324	1.26
Legal & General Group	GBP	1,343,782	2,852	1.08
Prudential	GBP	568,458	7,981	3.02
			14,157	5.36
Financials total			41,142	15.58
Health Care 6.90% (5.94%)				
Health Care Equipment & Supplies 2.84% (2.65%)				
Smith & Nephew	GBP	611,426	7,514	2.84
			7,514	2.84
Health Care Providers & Services 0.59% (0.00%)				
McCarthy & Stone	GBP	913,955	1,545	0.59
			1,545	0.59
Pharmaceuticals 3.47% (3.29%)				
GlaxoSmithKline	GBP	539,794	9,160	3.47
			9,160	3.47
Health Care total			18,219	6.90
Industrials 14.13% (10.57%)				
Building Products 1.04% (0.79%)				
Volution Group	GBP	1,620,384	2,755	1.04
			2,755	1.04
Commercial Services & Supplies 2.15% (1.56%)				
Rentokil Initial	GBP	2,510,375	5,681	2.15
			5,681	2.15
Electrical Equipment 1.55% (1.24%)				
Melrose Industries	GBP	2,300,727	4,089	1.55
			4,089	1.55
Professional Services 3.32% (4.49%)				
RELX	GBP	601,889	8,781	3.32
			8,781	3.32
Road & Rail 0.74% (2.14%)				
Northgate	GBP	454,203	1,942	0.74
			1,942	0.74
Trading Companies & Distributors 2.41% (1.49%)				
Ashtead Group	GBP	475,745	6,375	2.41
			6,375	2.41
Transportation Infrastructure 2.92% (2.28%)				
BBA Aviation	GBP	3,010,965	7,702	2.92
			7,702	2.92
Industrials total			37,325	14.13
Information Technology 8.55% (6.22%)				
Internet Software & Services 0.80% (0.00%)				
Moneysupermarket.com Group	GBP	760,852	2,121	0.80
			2,121	0.80
IT Services 3.03% (2.39%)				
Worldpay Group	GBP	2,734,923	8,013	3.03
			8,013	3.03

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Software 4.72% (3.83%)				
Sage Group	GBP	1,701,116	12,461	4.72
			12,461	4.72
Information Technology total			22,595	8.55
Materials 7.46% (6.17%)				
Chemicals 2.27% (2.69%)				
Essentra	GBP	335,642	1,757	0.66
Johnson Matthey	GBP	119,304	4,248	1.61
			6,005	2.27
Containers & Packaging 2.18% (0.00%)				
DS Smith	GBP	1,412,159	5,756	2.18
			5,756	2.18
Metals & Mining 3.01% (3.48%)				
Rio Tinto	GBP	301,799	7,945	3.01
			7,945	3.01
Materials total			19,706	7.46
Real Estate 1.21% (0.00%)				
Equity Real Estate Investment Trusts (REITs) 1.21% (0.00%)				
Tritax Big Box	GBP	2,382,524	3,181	1.21
			3,181	1.21
Real Estate total			3,181	1.21
Telecommunication Services 7.98% (9.06%)				
Diversified Telecommunication Services 4.76% (5.68%)				
BT Group	GBP	2,275,261	8,471	3.21
Inmarsat	GBP	573,487	4,095	1.55
			12,566	4.76
Wireless Telecommunication Services 3.22% (3.38%)				
Vodafone Group	GBP	3,783,185	8,506	3.22
			8,506	3.22
Telecommunication Services total			21,072	7.98
Utilities 1.66% (3.06%)				
Multi-Utilities 1.66% (3.06%)				
National Grid	GBP	409,321	4,380	1.66
			4,380	1.66
Utilities total			4,380	1.66
Equities total			262,442	99.36
Liquidity Funds 0.49% (2.18%)				
Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP [†]	GBP	1,300,000	1,300	0.49
Liquidity Funds total			1,300	0.49
Investment assets			263,742	99.85
Net other assets			401	0.15
Net assets			264,143	100.00

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

The comparative percentage figures in brackets are as at 15 October 2015.

Security traded on another regulated market.

† Investment in or managed by a related party.

STATEMENT OF TOTAL RETURN

For the year ended 15 October 2016

	Notes	£000	Year ended 15.10.16 £000	£000	Year ended 15.10.15 £000
Income					
Net capital gains	2		25,749		25,965
Revenue	3	9,285		8,544	
Expenses	4	(2,130)		(2,258)	
Net revenue before taxation		7,155		6,286	
Taxation	5	–		–	
Net revenue after taxation			7,155		6,286
Total return before distributions			32,904		32,251
Distributions	6		(7,161)		(6,291)
Change in net assets attributable to shareholders from investment activities			25,743		25,960

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 15 October 2016

	£000	Year ended 15.10.16 £000	£000	Year ended 15.10.15 £000
Opening net assets attributable to shareholders		261,503		248,998
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	13,553		23,469	
Amounts payable on cancellation of shares	(37,086)		(37,461)	
		(23,533)		(13,992)
Change in net assets attributable to shareholders from investment activities (see above)		25,743		25,960
Retained distribution on accumulation shares		428		532
Unclaimed distribution monies		2		5
Closing net assets attributable to shareholders		264,143		261,503

BALANCE SHEET

As at 15 October 2016

	Notes	As at 15.10.16 £000	As at 15.10.15 £000
Assets:			
Investments	7	263,742	263,365
Current assets:			
Debtors	8	880	3,056
Cash and bank balances	9	4,411	5,129
Total assets		269,033	271,550
Liabilities:			
Creditors:			
Distribution payable		(3,890)	(3,573)
Other creditors	10	(1,000)	(6,474)
Total liabilities		(4,890)	(10,047)
Net assets attributable to shareholders		264,143	261,503

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting basis and policies

Please see pages 7 and 8 for accounting basis and policies.

There has been no changes to the financial position or financial performance of the Fund as a result of preparing these statements in accordance with SORP 2014 rather than SORP 2010.

2 Net capital gains

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Net capital gains on investments during the year comprise:		
Expenses relating to the purchase and sale of investments	(2)	(1)
Non-derivative securities gains	25,751	25,966
Net capital gains	25,749	25,965

3 Revenue

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Bank and deposit interest	9	18
Overseas dividends	53	118
Property income distributions	85	–
UK dividends	9,101	8,397
Underwriting commission	37	11
Total revenue	9,285	8,544

4 Expenses

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Payable to the Authorised Corporate Director ("ACD"), associates of the ACD or agents of either of them:		
ACD's periodic charge	2,052	2,188
Registration fees	48	46
	2,100	2,234
Payable to the Depositary, associates of the Depositary or agents of either of them:		
Depositary's fee	32	28
Interest payable	3	–
Safe custody fee	5	5
	40	33
Other expenses:		
Audit fee*	10	10
Printing & postage expenses	–	3
Statement fees	11	11
	21	24
Total expenses	2,161	2,291
Less those expenses rebated by the ACD	(31)	(33)
Net expenses	2,130	2,258

* The audit fee was £8,848 (2015: £8,241) net of VAT.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Taxation**a Analysis of tax charge**

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Corporation tax	–	–
Total current tax (see note 5b)	–	–

b Factors affecting current tax charge

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

The differences are explained below:

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Net revenue before taxation	7,155	6,286
Corporation tax at 20%	1,431	1,257
Effects of:		
Movement in excess expenses	400	446
Overseas dividends not subject to corporation tax	(11)	(24)
UK dividends not subject to corporation tax	(1,820)	(1,679)
	(1,431)	(1,257)
Current tax charge (see note 5.a)	–	–

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 year end (2015: £nil).

After claiming relief against accrued income taxable on receipt, the Fund has unrelieved excess expenses of £44,558,000 (2015: £42,559,000) creating a potential deferred tax asset of £8,912,000 (2015: £8,512,000). It is unlikely that the Fund will generate taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

6 Distributions

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:		
Interim distribution	2,849	2,341
Final distribution	4,122	3,974
	6,971	6,315
Add: Revenue deducted on cancellation of shares	271	194
Deduct: Revenue received on issue of shares	(81)	(218)
Total distributions	7,161	6,291
Reconciliations of distributions for the year to net revenue after taxation		
Distributions for the year	7,161	6,291
Equalisation on conversions	(6)	(5)
Net revenue after taxation	7,155	6,286

Details of the distributions per share are set out in the distribution tables on page 25.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 Fair value hierarchy

Valuation technique	Assets at 15.10.16 £000	Assets at 15.10.15 £000
Quoted prices for identical instruments in active markets	262,442	257,665
Prices of recent transactions for identical instruments	1,300	5,700
Total value	263,742	263,365

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 to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

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

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

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

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

8 Debtors

	As at 15.10.16 £000	As at 15.10.15 £000
Accrued revenue	708	399
Amounts receivable on issue of shares	46	110
Sales awaiting settlement	126	2,547
Total debtors	880	3,056

9 Cash and bank balances

	As at 15.10.16 £000	As at 15.10.15 £000
Cash and bank balances	4,411	5,129
Total cash and bank balances	4,411	5,129

10 Other creditors

	As at 15.10.16 £000	As at 15.10.15 £000
Accrued expenses	280	307
Amounts payable for cancellation of shares	210	95
Purchases awaiting settlement	510	6,072
Total creditors	1,000	6,474

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11 Contingent liabilities and commitments

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

12 Related party transactions

ACD periodic charges paid to Aviva Investors UK Fund Services Limited ("the ACD") are shown in note 4 and details of shares issued and cancelled by the ACD are shown in the statement of change in net assets attributable to shareholders. The balance due to the ACD at the year end in respect of ACD periodic charges was £251,000 (2015: £277,000). Any balance due from the ACD in respect of issues is shown in note 8. Any balance due to the ACD in respect of cancellations is shown in note 10.

Distributions payable to the ACD and related parties of the ACD during the year amounted to £2,421,000 (2015: £2,056,000). The amount outstanding at the year end was £1,425,000 (2015: £1,253,000). Related parties of the ACD are deemed to be all companies under the control of Aviva Plc. This will include companies which hold shares in the Fund on behalf of other external investors.

Any 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 £26,700,000 (2015: £96,000) and £25,400,000 (2015: £2,000,000) respectively. The income received during the year amounted to £168,000 (2015: £138,000).

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

	Holdings at 15.10.16 (shares)	Movement (shares)	Holdings at 15.10.15 (shares)
ACD and related parties (share class 1 Income shares)	241,946	(38,427)	280,373
ACD and related parties (share class 2 Income shares)	803,616	290,258	513,358
ACD and related parties (share class 2 Accumulation shares)	1,567,935	82,027	1,485,908
ACD and related parties (share class 3 Income shares)	33,258,354	652,498	32,605,856
ACD and related parties (share class A Income shares)	3,365	(3,683)	7,048

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

13 Shareholder funds

The Fund currently has four share classes: Class 1 and A (Retail), Class 2 (Institutional) and Class 3 (Associated undertakings of Aviva Plc). The annual management charges are as follows:

Class 1: 1.00%

Class 2: 0.70%

Class 3: 0.30%

Class A: 1.50%

The net asset value of the share class, the net asset value per share and the number of shares in the class are shown on pages 12 and 13. The distributions per share are given in the distribution tables on page 25. All the share classes have the same rights on winding up.

14 Shares in issue reconciliation

	Number of shares in issue at 15.10.15	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 15.10.16
Share class 1 Income	141,720,417	3,476,423	(9,655,754)	(6,617,694)	128,923,392
Share class 2 Income	8,392,714	834,996	(3,390,262)	7,356,798	13,194,246
Share class 2 Accumulation	11,481,389	2,479,098	(8,203,011)	–	5,757,476
Share class 3 Income	32,605,856	1,162,584	(510,086)	–	33,258,354
Share class A Income	9,677,153	524,171	(1,458,866)	(1,837,996)	6,904,462

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 Derivatives and other financial instruments

The policies applied in the management of financial instruments are set out on pages 8 and 9.

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 (2015: £nil).

Currency risk

At the year end date, none (2015: none) of the net assets of the Fund were denominated in currencies other than sterling and as such the currency risk is not considered significant.

Interest rate risk

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

At the year end date 2.16% (2015: 4.14%) of the net assets of the Fund were interest bearing and as such the interest rate risk is not considered significant.

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

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

Market price risk

At the year end date, 99.85% (2015: 100.71%) of the net assets of the Fund were invested in ordinary shares or stock units admitted to an official stock exchange. If the market value were to change by 10%, the value of the Fund would change by 9.99%.

16 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.

15.10.16	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
Purchases (excluding in-specie transfers and corporate actions)						
Equities	(37,457)	(40)	(170)	(37,667)	(0.06)%	0.24%
Funds	(26,700)	–	–	(26,700)	0.00%	0.00%
Purchases (include corporate actions activity only)						
Equities	(5,667)	–	–	(5,667)	0.00%	0.00%
	(69,824)	(40)	(170)	(70,034)		
Sales (excluding in-specie transfers and corporate actions)						
Equities	64,099	(64)	–	64,035	0.07%	0.00%
Funds	25,400	–	–	25,400	0.00%	0.00%
	89,499	(64)	–	89,435		
Total		(104)	(170)			
Percentage of Fund average net assets		0.08%	0.13%			

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16 Direct transaction costs (continued)

	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
15.10.15						
Purchases (excluding in-specie transfers and corporate actions)						
Equities	(41,783)	(36)	(150)	(41,969)	(0.09)%	0.36%
	(41,783)	(36)	(150)	(41,969)		
Sales (excluding in-specie transfers and corporate actions)						
Equities	49,872	(74)	–	49,798	0.15%	0.00%
	49,872	(74)	–	49,798		
Total		(110)	(150)			
Percentage of Fund average net assets		0.04%	0.06%			

Dealing spread

As at 15 October 2016, the average portfolio dealing spread was 0.20% (2015: 0.14%). 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.

17 Post balance sheet events

There are no post balance sheet events which require adjustment or disclosure at the year end (2015: £nil).

DISTRIBUTION TABLES

Final distribution payable in pence per share for the six months ended 15 October 2016

Income shares		Net revenue	Equalisation	Final distribution payable 15 December 2016	Final distribution paid 15 December 2015
Share Class 1	Group 1	1.6639	–	1.6639	1.4687
	Group 2	0.8203	0.8436	1.6639	1.4687
Share Class 2	Group 1	2.1577	–	2.1577	1.9175
	Group 2	0.8470	1.3107	2.1577	1.9175
Share Class 3	Group 1	4.0306	–	4.0306	3.6400
	Group 2	2.2984	1.7322	4.0306	3.6400
Share Class A	Group 1	1.7349	–	1.7349	1.4844
	Group 2	0.6631	1.0718	1.7349	1.4844

Accumulation shares		Net revenue	Equalisation	Final distribution payable 15 December 2016	Final distribution paid 15 December 2015
Share Class 2	Group 1	4.0275	–	4.0275	3.4934
	Group 2	2.0240	2.0035	4.0275	3.4934

Final distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 April 2016.

Group 2 shares are those shares purchased after 12:00 noon on 15 April 2016.

Interim distribution paid in pence per share for the six months ended 15 April 2016

Income shares		Net revenue	Equalisation	Interim distribution paid 15 June 2016	Interim distribution paid 15 June 2015
Share Class 1	Group 1	1.0837	–	1.0837	0.8518
	Group 2	0.7600	0.3237	1.0837	0.8518
Share Class 2	Group 1	1.4444	–	1.4444	1.1501
	Group 2	0.9395	0.5049	1.4444	1.1501
Share Class 3	Group 1	2.8545	–	2.8545	2.3730
	Group 2	2.0937	0.7608	2.8545	2.3730
Share Class A	Group 1	0.9913	–	0.9913	0.7067
	Group 2	0.6006	0.3907	0.9913	0.7067

Accumulation shares		Net revenue	Equalisation	Interim distribution paid 15 June 2016	Interim distribution paid 15 June 2015
Share Class 2	Group 1	2.6631	–	2.6631	2.0572
	Group 2	1.3615	1.3016	2.6631	2.0572

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 October 2015.

Group 2 shares are those shares purchased after 12:00 noon on 15 October 2015.

Equalisation

Equalisation applies only to Group 2 shares, in other words shares purchased during the relevant 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 UK EQUITY INCOME FUND

INVESTMENT OBJECTIVE

A dividend yield above that obtainable on the FTSE® All-Share Index.

INVESTMENT POLICY

Investment principally in UK equities judged to offer high yield, above average prospects of dividend growth and long term capital growth.

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

FUND MANAGER'S REPORT

Over the twelve months ended 15 October 2016, the Aviva Investors UK Equity Income Fund delivered a total return of 10.75 per cent (share class A), net of fees, compared with an average return of 9.51 per cent for its peer group the Investment Association UK Equity Income sector. The FTSE® All-Share Index, the Fund's benchmark, returned 13.95 per cent.

Overall, sector allocation detracted from performance relative to the benchmark FTSE® All Share Index over the reporting period. Limited exposure to energy stocks detracted from returns, as the recovery in the oil price since February has led investors to upgrade earnings forecasts for the industry. Likewise, a cautious approach to investing in mining companies, avoiding Glencore and Anglo American amongst the major stocks, affected performance as commodity markets have rallied in recent months.

Within the telecoms sector, the performance of holdings in BT and satellite operator Inmarsat was disappointing. BT's share price weakened after UK telecom industry regulator Ofcom ruled that the operator must cut costs, speed up broadband installation and open its network to rivals. Inmarsat's share price fell back on negative market sentiment towards the satellite industry, largely fuelled by issues surrounding its competitors which are unrelated to the company's business.

The Fund's holdings in Sage, Melrose Industries, BBA Aviation and Intermediate Capital Group were among the leading individual contributors to relative performance. Accountancy software group Sage confirmed it was on track to meet 2015 revenue targets, boosted by demand amongst small businesses for its Sage One product. Investors reacted positively to Melrose Industries' recent acquisition of US group Nortek, a manufacturer of home ventilation systems, providing exposure to the recovering US construction market. Melrose has established a strong track record of acquiring manufacturing companies, improving and investing in the business and then subsequently disposing of them at a higher price. Flight support group BBA Aviation delivered encouraging interim results with a strong contribution from its acquisition of Landmark Aviation, completed in February. Intermediate Capital Group is an alternative asset manager operating in niche areas of the European credit market. Funds under management have grown as institutional investors seek higher yielding alternatives to traditional fixed income investments.

During the review period, we exited our position in Majestic Wine and took up a holding in asset manager Schroders. Following a period of strong performance, we consider Majestic Wine is unlikely to deliver sufficient returns to justify its current valuation. In contrast, Schroders' share price had sold off, which presented us with an attractive entry point as the company has a strong balance sheet with opportunities for long term growth given the recent pension reforms.

Looking ahead, it will be some time before the full implications of the EU referendum vote become apparent and we expect the UK equity market to remain focused on short-term political and economic news flow. The Bank of England has reacted swiftly to Brexit-related concerns and there are signs that their policy initiatives have helped to avert a sharp slowdown in the UK economy. The new Chancellor is adopting a more pragmatic approach towards fiscal policy than his predecessor, abandoning the target of reaching a budget surplus by 2020, and fiscal policy should become more supportive for economic growth. This reflects understandable concerns that the UK economy faces significant downside risks in the near-term and during official EU exit negotiations over the next two years.

November 2016

Sources: Fund and peer group performance figures – Lipper, a Thomson Reuters Company, mid to mid basis with net income reinvested in GBP, with no initial charges applied. Market data – Bloomberg.

As noted above, the performance figures in this commentary have been sourced from an external party and are based on published prices. The performance figures quoted in the comparative tables on pages 28 to 30 are based on the net asset value per the published accounts and may be different due to post year end accounting adjustments.

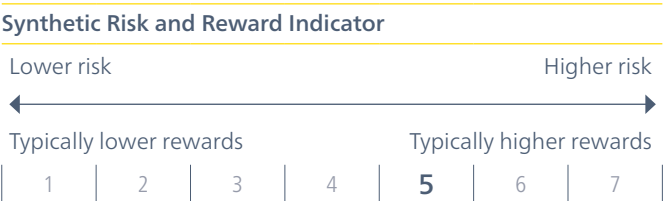
Any opinions expressed are those of the Fund manager. They should not be viewed as a guarantee of a return from an investment in the Funds. The content of the commentary should not be viewed as a recommendation to invest nor buy or sell securities. Past performance is not a guide to the future. The value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

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Material Portfolio Changes

Purchases	Sales
Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP	Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP
BBA Aviation	Rexam
Royal Dutch Shell 'B'	BCA Marketplace
Schroders	Melrose Industries
Melrose Industries	Cineworld Group
ITV	Restaurant Group
Volusion Group	Infinis Energy
Worldpay Group	GlaxoSmithKline
Prudential	Weir Group
Inmarsat	Cobham

AVIVA INVESTORS UK EQUITY INCOME FUND (CONTINUED)



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’.
- The level of targeted income is not guaranteed and may not be achieved.
- Full information on the risks applicable to the Fund is detailed in the Prospectus.

COMPARATIVE TABLES

Class 1 Income	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	83.72	78.13	82.29
Return before operating charges [†]	10.34	10.20	(0.07)
Operating charges	(0.86)	(0.87)	(0.85)
Return after operating charges [†]	9.48	9.33	(0.92)
Distributions on income shares	(3.67)	(3.74)	(3.24)
Closing net asset value per share	89.53	83.72	78.13
Retained distributions on accumulation shares	–	–	–
[†] after direct transaction costs of	(0.04)	(0.18)	(0.12)
Performance			
Return after charges	11.32%	11.94%	(1.12)%
Other information			
Closing net asset value (£000)	139,287	138,861	135,649
Closing number of shares	155,582,460	165,866,162	173,621,542
Operating charges (%) [†]	1.00%	1.00%	1.00%
Direct transaction costs (%) [#]	0.05%	0.21%	0.14%
Prices[™]			
Highest share price	93.33	92.07	87.97
Lowest share price	78.00	75.88	79.65

Class 2 Accumulation	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	161.37	143.92	145.39
Return before operating charges [†]	20.14	18.76	(0.24)
Operating charges	(1.36)	(1.31)	(1.23)
Return after operating charges [†]	18.78	17.45	(1.47)
Distributions on income shares	–	–	–
Closing net asset value per share	180.15	161.37	143.92
Retained distributions on accumulation shares	7.00	6.80	5.62
[†] after direct transaction costs of	(0.08)	(0.34)	(0.21)
Performance			
Return after charges	11.64%	12.12%	(1.01)%
Other information			
Closing net asset value (£000)	71,162	59,340	62,634
Closing number of shares	39,501,131	36,773,502	43,520,970
Operating charges (%) [†]	0.81%	0.81%	0.81%
Direct transaction costs (%) [#]	0.05%	0.21%	0.14%
Prices[™]			
Highest share price	183.70	171.61	155.50
Lowest share price	150.41	139.87	143.14

Class 2 Income	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	133.91	124.60	130.87
Return before operating charges [†]	16.55	16.27	(0.17)
Operating charges	(1.12)	(1.13)	(1.09)
Return after operating charges [†]	15.43	15.14	(1.26)
Distributions on income shares	(5.75)	(5.83)	(5.01)
Closing net asset value per share	143.59	133.91	124.60
Retained distributions on accumulation shares	–	–	–
[†] after direct transaction costs of	(0.07)	(0.29)	(0.19)
Performance			
Return after charges	11.52%	12.15%	(0.96)%
Other information			
Closing net asset value (£000)	143,406	125,679	111,805
Closing number of shares	99,870,076	93,854,102	89,728,475
Operating charges (%) [†]	0.81%	0.81%	0.81%
Direct transaction costs (%) [#]	0.05%	0.21%	0.14%
Prices[™]			
Highest share price	149.62	146.98	139.98
Lowest share price	124.83	121.01	126.95

Class 3 Income	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	183.51	170.06	177.90
Return before operating charges [†]	22.76	22.20	(0.26)
Operating charges	(0.60)	(0.59)	(0.58)
Return after operating charges [†]	22.16	21.61	(0.84)
Distributions on income shares	(8.05)	(8.16)	(7.00)
Closing net asset value per share	197.62	183.51	170.06
Retained distributions on accumulation shares	–	–	–
[†] after direct transaction costs of	(0.09)	(0.40)	(0.26)
Performance			
Return after charges	12.08%	12.71%	(0.47)%
Other information			
Closing net asset value (£000)	506,551	500,206	523,492
Closing number of shares	256,329,095	272,582,752	307,834,066
Operating charges (%) [†]	0.31%	0.31%	0.31%
Direct transaction costs (%) [#]	0.05%	0.21%	0.14%
Prices[™]			
Highest share price	205.96	201.09	190.61
Lowest share price	171.35	165.16	173.34

COMPARATIVE TABLES (CONTINUED)

Class 3 Accumulation	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	259.89	230.63	231.83
Return before operating charges [†]	32.55	30.06	(0.44)
Operating charges	(0.85)	(0.80)	(0.76)
Return after operating charges [†]	31.70	29.26	(1.20)
Distributions on income shares	–	–	–
Closing net asset value per share	291.59	259.89	230.63
Retained distributions on accumulation shares	11.52	11.19	9.25
[†] after direct transaction costs of	(0.13)	(0.54)	(0.34)
Performance			
Return after charges	12.20%	12.69%	(0.52)%
Other information			
Closing net asset value (£000)	9,015	9,430	11,643
Closing number of shares	3,091,577	3,628,507	5,048,287
Operating charges (%) [†]	0.31%	0.31%	0.31%
Direct transaction costs (%) [#]	0.05%	0.21%	0.14%
Prices^{**}			
Highest share price	297.30	275.85	248.41
Lowest share price	242.63	224.15	229.38

Class 4 Accumulation	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	131.35	117.20	118.76
Return before operating charges [†]	16.00	15.61	(0.19)
Operating charges	(1.51)	(1.46)	(1.37)
Return after operating charges [†]	14.49	14.15	(1.56)
Distributions on income shares	–	–	–
Closing net asset value per share	145.84	131.35	117.20
Retained distributions on accumulation shares	5.68	5.53	4.58
[†] after direct transaction costs of	(0.07)	(0.28)	(0.17)
Performance			
Return after charges	11.03%	12.07%	(1.31)%
Other information			
Closing net asset value (£000)	163	125	120
Closing number of shares	111,548	95,164	102,278
Operating charges (%) [†]	1.11%	1.11%	1.11%
Direct transaction costs (%) [#]	0.05%	0.21%	0.14%
Prices^{**}			
Highest share price	148.73	139.51	126.88
Lowest share price	122.00	113.91	116.57

Class 4 Income	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	117.07	109.26	115.10
Return before operating charges [†]	14.44	14.28	(0.13)
Operating charges	(1.33)	(1.36)	(1.32)
Return after operating charges [†]	13.11	12.92	(1.45)
Distributions on income shares	(5.02)	(5.11)	(4.39)
Closing net asset value per share	125.16	117.07	109.26
Retained distributions on accumulation shares	–	–	–
[†] after direct transaction costs of	(0.06)	(0.26)	(0.17)
Performance			
Return after charges	11.20%	11.83%	(1.26)%
Other information			
Closing net asset value (£000)	35,099	33,679	426
Closing number of shares	28,043,610	28,768,358	390,078
Operating charges (%) [†]	1.11%	1.11%	1.11%
Direct transaction costs (%) [#]	0.05%	0.21%	0.14%
Prices^{**}			
Highest share price	130.42	128.69	122.97
Lowest share price	109.03	106.11	111.32

Class A Income	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	111.41	104.51	110.66
Return before operating charges [†]	13.68	13.64	(0.11)
Operating charges	(1.83)	(1.87)	(1.83)
Return after operating charges [†]	11.85	11.77	(1.94)
Distributions on income shares	(4.76)	(4.87)	(4.21)
Closing net asset value per share	118.50	111.41	104.51
Retained distributions on accumulation shares	–	–	–
[†] after direct transaction costs of	(0.06)	(0.24)	(0.16)
Performance			
Return after charges	10.64%	11.26%	(1.75)%
Other information			
Closing net asset value (£000)	25,812	41,600	54,855
Closing number of shares	21,782,282	37,340,508	52,488,195
Operating charges (%) [†]	1.61%	1.61%	1.61%
Direct transaction costs (%) [#]	0.05%	0.21%	0.14%
Prices^{**}			
Highest share price	123.51	122.79	118.02
Lowest share price	103.59	101.50	106.49

COMPARATIVE TABLES (CONTINUED)

Class A Accumulation	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	134.35	120.79	123.01
Return before operating charges [†]	16.68	15.74	(0.17)
Operating charges	(2.23)	(2.18)	(2.05)
Return after operating charges [†]	14.45	13.56	(2.22)
Distributions on income shares	–	–	–
Closing net asset value per share	148.80	134.35	120.79
Retained distributions on accumulation shares	5.80	5.69	4.73
[†] after direct transaction costs of	(0.07)	(0.28)	(0.18)
Performance			
Return after charges	10.76%	11.23%	(1.80)%
Other information			
Closing net asset value (£000)	4,937	4,678	5,751
Closing number of shares	3,318,555	3,481,733	4,761,501
Operating charges (%) [‡]	1.61%	1.61%	1.61%
Direct transaction costs (%) [#]	0.05%	0.21%	0.14%
Prices[≈]			
Highest share price	151.77	143.35	131.19
Lowest share price	124.90	117.39	120.14

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

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

(b) The Ongoing Charge 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.

Ongoing Charges Figure*

Share class	15.10.16	15.10.15
Class 1	1.00%	1.00%
Class 2	0.81%	0.81%
Class 3	0.31%	0.31%
Class 4	1.11%	1.11%
Class A	1.61%	1.61%

* 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 for share class 1 is capped at 1.00%. 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 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Equities 96.62% (98.59%)				
Consumer Discretionary 10.36% (16.54%)				
Distributors 0.54% (0.58%)				
Headlam Group	GBP	1,054,324	5,061	0.54
			5,061	0.54
Hotels, Restaurants & Leisure 2.20% (2.70%)				
Compass Group	GBP	1,371,095	20,539	2.20
			20,539	2.20
Household Durables 0.95% (1.03%)				
DFS Furniture	GBP	3,502,786	8,928	0.95
			8,928	0.95
Media 5.58% (8.46%)				
ITV	GBP	8,559,478	14,799	1.58
Pearson	GBP	1,038,958	8,665	0.93
Sky	GBP	1,587,666	13,503	1.44
UBM	GBP	2,055,078	15,259	1.63
			52,226	5.58
Specialty Retail 1.09% (3.77%)				
BCA Marketplace	GBP	5,342,623	9,510	1.02
GAME Digital	GBP	969,794	650	0.07
			10,160	1.09
Consumer Discretionary total			96,914	10.36
Consumer Staples 9.95% (9.42%)				
Food & Staples Retailing 0.00% (0.52%)				
Personal Products 2.02% (1.69%)				
Unilever	GBP	529,860	18,836	2.02
			18,836	2.02
Tobacco 7.93% (7.21%)				
British American Tobacco	GBP	811,890	39,649	4.24
Imperial Brands	GBP	885,714	34,556	3.69
			74,205	7.93
Consumer Staples total			93,041	9.95
Energy 7.99% (4.76%)				
Oil, Gas & Consumable Fuels 7.99% (4.76%)				
BP	GBP	5,173,210	25,455	2.72
Royal Dutch Shell 'B'	GBP	2,236,383	49,323	5.27
			74,778	7.99
Energy total			74,778	7.99
Financials 21.40% (21.07%)				
Banks 0.00% (0.31%)				
Capital Markets 7.84% (7.71%)				
Close Brothers Group	GBP	1,015,402	13,444	1.44
Intermediate Capital Group	GBP	4,287,686	25,555	2.73
Rathbone Brothers	GBP	658,150	11,708	1.25
River & Mercantile Group	GBP	3,932,522	8,504	0.91
Schroders	GBP	508,790	14,083	1.51
			73,294	7.84
Diversified Financial Services 0.42% (0.33%)				
Sherborne Investors Guernsey B	GBP	3,115,055	3,956	0.42
			3,956	0.42

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Insurance 13.14% (12.72%)				
Aviva†	GBP	6,947,186	31,221	3.34
Beazley	GBP	3,018,560	11,440	1.22
Hiscox	GBP	1,503,677	15,638	1.67
Legal & General Group	GBP	8,990,153	19,077	2.04
Novae Group	GBP	900,821	7,261	0.78
Phoenix Group Holdings	GBP	2,046,824	18,074	1.93
Prudential	GBP	1,439,630	20,212	2.16
			122,923	13.14
Financials total			200,173	21.40
Health Care 5.73% (5.38%)				
Pharmaceuticals 5.73% (5.38%)				
AstraZeneca	GBP	316,282	15,655	1.67
GlaxoSmithKline	GBP	2,237,608	37,972	4.06
			53,627	5.73
Health Care total			53,627	5.73
Industrials 10.86% (8.82%)				
Aerospace & Defense 1.10% (1.94%)				
BAE Systems	GBP	1,934,160	10,358	1.10
			10,358	1.10
Building Products 0.60% (0.00%)				
Volution Group	GBP	3,290,704	5,594	0.60
			5,594	0.60
Commercial Services & Supplies 0.00% (0.08%)				
Electrical Equipment 2.06% (1.67%)				
Melrose Industries	GBP	10,835,604	19,260	2.06
			19,260	2.06
Machinery 0.00% (1.03%)				
Professional Services 1.35% (1.08%)				
RELX	GBP	864,075	12,607	1.35
			12,607	1.35
Road & Rail 0.58% (0.57%)				
Northgate	GBP	1,271,481	5,436	0.58
			5,436	0.58
Transportation Infrastructure 5.17% (2.45%)				
BBA Aviation	GBP	18,898,873	48,343	5.17
			48,343	5.17
Industrials total			101,598	10.86
Information Technology 4.52% (3.11%)				
Electronic Equipment, Instruments & Components 0.60% (0.68%)				
Laird	GBP	1,777,590	5,571	0.60
			5,571	0.60
IT Services 0.61% (0.00%)				
Worldpay Group	GBP	1,956,767	5,733	0.61
			5,733	0.61
Software 3.31% (2.43%)				
Sage Group	GBP	4,223,119	30,935	3.31
			30,935	3.31
Information Technology total			42,239	4.52

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Investment Funds 4.02% (4.20%)				
Investment Companies 4.02% (4.20%)				
Foresight Solar Fund	GBP	5,000,000	5,200	0.56
Greencoat UK Wind Fund	GBP	10,054,902	11,392	1.22
P2P Global Investments Fund	GBP	1,595,960	13,031	1.39
Ranger Direct Lending Fund	GBP	696,114	7,943	0.85
			37,566	4.02
Investment Funds total			37,566	4.02
Materials 5.80% (8.52%)				
Containers & Packaging 1.57% (3.58%)				
DS Smith	GBP	3,597,728	14,664	1.57
			14,664	1.57
Metals & Mining 4.23% (4.94%)				
BHP Billiton	GBP	1,547,615	18,773	2.00
Rio Tinto	GBP	792,018	20,850	2.23
			39,623	4.23
Materials total			54,287	5.80
Real Estate 0.42% (0.40%)				
Equity Real Estate Investment Trusts (REITs) 0.42% (0.40%)				
GCP Student Living	GBP	2,755,420	3,927	0.42
			3,927	0.42
Real Estate total			3,927	0.42
Telecommunication Services 10.04% (10.20%)				
Diversified Telecommunication Services 6.63% (7.01%)				
BT Group	GBP	7,286,327	27,127	2.90
Inmarsat	GBP	2,307,273	16,474	1.76
KCOM Group	GBP	15,853,224	18,429	1.97
			62,030	6.63
Wireless Telecommunication Services 3.41% (3.19%)				
Vodafone Group	GBP	14,173,762	31,870	3.41
			31,870	3.41
Telecommunication Services total			93,900	10.04
Utilities 5.53% (6.17%)				
Independent Power and Renewable Electricity Producers 0.00% (0.60%)				
Multi-Utilities 5.53% (5.57%)				
Centrica	GBP	11,818,995	25,127	2.68
National Grid	GBP	2,489,559	26,638	2.85
			51,765	5.53
Utilities total			51,765	5.53
Equities total			903,815	96.62
Liquidity Funds 2.70% (0.00%)				
Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP [†]	GBP	25,300,000	25,300	2.70
Liquidity Funds total			25,300	2.70
Investment assets			929,115	99.32
Net other assets			6,317	0.68
Net assets			935,432	100.00

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

The comparative percentage figures in brackets are as at 15 October 2015.

[†] Investment in or managed by a related party.

STATEMENT OF TOTAL RETURN

For the year ended 15 October 2016

	Notes	£000	Year ended 15.10.16 £000	£000	Year ended 15.10.15 £000
Income					
Net capital gains	2		70,344		76,903
Revenue	3	39,435		42,186	
Expenses	4	(5,510)		(5,928)	
Net revenue before taxation		33,925		36,258	
Taxation	5	(157)		(59)	
Net revenue after taxation			33,768		36,199
Total return before distributions			104,112		113,102
Distributions	6		(38,760)		(41,706)
Change in net assets attributable to shareholders from investment activities			65,352		71,396

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 15 October 2016

	£000	Year ended 15.10.16 £000	£000	Year ended 15.10.15 £000
Opening net assets attributable to shareholders		913,598		906,375
Movement due to issue and cancellation of shares:				
Amount transferred from Aviva Investors UK Income & Growth Fund		–		39,896
Amounts receivable on issue of shares	35,223		48,493	
Amounts payable on cancellation of shares	(82,041)		(155,856)	
		(46,818)		(107,363)
Dilution adjustment		–		93
Change in net assets attributable to shareholders from investment activities (see above)		65,352		71,396
Retained distribution on accumulation shares		3,285		3,180
Unclaimed distribution monies		15		21
Closing net assets attributable to shareholders		935,432		913,598

BALANCE SHEET

As at 15 October 2016

	Notes	As at 15.10.16 £000	As at 15.10.15 £000
Assets:			
Investments	7	929,115	900,723
Current assets:			
Debtors	8	3,838	3,920
Cash and bank balances	9	22,832	30,725
Total assets		955,785	935,368
Liabilities:			
Creditors:			
Distribution payable on income shares		(18,815)	(19,665)
Other creditors	10	(1,538)	(2,105)
Total liabilities		(20,353)	(21,770)
Net assets attributable to shareholders		935,432	913,598

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting basis and policies

Please see pages 7 and 8 for accounting basis and policies.

There has been no changes to the financial position or financial performance of the Fund as a result of preparing these statements in accordance with SORP 2014 rather than SORP 2010.

2 Net capital gains

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Net capital gains on investments during the year comprise:		
Currency gains	191	54
Expenses relating to the purchase and sale of investments	(3)	(5)
Non-derivative securities gains	70,156	76,854
Net capital gains	70,344	76,903

3 Revenue

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Bank and deposit interest	–	53
Interest on debt securities	99	–
Overseas dividends	3,318	5,011
Property income distributions	78	–
UK dividends	35,803	37,056
Underwriting commission	137	66
Total revenue	39,435	42,186

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 Expenses

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Payable to the Authorised Corporate Director ("ACD"), associates of the ACD or agents of either of them:		
ACD's periodic charge	5,129	5,552
Registration fees	269	271
	5,426	5,862
Payable to the Depositary, associates of the Depositary or agents of either of them:		
Depositary's fee	62	46
Interest payable	3	–
Safe custody fee	16	17
	81	63
Other expenses:		
Audit fee*	10	10
Printing & postage expenses	9	12
Statement fees	30	39
	49	61
Total expenses	5,528	5,947
Less those expenses rebated by the ACD	(18)	(19)
Total expenses	5,510	5,928

* The audit fee was £8,848 (2015: £8,241) net of VAT.

5 Taxation

a Analysis of tax charge

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Corporation tax	157	59
Total current tax (see note 5b)	157	59

b Factors affecting current tax charge

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

The differences are explained below:

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Net revenue before taxation	33,925	36,258
Corporation tax at 20%	6,785	7,252
Effects of:		
Movement in excess expenses	886	1,103
Overseas dividends not subject to corporation tax	(664)	(1,002)
Overseas tax suffered	157	59
UK dividends not subject to corporation tax	(7,007)	(7,353)
	(6,628)	(7,193)
Current tax charge (see note 5.a)	157	59

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)

5 Taxation (continued)

c Deferred tax

There was no material unprovided deferred tax (2015: £nil).

After claiming relief against accrued income taxable on receipt, the Fund has unrelieved excess expenses of £43,052,000 (2015: £38,602,000) creating a potential deferred tax asset of £8,610,000 (2015: £7,724,000). It is unlikely that the Fund will generate taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

6 Distributions

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:		
Interim distribution	17,653	19,929
Final distribution	20,640	21,327
	38,293	41,256
Add: Revenue deducted on cancellation of shares	823	1,173
Deduct: Revenue received on issue of shares	(356)	(723)
Total distributions	38,760	41,706
Reconciliations of distributions for the year to net revenue after taxation		
Distributions for the year	38,760	41,706
ACD's periodic charge borne by the capital account	(5,129)	(5,552)
Equalisation on conversions	1	–
Other fees borne by capital account	(2)	–
Tax relief on capitalised ACD's periodic charge	138	45
Net revenue after taxation	33,768	36,199

Details of the distributions per share are set out in the distribution tables on page 43 to 44.

7 Fair value hierarchy

Valuation technique	Assets at 15.10.16 £000	Assets at 15.10.15 £000
Quoted prices for identical instruments in active markets	903,815	900,723
Prices of recent transactions for identical instruments	25,300	–
Total value	929,115	900,723

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 to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8 Debtors

	As at 15.10.16 £000	As at 15.10.15 £000
Accrued revenue	2,911	2,513
Amounts receivable on issue of shares	829	479
Income tax recoverable	98	–
Sales awaiting settlement	–	928
Total debtors	3,838	3,920

9 Cash and bank balances

	As at 15.10.16 £000	As at 15.10.15 £000
Cash and bank balances	22,832	30,725
Total cash and bank balances	22,832	30,725

10 Other creditors

	As at 15.10.16 £000	As at 15.10.15 £000
Accrued expenses	751	815
Amounts payable for cancellation of shares	787	1,290
Total creditors	1,538	2,105

11 Contingent liabilities and commitments

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

	As at 15.10.16 £000	As at 15.10.15 £000
BBA Aviation Rights 26/10/2015	–	13,710
Total contingent liabilities and commitments	–	13,710

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12 Related party transactions

ACD periodic charges paid to Aviva Investors UK Fund Services Limited ("the ACD") are shown in note 4 and details of shares issued and cancelled by the ACD are shown in the statement of change in net assets attributable to shareholders. The balance due to the ACD at the year end in respect of ACD periodic charges was £640,000 (2015: £700,000). Any balance due from the ACD in respect of issues is shown in note 8. Any balance due to the ACD in respect of cancellations is shown in note 10.

Distributions payable to the ACD and related parties of the ACD during the year amounted to £21,886,000 (2015: £24,013,000). The amount outstanding at the year end was £11,766,000 (2015: £12,286,000). Related parties of the ACD are deemed to be all companies under the control of Aviva Plc. This will include companies which hold shares in the Fund on behalf of other external investors.

Any 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 £157,900,000 (2015: £34,169,000) and £131,900,000 (2015: £16,549,000) respectively. The income received during the year amounted to £1,591,000 (2015: £876,000).

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

	Holdings at 15.10.16 (shares)	Movement (shares)	Holdings at 15.10.15 (shares)
ACD and related parties (share class 1 Income shares)	343,142	(8,866)	352,008
ACD and related parties (share class 2 Income shares)	3,902,731	677,662	3,225,069
ACD and related parties (share class 2 Accumulation shares)	2,915,413	(493,269)	3,408,682
ACD and related parties (share class 3 Income shares)	256,329,095	(16,253,657)	272,582,752
ACD and related parties (share class 3 Accumulation shares)	3,091,577	(536,930)	3,628,507
ACD and related parties (share class A Income shares)	3,191,566	(52,479)	3,244,045

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

13 Shareholder funds

The Fund currently has five share classes: Class 1, 4, and A (Retail), Class 2 (Institutional) and Class 3 (Associated undertakings of Aviva Plc). The annual management charges are as follows:

Class 1:	1.00%
Class 2:	0.70%
Class 3:	0.30%
Class 4:	1.00%
Class A:	1.50%

The net asset value of the share class, the net asset value per share and the number of shares in the class are shown on pages 28 to 30. The distributions per share are given in the distribution tables on page 43 and 44. All the share classes have the same rights on winding up.

14 Shares in issue reconciliation

	Number of shares in issue at 15.10.15	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 15.10.16
Class 1	165,866,162	6,330,175	(9,264,312)	(7,349,565)	155,582,460
Class 2	93,854,102	4,861,039	(14,472,456)	15,627,391	99,870,076
Class 2 (Acc)	36,773,502	4,725,568	(2,101,303)	103,364	39,501,131
Class 3	272,582,752	6,827,002	(23,080,659)	–	256,329,095
Class 3 (Acc)	3,628,507	38,491	(575,421)	–	3,091,577
Class 4	28,768,358	1,114,235	(1,918,420)	79,437	28,043,610
Class 4 (Acc)	95,164	11,900	–	4,484	111,548
Class A	37,340,508	1,406,564	(3,601,646)	(13,363,144)	21,782,282
Class A (Acc)	3,481,733	341,402	(372,085)	(132,495)	3,318,555

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 Derivatives and other financial instruments

The policies applied in the management of financial instruments are set out on pages 8 and 9.

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 (2015: £nil).

Currency risk

At the year end date, none (2015: 0.51%) of the net assets of the Fund were denominated in currencies other than sterling and as such the currency risk is not considered significant.

Interest rate risk

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

At the year end date 2.44% (2015: 3.36%) of the net assets of the Fund were interest bearing and as such the interest rate risk is not considered significant.

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

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

Market price risk

At the year end date, 96.62% (2015: 98.59%) of the net assets of the Fund were invested in ordinary shares or stock units and admitted to an official stock exchange. If the market were to change by 10%, the value of the Fund will change by 9.66%.

16 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.

	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
15.10.16						
Purchases (excluding in-specie transfers and corporate actions)						
Equities	(55,752)	(71)	(292)	(56,115)	0.13%	0.52%
Funds	(157,900)	–	–	(157,900)	0.00%	0.00%
Purchases (include corporate actions activity only)						
Equities	(24,570)	–	–	(24,570)	0.00%	0.00%
	(238,222)	(71)	(292)	(238,585)		
Sales (excluding in-specie & corporate actions activity)						
Equities	147,788	(134)	–	147,654	0.09%	0.00%
Funds	132,600	–	–	132,600	0.00%	0.00%
	280,388	(134)	–	280,254		
Total		(205)	(292)			
Percentage of Fund average net assets		0.02%	0.03%			

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15.10.15	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
Purchases (excluding in-specie transfers and corporate actions)						
Equities	(340,138)	(366)	(1,097)	(341,601)	0.11%	0.32%
Purchases (include corporate action activity only)						
Equities	(4,436)	–	–	(4,436)	0.00%	0.00%
	(344,574)	(366)	(1,097)	(346,037)		
Sales (excluding in-specie transfers and corporate actions)						
Equities	413,537	(575)	–	412,962	0.14%	0.00%
	413,537	(575)	–	412,962		
Total		(941)	(1,097)			
Percentage of Fund average net assets		0.10%	0.11%			

Dealing spread

As at 15 October 2016, the average portfolio dealing spread was 0.24% (2015: 0.23%). 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.

17 Post balance sheet events

There are no post balance sheet events which require adjustment or disclosure at the year end (2015: £nil).

DISTRIBUTION TABLES

Final distribution payable in pence per share for the six months ended 15 October 2016

Income shares		Net revenue	Equalisation	Final distribution payable 15 December 2016	Final distribution paid 15 December 2015
Share Class 1	Group 1	1.9965	–	1.9965	1.9731
	Group 2	1.0484	0.9481	1.9965	1.9731
Share Class 2	Group 1	3.1349	–	3.1349	3.0878
	Group 2	1.3780	1.7569	3.1349	3.0878
Share Class 3	Group 1	4.3874	–	4.3874	4.3128
	Group 2	2.2041	2.1833	4.3874	4.3128
Share Class 4	Group 1	2.7348	–	2.7348	2.7017
	Group 2	1.4240	1.3108	2.7348	2.7017
Share Class A	Group 1	2.5931	–	2.5931	2.5746
	Group 2	0.9582	1.6349	2.5931	2.5746

Accumulation shares		Net revenue	Equalisation	Final distribution payable 15 December 2016	Final distribution paid 15 December 2015
Share Class 2	Group 1	3.8492	–	3.8492	3.6352
	Group 2	1.8260	2.0232	3.8492	3.6352
Share Class 3	Group 1	6.3332	–	6.3332	5.9799
	Group 2	2.9117	3.4215	6.3332	5.9799
Share Class 4	Group 1	3.1187	–	3.1187	2.9540
	Group 2	2.2141	0.9046	3.1187	2.9540
Share Class A	Group 1	3.1865	–	3.1865	3.0333
	Group 2	1.6022	1.5843	3.1865	3.0333

Final distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 April 2016.

Group 2 shares are those shares purchased after 12:00 noon on 15 April 2016.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the six months ended 15 April 2016

Income shares		Net revenue	Equalisation	Interim distribution paid 15 June 2016	Interim distribution paid 15 June 2015
Share Class 1	Group 1	1.6717	–	1.6717	1.7674
	Group 2	1.1738	0.4979	1.6717	1.7674
Share Class 2	Group 1	2.6163	–	2.6163	2.7430
	Group 2	1.5814	1.0349	2.6163	2.7430
Share Class 3	Group 1	3.6618	–	3.6618	3.8427
	Group 2	2.4852	1.1766	3.6618	3.8427
Share Class 4	Group 1	2.2852	–	2.2852	2.4040
	Group 2	1.5044	0.7808	2.2852	2.4040
Share Class A	Group 1	2.1711	–	2.1711	2.2947
	Group 2	1.1602	1.0109	2.1711	2.2947

Accumulation shares		Net revenue	Equalisation	Interim distribution paid 15 June 2016	Interim distribution paid 15 June 2015
Share Class 2	Group 1	3.1521	–	3.1521	3.1694
	Group 2	1.3796	1.7725	3.1521	3.1694
Share Class 3	Group 1	5.1876	–	5.1876	5.2137
	Group 2	4.2679	0.9197	5.1876	5.2137
Share Class 4	Group 1	2.5565	–	2.5565	2.5790
	Group 2	0.0000	2.5565	2.5565	2.5790
Share Class A	Group 1	2.6182	–	2.6182	2.6530
	Group 2	1.6630	0.9552	2.6182	2.6530

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 October 2015.

Group 2 shares are those shares purchased after 12:00 noon on 15 October 2015.

Equalisation

Equalisation applies only to Group 2 shares, in other words shares purchased during the relevant 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 UK GROWTH FUND

INVESTMENT OBJECTIVE

Long term capital appreciation.

INVESTMENT POLICY

Investment principally in UK equities based on price and prospects of above average earnings growth.

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

FUND MANAGER'S REPORT

Over the twelve months ended 15 October 2016, the Aviva Investors UK Growth Fund delivered a total return of 9.10 per cent (share class A), net of fees, compared with an average return of 10.49 per cent for its peer group the Investment Association UK All-Companies sector. The FTSE® All-Share Index, the Fund's benchmark, returned 13.95 per cent.

After a strong year in 2015, fund performance has deteriorated since the turn of the year predominantly due to the market rotation out of positive earnings momentum and quality into defensive and recovery companies, led by the rally in the oil price. Consequently, the Fund's lack of exposure to oil & gas and mining sectors was detrimental to performance in the period. We remain selective about investing in these sectors given their historic lack of discipline in capital allocation and deterioration in returns. A number of the Fund's holdings including Moneysupermarket, B&M European Value Retail and Ted Baker underperformed in the period, despite continuing to deliver robust earnings momentum.

The Fund's limited exposure to consumer staples and utilities was detrimental, as less cyclical sectors performed well during market turbulence at the start of 2016 and in the aftermath of the UK vote to leave the European Union in June.

The Fund's overweight positions in both the industrial and consumer services sectors positively contributed. Within industrials, Sanne, Rentokil, Ashtead and RPC Group performed well on stronger than expected results. Sanne, a provider of fund and corporate administration services in the alternative asset market, has been a highly successful investment since partaking in the float in March 2015. Increasing financial regulation and the associated cost this brings for asset managers is supportive of continued growth in the outsourcing of corporate administration services. Holdings in digital businesses Zoopla and Next Fifteen Communications, both of which were added to the Fund during the period, added value. Zoopla performed well following the acquisitions of home services price comparison website, uSwitch and software services player, Property Services Group. Together these acquisitions have improved their service offering to consumers moving home and estate agents, making them much more than a pure property marketing portal.

Two key detractors were St Modwen and Sepura. Shares in St Modwen, a regeneration specialist in UK commercial and residential property markets, came under pressure in late 2015 due to fears that central London residential prices were overvalued. The shares have continued to underperform in 2016 with the market disproportionately writing down the value of the company's development assets, particularly after the EU referendum vote. We believe the company is well positioned given the long-term and regional focus of its development pipeline, and that negative sentiment towards the business is overdone. Sepura, the global handset communications provider, has struggled to meet the market's financial expectations due to delayed customer orders as a result of budgetary pressures extending customers' product lifecycles. This, along with more onerous working capital requirements in the recently acquired systems business, Teltronic, has put severe pressure on Sepura's balance sheet. The deterioration in trading since the fund raising in June this year surprised us, and as a result the holding is being reappraised.

The Fund was not positioned for a leave vote in the EU referendum, and consequently an emphasis on mid-cap stocks and a relative lack of exposure to large-cap overseas earnings beneficiaries subsequently detracted from performance. Whilst the mid-cap FTSE® 250 Index has rebounded from its post-Brexit lows, the Fund's holdings in house builders, Countryside Group and McCarthy & Stone, and consumer-exposed companies, Howden Joinery and B&M European Value Retail, have not recovered in line with the rest of the market.

The Fund's longstanding underweight to consumer staples was reduced during the course of the year. A new position was started in Ted Baker with conviction in the longevity of the brand and its continued ability to rollout new stores both in the UK and overseas. Positions in Reckitt Benckiser and Unilever were also initiated, based on their respective defensive qualities given the multi-national presence and non-discretionary nature of their household and personal care products.

The Fund was involved in three large M&A deals, all of which added to performance. These included the takeover of hardware company, Arm Holdings, by Japanese company SoftBank, the acquisition of studio business Pinewood by real estate asset manager Aermont Capital and Melrose Industries acquiring US air ventilation manufacturer Nortek.

UK equities have performed well since the EU referendum vote, albeit the outperformance of the FTSE® 100 Index relative to the FTSE® 250 has been marked and a headwind for fund performance. The formation of a new UK government and decisive action by the Bank of England in the form of a bank rate cut and an extension of quantitative easing have succeeded in mitigating short-term downside risks to the UK economy and markets. That said, the economic picture remains fragile and markets are showing increased volatility to Brexit-related news flow and movements in sterling. We are mindful of the significant risk of a gradual economic slowdown in 2017, and accordingly we are re-appraising the implications for the Fund's holdings which have predominantly UK earnings exposure.

AVIVA INVESTORS UK GROWTH FUND (CONTINUED)

FUND MANAGER'S REPORT (CONTINUED)

We remain focused on investing in high growth and quality companies capable of delivering strong earnings growth regardless of the macroeconomic backdrop. Given an increasingly uncertain UK economic outlook, we are focusing on investment opportunities in well financed, defensive companies which benefit from exposure to overseas earnings.

November 2016

Sources: Fund and peer group performance figures – Lipper, a Thomson Reuters Company, mid to mid basis with net income reinvested in GBP, with no initial charges applied. Market data – Bloomberg.

As noted above, the performance figures in this commentary have been sourced from an external party and are based on published prices. The performance figures quoted in the comparative tables on pages 47 and 48 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 securities. Past performance is not a guide to the future. The value of an investment and any income from it can go down as well as up. Investors may not get back the original amount invested.

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Material Portfolio Changes

Purchases	Sales
Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP	Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP
Aviva Investors Sterling Liquidity Fund, Class 9, Income shares, GBP	ARM Holdings
British American Tobacco	Aviva Investors Sterling Liquidity Fund, Class 9, Income shares, GBP
Royal Dutch Shell 'B'	Synergy Health
Unilever	Innovation Group
Sepura	Pinewood Group
Whitbread	Jupiter Fund Management
Howden Joinery Group	Fidessa Group
Reckitt Benckiser Group	BBA Aviation
Ted Baker	Booker Group

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'.
- Full information on the risks applicable to the Fund is detailed in the Prospectus.

COMPARATIVE TABLES

Class 1 Accumulation	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	145.75	132.37	138.40
Return before operating charges [†]	15.89	14.86	(4.61)
Operating charges	(1.49)	(1.48)	(1.42)
Return after operating charges [†]	14.40	13.38	(6.03)
Distributions on income shares	–	–	–
Closing net asset value per share	160.15	145.75	132.37
Retained distributions on accumulation shares	1.92	1.79	2.01
[†] after direct transaction costs of	(0.31)	(0.09)	(0.33)
Performance			
Return after charges	9.88%	10.11%	(4.36)%
Other information			
Closing net asset value (£000)	139,242	142,963	142,530
Closing number of shares	86,947,413	98,089,638	107,678,720
Operating charges (%) [†]	1.00%	1.00%	1.00%
Direct transaction costs (%) [#]	0.21%	0.06%	0.23%
Prices[™]			
Highest share price	163.14	158.50	149.27
Lowest share price	135.11	128.73	131.88

Class 3 Income	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	215.96	198.58	210.87
Return before operating charges [†]	23.52	22.29	(7.05)
Operating charges	(0.72)	(0.72)	(0.71)
Return after operating charges [†]	22.80	21.57	(7.76)
Distributions on income shares	(4.33)	(4.19)	(4.53)
Closing net asset value per share	234.43	215.96	198.58
Retained distributions on accumulation shares	–	–	–
[†] after direct transaction costs of	(0.46)	(0.13)	(0.50)
Performance			
Return after charges	10.56%	10.86%	(3.68)%
Other information			
Closing net asset value (£000)	12,278	11,612	11,503
Closing number of shares	5,237,516	5,376,926	5,792,855
Operating charges (%) [†]	0.33%	0.32%	0.33%
Direct transaction costs (%) [#]	0.21%	0.06%	0.23%
Prices[™]			
Highest share price	241.08	236.77	228.01
Lowest share price	199.30	193.06	200.40

Class 2 Accumulation	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	220.14	199.57	208.32
Return before operating charges [†]	24.02	22.41	(6.99)
Operating charges	(1.86)	(1.84)	(1.76)
Return after operating charges [†]	22.16	20.57	(8.75)
Distributions on income shares	–	–	–
Closing net asset value per share	242.30	220.14	199.57
Retained distributions on accumulation shares	3.30	3.11	3.43
[†] after direct transaction costs of	(0.47)	(0.13)	(0.49)
Performance			
Return after charges	10.07%	10.31%	(4.20)%
Other information			
Closing net asset value (£000)	12,441	3,920	1,799
Closing number of shares	5,134,369	1,780,786	901,295
Operating charges (%) [†]	0.83%	0.82%	0.83%
Direct transaction costs (%) [#]	0.21%	0.06%	0.23%
Prices[™]			
Highest share price	246.82	239.22	224.82
Lowest share price	204.31	194.09	198.83

Class 3 Accumulation	2016 p per share	2015 ^s p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	–	243.70	253.13
Return before operating charges [†]	–	(243.00)	(8.65)
Operating charges	–	(0.70)	(0.78)
Return after operating charges [†]	–	(243.70)	(9.43)
Distributions on income shares	–	–	–
Closing net asset value per share	–	–	243.70
Retained distributions on accumulation shares	–	2.28	5.47
[†] after direct transaction costs of	–	–	(0.54)
Performance			
Return after charges	–	–	(3.73)%
Other information			
Closing net asset value (£000)	–	–	3
Closing number of shares	–	–	1,382
Operating charges (%) [†]	–	–	0.33%
Direct transaction costs (%) [#]	–	–	0.23%
Prices[™]			
Highest share price	–	293.02	273.70
Lowest share price	–	237.02	242.78

COMPARATIVE TABLES (CONTINUED)

Class A Accumulation	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	134.16	122.60	129.01
Return before operating charges [†]	14.55	13.78	(4.26)
Operating charges	(2.22)	(2.22)	(2.15)
Return after operating charges [†]	12.33	11.56	(6.41)
Distributions on income shares	–	–	–
Closing net asset value per share	146.49	134.16	122.60
Retained distributions on accumulation shares	0.90	0.79	1.05
[†] after direct transaction costs of	(0.29)	(0.08)	(0.30)
Performance			
Return after charges	9.19%	9.43%	(4.97)%
Other information			
Closing net asset value (£000)	9,139	9,509	10,101
Closing number of shares	6,238,916	7,087,637	8,239,042
Operating charges (%) [‡]	1.63%	1.62%	1.63%
Direct transaction costs (%) [#]	0.21%	0.06%	0.23%
Prices[≈]			
Highest share price	149.25	146.26	138.79
Lowest share price	123.81	119.24	122.16

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

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

(b) The Ongoing Charge 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.

§ Class 3 Accumulation closed on 30 July 2015.

Ongoing Charges Figure*

Share class	15.10.16	15.10.15
Class 1	1.00%	1.00%
Class 2	0.83%	0.82%
Class 3	0.33%	0.32%
Class A	1.63%	1.62%

* 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 for share class 1 is capped at 1.00%. 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 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Equities 94.58% (98.74%)				
Consumer Discretionary 17.54% (16.32%)				
Auto Components 0.51% (0.81%)				
Torotrak	GBP	21,723,370	891	0.51
			891	0.51
Diversified Consumer Services 0.72% (0.00%)				
Dignity	GBP	44,012	1,239	0.72
			1,239	0.72
Hotels, Restaurants & Leisure 5.69% (6.05%)				
Compass Group	GBP	421,620	6,316	3.65
Merlin Entertainments	GBP	538,300	2,433	1.40
Whitbread	GBP	28,487	1,105	0.64
			9,854	5.69
Household Durables 1.24% (0.00%)				
Countryside Properties	GBP	891,142	2,141	1.24
			2,141	1.24
Internet & Direct Marketing Retail 0.59% (0.58%)				
AO World	GBP	562,604	1,013	0.59
			1,013	0.59
Media 3.04% (4.60%)				
Daily Mail & General Trust 'A'	GBP	219,857	1,624	0.94
ITV	GBP	781,442	1,351	0.78
Next Fifteen Communications Group [#]	GBP	679,985	2,285	1.32
			5,260	3.04
Multiline Retail 0.63% (0.00%)				
B&M European Value Retail	GBP	459,346	1,097	0.63
			1,097	0.63
Specialty Retail 3.81% (4.28%)				
BCA Marketplace	GBP	3,708,577	6,601	3.81
			6,601	3.81
Textiles, Apparel & Luxury Goods 1.31% (0.00%)				
Ted Baker	GBP	88,787	2,267	1.31
			2,267	1.31
Consumer Discretionary total			30,363	17.54
Consumer Staples 9.97% (3.90%)				
Beverages 1.41% (1.64%)				
Fevertree Drinks [#]	GBP	256,677	2,441	1.41
			2,441	1.41
Food & Staples Retailing 0.79% (2.26%)				
Booker Group	GBP	727,484	1,363	0.79
			1,363	0.79
Household Products 1.84% (0.00%)				
Reckitt Benckiser Group	GBP	42,794	3,184	1.84
			3,184	1.84
Personal Products 2.42% (0.00%)				
Unilever	GBP	118,119	4,199	2.42
			4,199	2.42
Tobacco 3.51% (0.00%)				
British American Tobacco	GBP	124,406	6,076	3.51
			6,076	3.51
Consumer Staples total			17,263	9.97

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Energy 6.25% (4.28%)				
Energy Equipment & Services 0.00% (0.30%)				
Oil, Gas & Consumable Fuels 6.25% (3.98%)				
Cairn Energy	GBP	1,192,108	2,561	1.48
Faroe Petroleum*	GBP	2,771,405	2,078	1.20
Royal Dutch Shell 'B'	GBP	280,469	6,186	3.57
			10,825	6.25
Energy total			10,825	6.25
Financials 9.35% (13.96%)				
Banks 1.00% (3.56%)				
Barclays	GBP	1,012,759	1,739	1.00
			1,739	1.00
Capital Markets 3.86% (4.98%)				
River & Mercantile Group	GBP	759,130	1,641	0.95
Sanne Group	GBP	1,048,529	5,033	2.91
			6,674	3.86
Insurance 4.49% (5.42%)				
Aviva†	GBP	708,532	3,184	1.84
Prudential	GBP	326,731	4,587	2.65
			7,771	4.49
Financials total			16,184	9.35
Health Care 8.17% (11.58%)				
Biotechnology 1.48% (2.90%)				
Abcam*	GBP	274,500	2,422	1.40
Circassia Pharmaceuticals	GBP	153,009	141	0.08
			2,563	1.48
Health Care Equipment & Supplies 1.19% (1.58%)				
Smith & Nephew	GBP	167,572	2,060	1.19
			2,060	1.19
Health Care Providers & Services 0.95% (2.87%)				
McCarthy & Stone	GBP	976,299	1,650	0.95
			1,650	0.95
Pharmaceuticals 4.55% (4.23%)				
BTG	GBP	481,100	3,296	1.90
Dechra Pharmaceuticals	GBP	332,643	4,580	2.65
			7,876	4.55
Health Care total			14,149	8.17
Industrials 9.48% (12.66%)				
Aerospace & Defense 0.00% (1.00%)				
Building Products 1.03% (1.35%)				
Volution Group	GBP	1,050,141	1,785	1.03
			1,785	1.03
Commercial Services & Supplies 1.64% (4.05%)				
Rentokil Initial	GBP	1,255,757	2,842	1.64
			2,842	1.64
Electrical Equipment 2.00% (1.70%)				
Flowgroup*	GBP	3,714,666	353	0.21
Melrose Industries	GBP	1,746,342	3,104	1.79
			3,457	2.00

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Trading Companies & Distributors 4.81% (3.65%)				
Ashtead Group	GBP	308,260	4,131	2.39
Howden Joinery Group	GBP	601,209	2,453	1.42
Lavendon Group	GBP	1,277,109	1,733	1.00
			8,317	4.81
Transportation Infrastructure 0.00% (0.91%)				
Industrials total			16,401	9.48
Information Technology 13.95% (17.24%)				
Communications Equipment 0.12% (0.49%)				
Sapura	GBP	1,412,361	215	0.12
			215	0.12
Electronic Equipment, Instruments & Components 3.01% (1.53%)				
Halma	GBP	163,037	1,798	1.04
Microsaic Systems [#]	GBP	3,076,545	131	0.08
Renishaw	GBP	113,396	3,277	1.89
			5,206	3.01
Internet Software & Services 4.40% (3.21%)				
blur Group [#]	GBP	233,309	11	0.01
GlobalData [#]	GBP	308,453	1,249	0.72
Moneysupermarket.com Group	GBP	853,009	2,378	1.37
Zoopla Property Group	GBP	1,222,192	3,987	2.30
			7,625	4.40
IT Services 3.53% (5.75%)				
NCC Group	GBP	566,405	1,945	1.12
Paysafe Group	GBP	263,908	1,212	0.70
Worldpay Group	GBP	1,007,982	2,953	1.71
			6,110	3.53
Semiconductors & Semiconductor Equipment 0.00% (2.22%)				
Software 2.89% (4.04%)				
Izodia ^A	GBP	4,032,078	–	–
Sage Group	GBP	681,883	4,995	2.89
			4,995	2.89
Information Technology total			24,151	13.95
Investment Funds 2.47% (2.03%)				
Investment Companies 2.47% (2.03%)				
Electra Private Equity	GBP	100,000	4,275	2.47
			4,275	2.47
Investment Funds total			4,275	2.47
Materials 7.97% (6.45%)				
Chemicals 2.27% (1.97%)				
Johnson Matthey	GBP	56,756	2,021	1.17
Victrex	GBP	108,434	1,906	1.10
			3,927	2.27
Containers & Packaging 3.39% (2.32%)				
RPC Group	GBP	594,190	5,871	3.39
			5,871	3.39
Metals & Mining 2.31% (2.16%)				
Rio Tinto	GBP	151,556	3,990	2.31
			3,990	2.31
Materials total			13,788	7.97

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Real Estate 3.11% (4.13%)				
Equity Real Estate Investment Trusts (REITs) 0.77% (0.00%)				
Tritax Big Box REIT [^]	GBP	1,017,108	1,343	0.77
			1,343	0.77
Real Estate Management & Development 2.34% (4.13%)				
Savills	GBP	280,510	2,010	1.16
ST Modwen Properties	GBP	770,291	2,034	1.18
			4,044	2.34
Real Estate total			5,387	3.11
Telecommunication Services 6.32% (6.19%)				
Diversified Telecommunication Services 3.82% (3.83%)				
BT Group	GBP	673,641	2,508	1.45
CityFibre Infrastructure Holdings [#]	GBP	5,124,409	3,075	1.77
Inmarsat	GBP	145,034	1,035	0.60
			6,618	3.82
Wireless Telecommunication Services 2.50% (2.36%)				
Vodafone Group	GBP	1,920,684	4,319	2.50
			4,319	2.50
Telecommunication Services total			10,937	6.32
Equities total			163,723	94.58
Liquidity Funds 3.87% (1.19%)				
Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP [†]	GBP	67,000,000	6,700	3.87
Liquidity Funds total			6,700	3.87
Investment assets			170,423	98.45
Net other assets			2,677	1.55
Net assets			173,100	100.00

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

The comparative percentage figures in brackets are as at 15 October 2015.

[#] Security traded on another regulated market.[†] Investment in or managed by a related party.[^] Unlisted, suspended or delisted security.

STATEMENT OF TOTAL RETURN

For the year ended 15 October 2016

	Notes	£000	Year ended 15.10.16 £000	£000	Year ended 15.10.15 £000
Income					
Net capital gains	2		13,743		14,848
Revenue	3	3,808		3,919	
Expenses	4	(1,626)		(1,753)	
Net revenue before taxation		2,182		2,166	
Taxation	5	(2)		–	
Net revenue after taxation			2,180		2,166
Total return before distributions			15,923		17,014
Distributions	6		(2,183)		(2,167)
Change in net assets attributable to shareholders from investment activities			13,740		14,847

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 15 October 2016

	£000	Year ended 15.10.16 £000	£000	Year ended 15.10.15 £000
Opening net assets attributable to shareholders		168,004		165,936
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	3,624		2,967	
Amounts payable on cancellation of shares	(14,191)		(17,645)	
		(10,567)		(14,678)
Change in net assets attributable to shareholders from investment activities (see above)		13,740		14,847
Retained distribution on accumulation shares		1,923		1,899
Closing net assets attributable to shareholders		173,100		168,004

BALANCE SHEET

As at 15 October 2016

	Notes	As at 15.10.16 £000	As at 15.10.15 £000
Assets:			
Investments	7	170,423	167,885
Current assets:			
Debtors	8	3,555	1,319
Cash and bank balances	9	1,278	1,821
Total assets		175,256	171,025
Liabilities:			
Creditors:			
Distribution payable		(119)	(126)
Other creditors	10	(2,037)	(2,895)
Total liabilities		(2,156)	(3,021)
Net assets attributable to shareholders		173,100	168,004

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting basis and policies

Please see pages 7 and 8 for accounting basis and policies.

There has been no changes to the financial position or financial performance of the Fund as a result of preparing these statements in accordance with SORP 2014 rather than SORP 2010.

2 Net capital gains

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Net capital gains on investments during the year comprise:		
Expenses relating to the purchase and sale of investments	(1)	–
Non-derivative securities gains	13,744	14,848
Net capital gains	13,743	14,848

3 Revenue

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Bank and deposit interest	1	10
Interest on debt securities	14	–
Overseas dividends	107	15
Stock dividends	22	55
UK dividends	3,655	3,834
Underwriting commission	9	5
Total revenue	3,808	3,919

4 Expenses

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Payable to the Authorised Corporate Director ("ACD"), associates of the ACD or agents of either of them:		
ACD's periodic charge	1,598	1,734
Registration fees	19	13
	1,617	1,747
Payable to the Depositary, associates of the Depositary or agents of either of them:		
Depositary's fee	21	19
Interest payable	1	–
Safe custody fee	3	3
	25	22
Other expenses:		
Audit fee*	10	10
Printing & postage expenses	–	2
Statement fees	7	7
	17	19
Total expenses	1,659	1,788
Less those expenses rebated by the ACD	(33)	(35)
Net expenses	1,626	1,753

* The audit fee was £8,848 (2015: £8,241) net of VAT.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Taxation**a Analysis of tax charge**

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Corporation tax	2	–
Total current tax (see note 5b)	2	–

b Factors affecting current tax charge

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

The differences are explained below:

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Net revenue before taxation	2,182	2,166
Corporation tax at 20%	436	433
Effects of:		
Movement in excess expenses	320	348
Overseas dividends not subject to corporation tax	(21)	(3)
Overseas tax suffered	2	–
Stock dividends not taxable	(4)	(11)
UK dividends not subject to corporation tax	(731)	(767)
	(434)	(433)
Current tax charge (see note 5.a)	2	–

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 year end (2015: £nil).

After claiming relief against accrued income taxable on receipt, the Fund has unrelieved excess expenses of £30,927,000 (2015: £29,325,000) creating a potential deferred tax asset of £6,185,000 (2015: £5,865,000). It is unlikely that the Fund will generate taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

6 Distributions

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:		
Interim distribution	1,006	897
Final distribution	1,143	1,232
	2,149	2,129
Add: Revenue deducted on cancellation of shares	45	47
Deduct: Revenue received on issue of shares	(11)	(9)
Total distributions	2,183	2,167
Reconciliations of distributions for the year to net revenue after taxation		
Distributions for the year	2,183	2,167
Equalisation on conversions	(3)	(1)
Net revenue after taxation	2,180	2,166

Details of the distributions per share are set out in the distribution tables on page 60.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 Fair value hierarchy

Valuation technique	Assets at 15.10.16 £000	Assets at 15.10.15 £000
Quoted prices for identical instruments in active markets	163,723	165,885
Prices of recent transactions for identical instruments	6,700	2,000
Total value	170,423	167,885

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 to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

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

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

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

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

8 Debtors

	As at 15.10.16 £000	As at 15.10.15 £000
Accrued revenue	146	291
Amounts receivable on issue of shares	3	–
Sales awaiting settlement	3,406	1,028
Total debtors	3,555	1,319

9 Cash and bank balances

	As at 15.10.16 £000	As at 15.10.15 £000
Cash and bank balances	1,278	1,821
Total cash and bank balances	1,278	1,821

10 Other creditors

	As at 15.10.16 £000	As at 15.10.15 £000
Accrued expenses	220	238
Amounts payable for cancellation of shares	474	201
Purchases awaiting settlement	1,343	2,456
Total creditors	2,037	2,895

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11 Contingent liabilities and commitments

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

12 Related party transactions

ACD periodic charges paid to Aviva Investors UK Fund Services Limited ("the ACD") are shown in note 4 and details of shares issued and cancelled by the ACD are shown in the statement of change in net assets attributable to shareholders. The balance due to the ACD at the year end in respect of ACD periodic charges was £198,000 (2015: £217,000). Any balance due from the ACD in respect of issues is shown in note 8. Any balance due to the ACD in respect of cancellations is shown in note 10.

Distributions payable to the ACD and related parties of the ACD during the year amounted to £251,000 (2015: £253,000). The amount outstanding at the year end was £133,000 (2015: £141,000). Related parties of the ACD are deemed to be all companies under the control of Aviva Plc. This will include companies which hold shares in the Fund on behalf of other external investors.

All investments managed and advised by Aviva Investors Global Services Limited or associated with the Aviva Group are marked on the portfolio statement. The total purchases and sales on these investments during the year amounted to £55,300,000 (2015: £nil) and £50,149,000 (2015: £nil) respectively. The income received during the year amounted to £114,000 (2015: £174,000).

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

	Holdings at 15.10.16 (shares)	Movement (shares)	Holdings at 15.10.15 (shares)
ACD and related parties (share class 1 Accumulation shares)	235,724	(5,143,934)	5,379,658
ACD and related parties (share class 2 Accumulation shares)	222,695	(97,907,813)	98,130,508
ACD and related parties (share class 3 Income shares)	5,237,516	3,467,645	1,769,871
ACD and related parties (share class A Accumulation shares)	1,412,242	(5,682,270)	7,094,512

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

13 Shareholder funds

The Fund currently has four share classes: Class 1 and A (Retail), Class 2 (Institutional) and Class 3 (Associated undertakings of Aviva Plc). The annual management charges are as follows:

Class 1: 1.00%
 Class 2: 0.70%
 Class 3: 0.30%
 Class A: 1.50%

The net asset value of the share class, the net asset value per share and the number of shares in the class are shown on pages 47 and 48. The distributions per share are given in the distribution tables on page 60. All the share classes have the same rights on winding up.

14 Shares in issue reconciliation

	Number of shares in issue at 15.10.15	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 15.10.16
Class 1 (Acc)	98,089,638	754,468	(6,807,800)	(5,088,893)	86,947,413
Class 2 (Acc)	1,780,786	363,777	(725,758)	3,715,564	5,134,369
Class 3	5,376,926	458,353	(597,763)	–	5,237,516
Class A (Acc)	7,087,637	482,657	(760,379)	(570,999)	6,238,916

15 Derivatives and other financial instruments

The policies applied in the management of financial instruments are set out on pages 8 and 9.

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 (2015: £nil).

Currency risk

At the year end date, none (2015: none) of the net assets of the Fund were denominated in currencies other than sterling and as such the currency risk is not considered significant.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 Derivatives and other financial instruments (continued)**Interest rate risk**

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

At the year end date 4.61% (2015: 2.27%) of the net assets of the Fund were interest bearing and as such the interest rate risk is not considered significant.

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

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

Market price risk

At the year end date, 98.45% (2015: 99.93%) of the net assets of the Fund were invested in ordinary shares or stock units admitted to an official stock exchange. If the market value were to change by 10%, the value of the Fund would change by 9.85%.

16 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.

	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
15.10.16						
Purchases (excluding in-specie transfers and corporate actions)						
Equities	(61,804)	(57)	(217)	(62,078)	0.05%	0.18%
Funds	(56,000)	–	–	(56,000)	0.00%	0.00%
Purchases (include corporate actions activity only)						
Equities	(3,035)	–	–	(3,035)	0.00%	0.00%
	(120,839)	(57)	(217)	(121,113)		
Sales (excluding in-specie transfers and corporate actions)						
Equities	77,956	(81)	–	77,875	0.06%	0.00%
Funds	49,300	–	–	49,300	0.00%	0.00%
	127,256	(81)	–	127,175		
Total		(138)	(217)			
Percentage of Fund average net assets		0.08%	0.13%			

	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
15.10.15						
Purchases (excluding in-specie transfers and corporate actions)						
Equities	(28,297)	(18)	(51)	(28,366)	0.06%	0.18%
	(28,297)	(18)	(51)	(28,366)		
Sales (excluding in-specie transfers and corporate actions)						
Equities	41,961	(46)	–	41,915	0.11%	0.00%
	41,961	(46)	–	41,915		
Total		(64)	(51)			
Percentage of Fund average net assets		0.04%	0.03%			

Dealing spread

As at 15 October 2016, the average portfolio dealing spread was 0.56% (2015: 0.99%). 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.

17 Post balance sheet events

There are no post balance sheet events which require adjustment or disclosure at the year end (2015: £nil).

DISTRIBUTION TABLES

Final distribution payable in pence per share for the six months ended 15 October 2016

Income shares		Net revenue	Equalisation	Final distribution payable 15 December 2016	Final distribution paid 15 December 2015
Share Class 3	Group 1	2.2776	–	2.2776	2.3495
	Group 2	1.3294	0.9482	2.2776	2.3495

Accumulation shares		Net revenue	Equalisation	Final distribution payable 15 December 2016	Final distribution paid 15 December 2015
Share Class 1	Group 1	1.0360	–	1.0360	1.0560
	Group 2	0.5160	0.5200	1.0360	1.0560
Share Class 2	Group 1	1.7663	–	1.7663	1.7991
	Group 2	0.9850	0.7813	1.7663	1.7991
Share Class A	Group 1	0.5197	–	0.5197	0.5382
	Group 2	0.3375	0.1822	0.5197	0.5382

Final distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 April 2016.

Group 2 shares are those shares purchased after 12:00 noon on 15 April 2016.

Interim distribution paid in pence per share for the six months ended 15 April 2016

Income shares		Net revenue	Equalisation	Interim distribution paid 15 June 2016	Interim distribution paid 15 June 2015
Share Class 3	Group 1	2.0492	–	2.0492	1.8440
	Group 2	1.2854	0.7638	2.0492	1.8440

Accumulation shares		Net revenue	Equalisation	Interim distribution paid 15 June 2016	Interim distribution paid 15 June 2015
Share Class 1	Group 1	0.8802	–	0.8802	0.7382
	Group 2	0.6338	0.2464	0.8802	0.7382
Share Class 2	Group 1	1.5326	–	1.5326	1.3104
	Group 2	0.9184	0.6142	1.5326	1.3104
Share Class 3	Group 1	0.0000	–	0.0000	2.2789
	Group 2	0.0000	0.0000	0.0000	2.2789
Share Class A	Group 1	0.3816	–	0.3816	0.2537
	Group 2	0.2867	0.0949	0.3816	0.2537

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 October 2015.

Group 2 shares are those shares purchased after 12:00 noon on 15 October 2015.

Equalisation

Equalisation applies only to Group 2 shares, in other words shares purchased during the relevant 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 UK INDEX TRACKING FUND

INVESTMENT OBJECTIVE

To track the total return (after charges) of the FTSE® All-Share Index.

INVESTMENT POLICY

To hold all the stocks and in the same proportion as in the FTSE® All-Share Index, except where prevented by the Financial Conduct Authority regulations.

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

FUND MANAGER'S REPORT

Over the twelve months ended 15 October 2016, the Aviva Investors UK Index Tracking Fund (share class 1) delivered a total return of 12.94 per cent net of fees. The FTSE® All-Share Index, the Fund's benchmark, returned 13.95 per cent. The sector average return generated by the Fund's peer group, the Investment Association's UK All-Companies sector was 10.50 per cent.

The effect of Fund charges will be to lower returns so the Fund will not be able to track the index return. Additional divergences will be caused by timing differences between changes in the stocks in the index and changes in the holdings in the Fund and by timing differences between re-investment of income in the index and the re-investment of distributions in the Fund.

UK equities rose on the back of gains for globally focused large cap stocks over the year under review. During the final quarter of 2015 and in early months of this year the market largely took its cue from international developments, particularly concerns over the economic outlook for China and volatility in commodity markets. As the second quarter drew to a close, attention focused on the UK referendum on membership of the European Union (EU) in June, with the unexpected result in favour of leaving the EU triggering a period of turbulence in share prices. Subsequently, the Bank of England's decision to cut interest rates to 0.25 per cent and to extend its asset purchase programme in August appears to have succeeded in mitigating the short-term downside risks to the UK economy. As a result, the UK equity market ended the third quarter on a positive footing.

There was a marked divergence in performance by market capitalisation, as well as sector returns over the year under review. Large cap stocks with substantial international earnings performed well as sterling fell to a 31-year low against the US dollar in the aftermath of the EU referendum result. More domestically focused mid-cap and smaller companies underperformed globally-focused large caps, while sectors such as banks and retailers sold off sharply on fears of a Brexit-induced downturn in the UK economy. In contrast, less cyclical sectors such as pharmaceuticals and consumer staples performed well, as with bond yields remaining low investors continued to favour higher yielding areas of the market with a relatively stable earnings profile. Energy stocks performed well as the oil price rebounded from multi-year lows, while mining companies rallied as commodity prices recovered over the spring and summer months. The technology sector was led higher by chip designer ARM Holdings, which agreed to a takeover bid from Japanese group Softbank.

Looking ahead, it will be some time before the full implications of the EU referendum vote become apparent and we expect the UK equity market to remain focused on short-term political and economic news flow. The Bank of England has reacted swiftly to Brexit-related concerns and there are signs that their policy initiatives have helped to avert a sharp slowdown in the UK economy. The new Chancellor is adopting a more pragmatic approach towards fiscal policy than his predecessor, abandoning the target of reaching a budget surplus by 2020, and fiscal policy should become more supportive for economic growth. This reflects understandable concerns that the UK economy faces significant downside risks in the near-term and during official EU exit negotiations over the next two years.

November 2016

Sources: Fund and peer group performance figures – Lipper, a Thomson Reuters Company, mid to mid basis with net income reinvested in GBP, with no initial charges applied. Market data – Bloomberg.

As noted above, the performance figures in this commentary have been sourced from an external party and are based on published prices. The performance figures quoted in the comparative tables on pages 62 and 63 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 securities. Past performance is not a guide to the future. The value of an investment and any income from it can go down as well as up. Investors may not get back the original amount invested.

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Material Portfolio Changes

Purchases	Sales
Shire	SABMiller
Royal Dutch Shell 'A'	ARM Holdings
Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP	Royal Dutch Shell 'B'
HSBC Holdings	Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP
BP	HSBC Holdings
Paddy Power Betfair	British American Tobacco
British American Tobacco	BP
Worldpay Group	Melrose Industries
Lloyds Banking Group	GlaxoSmithKline
Royal Dutch Shell 'B'	Royal Dutch Shell 'A'

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'.
- Full information on the risks applicable to the Fund is detailed in the Prospectus.

COMPARATIVE TABLES

Class 1 Income	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	68.11	65.21	68.78
Return before operating charges [†]	9.15	5.46	(1.16)
Operating charges	(0.43)	(0.66)	(0.66)
Return after operating charges [†]	8.72	4.80	(1.82)
Distributions on income shares	(2.13)	(1.90)	(1.75)
Closing net asset value per share	74.70	68.11	65.21
Retained distributions on accumulation shares	–	–	–
[†] after direct transaction costs of	(0.03)	(0.01)	(0.02)
Performance			
Return after charges	12.80%	7.36%	(2.65)%
Other information			
Closing net asset value (£000)	89,734	93,049	95,059
Closing number of shares	120,122,978	136,608,216	145,783,347
Operating charges (%) [†]	0.63%	0.93%	0.93%
Direct transaction costs (%) [#]	0.05%	0.02%	0.03%
Prices[™]			
Highest share price	76.60	76.15	73.16
Lowest share price	60.25	64.78	66.23

Class 3 Accumulation	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	192.82	178.48	182.14
Return before operating charges [†]	26.49	14.80	(3.22)
Operating charges	(0.44)	(0.46)	(0.44)
Return after operating charges [†]	26.05	14.34	(3.66)
Distributions on income shares	–	–	–
Closing net asset value per share	218.87	192.82	178.48
Retained distributions on accumulation shares	7.06	6.64	6.00
[†] after direct transaction costs of	(0.10)	(0.04)	(0.06)
Performance			
Return after charges	13.51%	8.03%	(2.01)%
Other information			
Closing net asset value (£000)	634,165	581,239	550,768
Closing number of shares	289,743,273	301,445,279	308,592,250
Operating charges (%) [†]	0.23%	0.23%	0.23%
Direct transaction costs (%) [#]	0.05%	0.02%	0.03%
Prices[™]			
Highest share price	221.00	209.85	197.08
Lowest share price	170.93	178.26	178.55

Class 2 Income	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	111.50	106.73	112.62
Return before operating charges [†]	15.12	8.98	(1.94)
Operating charges	(0.26)	(0.27)	(0.27)
Return after operating charges [†]	14.86	8.71	(2.21)
Distributions on income shares	(4.05)	(3.94)	(3.68)
Closing net asset value per share	122.31	111.50	106.73
Retained distributions on accumulation shares	–	–	–
[†] after direct transaction costs of	(0.06)	(0.02)	(0.04)
Performance			
Return after charges	13.33%	8.16%	(1.96)%
Other information			
Closing net asset value (£000)	13,544	5,763	3,387
Closing number of shares	11,074,065	5,168,815	3,173,678
Operating charges (%) [†]	0.23%	0.23%	0.23%
Direct transaction costs (%) [#]	0.05%	0.02%	0.03%
Prices[™]			
Highest share price	125.64	125.08	120.12
Lowest share price	98.85	106.32	108.82

COMPARATIVE TABLES (CONTINUED)

Class A Accumulation	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	85.27	79.94	82.63
Return before operating charges [†]	10.68	6.64	(1.41)
Operating charges	(0.09)	(1.31)	(1.28)
Return after operating charges [†]	10.59	5.33	(2.69)
Distributions on income shares	–	–	–
Closing net asset value per share	95.86	85.27	79.94
Retained distributions on accumulation shares	2.29	1.84	1.62
[†] after direct transaction costs of	(0.04)	(0.02)	(0.03)
Performance			
Return after charges	12.42%	6.67%	(3.26)%
Other information			
Closing net asset value (£000)	71,523	62,142	56,304
Closing number of shares	74,608,822	72,875,634	70,437,292
Operating charges (%) [‡]	0.10%	1.50%	1.50%
Direct transaction costs (%) [#]	0.05%	0.02%	0.03%
Prices[≈]			
Highest share price	96.79	93.26	88.39
Lowest share price	75.28	79.84	79.97

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

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

(b) The Ongoing Charge 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.

Ongoing Charges Figure*

Share class	15.10.16	15.10.15
Class 1	0.63%	0.93%
Class 2	0.23%	0.23%
Class 3 (Acc)	0.23%	0.23%
Class A (Acc)	0.10%	1.50%

* 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 for share class A and share class 1 is capped at 0.10% and 0.70% 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 note that with effect from 8 February 2016, the Annual Management Charge on share class 1 was reduced from 0.9% to 0.6%.

Please note that with effect from 25 July 2016, the Annual Management Charge on share class A was reduced from 1.50% to 0.15%, and with effect from 1 November 2016 was further reduced to 0.10%.

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 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Equities 96.90% (98.19%)				
Consumer Discretionary 9.57% (11.01%)				
Auto Components 0.25% (0.22%)				
GKN	GBP	611,822	2,008	0.25
			2,008	0.25
Distributors 0.17% (0.21%)				
Connect Group	GBP	88,337	127	0.02
Headlam Group	GBP	29,490	142	0.02
Inchcape	GBP	152,971	1,040	0.12
John Menzies	GBP	17,798	92	0.01
John Menzies Rights 26/10/2016	GBP	6,356	11	–
			1,412	0.17
Diversified Consumer Services 0.13% (0.05%)				
AA	GBP	217,173	575	0.07
Dignity	GBP	17,508	493	0.06
			1,068	0.13
Hotels, Restaurants & Leisure 3.42% (3.21%)				
Carnival	GBP	65,153	2,454	0.30
Compass Group	GBP	588,241	8,800	1.09
Domino's Pizza Group	GBP	178,450	590	0.07
Enterprise Inns	GBP	174,699	154	0.02
Fuller Smith & Turner 'A'	GBP	11,204	114	0.01
Greene King	GBP	110,663	820	0.10
GVC Holdings	GBP	102,440	752	0.09
Gym Group	GBP	23,920	47	0.01
InterContinental Hotels Group	GBP	70,329	2,277	0.28
J D Wetherspoon	GBP	29,285	263	0.03
Ladbroke's	GBP	326,514	454	0.06
Marston's	GBP	203,909	286	0.04
Merlin Entertainments	GBP	250,928	1,136	0.14
Millennium & Copthorne Hotels	GBP	42,968	193	0.02
Mitchells & Butlers	GBP	84,001	229	0.03
Paddy Power Betfair	EUR	29,250	2,590	0.32
Rank Group	GBP	61,659	125	0.02
Restaurant Group	GBP	71,460	257	0.03
SSP Group	GBP	167,460	546	0.07
Thomas Cook Group	GBP	514,110	347	0.04
TUI	GBP	168,256	1,802	0.22
Whitbread	GBP	65,146	2,498	0.31
William Hill	GBP	311,264	975	0.12
			27,709	3.42
Household Durables 1.09% (1.44%)				
Barratt Developments	GBP	355,514	1,716	0.21
Bellway	GBP	43,789	1,009	0.12
Berkeley Group Holdings	GBP	45,910	1,123	0.14
Bovis Homes Group	GBP	47,933	380	0.05
Countryside Properties	GBP	55,700	132	0.02
Crest Nicholson Holdings	GBP	86,848	358	0.04
DFS Furniture	GBP	56,620	143	0.02
Henry Boot	GBP	35,421	70	0.01
MJ Gleeson	GBP	13,225	75	0.01
Persimmon	GBP	109,203	1,861	0.22
Redrow	GBP	77,695	300	0.04
Taylor Wimpey	GBP	1,165,580	1,689	0.21
			8,856	1.09

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Internet & Direct Marketing Retail 0.10% (0.17%)				
AO World	GBP	64,250	116	0.01
Findel	GBP	21,048	43	0.01
Hostelworld Group	GBP	34,790	77	0.01
N Brown Group	GBP	55,924	107	0.01
Ocado Group	GBP	155,387	394	0.05
On the Beach Group	GBP	22,830	44	0.01
			781	0.10
Leisure Products 0.01% (0.02%)				
Photo-Me International	GBP	65,727	95	0.01
			95	0.01
Media 2.55% (2.99%)				
4imprint Group	GBP	10,024	172	0.02
Ascential	GBP	84,580	242	0.03
Bloomsbury Publishing	GBP	24,924	37	–
Cineworld Group	GBP	69,426	383	0.05
Entertainment One	GBP	116,405	271	0.03
Euromoney Institutional Investor	GBP	13,687	136	0.02
Informa	GBP	231,683	1,536	0.19
Informa Rights 25/10/2016	GBP	57,920	128	0.02
ITE Group	GBP	90,022	137	0.02
ITV	GBP	1,336,557	2,306	0.29
Pearson	GBP	293,337	2,442	0.30
Sky	GBP	374,371	3,151	0.38
STV Group	GBP	12,410	46	0.01
Tarsus Group	GBP	30,140	79	0.01
Trinity Mirror	GBP	97,928	88	0.01
UBM	GBP	139,796	1,034	0.13
WPP	GBP	462,701	8,453	1.04
			20,641	2.55
Multiline Retail 0.63% (1.13%)				
B&M European Value Retail	GBP	243,720	584	0.07
Debenhams	GBP	439,318	242	0.03
Marks & Spencer Group	GBP	578,789	1,891	0.23
Mothercare	GBP	52,478	60	0.01
Next	GBP	50,491	2,324	0.29
			5,101	0.63
Speciality Retail 0.88% (1.25%)				
Card Factory	GBP	83,030	234	0.03
Carpetright	GBP	18,483	40	–
Dixons Carphone	GBP	355,203	1,173	0.15
Dunelm Group	GBP	35,281	276	0.03
GAME Digital	GBP	30,440	20	–
Halfords Group	GBP	69,514	233	0.03
JD Sports Fashion	GBP	26,342	411	0.06
Kingfisher	GBP	805,230	2,930	0.37
Laura Ashley Holdings	GBP	90,253	19	–
Lookers	GBP	113,911	116	0.01
Moss Bros Group	GBP	31,130	32	–
Motorpoint group	GBP	20,430	34	–
Pendragon	GBP	501,346	139	0.02
Pets at Home Group	GBP	128,280	275	0.03
Sports Direct International	GBP	87,724	247	0.03
SuperGroup	GBP	18,053	269	0.03
Topps Tiles	GBP	51,881	48	0.01
WH Smith	GBP	38,694	606	0.08
			7,102	0.88

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Textiles, Apparel & Luxury Goods 0.34% (0.32%)				
Burberry Group	GBP	158,172	2,419	0.30
Jimmy Choo	GBP	39,900	54	0.01
Ted Baker	GBP	10,163	262	0.03
			2,735	0.34
Consumer Discretionary total			77,508	9.57
Consumer Staples 14.38% (15.14%)				
Beverages 2.69% (4.30%)				
A.G. Barr	GBP	29,466	143	0.02
Britvic	GBP	89,174	513	0.06
Coca-Cola HBC	GBP	69,732	1,273	0.16
Diageo	GBP	899,240	19,689	2.44
Stock Spirits Group	GBP	69,019	103	0.01
			21,721	2.69
Food & Staples Retailing 1.30% (1.31%)				
Booker Group	GBP	588,683	1,093	0.14
Greggs	GBP	36,355	359	0.04
J Sainsbury	GBP	597,082	1,390	0.17
McColl's Retail Group	GBP	27,660	50	0.01
Tesco	GBP	2,900,090	5,908	0.73
Wm Morrison Supermarkets	GBP	772,737	1,701	0.21
			10,501	1.30
Food Products 0.72% (0.88%)				
Associated British Foods	GBP	124,413	3,060	0.39
Cranswick	GBP	17,967	433	0.05
Dairy Crest Group	GBP	50,109	318	0.04
Devro	GBP	59,749	134	0.02
Greencore Group	GBP	146,167	444	0.05
Premier Foods	GBP	251,460	121	0.01
Tate & Lyle	GBP	166,367	1,328	0.16
			5,838	0.72
Household Products 2.11% (1.94%)				
McBride	GBP	64,882	127	0.02
PZ Cussons	GBP	106,882	384	0.05
Reckitt Benckiser Group	GBP	224,484	16,594	2.04
			17,105	2.11
Personal Products 1.89% (1.68%)				
Unilever	GBP	430,733	15,276	1.89
			15,276	1.89
Tobacco 5.67% (5.03%)				
British American Tobacco	GBP	665,488	32,510	4.02
Imperial Brands	GBP	343,962	13,380	1.65
			45,890	5.67
Consumer Staples total			116,331	14.38
Energy 12.32% (11.28%)				
Energy Equipment & Services 0.39% (0.43%)				
Amec Foster Wheeler	GBP	140,050	858	0.11
Gulf Marine Services	GBP	46,990	18	–
Hunting	GBP	44,838	252	0.03
John Wood Group	GBP	132,466	1,065	0.13
Lamprell	GBP	93,168	70	0.01
Petrofac	GBP	92,784	868	0.11
			3,131	0.39

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Oil, Gas & Consumable Fuels 11.93% (10.85%)				
BP	GBP	6,706,236	32,828	4.06
Cairn Energy	GBP	205,209	441	0.05
EnQuest	GBP	261,505	75	0.01
James Fisher & Sons	GBP	14,657	239	0.03
Nostrum Oil & Gas	GBP	31,510	102	0.01
Ophir Energy	GBP	244,747	195	0.02
Premier Oil	GBP	183,586	134	0.02
Royal Dutch Shell 'A'	GBP	1,544,446	32,194	3.98
Royal Dutch Shell 'B'	GBP	1,337,220	29,212	3.61
Soco International	GBP	79,906	112	0.01
Stobart Group	GBP	107,803	171	0.02
Tullow Oil	GBP	323,940	910	0.11
			96,613	11.93
Energy total			99,744	12.32
Financials 17.18% (18.96%)				
Banks 9.47% (10.42%)				
Aldermore Group	GBP	66,510	110	0.01
Barclays	GBP	6,039,070	10,272	1.27
BGEO Group	GBP	11,626	349	0.04
CYBG	GBP	315,150	835	0.10
HSBC Holdings	GBP	7,073,508	43,821	5.42
Lloyds Banking Group	GBP	22,851,710	11,982	1.48
Metro Bank	GBP	26,750	712	0.09
Royal Bank of Scotland Group	GBP	1,169,484	2,020	0.25
Shawbrook Group	GBP	42,860	102	0.01
Standard Chartered	GBP	958,308	6,249	0.77
Virgin Money Holdings UK	GBP	82,300	253	0.03
			76,705	9.47
Capital Markets 1.83% (1.78%)				
3i Group	GBP	344,032	2,261	0.27
Aberdeen Asset Management	GBP	352,889	1,148	0.13
Allied Minds	GBP	45,410	159	0.02
Ashmore Group	GBP	138,848	507	0.06
Brewin Dolphin Holdings	GBP	96,730	256	0.03
City of London Investment Group	GBP	7,464	28	–
Close Brothers Group	GBP	53,418	711	0.09
CMC Markets	GBP	34,700	69	0.01
Dexion Absolute Fund	GBP	23,950	41	0.01
Hargreaves Lansdown	GBP	86,362	1,029	0.13
Henderson Group	GBP	378,121	947	0.12
ICAP	GBP	192,188	902	0.11
IG Group Holdings	GBP	129,690	1,098	0.14
Intermediate Capital Group	GBP	103,114	612	0.08
Investec	GBP	225,856	1,068	0.13
IP Group	GBP	195,271	286	0.04
Jupiter Fund Management	GBP	148,316	657	0.08
Liontrust Asset Management	GBP	13,590	43	0.01
Man Group	GBP	545,540	675	0.08
Rathbone Brothers	GBP	17,319	305	0.04
Sanne Group	GBP	36,410	181	0.02
Schroders	GBP	40,344	1,116	0.14
SVG Capital	GBP	54,812	377	0.05
Tullett Prebon	GBP	87,278	304	0.04
			14,780	1.83

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Consumer Finance 0.25% (0.27%)				
Arrow Global Group	GBP	51,691	151	0.02
International Personal Finance	GBP	77,584	205	0.03
Provident Financial	GBP	52,717	1,599	0.20
S&U	GBP	1,492	37	–
			1,992	0.25
Diversified Financial Services 0.40% (0.52%)				
EF Realisation	GBP	19,141	7	–
London Stock Exchange Group	GBP	112,559	3,197	0.40
			3,204	0.40
Insurance 5.17% (5.88%)				
Admiral Group	GBP	71,479	1,447	0.18
Aviva [†]	GBP	1,449,924	6,464	0.80
Beazley	GBP	187,578	707	0.09
Charles Taylor	GBP	22,992	69	0.01
Chesnara	GBP	45,540	153	0.02
Direct Line Insurance Group	GBP	490,901	1,763	0.22
esure Group	GBP	101,594	299	0.04
Hansard Global	GBP	24,586	26	–
Hastings Group Holdings	GBP	89,510	187	0.02
Hiscox	GBP	101,800	1,050	0.13
Jardine Lloyd Thompson Group	GBP	43,539	445	0.06
Just Retirement Group	GBP	165,371	221	0.03
Lancashire Holdings	GBP	70,545	497	0.06
Legal & General Group	GBP	2,119,927	4,469	0.55
Novae Group	GBP	21,704	177	0.02
Old Mutual	GBP	1,744,838	3,362	0.42
Phoenix Group Holdings	GBP	88,871	780	0.10
Prudential	GBP	920,794	12,762	1.57
RSA Insurance Group	GBP	362,594	2,031	0.25
Saga	GBP	398,080	813	0.10
St James's Place	GBP	185,036	1,713	0.21
Standard Life	GBP	705,305	2,376	0.29
			41,811	5.17
Thriffs & Mortgage Finance 0.06% (0.09%)				
OneSavings Bank	GBP	34,150	94	0.01
Paragon Group	GBP	102,071	330	0.04
Real Estate Credit Investments	GBP	26,460	43	0.01
			467	0.06
Financials total			138,959	17.18
Health Care 9.80% (8.11%)				
Biotechnology 2.10% (1.32%)				
Circassia Pharmaceuticals	GBP	65,269	58	0.01
Genus	GBP	21,563	429	0.05
Oxford Biomedica	GBP	923,380	28	–
Shire	GBP	321,391	16,543	2.04
			17,058	2.10
Health Care Equipment & Supplies 0.52% (0.51%)				
Consort Medical	GBP	17,656	202	0.02
Smith & Nephew	GBP	320,128	3,969	0.50
			4,171	0.52

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Health Care Providers & Services 0.35% (0.25%)				
Mediclinic International	GBP	139,503	1,276	0.16
Cambian Group	GBP	31,930	38	–
Georgia Healthcare Group	GBP	15,190	49	0.01
McCarthy & Stone	GBP	98,310	166	0.02
NMC Health	GBP	22,482	322	0.04
Spire Healthcare Group	GBP	99,980	379	0.05
UDG Healthcare	GBP	87,065	567	0.07
			2,797	0.35
Life Sciences Tools & Services 0.01% (0.01%)				
PureTech Health	GBP	46,610	60	0.01
			60	0.01
Pharmaceuticals 6.82% (6.02%)				
AstraZeneca	GBP	450,542	22,284	2.75
BTG	GBP	136,803	936	0.12
Dechra Pharmaceuticals	GBP	33,016	456	0.06
GlaxoSmithKline	GBP	1,735,753	29,343	3.63
Hikma Pharmaceuticals	GBP	49,570	1,006	0.12
Indivior	GBP	259,794	816	0.10
Vectura Group	GBP	241,664	339	0.04
			55,180	6.82
Health Care total			79,266	9.80
Industrials 9.23% (9.57%)				
Aerospace & Defense 1.79% (1.86%)				
Avon Rubber	GBP	10,199	99	0.01
BAE Systems	GBP	1,129,217	6,126	0.75
Chemring Group	GBP	102,182	149	0.02
Cobham	GBP	609,749	1,016	0.13
Meggitt	GBP	277,881	1,256	0.16
QinetiQ Group	GBP	206,245	484	0.06
Rolls-Royce Holdings	GBP	589,264	4,502	0.56
Senior	GBP	150,870	329	0.04
Ultra Electronics Holdings	GBP	25,099	481	0.06
			14,442	1.79
Air Freight & Logistics 0.21% (0.18%)				
Royal Mail	GBP	324,889	1,614	0.20
UK Mail Group	GBP	8,031	35	–
Wincanton	GBP	39,417	79	0.01
			1,728	0.21
Airlines 0.41% (0.77%)				
easyJet	GBP	87,234	770	0.10
Flybe Group	GBP	74,780	31	–
International Consolidated Airlines Group	GBP	605,640	2,298	0.28
Wizz Air Holdings	GBP	16,030	243	0.03
			3,342	0.41
Building Products 0.06% (0.06%)				
Norcross	GBP	22,141	31	–
Polypipe Group	GBP	65,590	174	0.03
Tyman	GBP	63,815	164	0.02
Volution Group	GBP	53,150	90	0.01
			459	0.06

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Commercial Services & Supplies 1.15% (1.24%)				
Aggreko	GBP	85,998	808	0.10
Babcock International Group	GBP	179,291	1,772	0.21
Berendsen	GBP	61,581	788	0.10
Cape	GBP	43,004	92	0.01
Communis	GBP	82,935	29	–
De La Rue	GBP	35,969	216	0.03
G4S	GBP	553,949	1,338	0.17
HomeServe	GBP	92,275	561	0.07
Mears Group	GBP	36,606	172	0.02
Mitie Group	GBP	126,956	253	0.03
PayPoint	GBP	23,213	270	0.03
Regus	GBP	223,213	598	0.08
Rentokil Initial	GBP	652,937	1,477	0.18
RPS Group	GBP	79,283	130	0.02
Serco Group	GBP	393,722	536	0.07
Shanks Group	GBP	144,477	165	0.02
St Ives	GBP	51,916	75	0.01
			9,280	1.15
Construction & Engineering 0.36% (0.39%)				
Balfour Beatty	GBP	246,667	679	0.08
Carillion	GBP	153,214	380	0.05
Costain Group	GBP	26,361	95	0.01
Galliford Try	GBP	29,483	394	0.05
Interserve	GBP	52,024	180	0.02
John Laing Group	GBP	131,510	357	0.04
Keller Group	GBP	25,468	223	0.03
Kier Group	GBP	33,120	450	0.06
Morgan Sindall Group	GBP	14,079	98	0.01
Severfield	GBP	107,526	59	0.01
			2,915	0.36
Electrical Equipment 0.02% (0.20%)				
Dialight	GBP	11,015	79	0.01
XP Power	GBP	5,091	89	0.01
			168	0.02
Industrial Conglomerates 0.53% (0.41%)				
Carr's Group	GBP	27,120	40	–
DCC	GBP	31,496	2,184	0.27
Smiths Group	GBP	139,964	2,070	0.26
			4,294	0.53
Machinery 0.70% (0.61%)				
Bodycote	GBP	68,079	431	0.05
Fenner	GBP	69,786	155	0.02
Goodwin	GBP	970	21	–
IMI	GBP	97,821	1,048	0.13
Morgan Advanced Materials	GBP	103,712	310	0.04
Porvair	GBP	12,874	51	0.01
Renold	GBP	72,989	30	–
Rotork	GBP	309,300	684	0.08
Spirax-Sarco Engineering	GBP	26,043	1,188	0.15
Trifast	GBP	40,590	70	0.01
Vesuvius	GBP	96,918	351	0.04
Weir Group	GBP	77,307	1,340	0.17
			5,679	0.70

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Marine 0.02% (0.03%)				
Clarkson	GBP	8,887	177	0.02
			177	0.02
Professional Services 2.07% (2.06%)				
Capita	GBP	236,304	1,395	0.17
Exova Group	GBP	39,060	79	0.01
Experian	GBP	342,668	5,448	0.67
Hays	GBP	513,167	703	0.09
Hogg Robinson Group	GBP	87,902	62	0.01
Intertek Group	GBP	57,385	2,074	0.26
Michael Page International	GBP	108,948	412	0.05
RELX	GBP	391,405	5,711	0.70
Ricardo	GBP	18,711	191	0.02
Robert Walters	GBP	25,365	87	0.01
SThree	GBP	42,541	98	0.01
WS Atkins	GBP	36,023	553	0.07
			16,813	2.07
Road & Rail 0.22% (0.26%)				
Firstgroup	GBP	428,805	455	0.06
Go-Ahead Group	GBP	15,182	305	0.04
National Express Group	GBP	150,144	533	0.06
Northgate	GBP	47,338	202	0.02
Stagecoach Group	GBP	149,747	302	0.04
			1,797	0.22
Trading Companies & Distributors 1.57% (1.43%)				
Ashtead Group	GBP	179,700	2,361	0.29
Brammer	GBP	46,980	40	–
Bunzl	GBP	119,792	2,779	0.34
Diploma	GBP	40,327	379	0.05
Grafton Group	GBP	77,109	394	0.05
Howden Joinery Group	GBP	218,418	890	0.11
HSS Hire Group	GBP	19,390	13	–
Lavendon Group	GBP	61,309	85	0.01
SIG	GBP	201,164	226	0.03
Speedy Hire	GBP	195,938	72	0.01
Travis Perkins	GBP	89,211	1,299	0.16
Vp	GBP	5,999	41	0.01
Wolseley	GBP	90,049	4,108	0.51
			12,687	1.57
Transportation Infrastructure 0.12% (0.07%)				
BBA Aviation	GBP	372,005	954	0.12
Braemar Shipping Services	GBP	10,005	32	–
			986	0.12
Industrials total			74,767	9.23

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Information Technology 2.41% (2.39%)				
Communications Equipment 0.03% (0.09%)				
Sapura	GBP	112,746	17	–
Spirent Communications	GBP	220,535	186	0.03
			203	0.03
Electronic Equipment, Instruments & Components 0.55% (0.45%)				
Acal	GBP	22,570	58	0.01
e2v technologies	GBP	78,841	175	0.02
Electrocomponents	GBP	157,241	577	0.07
Halma	GBP	134,398	1,476	0.18
Laird	GBP	96,617	304	0.04
Oxford Instruments	GBP	18,958	136	0.02
Premier Farnell	GBP	133,768	247	0.03
Renishaw	GBP	12,962	373	0.05
Servelec Group	GBP	24,200	62	0.01
Spectris	GBP	42,478	920	0.11
TT Electronics	GBP	57,659	81	0.01
			4,409	0.55
Internet Software & Services 0.55% (0.41%)				
Auto Trader Group	GBP	346,310	1,315	0.17
Just Eat	GBP	198,301	1,072	0.13
Moneysupermarket.com Group	GBP	188,226	523	0.06
Rightmove	GBP	32,258	1,270	0.16
Zoopla Property Group	GBP	83,910	274	0.03
			4,454	0.55
IT Services 0.44% (0.12%)				
Computacenter	GBP	23,600	160	0.02
Equiniti Group	GBP	84,090	166	0.02
FDM Group Holdings	GBP	30,330	178	0.02
Kainos Group	GBP	19,400	36	–
NCC Group	GBP	93,272	318	0.04
Paysafe Group	GBP	171,890	784	0.10
Softcat	GBP	38,080	113	0.01
Worldpay Group	GBP	599,800	1,766	0.23
			3,521	0.44
Semiconductors & Semiconductor Equipment 0.03% (0.70%)				
Imagination Technologies Group	GBP	89,232	223	0.03
Nanoco Group	GBP	78,700	40	–
			263	0.03
Software 0.79% (0.60%)				
AVEVA Group	GBP	22,769	459	0.06
Fidessa Group	GBP	13,665	329	0.04
Micro Focus International	GBP	79,198	1,754	0.21
Playtech	GBP	75,150	700	0.09
Sage Group	GBP	384,522	2,808	0.34
SDL	GBP	29,130	127	0.02
Sophos Group	GBP	83,970	207	0.03
			6,384	0.79
Technology Hardware, Storage & Peripherals 0.02% (0.02%)				
Xaar	GBP	28,255	142	0.02
			142	0.02
Information Technology total			19,376	2.41

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Investment Funds 4.01% (3.75%)				
Investment Companies 4.01% (3.75%)				
3i Infrastructure	GBP	240,207	461	0.05
Aberdeen Asian Income Fund	GBP	68,285	140	0.02
Aberdeen Asian Smaller Companies Investment Trust	GBP	12,916	127	0.02
Aberdeen New Dawn Investment Trust	GBP	44,009	85	0.01
Aberdeen UK Tracker Trust	GBP	36,941	119	0.01
Aberforth Geared Income Trust	GBP	39,780	75	0.01
Aberforth Smaller Companies Trust	GBP	33,965	345	0.04
Alcentra European Floating Rate Income Fund	GBP	47,580	47	0.01
Alliance Trust	GBP	182,085	1,093	0.14
Allianz Technology Trust	GBP	9,295	74	0.01
Artemis Alpha Trust	GBP	12,847	31	–
Asian Total Return Investment Fund	GBP	26,256	70	0.01
BACIT	GBP	125,856	158	0.02
Baillie Gifford Japan Trust	GBP	27,981	159	0.02
Baillie Gifford Shin Nippon	GBP	13,916	81	0.01
Bankers Investment Trust	GBP	43,128	296	0.04
Baring Emerging Europe	GBP	6,149	40	–
BBGI SA Fund	GBP	154,622	221	0.03
Beta Global Emerging Market Trust	GBP	12,346	–	–
BH Global	GBP	8,247	99	0.01
BH Macro	GBP	8,265	157	0.02
Biotech Growth Trust	GBP	21,277	148	0.02
BlackRock Frontiers Investment Trust	GBP	59,821	81	0.01
BlackRock Greater Europe Investment Trust	GBP	36,021	103	0.01
Blackrock Income Strategies Trust	GBP	99,630	107	0.01
BlackRock Latin American Investment Trust	GBP	14,527	63	0.01
BlackRock New Energy Investment Trust	GBP	72,800	–	–
Blackrock North American Income Trust	GBP	28,564	43	0.01
BlackRock Smaller Trust	GBP	17,288	160	0.02
Blackrock Throgmorton Trust	GBP	26,215	88	0.01
BlackRock World Mining Trust	GBP	63,240	190	0.02
Bluefield Solar Income Fund	GBP	111,040	114	0.01
British Empire Trust	GBP	46,335	284	0.04
Brunner Investment Trust	GBP	10,141	61	0.01
Caledonia Investments Fund	GBP	11,637	282	0.03
Capital Gearing Trust	GBP	968	36	–
City Merchants High Yield Trust	GBP	31,588	60	0.01
City of London Investment Trust	GBP	115,139	466	0.06
CQS New City High Yield Fund	GBP	125,650	75	0.01
CVC Credit Partners European Opportunities	GBP	89,110	89	0.01
Diverse Income Trust	GBP	125,554	112	0.01
Dragon Capital – Vietnam Enterprise Investments	GBP	79,180	247	0.03
Dunedin Income Growth Investment Trust	GBP	52,460	129	0.02
Dunedin Smaller Companies Investment Trust	GBP	15,896	32	–
DW Catalyst Fund	GBP	3,334	36	–
Ecofin Global Utilities and Infrastructure Trust	GBP	76,565	98	0.01
Edinburgh Dragon Trust	GBP	68,641	217	0.03
Edinburgh Investment Trust	GBP	69,865	492	0.06
Edinburgh Worldwide Investment Trust	GBP	17,638	86	0.01
Electra Private Equity	GBP	10,291	436	0.05
EP Global Opportunities Trust	GBP	16,011	44	0.01
European Investment Trust	GBP	15,075	113	0.01
F&C Capital & Income Investment Trust	GBP	33,790	96	0.01
F&C Commercial Property Trust	GBP	192,066	233	0.03
F&C Global Smaller Companies	GBP	19,810	227	0.03
F&C Private Equity Trust	GBP	26,410	75	0.01
Fidelity Asian Values	GBP	24,361	84	0.01
Fidelity China Special Situations	GBP	133,987	253	0.03
Fidelity European Values	GBP	148,820	272	0.03
Fidelity Japanese Values	GBP	49,598	50	0.01

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Investment Companies 4.01% (3.75%) (continued)				
Fidelity Special Values	GBP	65,785	132	0.02
Finsbury Growth & Income Trust	GBP	50,137	328	0.04
Foreign & Colonial Investment Trust	GBP	196,882	1,021	0.13
Foresight Solar Fund	GBP	101,666	106	0.01
Funding Circle SME Income Fund	GBP	54,610	56	0.01
Fundsmith Emerging Equities Trust	GBP	7,460	87	0.01
Gartmore Irish Growth Fund^	GBP	2,390	–	–
GCP Infrastructure Investments	GBP	236,321	307	0.04
Genesis Emerging Markets Fund	GBP	48,078	298	0.04
Govett Strategic Investment Trust	GBP	17,530	–	–
Greencoat UK Wind Fund	GBP	209,770	238	0.03
Hansa Trust	GBP	1,300	11	–
HarbourVest Global Private Equity Fund	GBP	27,840	300	0.04
Henderson Alternative Strategies Trust	GBP	15,468	39	–
Henderson Diversified Income	GBP	57,786	53	0.01
Henderson European Focus Trust	GBP	7,550	81	0.01
Henderson EuroTrust	GBP	7,405	70	0.01
Henderson Far East Income Fund	GBP	41,214	143	0.02
Henderson High Income Trust	GBP	39,311	72	0.01
Henderson International Income Trust	GBP	56,600	81	0.01
Henderson Smaller Companies Investment Trust	GBP	26,200	168	0.02
Herald Investment Trust	GBP	26,768	230	0.03
HgCapital Trust Fund	GBP	12,045	173	0.02
HICL Infrastructure Fund	GBP	497,617	852	0.10
Highbridge Multi Strategy Fund	GBP	47,596	94	0.01
ICG Enterprise Trust	GBP	24,829	160	0.02
ICG-Longbow Senior Secured UK Property Debt Investments Fund	GBP	34,452	36	–
Impax Environmental Markets	GBP	70,051	152	0.02
Independent Investment Trust	GBP	11,440	44	0.01
International Biotechnology Trust	GBP	14,063	75	0.01
International Public Partnerships Fund	GBP	385,727	614	0.07
INVESCO Asia Trust	GBP	31,622	77	0.01
Invesco Income Growth Trust	GBP	21,319	59	0.01
Invesco Perpetual UK Smaller Companies Investment Trust	GBP	19,251	76	0.01
John Laing Environmental Assets Group	GBP	68,240	73	0.01
John Laing Infrastructure Fund	GBP	269,856	348	0.04
JPMorgan American Investment Trust	GBP	95,100	332	0.04
JPMorgan Asian Investment Trust	GBP	32,543	94	0.01
JPMorgan Chinese Investment Trust	GBP	27,298	58	0.01
JPMorgan Claverhouse Investment Trust	GBP	19,265	114	0.01
JPMorgan Emerging Markets Investment Trust	GBP	44,513	327	0.04
JPMorgan European Investment Trust 'Growth Shares'	GBP	28,015	71	0.01
JPMorgan European Investment Trust 'Income Shares'	GBP	34,175	45	0.01
JPMorgan European Smaller Companies Trust	GBP	57,030	178	0.02
JPMorgan Global Convertibles Income Fund	GBP	66,482	60	0.01
JPMorgan Global Emerging Markets Income Trust	GBP	102,386	123	0.02
JPMorgan Indian Investment Trust	GBP	37,838	256	0.03
JPMorgan Japan Smaller Companies Trust	GBP	16,853	53	0.01
JPMorgan Japanese Investment Trust	GBP	57,944	198	0.02
JPMorgan Mid Cap Investment Trust	GBP	8,842	80	0.01
JPMorgan Overseas Investment Trust	GBP	45,750	120	0.01
JPMorgan Russian Securities	GBP	18,387	83	0.01
JPMorgan Smaller Companies Investment Trust	GBP	5,797	46	0.01
Jupiter European Opportunities Trust	GBP	37,968	217	0.03
Jupiter US Smaller Companies	GBP	7,567	58	0.01
Keystone Investment Trust	GBP	4,875	81	0.01
Law Debenture Corp Fund	GBP	42,493	218	0.03
Lindsell Train Investment Trust	GBP	60	49	0.01
London & St Lawrence Investment Company	GBP	7,410	26	–
Lowland Investment Fund	GBP	9,706	126	0.02
Macau Property Opportunities Fund	GBP	26,030	35	–

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Investment Companies 4.01% (3.75%) (continued)				
Majedie Investments Fund	GBP	10,501	26	–
Martin Currie Asia Unconstrained Trust	GBP	11,905	41	0.01
Martin Currie Portfolio Investment Trust	GBP	36,571	81	0.01
MedicX Fund	GBP	136,169	124	0.02
Mercantile Investment Trust	GBP	33,736	562	0.07
Merchants Trust	GBP	39,357	167	0.02
Middlefield Canadian Income Fund	GBP	39,413	38	–
Monks Investment Trust	GBP	75,192	408	0.05
Montanaro European Smaller Cos. Trust	GBP	6,225	40	–
Montanaro UK Smaller Companies Investment Trust	GBP	10,340	48	0.01
Murray Income Trust	GBP	24,374	177	0.02
Murray International Trust	GBP	44,899	506	0.06
NB Global Floating Rate Income Fund	GBP	379,190	360	0.04
New India Investment Trust	GBP	20,715	83	0.01
NextEnergy Solar Fund	GBP	100,280	108	0.01
North American Income Trust	GBP	10,384	115	0.01
North Atlantic Smaller Investment Trust	GBP	3,701	94	0.01
P2P Global Investments Fund	GBP	30,869	252	0.03
Pacific Assets Trust	GBP	42,585	105	0.01
Pacific Horizon Investment Trust	GBP	21,503	49	0.01
Pantheon International	GBP	11,846	194	0.02
Perpetual Income and Growth Investment Trust	GBP	85,225	314	0.04
Personal Assets Trust Fund	GBP	577	230	0.03
Picton Property Income Fund	GBP	194,555	137	0.02
Polar Capital Global Financials Trust	GBP	62,605	68	0.01
Polar Capital Global Healthcare Growth and Income Trust	GBP	43,305	85	0.01
Polar Capital Technology Trust	GBP	47,125	383	0.05
Project Finance Investments Fund	GBP	38,590	43	0.01
Ranger Direct Lending Fund	GBP	5,410	62	0.01
RIT Capital Partners Fund	GBP	44,612	781	0.10
Riverstone Energy Fund	GBP	19,691	224	0.03
Ruffer Investment Company Fund 'Preference Shares'	GBP	56,274	127	0.02
Schroder AsiaPacific Fund	GBP	61,256	221	0.03
Schroder Income Growth Fund	GBP	25,001	63	0.01
Schroder Japan Growth Fund	GBP	45,680	79	0.01
Schroder Oriental Income Fund	GBP	83,641	199	0.02
Schroder UK Growth Fund	GBP	58,836	95	0.01
Schroder UK Mid Cap Fund	GBP	13,195	57	0.01
Scottish American Investment Fund	GBP	47,066	148	0.02
Scottish Investment Trust	GBP	35,238	257	0.03
Scottish Mortgage Investment Trust	GBP	470,400	1,572	0.18
Scottish Oriental Smaller Companies Trust	GBP	10,641	101	0.01
Securities Trust of Scotland	GBP	37,440	59	0.01
Securities Trust of Scotland [^]	GBP	83,950	–	–
Sequoia Economic Infrastructure Income Fund	GBP	108,630	123	0.02
SQN Asset Finance Income Fund	GBP	64,570	72	0.01
Standard Life Equity Income Trust	GBP	16,383	65	0.01
Standard Life European Private Equity Trust	GBP	26,159	71	0.01
Standard Life UK Smaller Trust	GBP	23,973	84	0.01
Starwood European Real Estate Finance Fund	GBP	134,407	142	0.02
Strategic Equity Capital	GBP	24,310	48	0.01
Temple Bar Investment Trust	GBP	23,817	265	0.03
Templeton Emerging Markets Investment Trust	GBP	104,841	632	0.08
TR European Growth Trust	GBP	17,836	138	0.02
TR Property Investment Trust 'Ordinary Shares'	GBP	113,816	347	0.04
Troy Income & Growth Trust	GBP	95,529	73	0.01
TwentyFour Income Fund	GBP	135,228	153	0.02
TwentyFour Select Monthly Income Fund	GBP	51,060	47	0.01
UK Commercial Property Trust	GBP	229,114	180	0.02
Utilico Emerging Markets	GBP	60,254	125	0.02
Value and Income Trust	GBP	13,923	33	–

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Investment Companies 4.01% (3.75%) (continued)				
VinaCapital Vietnam Opportunity Fund	GBP	74,910	191	0.02
VPC Specialty Lending Investments Fund	GBP	137,690	110	0.01
Witan Investment Trust	GBP	65,689	564	0.07
Witan Pacific Investment Trust	GBP	23,820	69	0.01
Woodford Patient Capital Trust	GBP	289,610	267	0.03
Worldwide Healthcare Trust	GBP	16,859	359	0.04
			32,403	4.01
Investment Funds total			32,403	4.01
Materials 7.73% (6.56%)				
Chemicals 0.73% (0.76%)				
Carclo	GBP	23,974	30	–
Croda International	GBP	46,467	1,700	0.21
Elementis	GBP	164,870	366	0.05
Essentra	GBP	93,363	493	0.06
Johnson Matthey	GBP	69,097	2,446	0.31
Synthomer	GBP	96,522	360	0.04
Victrex	GBP	29,115	513	0.06
Zotefoams	GBP	13,800	37	–
			5,945	0.73
Construction Materials 1.04% (0.73%)				
CRH	GBP	296,105	7,921	0.98
Forterra	GBP	25,480	46	0.01
Ibstock	GBP	81,390	128	0.02
Low & Bonar	GBP	115,870	75	0.01
Marshalls	GBP	71,461	197	0.02
			8,367	1.04
Containers & Packaging 0.50% (0.43%)				
DS Smith	GBP	335,346	1,360	0.17
RPC Group	GBP	118,816	1,170	0.14
Smurfit Kappa Group	GBP	83,760	1,499	0.19
			4,029	0.50
Metals & Mining 5.20% (4.38%)				
Acacia Mining	GBP	54,029	245	0.03
Anglo American	GBP	466,512	4,691	0.58
Antofagasta	GBP	127,203	661	0.08
BHP Billiton	GBP	754,052	9,113	1.13
Centamin	GBP	387,146	558	0.07
Evrax	GBP	170,493	344	0.04
Ferrexpo	GBP	50,636	49	0.01
Fresnillo	GBP	60,508	980	0.12
Gem Diamonds	GBP	39,383	46	0.01
Glencore	GBP	4,162,788	9,500	1.17
Hill & Smith Holdings	GBP	27,948	325	0.04
Hochschild Mining	GBP	81,963	211	0.03
KAZ Minerals	GBP	92,850	240	0.03
Kenmare Resources	GBP	27,890	88	0.01
Lonmin	GBP	101,279	190	0.02
Petra Diamonds	GBP	183,854	248	0.03
Petropavlovsk	GBP	1,045,430	80	0.01
Polymetal International	GBP	92,822	788	0.10
Randgold Resources	GBP	33,142	2,254	0.28
Rio Tinto	GBP	431,699	11,208	1.39
Vedanta Resources	GBP	30,620	194	0.02
			42,013	5.20

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Paper & Forest Products 0.26% (0.26%)				
Mondi	GBP	131,113	2,095	0.26
			2,095	0.26
Materials total			62,449	7.73
Real Estate 2.25% (2.83%)				
Equity Real Estate Investment Trusts (REITs) 1.85% (2.25%)				
Assura	GBP	573,888	337	0.04
Big Yellow Group	GBP	50,700	358	0.04
British Land	GBP	365,677	2,168	0.27
Capital & Regional	GBP	193,877	113	0.01
Custodian Reit	GBP	94,660	98	0.01
Derwent London	GBP	35,693	882	0.11
Ediston Property Investment	GBP	46,690	47	0.01
Empiric Student Property	GBP	180,402	209	0.03
F&C UK Real Estate Investment	GBP	87,232	83	0.01
Great Portland Estates	GBP	123,270	757	0.09
Hammerson	GBP	280,004	1,572	0.19
Hansteen Holdings	GBP	263,918	293	0.04
Intu Properties	GBP	333,828	973	0.12
Land Securities Group	GBP	280,864	2,791	0.36
LondonMetric Property	GBP	207,991	313	0.04
Primary Health Properties	GBP	208,510	234	0.03
Redefine International	GBP	430,779	185	0.02
Regional REIT	GBP	80,280	84	0.01
Safestore Holdings	GBP	74,169	278	0.03
Schroder European REIT	GBP	39,720	48	0.01
Schroder REIT	GBP	185,122	105	0.01
Segro	GBP	295,798	1,278	0.16
Shaftesbury	GBP	99,582	930	0.11
Standard Life Investment Property Income Trust	GBP	135,917	113	0.01
Target Healthcare REIT	GBP	91,800	102	0.01
Town Centre Securities	GBP	8,723	25	–
Tritax Big Box REIT	GBP	325,987	443	0.05
Workspace Group	GBP	41,288	269	0.03
			15,088	1.85
Real Estate Management & Development 0.40% (0.58%)				
Capital & Counties Properties	GBP	263,627	746	0.10
CLS Holdings	GBP	5,398	83	0.01
Countrywide	GBP	54,037	106	0.01
Daejan Holdings	GBP	1,783	102	0.01
Foxtons Group	GBP	90,772	89	0.01
Grainger	GBP	146,290	322	0.04
Helical Bar	GBP	35,523	95	0.01
Kennedy Wilson Europe Real Estate	GBP	41,908	422	0.05
LSL Property Services	GBP	29,908	60	0.01
Phoenix Spree Deutschland	GBP	28,960	65	0.01
Raven Russia	GBP	153,738	58	0.01
Savills	GBP	45,655	328	0.04
ST Modwen Properties	GBP	63,186	166	0.02
U & I Group	GBP	45,437	74	0.01
UNITE Group	GBP	79,007	475	0.06
			3,191	0.40
Real Estate total			18,279	2.25

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Telecommunication Services 4.24% (4.74%)				
Diversified Telecommunication Services 1.60% (2.09%)				
BT Group	GBP	2,987,597	11,212	1.38
Inmarsat	GBP	160,533	1,145	0.14
KCOM Group	GBP	182,989	218	0.03
TalkTalk Telecom Group	GBP	187,035	404	0.05
			12,979	1.60
Wireless Telecommunication Services 2.64% (2.65%)				
Vodafone Group	GBP	9,484,781	21,345	2.64
			21,345	2.64
Telecommunication Services total			34,324	4.24
Utilities 3.78% (3.85%)				
Electric Utilities 0.69% (0.74%)				
SSE	GBP	359,229	5,557	0.69
			5,557	0.69
Independent Power and Renewable Electricity Producers 0.10% (0.09%)				
Drax Group	GBP	144,531	449	0.06
Renewables Infrastructure Group	GBP	272,882	287	0.04
			736	0.10
Multi-Utilities 2.31% (2.28%)				
Centrica	GBP	1,937,039	4,093	0.51
National Grid	GBP	1,346,694	14,376	1.77
Telecom Plus	GBP	20,869	230	0.03
			18,699	2.31
Water Utilities 0.68% (0.74%)				
Pennon Group	GBP	146,752	1,238	0.15
Severn Trent	GBP	83,976	1,968	0.24
United Utilities Group	GBP	243,415	2,297	0.29
			5,503	0.68
Utilities total			30,495	3.78
Equities total			783,901	96.90
Liquidity Stocks 0.00% (0.07%)				
Investment assets			783,901	96.90
Net other assets			25,065	3.10
Net assets			808,966	100.00

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

The comparative percentage figures in brackets are as at 15 October 2015.

† Investment in or managed by a related party.

^ Unlisted, suspended or delisted security.

STATEMENT OF TOTAL RETURN

For the year ended 15 October 2016

	Notes	£000	Year ended 15.10.16 £000	£000	Restated* Year ended 15.10.15 £000
Income					
Net capital gains	2		71,702		32,192
Revenue	3	28,746		27,809	
Expenses	4	(2,694)		(3,280)	
Net revenue before taxation		26,052		24,529	
Taxation	5	(200)		(189)	
Net revenue after taxation			25,852		24,340
Total return before distributions			97,554		56,532
Distributions	6		(25,859)		(24,343)
Change in net assets attributable to shareholders from investment activities			71,695		32,189

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 15 October 2016

	£000	Year ended 15.10.16 £000	£000	Year ended 15.10.15 £000
Opening net assets attributable to shareholders		742,193		705,518
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	41,098		35,427	
Amounts payable on cancellation of shares	(68,628)		(52,353)	
		(27,530)		(16,926)
Change in net assets attributable to shareholders from investment activities (see above)		71,695		32,189
Retained distribution on accumulation shares		22,608		21,411
Unclaimed distribution monies		–		1
Closing net assets attributable to shareholders		808,966		742,193

* Refer to the accounting policies note on page 81.

BALANCE SHEET

As at 15 October 2016

	Notes	As at 15.10.16 £000	As at 15.10.15 £000
Assets:			
Investments	7	783,901	729,235
Current assets:			
Debtors	8	1,159	1,292
Cash and bank balances	9	27,195	14,094
Total assets		812,255	744,621
Liabilities:			
Creditors:			
Bank overdrafts		(483)	–
Distribution payable on income shares		(1,623)	(1,559)
Other creditors	10	(1,183)	(869)
Total liabilities		(3,289)	(2,428)
Net assets attributable to shareholders		808,966	742,193

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting basis and policies

Please see pages 7 and 8 for accounting basis and policies.

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

Statement of Total Return

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

2 Net capital gains

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Net capital gains on investments during the year comprise:		
Currency gains/(losses)	4	(6)
Expenses relating to the purchase and sale of investments	(23)	(13)
Non-derivative securities gains	71,721	32,211
Net capital gains	71,702	32,192

3 Revenue

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Bank and deposit interest	6	–
Interest on debt securities	1	–
Overseas dividends	3,606	3,616
Property income distributions	470	356
Stock dividends	109	154
UK dividends	24,554	23,682
Underwriting commission	–	1
Total revenue	28,746	27,809

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 Expenses

	Year ended 15.10.16 £000	Restated* Year ended 15.10.15 £000
Payable to the Authorised Corporate Director ("ACD"), associates of the ACD or agents of either of them:		
ACD's periodic charge	2,531	3,056
	2,531	3,056
Payable to the Depositary, associates of the Depositary or agents of either of them:		
Depositary's fee	60	47
Interest payable	1	16
Safe custody fee	12	12
	73	75
Other expenses:		
Audit fee**	10	11
FTSE Index Tracker Fund licence fee	66	117
Printing & postage expenses	–	9
Statement fees	29	32
	105	169
Total expenses	2,709	3,300
Less those expenses rebated by the ACD	(15)	(20)
Net expenses	2,694	3,280

* Refer to the accounting policies note on page 81.

** The audit fee was £9,161 (2015: £8,550) net of VAT.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Taxation**a Analysis of tax charge**

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Corporation tax	200	189
Total current tax (see note 5b)	200	189

b Factors affecting current tax charge

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

The differences are explained below:

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Net revenue before taxation	26,052	24,529
Corporation tax at 20%	5,210	4,906
Effects of:		
Movement in excess expenses	415	553
Overseas dividends not subject to corporation tax	(707)	(702)
Overseas tax suffered	200	189
Revenue taxable in different periods	–	(2)
Stock dividends not taxable	(22)	(31)
UK dividends not subject to corporation tax	(4,896)	(4,724)
	(5,010)	(4,717)
Current tax charge (see note 5.a)	200	189

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 material unprovided deferred tax (2015: £nil).

After claiming relief against accrued income taxable on receipt, the Fund has unrelieved excess expenses of £31,172,000 (2015: £29,124,000) creating a potential deferred tax asset of £6,234,000 (2015: £5,819,000). It is unlikely that the Fund will generate taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

6 Distributions

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:		
Interim distribution	12,206	10,922
Final distribution	13,463	13,313
	25,669	24,235
Add: Revenue deducted on cancellation of shares	651	395
Deduct: Revenue received on issue of shares	(461)	(287)
Total distributions	25,859	24,343
Reconciliations of distributions for the year to net revenue after taxation		
Equalisation on conversions	(8)	(3)
Undistributed revenue carried forward	1	–
Net revenue after taxation	25,852	24,340

Details of the distributions per share are set out in the distribution tables on page 88.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 Fair value hierarchy

Valuation technique	Assets at 15.10.16 £000	Assets at 15.10.15 £000
Quoted prices for identical instruments in active markets	783,860	728,735
Prices of recent transactions for identical instruments	–	500
Valuation techniques using observable market data	41	–
Total value	783,901	729,235

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 to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

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

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

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

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

8 Debtors

	As at 15.10.16 £000	As at 15.10.15 £000
Accrued revenue	1,061	995
Amounts receivable on issue of shares	21	155
Overseas tax recoverable	77	45
Sales awaiting settlement	–	97
Total debtors	1,159	1,292

9 Cash and bank balances

	As at 15.10.16 £000	As at 15.10.15 £000
Cash and bank balances	27,195	14,094
Total cash and bank balances	27,195	14,094

10 Other creditors

	As at 15.10.16 £000	As at 15.10.15 £000
Accrued expenses	293	450
Amounts payable for cancellation of shares	890	419
Total creditors	1,183	869

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11 Contingent liabilities and commitments

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

	As at 15.10.16 £000	As at 15.10.15 £000
Informa plc Common Stock GBP 0.1	25,542	–
John Menzies plc RTS 26/Oct/2016 STK3.43	22	–
Total contingent liabilities and commitments	25,564	–

12 Related party transactions

ACD periodic charges paid to Aviva Investors UK Fund Services Limited ("the ACD") are shown in note 4 and details of shares issued and cancelled by the ACD are shown in the statement of change in net assets attributable to shareholders. The balance due to the ACD at the year end in respect of ACD periodic charges was £232,000 (2015: £380,000). Any balance due from the ACD in respect of issues is shown in note 8. Any balance due to the ACD in respect of cancellations is shown in note 10.

Distributions payable to the ACD and related parties of the ACD during the year amounted to £21,231,000 (2015: £20,371,000). The amount outstanding at the year end was £10,989,00 (2015: £11,150,000). Related parties of the ACD are deemed to be all companies under the control of Aviva Plc. This will include companies which hold shares in the Fund on behalf of other external investors.

Any 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 £3,872,000 (2015: £253,154) and £3,842,000 (2015: £172,000) respectively. The income received during the year amounted to £316,000 (2015: £228,000).

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

	Holdings at 15.10.16 (shares)	Movement (shares)	Holdings at 15.10.15 (shares)
ACD and related parties (share class 1 Income shares)	11,343,679	(2,638,348)	13,982,027
ACD and related parties (share class 2 Income shares)	1,588,353	765,445	822,908
ACD and related parties (share class 3 Accumulation shares)	289,743,273	(11,702,006)	301,445,279

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

13 Shareholder funds

The Fund currently has four share classes: Class 1 and A (Retail), Class 2 (Institutional) and Class 3 (Associated undertakings of Aviva Plc). The annual management charges are as follows:

Class 1: 0.60%
 Class 2: 0.20%
 Class 3: 0.20%
 Class A: 0.10%

The net asset value of the share class, the net asset value per share and the number of shares in the class are shown on pages 62 and 63. The distributions per share are given in the distribution tables on page 88. All the share classes have the same rights on winding up.

The annual management charge was reduced from 0.90% to 0.60% for Class 1 on 8 February 2016 and from 1.50% to 0.15%, which further reduced to 0.10% for Class A shares on 1 November 2016.

14 Shares in issue reconciliation

	Number of shares in issue at 15.10.15	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 15.10.16
Class 1	136,608,216	6,700,301	(14,363,392)	(8,822,147)	120,122,978
Class 2	5,168,815	2,155,639	(1,632,546)	5,382,157	11,074,065
Share Class 3 Accumulation	301,445,279	16,604,607	(28,306,613)	–	289,743,273
Share Class A Accumulation	72,875,634	3,177,418	(1,444,230)	–	74,608,822

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 Derivatives and other financial instruments

The policies applied in the management of financial instruments are set out on pages 8 and 9.

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 (2015: £nil).

Currency exposures

At the year end date, 0.05% (2015: 0.02%) of the net assets of the Fund were denominated in currencies other than sterling and as such the currency risk is not considered significant.

Interest rate risk

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

At the year end date 3.30% (2015: 1.96%) of the net assets of the Fund were interest bearing and as such the interest rate risk is not considered significant.

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

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

Market price risk

At the year end date, 96.90% (2015: 98.26%) of the net assets of the Fund were invested in ordinary shares or stock units admitted to an official stock exchange. If the market value were to change by 10%, the value of the Fund would change by 9.69%.

16 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.

	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
15.10.16						
Purchases (excluding in-specie transfers and corporate actions)						
Equities	(77,833)	(6)	(336)	(78,175)	(0.01)%	0.43%
Purchases (include corporate actions activity only)						
Equities	(2,216)	–	–	(2,216)		
	(80,049)	(6)	(336)	(80,391)		
Sales (excluding in-specie transfers and corporate actions)						
Equities	96,846	(11)	(1)	96,834	0.01%	0.00%
	96,846	(11)	(1)	96,834		
Total		(17)	(337)			
Percentage of Fund average net assets		0.00%	0.05%			

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16 Direct transaction costs (continued)

	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
15.10.15						
Purchases (excluding in-specie transfers and corporate actions)						
Equities	(39,610)	(4)	(177)	(39,791)	(0.01)%	0.45%
Purchases (include Corporate Action activity only)						
Equities	(739)	–	–	(739)		
	(40,349)	(4)	(177)	(40,530)		
Sales (excluding in-specie transfers and corporate actions)						
Equities	34,443	(6)	(1)	34,436	0.02%	0.00%
	34,443	(6)	(1)	34,436		
Total		(10)	(178)			
Percentage of Fund average net assets		0.00%	0.02%			

Dealing spread

As at 15 October 2016, the average portfolio dealing spread was 0.08% (2015: 0.10%). 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.

17 Post balance sheet events

There are no post balance sheet events which require adjustment or disclosure at the year end (2015: £nil).

DISTRIBUTION TABLES

Final distribution payable in pence per share for the six months ended 15 October 2016

Income shares		Net revenue	Equalisation	Final distribution payable 15 December 2016	Final distribution paid 15 December 2015
Share Class 1	Group 1	1.1555	–	1.1555	1.0596
	Group 2	0.6044	0.5511	1.1555	1.0596
Share Class 2	Group 1	2.1239	–	2.1239	2.1491
	Group 2	1.0266	1.0973	2.1239	2.1491

Accumulation shares		Net revenue	Equalisation	Final distribution payable 15 December 2016	Final distribution paid 15 December 2015
Share Class 3	Group 1	3.7359	–	3.7359	3.6439
	Group 2	1.2583	2.4776	3.7359	3.6439
Share Class A	Group 1	1.3609	–	1.3609	1.0567
	Group 2	0.6698	0.6911	1.3609	1.0567

Final distribution

Group 1 shares are those shares purchased at or before 5:00pm on 15 April 2016.

Group 2 shares are those shares purchased after 5:00pm on 15 April 2016.

Interim distribution paid in pence per share for the six months ended 15 April 2016

Income shares		Net revenue	Equalisation	Interim distribution paid 15 June 2016	Interim distribution paid 15 June 2015
Share Class 1	Group 1	0.9762	–	0.9762	0.8453
	Group 2	0.6360	0.3402	0.9762	0.8453
Share Class 2	Group 1	1.9221	–	1.9221	1.7938
	Group 2	0.9227	0.9994	1.9221	1.7938

Accumulation shares		Net revenue	Equalisation	Interim distribution paid 15 June 2016	Interim distribution paid 15 June 2015
Share Class 3	Group 1	3.3228	–	3.3228	2.9990
	Group 2	1.0831	2.2397	3.3228	2.9990
Share Class A	Group 1	0.9325	–	0.9325	0.7879
	Group 2	0.5883	0.3442	0.9325	0.7879

Interim distribution

Group 1 shares are those shares purchased at or before 5:00pm on 15 October 2015.

Group 2 shares are those shares purchased after 5:00pm on 15 October 2015.

Equalisation

Equalisation applies only to Group 2 shares, in other words shares purchased during the relevant 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 UK SMALLER COMPANIES FUND

INVESTMENT OBJECTIVE

Long term capital appreciation.

INVESTMENT POLICY

Investment principally in smaller capitalisation UK equities judged to offer prospects of above average earnings growth.

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

FUND MANAGER'S REPORT

Over the twelve months ended 15 October 2016, the Aviva Investors UK Smaller Companies Fund delivered a total return of 3.25 per cent (share class 1), net of fees, compared with an average return of 7.01 per cent for its peer group the Investment Association UK Smaller Companies sector. The FTSE® Small Cap ex IT Index, the Fund's benchmark, returned 7.22 per cent.

This calendar year has seen significant market rotation since the oil price bottomed out in mid-January, with the oil sector rising strongly on this move and on the other side consumer discretionary sectors underperforming. Our limited exposure to oil stocks detracted from performance over the year under review. In June we had the EU referendum vote, which led to material volatility post the result with dollar earners being the stock market winners as they benefited from sterling weakness. Encouragingly, UK economic data remains strong but the implications of a weaker sterling have yet to fully take effect and we are re-appraising the implications of this for the Fund's constituents.

The performance of a number of our holdings in the telecoms and technology sectors were disappointing. The People's Operator, a mobile network provider, flagged issues with its US launch, which has pushed back the companies projected breakeven date. We saw this as a timing issue. City Fibre Infrastructure, which builds and then lets fibre-optic networks in urban areas, saw its share price drop initially as it acquired the national fibre network of KCOM, another telecom group. We took the view that this acquisition carried sound strategic and financial logic. Sepura, the global handset communications provider, has struggled to meet the market's financial expectations due to delayed customer orders as a result of budgetary pressures extending customers' product lifecycles. This, along with more onerous working capital requirements in the recently acquired systems business, Teltronic, has put severe pressure on their balance sheet. The deterioration in trading since the fund raise in June this year surprised and as a result the holding is being reappraised.

Included in our top ten holdings are Fevertree, RPC Group, Next Fifteen Communications and Sanne and they all performed strongly. Premium soft drinks producer Fevertree is benefiting from operational improvements, as the increased scale of its business has enhanced profit margins, while the company has added several large clients, including Asda and British Airways. Packaging group RPC and digital communications group Next Fifteen generate the bulk of their revenues outside the UK and have seen a translation boost to their earnings post the EU referendum and we remain strong supporters of both companies growth strategies.

One of the Fund's largest holdings is Sanne Group, a specialist in corporate and fund administration outsourcing. This has been a highly successful investment since it floated in April 2015. The stock presents a number of the business attributes we look to invest in, including a diversified blue chip client base, an impressive organic growth track record and structural growth tailwinds that are likely to see outsourcing levels in corporate administration services continue to grow. They recently announced a highly significant acquisition in the US which opens up a new market for them.

In terms of transactions, we have trimmed our position in Booker, the UK's leading food wholesaler, given the likelihood of the UK entering a period of slower economic growth which would put more strain on their catering end customers. We started new positions in household and personal care product manufacturer McBride and student accommodation provider Empiric Student Property. We see student properties as a very attractive segment of the real estate sector to invest in.

Looking ahead, it will be some time before the full implications of the EU referendum vote become apparent but we expect sentiment towards UK exposed companies to remain volatile as investors focus on short-term political and economic news flow. The Bank of England has reacted swiftly to Brexit-related concerns and there are signs that their policy initiatives have helped to avert a sharp slowdown in the UK economy so far but next year the focus will be on inflation picking up in the UK which is a direct consequence of a weaker sterling. The new Chancellor is adopting a more pragmatic approach towards fiscal policy than his predecessor, abandoning the target of reaching a budget surplus by 2020, and we look to fiscal policy becoming more supportive for economic growth. In this environment, we will continue to focus on investment opportunities amongst UK smaller companies with substantial overseas earnings and where possible possessing attractive growth attributes.

November 2016

Sources: Fund and peer group performance figures – Lipper, a Thomson Reuters Company, mid to mid basis with net income reinvested in GBP, with no initial charges applied. Market data – Bloomberg.

As noted above, the performance figures in this commentary have been sourced from an external party and are based on published prices. The performance figures quoted in the comparative tables on page 91 and 92 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 securities. Past performance is not a guide to the future. The value of an investment and any income from it can go down as well as up. Investors may not get back the original amount invested.

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AVIVA INVESTORS UK SMALLER COMPANIES FUND (CONTINUED)

Material Portfolio Changes

Purchases	Sales
Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP	Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP
Empiric Student Property, REIT	Synergy Health
Sapura	Fevertree Drinks
McBride	ST Modwen Properties
Savills	Innovation Group
Consort Medical	EMIS Group
Novae Group	Pinewood Group
CityFibre Infrastructure Holdings	AA
Volution Group	e2v technologies
Tyman	Fidessa Group

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'.
- A significant proportion of the Fund may be invested in securities which are not actively traded, and as a result may experience large daily price changes.
- Full information on the risks applicable to the Fund is detailed in the Prospectus.

COMPARATIVE TABLES

Class 1 Accumulation	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	307.19	258.63	262.88
Return before operating charges [†]	13.93	52.69	(0.34)
Operating charges	(4.28)	(4.13)	(3.91)
Return after operating charges [†]	9.65	48.56	(4.25)
Distributions on income shares	–	–	–
Closing net asset value per share	316.84	307.19	258.63
Retained distributions on accumulation shares	1.06	0.91	0.94
[†] after direct transaction costs of	(0.40)	(0.24)	(0.48)
Performance			
Return after charges	3.14%	18.78%	(1.62)%
Other information			
Closing net asset value (£000)	22,995	25,746	25,280
Closing number of shares	7,257,484	8,381,205	9,774,723
Operating charges (%) [†]	1.39%	1.39%	1.39%
Direct transaction costs (%) [#]	0.13%	0.08%	0.17%
Prices[™]			
Highest share price	329.00	319.57	301.78
Lowest share price	271.87	255.00	259.55

Class 3 Income	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	518.73	438.00	447.02
Return before operating charges [†]	23.65	89.32	(0.75)
Operating charges	(1.78)	(1.70)	(1.62)
Return after operating charges [†]	21.87	87.62	(2.37)
Distributions on income shares	(7.29)	(6.89)	(6.65)
Closing net asset value per share	533.31	518.73	438.00
Retained distributions on accumulation shares	–	–	–
[†] after direct transaction costs of	(0.68)	(0.40)	(0.82)
Performance			
Return after charges	4.22%	20.00%	(0.53)%
Other information			
Closing net asset value (£000)	32,257	31,729	36,512
Closing number of shares	6,048,483	6,116,663	8,336,020
Operating charges (%) [†]	0.34%	0.34%	0.34%
Direct transaction costs (%) [#]	0.13%	0.08%	0.17%
Prices[™]			
Highest share price	557.44	543.22	515.30
Lowest share price	459.36	431.80	443.51

Class 2 Accumulation	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	482.05	403.83	408.41
Return before operating charges [†]	21.95	82.37	(0.68)
Operating charges	(4.31)	(4.15)	(3.90)
Return after operating charges [†]	17.64	78.22	(4.58)
Distributions on income shares	–	–	–
Closing net asset value per share	499.69	482.05	403.83
Retained distributions on accumulation shares	4.12	3.78	3.67
[†] after direct transaction costs of	(0.63)	(0.37)	(0.74)
Performance			
Return after charges	3.66%	19.37%	(1.12)%
Other information			
Closing net asset value (£000)	12,616	10,673	9,566
Closing number of shares	2,524,724	2,214,079	2,368,928
Operating charges (%) [†]	0.89%	0.89%	0.89%
Direct transaction costs (%) [#]	0.13%	0.08%	0.17%
Prices[™]			
Highest share price	518.80	501.08	469.76
Lowest share price	428.14	398.16	405.25

COMPARATIVE TABLES (CONTINUED)

Class 3 Accumulation	2016 p per share	2015 p per share	2014 [§] p per share
Change in net assets per share			
Opening net asset value per share	–	–	515.67
Return before operating charges [†]	–	–	(515.67)
Operating charges	–	–	–
Return after operating charges [†]	–	–	(515.67)
Distributions on income shares	–	–	–
Closing net asset value per share	–	–	–
Retained distributions on accumulation shares	–	–	–
[†] after direct transaction costs of	–	–	–
Performance			
Return after charges	–	–	–
Other information			
Closing net asset value (£000)	–	–	–
Closing number of shares	–	–	–
Operating charges (%) [‡]	–	–	–
Direct transaction costs (%) [#]	–	–	0.17%
Prices[≈]			
Highest share price	–	–	587.80
Lowest share price	–	–	517.07

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

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

(b) The Ongoing Charge 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.

[§] Class 3 Accumulation closed on 22 January 2014.

Ongoing Charges Figure*

Share class	15.10.16	15.10.15
Class 1	1.39%	1.39%
Class 2	0.89%	0.89%
Class 3	0.34%	0.34%

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

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

PORTFOLIO STATEMENT

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Equities 93.65% (99.97%)				
Consumer Discretionary 22.29% (22.46%)				
Auto Components 0.54% (0.82%)				
Torotrak	GBP	8,928,595	366	0.54
			366	0.54
Diversified Consumer Services 1.23% (0.00%)				
AA	GBP	311,440	836	1.23
			836	1.23
Hotels, Restaurants & Leisure 1.87% (2.28%)				
Sportech	GBP	1,755,787	1,268	1.87
			1,268	1.87
Household Durables 1.15% (1.14%)				
Vitec Group	GBP	129,872	777	1.15
			777	1.15
Internet & Direct Marketing Retail 0.45% (0.67%)				
AO World	GBP	171,098	308	0.45
			308	0.45
Media 9.93% (7.72%)				
4imprint Group	GBP	224,931	3,767	5.55
M&C Saatchi [#]	GBP	294,463	961	1.42
Next Fifteen Communications Group [#]	GBP	598,422	2,011	2.96
			6,739	9.93
Specialty Retail 5.06% (7.72%)				
BCA Marketplace	GBP	1,124,060	2,001	2.95
Land of Leather Holdings	GBP	577,374	–	–
Topps Tiles	GBP	1,090,254	1,009	1.49
Vertu Motors [#]	GBP	961,259	425	0.62
			3,435	5.06
Textiles, Apparel & Luxury Goods 2.06% (2.11%)				
Ted Baker	GBP	54,783	1,399	2.06
			1,399	2.06
Consumer Discretionary total			15,128	22.29
Consumer Staples 5.44% (3.15%)				
Beverages 2.66% (2.09%)				
Fevertree Drinks [#]	GBP	189,735	1,804	2.66
			1,804	2.66
Food & Staples Retailing 0.79% (1.06%)				
Booker Group	GBP	284,817	534	0.79
			534	0.79
Household Products 1.99% (0.00%)				
McBride	GBP	687,665	1,351	1.99
			1,351	1.99
Consumer Staples total			3,689	5.44
Energy 1.60% (2.60%)				
Energy Equipment & Services 0.00% (0.36%)				
Oil, Gas & Consumable Fuels 1.60% (2.24%)				
Faroe Petroleum [#]	GBP	755,305	567	0.84
Ithaca Energy	GBP	1,247,173	492	0.72
Petroceltic International [^]	GBP	378,919	28	0.04
			1,087	1.60
Energy total			1,087	1.60

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Financials 7.52% (6.57%)				
Banks 1.28% (1.46%)				
Secure Trust Bank [#]	GBP	36,455	868	1.28
			868	1.28
Capital Markets 5.28% (5.11%)				
Brewin Dolphin Holdings	GBP	360,941	957	1.41
River & Mercantile Group	GBP	302,422	654	0.96
Sanne Group	GBP	410,986	1,972	2.91
			3,583	5.28
Diversified Financial Services 0.00% (0.00%)				
London Scottish Bank [^]	GBP	1,377,986	–	–
			–	–
Insurance 0.96% (0.00%)				
Novae Group	GBP	80,559	649	0.96
			649	0.96
Financials total			5,100	7.52
Health Care 14.40% (18.59%)				
Biotechnology 1.62% (3.09%)				
Abcam [#]	GBP	118,226	1,043	1.53
Circassia Pharmaceuticals	GBP	63,702	59	0.09
			1,102	1.62
Health Care Equipment & Supplies 3.64% (1.51%)				
Advanced Medical Solutions Group [#]	GBP	720,608	1,677	2.47
Consort Medical	GBP	71,000	793	1.17
			2,470	3.64
Health Care Providers & Services 2.77% (5.75%)				
CVS Group [#]	GBP	220,697	1,879	2.77
			1,879	2.77
Health Care Technology 0.00% (1.41%)				
Life Sciences Tools & Services 0.00% (0.20%)				
Pharmaceuticals 6.37% (6.63%)				
BTG	GBP	139,474	956	1.41
Dechra Pharmaceuticals	GBP	111,862	1,540	2.27
Oxford Pharmascience Group [#]	GBP	11,574,456	220	0.32
Vectura Group	GBP	1,142,805	1,609	2.37
			4,325	6.37
Health Care total			9,776	14.40
Industrials 8.22% (8.69%)				
Aerospace & Defense 1.29% (0.85%)				
Ultra Electronics Holdings	GBP	45,765	877	1.29
			877	1.29
Building Products 2.41% (0.77%)				
Tyman	GBP	183,304	475	0.70
Volution Group	GBP	681,152	1,158	1.71
			1,633	2.41
Commercial Services & Supplies 0.00% (2.65%)				
Electrical Equipment 0.20% (1.03%)				
Flowgroup [#]	GBP	1,464,316	139	0.20
			139	0.20

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Industrial Conglomerates 0.00% (0.00%)				
Dyson Group^	GBP	690,837	—	—
			—	—
Professional Services 3.23% (2.29%)				
Ricardo	GBP	176,434	1,791	2.64
Robert Walters	GBP	117,835	400	0.59
			2,191	3.23
Trading Companies & Distributors 1.09% (1.10%)				
Lavendon Group	GBP	545,517	741	1.09
			741	1.09
Industrials total			5,581	8.22
Information Technology 15.97% (19.96%)				
Communications Equipment 0.11% (0.36%)				
Sapura	GBP	462,945	71	0.11
			71	0.11
Electronic Equipment, Instruments & Components 8.15% (10.01%)				
Acal	GBP	954,850	2,437	3.59
Digital Barriers#	GBP	1,847,674	411	0.60
e2v technologies	GBP	509,682	1,120	1.65
Gooch & Housego#	GBP	58,135	555	0.82
Microsaic Systems#	GBP	1,286,956	55	0.08
Midwich Group#	GBP	149,518	333	0.49
Servelec Group	GBP	240,978	622	0.92
			5,533	8.15
Internet Software & Services 3.17% (2.98%)				
blur Group#	GBP	361,461	17	0.02
GlobalData#	GBP	370,898	1,502	2.21
Moneysupermarket.com Group	GBP	227,824	635	0.94
			2,154	3.17
IT Services 4.41% (5.04%)				
Eagle Eye Solutions Group#	GBP	260,000	364	0.53
NCC Group	GBP	766,228	2,631	3.88
			2,995	4.41
Software 0.13% (1.57%)				
Tungsten#	GBP	151,498	88	0.13
			88	0.13
Information Technology total			10,841	15.97
Materials 6.25% (4.41%)				
Chemicals 0.90% (0.87%)				
Victrex	GBP	34,931	614	0.90
			614	0.90
Containers & Packaging 4.80% (3.03%)				
RPC Group	GBP	329,625	3,257	4.80
			3,257	4.80
Paper & Forest Products 0.55% (0.51%)				
Accsys Technologies	GBP	520,459	371	0.55
			371	0.55
Materials total			4,242	6.25

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Real Estate 9.92% (10.57%)				
Equity Real Estate Investment Trusts (REITs) 4.61% (1.64%)				
Big Yellow Group, REIT	GBP	215,550	1,536	2.27
Empiric Student Property, REIT	GBP	1,368,887	1,588	2.34
			3,124	4.61
Real Estate Management & Development 5.31% (8.93%)				
Grainger	GBP	290,359	639	0.94
Helical Bar	GBP	340,189	914	1.35
Savills	GBP	174,449	1,250	1.84
ST Modwen Properties	GBP	303,714	802	1.18
			3,605	5.31
Real Estate total			6,729	9.92
Telecommunication Services 2.04% (2.97%)				
Diversified Telecommunication Services 1.81% (1.23%)				
CityFibre Infrastructure Holdings [#]	GBP	2,044,670	1,227	1.81
			1,227	1.81
Wireless Telecommunication Services 0.23% (1.74%)				
People's Operator Holdings [#]	GBP	974,505	156	0.23
			156	0.23
Telecommunication Services total			1,383	2.04
Equities total			63,556	93.65
Liquidity Funds 4.86% (0.00%)				
Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP [†]	GBP	3,300,000	3,300	4.86
Liquidity Funds total			3,300	4.86
Investment assets			66,856	98.51
Net other assets			1,012	1.49
Net assets			67,868	100.00

The comparative percentage figures in brackets are as at 15 October 2015.

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

[#] Security traded on another regulated market.

[^] Unlisted, suspended or delisted security.

[†] Investment in or managed by a related party.

STATEMENT OF TOTAL RETURN

For the year ended 15 October 2016

	Notes	£000	Year ended 15.10.16 £000	£000	Year ended 15.10.15 £000
Income					
Net capital gains	2		1,854		12,523
Revenue	3	1,166		1,245	
Expenses	4	(537)		(594)	
Net revenue before taxation		629		651	
Taxation	5	–		12	
Net revenue after taxation			629		663
Total return before distributions			2,483		13,186
Distributions	6		(630)		(665)
Change in net assets attributable to shareholders from investment activities			1,853		12,521

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 15 October 2016

	£000	Year ended 15.10.16 £000	£000	Year ended 15.10.15 £000
Opening net assets attributable to shareholders		68,148		71,358
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	1,995		1,974	
Amounts payable on cancellation of shares	(4,312)		(17,956)	
		(2,317)		(15,982)
Dilution adjustment		–		86
Change in net assets attributable to shareholders from investment activities (see above)		1,853		12,521
Retained distribution on accumulation shares		184		165
Closing net assets attributable to shareholders		67,868		68,148

BALANCE SHEET

As at 15 October 2016

	Notes	As at 15.10.16 £000	As at 15.10.15 £000
Assets:			
Investments	7	66,856	68,127
Current assets:			
Debtors	8	1,044	507
Cash and bank balances	9	1,168	108
Total assets		69,068	68,742
Liabilities:			
Creditors:			
Distribution payable		(222)	(264)
Other creditors	10	(978)	(330)
Total liabilities		(1,200)	(594)
Net assets attributable to shareholders		67,868	68,148

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1 Accounting basis and policies

Please see pages 7 and 8 for accounting basis and policies.

There has been no changes to the financial position or financial performance of the Fund as a result of preparing these statements in accordance with SORP 2014 rather than SORP 2010.

2 Net capital gains

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Net capital gains on investments during the year comprise:		
Expenses relating to the purchase and sale of investments	(3)	(4)
Non-derivative securities gains	1,857	12,527
Net capital gains	1,854	12,523

3 Revenue

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Bank and deposit interest	–	1
Interest on debt securities	8	–
Overseas dividends	36	6
Property income distributions	31	36
UK dividends	1,091	1,199
Underwriting commission	–	3
Total revenue	1,166	1,245

4 Expenses

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Payable to the Authorised Corporate Director ("ACD"), associates of the ACD or agents of either of them:		
ACD's periodic charge	480	533
Registration fees	36	39
	516	572
Payable to the Depositary, associates of the Depositary or agents of either of them:		
Depositary's fee	8	8
Safe custody fee	1	1
	9	9
Other expenses:		
Audit fee*	9	10
Printing & postage expenses	2	2
Statement fees	1	1
	12	13
Total expenses	537	594

* The audit fee was £8,326 (2015: £7,726) net of VAT.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Taxation**a Analysis of tax charge**

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Corporation tax	–	(12)
Total current tax (see note 5b)	–	(12)

b Factors affecting current tax charge

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

The differences are explained below:

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Net revenue before taxation	629	651
Corporation tax at 20%	126	130
Effects of:		
Movement in excess expenses	99	111
Overseas dividends not subject to corporation tax	(7)	(1)
Overseas tax suffered	–	(12)
UK dividends not subject to corporation tax	(218)	(240)
	(126)	(142)
Current tax charge (see note 5.a)	–	(12)

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 year end (2015: £nil).

After claiming relief against accrued income taxable on receipt, the Fund has unrelieved excess expenses of £18,556,000 (2015: £18,058,000) creating a potential deferred tax asset of £3,711,000 (2015: £3,612,000). It is unlikely that the Fund will generate taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

6 Distributions

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:		
Interim distribution	307	211
Final distribution	318	398
	625	609
Add: Revenue deducted on cancellation of shares	8	60
Deduct: Revenue received on issue of shares	(3)	(4)
Total distributions	630	665
Reconciliations of distributions for the year to net revenue after taxation		
Distributions for the year	630	665
Equalisation on conversions	(1)	(2)
Net revenue after taxation	629	663

Details of the distributions per share are set out in the distribution tables on page 105.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 Fair value hierarchy

Valuation technique	Assets at 15.10.16 £000	Assets at 15.10.15 £000
Quoted prices for identical instruments in active markets	63,528	68,026
Prices of recent transactions for identical instruments	3,300	101
Valuation techniques using non-observable market data	28	–
Total value	66,856	68,127

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 to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

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

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

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

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

8 Debtors

	As at 15.10.16 £000	As at 15.10.15 £000
Accrued revenue	42	97
Amounts receivable on issue of shares	5	25
Sales awaiting settlement	997	385
Total debtors	1,044	507

9 Cash and bank balances

	As at 15.10.16 £000	As at 15.10.15 £000
Cash and bank balances	1,168	108
Total cash and bank balances	1,168	108

10 Other creditors

	As at 15.10.16 £000	As at 15.10.15 £000
Accrued expenses	76	85
Amounts payable for cancellation of shares	162	61
Purchases awaiting settlement	740	184
Total creditors	978	330

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11 Contingent liabilities and commitments

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

12 Related party transactions

ACD periodic charges paid to Aviva Investors UK Fund Services Limited ("the ACD") are shown in note 4 and details of shares issued and cancelled by the ACD are shown in the statement of change in net assets attributable to shareholders. The balance due to the ACD at the year end in respect of ACD periodic charges was £59,000 (2015: £67,000). Any balance due from the ACD in respect of issues is shown in note 8. Any balance due to the ACD in respect of cancellations is shown in note 10.

Distributions payable to the ACD and related parties of the ACD during the year amounted to £487,000 (2015: £488,000). The amount outstanding at the year end was £246,000 (2015: £291,000). Related parties of the ACD are deemed to be all companies under the control of Aviva Plc. This will include companies which hold shares in the Fund on behalf of other external investors.

Any 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 £10,900,000 (2015: £nil) and £7,600,000 (2015: £nil) respectively. The income received during the year amounted to £8,100 (2015: £nil).

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

	Holdings at 15.10.16 (shares)	Movement (shares)	Holdings at 15.10.15 (shares)
ACD and related parties (share class 1 Accumulation shares)	137,417	(59,323)	196,740
ACD and related parties (share class 2 Accumulation shares)	1,100,641	123,545	977,096
ACD and related parties (share class 3 Income shares)	6,048,483	(68,180)	6,116,663

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

13 Shareholder funds

The Fund currently has three share classes: Class 1 (Retail), Class 2 (Institutional) and Class 3 (Associated undertakings of Aviva Plc). The annual management charges are as follows:

Class 1: 1.25%

Class 2: 0.75%

Class 3: 0.30%

The net asset value of the share class, the net asset value per share and the number of shares in the class are shown on pages 91 and 92. The distributions per share are given in the distribution tables on page 105. All the share classes have the same rights on winding up.

14 Shares in issue reconciliation

	Number of shares in issue at 15.10.15	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 15.10.16
Share Class 1 Accumulation	8,381,205	137,422	(621,480)	(639,663)	7,257,484
Share Class 2 Accumulation	2,214,079	272,964	(369,580)	407,261	2,524,724
Share Class 3 Income	6,116,663	51,568	(119,748)	–	6,048,483

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 Derivatives and other financial instruments

The policies applied in the management of financial instruments are set out on pages 8 and 9.

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 (2015: £nil).

Currency risk

At the year end date, none (2015: none) of the net assets of the Fund were denominated in currencies other than sterling and as such the currency risk is not considered significant.

Interest rate risk

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

At the year end date 1.72% (2015: 0.16%) of the net assets of the Fund were interest bearing and as such the interest rate risk is not considered significant.

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

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

Market price risk

At the year end date, 98.51% (2015: 99.97%) of the net assets of the Fund were invested in ordinary shares admitted to an official stock exchange. If the market value were to change by 10%, the value of the Fund would change by 9.85%.

16 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.

15.10.16	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
Purchases (excluding in-specie transfers and corporate actions)						
Equities	(12,545)	(14)	(49)	(12,608)	0.06%	0.21%
Funds	(10,900)	–	–	(10,900)	0.00%	0.00%
Purchases (include corporate actions activity only)						
Equities	(320)	–	–	(320)	0.00%	0.00%
	(23,765)	(14)	(49)	(23,828)		
Sales (excluding in-specie transfers and corporate actions)						
Equities	19,377	(23)	–	19,354	0.09%	0.00%
Funds	7,600	–	–	7,600	0.00%	0.00%
	26,977	(23)	–	26,954		
Total		(37)	(49)			
Percentage of Fund average net assets		0.05%	0.03%			

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16 Direct transaction costs (continued)

15.10.15	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
Purchases (excluding in-specie transfers and corporate actions)						
Equities	(12,675)	(9)	(23)	(12,707)	(0.07)%	0.18%
Purchases (include corporate actions activity only)						
Equities	(722)	–	–	(722)	0.00%	0.00%
	(13,397)	(9)	(23)	(13,429)		
Sales (excluding in-specie transfers and corporate actions)						
Equities	30,534	(29)	–	30,505	0.09%	0.00%
	30,534	(29)	–	30,505		
Total		(38)	(23)			
Percentage of Fund average net assets		0.05%	0.03%			

Dealing spread

As at 15 October 2016, the average portfolio dealing spread was 1.67% (2015: 1.42%). 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.

17 Post balance sheet events

There are no post balance sheet events which require adjustment or disclosure at the year end (2015: £nil).

DISTRIBUTION TABLES

Final distribution payable in pence per share for the six months ended 15 October 2016

Income shares		Net revenue	Equalisation	Final distribution payable 15 December 2016	Final distribution paid 15 December 2015
Share Class 3	Group 1	3.6752	–	3.6752	4.3163
	Group 2	2.3178	1.3574	3.6752	4.3163

Accumulation shares		Net revenue	Equalisation	Final distribution payable 15 December 2016	Final distribution paid 15 December 2015
Share Class 1	Group 1	0.5772	–	0.5772	0.8966
	Group 2	0.2022	0.3750	0.5772	0.8966
Share Class 2	Group 1	2.1074	–	2.1074	2.6318
	Group 2	1.0178	1.0896	2.1074	2.6318

Final distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 April 2016.

Group 2 shares are those shares purchased after 12:00 noon on 15 April 2016.

Interim distribution paid in pence per share for the six months ended 15 April 2016

Income shares		Net revenue	Equalisation	Interim distribution paid 15 June 2016	Interim distribution paid 15 June 2015
Share Class 3	Group 1	3.6139	–	3.6139	2.5761
	Group 2	2.9096	0.7043	3.6139	2.5761

Accumulation shares		Net revenue	Equalisation	Interim distribution paid 15 June 2016	Interim distribution paid 15 June 2015
Share Class 1	Group 1	0.4876	–	0.4876	0.0097
	Group 2	0.4749	0.0127	0.4876	0.0097
Share Class 2	Group 1	2.0124	–	2.0124	1.1511
	Group 2	1.4189	0.5935	2.0124	1.1511

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 October 2015.

Group 2 shares are those shares purchased after 12:00 noon on 15 October 2015.

Equalisation

Equalisation applies only to Group 2 shares, in other words shares purchased during the relevant 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 CASH FUND

INVESTMENT OBJECTIVE

To achieve an income combined with a high degree of capital security.

INVESTMENT POLICY

The Fund will invest primarily in short-term cash deposits, near cash and other money market instruments. In addition, the Fund may occasionally invest in transferable securities, units in collective investment schemes, and derivatives and forward transactions in order to achieve its objective.

FUND MANAGER'S REPORT

Over the twelve months ended 15 October 2016, the Aviva Investors Cash Fund posted a total return of 0.30 per cent (share class 2), net of fees. The Fund's peer group, the Investment Association's (IA) Money Market sector, delivered a net return of 0.31 per cent.

The Fund's return reflected the maintenance of historically low interest rates in the UK. Already at a low of 0.5 per cent, the UK base rate was cut to 0.25 per cent in August 2016, the first change since March 2009, as the Bank of England (BoE) sought to cushion the economy from the impact of the Brexit vote. This pushed money market rates close to negative territory. The BoE supplemented this move with the provision of liquidity to help banks weather low interest rates and a re-launch of the quantitative easing programme which, from September, was to include the purchase of £10 billion of high-quality corporate bonds. The real rate of return of cash investments was eroded by an increase in the rate of inflation. From a position of deflation at the start of the period, the consumer prices index (CPI) began to trend higher as commodity markets recovered from their slump and the sharply depreciating pound in the aftermath of Brexit ramped up the cost of imports. CPI ended the period at 1.0 per cent.

We manage the Fund by taking a view on portfolio 'duration', which in broad terms is an expression of the risk we deem appropriate given the outlook for the economy and monetary policy. Long duration equates to a more bullish view while short duration equates to a cautious view. In the run-up to the Brexit vote in June, the Fund was biased towards neutral to long duration as the uncertainty around the vote prompted us to shorten duration from the long position we had been running previously. The outcome of the vote came as a surprise to most, although the price reaction of shorter-dated maturities was muted as the market waited to hear from the monetary policy-makers and the prime minister. We moved back to a long duration position as it became clear the BoE was moving from a policy-tightening bias to a policy-easing bias. We preferred to buy certificates of deposit from high-quality Australian and Canadian banks. However, we were unable to execute many trades as issuance was low. As a result we focused on good-quality European and Scandinavian banks as well as some of the highest-quality Middle and Far-Eastern issuers.

The outlook for UK money market rates will be driven by whether there will be a 'soft' or 'hard' Brexit and the knock-on effect on the UK economy. The prime minister has targeted March 2017 as the time to trigger Article 50 which will signal the beginning of the UK's cessation from the EU and start a two-year negotiating period. This is likely to further impact on growth prospects for the UK and could see further policy easing from the Bank of England. As such we favour staying long duration in the Fund.

November 2016

Sources: Fund and peer group performance figures – Lipper, a Thomson Reuters Company, mid to mid basis with net income reinvested in GBP, with no initial charges applied. Market data – Bloomberg.

As noted above, the performance figures in this commentary have been sourced from an external party and are based on published prices. The performance figures quoted in the comparative tables on pages 107 and 108 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 an investment and any income from it can go down as well as up. Investors may not get back the original amount invested.

Material Portfolio Changes

Purchases	Sales
Aviva Investors Sterling Liquidity Fund, Class 3, Income shares, GBP	Aviva Investors Sterling Liquidity Fund, Class 3, Income shares, GBP
DNB Bank 0.57% 22/02/2016	Toronto-Dominion Bank 0.55% 22/10/2015
Toronto-Dominion Bank 0.65% 21/04/2016	Cooperatieve Rabobank 0.56% 26/10/2015
Svenska Handelsbanken 0.54% 22/01/2016	Credit Agricole Corporate & Investment Bank 0.62% 02/11/2015
Cooperatieve Rabobank 0.56% 26/02/2016	National Bank Of Abu Dhabi 0.59% 20/10/2016
National Bank of Abu Dhabi 0.50% 02/12/2015	Svenska Handelsbanken 0.54% 22/10/2016
Abbey National Treasury Services 0.56% 02/02/2016	United Overseas Bank 0.56% 23/11/2015
Bank of Tokyo-Mitsubishi UFJ 0.51% 10/12/2015	Abbey National Treasury Services 0.58% 02/11/2015
Nationwide Building Society 0.60% 08/02/2016	Bank of America 0.58% 11/06/2015
Sumitomo Mitsui Banking Europe 0.59% 12/02/2016	UBS 0.65% 12/07/2015

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'.
- Money market investment values are affected changes in interest rates, and the issuer's creditworthiness. If interest rates go up and or an issuer has their credit rating reduced, the value of the Fund's investments may fall, and vice versa. Whilst capital is relatively safe in a building society account, money market investments may fall in value, and you may get less back than the original amount you invested.
- Full information on the risks applicable to the Fund is detailed in the Prospectus.

COMPARATIVE TABLES

Class 1 Income	2016 p per share	2015 ^{\$} p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	–	49.02	49.10
Return before operating charges [†]	–	0.11	0.23
Operating charges	–	(0.08)	(0.31)
Return after operating charges [†]	–	0.03	-0.08
Distributions on income shares	–	(0.02)	–
Closing net asset value per share	–	–	49.02
Retained distributions on accumulation shares	–	–	–
[†] after direct transaction costs of	–	–	–
Performance			
Return after charges	–	0.06%	(0.16)%
Other information			
Closing net asset value (£000)	–	–	236
Closing number of shares	–	–	482,214
Operating charges (%) [‡]	–	0.64%	0.64%
Direct transaction costs (%) [#]	–	–	–
Prices^{**}			
Highest share price	–	49.04	49.10
Lowest share price	–	49.03	49.04

Class 2 Income	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	78.58	78.58	–
Return before operating charges [†]	0.45	0.32	–
Operating charges	(0.15)	(0.11)	–
Return after operating charges [†]	0.30	0.21	–
Distributions on income shares	(0.30)	(0.21)	–
Closing net asset value per share	78.58	78.58	–
Retained distributions on accumulation shares	–	–	–
[†] after direct transaction costs of	–	–	–
Performance			
Return after charges	0.38%	0.27%	–
Other information			
Closing net asset value (£000)	773	222	–
Closing number of shares	983,993	282,212	–
Operating charges (%) [‡]	0.19%	0.19%	–
Direct transaction costs (%) [#]	–	–	–
Prices^{**}			
Highest share price	78.65	78.64	–
Lowest share price	78.58	78.58	–

Class 1 Accumulation	2016 p per share	2015 ^{\$} p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	–	51.98	52.06
Return before operating charges [†]	–	(51.90)	0.25
Operating charges	–	(0.08)	(0.33)
Return after operating charges [†]	–	(51.98)	(0.08)
Distributions on income shares	–	–	–
Closing net asset value per share	–	–	51.98
Retained distributions on accumulation shares	–	0.02	–
[†] after direct transaction costs of	–	–	–
Performance			
Return after charges	–	0.02%	(0.15)%
Other information			
Closing net asset value (£000)	–	–	2,994
Closing number of shares	–	–	5,759,834
Operating charges (%) [‡]	–	0.64%	0.64%
Direct transaction costs (%) [#]	–	–	–
Prices^{**}			
Highest share price	–	60.00	52.07
Lowest share price	–	51.99	52.00

Class 2 Accumulation	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	78.75	78.53	78.33
Return before operating charges [†]	0.39	0.37	0.35
Operating charges	(0.15)	(0.15)	(0.15)
Return after operating charges [†]	0.24	0.22	0.20
Distributions on income shares	–	–	–
Closing net asset value per share	78.99	78.75	78.53
Retained distributions on accumulation shares	0.30	0.31	0.25
[†] after direct transaction costs of	–	–	–
Performance			
Return after charges	0.30%	0.28%	0.26%
Other information			
Closing net asset value (£000)	11,509	5,780	2,247
Closing number of shares	14,570,023	7,340,046	2,860,839
Operating charges (%) [‡]	0.19%	0.19%	0.19%
Direct transaction costs (%) [#]	–	–	–
Prices^{**}			
Highest share price	78.99	78.75	78.53
Lowest share price	78.75	78.53	78.33

COMPARATIVE TABLES (CONTINUED)

	2016 p per share	2015 p per share	2014 p per share
Class 3 Accumulation			
Change in net assets per share			
Opening net asset value per share	107.33	107.02	106.73
Return before operating charges [†]	0.54	0.49	0.47
Operating charges	(0.19)	(0.18)	(0.18)
Return after operating charges [†]	0.35	0.31	0.29
Distributions on income shares	–	–	–
Closing net asset value per share	107.68	107.33	107.02
Retained distributions on accumulation shares	0.43	0.40	0.36
[†] after direct transaction costs of	–	–	–
Performance			
Return after charges	0.33%	0.29%	0.27%
Other information			
Closing net asset value (£000)	65,354	62,808	65,889
Closing number of shares	60,692,803	58,515,492	61,570,115
Operating charges (%) [‡]	0.17%	0.17%	0.17%
Direct transaction costs (%) [#]	–	–	–
Prices[≈]			
Highest share price	107.68	107.33	107.02
Lowest share price	107.34	107.01	106.73

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

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

(b) The Ongoing Charge 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.

[§] Class 1 Income and Class 1 Accumulation closed on 15 January 2015.

Ongoing Charges Figure*

Share class	15.10.16	15.10.15
Class 2	0.19%	0.19%
Class 3	0.17%	0.17%

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

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

PORTFOLIO STATEMENT

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Certificates of Deposit 86.94% (88.66%)				
United Kingdom 86.94% (88.66%)				
Abbey National Treasury Services 0.35% 31/10/2016	GBP	1,000,000	1,000	1.29
Abbey National Treasury Services 0.35% 01/12/2016	GBP	500,000	500	0.64
Abbey National Treasury Services 0.46% 05/12/2016	GBP	2,000,000	2,000	2.58
ABN AMRO Bank 0.38% 02/12/2016	GBP	1,000,000	1,000	1.29
Australia & New Zealand Banking Group 0.35% 10/11/2016	GBP	1,000,000	1,000	1.29
Australia & New Zealand Banking Group 0.00% 28/10/2016	GBP	2,000,000	1,999	2.58
Bank of America 0.35% 07/11/2016	GBP	2,000,000	2,000	2.58
Bank of America 0.35% 09/11/2016	GBP	1,000,000	1,000	1.29
Bank of America 0.39% 14/02/2017	GBP	500,000	500	0.64
Bank Of Montreal 0.65% 15/11/2016	GBP	500,000	500	0.64
Banque Federative Du Credit Mutuel 0.00% 05/01/2017	GBP	3,000,000	2,997	3.86
BNP Paribas 0.54% 18/11/2016	GBP	2,000,000	2,000	2.58
BNP Paribas 0.36% 23/11/2016	GBP	1,000,000	1,000	1.29
Cooperatieve Rabobank 0.51% 03/04/2017	GBP	1,000,000	1,000	1.29
Credit Agricole Corporate and Investment Bank 0.38% 23/11/2016	GBP	2,000,000	2,000	2.58
Credit Agricole Corporate and Investment Bank 0.45% 06/02/2017	GBP	1,000,000	1,000	1.29
DZ Bank 0.45% 07/11/2016	GBP	2,000,000	2,000	2.58
DZ Bank 0.40% 30/11/2016	GBP	1,500,000	1,500	1.93
Industrial and Commercial Bank of China 0.00% 24/10/2016	GBP	3,000,000	3,000	3.86
ING Bank 0.39% 01/12/2016	GBP	1,500,000	1,500	1.93
ING Bank 0.39% 01/12/2016	GBP	1,000,000	1,000	1.29
ING Bank 0.38% 06/12/2016	GBP	1,000,000	1,000	1.29
National Bank of Abu Dhabi 0.44% 01/02/2017	GBP	3,000,000	3,000	3.86
Nationwide Building Society 0.55% 04/11/2016	GBP	3,000,000	3,000	3.86
Nationwide Building Society 0.38% 15/11/2016	GBP	3,000,000	3,000	3.86
Natixis 0.42% 09/12/2016	GBP	3,000,000	3,000	3.86
Qatar National Bank 0.39% 10/01/2017	GBP	3,000,000	2,997	3.86
Societe Generale 1.01% 31/10/2016	GBP	1,000,000	1,002	1.29
Standard Chartered Bank 0.40% 09/01/2017	GBP	2,000,000	2,000	2.58
Standard Chartered Bank 0.41% 16/01/2017	GBP	1,000,000	1,000	1.29
Sumitomo Mitsui Banking Corporation Europe 0.39% 14/11/2016	GBP	3,000,000	3,000	3.86
Sumitomo Mitsui Banking Corporation Europe 0.50% 18/11/2016	GBP	2,000,000	2,000	2.58
Svenska Handelsbanken 0.33% 03/01/2017	GBP	3,000,000	3,000	3.86
Svenska Handelsbanken 0.64% 06/01/2017	GBP	2,000,000	2,000	2.58
Toronto-dominion Bank 0.67% 21/10/2016	GBP	3,000,000	3,000	3.86
Toronto-dominion Bank 0.65% 24/10/2016	GBP	1,000,000	1,000	1.29
United Overseas Bank 0.40% 23/01/2017	GBP	3,000,000	3,000	3.86
			67,495	86.94
Certificates of Deposit total			67,495	86.94
Commercial Papers 3.86% (2.90%)				
United Kingdom 3.86% (2.90%)				
Erste Abwicklungsanstalt 0.33% 15/12/2016	GBP	3,000,000	2,998	3.86
			2,998	3.86
Commercial Papers total			2,998	3.86
Liquidity Funds 8.37% (7.41%)				
Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP [†]	GBP	6,500,000	6,500	8.37
Liquidity Funds total			6,500	8.37
Investment assets			76,993	99.17
Net other assets			643	0.83
Net assets			77,636	100.00

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

The comparative percentage figures in brackets are as at 15 October 2015.

[†] Investment in or managed by a related party

STATEMENT OF TOTAL RETURN

For the year ended 15 October 2016

	Notes	£000	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Income				
Net capital losses	2		(1)	(2)
Revenue	3	409		384
Expenses	4	(121)		(121)
Net revenue before taxation		288		263
Taxation	5	–		–
Net revenue after taxation			288	263
Total return before distributions			287	261
Distributions	6		(288)	(264)
Change in net assets attributable to shareholders from investment activities			(1)	(3)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 15 October 2016

	£000	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Opening net assets attributable to shareholders		68,810	71,366
Movement due to issue and cancellation of shares:			
Amounts receivable on issue of shares	19,676		9,529
Amounts payable on cancellation of shares	(11,080)		(12,292)
		8,596	(2,763)
Change in net assets attributable to shareholders from investment activities (see above)		(1)	(3)
Retained distribution on accumulation shares		231	210
Closing net assets attributable to shareholders		77,636	68,810

BALANCE SHEET

As at 15 October 2016

	Notes	As at 15.10.16 £000	Restated* As at 15.10.15 £000
Assets:			
Investments	7	76,993	68,097
Current assets:			
Debtors	8	212	163
Cash and bank balances	9	580	692
Total assets		77,785	68,952
Liabilities:			
Creditors:			
Distribution payable		(13)	(26)
Other creditors	10	(136)	(116)
Total liabilities		(149)	(142)
Net assets attributable to shareholders		77,636	68,810

* Refer to the accounting policies note on page 112.

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting basis and policies

Please see pages 7 and 8 for accounting basis and policies.

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

Balance sheet

The Income tax withheld on distributions of £26,000 is now included within 'Distributions payable', whereas under SORP 2010 this would have been included within 'Creditors'.

2 Net capital losses

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Net capital losses on investments during the year comprise:		
Expenses relating to the purchase and sale of investments	(2)	(2)
Non-derivative securities gains	1	–
Net capital losses	(1)	(2)

3 Revenue

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Bank and deposit interest	–	20
Interest on debt securities	409	364
Total revenue	409	384

4 Expenses

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Payable to the Authorised Corporate Director ("ACD"), associates of the ACD or agents of either of them:		
ACD's periodic charge	95	95
Registration fees	–	1
	95	96
Payable to the Depositary, associates of the Depositary or agents of either of them:		
Depositary's fee	9	8
Interest payable	1	–
Safe custody fee	3	2
	13	10
Other expenses:		
Audit fee*	10	11
Statement fees	3	4
	13	15
Total expenses	121	121

* The audit fee was £9,370 (2015: £8,756) net of VAT.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Taxation**a Analysis of tax charge**

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Corporation tax	–	–
Total current tax (see note 5b)	–	–

b Factors affecting current tax charge

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

The differences are explained below:

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Net revenue before taxation	288	263
Corporation tax at 20%	58	53
Effects of:		
Tax deductible on interest distributions	(58)	(53)
	(58)	(53)
Current tax charge (see note 5.a)	–	–

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 year end (2015: £nil).

After claiming relief against accrued income taxable on receipt, the Fund has unrelieved excess expenses of £700 (2015: £6,000) creating a potential deferred tax asset of £100 (2015: £1,000). It is unlikely that the Fund will generate taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

6 Distributions

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:		
Gross interest distribution for the three months ended 15 January	71	61
Gross interest distribution for the three months ended 15 April	75	65
Gross interest distribution for the three months ended 15 July	81	68
Gross interest distribution for the three months ended 15 October	64	69
	291	263
Add: Revenue deducted on cancellation of shares	5	4
Deduct: Revenue received on issue of shares	(8)	(3)
Total distributions	288	264
Reconciliations of distributions for the year to net revenue after taxation		
Distributions for the year	288	264
Equalisation on conversions	–	(1)
Net revenue after taxation	288	263

Details of the distributions per share are set out in the distribution tables on pages 117 and 118.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 Fair value hierarchy

Valuation technique	Assets at 15.10.16 £000	Assets at 15.10.15 £000
Prices of recent transactions for identical instruments	6,500	5,100
Valuation techniques using non-observable market data	70,493	62,997
Total value	76,993	68,097

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 to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

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

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

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

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

8 Debtors

	As at 15.10.16 £000	As at 15.10.15 £000
Accrued revenue	59	65
Amounts receivable on issue of shares	153	98
Total debtors	212	163

9 Cash and bank balances

	As at 15.10.16 £000	As at 15.10.15 £000
Cash and bank balances	580	692
Total cash and bank balances	580	692

10 Other creditors

	As at 15.10.16 £000	Restated* As at 15.10.15 £000
Accrued expenses	27	27
Amounts payable for cancellation of shares	109	89
Total creditors	136	116

* Refer to the accounting policies note on page 112.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11 Contingent liabilities and commitments

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

12 Related party transactions

ACD periodic charges paid to Aviva Investors UK Fund Services Limited ("the ACD") are shown in note 4 and details of shares issued and cancelled by the ACD are shown in the statement of change in net assets attributable to shareholders. The balance due to the ACD at the year end in respect of ACD periodic charges was £12,000 (2015: £12,000). Any balance due from the ACD in respect of issues is shown in note 8. Any balance due to the ACD in respect of cancellations is shown in note 10.

Distributions payable to the ACD and related parties of the ACD during the year amounted to £211,900 (2015: £196,000). The amount outstanding at the year end was £45,900 (2015: £52,000). Related parties of the ACD are deemed to be all companies under the control of Aviva Plc. This will include companies which hold shares in the Fund on behalf of other external investors.

Any 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 £45,600,000 (2015: £nil) and £39,100,000 (2015: £nil) respectively. The income received during the year amounted to £25,100 (2015: £nil)."

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

	Holdings at 15.10.16 (shares)	Movement (shares)	Holdings at 15.10.15 (shares)
ACD and related parties (share class 2 Income shares)	290,332	290,332	–
ACD and related parties (share class 2 Accumulation shares)	4,950,309	3,796,872	1,153,437
ACD and related parties (share class 3 Accumulation shares)	60,692,803	2,177,311	58,515,492

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

13 Shareholder funds

The Fund currently has two share classes: Class 2 (Institutional) and Class 3 (Associated undertakings of Aviva Plc). The annual management charges are as follows:

Class 2: 0.15%

Class 3: 0.13%

The net asset value of the share class, the net asset value per share and the number of shares in the class are shown on pages 107 and 108. The distributions per share are given in the distribution tables on pages 117 and 118. All the share classes have the same rights on winding up.

14 Shares in issue reconciliation

	Number of shares in issue at 15.10.15	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 15.10.16
Class 2 Income	282,212	2,004,378	(1,302,597)	–	983,993
Class 2 Accumulation	7,340,046	16,456,897	(9,226,920)	–	14,570,023
Class 3 Accumulation	58,515,492	4,762,891	(2,585,580)	–	60,692,803

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 Derivatives and other financial instruments

The policies applied in the management of financial instruments are set out on pages 8 and 9.

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 (2015: £nil).

Currency risk

At the year end date, none (2015: none) of the net assets of the Fund were denominated in currencies other than sterling and as such the currency risk is not considered significant.

Interest rate risk

At the year end date 99.92% (2015: 99.79%) of the net assets of the Fund were interest bearing.

The interest rate profile of the Fund's financial assets and liabilities at 15 October 2016 was:

Currency 15.10.16	Floating Rate £000	Fixed Rate £000	None £000	Total £000
Financial Assets				
Sterling	7,080	70,493	212	77,785
Financial Liabilities				
Sterling	–	–	(149)	(149)
Total	7,080	70,493	70,556	77,636

If the interest rates were to change by 10%, the value of the Fund will change by 9.99%.

The interest rate profile of the Fund's financial assets and liabilities at 15 October 2015 was:

Currency 15.10.15	Floating Rate £000	Fixed Rate £000	None £000	Total £000
Financial Assets				
Sterling	5,792	63,160	–	68,952
Financial Liabilities				
Sterling	–	–	(142)	(142)
Total	5,792	63,160	(142)	68,810

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

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

The floating rate financial assets comprise investments in variable interest rate paying corporate debt and bank balances that bear interest on LIBOR or its equivalent.

Market price risk

At the year end date, 99.17% (2015: 98.97%) of the net assets of the Fund were invested in ordinary shares or stock units admitted to an official stock exchange. If the market value were to change by 10%, the value of the Fund would change by 9.92%.

16 Direct transaction costs

Due to the nature of the investments held, no transaction costs or taxes were incurred on the Fund's purchases or sales during the current year ended 15 October 2016 (2015: £nil). The total purchases for the year amounted to £295,042,000 (2015: £229,486,000) and the total sales amounted to £281,101,000 (2015: £231,500,000).

Dealing spread

As at 15 October 2016, the average portfolio dealing spread was nil% (2015: nil%). 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.

17 Post balance sheet events

There are no post balance sheet events which require adjustment or disclosure at the year end (2015: £nil).

DISTRIBUTION TABLES

Final distribution payable in pence per share for the three months ended 15 October 2016

Income shares		Gross revenue	Income tax	Net revenue	Equalisation	Final distribution payable 15 December 2016	Final distribution paid 15 December 2015
Share Class 2	Group 1	0.0614	0.0123	0.0491	–	0.0491	0.0601
	Group 2	0.0326	0.0065	0.0261	0.0230	0.0491	0.0601

Accumulation shares		Gross revenue	Income tax	Net revenue	Equalisation	Final distribution payable 15 December 2016	Final distribution paid 15 December 2015
Share Class 2	Group 1	0.0618	0.0124	0.0494	–	0.0494	0.0606
	Group 2	0.0291	0.0058	0.0233	0.0261	0.0494	0.0606
Share Class 3	Group 1	0.0893	0.0179	0.0714	–	0.0714	0.0870
	Group 2	0.0315	0.0063	0.0252	0.0462	0.0714	0.0870

Final distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 July 2016.

Group 2 shares are those shares purchased after 12:00 noon on 15 July 2016.

Interim distribution paid in pence per share for the three months ended 15 July 2016

Income shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 15 September 2016	Interim distribution paid 15 September 2015
Share Class 2	Group 1	0.0825	0.0165	0.0660	–	0.0660	0.0570
	Group 2	0.0365	0.0073	0.0292	0.0368	0.0660	0.0570

Accumulation shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 15 September 2016	Interim distribution paid 15 September 2015
Share Class 2	Group 1	0.0829	0.0166	0.0663	–	0.0663	0.0570
	Group 2	0.0321	0.0064	0.0257	0.0406	0.0663	0.0570
Share Class 3	Group 1	0.1184	0.0237	0.0947	–	0.0947	0.0820
	Group 2	0.0386	0.0077	0.0309	0.0638	0.0947	0.0820

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 April 2016.

Group 2 shares are those shares purchased after 12:00 noon on 15 April 2016.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the three months ended 15 April 2016

Income shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 15 June 2016	Interim distribution paid 15 June 2015
Share Class 2	Group 1	0.0804	0.0161	0.0643	–	0.0643	0.0539
	Group 2	0.0558	0.0112	0.0446	0.0197	0.0643	0.0539

Accumulation shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 15 June 2016	Interim distribution paid 15 June 2015
Share Class 2	Group 1	0.0806	0.0161	0.0645	–	0.0645	0.0739
	Group 2	0.0466	0.0093	0.0373	0.0272	0.0645	0.0739
Share Class 3	Group 1	0.1151	0.0230	0.0921	–	0.0921	0.0774
	Group 2	0.0123	0.0025	0.0098	0.0823	0.0921	0.0774

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 January 2016.

Group 2 shares are those shares purchased after 12:00 noon on 15 January 2016.

Interim distribution paid in pence per share for the three months ended 15 January 2016

Income shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 15 March 2016	Interim distribution paid 15 March 2015
Share Class 1	Group 1	N/A	N/A	N/A	–	N/A	0.0129
	Group 2	N/A	N/A	N/A	N/A	N/A	0.0129
Share Class 2	Group 1	0.0765	0.0153	0.0612	–	0.0612	0.0000
	Group 2	0.0339	0.0068	0.0271	0.0341	0.0612	0.0000

Accumulation shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 15 March 2016	Interim distribution paid 15 March 2015
Share Class 1	Group 1	N/A	N/A	N/A	–	N/A	0.0130
	Group 2	N/A	N/A	N/A	N/A	N/A	0.0130
Share Class 2	Group 1	0.0764	0.0153	0.0611	–	0.0611	0.0528
	Group 2	0.0480	0.0096	0.0384	0.0227	0.0611	0.0528
Share Class 3	Group 1	0.1094	0.0219	0.0875	–	0.0875	0.0760
	Group 2	0.0106	0.0021	0.0085	0.0790	0.0875	0.0760

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 October 2015.

Group 2 shares are those shares purchased after 12:00 noon on 15 October 2015.

Equalisation

Equalisation applies only to Group 2 shares, in other words shares purchased during the relevant 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 CORPORATE BOND FUND

INVESTMENT OBJECTIVE

A long term total return above that available on UK Government securities.

INVESTMENT POLICY

Diversified investment in Sterling denominated debt securities issued by governments, supranational institutions and corporates.

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

FUND MANAGER'S REPORT

Over the twelve months ended 15 October 2016, the Aviva Investors Corporate Bond Fund delivered a total return of 7.90 per cent (share class A) net of fees. The Fund's peer group, the Investment Association's Sterling Corporate Bond sector, delivered net return of 8.80 per cent.

The Fund's underperformance relates predominantly to our decision to position the portfolio cautiously in the expectation of only modest returns from bonds. However, the market rallied following the surprise announcement by both the European Central Bank and the Bank of England that they were planning to buy corporate bonds as part of their expanded economic stimulus programmes. This move created huge technical support for the market, which was at odds with the somewhat stretched nature of many companies' balance sheets. The rebound of commodity markets from their winter slump detracted from Fund performance given our general avoidance of the oils, metals and mining sectors. Returns also suffered from the Fund's preference for smaller and medium-sized companies. These areas sold off sharply as they were deemed to be more sensitive to a Brexit-fuelled recession. The portfolio did benefit, however, from the underweighting of house builders and banks.

During the period, the portfolio was broadly diversified across sectors and the market capitalisation spectrum. In sector terms, the Fund was overweight in telecoms, a sector we felt was ripe for consolidation, media and non-bank financials. We were underweight in banks, health care, oil & gas and consumer goods. At the market capitalisation level, we preferred medium and smaller companies over the blue-chips of the FTSE® 100 Index.

The most recent reporting season was characterised by deteriorating credit fundamentals as companies announced sluggish revenue growth, peaking profit margins and a further increase in borrowings. However, investors' caution on the weaker financial position of many companies has been overpowered by a wave of global liquidity and a scarcity of high-quality financial assets.

This situation can persist in the short term but, over a longer horizon, we are concerned that the risks of investing in corporate bonds will start to outweigh the potential rewards. 2017 is an election year in a number of European countries and confidence could be rattled if the results fuel uncertainty about the future of the EU. The year could also see the US and European central banks taking divergent paths in their monetary policy.

November 2016

Sources: Fund and peer group performance figures – Lipper, a Thomson Reuters Company, mid to mid basis with net income reinvested in GBP, with no initial charges applied. Market data – Bloomberg.

As noted above, the performance figures in this commentary have been sourced from an external party and are based on published prices. The performance figures quoted in the comparative tables on pages 120 and 121 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 an investment and any income from it can go down as well as up. Investors may not get back the original amount invested.

Material Portfolio Changes

Purchases	Sales
Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP	Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP
European Investment Bank 1.50% 01/02/2019	UK Treasury 4.50% 07/12/2042
UK Treasury 3.50% 22/01/2045	UK Treasury 3.50% 22/01/2045
UK Treasury 4.75% 07/12/2038	KFW 6.00% 12/07/2028
UK Treasury 5.00% 07/03/2025	Land Securities Capital Markets 4.88% 12/12/2019
European Investment Bank 4.63% 12/10/2054	Stagecoach Group 5.75% Bonds 16/12/2016
European Investment Bank 4.50% 07/03/2044	UK Treasury 5.00% 07/03/2025
Network Rail Infrastructure Finance 4.75% 29/11/2035	Royal Bank of Scotland 6.88% 17/05/2025
UK Treasury 3.75% 22/07/2052	Segro, REIT 6.75% 23/11/2021
UK Treasury 4.50% 07/12/2042	Siemens 3.75% 10/09/2042

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'.
- 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.
- Full information on the risks applicable to the Fund is detailed in the Prospectus.

COMPARATIVE TABLES

Class 1 Income	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	57.86	58.21	55.46
Return before operating charges [†]	5.54	2.07	5.18
Operating charges	(0.48)	(0.47)	(0.45)
Return after operating charges [†]	5.06	1.60	4.73
Distributions on income shares	(1.85)	(1.95)	(1.98)
Closing net asset value per share	61.07	57.86	58.21
Retained distributions on accumulation shares	–	–	–
[†] after direct transaction costs of	–	–	–
Performance			
Return after charges	8.75%	2.75%	8.53%
Other information			
Closing net asset value (£000)	50,642	56,864	62,920
Closing number of shares	82,930,218	98,281,995	108,084,710
Operating charges (%) [†]	0.80%	0.80%	0.80%
Direct transaction costs (%) [#]	–	–	–
Prices^{**}			
Highest share price	64.29	61.83	58.89
Lowest share price	56.95	57.60	55.46

Class 3 Income	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	114.84	115.54	110.08
Return before operating charges [†]	10.99	4.12	10.31
Operating charges	(0.38)	(0.38)	(0.36)
Return after operating charges [†]	10.61	3.74	9.95
Distributions on income shares	(4.24)	(4.44)	(4.49)
Closing net asset value per share	121.21	114.84	115.54
Retained distributions on accumulation shares	–	–	–
[†] after direct transaction costs of	–	–	–
Performance			
Return after charges	9.24%	3.24%	9.04%
Other information			
Closing net asset value (£000)	2,421,216	2,061,567	2,422,872
Closing number of shares	1,997,561,329	1,795,200,291	2,096,953,136
Operating charges (%) [†]	0.32%	0.32%	0.32%
Direct transaction costs (%) [#]	–	–	–
Prices^{**}			
Highest share price	127.64	122.75	117.01
Lowest share price	113.08	114.32	110.15

Class 2 Income	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	87.15	87.68	83.54
Return before operating charges [†]	8.33	3.12	7.82
Operating charges	(0.55)	(0.55)	(0.53)
Return after operating charges [†]	7.78	2.57	7.29
Distributions on income shares	(2.95)	(3.10)	(3.15)
Closing net asset value per share	91.98	87.15	87.68
Retained distributions on accumulation shares	–	–	–
[†] after direct transaction costs of	–	–	–
Performance			
Return after charges	8.93%	2.93%	8.73%
Other information			
Closing net asset value (£000)	56,689	58,178	47,674
Closing number of shares	61,631,146	66,758,541	54,370,371
Operating charges (%) [†]	0.62%	0.62%	0.62%
Direct transaction costs (%) [#]	–	–	–
Prices^{**}			
Highest share price	96.84	93.14	88.74
Lowest share price	85.79	86.75	83.56

Class 3 Accumulation	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	157.93	154.19	142.31
Return before operating charges [†]	14.11	4.25	12.35
Operating charges	(0.53)	(0.51)	(0.47)
Return after operating charges [†]	13.58	3.74	11.88
Distributions on income shares	–	–	–
Closing net asset value per share	171.51	157.93	154.19
Retained distributions on accumulation shares	5.89	5.99	5.87
[†] after direct transaction costs of	–	–	–
Performance			
Return after charges	8.60%	2.43%	8.35%
Other information			
Closing net asset value (£000)	28,595	4,760	5,202
Closing number of shares	16,672,692	3,014,115	3,373,862
Operating charges (%) [†]	0.32%	0.32%	0.32%
Direct transaction costs (%) [#]	–	–	–
Prices^{**}			
Highest share price	179.46	165.00	155.71
Lowest share price	156.51	152.99	142.41

COMPARATIVE TABLES (CONTINUED)

Class A Income	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	54.18	54.51	51.94
Return before operating charges [†]	5.17	1.94	4.85
Operating charges	(0.62)	(0.62)	(0.59)
Return after operating charges [†]	4.55	1.32	4.26
Distributions on income shares	(1.55)	(1.65)	(1.69)
Closing net asset value per share	57.18	54.18	54.51
Retained distributions on accumulation shares	–	–	–
[†] after direct transaction costs of	–	–	–
Performance			
Return after charges	8.40%	2.42%	8.20%
Other information			
Closing net asset value (£000)	58,540	67,636	77,788
Closing number of shares	102,371,753	124,836,012	142,692,580
Operating charges (%) [‡]	1.12%	1.12%	1.12%
Direct transaction costs (%) [#]	–	–	–
Prices[≈]			
Highest share price	60.19	57.89	55.12
Lowest share price	53.32	53.93	51.91

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

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

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

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

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

Ongoing Charges Figure*

Share class	15.10.16	15.10.15
Class 1	0.80%	0.80%
Class 2	0.62%	0.62%
Class 3	0.32%	0.32%
Class A	1.12%	1.12%

* 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 for share class 1 is capped at 0.80%. 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 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Government Bonds 2.11% (5.38%)				
Germany 0.00% (1.91%)				
Netherlands 0.00% (1.95%)				
United Kingdom 2.11% (1.52%)				
UK Treasury 4.75% 07/12/2038	GBP	28,000,000	43,783	1.67
UK Treasury 3.75% 22/07/2052	GBP	7,400,000	11,522	0.44
			55,305	2.11
Government Bonds total			55,305	2.11
Corporate Bonds 84.81% (91.25%)				
Australia 0.87% (1.60%)				
Goodman Australia Finance, REIT 9.75% 16/07/2018	GBP	20,000,000	22,610	0.87
			22,610	0.87
Cayman Islands 3.15% (3.11%)				
Affinity Water Programme Finance 4.50% 31/03/2036	GBP	11,887,000	15,492	0.59
Southern Water Services Finance 6.64% 31/03/2026	GBP	7,000,000	9,730	0.37
Thames Water Utilities Cayman Finance, FRN 5.37% 21/07/2025	GBP	14,860,000	15,275	0.59
Trafford Centre Finance, Series A2 6.50% 28/07/2033	GBP	3,675,849	5,015	0.19
Trafford Centre Finance, Series D2 8.28% 28/10/2022	GBP	8,290,000	10,069	0.39
Yorkshire Water Services Odsal Finance 6.45% 28/05/2027	GBP	19,014,000	26,711	1.02
			82,292	3.15
France 9.64% (8.69%)				
AXA, FRN 5.62% 16/01/2054	GBP	24,910,000	26,563	1.02
AXA, FRN 5.45% Perpetual	GBP	17,000,000	17,823	0.68
BNP Paribas 1.13% 16/08/2022	GBP	25,226,000	24,655	0.94
Electricite de France 6.13% 02/06/2034	GBP	31,100,000	43,258	1.65
Electricite de France, FRN 6.00% Perpetual	GBP	18,500,000	18,390	0.70
Orange 5.38% 22/11/2050	GBP	10,000,000	14,544	0.56
Orange, FRN 5.87% Perpetual	GBP	25,000,000	26,922	1.03
RCI Banque 3.25% 25/04/2018	GBP	21,000,000	21,608	0.83
SNCF Reseau 5.50% 01/12/2021	GBP	25,825,000	31,340	1.20
Veolia Environnement 6.13% 29/10/2037	GBP	17,900,000	27,018	1.03
			252,121	9.64
Germany 0.00% (0.80%)				
Ireland 0.67% (0.73%)				
GE Capital UK Funding 4.13% 13/09/2023	GBP	15,000,000	17,566	0.67
Lambay Capital Securities 6.25% Perpetual [§]	GBP	10,000,000	1	–
			17,567	0.67
Italy 0.46% (0.54%)				
Telecom Italia 7.38% 15/12/2017	GBP	11,200,000	11,896	0.46
			11,896	0.46
Jersey 5.53% (5.18%)				
AA Bond 6.27% 02/07/2043	GBP	32,743,000	40,859	1.56
CPUK Finance 7.24% 28/02/2042	GBP	7,590,000	9,917	0.38
Gatwick Funding 5.25% 23/01/2026	GBP	7,700,000	9,353	0.36
Gatwick Funding 2.63% 07/10/2048	GBP	23,531,000	21,637	0.83
Heathrow Funding 7.13% 14/02/2024	GBP	34,400,000	44,965	1.72
HSBC Bank Capital Funding Sterling 1, FRN 5.84% Perpetual	GBP	15,660,000	17,970	0.68
			144,701	5.53
Luxembourg 0.00% (0.69%)				
Mexico 1.47% (1.49%)				
America Movil 4.38% 07/08/2041	GBP	23,885,000	27,545	1.05
America Movil, FRN 6.37% 06/09/2073	GBP	10,370,000	10,960	0.42
			38,505	1.47

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Netherlands 6.17% (7.83%)				
Allianz Finance II 4.50% 13/03/2043	GBP	13,000,000	17,241	0.66
Bank Nederlandse Gemeenten 1.88% 07/12/2018	GBP	20,575,000	21,101	0.81
Cooperatieve Rabobank 4.63% 13/01/2021	GBP	8,000,000	9,066	0.35
Cooperatieve Rabobank 4.63% 23/05/2029	GBP	23,010,000	25,003	0.95
Deutsche Bahn Finance 3.13% 24/07/2026	GBP	4,897,000	5,531	0.21
E.ON International Finance 6.38% 07/06/2032	GBP	7,841,000	11,210	0.43
Enel Finance International 5.75% 14/09/2040	GBP	22,650,000	29,746	1.14
ING Bank, FRN 6.87% 29/05/2023	GBP	21,795,000	23,265	0.89
innogy Finance 5.50% 06/07/2022	GBP	9,150,000	10,870	0.41
Petrobras Global Finance 5.38% 01/10/2029	GBP	10,000,000	8,341	0.32
			161,374	6.17
Spain 1.14% (1.13%)				
Telefonica Emisiones 5.45% 08/10/2029	GBP	23,250,000	29,916	1.14
			29,916	1.14
Sweden 1.08% (0.38%)				
Skandinaviska Enskilda Banken 1.25% 05/08/2022	GBP	19,298,000	18,945	0.72
Svenska Handelsbanken 3.00% 20/11/2020	GBP	8,773,000	9,403	0.36
			28,348	1.08
United Kingdom 42.75% (47.62%)				
Aviva, FRN 5.90% Perpetual [†]	GBP	10,200,000	10,602	0.41
Aviva, FRN 5.12% 04/06/2050 [†]	GBP	20,000,000	19,999	0.76
Aviva, FRN 6.87% 20/05/2058 [†]	GBP	11,000,000	12,770	0.49
Barclays 3.25% 12/02/2027	GBP	24,429,000	23,656	0.90
Barclays Bank 10.00% 21/05/2021	GBP	30,809,000	39,230	1.50
Barclays Bank 4.25% 12/01/2022	GBP	16,000,000	18,518	0.71
Barclays Bank, FRN 14.00% Perpetual	GBP	4,000,000	4,960	0.19
BAT International Finance 2.25% 09/09/2052	GBP	11,500,000	9,969	0.38
BL Superstores Finance, Series A2 4.48% 04/10/2030	GBP	5,984,112	6,781	0.26
BL Superstores Finance, Series B2 5.27% 04/10/2030	GBP	8,823,665	9,894	0.38
British Land, REIT 5.36% 31/03/2028	GBP	5,300,000	6,361	0.24
British Telecommunications 8.50% 07/12/2016	GBP	25,538,000	25,794	0.99
Broadgate Financing 5.00% 05/10/2033	GBP	17,885,000	21,943	0.84
Canary Wharf Finance II, Series II A1 6.46% 22/10/2033	GBP	9,211,432	13,909	0.53
Centrica 4.25% 12/09/2044	GBP	15,300,000	18,775	0.72
Crh Finance 4.13% 02/12/2029	GBP	9,757,000	11,202	0.43
Daily Mail & General Trust 5.75% 07/12/2018	GBP	5,078,000	5,479	0.21
Eastern Power Networks 4.75% 30/09/2021	GBP	15,000,000	17,413	0.67
Eversholt Funding 6.36% 02/12/2025	GBP	600,000	798	0.03
Eversholt Funding 6.70% 22/02/2035	GBP	6,395,000	8,911	0.34
Experian Finance 4.75% 23/11/2018	GBP	19,150,000	20,570	0.79
F&C Finance 9.00% 20/12/2016	GBP	3,906,000	3,938	0.15
Firstgroup 8.75% 08/04/2021	GBP	21,000,000	26,825	1.03
GlaxoSmithKline Capital 4.25% 18/12/2045	GBP	10,560,000	14,128	0.54
Great Rolling Stock 6.25% 27/07/2020	GBP	1,831,000	2,136	0.08
Great Rolling Stock 6.50% 05/04/2031	GBP	24,684,400	33,316	1.27
Greene King Finance 4.06% 15/03/2035	GBP	3,968,577	4,245	0.16
Greene King Finance, Series B1 5.70% 15/12/2034	GBP	8,889,000	8,111	0.31
HSBC Holdings 6.75% 11/09/2028	GBP	34,800,000	42,732	1.63
Imperial Brands Finance 9.00% 17/02/2022	GBP	14,475,000	19,788	0.76
Imperial Brands Finance 8.13% 15/03/2024	GBP	25,500,000	35,760	1.37
Intu Metrocentre Finance, REIT 4.13% 06/12/2023	GBP	19,174,000	21,185	0.81
Investec Bank 9.63% 17/02/2022	GBP	8,200,000	9,814	0.38
Juturna European Loan Conduit No. 16 5.06% 10/08/2033	GBP	20,727,819	24,648	0.94
Lloyds Bank 5.13% 07/03/2025	GBP	14,100,000	17,871	0.68
Lloyds Bank 7.63% 22/04/2025	GBP	18,496,000	23,826	0.91
Lloyds Bank, FRN 10.75% 16/12/2021	GBP	11,158,000	11,326	0.43
Meadowhall Finance, Series B 4.99% 12/07/2037	GBP	12,360,371	15,280	0.58
Mitchells & Butlers Finance, Series A2 5.57% 15/12/2030	GBP	11,216,596	12,892	0.49
Mitchells & Butlers Finance, Series B1 5.97% 15/12/2025	GBP	5,787,750	6,449	0.25

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
United Kingdom 42.75% (47.62%) (continued)				
Mitchells & Butlers Finance, Series C1 6.47% 15/09/2032	GBP	18,000,000	22,171	0.85
National Grid Gas Finance 2.13% 22/09/2028	GBP	10,000,000	9,892	0.38
Network Rail Infrastructure Finance 4.75% 29/11/2035	GBP	20,140,000	29,193	1.12
NGG Finance, FRN 5.62% 18/06/2073	GBP	12,110,000	13,517	0.52
Notting Hill Housing Trust 3.75% 20/12/2032	GBP	26,900,000	30,136	1.15
Paragon Group, FRN 3.73% 20/04/2017	GBP	6,697,000	6,648	0.25
Prudential, FRN 11.37% 29/05/2039	GBP	23,660,000	28,875	1.10
RAC Bond 4.57% 06/05/2023	GBP	6,099,000	6,664	0.26
RAC Bond 4.87% 06/05/2046	GBP	5,719,000	6,403	0.25
RELX Investments 2.75% 01/08/2019	GBP	26,000,000	26,956	1.03
RSA Insurance Group, FRN 9.37% 20/05/2039	GBP	13,244,000	15,372	0.59
Santander 5.13% 14/04/2021	GBP	33,000,000	38,811	1.48
Segro, REIT 6.75% 23/11/2021	GBP	6,330,000	7,909	0.30
Silverstone Master Issuer, FRN 5.06% 21/01/2055	GBP	17,000,000	17,008	0.65
Sky 4.00% 26/11/2029	GBP	9,444,000	10,732	0.41
Sky Group Finance 5.75% 20/10/2017	GBP	7,080,000	7,415	0.28
Southern Gas Networks 2.50% 03/02/2025	GBP	25,790,000	26,981	1.03
Standard Chartered 5.13% 06/06/2034	GBP	5,295,000	5,029	0.19
Standard Chartered 4.38% 18/01/2038	GBP	22,000,000	24,387	0.93
Tesco 4.88% 24/03/2042	GBP	13,000,000	11,572	0.44
Tesco Property Finance 6 5.41% 13/07/2044	GBP	23,647,843	22,683	0.87
Unilever 4.75% 16/06/2017	GBP	22,000,000	22,599	0.86
UNITE USAF II 3.92% 30/06/2030	GBP	22,700,000	25,628	0.98
Western Power Distribution West Midlands 5.75% 16/04/2032	GBP	33,495,000	47,211	1.81
White City Property Finance 5.12% 17/04/2035	GBP	10,406,226	12,569	0.48
			1,118,165	42.75
United States of America 11.88% (11.46%)				
Ahold Finance 6.50% 14/03/2017	GBP	26,000,000	26,564	1.02
American International Group 6.77% 15/11/2017	GBP	31,610,000	33,443	1.28
AT&T 4.38% 14/09/2029	GBP	21,963,000	25,419	0.97
AT&T 4.25% 01/06/2043	GBP	32,380,000	35,624	1.36
Bank of America 7.75% 30/04/2018	GBP	13,200,000	14,481	0.55
Bank of America 2.30% 25/07/2025	GBP	16,868,000	16,512	0.63
Bank of America 7.00% 31/07/2028	GBP	10,350,000	14,406	0.55
Citigroup 4.50% 03/03/2031	GBP	18,000,000	20,019	0.77
Goldman Sachs Group 6.13% 14/05/2017	GBP	17,783,000	18,271	0.70
JPMorgan Chase 1.88% 10/02/2020	GBP	12,849,000	13,104	0.50
JPMorgan Chase 3.50% 18/12/2026	GBP	18,350,000	20,085	0.77
McDonald's 4.13% 11/06/2054	GBP	11,400,000	13,729	0.52
Mondelez International 4.50% 03/12/2035	GBP	7,311,000	8,518	0.33
Verizon Communications 4.07% 18/06/2024	GBP	21,000,000	23,918	0.91
Wells Fargo 2.00% 28/07/2025	GBP	8,540,000	8,313	0.32
Wells Fargo 3.50% 12/09/2029	GBP	17,010,000	18,440	0.70
			310,846	11.88
Corporate Bonds total			2,218,341	84.81
Supranationals 6.63% (2.45%)				
European Investment Bank 1.50% 01/02/2019	GBP	52,000,000	53,153	2.03
European Investment Bank 3.88% 08/06/2037	GBP	5,901,000	7,867	0.30
European Investment Bank 5.00% 15/04/2039	GBP	40,735,000	62,948	2.41
European Investment Bank 4.50% 07/03/2044	GBP	14,200,000	21,581	0.83
European Investment Bank 4.63% 12/10/2054	GBP	16,100,000	27,798	1.06
			173,347	6.63
Supranationals total			173,347	6.63

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Swaps (0.08)% (0.00%)				
Credit Default Swap Barclays Buy iTraxx Europe Series 26 Version 1 20/12/2021	EUR	165,000,000	(2,016)	(0.08)
Swaps total			(2,016)	(0.08)
Futures 0.00% ((0.03)%)				
Liquidity Funds 4.65% (0.00%)				
Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP [†]	GBP	121,500,000	121,500	4.65
Liquidity Funds total			121,500	4.65
Investment assets			2,566,477	98.12
Net other assets			49,205	1.88
Net assets			2,615,682	100.00

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

The comparative percentage figures in brackets are as at 15 October 2015.

§ Security is currently in default.

† Investment in or managed by a related party.

STATEMENT OF TOTAL RETURN

For the year ended 15 October 2016

	Notes	£000	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Income				
Net capital gain/(losses)	2		128,370	(17,062)
Revenue	3	94,412		108,314
Expenses	4	(8,687)		(9,483)
Net revenue before taxation		85,725		98,831
Taxation	5	–		–
Net revenue after taxation			85,725	98,831
Total return before distributions			214,095	81,769
Distributions	6		(85,729)	(98,831)
Change in net assets attributable to shareholders from investment activities			128,366	(17,062)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 15 October 2016

	£000	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Opening net assets attributable to shareholders		2,249,005	2,616,456
Movement due to issue and cancellation of shares:			
Amounts receivable on issue of shares	391,139		136,876
Amounts payable on cancellation of shares	(154,393)		(489,026)
		236,746	(352,150)
Dilution adjustment		583	1,615
Change in net assets attributable to shareholders from investment activities (see above)		128,366	(17,062)
Retained distribution on accumulation shares		978	146
Unclaimed distribution monies		4	–
Closing net assets attributable to shareholders		2,615,682	2,249,005

BALANCE SHEET

As at 15 October 2016

	Notes	As at 15.10.16 £000	Restated* As at 15.10.15 £000
Assets:			
Investments	7	2,568,493	2,228,343
Current assets:			
Debtors	8	46,901	50,013
Cash and bank balances	9	28,035	14,394
Total assets		2,643,429	2,292,750
Liabilities:			
Investment liabilities		(2,016)	(730)
Creditors:			
Bank overdrafts		–	–
Distribution payable on income shares		(20,450)	(27,206)
Other creditors	10	(5,281)	(15,809)
Total liabilities		(27,747)	(43,745)
Net assets attributable to shareholders		2,615,682	2,249,005

* Refer to the accounting policies note on page 128.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1 Accounting basis and policies

Please see pages 7 and 8 for accounting basis and policies.

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

Balance sheet

The Income tax withheld on distributions of £9,761,000 is now included within 'Distributions payable', whereas under SORP 2010 the they would have been included within 'Creditors'.

2 Net capital gains/(losses)

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Net capital gains/(losses) on investments during the year comprise:		
Currency gains	170	4
Derivative contracts losses	(9,681)	(1,268)
Expenses relating to the purchase and sale of investments	(4)	(4)
Non-derivative securities gains/(losses)	137,885	(15,794)
Net capital gains/(losses)	128,370	(17,062)

3 Revenue

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Bank and deposit interest	6	139
Interest on debt securities	96,491	108,632
Interest on derivatives	(2,085)	(457)
Total revenue	94,412	108,314

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 Expenses

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Payable to the Authorised Corporate Director ("ACD"), associates of the ACD or agents of either of them:		
ACD's periodic charge	8,095	8,885
Registration fees	126	130
	8,221	9,015
Payable to the Depositary, associates of the Depositary or agents of either of them:		
Depositary's fee	91	47
Interest payable	62	–
Safe custody fee	227	275
	380	322
Other expenses:		
Audit fee*	11	11
Printing & postage expenses	–	33
Statement fees	84	113
	95	157
Total expenses	8,696	9,494
Less those expenses rebated by the ACD	(9)	(11)
Net expenses	8,687	9,483

* The audit fee was £9,370 (2015: £8,756) net of VAT.

5 Taxation

a Analysis of tax charge

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Corporation tax	–	–
Total current tax (see note 5b)	–	–

b Factors affecting current tax charge

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

The differences are explained below:

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Net revenue before taxation	85,725	98,831
Corporation tax at 20%	17,145	19,766
Effects of:		
UK dividends not subject to corporation tax	(17,145)	(19,766)
	(17,145)	(19,766)
Current tax charge (see note 5.a)	–	–

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 material unprovided deferred tax (2015: £nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 Distributions

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:		
Gross interest distribution for the three months ended 15 January	22,286	24,789
Gross interest distribution for the three months ended 15 April	21,910	24,734
Gross interest distribution for the three months ended 15 July	21,770	25,130
Gross interest distribution for the three months ended 15 October	20,605	22,363
	86,571	97,016
Add: Revenue deducted on cancellation of shares	524	2,415
Deduct: Revenue received on issue of shares	(1,366)	(600)
Total distributions	85,729	98,831
Reconciliations of distributions for the year to net revenue after taxation		
Distributions for the year	85,729	98,831
Equalisation on conversions	(4)	1
Undistributed revenue brought forward	2	–
Undistributed revenue carried forward	(2)	(1)
Net revenue after taxation	85,725	98,831

Details of the distributions per share are set out in the distribution tables on pages 134 and 135.

7 Fair value hierarchy

Valuation technique	Assets at 15.10.16 £000	Liabilities at 15.10.16 £000	Assets at 15.10.15 £000	Liabilities at 15.10.15 £000
Prices of recent transactions for identical instruments	121,500	–	–	–
Valuation techniques using observable market data	2,446,992	(2,016)	2,228,342	(730)
Valuation techniques using non-observable market data	1	–	1	–
Total value	2,568,493	(2,016)	2,228,343	(730)

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 to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8 Debtors

	As at 15.10.16 £000	As at 15.10.15 £000
Accrued revenue	44,283	46,210
Accrued Management fee rebates	1	–
Amounts receivable on issue of shares	570	1,655
Sales awaiting settlement	2,047	2,148
Total debtors	46,901	50,013

9 Cash and bank balances

	As at 15.10.16 £000	As at 15.10.15 £000
Amounts held at futures clearing house and brokers	–	1,885
Cash and bank balances	28,035	12,509
Total cash and bank balances	28,035	14,394

10 Other creditors

	As at 15.10.16 £000	Restated* As at 15.10.15 £000
Accrued expenses	1,213	1,235
Amounts payable for cancellation of shares	3,668	466
Purchases awaiting settlement	–	14,108
Total creditors	4,881	15,809

* Refer to the accounting policies note on page 128.

11 Contingent liabilities and commitments

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

12 Related party transactions

ACD periodic charges paid to Aviva Investors UK Fund Services Limited ("the ACD") are shown in note 4 and details of shares issued and cancelled by the ACD are shown in the statement of change in net assets attributable to shareholders. The balance due to the ACD at the year end in respect of ACD periodic charges was £1,073,000 (2015: £1,076,000). Any balance due from the ACD in respect of issues is shown in note 8. Any balance due to the ACD in respect of cancellations is shown in note 10.

Distributions payable to the ACD and related parties of the ACD during the year amounted to £65,578,000 (2015: £72,269,000). The amount outstanding at the year end was £15,746,000 (2015: £16,218,000). Related parties of the ACD are deemed to be all companies under the control of Aviva Plc. This will include companies which hold shares in the Fund on behalf of other external investors.

All investments managed and advised by Aviva Investors Global Services Limited or associated with the Aviva Group are marked on the portfolio statement. The total purchases and sales on these investments during the year amounted to £785,400,000 (2015: £5,608,000) and £664,300,000 (2015: £nil) respectively. The income received during the year amounted to £2,861,000 (2015: £1,752,000).

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

	Holdings at 15.10.16 (shares)	Movement (shares)	Holdings at 15.10.15 (shares)
ACD and related parties (share class 1 Income shares)	430,404	(18,330)	448,734
ACD and related parties (share class 2 Income shares)	3,023,112	1,412,600	1,610,512
ACD and related parties (share class 3 Income shares)	1,997,561,329	218,828,976	1,778,732,353
ACD and related parties (share class 3 Accumulation shares)	16,672,692	13,658,577	3,014,115
ACD and related parties (share class A Income shares)	30,310,623	(1,443,714)	31,754,337

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13 Shareholder funds

The Fund currently has four share classes: Class 1 and A (Retail), Class 2 (Institutional) and Class 3 (Associated undertakings of Aviva Plc). The annual management charges are as follows:

Class 1:	0.80%
Class 2:	0.50%
Class 3:	0.30%
Class A:	1.00%

The net asset value of the share class, the net asset value per share and the number of shares in the class are shown on pages 120 and 121. The distributions per share are given in the distribution tables on pages 134 and 135. All the share classes have the same rights on winding up.

14 Shares in issue reconciliation

	Number of shares in issue at 15.10.15	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 15.10.16
Class 1	98,281,995	1,914,309	(7,161,398)	(10,104,688)	82,930,218
Class 2	66,758,541	4,501,947	(26,011,968)	16,382,626	61,631,146
Class 3	1,795,200,291	255,050,384	(52,689,346)	–	1,997,561,329
Class 3 (Acc)	3,014,115	46,042,589	(32,384,012)	–	16,672,692
Class A	124,836,012	3,845,998	(10,741,025)	(15,569,232)	102,371,753

15 Derivatives and other financial instruments

The policies applied in the management of financial instruments are set out on pages 8 and 9.

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 (2015: £nil).

Currency risk

At the year end date, none (2015: none) of the net assets of the Fund were denominated in currencies other than sterling and as such the currency risk is not considered significant.

Interest rate risk

At the year end date 99.27% (2015: 99.72%) of the net assets of the Fund were interest bearing.

The interest rate profile of the Fund's financial assets and liabilities at 15 October 2016 was:

Currency 15.10.16	Floating Rate £000	Fixed Rate £000	None £000	Total £000
Financial Assets				
Sterling	393,928	2,202,599	46,502	2,643,029
Egyptian Pound	–	–	–	–
Euro	–	–	–	–
Financial Liabilities				
Sterling	–	–	(25,331)	(25,331)
Euro	–	–	(2,016)	(2,016)
Total	393,928	2,202,599	19,155	2,615,682

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 Derivatives and other financial instruments (continued)

If the interest rates were to change by 10% the value of the Fund will change by 9.93%.

The interest rate profile of the Fund's financial assets and liabilities at 15 October 2015 was:

Currency 15.10.15	Floating Rate £000	Fixed Rate £000	None £000	Total £000
Financial Assets				
Sterling	43,278	2,199,431	50,041	2,292,750
Financial Liabilities				
Sterling	–	–	(43,745)	(43,745)
Total	43,278	2,199,431	6,296	2,249,005

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

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

Market price risk

At the year end date, 98.12% (2015: 99.05%) of the net assets of the Fund were invested in ordinary shares or stock units and admitted to an official stock exchange. If the market were to change by 10%, the value of the Fund will change by 9.81%.

16 Debt security credit analysis

	Market value £000		Total net assets %	
	15.10.16	15.10.15	15.10.16	15.10.15
Investment grade	2,251,565	1,977,704	86.06%	87.93%
Below investment grade	182,418	237,928	7.00%	10.59%
Unrated	13,010	12,711	0.49%	0.56%
Total debt securities	2,446,993	2,228,343	93.55%	99.08%

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

17 Direct transaction costs

Due to the nature of the investments held, no transaction costs or taxes were incurred on the Fund's purchases or sales during the current year ended 15 October 2016 (2015: £nil). The total purchases for the year amounted to £1,600,006,000 (2015: £675,357,000) and the total sales amounted to £1,384,157,000 (2015: £904,274,000).

Dealing spread

As at 15 October 2016, the average portfolio dealing spread was 0.84% (2015: 0.86%). 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.

18 Post balance sheet events

There are no post balance sheet events which require adjustment or disclosure at the year end (2015: £nil).

DISTRIBUTION TABLES

Final distribution payable in pence per share for the three months ended 15 October 2016

Income shares		Gross revenue	Income tax	Net revenue	Equalisation	Final distribution payable 15 December 2016	Final distribution paid 15 December 2015
Share Class 1	Group 1	0.4113	0.0823	0.3290	–	0.3290	0.3974
	Group 2	0.1368	0.0274	0.1094	0.2196	0.3290	0.3974
Share Class 2	Group 1	0.6629	0.1326	0.5303	–	0.5303	0.6320
	Group 2	0.3336	0.0667	0.2669	0.2634	0.5303	0.6320
Share Class 3	Group 1	0.9678	0.1936	0.7742	–	0.7742	0.9030
	Group 2	0.5505	0.1101	0.4404	0.3338	0.7742	0.9030
Share Class A	Group 1	0.3386	0.0677	0.2709	–	0.2709	0.3375
	Group 2	0.1486	0.0297	0.1189	0.1520	0.2709	0.3375

Accumulation shares		Gross revenue	Income tax	Net revenue	Equalisation	Final distribution payable 15 December 2016	Final distribution paid 15 December 2015
Share Class 3	Group 1	1.3576	0.2715	1.0861	–	1.0861	1.2322
	Group 2	0.6750	0.1350	0.5400	0.5461	1.0861	1.2322

Final distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 July 2016.

Group 2 shares are those shares purchased after 12:00 noon on 15 July 2016.

Interim distribution paid in pence per share for the three months ended 15 July 2016

Income shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 15 September 2016	Interim distribution paid 15 September 2015
Share Class 1	Group 1	0.4578	0.0916	0.3662	–	0.3662	0.3882
	Group 2	0.1556	0.0311	0.1245	0.2417	0.3662	0.3882
Share Class 2	Group 1	0.7305	0.1461	0.5844	–	0.5844	0.6175
	Group 2	0.3873	0.0775	0.3098	0.2746	0.5844	0.6175
Share Class 3	Group 1	1.0513	0.2103	0.8410	–	0.8410	0.8843
	Group 2	0.4070	0.0814	0.3256	0.5154	0.8410	0.8843
Share Class A	Group 1	0.3845	0.0769	0.3076	–	0.3076	0.3285
	Group 2	0.1948	0.0390	0.1558	0.1518	0.3076	0.3285

Accumulation shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 15 September 2016	Interim distribution paid 15 September 2015
Share Class 3	Group 1	1.4685	0.2937	1.1748	–	1.1748	1.1973
	Group 2	1.0548	0.2110	0.8438	0.3310	1.1748	1.1973

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 April 2016.

Group 2 shares are those shares purchased after 12:00 noon on 15 April 2016.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the three months ended 15 April 2016

Income shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 15 June 2016	Interim distribution paid 15 June 2015
Share Class 1	Group 1	0.4733	0.0947	0.3786	–	0.3786	0.3843
	Group 2	0.1896	0.0379	0.1517	0.2269	0.3786	0.3843
Share Class 2	Group 1	0.7526	0.1505	0.6021	–	0.6021	0.6112
	Group 2	0.3121	0.0624	0.2497	0.3524	0.6021	0.6112
Share Class 3	Group 1	1.0780	0.2156	0.8624	–	0.8624	0.8768
	Group 2	0.4163	0.0832	0.3331	0.5294	0.8624	0.8768
Share Class A	Group 1	0.3999	0.0800	0.3199	–	0.3199	0.3234
	Group 2	0.1784	0.0357	0.1427	0.1772	0.3199	0.3234

Accumulation shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 15 June 2016	Interim distribution paid 15 June 2015
Share Class 3	Group 1	1.4953	0.2991	1.1962	–	1.1962	1.1785
	Group 2	0.5066	0.1013	0.4053	0.7909	1.1962	1.1785

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 January 2016.

Group 2 shares are those shares purchased after 12:00 noon on 15 January 2016.

Interim distribution paid in pence per share for the three months ended 15 January 2016

Income shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 15 March 2016	Interim distribution paid 15 March 2015
Share Class 1	Group 1	0.5034	0.1007	0.4027	–	0.4027	0.3915
	Group 2	0.1823	0.0365	0.1458	0.2569	0.4027	0.3915
Share Class 2	Group 1	0.7990	0.1598	0.6392	–	0.6392	0.6221
	Group 2	0.3718	0.0744	0.2974	0.3418	0.6392	0.6221
Share Class 3	Group 1	1.1403	0.2281	0.9122	–	0.9122	0.8904
	Group 2	0.3914	0.0783	0.3131	0.5991	0.9122	0.8904
Share Class A	Group 1	0.4276	0.0855	0.3421	–	0.3421	0.3309
	Group 2	0.1949	0.0390	0.1559	0.1862	0.3421	0.3309

Accumulation shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 15 March 2016	Interim distribution paid 15 March 2015
Share Class 3	Group 1	1.5678	0.3136	1.2542	–	1.2542	1.1878
	Group 2	0.5210	0.1042	0.4168	0.8374	1.2542	1.1878

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 October 2015.

Group 2 shares are those shares purchased after 12:00 noon on 15 October 2015.

Equalisation

Equalisation applies only to Group 2 shares, in other words shares purchased during the relevant 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 DISTRIBUTION FUND

INVESTMENT OBJECTIVE

A high and growing level of income with prospects for long term capital appreciation.

INVESTMENT POLICY

Diversified investment in high yielding UK equities and UK fixed interest securities. Allocations to fixed interest securities, equities and cash will vary over time. Equity selections will be based on price and long term total return prospects.

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

FUND MANAGER'S REPORT

Over the twelve months ended 15 October 2016, the Aviva Investors Distribution Fund delivered a total return of 9.09 per cent (share class 1), net of fees. The Fund's peer group, the Investment Association's (IA) Mixed Investment 20-60% Shares sector, generated a net return of 11.09 per cent.

The Fund's corporate bond exposure suffered from its relatively cautious positioning given the general expectation at the start of the period that returns from the market would be modest. However there was a surprise, a rally following the announcement by both the European Central Bank and the Bank of England (BoE) that they were planning to buy corporate bonds as part of their expanded economic stimulus programmes. The rebound of commodity markets from their winter slump also detracted from Fund performance given our general avoidance of the oils, metals and mining sectors. This was also the case for the equity Fund. Elsewhere in the equity exposure, the holdings in Sage, Melrose Industries and BBA Aviation were among the leading individual contributors to relative performance. In contrast, the performance of holdings in BT and satellite operator Inmarsat was disappointing.

During the period, the corporate bond portfolio was broadly diversified across sectors and the market capitalisation spectrum. In sector terms, it was overweight in telecoms, a sector we felt was ripe for consolidation, media and non-bank financials. It was underweight in banks, health care, oil & gas and consumer goods. At the market capitalisation level, we preferred medium and smaller companies over the blue-chips of the FTSE® 100 Index. In equities, we exited our position in Majestic Wine and took up a holding in asset manager Schroders. Following a period of strong performance, we considered that Majestic Wine was unlikely to deliver sufficient returns to justify its valuation. In contrast, Schroders' share price had sold off, which presented us with an attractive entry point as the company has a strong balance sheet with opportunities for long-term growth given the recent pension reforms.

For corporate bonds, the most recent reporting season was characterised by deteriorating fundamentals as companies announced sluggish revenue growth, peaking profit margins and a further increase in borrowings. However, investors' caution on the weaker financial position of many companies has been overpowered by a wave of global liquidity and a scarcity of high-quality financial assets.

This situation can persist in the short term but, over a longer horizon, we are concerned that the risks of investing in corporate bonds will start to outweigh the potential rewards. We expect the UK equity market to remain focused on short-term political and economic news flow. The BoE has reacted swiftly to Brexit-related concerns and there are signs that their policy initiatives have helped to avert a sharp slowdown in the UK economy. The new chancellor is adopting a more pragmatic approach towards fiscal policy than his predecessor, abandoning the target of reaching a budget surplus by 2020, and fiscal policy should become more supportive for economic growth. This reflects understandable concerns that the UK economy faces significant downside risks in the near-term and during official EU exit negotiations over the next two years.

November 2016

Sources: Fund and peer group performance figures – Lipper, a Thomson Reuters Company, mid to mid basis with net income reinvested in GBP, with no initial charges applied. Market data – Bloomberg.

As noted above, the performance figures in this commentary have been sourced from an external party and are based on published prices. The performance figures quoted in the comparative tables on page 137 and 138 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 securities. Past performance is not a guide to the future. The value of an investment and any income from it can go down as well as up. Investors may not get back the original amount invested.

Material Portfolio Changes

Purchases	Sales
UK Treasury 3.50% 22/01/2045	UK Treasury 6.00% 07/12/2028
European Investment Bank 1.50% 01/02/2019	UK Treasury 4.50% 07/12/2042
UK Treasury 4.75% 07/03/2020	UK Treasury 4.75% 07/03/2020
UK Treasury 4.50% 07/12/2042	UK Treasury 3.50% 22/01/2045
Barclays 3.25% 12/02/2027	Rexam
BAT International Finance 4.00% 04/09/2026	Segro, REIT 6.75% 23/11/2021
Anheuser-Busch InBev 9.75% 30/07/2024	UK Treasury 5.00% 07/03/2025
UK Treasury 3.75% 22/07/2052	UK Treasury 4.25% 07/06/2032
UK Treasury 6.00% 07/12/2028	Siemens Financieringsmaatschappij 3.75% 10/09/2042
Royal Dutch Shell 'B'	Stagecoach Group 5.75% 16/12/16

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'.
- 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.
- Full information on the risks applicable to the Fund is detailed in the Prospectus.

COMPARATIVE TABLES

Class 1 Income	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	195.76	192.05	188.59
Return before operating charges [†]	21.60	13.04	12.62
Operating charges	(2.77)	(2.78)	(2.68)
Return after operating charges [†]	18.83	10.26	9.94
Distributions on income shares	(6.28)	(6.55)	(6.48)
Closing net asset value per share	208.31	195.76	192.05
Retained distributions on accumulation shares	–	–	–
[†] after direct transaction costs of	(0.08)	(0.26)	(0.14)
Performance			
Return after charges	9.62%	5.34%	5.27%
Other information			
Closing net asset value (£000)	70,069	74,301	80,895
Closing number of shares	33,636,838	37,953,999	42,122,466
Operating charges (%) [†]	1.38%	1.38%	1.39%
Direct transaction costs (%) [#]	0.04%	0.13%	0.07%
Prices^{**}			
Highest share price	216.14	208.92	196.41
Lowest share price	189.86	190.92	189.25

Class 2 Income	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	202.65	198.19	193.99
Return before operating charges [†]	22.42	13.43	12.99
Operating charges	(1.52)	(1.52)	(1.46)
Return after operating charges [†]	20.90	11.91	11.53
Distributions on income shares	(7.20)	(7.45)	(7.33)
Closing net asset value per share	216.35	202.65	198.19
Retained distributions on accumulation shares	–	–	–
[†] after direct transaction costs of	(0.08)	(0.27)	(0.14)
Performance			
Return after charges	10.31%	6.01%	5.94%
Other information			
Closing net asset value (£000)	127,044	75,906	37,331
Closing number of shares	58,710,555	37,448,834	18,835,532
Operating charges (%) [†]	0.73%	0.73%	0.73%
Direct transaction costs (%) [#]	0.04%	0.13%	0.07%
Prices^{**}			
Highest share price	224.46	216.10	202.67
Lowest share price	196.83	197.03	194.03

Class 1 Accumulation	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	302.19	288.84	276.12
Return before operating charges [†]	31.74	17.56	16.68
Operating charges	(4.32)	(4.21)	(3.96)
Return after operating charges [†]	27.42	13.35	12.72
Distributions on income shares	–	–	–
Closing net asset value per share	329.61	302.19	288.84
Retained distributions on accumulation shares	9.79	9.95	9.59
[†] after direct transaction costs of	(0.13)	(0.40)	(0.20)
Performance			
Return after charges	9.07%	4.62%	4.61%
Other information			
Closing net asset value (£000)	31,432	28,825	20,722
Closing number of shares	9,536,054	9,538,808	7,174,185
Operating charges (%) [†]	1.38%	1.38%	1.39%
Direct transaction costs (%) [#]	0.04%	0.13%	0.07%
Prices^{**}			
Highest share price	340.00	315.89	293.37
Lowest share price	294.65	287.13	277.08

Class 2 Accumulation	2016 [§] p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	205.53	–	–
Return before operating charges [†]	15.50	–	–
Operating charges	(1.62)	–	–
Return after operating charges [†]	13.88	–	–
Distributions on income shares	–	–	–
Closing net asset value per share	219.41	–	–
Retained distributions on accumulation shares	3.76	–	–
[†] after direct transaction costs of	(0.09)	–	–
Performance			
Return after charges	6.75%	–	–
Other information			
Closing net asset value (£000)	4,320	–	–
Closing number of shares	1,969,087	–	–
Operating charges (%) [†]	0.73%	–	–
Direct transaction costs (%) [#]	0.04%	–	–
Prices^{**}			
Highest share price	226.10	–	–
Lowest share price	204.24	–	–

COMPARATIVE TABLES (CONTINUED)

Class 3 Income	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	207.72	202.80	198.21
Return before operating charges [†]	23.00	13.79	13.27
Operating charges	(0.71)	(0.71)	(0.68)
Return after operating charges [†]	22.29	13.08	12.59
Distributions on income shares	(7.92)	(8.16)	(8.00)
Closing net asset value per share	222.09	207.72	202.80
Retained distributions on accumulation shares	–	–	–
[†] after direct transaction costs of	(0.09)	(0.28)	(0.14)
Performance			
Return after charges	10.73%	6.45%	6.35%
Other information			
Closing net asset value (£000)	3,505	3,346	3,435
Closing number of shares	1,578,277	1,610,973	1,693,915
Operating charges (%) [‡]	0.33%	0.33%	0.34%
Direct transaction costs (%) [#]	0.04%	0.13%	0.07%
Prices[≈]			
Highest share price	230.36	221.40	207.39
Lowest share price	201.84	201.62	199.25

Class 4 Income	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	110.17	107.81	105.60
Return before operating charges [†]	12.19	7.32	7.07
Operating charges	(1.00)	(0.99)	(0.96)
Return after operating charges [†]	11.19	6.33	6.11
Distributions on income shares	(3.83)	(3.97)	(3.90)
Closing net asset value per share	117.53	110.17	107.81
Retained distributions on accumulation shares	–	–	–
[†] after direct transaction costs of	(0.05)	(0.15)	(0.08)
Performance			
Return after charges	10.16%	5.87%	5.79%
Other information			
Closing net asset value (£000)	363	317	175
Closing number of shares	308,901	287,848	162,100
Operating charges (%) [‡]	0.88%	0.88%	0.89%
Direct transaction costs (%) [#]	0.04%	0.13%	0.07%
Prices[≈]			
Highest share price	121.92	117.49	110.25
Lowest share price	106.95	107.17	105.63

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

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

(b) The Ongoing Charge 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.

§ Class 2 Accumulation was launched on 25 April 2016.

Ongoing Charges Figure*

Share class	15.10.16	15.10.15
Class 1	1.38%	1.38%
Class 2	0.73%	0.73%
Class 3	0.33%	0.33%
Class 4	0.88%	0.88%

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

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

PORTFOLIO STATEMENT

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Equities 30.72% (33.29%)				
Bermuda 0.57% (0.55%)				
Hiscox	GBP	130,693	1,359	0.57
			1,359	0.57
Cayman Islands 0.63% (0.59%)				
Phoenix Group Holdings	GBP	170,277	1,504	0.63
			1,504	0.63
Jersey 0.52% (1.04%)				
UB	GBP	164,258	1,220	0.52
			1,220	0.52
United Kingdom 29.00% (31.11%)				
AstraZeneca	GBP	23,944	1,185	0.50
Aviva [†]	GBP	570,306	2,563	1.08
BAE Systems	GBP	149,468	800	0.34
BBA Aviation	GBP	1,381,304	3,533	1.49
BCA Marketplace	GBP	420,585	749	0.32
Beazley	GBP	226,385	858	0.36
BHP Billiton	GBP	123,698	1,500	0.63
BP	GBP	463,285	2,280	0.96
British American Tobacco	GBP	69,755	3,406	1.44
BT Group	GBP	608,568	2,266	0.96
Centrica	GBP	973,520	2,070	0.87
Close Brothers Group	GBP	81,158	1,074	0.45
Compass Group	GBP	145,347	2,177	0.92
DFS Furniture	GBP	257,833	657	0.28
DS Smith	GBP	312,110	1,272	0.54
GAME Digital	GBP	69,813	47	0.02
GCP Student Living, REIT	GBP	192,147	274	0.12
GlaxoSmithKline	GBP	176,150	2,989	1.26
Greencoat UK Wind Fund	GBP	636,269	721	0.30
Headlam Group	GBP	56,869	273	0.12
Imperial Brands	GBP	74,460	2,905	1.23
Inmarsat	GBP	187,232	1,337	0.57
Intermediate Capital Group	GBP	350,317	2,088	0.88
ITV	GBP	715,751	1,238	0.52
KCOM Group	GBP	1,279,354	1,487	0.63
Laird	GBP	152,368	477	0.20
Legal & General Group	GBP	743,590	1,578	0.67
Melrose Industries	GBP	787,722	1,400	0.59
National Grid	GBP	223,553	2,392	1.01
Northgate	GBP	91,630	392	0.17
Novae Group	GBP	73,636	593	0.25
P2P Global Investments Fund	GBP	103,035	841	0.36
Pearson	GBP	76,970	642	0.27
Prudential	GBP	116,824	1,640	0.69
Ranger Direct Lending Fund	GBP	48,294	551	0.23
Rathbone Brothers	GBP	47,883	852	0.36
RELX	GBP	77,974	1,138	0.48
Rio Tinto	GBP	64,860	1,707	0.72
River & Mercantile Group	GBP	278,765	603	0.25
Royal Dutch Shell 'B'	GBP	181,662	4,007	1.69
Sage Group	GBP	364,511	2,670	1.13
Schroders	GBP	42,594	1,179	0.50
Sky	GBP	124,985	1,063	0.45

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
United Kingdom 29.00% (31.11%) (continued)				
Unilever	GBP	45,654	1,623	0.69
Vodafone Group	GBP	1,174,871	2,642	1.12
Volution Group	GBP	255,055	434	0.18
Worldpay Group	GBP	162,018	475	0.20
			68,648	29.00
Equities total			72,731	30.72
Government Bonds 4.64% (6.47%)				
Germany 0.00% (0.68%)				
Netherlands 0.00% (0.58%)				
United Kingdom 4.64% (5.21%)				
UK Treasury 5.00% 07/03/2025	GBP	721,363	958	0.40
UK Treasury 6.00% 07/12/2028	GBP	1,000,000	1,535	0.65
UK Treasury 4.75% 07/12/2038	GBP	1,785,957	2,793	1.18
UK Treasury 4.50% 07/12/2042	GBP	1,223,026	1,930	0.81
UK Treasury 3.50% 22/01/2045	GBP	1,600,000	2,216	0.94
UK Treasury 3.75% 22/07/2052	GBP	1,000,000	1,557	0.66
			10,989	4.64
Government Bonds total			10,989	4.64
Corporate Bonds 56.84% (54.64%)				
Australia 0.98% (1.21%)				
BHP Billiton Finance, FRN 6.50% 22/10/2077	GBP	900,000	993	0.42
Goodman Australia Finance, REIT 9.75% 16/07/2018	GBP	1,179,000	1,333	0.56
			2,326	0.98
Belgium 0.80% (0.00%)				
Anheuser-Busch InBev 9.75% 30/07/2024	GBP	1,200,000	1,883	0.80
			1,883	0.80
Cayman Islands 0.83% (1.00%)				
Affinity Water Programme Finance 4.50% 31/03/2036	GBP	400,000	521	0.22
Thames Water Utilities Cayman Finance, FRN 5.37% 21/07/2025	GBP	400,000	411	0.17
THPA Finance, Series B 8.24% 15/03/2028	GBP	246,000	303	0.13
Yorkshire Water Services Odsal Finance 6.45% 28/05/2027	GBP	520,000	731	0.31
			1,966	0.83
France 5.61% (5.45%)				
AXA, FRN 5.45% Perpetual	GBP	1,150,000	1,206	0.51
AXA, FRN 5.62% 16/01/2054	GBP	1,100,000	1,173	0.50
Credit Agricole, FRN 7.50% Perpetual	GBP	700,000	693	0.29
Electricite de France 6.13% 02/06/2034	GBP	2,200,000	3,060	1.29
Electricite de France, FRN 6.00% Perpetual	GBP	1,100,000	1,094	0.46
Lafarge 8.75% 30/05/2017	GBP	1,100,000	1,150	0.49
Orange 5.38% 22/11/2050	GBP	1,000,000	1,454	0.61
Orange, FRN 5.87% Perpetual	GBP	1,800,000	1,938	0.82
Veolia Environnement 6.13% 29/10/2037	GBP	1,000,000	1,509	0.64
			13,277	5.61
Germany 0.58% (0.00%)				
KFW 5.00% 09/06/2036	GBP	900,000	1,381	0.58
			1,381	0.58
Ireland 0.00% (0.70%)				
Italy 1.27% (1.21%)				
Enel, FRN 6.62% 15/09/2076	GBP	1,420,000	1,530	0.65
Telecom Italia 5.88% 19/05/2023	GBP	1,300,000	1,477	0.62
			3,007	1.27

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Jersey 4.40% (3.96%)				
AA Bond 6.27% 02/07/2043	GBP	600,000	749	0.31
AA Bond 5.50% 31/07/2043	GBP	779,000	775	0.33
Bank of Scotland Capital Funding, FRN 7.75% Perpetual	GBP	551,000	632	0.27
Gatwick Funding 5.25% 23/01/2026	GBP	1,400,000	1,700	0.72
Gatwick Funding 2.63% 07/10/2048	GBP	1,394,000	1,282	0.54
Heathrow Funding 7.13% 14/02/2024	GBP	2,400,000	3,137	1.32
HSBC Bank Capital Funding Sterling 1, FRN 5.84% Perpetual	GBP	1,258,000	1,444	0.61
HSBC Bank Capital Funding Sterling 2, FRN 5.86% Perpetual	GBP	663,000	708	0.30
			10,427	4.40
Luxembourg 0.00% (0.37%)				
Mexico 1.25% (0.66%)				
America Movil 4.38% 07/08/2041	GBP	1,900,000	2,191	0.93
America Movil, FRN 6.37% 06/09/2073	GBP	720,000	761	0.32
			2,952	1.25
Netherlands 4.46% (4.70%)				
Allianz Finance II 4.50% 13/03/2043	GBP	1,100,000	1,459	0.62
Cooperatieve Rabobank 4.63% 23/05/2029	GBP	1,900,000	2,065	0.87
Deutsche Bahn Finance 3.13% 24/07/2026	GBP	224,000	253	0.11
E.ON International Finance 6.38% 07/06/2032	GBP	546,000	781	0.33
Enel Finance International 5.75% 14/09/2040	GBP	1,100,000	1,445	0.61
ING Bank, FRN 6.87% 29/05/2023	GBP	1,600,000	1,708	0.72
innogy Finance 5.50% 06/07/2022	GBP	1,200,000	1,425	0.60
Koninklijke KPN, FRN 6.87% 14/03/2073	GBP	1,300,000	1,415	0.60
			10,551	4.46
Spain 0.76% (0.75%)				
Telefonica Emisiones 5.45% 08/10/2029	GBP	1,400,000	1,802	0.76
			1,802	0.76
Sweden 0.47% (0.00%)				
Skandinaviska Enskilda Banken 1.25% 05/08/2022	GBP	1,131,000	1,110	0.47
			1,110	0.47
United Kingdom 27.99% (27.07%)				
Anglian Water Osprey Financing 7.00% 31/01/2018	GBP	900,000	964	0.41
Aviva, FRN 5.90% Perpetual†	GBP	1,100,000	1,143	0.48
Aviva, FRN 6.87% 20/05/2058†	GBP	1,200,000	1,393	0.59
Barclays 3.25% 12/02/2027	GBP	1,800,000	1,743	0.74
Barclays Bank 10.00% 21/05/2021	GBP	1,650,000	2,101	0.89
Barclays Bank 4.25% 12/01/2022	GBP	900,000	1,042	0.44
Barclays Bank, FRN 14.00% Perpetual	GBP	600,000	744	0.31
BAT International Finance 4.00% 04/09/2026	GBP	1,600,000	1,867	0.79
BAT International Finance 2.25% 09/09/2052	GBP	701,000	608	0.26
Broadgate Financing 5.00% 05/10/2033	GBP	145,000	178	0.08
Canary Wharf Finance II, Series II A1 6.46% 22/10/2033	GBP	287,001	433	0.18
Centrica 4.25% 12/09/2044	GBP	1,300,000	1,595	0.67
Crh Finance 4.13% 02/12/2029	GBP	700,000	804	0.34
Eastern Power Networks 4.75% 30/09/2021	GBP	1,200,000	1,393	0.59
Experian Finance 4.75% 23/11/2018	GBP	1,500,000	1,611	0.68
F&C Finance 9.00% 20/12/2016	GBP	300,000	302	0.13
Firstgroup 6.13% 18/01/2019	GBP	1,900,000	2,083	0.88
Firstgroup 6.88% 18/09/2024	GBP	1,000,000	1,294	0.55
GlaxoSmithKline Capital 4.25% 18/12/2045	GBP	1,200,000	1,605	0.68
Great Rolling Stock 6.50% 05/04/2031	GBP	1,316,000	1,776	0.75
Greene King Finance, Series B1 5.70% 15/12/2034	GBP	1,394,000	1,272	0.54
Hammerson, REIT 7.25% 21/04/2028	GBP	500,000	710	0.30
HSBC Bank, FRN 5.38% 04/11/2030	GBP	2,400,000	2,674	1.13
Imperial Brands Finance 9.00% 17/02/2022	GBP	2,000,000	2,734	1.15
Imperial Brands Finance 4.88% 07/06/2032	GBP	600,000	747	0.32

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
United Kingdom 27.99% (27.07%) (continued)				
Intu Metrocentre Finance, REIT 4.13% 06/12/2023	GBP	1,000,000	1,105	0.47
Investec Bank 9.63% 17/02/2022	GBP	899,000	1,076	0.45
Juturna European Loan Conduit No. 16 5.06% 10/08/2033	GBP	856,149	1,018	0.43
Legal & General Group, FRN 10.00% 23/07/2041	GBP	700,000	905	0.38
Lloyds Bank 5.13% 07/03/2025	GBP	800,000	1,014	0.43
Lloyds Bank 7.63% 22/04/2025	GBP	1,600,000	2,061	0.87
Meadowhall Finance, Series B 4.99% 12/07/2037	GBP	809,884	1,001	0.42
Mitchells & Butlers Finance, Series B1 5.97% 15/12/2025	GBP	417,490	465	0.20
Mitchells & Butlers Finance, Series C1 6.47% 15/09/2032	GBP	1,200,000	1,478	0.62
National Grid Gas Finance 2.13% 22/09/2028	GBP	1,400,000	1,385	0.58
NGG Finance, FRN 5.62% 18/06/2073	GBP	400,000	446	0.19
Notting Hill Housing Trust 3.75% 20/12/2032	GBP	1,000,000	1,120	0.47
Paragon Group, FRN 3.73% 20/04/2017	GBP	720,000	715	0.30
Prudential, FRN 11.37% 29/05/2039	GBP	1,300,000	1,587	0.67
RAC Bond 4.87% 06/05/2046	GBP	999,000	1,118	0.47
RELX Investments 2.75% 01/08/2019	GBP	1,700,000	1,762	0.74
RSA Insurance Group, FRN 9.37% 20/05/2039	GBP	1,100,000	1,277	0.54
Santander 5.13% 14/04/2021	GBP	1,400,000	1,647	0.70
Segro, REIT 6.75% 23/11/2021	GBP	348,000	435	0.18
Sky 4.00% 26/11/2029	GBP	825,000	938	0.40
Sky Group Finance 5.75% 20/10/2017	GBP	1,200,000	1,257	0.53
Southern Gas Networks 2.50% 03/02/2025	GBP	1,500,000	1,569	0.66
Standard Chartered 5.13% 06/06/2034	GBP	284,000	270	0.11
Standard Chartered 4.38% 18/01/2038	GBP	900,000	998	0.42
Tesco 4.88% 24/03/2042	GBP	850,000	757	0.32
Tesco Property Finance 6 5.41% 13/07/2044	GBP	610,903	586	0.25
Unilever 4.75% 16/06/2017	GBP	1,100,000	1,130	0.48
UNITE USAF II 3.92% 30/06/2030	GBP	1,068,000	1,206	0.51
Virgin Media Secured Finance 5.50% 15/01/2025	GBP	810,000	826	0.35
Western Power Distribution West Midlands 5.75% 16/04/2032	GBP	1,300,000	1,832	0.77
White City Property Finance 5.12% 17/04/2035	GBP	384,374	464	0.20
			66,264	27.99
United States of America 7.44% (7.56%)				
Ahold Finance 6.50% 14/03/2017	GBP	680,000	695	0.29
AT&T 4.38% 14/09/2029	GBP	1,345,000	1,557	0.66
AT&T 4.25% 01/06/2043	GBP	1,600,000	1,760	0.74
Bank of America 7.75% 30/04/2018	GBP	1,200,000	1,316	0.56
Bank of America 7.00% 31/07/2028	GBP	1,100,000	1,531	0.65
Citigroup 4.50% 03/03/2031	GBP	1,600,000	1,780	0.75
Goldman Sachs Group 6.13% 14/05/2017	GBP	1,500,000	1,541	0.65
JPMorgan Chase 1.88% 10/02/2020	GBP	1,434,000	1,462	0.62
JPMorgan Chase 3.50% 18/12/2026	GBP	1,600,000	1,751	0.74
Mondelez International 4.50% 03/12/2035	GBP	636,000	741	0.31
Verizon Communications 4.07% 18/06/2024	GBP	1,100,000	1,253	0.53
Wells Fargo 2.00% 28/07/2025	GBP	512,000	498	0.21
Wells Fargo 3.50% 12/09/2029	GBP	1,600,000	1,735	0.73
			17,620	7.44
Corporate Bonds total			134,566	56.84
Supranationals 1.69% (0.75%)				
European Investment Bank 1.50% 01/02/2019	GBP	2,400,000	2,453	1.04
European Investment Bank 5.00% 15/04/2039	GBP	1,000,000	1,546	0.65
			3,999	1.69
Supranationals total			3,999	1.69

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Swaps 0.00% (0.00%)				
Credit Default Swap Barclays French Republic 4.25% 25/04/2019 20/12/2016	USD	1,100,000	(1)	–
Swaps total			(1)	–
Futures 0.01% (0.00%)				
Long Gilt 28/12/2016	GBP	(15)	19	0.01
Futures total			19	0.01
Investment assets			222,303	93.90
Net other assets			14,430	6.10
Net assets			236,733	100.00

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

The comparative percentage figures in brackets are as at 15 October 2015.

† Investment in or managed by a related party.

STATEMENT OF TOTAL RETURN

For the year ended 15 October 2016

	Notes	£000	Year ended 15.10.16 £000	£000	Restated* Year ended 15.10.15 £000
Income					
Net capital gains	2		14,072		2,862
Revenue	3	7,994		6,817	
Expenses	4	(2,139)		(1,904)	
Net revenue before taxation		5,855		4,913	
Taxation	5	(4)		–	
Net revenue after taxation			5,851		4,913
Total return before distributions			19,923		7,775
Distributions	6		(6,792)		(5,758)
Change in net assets attributable to shareholders from investment activities			13,131		2,017

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 15 October 2016

	£000	Year ended 15.10.16 £000	£000	Year ended 15.10.15 £000
Opening net assets attributable to shareholders		182,695		142,558
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	51,255		46,568	
Amounts payable on cancellation of shares	(11,161)		(9,160)	
		40,094		37,408
Change in net assets attributable to shareholders from investment activities (see above)		13,131		2,017
Retained distribution on accumulation shares		803		699
Unclaimed distribution monies		10		13
Closing net assets attributable to shareholders		236,733		182,695

* Refer to the accounting policies note on page 146.

BALANCE SHEET

As at 15 October 2016

	Notes	As at 15.10.16 £000	Restated* As at 15.10.15 £000
Assets:			
Investments	7	222,304	173,836
Current assets:			
Debtors	8	4,181	3,368
Cash and bank balances	9	12,622	8,403
Total assets		239,107	185,607
Liabilities:			
Investment liabilities		(1)	(2)
Creditors:			
Distribution payable		(1,660)	(1,605)
Other creditors	10	(713)	(1,305)
Total liabilities		(2,374)	(2,912)
Net assets attributable to shareholders		236,733	182,695

* Refer to the accounting policies note on page 146.

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting basis and policies

Please see pages 7 and 8 for accounting basis and policies.

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

Statement of Total Return

Interest payable of £1,000 is now disclosed within 'Expenses', whereas under SORP 2010 they were was disclosed within 'Finance costs'.

Balance sheet

The Income tax withheld on distributions of £544,000 is now included within 'Distributions payable', whereas under SORP 2010 this would have been within 'Creditors'.

2 Net capital gains

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Net capital gains on investments during the year comprise:		
Currency gains	11	4
Derivative contracts (losses)/gains	(10)	19
Expenses relating to the purchase and sale of investments	(4)	(6)
Non-derivative securities gains	14,075	2,845
Net capital gains	14,072	2,862

3 Revenue

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Interest on debt securities	5,051	4,375
Interest on derivatives	(7)	(2)
Overseas dividends	227	266
Property income distributions	6	–
UK dividends	2,708	2,175
Underwriting commission	9	3
Total revenue	7,994	6,817

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 Expenses

	Year ended 15.10.16 £000	Restated* Year ended 15.10.15 £000
Payable to the Authorised Corporate Director ("ACD"), associates of the ACD or agents of either of them:		
ACD's periodic charge	1,878	1,687
Registration fees	202	165
	2,080	1,852
Payable to the Depositary, associates of the Depositary or agents of either of them:		
Depositary's fee	26	18
Interest payable	–	1
Safe custody fee	13	13
	39	32
Other expenses:		
Audit fee**	11	11
Printing & postage expenses	2	2
Statement fees	7	7
	20	20
Total expenses	2,139	1,904

* Refer to the accounting policies note on page 146.

** The audit fee was £9,161 (2015: £8,550) net of VAT.

5 Taxation

a Analysis of tax charge

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Corporation tax	4	–
Total current tax (see note 5b)	4	–

b Factors affecting current tax charge

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

The differences are explained below:

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Net revenue before taxation	5,855	4,913
Corporation tax at 20%	1,171	983
Effects of:		
Movement in excess expenses	–	105
Overseas dividends not subject to corporation tax	(46)	(53)
Overseas tax suffered	4	–
Tax deductible on interest distributions	(591)	(602)
UK dividends not subject to corporation tax	(534)	(433)
	(1,167)	(983)
Current tax charge (see note 5.a)	4	–

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)

5 Taxation (continued)

c Deferred tax

There was no provision for deferred tax at the year end (2015: £nil).

After claiming relief against accrued income taxable on receipt, the Fund has unrelieved excess expenses of £8,123,000 (2015: £11,079,000) creating a potential deferred tax asset of £1,625,000 (2015: £2,216,000). It is unlikely that the Fund will generate taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

6 Distributions

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:		
Gross interest distribution for the three months ended 15 January	1,349	1,093
Gross interest distribution for the three months ended 15 April	1,841	1,655
Gross interest distribution for the three months ended 15 July	1,894	1,595
Gross interest distribution for the three months ended 15 October	1,848	1,554
	6,932	5,897
Add: Revenue deducted on cancellation of shares	40	31
Deduct: Revenue received on issue of shares	(180)	(170)
Total distributions	6,792	5,758
Reconciliations of distributions for the year to net revenue after taxation		
Distributions for the year	6,792	5,758
ACD's periodic charge borne by the capital account	(939)	(844)
Equalisation on conversions	(2)	(1)
Net revenue after taxation	5,851	4,913

Details of the distributions per share are set out in the distribution tables on pages 154 and 155.

7 Fair value hierarchy

Valuation technique	Assets at 15.10.16 £000	Liabilities at 15.10.16 £000	Assets at 15.10.15 £000	Liabilities at 15.10.15 £000
Quoted prices for identical instruments in active markets	72,731	–	61,638	–
Valuation techniques using observable market data	149,573	(1)	112,198	(2)
Total value	222,304	(1)	173,836	(2)

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 to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8 Debtors

	As at 15.10.16 £000	As at 15.10.15 £000
Accrued revenue	3,062	2,401
Amounts receivable on issue of shares	1,018	744
Overseas tax recoverable	3	–
Sales awaiting settlement	98	223
Total debtors	4,181	3,368

9 Cash and bank balances

	As at 15.10.16 £000	As at 15.10.15 £000
Amounts held at futures clearing house and brokers	51	–
Cash and bank balances	12,571	8,403
Total cash and bank balances	12,622	8,403

10 Other creditors

	As at 15.10.16 £000	Restated* As at 15.10.15 £000
Accrued expenses	303	274
Amounts payable for cancellation of shares	410	70
Purchases awaiting settlement	–	961
Total creditors	713	1,305

* Refer to the accounting policies note on page 146.

11 Contingent liabilities and commitments

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

	As at 15.10.16 £000	As at 15.10.15 £000
Long Gilt 28/12/2016	19,500	–
Total contingent liabilities and commitments	19,500	–

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12 Related party transactions

ACD periodic charges paid to Aviva Investors UK Fund Services Limited ("the ACD") are shown in note 4 and details of shares issued and cancelled by the ACD are shown in the statement of change in net assets attributable to shareholders. The balance due to the ACD at the year end in respect of ACD periodic charges was £252,000 (2015: £230,000). Any balance due from the ACD in respect of issues is shown in note 8. Any balance due to the ACD in respect of cancellations is shown in note 10.

Distributions payable to the ACD and related parties of the ACD during the year amounted to £891,000 (2015: £4,745,000). The amount outstanding at the year end was £248,000 (2015: £1,248,000). Related parties of the ACD are deemed to be all companies under the control of Aviva Plc. This will include companies which hold shares in the Fund on behalf of other external investors.

Any 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 £429,000 (2015: £2,904,000) and £nil (2015: £517,000) respectively. The income received during the year amounted to £263,000 (2015: £160,000).

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

	Holdings at 15.10.16 (shares)	Movement (shares)	Holdings at 15.10.15 (shares)
ACD and related parties (share class 1 Income shares)	19,748	13,482	6,266
ACD and related parties (share class 1 Accumulation shares)	5,394,855	305,612	5,089,243
ACD and related parties (share class 2 Income shares)	7,330,148	3,052,077	4,278,071
ACD and related parties (share class 2 Accumulation shares)	984,926	984,926	–
ACD and related parties (share class 3 Income shares)	1,578,277	(32,696)	1,610,973

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

13 Shareholder funds

The Fund currently has four share classes: Class 1 and 4 (Retail), Class 2 (Institutional) and Class 3 (Associated undertakings of Aviva Plc). The annual management charges are as follows:

Class 1: 1.25%
 Class 2: 0.60%
 Class 3: 0.30%
 Class 4: 0.75%

The net asset value of the share class, the net asset value per share and the number of shares in the class are shown on pages 137 and 138. The distributions per share are given in the distribution tables on pages 154 and 155. All the share classes have the same rights on winding up.

14 Shares in issue reconciliation

	Number of shares in issue at 15.10.15	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 15.10.16
Share Class 1 Income	37,953,999	1,263,718	(2,762,362)	(2,818,517)	33,636,838
Share Class 1 Accumulation	9,538,808	1,206,738	(1,183,300)	(26,192)	9,536,054
Share Class 2 Income	37,448,834	19,201,470	(698,591)	2,758,842	58,710,555
Share Class 2 Accumulation	–	1,979,642	(10,555)	–	1,969,087
Share Class 3 Income	1,610,973	156,847	(189,543)	–	1,578,277
Share Class 4 Income	287,848	22,922	(1,869)	–	308,901

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 Derivatives and other financial instruments

The policies applied in the management of financial instruments are set out on pages 8 and 9.

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 (2015: £nil).

Currency risk

At the year end date, none (2015: 0.51%) of the net assets of the Fund were denominated in currencies other than sterling and as such, the currency risk is not considered significant.

Interest rate risk

At the year end date 68.51% (2015: 98.19%) of the net assets of the Fund were interest bearing.

The interest rate profile of the Fund's financial assets and liabilities at 15 October 2016 was:

Currency 15.10.16	Floating Rate £000	Fixed Rate £000	None £000	Total £000
Financial Assets				
Sterling	13,748	148,428	76,931	239,107
Financial Liabilities				
Sterling	–	–	(2,373)	(2,373)
US Dollar	–	–	(1)	(1)
Total	13,748	148,428	74,557	236,733

In the interest rates were to change by 10%, the value of the Fund will change by 6.85%.

The interest rate profile of the Fund's financial assets and liabilities at 15 October 2015 was:

Currency 15.10.15	Floating Rate £000	Fixed Rate £000	None £000	Total £000
Financial Assets				
Sterling	270	–	–	270
US Dollar	10,583	110,563	64,191	185,337
Financial Liabilities				
Sterling	–	–	(2)	(2)
US Dollar	–	–	(2,910)	(2,910)
Total	10,853	110,563	61,279	182,695

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

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

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

Market price risk

At the year end date, 93.90% (2015: 95.15%) of the net assets of the Fund were invested in ordinary shares, debt securities or stock units and admitted to an official stock exchange. If the market were to change by 10.00%, the value of the Fund will change by 9.39%.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16 Counterparty Exposure**Financial derivative exposure**

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

	Futures contracts £000	Total £000
15.10.16		
Barclays	19	19
Total	19	19

	Futures contracts £000	Total £000
15.10.15		
Barclays	–	–
Total	–	–

The counterparty exposure for futures contracts and credit default swaps is only the positive mark to market values that are reported.

Collateral

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

17 Debt security credit analysis

	Market value £000		Total net assets %	
	15.10.16	15.10.15	15.10.16	15.10.15
Investment grade	129,879	95,445	54.86%	52.24%
Below investment grade	18,960	15,638	8.01%	8.56%
Unrated	715	1,930	0.30%	1.06%
Total debt securities	149,554	113,013	63.17%	61.86%

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

18 Direct transaction costs

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

	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
15.10.16						
Purchases (excluding in-specie transfers and corporate actions)						
Equities	(14,199)	(8)	(69)	(14,276)	0.06%	0.49%
Bonds	(65,429)	–	–	(65,429)	0.00%	0.00%
Purchases (including corporate actions)						
Equities	(1,733)	–	–	(1,733)	0.00%	0.00%
	(81,361)	(8)	(69)	(81,438)		
Sales (excluding in-specie transfers and corporate actions)						
Equities	9,556	(9)	–	9,547	0.09%	0.00%
Bonds	36,390	–	–	36,390	0.00%	0.00%
	45,946	(9)	–	45,937		
Total		(17)	(69)			
Percentage of Fund average net assets		0.01%	0.03%			

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18 Direct transaction costs (continued)

15.10.15	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
Purchases (excluding in-specie transfers and corporate actions)						
Equities	(34,678)	(41)	(148)	(34,867)	0.12%	0.43%
Bonds	(62,181)	–	–	(62,181)	0.00%	0.00%
Purchases (including corporate actions)						
Equities	(244)	–	–	(244)	0.00%	0.00%
	(97,103)	(41)	(148)	(97,292)		
Sales (excluding in-specie transfers and corporate actions)						
Equities	20,883	(29)	–	20,854	0.14%	0.00%
Bonds	35,824	–	–	35,824	0.00%	0.00%
	56,707	(29)	–	56,678		
Total		(70)	(148)			
Percentage of Fund average net assets		0.04%	0.09%			

Dealing spread

As at 15 October 2016, the average portfolio dealing spread was 0.65% (2015: 0.73%). This spread represents the difference between the values determined retrospectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

19 Post balance sheet events

There are no post balance sheet events which require adjustment or disclosure at the year end (2015: £nil).

DISTRIBUTION TABLES

Final distribution payable in pence per share for the three months ended 15 October 2016

Income shares		Gross revenue	Income tax	Net revenue	Equalisation	Final distribution payable 15 December 2016	Final distribution paid 15 December 2015
Share Class 1	Group 1	1.5408	0.3082	1.2326	–	1.2326	1.2802
	Group 2	0.6353	0.1271	0.5082	0.7244	1.2326	1.2802
Share Class 2	Group 1	1.7791	0.3558	1.4233	–	1.4233	1.4597
	Group 2	0.9086	0.1817	0.7269	0.6964	1.4233	1.4597
Share Class 3	Group 1	1.9663	0.3933	1.5730	–	1.5730	1.6020
	Group 2	1.2946	0.2589	1.0357	0.5373	1.5730	1.6020
Share Class 4	Group 1	0.9438	0.1888	0.7550	–	0.7550	0.7765
	Group 2	0.4146	0.0829	0.3317	0.4233	0.7550	0.7765

Accumulation shares		Gross revenue	Income tax	Net revenue	Equalisation	Final distribution payable 15 December 2016	Final distribution paid 15 December 2015
Share Class 1	Group 1	2.4231	0.4846	1.9385	–	1.9385	1.9634
	Group 2	1.0013	0.2003	0.8010	1.1375	1.9385	1.9634
Share Class 2	Group 1	1.7978	0.3596	1.4382	–	1.4382	–
	Group 2	0.8526	0.1705	0.6821	0.7561	1.4382	–

Final distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 July 2016.

Group 2 shares are those shares purchased after 12:00 noon on 15 July 2016.

Interim distribution paid in pence per share for the three months ended 15 July 2016

Income shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 15 September 2016	Interim distribution paid 15 September 2015
Share Class 1	Group 1	1.7079	0.3416	1.3663	–	1.3663	1.3760
	Group 2	0.6334	0.1267	0.5067	0.8596	1.3663	1.3760
Share Class 2	Group 1	1.9403	0.3881	1.5522	–	1.5522	1.5595
	Group 2	0.8169	0.1634	0.6535	0.8987	1.5522	1.5595
Share Class 3	Group 1	2.1228	0.4246	1.6982	–	1.6982	1.7042
	Group 2	1.2213	0.2443	0.9770	0.7212	1.6982	1.7042
Share Class 4	Group 1	1.0330	0.2066	0.8264	–	0.8264	0.8308
	Group 2	0.2534	0.0507	0.2027	0.6237	0.8264	0.8308

Accumulation shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 15 September 2016	Interim distribution paid 15 September 2015
Share Class 1	Group 1	2.6689	0.5338	2.1351	–	2.1351	2.0957
	Group 2	1.3431	0.2686	1.0745	1.0606	2.1351	2.0957
Share Class 2	Group 1	1.9660	0.3932	1.5728	–	1.5728	–
	Group 2	0.2775	0.0555	0.2220	1.3508	1.5728	–

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 April 2016.

Group 2 shares are those shares purchased after 12:00 noon on 15 April 2016.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the three months ended 15 April 2016

Income shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 15 June 2016	Interim distribution paid 15 June 2015
Share Class 1	Group 1	1.7315	0.3463	1.3852	–	1.3852	1.5089
	Group 2	0.8125	0.1625	0.6500	0.7352	1.3852	1.5089
Share Class 2	Group 1	1.9603	0.3921	1.5682	–	1.5682	1.6969
	Group 2	0.9891	0.1978	0.7913	0.7769	1.5682	1.6969
Share Class 3	Group 1	2.1394	0.4279	1.7115	–	1.7115	1.8444
	Group 2	1.4880	0.2976	1.1904	0.5211	1.7115	1.8444
Share Class 4	Group 1	1.0444	0.2089	0.8355	–	0.8355	0.9058
	Group 2	0.3020	0.0604	0.2416	0.5939	0.8355	0.9058

Accumulation shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 15 June 2016	Interim distribution paid 15 June 2015
Share Class 1	Group 1	2.6874	0.5375	2.1499	–	2.1499	2.2823
	Group 2	1.4585	0.2917	1.1668	0.9831	2.1499	2.2823

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 January 2016.

Group 2 shares are those shares purchased after 12:00 noon on 15 January 2016.

Interim distribution paid in pence per share for the three months ended 15 January 2016

Income shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 15 March 2016	Interim distribution paid 15 March 2015
Share Class 1	Group 1	1.3044	0.2609	1.0435	–	1.0435	1.0772
	Group 2	0.4781	0.0956	0.3825	0.6610	1.0435	1.0772
Share Class 2	Group 1	1.5195	0.3039	1.2156	–	1.2156	1.2463
	Group 2	0.6303	0.1261	0.5042	0.7114	1.2156	1.2463
Share Class 3	Group 1	1.6894	0.3379	1.3515	–	1.3515	1.3801
	Group 2	1.0508	0.2102	0.8406	0.5109	1.3515	1.3801
Share Class 4	Group 1	0.8045	0.1609	0.6436	–	0.6436	0.6608
	Group 2	0.2240	0.0448	0.1792	0.4644	0.6436	0.6608

Accumulation shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 15 March 2016	Interim distribution paid 15 March 2015
Share Class 1	Group 1	2.0141	0.4028	1.6113	–	1.6113	1.6209
	Group 2	0.9895	0.1979	0.7916	0.8197	1.6113	1.6209

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 October 2015.

Group 2 shares are those shares purchased after 12:00 noon on 15 October 2015.

Equalisation

Equalisation applies only to Group 2 shares, in other words shares purchased during the relevant 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 HIGH YIELD BOND FUND

INVESTMENT OBJECTIVE

To maximise total return while generating a high level of income through investment in a diversified portfolio of fixed interest securities.

INVESTMENT POLICY

Diversified investment in high yield bonds but also other fixed income assets, such as government bonds and investment grade corporates.

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

Note: at least 80 per cent of assets will either be in Sterling or currency hedged back to Sterling.

FUND MANAGER'S REPORT

Over the twelve months ended 15 October 2016, the Aviva Investors High Yield Bond Fund delivered a total return of 6.96 per cent (share class 1) net of fees. The Fund's peer group, the Investment Association's (IA) Sterling High Yield sector, generated a net return of 7.24 per cent.

The Fund's underperformance was caused predominantly by sector allocation, in particular our avoidance of commodity-related companies. While having little or no exposure to oil, mining and metals companies was helpful to performance in the first half of the period, this reversed as commodity prices staged a recovery starting in February 2016. A further negative was the Fund's exposure to retailers in the wake of the Brexit vote. The result of the EU membership referendum took us and many other investors by surprise and the Fund suffered by having holdings in sectors, such as retailers that were perceived to be vulnerable to falling consumer confidence. Among the main contributors to relative performance over the period was security selection within the telecommunications and chemicals sectors. In technical terms, having a higher sensitivity than the benchmark to changes in interest rates was helpful to the Fund. Holdings in Germany's second-largest cable operator Unitymedia, a subsidiary of Liberty Global, did particularly well as it continued to consolidate market share. Debt issued by Italian telecommunications firm Telecom Italia further bolstered gains as rumours emerged that it could be an acquisition target.

During the review period we held generally more risk than the benchmark in terms of the portfolio's sensitivity to changes in interest rates. We favoured corporate hybrid bonds, which are a mixture of debt and equity that had been issued by good-quality utility and telecoms companies. While the Fund was overweight in both these sectors, it was underweight in basic industries and had no exposure to commodity-related issuers. We also tended to avoid European banks as in the high-yield sector issuance is dominated by the more volatile Eurozone periphery countries. At the currency level, we preferred sterling and US dollar-denominated high-yield bonds over those issued in euros.

The most recent reporting season was characterised by deteriorating credit fundamentals as companies announced sluggish revenue growth, peaking profit margins and a further increase in borrowings. However, investors' caution on the weaker financial position of many companies has been overpowered by a wave of global liquidity and a scarcity of high-quality financial assets.

This situation can persist in the short term but, over a longer horizon, we are concerned that the risks of investing in corporate bonds will start to outweigh the potential rewards. 2017 is an election year in a number of European countries and confidence could be rattled if the results fuel uncertainty about the future of the EU. The year could also see the US and European central banks taking divergent paths in their monetary policy.

November 2016

Sources: Fund and peer group performance figures – Lipper, a Thomson Reuters Company, mid to mid basis with net income reinvested in GBP, with no initial charges applied. Market data – Bloomberg.

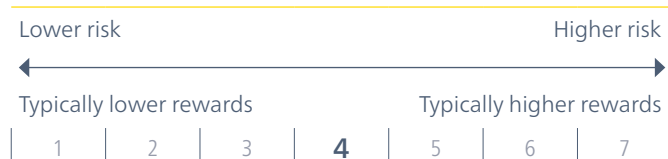
As noted above, the performance figures in this commentary have been sourced from an external party and are based on published prices. The performance figures quoted in the comparative tables on pages 157 and 158 are based on the net asset value per the published accounts and may be different due to 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 an investment and any income from it can go down as well as up. Investors may not get back the original amount invested.

Material Portfolio Changes

Purchases	Sales
Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP	Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP
UK Treasury 1.00% 07/09/2017	The Chemours 6.13% 15/05/2023
Frontier Communications 11.00% 15/09/2025	UBS Group AG, FRN 6.87% Perpetual
Barclays Bank, FRN 14.00% Perpetual	Veolia Environnement SA, FRN 4.85% Perpetual
Royal Bank of Scotland Group, FRN 9.50% 16/03/2022	Assicurazioni Generali SpA, FRN 6.42% Perpetual
Adient Global Holdings 3.50% 15/08/2024	Sprint Corp. 7.25% 15/09/2021
Quintiles IMS 3.50% 15/10/2024	Altice Luxembourg 7.25% 15/05/2022
Unitymedia Hessen 4.63% 15/02/2026	UniCredit SpA, FRN 8.00% Perpetual
NBTY 7.63% 15/05/2021	TVC Finance 8.50% 15/05/2023
Altice Financing 7.50% 15/05/2026	Barclays plc 3.65% 16/03/2025

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'.
- 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.
- Full information on the risks applicable to the Fund is detailed in the Prospectus.

COMPARATIVE TABLES

Class 1 Income	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	69.79	69.62	68.05
Return before operating charges [†]	6.33	4.37	5.90
Operating charges	(0.81)	(0.82)	(0.81)
Return after operating charges [†]	5.52	3.55	5.09
Distributions on income shares	(3.48)	(3.38)	(3.52)
Closing net asset value per share	71.83	69.79	69.62
Retained distributions on accumulation shares	–	–	–
[†] after direct transaction costs of	–	–	–
Performance			
Return after charges	7.91%	5.10%	7.48%
Other information			
Closing net asset value (£000)	5,792	7,918	9,523
Closing number of shares	8,063,859	11,344,922	13,678,412
Operating charges (%) [†]	1.14%	1.14%	1.14%
Direct transaction costs (%) [#]	–	–	–
Prices[™]			
Highest share price	73.50	73.43	72.82
Lowest share price	66.86	69.44	68.52

Class 3 Income	2016 p per share	2015 p per share	2014 ^s p per share
Change in net assets per share			
Opening net asset value per share	–	–	137.56
Return before operating charges [†]	–	–	(134.82)
Operating charges	–	–	(0.48)
Return after operating charges [†]	–	–	(135.30)
Distributions on income shares	–	–	(2.26)
Closing net asset value per share	–	–	–
Retained distributions on accumulation shares	–	–	–
[†] after direct transaction costs of	–	–	(0.01)
Performance			
Return after charges	–	–	–
Other information			
Closing net asset value (£000)	–	–	–
Closing number of shares	–	–	–
Operating charges (%) [†]	–	–	–
Direct transaction costs (%) [#]	–	–	–
Prices[™]			
Highest share price	–	–	143.46
Lowest share price	–	–	138.51

Class 2 Income	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	105.77	105.51	103.14
Return before operating charges [†]	9.60	6.63	8.94
Operating charges	(0.69)	(0.70)	(0.69)
Return after operating charges [†]	8.91	5.93	8.25
Distributions on income shares	(5.82)	(5.67)	(5.88)
Closing net asset value per share	108.86	105.77	105.51
Retained distributions on accumulation shares	–	–	–
[†] after direct transaction costs of	–	–	(0.01)
Performance			
Return after charges	8.42%	5.62%	8.00%
Other information			
Closing net asset value (£000)	120,030	42,179	14,299
Closing number of shares	110,257,473	39,876,562	13,552,895
Operating charges (%) [†]	0.64%	0.64%	0.64%
Direct transaction costs (%) [#]	–	–	–
Prices[™]			
Highest share price	111.46	111.40	110.45
Lowest share price	101.36	105.25	104.03

COMPARATIVE TABLES (CONTINUED)

Class 3 Accumulation	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	212.60	202.89	189.42
Return before operating charges [†]	17.17	10.43	14.16
Operating charges	(0.74)	(0.72)	(0.69)
Return after operating charges [†]	16.43	9.71	13.47
Distributions on income shares	–	–	–
Closing net asset value per share	229.03	212.60	202.89
Retained distributions on accumulation shares	12.55	11.72	11.59
[†] after direct transaction costs of	–	–	(0.01)
Performance			
Return after charges	7.73%	4.79%	7.11%
Other information			
Closing net asset value (£000)	74,148	71,231	68,539
Closing number of shares	32,375,023	33,504,009	33,780,521
Operating charges (%) [‡]	0.34%	0.34%	0.34%
Direct transaction costs (%) [#]	–	–	–
Prices[≈]			
Highest share price	232.09	216.97	207.80
Lowest share price	206.21	202.40	191.04

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

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

(b) The Ongoing Charge 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.

§ Class 3 Income closed on 22 January 2014.

Ongoing Charges Figure*

Share class	15.10.16	15.10.15
Class 1	1.14%	1.14%
Class 2	0.64%	0.64%
Class 3	0.34%	0.34%

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

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

PORTFOLIO STATEMENT

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Government Bonds 3.63% (0.00%)				
United Kingdom 3.63% (0.00%)				
UK Treasury 1.00% 07/09/2017	GBP	7,200,000	7,250	3.63
			7,250	3.63
Government Bonds total			7,250	3.63
Corporate Bonds 92.93% (97.44%)				
Australia 0.00% (1.33%)				
Austria 0.52% (0.70%)				
Telekom Austria, FRN 5.62% Perpetual	EUR	1,100,000	1,041	0.52
			1,041	0.52
Canada 0.00% (1.24%)				
Cayman Islands 0.62% (0.99%)				
THPA Finance, Series B 8.24% 15/03/2028	GBP	1,000,000	1,233	0.62
			1,233	0.62
Croatia 0.47% (0.66%)				
Agrokor 9.13% 01/02/2020	EUR	1,000,000	938	0.47
			938	0.47
Denmark 0.97% (1.13%)				
TDC, FRN 3.50% Perpetual	EUR	2,250,000	1,938	0.97
			1,938	0.97
France 9.51% (14.15%)				
AXA, FRN 5.62% 16/01/2054	GBP	600,000	640	0.32
AXA, FRN 5.45% Perpetual	GBP	550,000	577	0.29
Credit Agricole, FRN 7.50% Perpetual	GBP	1,200,000	1,188	0.59
Crown European Holdings 3.38% 15/05/2025	EUR	2,800,000	2,591	1.29
Electricite de France, FRN 6.00% Perpetual	GBP	1,300,000	1,292	0.64
Horizon Holdings I 7.25% 01/08/2023	EUR	1,700,000	1,602	0.80
Lafarge 8.75% 30/05/2017	GBP	2,500,000	2,614	1.31
Orange, FRN 5.87% Perpetual	GBP	1,200,000	1,292	0.65
PSA Tresorerie GIE 6.00% 19/09/2033	EUR	1,750,000	1,943	0.97
SFR Group 5.38% 15/05/2022	EUR	1,000,000	938	0.47
SFR Group 7.38% 01/05/2026	USD	3,000,000	2,500	1.25
Tereos Finance Groupe I 4.13% 16/06/2023	EUR	2,000,000	1,853	0.93
			19,030	9.51
Germany 8.19% (4.02%)				
HeidelbergCement 2.25% 30/03/2023	EUR	2,439,000	2,296	1.15
HeidelbergCement 2.25% 03/06/2024	EUR	801,000	754	0.38
IHO Verwaltungs 3.25% 15/09/2023	EUR	1,500,000	1,357	0.68
Kirk Beauty One 8.75% 15/07/2023	EUR	2,750,000	2,660	1.33
Pfleiderer 7.88% 01/08/2019	EUR	2,200,000	2,049	1.02
Unitymedia Hessen 4.63% 15/02/2026	EUR	3,234,000	3,094	1.55
WEPA Hygieneprodukte 3.75% 15/05/2024	EUR	2,200,000	2,049	1.02
Wittur International Holding 8.50% 15/02/2023	EUR	2,500,000	2,115	1.06
			16,374	8.19
Hong Kong 0.91% (1.20%)				
CITIC, FRN 8.62% Perpetual	USD	2,000,000	1,820	0.91
			1,820	0.91
Ireland 0.94% (1.19%)				
Swiss Reinsurance, FRN 6.37% 01/09/2024	USD	2,200,000	1,878	0.94
			1,878	0.94

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Italy 6.12% (7.85%)				
Enel, FRN 8.75% 24/09/2073	USD	3,450,000	3,285	1.64
Intesa Sanpaolo 6.63% 13/09/2023	EUR	2,250,000	2,369	1.19
Intesa Sanpaolo, FRN 7.70% Perpetual	USD	2,000,000	1,476	0.74
Manutencoop Facility Management 8.50% 01/08/2020	EUR	1,500,000	1,343	0.67
Snai 7.63% 15/06/2018	EUR	1,000,000	920	0.46
Telecom Italia 5.88% 19/05/2023	GBP	2,500,000	2,841	1.42
			12,234	6.12
Japan 0.99% (0.00%)				
SoftBank Group 4.75% 30/07/2025	EUR	2,000,000	1,976	0.99
			1,976	0.99
Jersey 4.41% (3.52%)				
AA Bond 5.50% 31/07/2043	GBP	2,900,000	2,887	1.44
Adient Global Holdings 3.50% 15/08/2024	EUR	3,000,000	2,701	1.35
CPUK Finance 7.00% 28/02/2042	GBP	1,950,000	2,060	1.03
Galaxy Finco 7.88% 15/11/2021	GBP	1,200,000	1,175	0.59
			8,823	4.41
Luxembourg 9.94% (8.82%)				
Altice Financing 7.50% 15/05/2026	USD	3,000,000	2,545	1.27
Altice Luxembourg 7.25% 15/05/2022	EUR	1,750,000	1,680	0.84
Cirsa Funding Luxembourg 5.75% 15/05/2021	EUR	1,500,000	1,425	0.71
Fiat Chrysler Finance Europe 4.75% 15/07/2022	EUR	3,000,000	2,947	1.47
Galapagos Holding 7.00% 15/06/2022	EUR	2,500,000	1,864	0.93
Gestamp Funding Luxembourg 3.50% 15/05/2023	EUR	2,750,000	2,574	1.29
LSF9 Balta Issuer 7.75% 15/09/2022	EUR	1,375,000	1,323	0.66
Matterhorn Telecom Holding 4.88% 01/05/2023	EUR	1,750,000	1,552	0.78
Telecom Italia Finance 7.75% 24/01/2033	EUR	2,000,000	2,368	1.19
Wind Acquisition Finance 7.00% 23/04/2021	EUR	1,700,000	1,601	0.80
			19,879	9.94
Mexico 0.66% (0.69%)				
America Movil, FRN 6.37% 06/09/2073	GBP	1,250,000	1,321	0.66
			1,321	0.66
Netherlands 11.61% (10.84%)				
Glasstank 8.50% 15/05/2019	EUR	3,250,000	3,002	1.50
Grupo Antolin Dutch 4.75% 01/04/2021	EUR	2,750,000	2,564	1.28
Koninklijke KPN, FRN 6.87% 14/03/2073	GBP	2,600,000	2,831	1.42
OI European Group 6.75% 15/09/2020	EUR	1,750,000	1,900	0.95
Petrobras Global Finance 5.38% 01/10/2029	GBP	1,500,000	1,251	0.63
Samvardhana Motherson Automotive Systems Group 4.13% 15/07/2021	EUR	2,800,000	2,567	1.28
Schaeffler Finance 3.25% 15/05/2025	EUR	2,000,000	1,942	0.97
Telefonica Europe, FRN 6.75% Perpetual	GBP	3,500,000	3,724	1.86
UPC Holding 6.75% 15/03/2023	EUR	1,000,000	968	0.48
Ziggo Secured Finance 3.75% 15/01/2025	EUR	2,750,000	2,480	1.24
			23,229	11.61
South Africa 0.26% (0.39%)				
Transnet 13.50% 18/04/2028	ZAR	8,000,000	518	0.26
			518	0.26
Switzerland 0.00% (0.83%)				

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
United Kingdom 28.14% (35.00%)				
Anglian Water Osprey Financing 7.00% 31/01/2018	GBP	1,730,000	1,854	0.93
Barclays Bank, FRN 14.00% Perpetual	GBP	2,300,000	2,852	1.43
Care UK Health & Social Care, FRN 5.49% 15/07/2019	GBP	2,000,000	1,803	0.90
Cattles 7.13% 05/07/2017	GBP	250,000	1	0.00
Debenhams 5.25% 15/07/2021	GBP	2,000,000	2,012	1.01
F&C Finance 9.00% 20/12/2016	GBP	576,000	581	0.29
First Hydro Finance 9.00% 31/07/2021	GBP	550,000	725	0.36
ghd Bondco 7.00% 15/04/2020	GBP	1,500,000	1,487	0.74
Greene King Finance, Series B1 5.70% 15/12/2034	GBP	1,944,000	1,774	0.89
Heathrow Finance 7.13% 01/03/2017	GBP	1,600,000	1,632	0.82
HSBC Holdings 6.75% 11/09/2028	GBP	900,000	1,105	0.55
Infinis 7.00% 15/02/2019	GBP	1,000,000	1,020	0.51
Investec Bank 9.63% 17/02/2022	GBP	1,300,000	1,556	0.78
Jaguar Land Rover Automotive 5.00% 15/02/2022	GBP	2,250,000	2,480	1.24
Kelda Finance No. 3 5.75% 17/02/2020	GBP	2,000,000	2,183	1.09
Keystone Financing 9.50% 15/10/2019	GBP	1,500,000	1,561	0.78
Matalan Finance 6.88% 01/06/2019	GBP	2,000,000	1,581	0.79
Mitchells & Butlers Finance, FRN, Series D1 2.50% 15/06/2036	GBP	1,734,000	1,296	0.65
New Look Secured Issuer 6.50% 01/07/2022	GBP	1,250,000	1,147	0.57
New Look Senior Issuer 8.00% 01/07/2023	GBP	2,150,000	1,731	0.87
NWEN Finance 5.88% 21/06/2021	GBP	2,200,000	2,402	1.20
Odeon & UCI Finco 9.00% 01/08/2018	GBP	1,000,000	1,025	0.51
Paragon Group, FRN 3.73% 20/04/2017	GBP	1,340,000	1,330	0.66
Prudential, FRN 11.37% 29/05/2039	GBP	1,500,000	1,831	0.92
Royal Bank of Scotland Group, FRN 9.50% 16/03/2022	USD	3,500,000	2,941	1.47
Royal Bank of Scotland Group, FRN 8.62% Perpetual	USD	1,280,000	1,025	0.51
Spirit Issuer 5.47% 28/12/2028	GBP	1,500,000	1,531	0.77
TES Finance 6.75% 15/07/2020	GBP	1,900,000	1,465	0.73
Tesco 6.13% 24/02/2022	GBP	1,500,000	1,684	0.84
Tesco Corporate Treasury Services 1.25% 13/11/2017	EUR	2,300,000	2,089	1.04
Thames Water Kemble Finance 7.75% 01/04/2019	GBP	1,500,000	1,691	0.85
Travis Perkins 4.38% 15/09/2021	GBP	2,200,000	2,258	1.13
Virgin Media Secured Finance 5.50% 15/01/2025	GBP	2,475,000	2,522	1.26
Virgin Media Secured Finance 6.25% 28/03/2029	GBP	1,000,000	1,061	0.53
William Hill 4.25% 05/06/2020	GBP	1,000,000	1,036	0.52
			56,272	28.14
United States of America 8.67% (2.89%)				
Diamond 1 Finance 5.88% 15/06/2021	USD	2,500,000	2,162	1.08
Diamond 1 Finance 6.02% 15/06/2026	USD	2,000,000	1,789	0.90
Frontier Communications 11.00% 15/09/2025	USD	3,750,000	3,155	1.58
Goodyear Tire & Rubber 5.00% 31/05/2026	USD	1,750,000	1,464	0.73
NBTY 7.63% 15/05/2021	USD	3,000,000	2,465	1.23
Quintiles IMS 3.50% 15/10/2024	EUR	2,750,000	2,532	1.27
T-Mobile USA 6.50% 15/01/2026	USD	2,000,000	1,788	0.89
Western Digital 10.50% 01/04/2024	USD	2,100,000	1,977	0.99
			17,332	8.67
Corporate Bonds total			185,836	92.93
Swaps (0.08)% ((0.01)%)				
Credit Default Swap Barclays French Republic 4.25% 25/04/2019 20/12/2016	USD	4,100,000	(2)	–
Credit Default Swap HSBC Buy iTraxx Europe Series 26 Version 1 20/12/2021	EUR	12,500,000	(152)	(0.08)
Swaps total			(154)	(0.08)

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Forward Currency Contracts (1.67)% (0.05%)				
Buy GBP 76,693,703 sell EUR 87,033,300 dated 09/01/2017			(1,802)	(0.90)
Buy GBP 35,962,081 sell USD 45,970,976 dated 09/01/2017			(1,546)	(0.77)
Buy GBP 520,600 sell ZAR 9,302,000 dated 09/01/2017			(5)	–
Buy USD 11,179 sell ARS 184,000 dated 09/01/2017			–	–
Forward Currency Contracts total			(3,353)	(1.67)
Futures 0.02% ((0.01)%)				
US Treasury 10 Year Note 20/12/2016	USD	(8)	8	–
US Ultra Bond 20/12/2016	USD	(5)	38	0.02
Futures total			46	0.02
Liquidity Funds 1.90% (0.00%)				
Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP [†]	GBP	3,800,000	3,800	1.90
Liquidity Funds total			3,800	1.90
Investment assets			193,425	96.73
Net other assets			6,545	3.27
Net assets			199,970	100.00

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

The comparative percentage figures in brackets are as at 15 October 2015.

§ Security is currently in default.

† Investment in or managed by a related party.

STATEMENT OF TOTAL RETURN

For the year ended 15 October 2016

	Notes	£000	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Income				
Net capital gains/(losses)	2		4,729	(600)
Revenue	3	9,418		6,428
Expenses	4	(814)		(519)
Net revenue before taxation		8,604		5,909
Taxation	5	–		–
Net revenue after taxation			8,604	5,909
Total return before distributions			13,333	5,309
Distributions	6		(8,605)	(5,910)
Change in net assets attributable to shareholders from investment activities			4,728	(601)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 15 October 2016

	£000	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Opening net assets attributable to shareholders		121,328	92,361
Movement due to issue and cancellation of shares:			
Amounts receivable on issue of shares	87,096		42,066
Amounts payable on cancellation of shares	(16,504)		(15,662)
		70,592	26,404
Dilution adjustment		26	–
Change in net assets attributable to shareholders from investment activities (see above)		4,728	(601)
Retained distribution on accumulation shares		3,296	3,164
Closing net assets attributable to shareholders		199,970	121,328

BALANCE SHEET

As at 15 October 2016

	Notes	As at 15.10.16 £000	As at 15.10.15 £000
Assets:			
Investments	7	196,932	118,312
Current assets:			
Debtors	8	3,862	3,072
Cash and bank balances	9	7,537	4,697
Total assets		208,331	126,081
Liabilities:			
Investment liabilities		(3,507)	(50)
Creditors:			
Bank overdrafts		(2)	–
Distribution payable on income shares		(1,758)	(1,232)
Other creditors	10	(3,094)	(3,471)
Total liabilities		(8,361)	(4,753)
Net assets attributable to shareholders		199,970	121,328

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1 Accounting basis and policies

Please see pages 7 and 8 for accounting basis and policies.

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

Balance sheet

The Income tax withheld on distributions of £645,000 is now included within 'Distributions payable', whereas under SORP 2010 the they would have been included within 'Creditors'.

2 Net capital gains/(losses)

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Net capital gains/(losses) on investments during the year comprise:		
Currency losses	(202)	(666)
Derivative contracts losses	(295)	(48)
Expenses relating to the purchase and sale of investments	(5)	(5)
Forward currency contracts (losses)/gains	(17,112)	2,927
Non-derivative securities gains/(losses)	22,343	(2,808)
Net capital gains/(losses)	4,729	(600)

3 Revenue

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Bank and deposit interest	–	10
Interest on debt securities	9,525	6,466
Interest on derivatives	(107)	(48)
Total revenue	9,418	6,428

4 Expenses

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Payable to the Authorised Corporate Director ("ACD"), associates of the ACD or agents of either of them:		
ACD's periodic charge	668	442
Registration fees	83	38
	751	480
Payable to the Depositary, associates of the Depositary or agents of either of them:		
Depositary's fee	20	12
Interest payable	12	–
Safe custody fee	15	11
	47	23
Other expenses:		
Audit fee*	10	10
Printing & postage expenses	1	1
Statement fees	5	5
	16	16
Total expenses	814	519

* The audit fee was £8,848 (2015: £8,241) net of VAT.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Taxation

a Analysis of tax charge

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Corporation tax	–	–
Total current tax (see note 5b)	–	–

b Factors affecting current tax charge

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

The differences are explained below:

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Net revenue before taxation	8,604	5,909
Corporation tax at 20%	1,721	1,182
Effects of:		
Movement in excess expenses	2	–
Tax deductible on interest distributions	(1,723)	(1,182)
	(1,721)	(1,182)
Current tax charge (see note 5.a)	–	–

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 year end (2015: £nil).

After claiming relief against accrued income taxable on receipt, the Fund has unrelieved excess expenses of £12,000 (2015: £nil) creating a potential deferred tax asset of £2,000 (2015: £nil). 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.

6 Distributions

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:		
Gross interest distribution for the three months ended 15 January	1,904	1,340
Gross interest distribution for the three months ended 15 April	2,091	1,371
Gross interest distribution for the three months ended 15 July	2,401	1,498
Gross interest distribution for the three months ended 15 October	2,545	1,835
	8,941	6,044
Add: Revenue deducted on cancellation of shares	109	97
Deduct: Revenue received on issue of shares	(445)	(231)
Total distributions	8,605	5,910
Reconciliations of distributions for the year to net revenue after taxation		
Distributions for the year	8,605	5,910
Equalisation on conversions	(1)	(1)
Net revenue after taxation	8,604	5,909

Details of the distributions per share are set out in the distribution tables on pages 171 and 172.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 Fair value hierarchy

Valuation technique	Assets at 15.10.16 £000	Liabilities at 15.10.16 £000	Assets at 15.10.15 £000	Liabilities at 15.10.15 £000
Quoted prices for identical instruments in active markets	46	–	–	(15)
Prices of recent transactions for identical instruments	3,800	–	–	–
Valuation techniques using observable market data	191,790	(3,507)	117,481	(35)
Valuation techniques using non-observable market data	1,296	–	831	–
Total value	196,932	(3,507)	118,312	(50)

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 to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

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

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

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

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

8 Debtors

	As at 15.10.16 £000	As at 15.10.15 £000
Accrued revenue	3,282	2,286
Amounts receivable on issue of shares	573	308
Sales awaiting settlement	7	478
Total debtors	3,862	3,072

9 Cash and bank balances

	As at 15.10.16 £000	As at 15.10.15 £000
Amounts held at futures clearing house and brokers	–	37
Cash and bank balances	7,537	4,660
Total cash and bank balances	7,537	4,697

10 Other creditors

	As at 15.10.16 £000	Restated* As at 15.10.15 £000
Accrued expenses	141	91
Amounts payable for cancellation of shares	2,015	1,793
Purchases awaiting settlement	938	1,587
Total creditors	3,094	3,471

* Refer to the accounting policies note on page 165.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11 Contingent liabilities and commitments

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

12 Related party transactions

ACD periodic charges paid to Aviva Investors UK Fund Services Limited ("the ACD") are shown in note 4 and details of shares issued and cancelled by the ACD are shown in the statement of change in net assets attributable to shareholders. The balance due to the ACD at the year end in respect of ACD periodic charges was £106,000 (2015: £67,000). Any balance due from the ACD in respect of issues is shown in note 8. Any balance due to the ACD in respect of cancellations is shown in note 10.

Distributions payable to the ACD and related parties of the ACD during the year amounted to £3,522,000 (2015: £3,266,000). The amount outstanding at the year end was £856,000 (2015: £915,000). Related parties of the ACD are deemed to be all companies under the control of Aviva Plc. This will include companies which hold shares in the Fund on behalf of other external investors

Any 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 £78,700,000 (2015: £nil) and £75,200,000 (2015: £nil) respectively. The income received during the year amounted to £23,000 (2015: £nil).

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

	Holdings at 15.10.16 (shares)	Movement (shares)	Holdings at 15.10.15 (shares)
ACD and related parties (share class 1 Income shares)	–	–	–
ACD and related parties (share class 2 Income shares)	32,375,023	29,611,365	2,763,658
ACD and related parties (share class 3 Accumulation shares)	6,358,944	(27,145,065)	33,504,009

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

13 Shareholder funds

The Fund currently has three share classes: Class 1 (Retail), Class 2 (Institutional) and Class 3 (Associated undertakings of Aviva Plc). The annual management charges are as follows:

Class 1: 1.00%

Class 2: 0.50%

Class 3: 0.30%

The net asset value of the share class, the net asset value per share and the number of shares in the class are shown on pages 157 and 158. The distributions per share are given in the distribution tables on pages 171 and 172. All the share classes have the same rights on winding up.

14 Shares in issue reconciliation

	Number of shares in issue at 15.10.15	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 15.10.16
Share Class 1	11,344,922	4,380,172	(3,004,003)	(4,657,232)	8,063,859
Share Class 2	39,876,562	73,244,805	(5,935,455)	3,071,561	110,257,473
Share Class 3 (Acc)	33,504,009	2,570,497	(3,699,483)	–	32,375,023

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 Derivatives and other financial instruments

The policies applied in the management of financial instruments are set out on pages 8 and 9.

Currency risk

At the year end date, (0.14)% (2015: 0.07%) of the net assets of the Fund were denominated in currencies other than sterling and as such, the currency risk is not considered significant.

Interest rate risk

At the year end date 102.23% (2015: 101.31%) of the net assets of the Fund were interest bearing. The interest rate profile of the Fund's financial assets and liabilities at 15 October 2016 was:

Currency 15.10.16	Floating Rate £000	Fixed Rate £000	None £000	Total £000
Financial Assets				
Sterling	8,824	79,963	115,384	204,171
Argentine Peso	10	–	–	10
Euro	3,986	74,549	1,086	79,621
South African Rand	–	519	30	549
US Dollar	7,244	29,329	593	37,166
Financial Liabilities				
Sterling	–	–	(3,915)	(3,915)
Argentine Peso	–	–	(9)	(9)
Euro	–	–	(79,586)	(79,586)
South African Rand	–	–	(525)	(525)
US Dollar	(2)	–	(37,510)	(37,512)
Total	20,062	184,360	(4,452)	199,970

If interest rates were to change by 1.00%, the value of the Fund would change by 10.22%.

The interest rate profile of the Fund's financial assets and liabilities at 15 October 2015 was:

Currency 15.10.16	Floating Rate £000	Fixed Rate £000	None £000	Total £000
Financial Assets				
Sterling	10,753	60,126	54,246	125,125
Argentine Peso	13	–	–	13
Euro	1,287	38,250	786	40,323
South African Rand	–	467	26	493
US Dollar	253	11,766	624	12,643
Financial Liabilities				
Sterling	–	–	(3,885)	(3,885)
Argentine Peso	–	–	(11)	(11)
Euro	–	–	(40,271)	(40,271)
South African Rand	–	–	(481)	(481)
US Dollar	–	–	(12,621)	(12,621)
Total	12,306	110,609	(1,587)	121,328

The floating rate on bank balances is linked to the Depositary's base rate.
The floating rate on deposits is linked to LIBOR or its overseas equivalent.
The floating rate on Euro FRNs is linked to LIBOR or its overseas equivalent.
The floating rate on US Dollar FRNs is linked to LIBOR or its overseas equivalent.

Market price risk

At the year end date 94.83% (2015: 97.47%) of the net assets of the Fund were invested in debt securities admitted to an official stock exchange. If the market were to change by 10%, the value of the Fund will change by 9.67%.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16 Counterparty Exposure**Financial derivative exposure**

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

	Credit default swaps £000	Forward currency contracts £000	Futures contracts £000	Total £000
15.10.16				
Goldman Sachs	–	(1,782)	–	(1,782)
JPMorgan	–	–	46	46
Morgan Stanley	–	(5)	–	(5)
Royal Bank of Scotland	–	(1,546)	–	(1,546)
Société Générale	–	(20)	–	(20)
Total	–	(3,353)	46	(3,307)

	Credit default swaps £000	Forward currency contracts £000	Futures contracts £000	Total £000
15.10.15				
Barclays	2,647	–	–	2,647
Citibank	–	(28)	–	(28)
Société Générale	–	94	–	94
Total	2,647	66	–	2,713

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

Collateral

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

17 Debt security credit analysis

	Market value £000		Total net assets %	
	15.10.16	15.10.15	15.10.16	15.10.15
Investment grade	29,807	16,276	14.92%	13.42%
Below investment grade	161,223	93,295	80.62%	76.91%
Unrated	2,056	8,647	1.02%	7.11%
Total debt securities	193,086	118,218	96.56%	97.44%

The Fund invests in credit default swaps to adjust the credit risk profile of the Fund. The notional exposure of these swaps has been included in the above table.

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

18 Direct transaction costs

Due to the nature of the investments held, no transaction costs or taxes were incurred on the Fund's purchases or sales during the current year ended 15 October 2016 (2015: £nil). The total purchases for the year amounted to £170,630,000 (2015: £81,627,000) and the total sales amounted to £114,271,000 (2015: £47,711,000).

19 Post balance sheet events

There are no post balance sheet events which require adjustment or disclosure at the year end (2015: £nil).

DISTRIBUTION TABLES

Final distribution payable in pence per share for the three months ended 15 October 2016

Income shares		Gross revenue	Income tax	Net revenue	Equalisation	Final distribution payable 15 December 2016	Final distribution paid 15 December 2015
Share Class 1	Group 1	0.8174	0.1635	0.6539	–	0.6539	0.7571
	Group 2	0.3465	0.0693	0.2772	0.3767	0.6539	0.7571
Share Class 2	Group 1	1.3771	0.2754	1.1017	–	1.1017	1.2573
	Group 2	0.8053	0.1611	0.6442	0.4575	1.1017	1.2573

Accumulation shares		Gross revenue	Income tax	Net revenue	Equalisation	Final distribution payable 15 December 2016	Final distribution paid 15 December 2015
Share Class 3	Group 1	3.0360	0.6072	2.4288	–	2.4288	2.6262
	Group 2	1.3790	0.2758	1.1032	1.3256	2.4288	2.6262

Final distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 July 2016.

Group 2 shares are those shares purchased after 12:00 noon on 15 July 2016.

Interim distribution paid in pence per share for the three months ended 15 July 2016

Income shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 15 September 2016	Interim distribution paid 15 September 2015
Share Class 1	Group 1	0.8886	0.1777	0.7109	–	0.7109	0.6279
	Group 2	0.5350	0.1070	0.4280	0.2829	0.7109	0.6279
Share Class 2	Group 1	1.4816	0.2963	1.1853	–	1.1853	1.0612
	Group 2	0.7353	0.1471	0.5882	0.5971	1.1853	1.0612

Accumulation shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 15 September 2016	Interim distribution paid 15 September 2015
Share Class 3	Group 1	3.2121	0.6424	2.5697	–	2.5697	2.2137
	Group 2	1.7048	0.3410	1.3638	1.2059	2.5697	2.2137

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 April 2016.

Group 2 shares are those shares purchased after 12:00 noon on 15 April 2016.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the three months ended 15 April 2016

Income shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 15 June 2016	Interim distribution paid 15 June 2015
Share Class 1	Group 1	0.8836	0.1767	0.7069	–	0.7069	0.6368
	Group 2	0.4226	0.0845	0.3381	0.3688	0.7069	0.6368
Share Class 2	Group 1	1.4719	0.2944	1.1775	–	1.1775	1.0751
	Group 2	0.6643	0.1329	0.5314	0.6461	1.1775	1.0751

Accumulation shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 15 June 2016	Interim distribution paid 15 June 2015
Share Class 3	Group 1	3.1511	0.6302	2.5209	–	2.5209	2.2155
	Group 2	1.1546	0.2309	0.9237	1.5972	2.5209	2.2155

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 January 2016.

Group 2 shares are those shares purchased after 12:00 noon on 15 January 2016.

Interim distribution paid in pence per share for the three months ended 15 January 2016

Income shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 15 March 2016	Interim distribution paid 15 March 2015
Share Class 1	Group 1	0.8913	0.1783	0.7130	–	0.7130	0.6798
	Group 2	0.4690	0.0938	0.3752	0.3378	0.7130	0.6798
Share Class 2	Group 1	1.4871	0.2974	1.1897	–	1.1897	1.1411
	Group 2	0.8635	0.1727	0.6908	0.4989	1.1897	1.1411

Accumulation shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 15 March 2016	Interim distribution paid 15 March 2015
Share Class 3	Group 1	3.1511	0.6302	2.5209	–	2.5209	2.3186
	Group 2	1.1273	0.2255	0.9018	1.6191	2.5209	2.3186

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 October 2015.

Group 2 shares are those shares purchased after 12:00 noon on 15 October 2015.

Equalisation

Equalisation applies only to Group 2 shares, in other words shares purchased during the relevant 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 HIGHER INCOME PLUS FUND

INVESTMENT OBJECTIVE

A high level of investment income.

INVESTMENT POLICY

Diversified investment in fixed interest securities issued by corporates, governments and supranational institutions. Investment is principally in Sterling denominated securities but the Fund may also invest in global securities issued in a variety of currencies.

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

FUND MANAGER'S REPORT

Over the twelve months ended 15 October 2016, the Aviva Investors Higher Income Plus Fund delivered a total return of 8.30 per cent (share class A), net of fees. The Fund's peer group, the Investment Association's (IA) Sterling Strategic Bond sector, generated a net return of 6.81 per cent.

The Fund's outperformance was driven by the overweighting of UK corporate bonds, which performed better than their US and European peers. The exposure to rallying emerging market bonds was also supportive. These positives offset the drag of the Fund's cautious positioning in what turned out to be a strong twelve months for bonds. The major surprise was the announcement by both the European Central Bank and the Bank of England that they were intervening in the markets to buy up corporate bonds. This created huge technical support, which was at odds with the somewhat stretched nature of many companies' balance sheets. The rebound of commodity markets from their winter slump also detracted from performance given our general avoidance of the oils, metals and mining sectors. The portfolio did benefit, however, from the underweighting of house builders and financials.

During the period, the portfolio was broadly diversified across countries, sectors and the market capitalisation spectrum. In sector terms, the Fund was overweight in telecoms, a sector we felt was ripe for consolidation, media and non-bank financials. We were underweight in banks, health care, oil & gas and consumer goods. In the UK market, which we held as an overweight position relative to the US and Europe, we preferred medium and smaller companies over the blue-chips of the FTSE® 100 Index.

The most recent reporting season was characterised by deteriorating credit fundamentals as companies announced sluggish revenue growth, peaking profit margins and a further increase in borrowings. However, investors' caution on the weaker financial position of many companies has been overpowered by a wave of global liquidity and a scarcity of high-quality financial assets.

This situation can persist in the short term but, over a longer horizon, we are concerned that the risks of investing in corporate bonds will start to outweigh the potential rewards. 2017 is an election year in a number of European countries and confidence could be rattled if the results fuel uncertainty about the future of the EU. The year could also see the US and European central banks taking divergent paths in their monetary policy.

November 2016

Sources: Fund and peer group performance figures – Lipper, a Thomson Reuters Company, mid to mid basis with net income reinvested in GBP, with no initial charges applied. Market data – Bloomberg.

As noted above, the performance figures in this commentary have been sourced from an external party and are based on published prices. The performance figures quoted in the comparative tables on pages 174 and 175 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 an investment and any income from it can go down as well as up. Investors may not get back the original amount invested.

Material Portfolio Changes

Purchases	Sales
Aviva Investors Sterling Liquidity Fund, Class 3, Income shares, GBP	Aviva Investors Sterling Liquidity Fund, Class 3, Income shares, GBP
Frontier Communications 11.00% 15/09/2025	Ahold Finance USA 6.50% 14/03/2017
Royal Bank of Scotland, FRN 9.50% 16/03/2022	UK Treasury 4.75% 07/12/2038
Unitymedia Hessen 4.63% 15/02/2026	Verizon Communications 4.07% 18/06/2024
Samvardhana Motherson Automotive Systems Group 4.13% 15/07/2021	TOTAL, FRN 2.65% Perpetual
Barclays 3.25% 12/02/2027	Veolia Environnement, FRN 4.85% Perpetual
Quintiles IMS 3.50% 15/10/2024	Siemens Financieringsmaatschappij, FRN 6.12% 14/09/2066
Adient Global Holdings 3.50% 15/08/2024	Segro, REIT 6.75% 23/11/2021
UK Treasury 4.50% 07/12/2042	Cooperatieve Rabobank 4.00% 19/09/2022
Diamond 1 Finance 8.35% 15/07/2046	Eastern Power Networks 4.75% 30/09/2021

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'.
- 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.
- Full information on the risks applicable to the Fund is detailed in the Prospectus.

COMPARATIVE TABLES

Class 1 Income	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	49.48	50.23	48.14
Return before operating charges [†]	5.16	2.12	4.80
Operating charges	(0.51)	(0.51)	(0.50)
Return after operating charges [†]	4.65	1.61	4.30
Distributions on income shares	(2.22)	(2.36)	(2.21)
Closing net asset value per share	51.91	49.48	50.23
Retained distributions on accumulation shares	–	–	–
[†] after direct transaction costs of	–	–	–
Performance			
Return after charges	9.40%	3.21%	8.93%
Other information			
Closing net asset value (£000)	226,802	246,880	270,828
Closing number of shares	436,887,377	498,979,977	539,180,700
Operating charges (%) [†]	1.00%	1.00%	1.00%
Direct transaction costs (%) [#]	–	–	–
Prices[™]			
Highest share price	53.79	52.44	50.98
Lowest share price	48.21	49.53	48.43

Class 3 Income	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	101.91	103.45	99.16
Return before operating charges [†]	10.64	4.38	9.87
Operating charges	(0.35)	(0.35)	(0.34)
Return after operating charges [†]	10.29	4.03	9.53
Distributions on income shares	(5.28)	(5.57)	(5.24)
Closing net asset value per share	106.92	101.91	103.45
Retained distributions on accumulation shares	–	–	–
[†] after direct transaction costs of	–	–	–
Performance			
Return after charges	10.10%	3.90%	9.61%
Other information			
Closing net asset value (£000)	54,266	54,273	59,134
Closing number of shares	50,754,821	53,257,133	57,159,860
Operating charges (%) [†]	0.34%	0.33%	0.33%
Direct transaction costs (%) [#]	–	–	–
Prices[™]			
Highest share price	110.69	107.98	104.95
Lowest share price	99.23	101.86	99.75

Class 2 Income	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	74.47	75.60	72.47
Return before operating charges [†]	7.79	3.19	7.21
Operating charges	(0.49)	(0.48)	(0.47)
Return after operating charges [†]	7.30	2.71	6.74
Distributions on income shares	(3.63)	(3.84)	(3.61)
Closing net asset value per share	78.14	74.47	75.60
Retained distributions on accumulation shares	–	–	–
[†] after direct transaction costs of	–	–	–
Performance			
Return after charges	9.80%	3.58%	9.30%
Other information			
Closing net asset value (£000)	79,937	24,502	9,557
Closing number of shares	102,304,849	32,899,506	12,640,917
Operating charges (%) [†]	0.64%	0.63%	0.63%
Direct transaction costs (%) [#]	–	–	–
Prices[™]			
Highest share price	80.88	78.89	76.69
Lowest share price	72.52	74.43	72.90

COMPARATIVE TABLES (CONTINUED)

Class A Income	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	55.30	56.14	53.81
Return before operating charges [†]	5.78	2.38	5.36
Operating charges	(0.79)	(0.79)	(0.77)
Return after operating charges [†]	4.99	1.59	4.59
Distributions on income shares	(2.27)	(2.43)	(2.26)
Closing net asset value per share	58.02	55.30	56.14
Retained distributions on accumulation shares	–	–	–
[†] after direct transaction costs of	–	–	–
Performance			
Return after charges	9.02%	2.83%	8.53%
Other information			
Closing net asset value (£000)	27,271	29,527	32,184
Closing number of shares	47,001,773	53,393,926	57,327,544
Operating charges (%) [‡]	1.39%	1.38%	1.38%
Direct transaction costs (%) [#]	–	–	–
Prices[≈]			
Highest share price	60.10	58.57	56.97
Lowest share price	53.88	55.32	54.13

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

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

(b) The Ongoing Charge 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.

Ongoing Charges Figure*

Share class	15.10.16	15.10.15
Class 1	1.00%	1.00%
Class 2	0.64%	0.63%
Class 3	0.34%	0.33%
Class A	1.39%	1.38%

* 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 for share class 1 is capped at 1.00%. 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 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Collective Investment Schemes 9.36% (8.16%)				
Luxembourg 9.36% (8.16%)				
Aviva Investors – Emerging Markets Bond Fund , Class Zqh, Income shares, EUR [†]	EUR	38,973	36,367	9.36
			36,367	9.36
Collective Investment Schemes total			36,367	9.36
Equities 0.31% (0.35%)				
Ireland 0.31% (0.35%)				
Independent News & Media	EUR	10,595,433	1,192	0.31
			1,192	0.31
Equities total			1,192	0.31
Government Bonds 3.52% (3.15%)				
United Kingdom 3.52% (3.15%)				
UK Treasury 5.00% 07/03/2025	GBP	1,162,150	1,543	0.40
UK Treasury 4.75% 07/12/2038	GBP	2,700,000	4,222	1.09
UK Treasury 4.50% 07/12/2042	GBP	5,000,000	7,889	2.03
			13,654	3.52
Government Bonds total			13,654	3.52
Corporate Bonds 81.05% (84.59%)				
Australia 0.53% (0.60%)				
Goodman Australia Finance, REIT 9.75% 16/07/2018	GBP	1,800,000	2,035	0.53
			2,035	0.53
Canada 0.00% (0.66%)				
Cayman Islands 0.00% (0.00%)				
France 7.46% (10.02%)				
AXA, FRN 5.62% 16/01/2054	GBP	4,000,000	4,265	1.10
Credit Agricole, FRN 7.50% Perpetual	GBP	3,000,000	2,969	0.77
Electricite de France 6.13% 02/06/2034	GBP	3,800,000	5,286	1.36
Electricite de France, FRN 6.00% Perpetual	GBP	2,400,000	2,386	0.61
Horizon Holdings I 7.25% 01/08/2023	EUR	2,258,000	2,128	0.55
Lafarge 8.75% 30/05/2017	GBP	7,500,000	7,843	2.02
Orange, FRN 5.87% Perpetual	GBP	3,800,000	4,092	1.05
			28,969	7.46
Germany 2.44% (0.70%)				
IHO Verwaltungs 3.25% 15/09/2023	EUR	2,250,000	2,035	0.52
Pfleiderer 7.88% 01/08/2019	EUR	3,250,000	3,026	0.78
Unitymedia Hessen 4.63% 15/02/2026	EUR	4,620,000	4,420	1.14
			9,481	2.44
Italy 3.12% (2.38%)				
Enel, FRN 8.75% 24/09/2073	USD	7,000,000	6,666	1.72
Telecom Italia 5.88% 19/05/2023	GBP	4,800,000	5,455	1.40
			12,121	3.12
Jersey 4.70% (3.57%)				
AA Bond 5.50% 31/07/2043	GBP	3,380,000	3,365	0.87
Adient Global Holdings 3.50% 15/08/2024	EUR	3,500,000	3,151	0.81
CPUK Finance 7.00% 28/02/2042	GBP	3,000,000	3,168	0.81
Gatwick Funding 5.25% 23/01/2026	GBP	3,000,000	3,644	0.94
Heathrow Funding 7.13% 14/02/2024	GBP	3,770,000	4,928	1.27
			18,256	4.70

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Luxembourg 2.74% (2.12%)				
Altice Luxembourg 7.25% 15/05/2022	EUR	4,000,000	3,840	0.99
Fiat Chrysler Finance Europe 4.75% 15/07/2022	EUR	2,500,000	2,456	0.63
Galapagos Holding 7.00% 15/06/2022	EUR	3,000,000	2,237	0.58
LSF9 Balta Issuer 7.75% 15/09/2022	EUR	2,199,000	2,116	0.54
			10,649	2.74
Mexico 1.75% (1.70%)				
America Movil 4.38% 07/08/2041	GBP	4,800,000	5,536	1.42
America Movil, FRN 6.37% 06/09/2073	GBP	1,200,000	1,268	0.33
			6,804	1.75
Netherlands 8.77% (8.02%)				
Cooperatieve Rabobank 4.63% 23/05/2029	GBP	2,000,000	2,173	0.56
Enel Finance International 5.75% 14/09/2040	GBP	2,900,000	3,809	0.98
ING Bank, FRN 6.87% 29/05/2023	GBP	3,000,000	3,202	0.82
innogy Finance 5.50% 06/07/2022	GBP	1,100,000	1,307	0.34
Koninklijke KPN, FRN 6.87% 14/03/2073	GBP	2,500,000	2,722	0.70
OI European Group 6.75% 15/09/2020	EUR	3,000,000	3,256	0.84
Petrobras Global Finance 5.38% 01/10/2029	GBP	2,500,000	2,085	0.54
Samvardhana Motherson Automotive Systems Group 4.13% 15/07/2021	EUR	3,862,000	3,540	0.91
Schaeffler Finance 3.25% 15/05/2025	EUR	2,500,000	2,428	0.62
Siemens Financieringsmaatschappij 3.75% 10/09/2042	GBP	3,500,000	4,376	1.13
Telefonica Europe, FRN 6.75% Perpetual	GBP	3,500,000	3,724	0.96
Ziggo Secured Finance 3.75% 15/01/2025	EUR	1,576,000	1,422	0.37
			34,044	8.77
United Kingdom 41.01% (46.65%)				
Anglian Water Osprey Financing 7.00% 31/01/2018	GBP	4,400,000	4,715	1.21
Aviva, FRN 6.87% 20/05/2058 [†]	GBP	4,000,000	4,644	1.20
Barclays 3.25% 12/02/2027	GBP	3,054,000	2,957	0.76
Barclays Bank 10.00% 21/05/2021	GBP	3,863,000	4,919	1.27
Crh Finance 4.13% 02/12/2029	GBP	1,207,000	1,386	0.36
Debenhams 5.25% 15/07/2021	GBP	3,000,000	3,018	0.78
Eversholt Funding 6.70% 22/02/2035	GBP	3,000,000	4,180	1.08
F&C Finance 9.00% 20/12/2016	GBP	2,700,000	2,722	0.70
First Hydro Finance 9.00% 31/07/2021	GBP	4,000,000	5,270	1.36
Firstgroup 6.13% 18/01/2019	GBP	4,000,000	4,386	1.13
GlaxoSmithKline Capital 4.25% 18/12/2045	GBP	1,500,000	2,007	0.52
Greene King Finance 4.06% 15/03/2035	GBP	886,744	948	0.24
HSBC Holdings 6.75% 11/09/2028	GBP	4,000,000	4,912	1.26
Imperial Brands Finance 9.00% 17/02/2022	GBP	4,000,000	5,468	1.41
Infinis 7.00% 15/02/2019	GBP	2,000,000	2,040	0.53
Investec Bank 9.63% 17/02/2022	GBP	4,000,000	4,787	1.23
Jaguar Land Rover Automotive 5.00% 15/02/2022	GBP	4,000,000	4,409	1.14
Juturna European Loan Conduit No. 16 5.06% 10/08/2033	GBP	2,703,629	3,215	0.83
Kelda Finance No. 3 5.75% 17/02/2020	GBP	2,800,000	3,056	0.79
Keystone Financing 9.50% 15/10/2019	GBP	3,000,000	3,123	0.80
Legal & General Group, FRN 10.00% 23/07/2041	GBP	4,410,000	5,699	1.47
Lloyds Bank 7.63% 22/04/2025	GBP	486,000	626	0.16
Lloyds Bank, FRN 10.75% 16/12/2021	GBP	3,200,000	3,248	0.84
Matalan Finance 6.88% 01/06/2019	GBP	4,000,000	3,162	0.81
Mitchells & Butlers Finance, Series C1 6.47% 15/09/2032	GBP	4,000,000	4,927	1.27
New Look Secured Issuer 6.50% 01/07/2022	GBP	4,500,000	4,129	1.06
Newcastle Building Society, FRN 3.89% 23/12/2019	GBP	4,140,000	3,519	0.91
NWEN Finance 5.88% 21/06/2021	GBP	3,000,000	3,276	0.84
Odeon & UCI Finco 9.00% 01/08/2018	GBP	2,000,000	2,050	0.53
Paragon Group, FRN 3.73% 20/04/2017	GBP	5,250,000	5,212	1.34
Prudential, FRN 11.37% 29/05/2039	GBP	4,000,000	4,882	1.26

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
United Kingdom 41.01% (46.65%) (continued)				
RAC Bond 4.57% 06/05/2023	GBP	966,000	1,055	0.27
RAC Bond 4.87% 06/05/2046	GBP	1,070,000	1,198	0.31
Royal Bank of Scotland, FRN 9.50% 16/03/2022	USD	5,000,000	4,201	1.08
Royal Bank of Scotland Group, FRN 8.62% Perpetual	USD	1,920,000	1,537	0.40
RSA Insurance Group, FRN 9.37% 20/05/2039	GBP	5,000,000	5,803	1.49
Segro, REIT 6.75% 23/11/2021	GBP	917,000	1,146	0.30
Spirit Issuer 5.47% 28/12/2028	GBP	4,000,000	4,084	1.05
Standard Chartered 4.38% 18/01/2038	GBP	2,500,000	2,771	0.71
Tesco Property Finance 3 5.74% 13/04/2040	GBP	3,823,763	3,805	0.98
Thames Water Kemble Finance 7.75% 01/04/2019	GBP	4,000,000	4,510	1.16
Travis Perkins 4.38% 15/09/2021	GBP	3,500,000	3,592	0.93
Virgin Media Secured Finance 5.50% 15/01/2025	GBP	4,050,000	4,128	1.06
Western Power Distribution West Midlands 5.75% 16/04/2032	GBP	3,450,000	4,863	1.25
William Hill 4.25% 05/06/2020	GBP	3,500,000	3,628	0.93
			159,213	41.01
United States of America 8.53% (8.17%)				
AT&T 4.38% 14/09/2029	GBP	3,750,000	4,340	1.12
AT&T 4.25% 01/06/2043	GBP	5,400,000	5,941	1.53
Citigroup 4.50% 03/03/2031	GBP	3,600,000	4,004	1.03
Diamond 1 Finance 5.88% 15/06/2021	USD	2,250,000	1,946	0.50
Diamond 1 Finance 8.35% 15/07/2046	USD	3,700,000	3,711	0.96
Frontier Communications 11.00% 15/09/2025	USD	5,000,000	4,206	1.08
JPMorgan Chase 3.50% 18/12/2026	GBP	3,000,000	3,283	0.84
Quintiles IMS 3.50% 15/10/2024	EUR	3,587,000	3,302	0.85
Verizon Communications 4.13% 15/08/2046	USD	3,000,000	2,394	0.62
			33,127	8.53
Corporate Bonds total			314,699	81.05
Swaps (0.09)% ((0.01)%)				
Credit Default Swap Barclays French Republic 4.25% 25/04/2019 20/12/2016	USD	13,700,000	(6)	0.00
Credit Default Swap Barclays Buy iTraxx Europe Series 25 Version 1 20/06/2021	EUR	25,000,000	(346)	(0.09)
Swaps total			(352)	(0.09)
Forward Currency Contracts (0.71)% (0.02%)				
Buy GBP 77,241,397 sell EUR 87,717,000 dated 09/01/2017			(1,871)	(0.48)
Buy GBP 4,092,644 sell USD 5,000,000 dated 09/01/2017			13	0.00
Buy GBP 20,585,645 sell USD 26,315,000 dated 09/01/2017			(885)	(0.23)
Forward Currency Contracts total			(2,743)	(0.71)
Futures 0.04% ((0.02)%)				
US Ultra Bond 20/12/2016	USD	(20)	152	0.04
Futures total			152	0.04
Investment assets			362,969	93.48
Net other assets			25,307	6.52
Net assets			388,276	100.00

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

The comparative percentage figures in brackets are as at 15 October 2015.

† Investment in or managed by a related party.

STATEMENT OF TOTAL RETURN

For the year ended 15 October 2016

	Notes	£000	Year ended 15.10.16 £000	£000	Year ended 15.10.15 £000
Income					
Net capital gains/(losses)	2		16,956		(5,322)
Revenue	3	19,600		21,033	
Expenses	4	(3,190)		(3,396)	
Net revenue before taxation		16,410		17,637	
Taxation	5	–		–	
Net revenue after taxation			16,410		17,637
Total return before distributions			33,366		12,315
Distributions	6		(16,407)		(17,631)
Change in net assets attributable to shareholders from investment activities			16,959		(5,316)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 15 October 2016

	£000	Year ended 15.10.16 £000	£000	Year ended 15.10.15 £000
Opening net assets attributable to shareholders		355,182		371,703
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	41,985		19,488	
Amounts payable on cancellation of shares	(25,855)		(30,696)	
		16,130		(11,208)
Change in net assets attributable to shareholders from investment activities (see above)		16,959		(5,316)
Unclaimed distribution monies		5		3
Closing net assets attributable to shareholders		388,276		355,182

BALANCE SHEET

As at 15 October 2016

	Notes	As at 15.10.16 £000	Restated* As at 15.10.15 £000
Assets:			
Investments	7	366,077	348,131
Current assets:			
Debtors	8	8,217	8,405
Cash and bank balances	9	20,016	5,648
Total assets		394,310	362,184
Liabilities:			
Investment liabilities		(3,108)	(110)
Creditors:			
Bank overdrafts		(27)	–
Distribution payable		(1,935)	(2,919)
Other creditors	10	(964)	(3,973)
Total liabilities		(6,034)	(7,002)
Net assets attributable to shareholders		388,276	355,182

* Refer to the accounting policies note on page 181.

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting basis and policies

Please see pages 7 and 8 for accounting basis and policies.

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

Balance sheet

The Income tax withheld on distributions of £993,000 is now included within 'Distributions payable', whereas under SORP 2010 the they would have been included within 'Creditors'.

2 Net capital gains/(losses)

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Net capital gains/(losses) on investments during the year comprise:		
Currency losses	(204)	(1,174)
Derivative contracts (losses)/gains	(737)	437
Expenses relating to the purchase and sale of investments	(1)	(2)
Forward currency contracts (losses)/gains	(15,312)	6,850
Non-derivative securities gains/(losses)	33,210	(11,433)
Net capital gains/(losses)	16,956	(5,322)

3 Revenue

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Bank and deposit interest	92	27
Interest on debt securities	17,842	19,388
Interest on derivatives	(257)	(23)
Revenue from offshore funds	1,923	1,641
Total revenue	19,600	21,033

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 Expenses

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Payable to the Authorised Corporate Director ("ACD"), associates of the ACD or agents of either of them:		
ACD's periodic charge	3,064	3,315
Registration fees	79	50
	3,143	3,365
Payable to the Depositary, associates of the Depositary or agents of either of them:		
Depositary's fee	42	37
Interest payable	11	–
Safe custody fee	33	39
	86	76
Other expenses:		
Audit fee*	10	11
Statement fees	14	20
	24	31
Total expenses	3,253	3,472
Less those expenses rebated by the ACD	(63)	(76)
Net expenses	3,190	3,396

* The audit fee was £9,161 (2015: £8,550) net of VAT.

5 Taxation

a Analysis of tax charge

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Corporation tax	–	–
Total current tax (see note 5b)	–	–

b Factors affecting current tax charge

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

The differences are explained below:

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Net revenue before taxation	16,410	17,637
Corporation tax at 20%	3,282	3,527
Effects of:		
Movement in excess expenses	2	–
Tax deductible on interest distributions	(3,284)	(3,527)
	(3,282)	(3,527)
Current tax charge (see note 5.a)	–	–

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)

5 Taxation (continued)

c Deferred tax

There was no provision for deferred tax at the year end (2015: £nil).

After claiming relief against accrued income taxable on receipt, the Fund has unrelieved excess expenses of £11,000 (2015: £nil) creating a potential deferred tax asset of £2,000 (2015: £nil). 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.

6 Distributions

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:		
Gross interest distribution for the six months ended 15 April	7,916	8,102
Gross interest distribution for the five months ended 15 September	6,783	7,210
Gross interest distribution for the one month ended 15 October	1,739	2,293
	16,438	17,605
Add: Revenue deducted on cancellation of shares	49	72
Deduct: Revenue received on issue of shares	(80)	(46)
Total distributions	16,407	17,631
Reconciliations of distributions for the year to net revenue after taxation		
Distributions for the year	16,407	17,631
Equalisation on conversions	3	6
Net revenue after taxation	16,410	17,637

Details of the distributions per share are set out in the distribution tables on pages 188 to 193.

7 Fair value hierarchy

	Assets at 15.10.16 £000	Liabilities at 15.10.16 £000	Assets at 15.10.15 £000	Liabilities at 15.10.15 £000
Valuation technique				
Quoted prices for identical instruments in active markets	37,711	–	30,226	(54)
Prices of recent transactions for identical instruments	–	–	6,200	–
Valuation techniques using observable market data	328,366	(3,108)	311,705	(56)
Total value	366,077	(3,108)	348,131	(110)

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 to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8 Debtors

	As at 15.10.16 £000	As at 15.10.15 £000
Accrued revenue	6,565	6,683
Amounts receivable on issue of shares	1,607	516
Sales awaiting settlement	45	1,206
Total debtors	8,217	8,405

9 Cash and bank balances

	As at 15.10.16 £000	As at 15.10.15 £000
Amounts held at futures clearing house and brokers	–	181
Cash and bank balances	20,016	5,467
Total cash and bank balances	20,016	5,648

10 Other creditors

	As at 15.10.16 £000	Restated* As at 15.10.15 £000
Accrued expenses	432	458
Amounts payable for cancellation of shares	532	630
Purchases awaiting settlement	–	2,885
Total creditors	964	3,973

*Refer to the accounting policies on page 181.

11 Contingent liabilities and commitments

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

12 Related party transactions

ACD periodic charges paid to Aviva Investors UK Fund Services Limited ("the ACD") are shown in note 4 and details of shares issued and cancelled by the ACD are shown in the statement of change in net assets attributable to shareholders. The balance due to the ACD at the year end in respect of ACD periodic charges was £388,000 (2015: £417,000). Any balance due from the ACD in respect of issues is shown in note 8. Any balance due to the ACD in respect of cancellations is shown in note 10.

Distributions payable to the ACD and related parties of the ACD during the year amounted to £2,444,000 (2015: £2,637,000). The amount outstanding at the year end was £243,000 (2015: £480,000). Related parties of the ACD are deemed to be all companies under the control of Aviva Plc. This will include companies which hold shares in the Fund on behalf of other external investors.

Any 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 £14,200,000 (2015: £2,505,000) and £15,600,000 (2015: £nil) respectively. The income received during the year amounted to £2,209,000 (2015: £1,917,000).

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

	Holdings at 15.10.16 (shares)	Movement (shares)	Holdings at 15.10.15 (shares)
ACD and related parties (share class SC 1 shares)	460,093	42,742	417,351
ACD and related parties (share class SC 2 shares)	8,428,222	5,570,061	2,858,161
ACD and related parties (share class SC 3 shares)	50,754,821	(2,502,312)	53,257,133
ACD and related parties (share class SC A shares)	5,591,579	(170,069)	5,761,648

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13 Shareholder funds

The Fund currently has four share classes: Class 1 and A (Retail), Class 2 (Institutional) and Class 3 (Associated undertakings of Aviva Plc). The annual management charges are as follows:

Class 1:	1.00%
Class 2:	0.50%
Class 3:	0.30%
Class A:	1.25%

The net asset value of the share class, the net asset value per share and the number of shares in the class are shown on pages 174 and 175. The distributions per share are given in the distribution tables on pages 188 to 193. All the share classes have the same rights on winding up.

14 Shares in issue reconciliation

	Number of shares in issue at 15.10.15	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 15.10.16
Class 1	498,979,977	5,928,720	(30,766,930)	(37,254,390)	436,887,377
Class 2	32,899,506	42,149,257	(2,835,565)	30,091,651	102,304,849
Class 3	53,257,133	3,942,995	(6,445,307)	–	50,754,821
Class A	53,393,926	3,433,297	(2,636,600)	(7,188,850)	47,001,773

15 Derivatives and other financial instruments

The policies applied in the management of financial instruments are set out on pages 8 and 9.

Currency risk

At the year end date, 0.14% (2015: 0.09%) of the net assets of the Fund were denominated in currencies other than sterling and as such, the currency risk is not considered significant.

Interest rate risk

At the year end date 89.72% (2015: 91.01%) of the net assets of the Fund were interest bearing. The interest rate profile of the Fund's financial assets and liabilities at 15 October 2016 was:

Currency 15.10.16	Floating Rate £000	Fixed Rate £000	None £000	Total £000
Financial Assets				
Sterling	29,652	252,355	109,002	391,009
Euro	3,770	37,323	38,447	79,540
US Dollar	4,809	20,460	398	25,667
Financial Liabilities				
Sterling	–	–	(3,250)	(3,250)
Euro	–	–	(79,112)	(79,112)
US Dollar	(27)	–	(25,551)	(25,578)
Total	38,204	310,138	39,934	388,276

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 Derivatives and other financial instruments (continued)**Interest rate risk (continued)**

Currency 15.10.15	Floating Rate £000	Fixed Rate £000	None £000	Total £000
Financial Assets				
Sterling	32,836	255,796	73,120	361,752
Euro	–	23,312	31,090	54,402
US Dollar	1,208	10,199	951	12,358
Financial Liabilities				
Sterling	–	–	(6,892)	(6,892)
Euro	–	–	(54,080)	(54,080)
US Dollar	–	–	(12,358)	(12,358)
Total	34,044	289,307	31,831	355,182

If interest rates were to change by 10%, the value of the Fund would change by 8.97%.

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

The floating rate financial assets comprise investments in variable interest rate paying corporate debt and bank balances that bear interest on LIBOR or its equivalent.

Market price risk

At the year end date, 93.48% (2015: 97.98%) of the net assets of the Fund were invested in ordinary shares or stock units or debt securities admitted to an official stock exchange. If the market value were to change by 10%, the value of the Fund would change by 9.35%.

16 Counterparty Exposure**Financial derivative exposure**

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

15.10.16	Credit default swaps £000	Forward currency contracts £000	Futures contracts £000	Total £000
Goldman Sachs	–	(1,871)	–	(1,871)
JPMorgan	–	–	152	152
Royal Bank of Scotland	–	(885)	–	(885)
UBS	–	13	–	13
Total	–	(2,743)	152	(2,591)

15.10.15	Credit default swaps £000	Forward currency contracts £000	Futures contracts £000	Total £000
Barclays	8,846	–	–	8,846
Citibank	–	(33)	–	(33)
JPMorgan	–	–	(5,022)	(5,022)
Société Générale	–	96	–	96
Total	8,846	63	(5,022)	63

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

Collateral

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17 Debt security credit analysis

	Market value £000		Total net assets %	
	15.10.16	15.10.15	15.10.16	15.10.15
Investment grade	161,198	162,283	41.53	45.71
Below investment grade	156,673	133,382	40.34	37.54
Unrated	10,482	15,944	2.70	4.49
Total debt securities	328,353	311,609	84.57	87.74

The Fund invests in credit default swaps to adjust the credit risk profile of the Fund. The notional exposure of these swaps has been included in the above table.

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

18 Direct transaction costs

Due to the nature of the investments held, no transaction costs or taxes were incurred on the Fund's purchases or sales during the current year ended 15 October 2016 (2015: £nil). The total purchases for the year amounted to £94,230,000 (2015: £116,557,000) and the total sales amounted to £102,646,000 (2015: £124,144,000).

Dealing spread

As at 15 October 2016, the average portfolio dealing spread was 0.45% (2015: 1.05%). This spread represents the difference between the values determined retrospectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

19 Post balance sheet events

There are no post balance sheet events which require adjustment or disclosure at the year end (2015: £nil).

DISTRIBUTION TABLES

Final distribution payable in pence per share for the month ended 15 October 2016

Income shares		Gross revenue	Income tax	Net revenue	Equalisation	Final distribution payable 14 November 2016	Final distribution paid 14 November 2015
Share Class 1	Group 1	0.2350	0.0470	0.1880	–	0.1880	0.2860
	Group 2	0.0165	0.0033	0.0132	0.1748	0.1880	0.2860
Share Class 2	Group 1	0.3546	0.0709	0.2837	–	0.2837	0.3205
	Group 2	0.1303	0.0261	0.1042	0.1795	0.2837	0.3205
Share Class 3	Group 1	0.5111	0.1022	0.4089	–	0.4089	0.4588
	Group 2	0.0769	0.0154	0.0615	0.3474	0.4089	0.4588
Share Class A	Group 1	0.2281	0.0456	0.1825	–	0.1825	0.2800
	Group 2	0.0994	0.0199	0.0795	0.1030	0.1825	0.2800

Final distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 September 2016.

Group 2 shares are those shares purchased after 12:00 noon on 15 September 2016.

Interim distribution paid in pence per share for the month ended 15 September 2016

Income shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 14 October 2016	Interim distribution paid 14 October 2015
Share Class 1	Group 1	0.1875	0.0375	0.1500	–	0.1500	0.1550
	Group 2	0.0000	0.0000	0.0000	0.1500	0.1500	0.1550
Share Class 2	Group 1	0.2393	0.0479	0.1914	–	0.1914	0.2453
	Group 2	0.1399	0.0280	0.1119	0.0795	0.1914	0.2453
Share Class 3	Group 1	0.3553	0.0711	0.2842	–	0.2842	0.3575
	Group 2	0.1434	0.0287	0.1147	0.1695	0.2842	0.3575
Share Class A	Group 1	0.1889	0.0378	0.1511	–	0.1511	0.1600
	Group 2	0.0766	0.0153	0.0613	0.0898	0.1511	0.1600

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 August 2016.

Group 2 shares are those shares purchased after 12:00 noon on 15 August 2016.

DISTRIBUTION TABLES (CONTINUED)

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

Income shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 14 September 2016	Interim distribution paid 14 September 2015
Share Class 1	Group 1	0.1875	0.0375	0.1500	–	0.1500	0.1550
	Group 2	0.0000	0.0000	0.0000	0.1500	0.1500	0.1550
Share Class 2	Group 1	0.2651	0.0530	0.2121	–	0.2121	0.2880
	Group 2	0.0864	0.0173	0.0691	0.1430	0.2121	0.2880
Share Class 3	Group 1	0.3900	0.0780	0.3120	–	0.3120	0.4145
	Group 2	0.1246	0.0249	0.0997	0.2123	0.3120	0.4145
Share Class A	Group 1	0.1938	0.0388	0.1550	–	0.1550	0.1600
	Group 2	0.0174	0.0035	0.0139	0.1411	0.1550	0.1600

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 July 2016.

Group 2 shares are those shares purchased after 12:00 noon on 15 July 2016.

Interim distribution paid in pence per share for the month ended 15 July 2016

Income shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 14 August 2016	Interim distribution paid 14 August 2015
Share Class 1	Group 1	0.1875	0.0375	0.1500	–	0.1500	0.1550
	Group 2	0.0000	0.0000	0.0000	0.1500	0.1500	0.1550
Share Class 2	Group 1	0.3903	0.0781	0.3122	–	0.3122	0.2702
	Group 2	0.1613	0.0323	0.1290	0.1832	0.3122	0.2702
Share Class 3	Group 1	0.5598	0.1120	0.4478	–	0.4478	0.3902
	Group 2	0.1629	0.0326	0.1303	0.3175	0.4478	0.3902
Share Class A	Group 1	0.1938	0.0388	0.1550	–	0.1550	0.1600
	Group 2	0.0534	0.0107	0.0427	0.1123	0.1550	0.1600

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 June 2016.

Group 2 shares are those shares purchased after 12:00 noon on 15 June 2016.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the month ended 15 June 2016

Income shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 14 July 2016	Interim distribution paid 14 July 2015
Share Class 1	Group 1	0.1875	0.0375	0.1500	–	0.1500	0.1550
	Group 2	0.0470	0.0094	0.0376	0.1124	0.1500	0.1550
Share Class 2	Group 1	0.3024	0.0605	0.2419	–	0.2419	0.2314
	Group 2	0.1529	0.0306	0.1223	0.1196	0.2419	0.2314
Share Class 3	Group 1	0.4420	0.0884	0.3536	–	0.3536	0.3381
	Group 2	0.0880	0.0176	0.0704	0.2832	0.3536	0.3381
Share Class A	Group 1	0.1938	0.0388	0.1550	–	0.1550	0.1600
	Group 2	0.0769	0.0154	0.0615	0.0935	0.1550	0.1600

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 May 2016.

Group 2 shares are those shares purchased after 12:00 noon on 15 May 2016.

Interim distribution paid in pence per share for the month ended 15 May 2016

Income shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 14 June 2016	Interim distribution paid 14 June 2015
Share Class 1	Group 1	0.1875	0.0375	0.1500	–	0.1500	0.1550
	Group 2	0.0038	0.0007	0.0031	0.1470	0.1500	0.1550
Share Class 2	Group 1	0.2549	0.0510	0.2039	–	0.2039	0.2313
	Group 2	0.0994	0.0199	0.0795	0.1244	0.2039	0.2313
Share Class 3	Group 1	0.3725	0.0745	0.2980	–	0.2980	0.3376
	Group 2	0.0329	0.0066	0.0263	0.2717	0.2980	0.3376
Share Class A	Group 1	0.1938	0.0388	0.1550	–	0.1550	0.1600
	Group 2	0.0428	0.0086	0.0342	0.1208	0.1550	0.1600

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 April 2016.

Group 2 shares are those shares purchased after 12:00 noon on 15 April 2016.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the month ended 15 April 2016

Income shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 14 May 2016	Interim distribution paid 14 May 2015
Share Class 1	Group 1	0.1813	0.0363	0.1450	–	0.1450	0.1500
	Group 2	0.0000	0.0000	0.0000	0.1450	0.1450	0.1500
Share Class 2	Group 1	0.3755	0.0751	0.3004	–	0.3004	0.3186
	Group 2	0.1601	0.0320	0.1281	0.1723	0.3004	0.3186
Share Class 3	Group 1	0.5400	0.1080	0.4320	–	0.4320	0.4588
	Group 2	0.0783	0.0157	0.0626	0.3694	0.4320	0.4588
Share Class A	Group 1	0.1875	0.0375	0.1500	–	0.1500	0.1550
	Group 2	0.0151	0.0030	0.0121	0.1379	0.1500	0.1550

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 March 2016.

Group 2 shares are those shares purchased after 12:00 noon on 15 March 2016.

Interim distribution paid in pence per share for the month ended 15 March 2016

Income shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 14 April 2016	Interim distribution paid 14 April 2015
Share Class 1	Group 1	0.1813	0.0363	0.1450	–	0.1450	0.1400
	Group 2	0.0000	0.0000	0.0000	0.1450	0.1450	0.1400
Share Class 2	Group 1	0.2579	0.0516	0.2063	–	0.2063	0.2032
	Group 2	0.1573	0.0315	0.1258	0.0805	0.2063	0.2032
Share Class 3	Group 1	0.3765	0.0753	0.3012	–	0.3012	0.2976
	Group 2	0.1333	0.0267	0.1066	0.1946	0.3012	0.2976
Share Class A	Group 1	0.1875	0.0375	0.1500	–	0.1500	0.1450
	Group 2	0.0486	0.0097	0.0389	0.1111	0.1500	0.1450

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 February 2016.

Group 2 shares are those shares purchased after 12:00 noon on 15 February 2016.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the month ended 15 February 2016

Income shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 14 March 2016	Interim distribution paid 14 March 2015
Share Class 1	Group 1	0.1813	0.0363	0.1450	–	0.1450	0.1400
	Group 2	0.0000	0.0000	0.0000	0.1450	0.1450	0.1400
Share Class 2	Group 1	0.2743	0.0549	0.2194	–	0.2194	0.2024
	Group 2	0.1166	0.0233	0.0933	0.1261	0.2194	0.2024
Share Class 3	Group 1	0.4009	0.0802	0.3207	–	0.3207	0.2970
	Group 2	0.0598	0.0120	0.0478	0.2729	0.3207	0.2970
Share Class A	Group 1	0.1875	0.0375	0.1500	–	0.1500	0.1450
	Group 2	0.0228	0.0046	0.0182	0.1318	0.1500	0.1450

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 January 2016.

Group 2 shares are those shares purchased after 12:00 noon on 15 January 2016.

Interim distribution paid in pence per share for the month ended 15 January 2016

Income shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 14 February 2016	Interim distribution paid 14 February 2015
Share Class 1	Group 1	0.1813	0.0363	0.1450	–	0.1450	0.1400
	Group 2	0.0000	0.0000	0.0000	0.1450	0.1450	0.1400
Share Class 2	Group 1	0.3790	0.0758	0.3032	–	0.3032	0.2967
	Group 2	0.1519	0.0304	0.1215	0.1817	0.3032	0.2967
Share Class 3	Group 1	0.5444	0.1089	0.4355	–	0.4355	0.4272
	Group 2	0.0229	0.0046	0.0183	0.4172	0.4355	0.4272
Share Class A	Group 1	0.1875	0.0375	0.1500	–	0.1500	0.1450
	Group 2	0.0006	0.0001	0.0005	0.1495	0.1500	0.1450

Interim distribution

Group 1 shares are those shares purchased at or before 9am on 15 December 2015.

Group 2 shares are those shares purchased after 12:00 noon on 15 December 2015.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the month ended 15 December 2015

Income shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 14 January 2016	Interim distribution paid 14 January 2015
Share Class 1	Group 1	0.1746	0.0349	0.1397	–	0.1397	0.1300
	Group 2	0.1041	0.0208	0.0833	0.0564	0.1397	0.1300
Share Class 2	Group 1	0.2880	0.0576	0.2304	–	0.2304	0.2356
	Group 2	0.1345	0.0269	0.1076	0.1228	0.2304	0.2356
Share Class 3	Group 1	0.4206	0.0841	0.3365	–	0.3365	0.3436
	Group 2	0.1388	0.0278	0.1110	0.2255	0.3365	0.3436
Share Class A	Group 1	0.1766	0.0353	0.1413	–	0.1413	0.1350
	Group 2	0.0858	0.0172	0.0686	0.0727	0.1413	0.1350

Interim distribution

Group 1 shares are those shares purchased at or before 9am on 15 November 2015.

Group 2 shares are those shares purchased after 12:00 noon on 15 November 2015.

Interim distribution paid in pence per share for the month ended 15 November 2015

Income shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 14 December 2015	Interim distribution paid 14 December 2014
Share Class 1	Group 1	0.1500	0.0300	0.1200	–	0.1200	0.1300
	Group 2	0.0506	0.0101	0.0405	0.0795	0.1200	0.1300
Share Class 2	Group 1	0.2483	0.0497	0.1986	–	0.1986	0.2301
	Group 2	0.1229	0.0246	0.0983	0.1003	0.1986	0.2301
Share Class 3	Group 1	0.3639	0.0728	0.2911	–	0.2911	0.3349
	Group 2	0.0510	0.0102	0.0408	0.2503	0.2911	0.3349
Share Class A	Group 1	0.1510	0.0302	0.1208	–	0.1208	0.1350
	Group 2	0.0733	0.0147	0.0586	0.0622	0.1208	0.1350

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 October 2015.

Group 2 shares are those shares purchased after 12:00 noon on 15 October 2015.

Equalisation

Equalisation applies only to Group 2 shares, in other words shares purchased during the relevant 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 MANAGED HIGH INCOME FUND

INVESTMENT OBJECTIVE

To provide a high level of investment income.

INVESTMENT POLICY

Diversified investment in global fixed interest securities issued in a variety of currencies by governments, supranational institutions and corporates.

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

FUND MANAGER'S REPORT

Over the twelve months ended 15 October 2016, the Aviva Investors Managed High Income Fund delivered a total return of 8.04 per cent (share class 1), net of fees. The Fund's peer group, the Investment Association's (IA) Sterling Strategic Bond sector, generated a net return of 6.81 per cent.

The Fund's outperformance was driven by the overweighting of UK corporate bonds, which performed better than their US and European peers. The exposure to rallying emerging market bonds was also supportive of returns. These positives offset the drag of the Fund's cautious positioning in what turned out to be a strong twelve months for bond markets. The major surprise was the announcement by both the European Central Bank and the Bank of England that they were intervening in the markets to buy corporate bonds. This created huge technical support, which was at odds with the somewhat stretched nature of many companies' balance sheets. The rebound of commodity markets from their winter slump also detracted from performance given our general avoidance of the oils, metals and mining sectors. The portfolio did benefit, however, from the underweighting of house builders and financials.

During the period, the portfolio was broadly diversified across countries, sectors and the market capitalisation spectrum. In sector terms, the Fund was overweight in telecoms, a sector we felt was ripe for consolidation, media and non-bank financials. We were underweight in banks, health care, oil & gas and consumer goods. In the UK market, which we held as an overweight position relative to the US and Europe, we preferred medium and smaller companies over the blue-chips of the FTSE® 100 Index.

The most recent reporting season was characterised by deteriorating credit fundamentals as companies announced sluggish revenue growth, peaking profit margins and a further increase in borrowings. However, investors' caution on the weaker financial position of many companies has been overpowered by a wave of global liquidity and a scarcity of high-quality financial assets.

This situation can persist in the short term but, over a longer horizon, we are concerned that the risks of investing in corporate bonds will start to outweigh the potential rewards. 2017 is an election year in a number of European countries and confidence could be rattled if the results fuel uncertainty about the future of the EU. The year could also see the US and European central banks taking divergent paths in their monetary policy.

November 2016

Sources: Fund and peer group performance figures – Lipper, a Thomson Reuters Company, mid to mid basis with net income reinvested in GBP, with no initial charges applied. Market data – Bloomberg.

As noted above, the performance figures in this commentary have been sourced from an external party and are based on published prices. The performance figures quoted in the comparative tables on pages 195 and 196 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 an investment and any income from it can go down as well as up. Investors may not get back the original amount invested.

Material Portfolio Changes

Purchases	Sales
UK Treasury 3.75% 07/09/2021	UK Treasury 3.75% 07/09/2021
Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP	UK Treasury 4.75% 07/12/2038
UK Treasury 4.75% 07/12/2038	Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP
Unitymedia Hessen 4.63% 15/02/2026	Bank of Scotland 6.88% 17/05/2015
Quintiles IMS 3.50% 15/10/2024	Total, FRN 2.63% Perpetual
Telefonica Europe, FRN 6.75% Perpetual	Veolia Environnement, FRN 4.85% Perpetual
Telecom Italia 5.88% 19/05/2023	Goldman Sachs Group 6.13% 14/05/2017
Royal Bank of Scotland, FRN 9.50% 16/03/2022	BHP Billiton Finance, FRN 6.50% 22/10/2077
MPT Operating Partnership, REIT 6.38% 01/03/2024	Aviva Investors – Emerging Markets Bond Fund, Class Zqh, Income shares, EUR
Schaeffler Finance, 3.25% 15/05/2025	Imperial Brands Finance 4.25% 21/07/2025

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'.
- 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.
- Full information on the risks applicable to the Fund is detailed in the Prospectus.

COMPARATIVE TABLES

Class 1 Income	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	50.87	52.16	50.40
Return before operating charges [†]	5.19	1.64	4.68
Operating charges	(0.72)	(0.73)	(0.72)
Return after operating charges [†]	4.47	0.91	3.96
Distributions on income shares	(2.24)	(2.20)	(2.20)
Closing net asset value per share	53.10	50.87	52.16
Retained distributions on accumulation shares	–	–	–
[†] after direct transaction costs of	–	–	–
Performance			
Return after charges	8.79%	1.74%	7.86%
Other information			
Closing net asset value (£000)	48,265	53,266	60,990
Closing number of shares	90,893,924	104,702,819	116,932,422
Operating charges (%) [†]	1.39%	1.39%	1.39%
Direct transaction costs (%) [‡]	–	–	–
Prices[™]			
Highest share price	54.54	53.96	53.13
Lowest share price	48.83	50.62	51.00

Class 3 Income	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	102.51	105.10	101.55
Return before operating charges [†]	10.44	3.31	9.44
Operating charges	(0.36)	(0.35)	(0.36)
Return after operating charges [†]	10.08	2.96	9.08
Distributions on income shares	(5.60)	(5.55)	(5.53)
Closing net asset value per share	106.99	102.51	105.10
Retained distributions on accumulation shares	–	–	–
[†] after direct transaction costs of	–	–	–
Performance			
Return after charges	9.83%	2.82%	8.94%
Other information			
Closing net asset value (£000)	92,579	88,205	88,574
Closing number of shares	86,526,224	86,042,989	84,277,685
Operating charges (%) [†]	0.34%	0.34%	0.34%
Direct transaction costs (%) [‡]	–	–	–
Prices[™]			
Highest share price	109.83	108.76	107.05
Lowest share price	98.34	101.95	102.78

Class 2 Income	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	76.34	78.26	75.62
Return before operating charges [†]	7.77	2.47	7.03
Operating charges	(0.50)	(0.50)	(0.50)
Return after operating charges [†]	7.27	1.97	6.53
Distributions on income shares	(3.94)	(3.89)	(3.89)
Closing net asset value per share	79.67	76.34	78.26
Retained distributions on accumulation shares	–	–	–
[†] after direct transaction costs of	–	–	–
Performance			
Return after charges	9.52%	2.52%	8.64%
Other information			
Closing net asset value (£000)	13,116	13,537	5,461
Closing number of shares	16,462,664	17,732,794	6,978,512
Operating charges (%) [†]	0.64%	0.64%	0.64%
Direct transaction costs (%) [‡]	–	–	–
Prices[™]			
Highest share price	81.77	80.97	79.71
Lowest share price	73.23	75.91	76.53

COMPARATIVE TABLES (CONTINUED)

Class 3 Accumulation	2016 p per share	2015 p per share	2014 [§] p per share
Change in net assets per share			
Opening net asset value per share	–	–	142.98
Return before operating charges [†]	–	–	0.50
Operating charges	–	–	(0.50)
Return after operating charges [†]	–	–	–
Distributions on income shares	–	–	–
Closing net asset value per share	–	–	–
Retained distributions on accumulation shares	–	–	–
[†] after direct transaction costs of	–	–	–
Performance			
Return after charges	–	–	–
Other information			
Closing net asset value (£000)	–	–	–
Closing number of shares	–	–	–
Operating charges (%) [‡]	–	–	0.34%
Direct transaction costs (%) [#]	–	–	–
Prices[≈]			
Highest share price	–	–	148.05
Lowest share price	–	–	145.15

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

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

(b) The Ongoing Charge 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.

[§] Class 3 Accumulation closed on 22 January 2014.

Ongoing Charges Figure*

Share class	15.10.16	15.10.15
Class 1	1.39%	1.39%
Class 2	0.64%	0.64%
Class 3	0.34%	0.34%

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

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

PORTFOLIO STATEMENT

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Collective Investment Schemes 9.81% (8.13%)				
Luxembourg 9.81% (8.13%)				
Aviva Investors – Emerging Markets Bond Fund, Class Zqh, Income shares, EUR [†]	EUR	16,189	15,107	9.81
			15,107	9.81
Collective Investment Schemes total			15,107	9.81
Equities 0.09% (0.10%)				
Ireland 0.09% (0.10%)				
Independent News & Media	EUR	1,284,294	144	0.09
			144	0.09
Equities total			144	0.09
Government Bonds 1.12% (1.81%)				
United Kingdom 1.12% (1.81%)				
UK Treasury 4.75% 07/12/2038	GBP	1,100,000	1,720	1.12
			1,720	1.12
Government Bonds total			1,720	1.12
Corporate Bonds 90.05% (86.45%)				
Australia 1.10% (1.88%)				
Goodman Australia Finance, REIT 9.75% 16/07/2018	GBP	1,500,000	1,696	1.10
			1,696	1.10
Bermuda 1.51% (0.61%)				
Aircastle 7.63% 15/04/2020	USD	1,000,000	926	0.60
Aircastle 5.50% 15/02/2022	USD	330,000	290	0.19
IHS Markit 5.00% 01/11/2022	USD	1,280,000	1,111	0.72
			2,327	1.51
Canada 2.17% (2.33%)				
ATS Automation Tooling Systems 6.50% 15/06/2023	USD	250,000	211	0.14
Eldorado Gold 6.13% 15/12/2020	USD	855,000	707	0.46
IAMGOLD 6.75% 01/10/2020	USD	550,000	439	0.28
Reliance Intermediate Holdings 6.50% 01/04/2023	USD	750,000	644	0.42
Valeant Pharmaceuticals International 5.63% 01/12/2021	USD	715,000	509	0.33
Yamana Gold 4.95% 15/07/2024	USD	1,000,000	838	0.54
			3,348	2.17
Cayman Islands 1.54% (1.38%)				
THPA Finance, Series B 8.24% 15/03/2028	GBP	1,300,000	1,603	1.04
UPCB Finance IV 5.38% 15/01/2025	USD	945,000	775	0.50
			2,378	1.54
France 4.90% (6.72%)				
AXA, FRN 5.45% Perpetual	GBP	750,000	786	0.51
AXA, FRN 5.62% 16/01/2054	GBP	1,200,000	1,280	0.83
Electricite de France, FRN 6.00% Perpetual	GBP	1,500,000	1,491	0.97
Horizon Holdings I 7.25% 01/08/2023	EUR	1,129,000	1,064	0.69
Lafarge 8.75% 30/05/2017	GBP	1,250,000	1,307	0.85
Orange, FRN 5.87% Perpetual	GBP	1,500,000	1,616	1.05
			7,544	4.90
Germany 0.93% (0.00%)				
Unitymedia Hessen 4.63% 15/02/2026	EUR	1,500,000	1,435	0.93
			1,435	0.93
Italy 3.18% (2.02%)				
Enel, FRN 8.75% 24/09/2073	USD	2,750,000	2,618	1.70
Telecom Italia 5.88% 19/05/2023	GBP	2,000,000	2,273	1.48
			4,891	3.18

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Jersey 2.54% (2.16%)				
AA Bond 5.50% 31/07/2043	GBP	500,000	498	0.32
Adient Global Holdings 3.50% 15/08/2024	EUR	815,000	734	0.48
Adient Global Holdings 4.88% 15/08/2026	USD	410,000	334	0.22
CPUK Finance 7.00% 28/08/2042	GBP	669,000	706	0.46
Heathrow Funding 7.13% 14/02/2024	GBP	1,250,000	1,634	1.06
			3,906	2.54
Luxembourg 1.89% (2.30%)				
Altice Luxembourg 7.25% 15/05/2022	EUR	1,000,000	960	0.62
Altice Luxembourg 7.75% 15/05/2022	USD	1,000,000	868	0.57
Intelsat Jackson Holdings 8.00% 15/02/2024	USD	470,000	385	0.25
Wind Acquisition Finance 4.75% 15/07/2020	USD	840,000	691	0.45
			2,904	1.89
Mexico 1.39% (1.23%)				
America Movil 4.38% 07/08/2041	GBP	1,400,000	1,615	1.05
America Movil, FRN 6.37% 06/09/2073	GBP	500,000	528	0.34
			2,143	1.39
Netherlands 6.41% (3.56%)				
CNH Industrial 4.50% 15/08/2023	USD	725,000	597	0.39
ING Bank, FRN 6.87% 29/05/2023	GBP	1,200,000	1,281	0.83
innogy Finance 5.50% 06/07/2022	GBP	500,000	594	0.38
NXP BV 4.13% 15/06/2020	USD	820,000	713	0.46
Petrobras Global Finance 5.38% 01/10/2029	GBP	1,200,000	1,001	0.65
Samvardhana Moterson Automotive Systems Group 4.13% 15/07/2021	EUR	1,138,000	1,043	0.68
Siemens Financieringsmaatschappij 3.75% 10/09/2042	GBP	1,000,000	1,250	0.81
Telefonica Europe, FRN 6.75% Perpetual	GBP	1,100,000	1,170	0.76
UPC Holding 6.75% 15/03/2023	EUR	1,400,000	1,355	0.88
Ziggo Secured Finance 3.75% 15/01/2025	EUR	630,000	568	0.37
Ziggo Secured Finance 5.50% 15/01/2027	USD	375,000	303	0.20
			9,875	6.41
United Kingdom 26.83% (27.91%)				
Anglian Water Osprey Financing 7.00% 31/01/2018	GBP	1,400,000	1,500	0.97
Aviva, FRN 6.87% 20/05/2058†	GBP	1,600,000	1,858	1.21
Barclays Bank 10.00% 21/05/2021	GBP	1,500,000	1,910	1.24
Crh Finance 4.13% 02/12/2029	GBP	541,000	621	0.40
Eversholt Funding 6.70% 22/02/2035	GBP	1,000,000	1,393	0.90
First Hydro Finance 9.00% 31/07/2021	GBP	1,400,000	1,844	1.20
Firstgroup 6.13% 18/01/2019	GBP	1,450,000	1,590	1.03
GlaxoSmithKline Capital 4.25% 18/12/2045	GBP	650,000	870	0.57
Greene King Finance 4.06% 15/03/2035	GBP	373,106	399	0.26
Imperial Brands Finance 9.00% 17/02/2022	GBP	1,500,000	2,051	1.33
Investec Bank 9.63% 17/02/2022	GBP	1,500,000	1,795	1.17
Jaguar Land Rover Automotive 5.00% 15/02/2022	GBP	600,000	661	0.43
Juturna European Loan Conduit No 16 5.06% 10/08/2033	GBP	1,351,814	1,608	1.04
Kelda Finance No. 3 5.75% 17/02/2020	GBP	1,000,000	1,091	0.71
Legal & General Group, FRN 10.00% 23/07/2041	GBP	1,600,000	2,068	1.34
Lloyds Bank, FRN 10.75% 16/12/2021	GBP	1,300,000	1,320	0.86
Mitchells & Butlers Finance, Series C1 6.47% 15/09/2030	GBP	1,800,000	2,217	1.44
New Look Secured Issuer 6.50% 01/07/2022	GBP	1,750,000	1,606	1.04
Newcastle Building Society, FRN 3.89% 23/12/2019	GBP	1,200,000	1,020	0.66
Paragon Group, FRN 3.73% 20/04/2017	GBP	1,500,000	1,489	0.97
Prudential, FRN 11.37% 29/05/2039	GBP	1,270,000	1,550	1.01
RAC Bond 4.57% 06/05/2023	GBP	459,000	502	0.33
RAC Bond 4.87% 06/05/2046	GBP	427,000	478	0.31
Royal Bank of Scotland, FRN 9.50% 16/03/2022	USD	1,500,000	1,260	0.82
RSA Insurance Group, FRN 9.37% 20/05/2039	GBP	2,000,000	2,321	1.51
Standard Chartered 4.38% 18/01/2038	GBP	1,000,000	1,109	0.72

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
United Kingdom 26.83% (27.91%) (continued)				
Tesco Property Finance 3 5.74% 13/04/2040	GBP	1,224,310	1,218	0.79
Travis Perkins 4.38% 15/09/2021	GBP	1,000,000	1,026	0.67
Virgin Media Secured Finance 5.50% 15/01/2025	GBP	1,350,000	1,376	0.89
Western Power Distribution West Midlands 5.75% 16/04/2032	GBP	1,100,000	1,550	1.01
			41,301	26.83
United States of America 35.66% (34.35%)				
Acadia Healthcare 6.13% 15/03/2021	USD	510,000	428	0.28
Acadia Healthcare 6.50% 01/03/2024	USD	160,000	137	0.09
Alcoa 5.13% 01/10/2024	USD	690,000	592	0.38
Alliance Data Systems 5.38% 01/08/2022	USD	1,200,000	964	0.63
Ally Financial 4.13% 13/02/2022	USD	890,000	735	0.48
AMC Entertainment 5.88% 15/02/2022	USD	750,000	632	0.41
Antero Resources 5.13% 01/12/2022	USD	850,000	699	0.45
AT&T 4.25% 01/06/2043	GBP	2,100,000	2,310	1.50
Avis Budget Car Rental 5.13% 01/06/2022	USD	785,000	643	0.42
Boyd Gaming 6.88% 15/05/2023	USD	55,000	49	0.03
Boyd Gaming 6.38% 01/04/2026	USD	110,000	96	0.06
Calpine 5.75% 15/01/2025	USD	1,000,000	809	0.53
CCO Holdings 5.50% 01/05/2026	USD	850,000	723	0.47
Century Communities 6.88% 15/05/2022	USD	855,000	709	0.46
CenturyLink 7.50% 01/04/2024	USD	400,000	346	0.22
CIT Group 5.50% 15/02/2019	USD	900,000	783	0.51
CIT Group 5.00% 15/08/2022	USD	850,000	742	0.48
Citigroup 4.50% 03/03/2031	GBP	1,500,000	1,668	1.08
CNO Financial Group 4.50% 30/05/2020	USD	1,150,000	963	0.63
Constellis Holdings 9.75% 15/05/2020	USD	915,000	746	0.48
Crescent Communities 8.88% 15/10/2021	USD	175,000	144	0.09
CSC Holdings 6.63% 15/10/2025	USD	415,000	368	0.24
CSC Holdings 5.50% 15/04/2027	USD	400,000	332	0.22
CVR Partners 9.25% 15/06/2023	USD	470,000	376	0.24
CyrusOne 6.38% 15/11/2022	USD	1,300,000	1,120	0.73
DaVita 5.13% 15/07/2024	USD	850,000	701	0.46
Diamond 1 Finance 7.13% 15/06/2024	USD	1,000,000	898	0.58
Diamond 1 Finance 8.35% 15/07/2046	USD	1,500,000	1,505	0.98
DPL 7.25% 15/10/2021	USD	890,000	749	0.49
Dynegy 8.00% 15/01/2025	USD	220,000	180	0.12
Equinix, REIT 5.88% 15/01/2026	USD	680,000	595	0.39
FGI Operating 7.88% 01/05/2020	USD	350,000	238	0.15
First Data 5.38% 15/08/2023	USD	700,000	593	0.39
Frontier Communications 10.50% 15/09/2022	USD	910,000	779	0.51
Greatbatch 9.13% 01/11/2023	USD	900,000	712	0.46
Greektown Holdings 8.88% 15/03/2019	USD	375,000	324	0.21
Greystar Real Estate Partners 8.25% 01/12/2022	USD	900,000	794	0.52
HCA 5.88% 01/05/2023	USD	1,250,000	1,083	0.70
HealthSouth 5.75% 01/11/2024	USD	910,000	767	0.50
Huntsman International 5.13% 15/11/2022	USD	1,000,000	851	0.55
INVISTA Finance 4.25% 15/10/2019	USD	850,000	697	0.45
Iron Mountain, REIT 6.00% 01/10/2020	USD	500,000	431	0.28
JC Penney 5.88% 01/07/2023	USD	210,000	177	0.12
JPMorgan Chase 3.50% 18/12/2026	GBP	1,300,000	1,423	0.92
Level 3 Financing 5.13% 01/05/2023	USD	1,250,000	1,047	0.68
Live Nation Entertainment 5.38% 15/06/2022	USD	1,000,000	846	0.55
M/I Homes 6.75% 15/01/2021	USD	650,000	558	0.36
MGM Growth Properties Operating Partnership, REIT 4.50% 01/09/2026	USD	200,000	163	0.11
MGM Resorts International 8.63% 01/02/2019	USD	875,000	807	0.52
Mohegan Tribal Gaming Authority 9.75% 01/09/2021	USD	370,000	324	0.21
MPT Operating Partnership, REIT 6.38% 01/03/2024	USD	1,250,000	1,115	0.72
MSCI 5.75% 15/08/2025	USD	850,000	742	0.48

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
United States of America 35.66% (34.35%) (continued)				
Murphy Oil 6.88% 15/08/2024	USD	275,000	235	0.15
NRG Energy 6.63% 15/01/2027	USD	540,000	437	0.28
Nuance Communications 6.00% 01/07/2024	USD	875,000	756	0.49
OneMain Financial Holdings 6.75% 15/12/2019	USD	1,290,000	1,104	0.72
Parsley Energy 6.25% 01/06/2024	USD	135,000	116	0.08
Post Holdings 5.00% 15/08/2026	USD	525,000	423	0.27
Potlatch, REIT 7.50% 01/11/2019	USD	715,000	652	0.42
QCP SNF West, REIT 8.13% 01/11/2023	USD	400,000	333	0.22
Quintiles IMS 3.50% 15/10/2024	EUR	1,400,000	1,289	0.84
Quintiles IMS 5.00% 15/10/2026	USD	200,000	168	0.11
Resolute Forest Products 5.88% 15/05/2023	USD	765,000	531	0.35
Rockies Express Pipeline 6.00% 15/01/2019	USD	365,000	315	0.20
RSP Permian 6.63% 01/10/2022	USD	400,000	345	0.22
Sirius XM Radio 6.00% 15/07/2024	USD	800,000	699	0.45
Sprint 7.25% 15/09/2021	USD	500,000	411	0.27
Sprint Communications 9.00% 15/11/2018	USD	390,000	351	0.23
Standard Industries 6.00% 15/10/2025	USD	840,000	733	0.48
Tempur Sealy International 5.63% 15/10/2023	USD	1,000,000	854	0.55
Tenet Healthcare 5.00% 01/03/2019	USD	1,000,000	808	0.52
T-Mobile USA 6.50% 15/01/2026	USD	1,000,000	894	0.58
Toll Brothers Finance 5.88% 15/02/2022	USD	825,000	737	0.48
Toll Brothers Finance 4.88% 15/11/2025	USD	250,000	209	0.14
Tribune Media 5.88% 15/07/2022	USD	760,000	627	0.41
United Rentals North America 5.88% 15/09/2026	USD	250,000	209	0.14
Univision Communications 5.13% 15/02/2025	USD	1,260,000	1,031	0.67
Vector Group 7.75% 15/02/2021	USD	1,225,000	1,048	0.68
Verizon Communications 4.13% 15/08/2046	USD	732,000	584	0.38
Western Digital 10.50% 01/04/2024	USD	1,090,000	1,026	0.67
Westmoreland Coal 8.75% 01/01/2022	USD	1,500,000	965	0.63
ZF North America Capital 4.50% 29/04/2022	USD	915,000	791	0.51
			54,894	35.66
Corporate Bonds total			138,642	90.05
Swaps (0.05)% (0.00%)				
Credit Default Swap Barclays Buy French Republic 4.25% 25/04/2019 20/12/2016	USD	3,100,000	(1)	–
Credit Default Swap Barclays Buy iTraxx Europe Series 25 Version 1 20/06/2021	EUR	5,500,000	(76)	(0.05)
Swaps total			(77)	(0.05)
Forward Currency Contracts (2.08)% (0.30%)				
Buy GBP 23,326,756 sell EUR 26,490,000 dated 09/01/2017			(565)	(0.37)
Buy GBP 61,338,415 sell USD 78,410,000 dated 09/01/2017			(2,637)	(1.71)
Buy USD 150,000 sell GBP 122,780 dated 09/01/2017			–	–
Forward Currency Contracts total			(3,202)	(2.08)
Futures 0.05% ((0.02)%)				
US Ultra Bond 20/12/2016	USD	(9)	68	0.05
Futures total			68	0.05
Investment assets			152,402	98.99
Net other assets			1,558	1.01
Net assets			153,960	100.00

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

The comparative percentage figures in brackets are as at 15 October 2015.

† Investment in or managed by a related party.

STATEMENT OF TOTAL RETURN

For the year ended 15 October 2016

	Notes	£000	Year ended 15.10.16 £000	£000	Year ended 15.10.15 £000
Income					
Net capital gains/(losses)	2		6,370		(3,987)
Revenue	3	8,731		8,896	
Expenses	4	(1,069)		(1,174)	
Net revenue before taxation		7,662		7,722	
Taxation	5	–		–	
Net revenue after taxation			7,662		7,722
Total return before distributions			14,032		3,735
Distributions	6		(7,662)		(7,720)
Change in net assets attributable to shareholders from investment activities			6,370		(3,985)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 15 October 2016

	£000	Year ended 15.10.16 £000	£000	Year ended 15.10.15 £000
Opening net assets attributable to shareholders		155,008		155,025
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	10,284		15,751	
Amounts payable on cancellation of shares	(17,705)		(11,788)	
		(7,421)		3,963
Change in net assets attributable to shareholders from investment activities (see above)		6,370		(3,985)
Unclaimed distribution monies		3		5
Closing net assets attributable to shareholders		153,960		155,008

BALANCE SHEET

As at 15 October 2016

	Notes	As at 15.10.16 £000	Restated* As at 15.10.15 £000
Assets:			
Investments	7	155,681	150,036
Current assets:			
Debtors	8	2,931	3,772
Cash and bank balances	9	756	5,453
Total assets		159,368	159,261
Liabilities:			
Investment liabilities		(3,279)	(38)
Creditors:			
Bank overdrafts		(12)	–
Distribution payable		(1,388)	(1,818)
Other creditors	10	(729)	(2,397)
Total liabilities		(5,408)	(4,253)
Net assets attributable to shareholders		153,960	155,008

* Refer to the accounting policies note on page 203.

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting basis and policies

Please see pages 7 and 8 for accounting basis and policies.

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

Balance sheet

The Income tax withheld on distributions of £605,000 is now included within 'Distributions payable', whereas under SORP 2010 they would have been included within 'Creditors'.

2 Net capital gains/(losses)

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Net capital gains/(losses) on investments during the year comprise:		
Currency losses	(238)	(775)
Derivative contracts (losses)/gains	(164)	195
Expenses relating to the purchase and sale of investments	(5)	(8)
Forward currency contracts (losses)/gains	(17,742)	896
Non-derivative securities gains/(losses)	24,519	(4,295)
Net capital gains/(losses)	6,370	(3,987)

3 Revenue

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Bank and deposit interest	42	1
Interest on debt securities	7,941	8,227
Interest on derivatives	(78)	(5)
Overseas dividends	–	5
Revenue from offshore funds	826	668
Total revenue	8,731	8,896

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 Expenses

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Payable to the Authorised Corporate Director ("ACD"), associates of the ACD or agents of either of them:		
ACD's periodic charge	952	1,053
Registration fees	63	69
	1,015	1,122
Payable to the Depositary, associates of the Depositary or agents of either of them:		
Depositary's fee	19	17
Interest payable	6	–
Safe custody fee	13	16
	38	33
Other expenses:		
Audit fee*	10	10
Statement fees	6	9
	16	19
Total expenses	1,069	1,174

* The audit fee was £9,161 (2015: £8,550) net of VAT.

5 Taxation

a Analysis of tax charge

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Corporation tax	–	–
Total current tax (see note 5b)	–	–

b Factors affecting current tax charge

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

The differences are explained below:

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Net revenue before taxation	7,662	7,722
Corporation tax at 20%	1,532	1,544
Effects of:		
Movement in excess expenses	(1)	1
Overseas dividends not subject to corporation tax	–	(1)
Tax deductible on interest distributions	(1,531)	(1,544)
	(1,532)	(1,544)
Current tax charge (see note 5.a)	–	–

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 year end (2015: £nil).

After claiming relief against accrued income taxable on receipt, the Fund has unrelieved excess expenses of £nil (2015: £4,000) creating a potential deferred tax asset of £nil (2015: £1,000). It is unlikely that the Fund will generate taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 Distributions

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:		
Gross interest distribution for the six months ended 15 April	3,779	3,694
Gross interest distribution for the five months ended 15 September	3,027	3,166
Gross interest distribution for the month ended 15 October	840	862
	7,646	7,722
Add: Revenue deducted on cancellation of shares	33	23
Deduct: Revenue received on issue of shares	(17)	(25)
Total distributions	7,662	7,720
Reconciliations of distributions for the year to net revenue after taxation		
Distributions for the year	7,662	7,720
Equalisation on conversions	–	2
Net revenue after taxation	7,662	7,722

Details of the distributions per share are set out in the distribution tables on pages 210 to 214.

7 Fair value hierarchy

Valuation technique	Assets at 15.10.16 £000	Liabilities at 15.10.16 £000	Assets at 15.10.15 £000	Liabilities at 15.10.15 £000
Quoted prices for identical instruments in active markets	213	–	153	(21)
Valuation techniques using observable market data	155,469	(3,280)	149,883	(17)
Total value	155,682	(3,280)	150,036	(38)

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 to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

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

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

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

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

8 Debtors

	As at 15.10.16 £000	As at 15.10.15 £000
Accrued revenue	2,766	2,775
Amounts receivable on issue of shares	61	75
Sales awaiting settlement	104	922
Total debtors	2,931	3,772

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 Cash and bank balances

	As at 15.10.16 £000	As at 15.10.15 £000
Amounts held at futures clearing house and brokers	–	68
Cash and bank balances	756	5,385
Total cash and bank balances	756	5,453

10 Other creditors

	As at 15.10.16 £000	Restated* As at 15.10.15 £000
Accrued expenses	144	163
Amounts payable for cancellation of shares	254	118
Purchases awaiting settlement	331	2,116
Total creditors	729	2,397

* Refer to the accounting policies note on page 203.

11 Contingent liabilities and commitments

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

12 Related party transactions

ACD periodic charges paid to Aviva Investors UK Fund Services Limited ("the ACD") are shown in note 4 and details of shares issued and cancelled by the ACD are shown in the statement of change in net assets attributable to shareholders. The balance due to the ACD at the year end in respect of ACD periodic charges was £116,000 (2015: £133,000). Any balance due from the ACD in respect of issues is shown in note 8. Any balance due to the ACD in respect of cancellations is shown in note 10.

Distributions payable to the ACD and related parties of the ACD during the year amounted to £3,978,000 (2015: £3,906,000). The amount outstanding at the year end was £425,000 (2015: £725,000). Related parties of the ACD are deemed to be all companies under the control of Aviva Plc. This will include companies which hold shares in the Fund on behalf of other external investors.

Any investments managed and advised by Aviva Investors Global Services Limited or associated with the Aviva Group are identified on the portfolio statement. The total purchases and sales on these investments during the year amounted to £2,800,000 (2015: £2,090,000) and £3,841,000 (2015: £nil) respectively. The income received during the year amounted to £725,000 (2015: £778,000).

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

	Holdings at 15.10.16 (shares)	Movement (shares)	Holdings at 15.10.15 (shares)
ACD and related parties (share class 1 Income shares)	2,050,223	38,566	2,011,657
ACD and related parties (share class 2 Income shares)	2,089,166	211,025	1,878,141
ACD and related parties (share class 3 Income shares)	86,526,224	486,135	86,040,089

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

13 Shareholder funds

The Fund currently has three share classes: Class 1 (Retail), Class 2 (Institutional) and Class 3 (Associated undertakings of Aviva Plc). The annual management charges are as follows:

Class 1: 1.25%
Class 2: 0.50%
Class 3: 0.30%

The net asset value of the share class, the net asset value per share and the number of shares in the class are shown on pages 195 and 196. The distributions per share are given in the distribution tables on pages 210 to 214. All the share classes have the same rights on winding up.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14 Shares in issue reconciliation

	Number of shares in issue at 15.10.15	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 15.10.16
Share Class 1 Income	104,702,819	1,257,924	(9,309,380)	(5,757,439)	90,893,924
Share Class 2 Income	17,732,794	2,227,093	(7,334,690)	3,837,467	16,462,664
Share Class 3 Income	86,042,989	7,558,606	(7,075,371)	–	86,526,224

15 Derivatives and other financial instruments

The policies applied in the management of financial instruments are set out on pages 8 and 9.

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 (2015: £nil).

Currency risk

At the year end date, 0.28% (2015: 0.13%) of the net assets of the Fund were denominated in currencies other than sterling and as such the currency risk is not considered significant.

Interest rate risk

At the year end date 91.65% (2015: 100.04%) of the net assets of the Fund were interest bearing.

The interest rate profile of the Fund's financial assets and liabilities at 15 October 2016 was:

Currency 15.10.16	Floating Rate £000	Fixed Rate £000	None £000	Total £000
Financial Assets				
Sterling	3,832	65,663	86,156	155,651
Euro	3	8,448	15,540	23,991
US Dollar	1,998	61,162	1,220	64,380
Financial Liabilities				
Sterling	–	–	(2,117)	(2,117)
Euro	–	–	(23,967)	(23,967)
US Dollar	–	–	(63,978)	(63,978)
Total	5,833	135,273	12,854	153,960

If the interest rate were to change by 10%, the value of the Fund will change by 9.17%.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 Derivatives and other financial instruments (continued)

The interest rate profile of the Fund's financial assets and liabilities at 15 October 2015 was:

Currency 15.10.15	Floating Rate £000	Fixed Rate £000	None £000	Total £000
Financial Assets				
Sterling	6,835	69,903	81,453	158,191
Euro	–	5,497	13,034	18,531
US Dollar	2,805	57,216	1,751	61,772
Financial Liabilities				
Sterling	–	–	(3,382)	(3,382)
Euro	–	–	(18,377)	(18,377)
US Dollar	–	–	(61,727)	(61,727)
Total	9,640	132,616	12,752	155,008

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

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

The floating rate financial assets comprise investments in variable interest rate paying corporate debt and bank balances that bear interest on LIBOR or its equivalent.

Market price risk

At the year end date, 98.99% (2015: 96.77%) of the net assets of the Fund were invested in debt securities admitted to an official stock exchange. If the market value were to change by 10%, the value of the Fund would change by 9.90%.

16 Counterparty Exposure**Financial derivative exposure**

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

15.10.16	Credit default swaps £000	Forward currency contracts £000	Futures contracts £000	Total £000
Citibank	–	(2)	–	(2)
Goldman Sachs	–	(563)	–	(563)
JPMorgan	–	–	68	68
Royal Bank of Scotland	–	(2,637)	–	(2,637)
Total	–	(3,202)	68	(3,134)

15.10.15	Credit default swaps £000	Forward currency contracts £000	Futures contracts £000	Total £000
Barclays	2,002	–	–	2,002
Citibank	–	(12)	–	(12)
Société Générale Paris Sicovam	–	483	–	483
Total	2,002	471	–	2,473

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17 Debt security credit analysis

	Market value £000		Total net assets %	
	15.10.16	15.10.15	15.10.16	15.10.15
Investment grade	47,080	49,393	30.56%	31.88%
Below investment grade	88,985	82,453	57.81%	53.18%
Unrated	4,297	4,957	2.80%	3.20%
Total debt securities	140,362	136,803	91.17%	88.26%

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

18 Direct transaction costs

Due to the nature of the investments held, no transaction costs or taxes were incurred on the Fund's purchases or sales during the current year ended 15 October 2016 (2015: £nil). The total purchases for the year amounted to £51,118,000 (2015: £94,880,000) and the total sales amounted to £69,152,000 (2015: £88,174,000).

Dealing spread

As at 15 October 2016, the average portfolio dealing spread was 0.84% (2015: 0.66%). This spread represents the difference between the values determined retrospectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

19 Post balance sheet events

There are no post balance sheet events which require adjustment or disclosure at the year end (2015: £nil).

DISTRIBUTION TABLES

Final distribution payable in pence per share for the month ended 15 October 2016

Income shares		Gross revenue	Income tax	Net revenue	Equalisation	Final distribution payable 27 November 2016	Final distribution paid 27 November 2015
Share Class 1	Group 1	0.2869	0.0574	0.2295	–	0.2295	0.2398
	Group 2	0.0868	0.0174	0.0694	0.1601	0.2295	0.2398
Share Class 2	Group 1	0.4250	0.0850	0.3400	–	0.3400	0.3237
	Group 2	0.2218	0.0444	0.1774	0.1626	0.3400	0.3237
Share Class 3	Group 1	0.5966	0.1193	0.4773	–	0.4773	0.4551
	Group 2	0.3258	0.0652	0.2606	0.2167	0.4773	0.4551

Final distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 September 2016.

Group 2 shares are those shares purchased after 12:00 noon on 15 September 2016.

Interim distribution paid in pence per share for the month ended 15 September 2016

Income shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 27 October 2016	Interim distribution paid 27 October 2015
Share Class 1	Group 1	0.1813	0.0363	0.1450	–	0.1450	0.1450
	Group 2	0.0576	0.0115	0.0461	0.0989	0.1450	0.1450
Share Class 2	Group 1	0.2736	0.0547	0.2189	–	0.2189	0.2562
	Group 2	0.1541	0.0308	0.1233	0.0956	0.2189	0.2562
Share Class 3	Group 1	0.3953	0.0791	0.3162	–	0.3162	0.3661
	Group 2	0.2636	0.0527	0.2109	0.1053	0.3162	0.3661

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 August 2016.

Group 2 shares are those shares purchased after 12:00 noon on 15 August 2016.

DISTRIBUTION TABLES (CONTINUED)

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

Income shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 27 September 2016	Interim distribution paid 27 September 2015
Share Class 1	Group 1	0.1813	0.0363	0.1450	–	0.1450	0.1450
	Group 2	0.0238	0.0048	0.0190	0.1260	0.1450	0.1450
Share Class 2	Group 1	0.2931	0.0586	0.2345	–	0.2345	0.2785
	Group 2	0.1205	0.0241	0.0964	0.1381	0.2345	0.2785
Share Class 3	Group 1	0.4211	0.0842	0.3369	–	0.3369	0.3947
	Group 2	0.1708	0.0342	0.1366	0.2003	0.3369	0.3947

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 July 2016.

Group 2 shares are those shares purchased after 12:00 noon on 15 July 2016.

Interim distribution paid in pence per share for the month ended 15 July 2016

Income shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 27 August 2016	Interim distribution paid 27 August 2015
Share Class 1	Group 1	0.1813	0.0363	0.1450	–	0.1450	0.1450
	Group 2	0.0536	0.0107	0.0429	0.1021	0.1450	0.1450
Share Class 2	Group 1	0.4343	0.0869	0.3474	–	0.3474	0.2696
	Group 2	0.1878	0.0376	0.1502	0.1972	0.3474	0.2696
Share Class 3	Group 1	0.6090	0.1218	0.4872	–	0.4872	0.3827
	Group 2	0.2920	0.0584	0.2336	0.2536	0.4872	0.3827

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 June 2016.

Group 2 shares are those shares purchased after 12:00 noon on 15 June 2016.

Interim distribution paid in pence per share for the month ended 15 June 2016

Income shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 27 July 2016	Interim distribution paid 27 July 2015
Share Class 1	Group 1	0.1813	0.0363	0.1450	–	0.1450	0.1450
	Group 2	0.0690	0.0138	0.0552	0.0898	0.1450	0.1450
Share Class 2	Group 1	0.3111	0.0622	0.2489	–	0.2489	0.2358
	Group 2	0.1020	0.0204	0.0816	0.1673	0.2489	0.2358
Share Class 3	Group 1	0.4463	0.0893	0.3570	–	0.3570	0.3383
	Group 2	0.2423	0.0485	0.1938	0.1632	0.3570	0.3383

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 May 2016.

Group 2 shares are those shares purchased after 12:00 noon on 15 May 2016.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the month ended 15 May 2016

Income shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 27 June 2016	Interim distribution paid 27 June 2015
Share Class 1	Group 1	0.1813	0.0363	0.1450	–	0.1450	0.1450
	Group 2	0.0638	0.0128	0.0510	0.0940	0.1450	0.1450
Share Class 2	Group 1	0.2580	0.0516	0.2064	–	0.2064	0.2221
	Group 2	0.1066	0.0213	0.0853	0.1211	0.2064	0.2221
Share Class 3	Group 1	0.3704	0.0741	0.2963	–	0.2963	0.3192
	Group 2	0.1846	0.0369	0.1477	0.1486	0.2963	0.3192

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 April 2016.

Group 2 shares are those shares purchased after 12:00 noon on 15 April 2016.

Interim distribution paid in pence per share for the month ended 15 April 2016

Income shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 27 May 2016	Interim distribution paid 27 May 2015
Share Class 1	Group 1	0.1813	0.0363	0.1450	–	0.1450	0.1450
	Group 2	0.0536	0.0107	0.0429	0.1021	0.1450	0.1450
Share Class 2	Group 1	0.3904	0.0781	0.3123	–	0.3123	0.3256
	Group 2	0.1924	0.0385	0.1539	0.1584	0.3123	0.3256
Share Class 3	Group 1	0.5504	0.1101	0.4403	–	0.4403	0.4608
	Group 2	0.2836	0.0567	0.2269	0.2134	0.4403	0.4608

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 March 2016.

Group 2 shares are those shares purchased after 12:00 noon on 15 March 2016.

Interim distribution paid in pence per share for the month ended 15 March 2016

Income shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 27 April 2016	Interim distribution paid 27 April 2015
Share Class 1	Group 1	0.1813	0.0363	0.1450	–	0.1450	0.1400
	Group 2	0.0493	0.0099	0.0394	0.1056	0.1450	0.1400
Share Class 2	Group 1	0.2859	0.0572	0.2287	–	0.2287	0.2245
	Group 2	0.1224	0.0245	0.0979	0.1308	0.2287	0.2245
Share Class 3	Group 1	0.4076	0.0815	0.3261	–	0.3261	0.3213
	Group 2	0.2360	0.0472	0.1888	0.1373	0.3261	0.3213

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 February 2016.

Group 2 shares are those shares purchased after 12:00 noon on 15 February 2016.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the month ended 15 February 2016

Income shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 27 March 2016	Interim distribution paid 27 March 2015
Share Class 1	Group 1	0.1813	0.0363	0.1450	–	0.1450	0.1400
	Group 2	0.0611	0.0122	0.0489	0.0961	0.1450	0.1400
Share Class 2	Group 1	0.2815	0.0563	0.2252	–	0.2252	0.2079
	Group 2	0.1209	0.0242	0.0967	0.1285	0.2252	0.2079
Share Class 3	Group 1	0.4036	0.0807	0.3229	–	0.3229	0.2993
	Group 2	0.2318	0.0464	0.1854	0.1375	0.3229	0.2993

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 January 2016.

Group 2 shares are those shares purchased after 12:00 noon on 15 January 2016.

Interim distribution paid in pence per share for the month ended 15 January 2016

Income shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 27 February 2016	Interim distribution paid 27 February 2015
Share Class 1	Group 1	0.1813	0.0363	0.1450	–	0.1450	0.1300
	Group 2	0.1019	0.0204	0.0815	0.0635	0.1450	0.1300
Share Class 2	Group 1	0.4088	0.0818	0.3270	–	0.3270	0.2996
	Group 2	0.2639	0.0528	0.2111	0.1159	0.3270	0.2996
Share Class 3	Group 1	0.5748	0.1150	0.4598	–	0.4598	0.4239
	Group 2	0.3184	0.0637	0.2547	0.2051	0.4598	0.4239

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 December 2015.

Group 2 shares are those shares purchased after 12:00 noon on 15 December 2015.

Interim distribution paid in pence per share for the month ended 15 December 2015

Income shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 27 January 2016	Interim distribution paid 27 January 2015
Share Class 1	Group 1	0.1711	0.0342	0.1369	–	0.1369	0.1200
	Group 2	0.0968	0.0194	0.0774	0.0595	0.1369	0.1200
Share Class 2	Group 1	0.3074	0.0615	0.2459	–	0.2459	0.2385
	Group 2	0.1135	0.0227	0.0908	0.1551	0.2459	0.2385
Share Class 3	Group 1	0.4398	0.0880	0.3518	–	0.3518	0.3418
	Group 2	0.2838	0.0568	0.2270	0.1248	0.3518	0.3418

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 November 2015.

Group 2 shares are those shares purchased after 12:00 noon on 15 November 2015.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the month ended 15 November 2015

Income shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 27 December 2015	Interim distribution paid 27 December 2014
Share Class 1	Group 1	0.1495	0.0299	0.1196	–	0.1196	0.1200
	Group 2	0.0814	0.0163	0.0651	0.0545	0.1196	0.1200
Share Class 2	Group 1	0.2703	0.0541	0.2162	–	0.2162	0.2334
	Group 2	0.1028	0.0206	0.0822	0.1340	0.2162	0.2334
Share Class 3	Group 1	0.3876	0.0775	0.3101	–	0.3101	0.3337
	Group 2	0.1724	0.0345	0.1379	0.1722	0.3101	0.3337

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 October 2015.

Group 2 shares are those shares purchased after 12:00 noon on 15 October 2015.

Equalisation

Equalisation applies only to Group 2 shares, in other words shares purchased during the relevant 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 MONTHLY INCOME PLUS FUND

INVESTMENT OBJECTIVE

A high income payable monthly and to guard against capital erosion.

INVESTMENT POLICY

Diversified investment, principally in the UK, in fixed interest securities, convertibles, preference shares and high yielding equities.

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

FUND MANAGER'S REPORT

Over the twelve months ended 15 October 2016, the Aviva Investors Monthly Income Plus Fund delivered a total return of 8.94 per cent (share class 1), net of fees. The Fund's peer group, the Investment Association's (IA) Sterling Corporate Bond sector, generated a net return of 8.80 per cent.

The Fund's outperformance was driven by the overweighting of UK corporate bonds, which performed better than their US and European peers. This offset the drag of the Fund's cautious positioning in what turned out to be a strong twelve months for bonds. The major surprise was the announcement by both the European Central Bank and the Bank of England that they were intervening in the markets to buy corporate bonds. This created huge technical support, which was at odds with the somewhat stretched nature of many companies' balance sheets. The rebound of commodity markets from their winter slump also detracted from performance given our general avoidance of the oils, metals and mining sectors. The portfolio did benefit, however, from the underweighting of house builders and financials.

During the period, the portfolio was broadly diversified across sectors and the market capitalisation spectrum. In sector terms, the Fund was overweight in telecoms, a sector we felt was ripe for consolidation, media and non-bank financials. We were underweight in banks, health care, oil & gas and consumer goods. At the market capitalisation level, we preferred medium and smaller companies over the blue-chips of the FTSE® 100 Index.

The most recent reporting season was characterised by deteriorating credit fundamentals as companies announced sluggish revenue growth, peaking profit margins and a further increase in borrowings. However, investors' caution on the weaker financial position of many companies has been overpowered by a wave of global liquidity and a scarcity of high-quality financial assets.

This situation can persist in the short term but, over a longer horizon, we are concerned that the risks of investing in corporate bonds will start to outweigh the potential rewards. 2017 is an election year in a number of European countries and confidence could be rattled if the results fuel uncertainty about the future of the EU. The year could also see the US and European central banks taking divergent paths in their monetary policy.

November 2016

Sources: Fund and peer group performance figures – Lipper, a Thomson Reuters Company, mid to mid basis with net income reinvested in GBP, with no initial charges applied. Market data – Bloomberg.

As noted above, the performance figures in this commentary have been sourced from an external party and are based on published prices. The performance figures quoted in the comparative tables on pages 216 and 217 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 an investment and any income from it can go down as well as up. Investors may not get back the original amount invested.

Material Portfolio Changes

Purchases	Sales
UK Treasury 4.75% 07/12/2038	UK Treasury 4.75% 07/12/2038
European Investment Bank 1.50% 01/02/2019	UK Treasury 4.75% 07/03/2020
UK Treasury 3.50% 22/01/2045	UK Treasury 3.50% 22/01/2045
UK Treasury 4.75% 07/03/2020	Aggregate Industries Holdings 7.25% 31/05/2016
European Investment Bank 3.88% 08/06/2037	European Investment Bank 5.38% 07/06/2021
European Investment Bank 5.38% 07/06/2021	KFW 5.00% 09/06/2036
UK Treasury 4.50% 07/12/2042	Siemens Financieringsmaatschappij, FRN 6.12% 14/09/2066
UK Treasury 5.00% 07/03/2025	UK Treasury 4.50% 07/12/2042
Barclays 3.25% 12/02/2027	Metropolitan Life Global Funding I 3.50% 30/09/2026
Sky Group Finance 5.75% 20/10/2017	UK Treasury 5.00% 07/03/2025

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'.
- 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.
- Full information on the risks applicable to the Fund is detailed in the Prospectus.

COMPARATIVE TABLES

Class 1 Income	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	49.52	49.74	47.06
Return before operating charges [†]	4.93	1.75	4.74
Operating charges	(0.58)	(0.57)	(0.55)
Return after operating charges [†]	4.35	1.18	4.19
Distributions on income shares	(1.32)	(1.40)	(1.51)
Closing net asset value per share	52.55	49.52	49.74
Retained distributions on accumulation shares	–	–	–
[†] after direct transaction costs of	–	–	–
Performance			
Return after charges	8.78%	2.37%	8.90%
Other information			
Closing net asset value (£000)	129,914	141,302	157,258
Closing number of shares	247,204,320	285,360,703	316,149,782
Operating charges (%) [†]	1.13%	1.13%	1.13%
Direct transaction costs (%) [#]	–	–	–
Prices[™]			
Highest share price	55.34	52.80	50.21
Lowest share price	48.49	49.43	47.21

Class 3 Income	2016 p per share	2015 p per share	2014 ^s p per share
Change in net assets per share			
Opening net asset value per share	–	–	47.02
Return before operating charges [†]	–	–	(46.38)
Operating charges	–	–	(0.16)
Return after operating charges [†]	–	–	(46.54)
Distributions on income shares	–	–	(0.48)
Closing net asset value per share	–	–	–
Retained distributions on accumulation shares	–	–	–
[†] after direct transaction costs of	–	–	–
Performance			
Return after charges	–	–	(98.98)%
Other information			
Closing net asset value (£000)	–	–	–
Closing number of shares	–	–	–
Operating charges (%) [†]	–	–	0.33%
Direct transaction costs (%) [#]	–	–	–
Prices[™]			
Highest share price	–	–	48.32
Lowest share price	–	–	47.18

Class 1 Accumulation	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	138.04	134.90	123.79
Return before operating charges [†]	13.93	4.71	12.57
Operating charges	(1.63)	(1.57)	(1.46)
Return after operating charges [†]	12.30	3.14	11.11
Distributions on income shares	–	–	–
Closing net asset value per share	150.34	138.04	134.90
Retained distributions on accumulation shares	4.64	4.80	4.94
[†] after direct transaction costs of	–	–	–
Performance			
Return after charges	8.91%	2.33%	8.97%
Other information			
Closing net asset value (£000)	99,166	105,141	113,346
Closing number of shares	65,962,940	76,164,662	84,024,608
Operating charges (%) [†]	1.13%	1.13%	1.13%
Direct transaction costs (%) [#]	–	–	–
Prices[™]			
Highest share price	157.46	144.16	135.76
Lowest share price	136.41	134.19	124.50

Class 3 Accumulation	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	150.33	145.96	133.09
Return before operating charges [†]	14.95	4.87	13.33
Operating charges	(0.52)	(0.50)	(0.46)
Return after operating charges [†]	14.43	4.37	12.87
Distributions on income shares	–	–	–
Closing net asset value per share	164.76	150.33	145.96
Retained distributions on accumulation shares	6.33	6.42	6.44
[†] after direct transaction costs of	–	–	–
Performance			
Return after charges	9.60%	2.99%	9.67%
Other information			
Closing net asset value (£000)	12,505	12,278	12,276
Closing number of shares	7,589,582	8,167,578	8,410,549
Operating charges (%) [†]	0.33%	0.33%	0.33%
Direct transaction costs (%) [#]	–	–	–
Prices[™]			
Highest share price	172.38	156.29	146.90
Lowest share price	148.88	145.24	133.85

COMPARATIVE TABLES (CONTINUED)

Class R3 Income	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	107.02	107.51	101.71
Return before operating charges [†]	10.56	3.67	10.13
Operating charges	(0.70)	(0.69)	(0.66)
Return after operating charges [†]	9.86	2.98	9.47
Distributions on income shares	(3.29)	(3.47)	(3.67)
Closing net asset value per share	113.59	107.02	107.51
Retained distributions on accumulation shares	–	–	–
[†] after direct transaction costs of	–	–	–
Performance			
Return after charges	9.21%	2.77%	9.31%
Other information			
Closing net asset value (£000)	22,510	10,487	3,885
Closing number of shares	19,816,713	9,798,206	3,613,401
Operating charges (%) [‡]	0.63%	0.63%	0.63%
Direct transaction costs (%) [#]	–	–	–
Prices[≈]			
Highest share price	119.68	114.14	108.52
Lowest share price	104.81	106.85	102.05

Class R3 Accumulation	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	119.12	115.94	105.96
Return before operating charges [†]	11.92	3.93	10.69
Operating charges	(0.79)	(0.75)	(0.71)
Return after operating charges [†]	11.13	3.18	9.98
Distributions on income shares	–	–	–
Closing net asset value per share	130.25	119.12	115.94
Retained distributions on accumulation shares	4.64	4.74	4.80
[†] after direct transaction costs of	–	–	–
Performance			
Return after charges	9.34%	2.74%	9.42%
Other information			
Closing net asset value (£000)	31,498	15,923	7,615
Closing number of shares	24,183,877	13,367,309	6,567,888
Operating charges (%) [‡]	0.63%	0.63%	0.63%
Direct transaction costs (%) [#]	–	–	–
Prices[≈]			
Highest share price	136.32	124.05	116.68
Lowest share price	117.87	115.35	106.57

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

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

(b) The Ongoing Charge 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.

§ Class 3 Income closed on 22 January 2014.

Ongoing Charges Figure*

Share class	15.10.16	15.10.15
Class 1	1.13%	1.13%
Class 3	0.33%	0.33%
Class R3	0.63%	0.63%

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

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

PORTFOLIO STATEMENT

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Equities 0.00% (0.00%)				
United Kingdom 0.00% (0.00%)				
Automotive Products Preference 9.00% [^]	GBP	692,258	–	–
Whitnash Preference [^]	GBP	312,500	–	–
			–	–
Equities total			–	–
Government Bonds 4.62% (7.82%)				
Germany 0.00% (0.97%)				
United Kingdom 4.62% (6.85%)				
UK Treasury 4.75% 07/12/2038	GBP	2,500,000	3,909	1.32
UK Treasury 4.50% 07/12/2042	GBP	4,400,000	6,942	2.35
UK Treasury 3.75% 22/07/2052	GBP	1,800,000	2,803	0.95
			13,654	4.62
Government Bonds total			13,654	4.62
Corporate Bonds 86.16% (88.81%)				
Australia 1.22% (1.69%)				
BHP Billiton Finance, FRN 6.50% 22/10/2077	GBP	600,000	662	0.22
Goodman Australia Finance, REIT 9.75% 16/07/2018	GBP	2,600,000	2,939	1.00
			3,601	1.22
Cayman Islands 3.27% (3.24%)				
Affinity Water Programme Finance 4.50% 31/03/2036	GBP	1,590,000	2,072	0.70
Parmalat Capital Finance 9.38% Perpetual	GBP	5,790,000	–	–
Thames Water Utilities Cayman Finance, FRN 5.37% 21/07/2025	GBP	2,000,000	2,056	0.69
THPA Finance, Series B 8.24% 15/03/2028	GBP	4,499,000	5,548	1.88
			9,676	3.27
France 8.86% (9.75%)				
AXA, FRN 5.62% 16/01/2054	GBP	3,400,000	3,626	1.23
AXA, FRN 5.45% Perpetual	GBP	2,000,000	2,097	0.71
Credit Agricole, FRN 7.50% Perpetual	GBP	1,200,000	1,188	0.40
Electricite de France 6.13% 02/06/2034	GBP	3,500,000	4,868	1.65
Electricite de France, FRN 5.87% Perpetual	GBP	2,700,000	2,570	0.87
Lafarge 8.75% 30/05/2017	GBP	2,500,000	2,614	0.88
Orange 5.38% 22/11/2050	GBP	1,900,000	2,763	0.93
Orange, FRN 5.87% Perpetual	GBP	3,200,000	3,446	1.17
Veolia Environnement 6.13% 29/10/2037	GBP	2,000,000	3,019	1.02
			26,191	8.86
Germany 0.67% (0.00%)				
KfW 5.00% 09/06/2036	GBP	1,300,000	1,994	0.67
			1,994	0.67
Ireland 2.14% (1.86%)				
GE Capital UK Funding 4.13% 13/09/2023	GBP	2,200,000	2,576	0.87
Swiss Reinsurance, FRN 6.37% 01/09/2024	USD	4,400,000	3,756	1.27
			6,332	2.14
Italy 1.99% (1.96%)				
Enel, FRN 6.62% 15/09/2076	GBP	2,600,000	2,801	0.95
Telecom Italia 5.88% 19/05/2023	GBP	2,700,000	3,068	1.04
			5,869	1.99

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Jersey 7.24% (5.94%)				
AA Bond 6.27% 02/07/2043	GBP	4,055,000	5,060	1.71
AA Bond 5.50% 31/07/2043	GBP	2,016,000	2,007	0.68
Gatwick Funding 5.25% 23/01/2026	GBP	3,400,000	4,130	1.40
Gatwick Funding 2.63% 07/10/2048	GBP	2,615,000	2,405	0.81
Heathrow Funding 7.13% 14/02/2024	GBP	4,300,000	5,621	1.90
HSBC Bank Capital Funding Sterling 1, FRN 5.84% Perpetual	GBP	1,901,000	2,181	0.74
			21,404	7.24
Luxembourg 0.00% (1.23%)				
Mexico 2.45% (1.23%)				
America Movil 4.38% 07/08/2041	GBP	3,528,000	4,068	1.38
America Movil, FRN 6.37% 06/09/2073	GBP	3,000,000	3,171	1.07
			7,239	2.45
Netherlands 5.13% (9.50%)				
Allianz Finance II 4.50% 13/03/2043	GBP	1,400,000	1,857	0.63
Cooperatieve Rabobank 4.63% 23/05/2029	GBP	2,000,000	2,173	0.73
E.ON International Finance 6.38% 07/06/2032	GBP	964,000	1,378	0.47
Enel Finance International 5.75% 14/09/2040	GBP	2,300,000	3,021	1.02
ING Bank, FRN 6.87% 29/05/2023	GBP	3,700,000	3,950	1.34
innogy Finance 5.50% 06/07/2022	GBP	1,000,000	1,188	0.40
Teva Pharmaceutical Finance Netherlands III 3.15% 01/10/2026	USD	1,957,000	1,583	0.54
			15,150	5.13
Spain 1.26% (1.16%)				
Telefonica Emisiones 5.45% 08/10/2029	GBP	2,900,000	3,732	1.26
			3,732	1.26
United Kingdom 40.48% (40.96%)				
Aviva, FRN 5.90% Perpetual†	GBP	3,610,000	3,752	1.27
Barclays 3.25% 12/02/2027	GBP	3,664,000	3,548	1.20
Barclays Bank 10.00% 21/05/2021	GBP	2,557,000	3,256	1.10
Barclays Bank 4.25% 12/01/2022	GBP	1,800,000	2,083	0.71
Barclays Bank, FRN 14.00% Perpetual	GBP	1,500,000	1,860	0.63
BAT International Finance 2.25% 09/09/2052	GBP	2,300,000	1,994	0.67
Broadgate Financing 5.00% 05/10/2033	GBP	295,000	362	0.12
Canary Wharf Finance II, Series II A1 6.46% 22/10/2033	GBP	1,042,336	1,574	0.53
Crh Finance 4.13% 02/12/2029	GBP	2,573,000	2,954	1.00
Eastern Power Networks 4.75% 30/09/2021	GBP	3,000,000	3,483	1.18
F&C Finance 9.00% 20/12/2016	GBP	673,000	678	0.23
Firstgroup 6.88% 18/09/2024	GBP	3,000,000	3,882	1.31
GlaxoSmithKline Capital 4.25% 18/12/2045	GBP	2,000,000	2,676	0.91
Great Rolling Stock 6.50% 05/04/2031	GBP	2,726,000	3,679	1.24
Greene King Finance 4.06% 15/03/2035	GBP	653,182	699	0.24
Greene King Finance, Series B1 5.70% 15/12/2034	GBP	3,982,000	3,634	1.23
HSBC Bank, FRN 5.38% 04/11/2030	GBP	4,600,000	5,126	1.73
Imperial Brands Finance 9.00% 17/02/2022	GBP	5,220,000	7,136	2.41
Intu Metrocentre Finance, REIT 4.13% 06/12/2023	GBP	3,300,000	3,646	1.23
Juturna European Loan Conduit No. 16 5.06% 10/08/2033	GBP	2,433,266	2,893	0.98
Lloyds Bank 5.13% 07/03/2025	GBP	1,600,000	2,028	0.69
Lloyds Bank 7.63% 22/04/2025	GBP	3,400,000	4,380	1.48
Meadowhall Finance, Series B 4.99% 12/07/2037	GBP	1,666,047	2,060	0.70
Mitchells & Butlers Finance, Series C1 6.47% 15/09/2032	GBP	2,600,000	3,202	1.08
National Grid Gas Finance 2.13% 22/09/2028	GBP	1,200,000	1,187	0.40
Newcastle Building Society, FRN 3.89% 23/12/2019	GBP	2,000,000	1,700	0.58

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
United Kingdom 40.48% (40.96%) (continued)				
Notting Hill Housing Trust 3.75% 20/12/2032	GBP	3,200,000	3,585	1.21
Paragon Group, FRN 3.73% 20/04/2017	GBP	1,900,000	1,886	0.64
Prudential, FRN 11.37% 29/05/2039	GBP	2,900,000	3,539	1.20
RAC Bond 4.87% 06/05/2026	GBP	2,800,000	3,135	1.06
RELX Investments 2.75% 01/08/2019	GBP	3,200,000	3,318	1.12
RSA Insurance Group, FRN 9.37% 20/05/2039	GBP	1,386,000	1,609	0.54
Segro, REIT 6.75% 23/11/2021	GBP	728,000	909	0.31
Silverstone Master Issuer, FRN 5.06% 21/01/2055	GBP	3,500,000	3,502	1.19
Sky 4.00% 26/11/2029	GBP	1,125,000	1,278	0.43
Sky Group Finance 5.75% 20/10/2017	GBP	3,100,000	3,247	1.10
Standard Chartered 5.13% 06/06/2034	GBP	592,000	562	0.19
Standard Chartered 4.38% 18/01/2038	GBP	2,500,000	2,771	0.94
Tesco 4.88% 24/03/2042	GBP	3,700,000	3,293	1.11
Thames Water Kemble Finance 7.75% 01/04/2019	GBP	2,400,000	2,706	0.92
Travis Perkins 4.38% 15/09/2021	GBP	2,218,000	2,276	0.77
UNITE USAF II 3.92% 30/06/2025	GBP	719,000	812	0.28
Virgin Media Secured Finance 5.50% 15/01/2025	GBP	2,340,000	2,385	0.81
Western Power Distribution West Midlands 5.75% 16/04/2032	GBP	3,800,000	5,356	1.81
			119,641	40.48
United States of America 11.45% (10.29%)				
AT&T 4.38% 14/09/2029	GBP	2,645,000	3,061	1.03
AT&T 4.25% 01/06/2043	GBP	3,500,000	3,851	1.30
Bank of America 7.75% 30/04/2018	GBP	3,200,000	3,510	1.19
Bank of America 7.00% 31/07/2028	GBP	2,100,000	2,923	0.99
Citigroup 4.50% 03/03/2031	GBP	3,500,000	3,893	1.32
Diamond 1 Finance 8.35% 15/07/2046	USD	2,900,000	2,909	0.98
Goldman Sachs Group 6.13% 14/05/2017	GBP	3,000,000	3,082	1.04
JPMorgan Chase 3.50% 18/12/2026	GBP	2,800,000	3,065	1.04
Mondelez International 4.50% 03/12/2035	GBP	942,000	1,097	0.37
Verizon Communications 4.07% 18/06/2024	GBP	1,360,000	1,549	0.52
Verizon Communications 4.13% 15/08/2046	USD	1,098,000	876	0.30
Wells Fargo 2.00% 28/07/2025	GBP	1,025,000	998	0.34
Wells Fargo 3.50% 12/09/2029	GBP	2,800,000	3,035	1.03
			33,849	11.45
Corporate Bonds total			254,678	86.16
Supranationals 7.33% (1.79%)				
European Investment Bank 1.50% 01/02/2019	GBP	8,800,000	8,995	3.04
European Investment Bank 3.88% 08/06/2037	GBP	4,000,000	5,332	1.81
European Investment Bank 5.00% 15/04/2039	GBP	4,747,000	7,336	2.48
			21,663	7.33
Supranationals total			21,663	7.33
Swaps (0.09)% ((0.01)%)				
Credit Default Swap Barclays Buy French Republic 4.25% 25/04/2019 20/12/2016	USD	12,400,000	(6)	–
Credit Default Swap HSBC Buy iTraxx Europe Series 26 Version 1 20/12/2021	EUR	20,000,000	(244)	(0.09)
Swaps total			(250)	(0.09)

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Forward Currency Contracts (0.14)% (0.02%)				
Buy GBP 9,732,026 sell USD 12,440,624 dated 09/01/2017			(418)	(0.14)
Forward Currency Contracts total			(418)	(0.14)
Futures 0.13% ((0.01)%)				
Long Gilt 28/12/2016	GBP	(65)	174	0.06
US Ultra Bond 20/12/2016	USD	(28)	197	0.07
Futures total			371	0.13
Investment assets			289,698	98.01
Net other assets			5,895	1.99
Net assets			295,593	100.00

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

The comparative percentage figures in brackets are as at 15 October 2015.

^ Unlisted, suspended or delisted security.

† Investment in or managed by a related party.

STATEMENT OF TOTAL RETURN

For the year ended 15 October 2016

	Notes	£000	Year ended 15.10.16 £000	£000	Restated* Year ended 15.10.15 £000
Income					
Net capital gains/(losses)	2		17,176		(1,154)
Revenue	3	12,645		13,499	
Expenses	4	(2,962)		(3,138)	
Net revenue before taxation		9,683		10,361	
Taxation	5	–		–	
Net revenue after taxation			9,683		10,361
Total return before distributions			26,859		9,207
Distributions	6		(9,686)		(10,362)
Change in net assets attributable to shareholders from investment activities			17,173		(1,155)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 15 October 2016

	£000	Year ended 15.10.16 £000	£000	Year ended 15.10.15 £000
Opening net assets attributable to shareholders		285,131		294,380
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	11,962		12,508	
Amounts payable on cancellation of shares	(22,405)		(24,447)	
		(10,443)		(11,939)
Change in net assets attributable to shareholders from investment activities (see above)		17,173		(1,155)
Retained distribution on accumulation shares		3,732		3,844
Unclaimed distribution monies		–		1
Closing net assets attributable to shareholders		295,593		285,131

* Refer to the accounting policies note on page 224.

BALANCE SHEET

As at 15 October 2016

	Notes	As at 15.10.16 £000	Restated* As at 15.10.15 £000
Assets:			
Investments	7	290,366	280,674
Current assets:			
Debtors	8	5,456	5,796
Cash and bank balances	9	2,117	2,891
Total assets		297,939	289,361
Liabilities:			
Investment liabilities		(668)	(62)
Creditors:			
Distribution payable		(852)	(1,298)
Other creditors	10	(826)	(2,870)
Total liabilities		(2,346)	(4,230)
Net assets attributable to shareholders		295,593	285,131

* Refer to the accounting policies note on page 224.

NOTES TO THE FINANCIAL STATEMENT

1 Accounting basis and policies

Please see pages 7 and 8 for accounting basis and policies.

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

Statement of Total Return

Interest payable of £3,000 is now disclosed within 'Expenses', whereas under SORP 2010 they were disclosed within 'Finance costs'.

Balance sheet

The Income tax withheld on distributions of £524,000 is now included within 'Distributions payable', whereas under SORP 2010 they would have been included within 'Creditors'.

2 Net capital gains/(losses)

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Net capital gains/(losses) on investments during the year comprise:		
Currency gains/(losses)	231	(63)
Derivative contracts (losses)/gains	(874)	532
Expenses relating to the purchase and sale of investments	(3)	(3)
Forward currency contracts (losses)/gains	(2,142)	663
Non-derivative securities gains/(losses)	19,964	(2,283)
Net capital gains/(losses)	17,176	(1,154)

3 Revenue

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Bank and deposit interest	2	–
Interest on debt securities	12,924	13,608
Interest on derivatives	(281)	(109)
Total revenue	12,645	13,499

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 Expenses

	Year ended 15.10.16 £000	Restated* Year ended 15.10.15 £000
Payable to the Authorised Corporate Director ("ACD"), associates of the ACD or agents of either of them:		
ACD's periodic charge	2,585	2,766
Registration fees	278	282
	2,863	3,048
Payable to the Depositary, associates of the Depositary or agents of either of them:		
Depositary's fee	35	31
Interest payable	15	3
Safe custody fee	27	29
	77	63
Other expenses:		
Audit fee**	11	11
Printing & postage expenses	3	4
Statement fees	8	12
	22	27
Total expenses	2,962	3,138

* Refer to the accounting policies note on page 224.

** The audit fee was £9,683 (2015: £9,065) net of VAT.

5 Taxation

a Analysis of tax charge

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Corporation tax	–	–
Total current tax (see note 5b)	–	–

b Factors affecting current tax charge

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

The differences are explained below:

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Net revenue before taxation	9,683	10,361
Corporation tax at 20%	1,937	2,072
Effects of:		
Movement in excess expenses	3	–
Tax deductible on interest distributions	(1,940)	(2,072)
	(1,937)	(2,072)
Current tax charge (see note 5.a)	–	–

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)

5 Taxation (continued)

c Deferred tax

There was no provision for deferred tax at the year end (2015: £nil).

After claiming relief against accrued income taxable on receipt, the Fund has unrelieved excess expenses of £15,000 (2015: £2,000) creating a potential deferred tax asset of £3,000 (2015: £nil). 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.

6 Distributions

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:		
Gross interest distribution for the six months ended 15 April	5,028	2,551
Gross interest distribution for the five months ended 15 September	3,972	2,549
Gross interest distribution for the month ended 15 October	673	2,649
	9,673	10,345
Add: Revenue deducted on cancellation of shares	32	37
Deduct: Revenue received on issue of shares	(19)	(20)
Total distributions	9,686	10,362
Reconciliations of distributions for the year to net revenue after taxation		
Distributions for the year	9,686	10,362
Equalisation on conversions	(2)	(1)
Movement in revenue account	(1)	–
Net revenue after taxation	9,683	10,361

Details of the distributions per share are set out in the distribution tables on pages 231 to 236.

7 Fair value hierarchy

Valuation technique	Assets at 15.10.16 £000	Liabilities at 15.10.16 £000	Assets at 15.10.15 £000	Liabilities at 15.10.15 £000
Quoted prices for identical instruments in active markets	197	–	–	–
Valuation techniques using observable market data	290,169	(668)	280,674	(62)
Total value	290,366	(668)	280,674	(62)

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 to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8 Debtors

	As at 15.10.16 £000	As at 15.10.15 £000
Accrued revenue	5,167	5,086
Amounts receivable on issue of shares	97	140
Sales awaiting settlement	192	570
Total debtors	5,456	5,796

9 Cash and bank balances

	As at 15.10.16 £000	As at 15.10.15 £000
Amounts held at futures clearing house and brokers	137	129
Cash and bank balances	1,980	2,762
Total cash and bank balances	2,117	2,891

10 Other creditors

	As at 15.10.16 £000	Restated* As at 15.10.15 £000
Accrued expenses	386	416
Amounts payable for cancellation of shares	440	210
Purchases awaiting settlement	–	2,244
Total creditors	826	2,870

* Refer to the accounting policies note on page 224.

11 Contingent liabilities and commitments

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

	As at 15.10.16 £000	As at 15.10.15 £000
Long Gilt 28/12/2016	174	–
Total contingent liabilities and commitments	174	–

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12 Related party transactions

ACD periodic charges and registration fees 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 £323,000 (2015: £350,000) and registration fees was £35,000 (2015: £36,000). Any balance due from the ACD in respect of issues is shown in note 8. Any balance due to the ACD in respect of cancellations is shown in note 10.

Distributions payable to the ACD and related parties of the ACD during the year amounted to £462,000 (2015: £476,000). The amount outstanding at the year end was £69,000 (2015: £81,000). Related parties of the ACD are deemed to be all companies under the control of Aviva Plc. This will include companies which hold shares in the Fund on behalf of other external investors.

Any investments managed and advised by Aviva Investors Global Services Limited or associated with the Aviva Group are identified on the portfolio statement. The total purchases and sales on these investments during the year amounted to £1,046,000 (2015: £1,680,000) and £nil (2015: £543,000) respectively. The income received during the year amounted to £193,000 (2015: £97,000).

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

	Holdings at 15.10.16 (shares)	Movement (shares)	Holdings at 15.10.15 (shares)
ACD and related parties (share class 1 Income shares)	82,746	22,089	60,657
ACD and related parties (share class 1 Accumulation shares)	8,700	4,458	4,242
ACD and related parties (share class 3 Accumulation shares)	7,589,582	(577,996)	8,167,578
ACD and related parties (share class R3 Income shares)	586,165	40,402	545,763
ACD and related parties (share class R3 Accumulation shares)	1,505,897	572,567	933,330

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

13 Shareholder funds

The Fund currently has three share classes: Class 1 and Class R3 (Retail) and Class 3 (Associated undertakings of Aviva Plc). The annual management charges are as follows:

Class 1: 1.00%

Class 3: 0.30%

Class R3: 0.50%

The net asset value of the share class, the net asset value per share and the number of shares in the class are shown on pages 216 and 217. The distributions per share are given in the distribution tables on pages 231 to 236. All the share classes have the same rights on winding up.

14 Shares in issue reconciliation

	Number of shares in issue at 15.10.15	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 15.10.16
Share Class 1 Income	285,360,703	811,914	(18,212,677)	(20,755,620)	247,204,320
Share Class 1 Accumulation	76,164,662	440,866	(4,501,003)	(6,141,585)	65,962,940
Share Class 3 Accumulation	8,167,578	493,866	(1,071,862)	–	7,589,582
Share Class R3 Income	9,798,206	2,954,693	(2,538,417)	9,602,231	19,816,713
Share Class R3 Accumulation	13,367,309	5,469,695	(1,764,896)	7,111,769	24,183,877

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 Derivatives and other financial instruments

The policies applied in the management of financial instruments are set out on pages 8 and 9.

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 (2015: £nil).

Currency risk

At the year end date, 0.28% (2015: (0.01)%) of the net assets of the Fund were denominated in currencies other than sterling and as such, the currency risk is not considered significant.

Interest rate risk

At the year end date 98.82% (2015: 96.16%) of the net assets of the Fund were interest bearing.

The interest rate profile of the Fund's financial assets and liabilities at 15 October 2016 was:

Currency 15.10.16	Floating Rate £000	Fixed Rate £000	None £000	Total £000
Financial Assets				
Sterling	9,501	271,728	15,224	296,453
Euro	816	–	18	834
US Dollar	944	9,124	317	10,385
Financial Liabilities				
Sterling	–	–	(1,679)	(1,679)
Euro	–	–	(243)	(243)
US Dollar	–	–	(10,157)	(10,157)
Total	11,261	280,852	3,480	295,593

If the interest rates were to change by 10%, the value of the Fund will change by 9.88%.

The interest rate profile of the Fund's financial assets and liabilities at 15 October 2015 was:

Currency 15.10.15	Floating Rate £000	Fixed Rate £000	None £000	Total £000
Financial Assets				
Sterling	11,805	261,153	16,400	289,358
Euro	–	2,912	69	2,981
US Dollar	1,488	6,147	51	7,686
Financial Liabilities				
Sterling	–	–	(4,187)	(4,187)
Euro	–	–	(3,036)	(3,036)
US Dollar	–	–	(7,671)	(7,671)
Total	13,293	270,212	1,626	285,131

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

The floating rate financial assets comprise investments in variable interest rate paying corporate debt and sterling denominated bank balances that bear interest rates based on LIBOR.

Market price risk

At the year end date 98.01% (2015: 98.42%) of the net assets of the Fund were invested in debt securities admitted to an official stock exchange. If the market were to change by 10%, the value of the Fund will change by 9.80%.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16 Counterparty Exposure**Financial derivative exposure**

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

	Forward currency contracts £000	Futures contracts £000	Total £000
15.10.16			
JPMorgan	(418)	371	(47)
Total	(418)	371	(47)

	Forward currency contracts £000	Futures contracts £000	Total £000
15.10.15			
Citigroup	(2)	–	(2)
Société Générale	60	–	60
Total	58	–	58

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

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

17 Debt security credit analysis

	Market value £000		Total net assets %	
	15.10.16	15.10.15	15.10.16	15.10.15
Investment grade	240,845	225,449	81.47%	79.06%
Below investment grade	47,264	49,193	16.00%	17.26%
Unrated	1,886	5,972	0.64%	2.10%
Total debt securities	289,995	280,614	98.11%	98.42%

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

18 Direct transaction costs

Due to the nature of the investments held, no transaction costs or taxes were incurred on the Fund's purchases or sales during the current year ended 15 October 2016 (2015: £nil). The total purchases for the year amounted to £147,388,000 (2015: £131,321,000) and the total sales amounted to £156,761,000 (2015: £130,163,000).

Dealing spread

As at 15 October 2016, the average portfolio dealing spread was 0.96% (2015: 1.11%). This spread represents the difference between the values determined retrospectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

19 Post balance sheet events

There are no post balance sheet events which require adjustment or disclosure at the year end (2015: £nil).

DISTRIBUTION TABLES

Final distribution payable in pence per share for the month ended 15 October 2016

Income shares		Gross revenue	Income tax	Net revenue	Equalisation	Final distribution payable 27 November 2016	Final distribution paid 27 November 2015
Share Class 1	Group 1	0.1144	0.0229	0.0915	–	0.0915	0.1349
	Group 2	0.0538	0.0108	0.0430	0.0485	0.0915	0.1349
Share Class R3	Group 1	0.2935	0.0587	0.2348	–	0.2348	0.3222
	Group 2	0.1345	0.0269	0.1076	0.1272	0.2348	0.3222

Accumulation shares		Gross revenue	Income tax	Net revenue	Equalisation	Final distribution payable 27 November 2016	Final distribution paid 27 November 2015
Share Class 1	Group 1	0.3265	0.0653	0.2612	–	0.2612	0.3746
	Group 2	0.1731	0.0346	0.1385	0.1227	0.2612	0.3746
Share Class 3	Group 1	0.4648	0.0930	0.3718	–	0.3718	0.4241
	Group 2	0.3703	0.0741	0.2962	0.0756	0.3718	0.4241
Share Class R3	Group 1	0.3358	0.0672	0.2686	–	0.2686	0.3562
	Group 2	0.2061	0.0412	0.1649	0.1037	0.2686	0.3562

Final distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 September 2016.

Group 2 shares are those shares purchased after 12:00 noon on 15 September 2016.

Interim distribution paid in pence per share for the month ended 15 September 2016

Income shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 27 October 2016	Interim distribution paid 27 October 2015
Share Class 1	Group 1	0.1249	0.0250	0.0999	–	0.0999	0.1150
	Group 2	0.0500	0.0100	0.0400	0.0599	0.0999	0.1150
Share Class R3	Group 1	0.3273	0.0655	0.2618	–	0.2618	0.2850
	Group 2	0.1485	0.0297	0.1188	0.1430	0.2618	0.2850

Accumulation shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 27 October 2016	Interim distribution paid 27 October 2015
Share Class 1	Group 1	0.3550	0.0710	0.2840	–	0.2840	0.3190
	Group 2	0.1366	0.0273	0.1093	0.1747	0.2840	0.3190
Share Class 3	Group 1	0.4804	0.0961	0.3843	–	0.3843	0.4500
	Group 2	0.2359	0.0472	0.1887	0.1956	0.3843	0.4500
Share Class R3	Group 1	0.3719	0.0744	0.2975	–	0.2975	0.3154
	Group 2	0.1676	0.0335	0.1341	0.1634	0.2975	0.3154

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 August 2016.

Group 2 shares are those shares purchased after 12:00 noon on 15 August 2016.

DISTRIBUTION TABLES (CONTINUED)

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

Income shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 27 September 2016	Interim distribution paid 27 September 2015
Share Class 1	Group 1	0.1250	0.0250	0.1000	–	0.1000	0.1150
	Group 2	0.0408	0.0082	0.0326	0.0674	0.1000	0.1150
Share Class R3	Group 1	0.3500	0.0700	0.2800	–	0.2800	0.2850
	Group 2	0.1334	0.0267	0.1067	0.1733	0.2800	0.2850

Accumulation shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 27 September 2016	Interim distribution paid 27 September 2015
Share Class 1	Group 1	0.3556	0.0711	0.2845	–	0.2845	0.3182
	Group 2	0.0804	0.0161	0.0643	0.2202	0.2845	0.3182
Share Class 3	Group 1	0.4889	0.0978	0.3911	–	0.3911	0.4159
	Group 2	0.2066	0.0413	0.1653	0.2258	0.3911	0.4159
Share Class R3	Group 1	0.3988	0.0798	0.3189	–	0.3189	0.3146
	Group 2	0.0956	0.0191	0.0765	0.2424	0.3189	0.3146

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 July 2016.

Group 2 shares are those shares purchased after 12:00 noon on 15 July 2016.

Interim distribution paid in pence per share for the month ended 15 July 2016

Income shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 27 August 2016	Interim distribution paid 27 August 2015
Share Class 1	Group 1	0.1438	0.0288	0.1150	–	0.1150	0.1150
	Group 2	0.0446	0.0089	0.0357	0.0793	0.1150	0.1150
Share Class R3	Group 1	0.3500	0.0700	0.2800	–	0.2800	0.2850
	Group 2	0.1140	0.0228	0.0912	0.1888	0.2800	0.2850

Accumulation shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 27 August 2016	Interim distribution paid 27 August 2015
Share Class 1	Group 1	0.4080	0.0816	0.3264	–	0.3264	0.3174
	Group 2	0.1456	0.0291	0.1165	0.2099	0.3264	0.3174
Share Class 3	Group 1	0.5216	0.1043	0.4173	–	0.4173	0.4284
	Group 2	0.0425	0.0085	0.0340	0.3833	0.4173	0.4284
Share Class R3	Group 1	0.3976	0.0795	0.3181	–	0.3181	0.3137
	Group 2	0.0811	0.0162	0.0649	0.2532	0.3181	0.3137

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 June 2016.

Group 2 shares are those shares purchased after 12:00 noon on 15 June 2016.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the month ended 15 June 2016

Income shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 27 July 2016	Interim distribution paid 27 July 2015
Share Class 1	Group 1	0.1438	0.0288	0.1150	–	0.1150	0.1150
	Group 2	0.0454	0.0091	0.0363	0.0787	0.1150	0.1150
Share Class R3	Group 1	0.3500	0.0700	0.2800	–	0.2800	0.2850
	Group 2	0.0976	0.0195	0.0781	0.2019	0.2800	0.2850

Accumulation shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 27 July 2016	Interim distribution paid 27 July 2015
Share Class 1	Group 1	0.4071	0.0814	0.3257	–	0.3257	0.3168
	Group 2	0.1296	0.0259	0.1037	0.2220	0.3257	0.3168
Share Class 3	Group 1	0.5964	0.1193	0.4771	–	0.4771	0.4364
	Group 2	0.3204	0.0641	0.2563	0.2208	0.4771	0.4364
Share Class R3	Group 1	0.3966	0.0793	0.3173	–	0.3173	0.3129
	Group 2	0.1300	0.0260	0.1040	0.2133	0.3173	0.3129

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 May 2016.

Group 2 shares are those shares purchased after 12:00 noon on 15 May 2016.

Interim distribution paid in pence per share for the month ended 15 May 2016

Income shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 27 June 2016	Interim distribution paid 27 June 2015
Share Class 1	Group 1	0.1438	0.0288	0.1150	–	0.1150	0.1150
	Group 2	0.0573	0.0115	0.0458	0.0692	0.1150	0.1150
Share Class R3	Group 1	0.3500	0.0700	0.2800	–	0.2800	0.2850
	Group 2	0.1290	0.0258	0.1032	0.1768	0.2800	0.2850

Accumulation shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 27 June 2016	Interim distribution paid 27 June 2015
Share Class 1	Group 1	0.4063	0.0813	0.3250	–	0.3250	0.3160
	Group 2	0.1441	0.0288	0.1153	0.2097	0.3250	0.3160
Share Class 3	Group 1	0.5068	0.1014	0.4054	–	0.4054	0.4200
	Group 2	0.1288	0.0258	0.1030	0.3024	0.4054	0.4200
Share Class R3	Group 1	0.3956	0.0791	0.3165	–	0.3165	0.3121
	Group 2	0.1710	0.0342	0.1368	0.1797	0.3165	0.3121

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 April 2016.

Group 2 shares are those shares purchased after 12:00 noon on 15 April 2016.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the month ended 15 April 2016

Income shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 27 May 2016	Interim distribution paid 27 May 2015
Share Class 1	Group 1	0.1438	0.0288	0.1150	–	0.1150	0.1150
	Group 2	0.0264	0.0053	0.0211	0.0939	0.1150	0.1150
Share Class R3	Group 1	0.3500	0.0700	0.2800	–	0.2800	0.2850
	Group 2	0.0669	0.0134	0.0535	0.2265	0.2800	0.2850

Accumulation shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 27 May 2016	Interim distribution paid 27 May 2015
Share Class 1	Group 1	0.4053	0.0811	0.3242	–	0.3242	0.3153
	Group 2	0.1560	0.0312	0.1248	0.1994	0.3242	0.3153
Share Class 3	Group 1	0.5576	0.1115	0.4461	–	0.4461	0.4574
	Group 2	0.2319	0.0464	0.1855	0.2606	0.4461	0.4574
Share Class R3	Group 1	0.3946	0.0789	0.3157	–	0.3157	0.3113
	Group 2	0.0966	0.0193	0.0773	0.2384	0.3157	0.3113

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 March 2016.

Group 2 shares are those shares purchased after 12:00 noon on 15 March 2016.

Interim distribution paid in pence per share for the month ended 15 March 2016

Income shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 27 April 2016	Interim distribution paid 27 April 2015
Share Class 1	Group 1	0.1438	0.0288	0.1150	–	0.1150	0.1150
	Group 2	0.0601	0.0120	0.0481	0.0669	0.1150	0.1150
Share Class R3	Group 1	0.3500	0.0700	0.2800	–	0.2800	0.2850
	Group 2	0.0520	0.0104	0.0416	0.2384	0.2800	0.2850

Accumulation shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 27 April 2016	Interim distribution paid 27 April 2015
Share Class 1	Group 1	0.4044	0.0809	0.3235	–	0.3235	0.3146
	Group 2	0.1509	0.0302	0.1207	0.2028	0.3235	0.3146
Share Class 3	Group 1	0.5251	0.1050	0.4201	–	0.4201	0.4006
	Group 2	0.2329	0.0466	0.1863	0.2338	0.4201	0.4006
Share Class R3	Group 1	0.3936	0.0787	0.3149	–	0.3149	0.3105
	Group 2	0.1074	0.0215	0.0859	0.2290	0.3149	0.3105

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 February 2016.

Group 2 shares are those shares purchased after 12:00 noon on 15 February 2016.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the month ended 15 February 2016

Income shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 27 March 2016	Interim distribution paid 27 March 2015
Share Class 1	Group 1	0.1438	0.0288	0.1150	–	0.1150	0.1150
	Group 2	0.0316	0.0063	0.0253	0.0897	0.1150	0.1150
Share Class R3	Group 1	0.3500	0.0700	0.2800	–	0.2800	0.2850
	Group 2	0.0860	0.0172	0.0688	0.2112	0.2800	0.2850

Accumulation shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 27 March 2016	Interim distribution paid 27 March 2015
Share Class 1	Group 1	0.4035	0.0807	0.3228	–	0.3228	0.3139
	Group 2	0.1149	0.0230	0.0919	0.2309	0.3228	0.3139
Share Class 3	Group 1	0.5453	0.1091	0.4362	–	0.4362	0.4057
	Group 2	0.2219	0.0444	0.1775	0.2587	0.4362	0.4057
Share Class R3	Group 1	0.3925	0.0785	0.3140	–	0.3140	0.3097
	Group 2	0.0955	0.0191	0.0764	0.2376	0.3140	0.3097

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 January 2016.

Group 2 shares are those shares purchased after 12:00 noon on 15 January 2016.

Interim distribution paid in pence per share for the month ended 15 January 2016

Income shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 27 February 2016	Interim distribution paid 27 February 2015
Share Class 1	Group 1	0.1438	0.0288	0.1150	–	0.1150	0.1150
	Group 2	0.0934	0.0187	0.0747	0.0403	0.1150	0.1150
Share Class R3	Group 1	0.3500	0.0700	0.2800	–	0.2800	0.2850
	Group 2	0.1280	0.0256	0.1024	0.1776	0.2800	0.2850

Accumulation shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 27 February 2016	Interim distribution paid 27 February 2015
Share Class 1	Group 1	0.4024	0.0805	0.3219	–	0.3219	0.3132
	Group 2	0.2289	0.0458	0.1831	0.1388	0.3219	0.3132
Share Class 3	Group 1	0.5573	0.1115	0.4458	–	0.4458	0.4279
	Group 2	0.0760	0.0152	0.0608	0.3850	0.4458	0.4279
Share Class R3	Group 1	0.3915	0.0783	0.3132	–	0.3132	0.3089
	Group 2	0.1643	0.0329	0.1314	0.1818	0.3132	0.3089

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 December 2015.

Group 2 shares are those shares purchased after 12:00 noon on 15 December 2015.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the month ended 15 December 2015

Income shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 27 January 2016	Interim distribution paid 27 January 2015
Share Class 1	Group 1	0.1375	0.0275	0.1100	–	0.1100	0.1150
	Group 2	0.0978	0.0196	0.0782	0.0318	0.1100	0.1150
Share Class R3	Group 1	0.3500	0.0700	0.2800	–	0.2800	0.2900
	Group 2	0.1369	0.0274	0.1095	0.1705	0.2800	0.2900

Accumulation shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 27 January 2016	Interim distribution paid 27 January 2015
Share Class 1	Group 1	0.3841	0.0768	0.3073	–	0.3073	0.3125
	Group 2	0.2389	0.0478	0.1911	0.1162	0.3073	0.3125
Share Class 3	Group 1	0.5715	0.1143	0.4572	–	0.4572	0.4462
	Group 2	0.0658	0.0132	0.0526	0.4046	0.4572	0.4462
Share Class R3	Group 1	0.3905	0.0781	0.3124	–	0.3124	0.3135
	Group 2	0.1660	0.0332	0.1328	0.1796	0.3124	0.3135

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 November 2015.

Group 2 shares are those shares purchased after 12:00 noon on 15 November 2015.

Interim distribution paid in pence per share for the month ended 15 November 2015

Income shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 27 December 2015	Interim distribution paid 27 December 2014
Share Class 1	Group 1	0.1375	0.0275	0.1100	–	0.1100	0.1150
	Group 2	0.0328	0.0066	0.0262	0.0838	0.1100	0.1150
Share Class R3	Group 1	0.3399	0.0680	0.2719	–	0.2719	0.2900
	Group 2	0.1881	0.0376	0.1505	0.1214	0.2719	0.2900

Accumulation shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 27 December 2015	Interim distribution paid 27 December 2014
Share Class 1	Group 1	0.3831	0.0766	0.3065	–	0.3065	0.3118
	Group 2	0.2749	0.0550	0.2199	0.0866	0.3065	0.3118
Share Class 3	Group 1	0.5130	0.1026	0.4104	–	0.4104	0.4270
	Group 2	0.1706	0.0341	0.1365	0.2739	0.4104	0.4270
Share Class R3	Group 1	0.3783	0.0757	0.3026	–	0.3026	0.3127
	Group 2	0.1761	0.0352	0.1409	0.1617	0.3026	0.3127

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 October 2015.

Group 2 shares are those shares purchased after 12:00 noon on 15 October 2015.

Equalisation

Equalisation applies only to Group 2 shares, in other words shares purchased during the relevant 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 STRATEGIC BOND FUND

INVESTMENT OBJECTIVE

To provide a high total return from a diversified portfolio of global debt securities.

INVESTMENT POLICY

Diversified investment in global fixed interest securities, including non-investment grade.

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

Note: at least 80 per cent of assets will either be in sterling or currency hedged back to sterling.

FUND MANAGER'S REPORT

Over the twelve months ended 15 October 2016, the Aviva Investors Strategic Bond Fund delivered a total return of 5.47 per cent (share class 1) net of fees. The Fund's peer group, the Investment Association's (IA) Sterling Strategic Bond sector, generated net return of 6.81 per cent.

The Fund's underperformance was caused predominantly by its cautious positioning given growing concerns about the prospects for growth around the world. The watchful stance had proved beneficial in the early part of the period as a number of factors, such as the release of disappointing data on the Chinese economy, raised fears of a global recession. However, as economic indicators started to stabilise and commodity prices rebounded from their slump, relative performance suffered, with the avoidance of resources-related companies being one of the main detractors. The benefit of effective strategy within the investment-grade holdings was offset by some mildly disappointing returns from the high-yield exposure. However, the Fund was boosted by its exposure to gilts, which performed well as the Bank of England loosened monetary further in response to the UK's shock vote to leave the EU.

The portfolio was positioned cautiously relative to its benchmark given the generally uncertain outlook for the global economy. With new technologies and uneven demand disrupting the commodity markets, we opted to take no exposure to commodity-related corporate bonds. Within the high-yield bond portion of the Fund, we preferred US dollar and sterling credits over those issued in euros. At the sector level, we were overweight in telecoms and underweight in basic industries. In terms of our government bond exposure, we were underweight in US treasuries.

The most recent reporting season was characterised by deteriorating credit fundamentals as companies announced sluggish revenue growth, peaking profit margins and a further increase in borrowings. However, investors' caution on the weaker financial position of many companies has been overpowered by a wave of global liquidity and a scarcity of high-quality financial assets. This situation can persist in the short term but, over a longer horizon, we are concerned that the risks of investing in corporate bonds will start to outweigh the potential rewards. 2017 is an election year in a number of European countries and confidence could be rattled if the results fuel uncertainty about the future of the EU.

The year could also see the US and European central banks taking divergent paths in their monetary policy. We continue to take a guarded stance on commodity-related issuers in the high-yield sector as we believe the low-price environment will persist, despite the recent recovery. That said, the recent uptick in inflation expectations, which has been partially driven by commodity prices, leads us to be cautious towards government bond markets.

November 2016

Sources: Fund and peer group performance figures – Lipper, a Thomson Reuters Company, mid to mid basis with net income reinvested in GBP, with no initial charges applied. Market data – Bloomberg.

As noted above, the performance figures in this commentary have been sourced from an external party and are based on published prices. The performance figures quoted in the comparative tables on page 238 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 an investment and any income from it can go down as well as up. Investors may not get back the original amount invested.

Material Portfolio Changes

Purchases	Sales
Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP	Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP
UK Treasury 1.00% 07/09/2017	UK Treasury 1.75% 22/01/2017
US Treasury 0.75% 31/08/2018	UK Treasury 4.00% 07/09/2016
US Treasury Inflation Indexed 1.02% 15/02/2046	UK Treasury 2.00% 22/01/2016
US Treasury Inflation Indexed 0.64% 15/01/2024	US Treasury Inflation Indexed 1.02% 15/02/2046
US Treasury Inflation Indexed 0.39% 15/07/2023	Chemours 6.13% 15/05/2023
Royal Bank of Scotland, FRN 9.50% 16/03/2022	UBS Group, FRN 6.87% Perpetual
UK Treasury 4.50% 07/12/2042	Barclays 3.65% 16/03/2025
Prudential, FRN 11.37% 29/05/2039	Sprint Corp. 7.25% 15/09/2021
Barclays 3.25% 12/02/2027	HeidelbergCement 2.25% 30/03/2023

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'.
- Bond values are affected by changes in interest rates, and the bond issuer's creditworthiness. Bonds that produce a higher level of income usually have a greater risk of default.
- The value of investments will be affected by changes in exchange rates.
- Where a third party appointed to manage transactions or ensure the safe keeping of assets fails in their duty a loss may occur.
- Financial derivatives may only require a low initial deposit relative to the asset exposure, a relatively small price movement in the underlying asset may result in substantial losses to the Fund.
- Full information on the risks applicable to the Fund is detailed in the Prospectus.

COMPARATIVE TABLES

Class 1 Income	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	70.80	71.19	68.77
Return before operating charges [†]	5.11	3.07	5.83
Operating charges	(0.81)	(0.82)	(0.81)
Return after operating charges [†]	4.30	2.25	5.02
Distributions on income shares	(2.41)	(2.64)	(2.60)
Closing net asset value per share	72.69	70.80	71.19
Retained distributions on accumulation shares	–	–	–
[†] after direct transaction costs of	–	–	–
Performance			
Return after charges	6.07%	3.16%	7.30%
Other information			
Closing net asset value (£000)	3,215	4,030	5,160
Closing number of shares	4,423,269	5,692,906	7,248,322
Operating charges (%) [‡]	1.13%	1.13%	1.13%
Direct transaction costs (%) [#]	–	–	–
Prices[≈]			
Highest share price	74.44	74.23	72.70
Lowest share price	68.53	70.99	69.14

Class 2 Income	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	106.60	107.19	103.54
Return before operating charges [†]	7.71	4.62	8.79
Operating charges	(0.68)	(0.69)	(0.68)
Return after operating charges [†]	7.03	3.93	8.11
Distributions on income shares	(4.18)	(4.52)	(4.46)
Closing net asset value per share	109.45	106.60	107.19
Retained distributions on accumulation shares	–	–	–
[†] after direct transaction costs of	–	–	–
Performance			
Return after charges	6.59%	3.67%	7.83%
Other information			
Closing net asset value (£000)	299,552	218,582	126,663
Closing number of shares	273,690,970	205,046,770	118,167,935
Operating charges (%) [‡]	0.63%	0.63%	0.63%
Direct transaction costs (%) [#]	–	–	–
Prices[≈]			
Highest share price	112.16	111.88	109.55
Lowest share price	103.21	106.97	104.10

Class 3 Accumulation	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	194.91	189.15	176.34
Return before operating charges [†]	12.64	6.41	13.42
Operating charges	(0.66)	(0.65)	(0.61)
Return after operating charges [†]	11.98	5.76	12.81
Distributions on income shares	–	–	–
Closing net asset value per share	206.89	194.91	189.15
Retained distributions on accumulation shares	8.33	8.68	8.26
[†] after direct transaction costs of	–	–	–
Performance			
Return after charges	6.15%	3.05%	7.26%
Other information			
Closing net asset value (£000)	174,355	123,722	119,488
Closing number of shares	84,274,000	63,474,817	63,171,744
Operating charges (%) [‡]	0.33%	0.33%	0.33%
Direct transaction costs (%) [#]	–	–	–
Prices[≈]			
Highest share price	210.42	199.25	191.40
Lowest share price	190.38	189.36	177.29

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

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

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

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

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

Ongoing Charges Figure*

Share class	15.10.16	15.10.15
Class 1	1.13%	1.13%
Class 2	0.63%	0.63%
Class 3	0.33%	0.33%

* 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 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.

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 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Government Bonds 25.11% (20.83%)				
South Africa 0.00% (0.20%)				
United Kingdom 12.51% (16.80%)				
UK Treasury 1.00% 07/09/2017	GBP	22,400,000	22,556	4.73
UK Treasury 5.00% 07/03/2018	GBP	14,400,000	15,356	3.22
UK Treasury 3.75% 07/09/2021	GBP	11,057,000	12,815	2.69
UK Treasury 4.75% 07/12/2038	GBP	1,695,447	2,651	0.55
UK Treasury 4.50% 07/12/2042	GBP	4,000,000	6,311	1.32
			59,689	12.51
United States of America 12.60% (3.83%)				
US Treasury 0.75% 31/08/2018	USD	20,000,000	16,309	3.42
US Treasury Inflation Indexed 0.39% 15/07/2023	USD	20,000,000	17,397	3.65
US Treasury Inflation Indexed 0.64% 15/01/2024	USD	20,000,000	17,538	3.68
US Treasury Inflation Indexed 1.02% 15/02/2046	USD	10,000,000	8,850	1.85
			60,094	12.60
Government Bonds total			119,783	25.11
Corporate Bonds 70.81% (70.86%)				
Australia 0.95% (2.72%)				
Goodman Australia Finance, REIT 9.75% 16/07/2018	GBP	4,000,000	4,522	0.95
			4,522	0.95
Canada 0.00% (0.87%)				
Cayman Islands 0.47% (0.62%)				
THPA Finance, Series B 8.24% 15/03/2028	GBP	1,805,000	2,226	0.47
			2,226	0.47
France 8.02% (10.16%)				
AXA, FRN 5.62% 16/01/2054	GBP	5,400,000	5,758	1.21
Credit Agricole, FRN 7.50% Perpetual	GBP	2,600,000	2,573	0.54
Electricite de France, FRN 6.00% Perpetual	GBP	6,000,000	5,965	1.25
Horizon Holdings I 7.25% 01/08/2023	EUR	2,258,000	2,128	0.44
Lafarge 8.75% 30/05/2017	GBP	4,921,000	5,146	1.08
Orange, FRN 5.87% Perpetual	GBP	6,000,000	6,461	1.35
RCI Banque 3.25% 25/04/2018	GBP	5,100,000	5,248	1.10
SFR Group 7.38% 01/05/2026	USD	6,000,000	4,999	1.05
			38,278	8.02
Germany 3.59% (1.69%)				
IHO Verwaltungs 3.25% 15/09/2023	EUR	2,250,000	2,035	0.43
Pfleiderer 7.88% 01/08/2019	EUR	5,000,000	4,656	0.97
Unitymedia Hessen 4.63% 15/02/2026	EUR	5,544,000	5,304	1.11
WEPA Hygieneprodukte 3.75% 15/05/2024	EUR	2,800,000	2,609	0.55
Wittur International Holding 8.50% 15/02/2023	EUR	3,000,000	2,538	0.53
			17,142	3.59
Hong Kong 0.57% (0.63%)				
CITIC, FRN 8.62% Perpetual	USD	3,000,000	2,730	0.57
			2,730	0.57
Ireland 1.43% (1.20%)				
Swiss Reinsurance, FRN 6.37% 01/09/2024	USD	8,000,000	6,829	1.43
			6,829	1.43
Italy 4.52% (3.19%)				
Enel, FRN 8.75% 24/09/2073	USD	10,000,000	9,522	1.99
Intesa Sanpaolo, FRN 7.70% Perpetual	USD	6,000,000	4,428	0.93
Telecom Italia 5.88% 19/05/2023	GBP	6,700,000	7,614	1.60
			21,564	4.52

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Jersey 3.45% (3.31%)				
AA Bond 6.27% 02/07/2043	GBP	3,000,000	3,744	0.79
AA Bond 5.50% 31/07/2043	GBP	6,000,000	5,973	1.25
Adient Global Holdings 3.50% 15/08/2024	EUR	2,935,000	2,643	0.55
CPUK Finance 7.00% 28/08/2042	GBP	2,800,000	2,957	0.62
Galaxy Finco 7.88% 15/11/2021	GBP	1,150,000	1,126	0.24
			16,443	3.45
Luxembourg 2.13% (2.13%)				
Altice Luxembourg 7.25% 15/05/2022	EUR	4,000,000	3,840	0.80
Galapagos Holding 7.00% 15/06/2022	EUR	6,000,000	4,474	0.94
LSF9 Balta Issuer 7.75% 15/09/2022	EUR	1,924,000	1,851	0.39
			10,165	2.13
Mexico 1.33% (1.05%)				
America Movil, FRN 6.37% 06/09/2073	GBP	6,000,000	6,341	1.33
			6,341	1.33
Netherlands 6.05% (6.52%)				
Cooperatieve Rabobank 4.63% 23/05/2029	GBP	2,700,000	2,934	0.61
Glasstank 8.50% 15/05/2019	EUR	6,000,000	5,542	1.16
Koninklijke KPN, FRN 6.87% 14/03/2073	GBP	5,500,000	5,988	1.26
Petrobras Global Finance 5.38% 01/10/2029	GBP	2,300,000	1,918	0.40
Telefonica Europe, FRN 6.75% Perpetual	GBP	7,000,000	7,448	1.56
Teva Pharmaceutical Finance Netherlands III 3.15% 01/10/2026	USD	3,261,000	2,639	0.55
UPC Holding 6.75% 15/03/2023	EUR	2,500,000	2,419	0.51
			28,888	6.05
South Africa 0.16% (0.00%)				
Transnet 13.50% 18/04/2028	ZAR	12,000,000	778	0.16
			778	0.16
Switzerland 0.00% (0.44%)				
United Kingdom 30.26% (30.91%)				
Anglian Water Osprey Financing 7.00% 31/01/2018	GBP	4,500,000	4,822	1.01
Aviva, FRN 5.12% 04/06/2050 [†]	GBP	5,500,000	5,500	1.15
Barclays 3.25% 12/02/2027	GBP	4,886,000	4,732	0.99
Care UK Health & Social Care, FRN 5.49% 15/07/2019	GBP	4,350,000	3,920	0.82
Cattles 7.13% 05/07/2017 ^s	GBP	500,000	1	—
Debenhams 5.25% 15/07/2021	GBP	3,420,000	3,440	0.72
Eversholt Funding 6.70% 22/02/2035	GBP	1,900,000	2,648	0.56
F&C Finance 9.00% 20/12/2016	GBP	1,840,000	1,855	0.39
First Hydro Finance 9.00% 31/07/2021	GBP	1,100,000	1,449	0.30
Firstgroup 6.88% 18/09/2024	GBP	4,000,000	5,176	1.09
Greene King Finance, Series B1 5.70% 15/12/2034	GBP	5,477,000	4,998	1.05
HSBC Holdings 6.75% 11/09/2028	GBP	6,000,000	7,368	1.54
Imperial Brands Finance 9.00% 17/02/2022	GBP	4,400,000	6,015	1.26
Investec Bank 9.63% 17/02/2022	GBP	4,000,000	4,787	1.00
Jaguar Land Rover Automotive 5.00% 15/02/2022	GBP	2,750,000	3,031	0.64
Keystone Financing 9.50% 15/10/2019	GBP	3,000,000	3,123	0.66
Legal & General Group, FRN 10.00% 23/07/2041	GBP	5,000,000	6,461	1.35
Lloyds Bank 7.63% 22/04/2025	GBP	2,243,000	2,889	0.61
Lloyds Bank, FRN 10.75% 16/12/2021	GBP	4,000,000	4,060	0.85
Matalan Finance 6.88% 01/06/2019	GBP	4,000,000	3,162	0.66
Mitchells & Butlers Finance, FRN, Series D1 2.50% 15/06/2036	GBP	4,000,000	2,990	0.63
New Look Senior Issuer 8.00% 01/07/2023	GBP	6,500,000	5,234	1.10
Paragon Group, FRN 3.73% 20/04/2017	GBP	4,000,000	3,971	0.83
Prudential, FRN 11.37% 29/05/2039	GBP	4,500,000	5,492	1.15
RAC Bond 4.57% 06/05/2023	GBP	1,979,000	2,163	0.45
RELX Investments 2.75% 01/08/2019	GBP	6,100,000	6,324	1.33
Royal Bank of Scotland, FRN 9.50% 16/03/2022	USD	10,000,000	8,403	1.76
Royal Bank of Scotland Group, FRN 8.62% Perpetual	USD	3,200,000	2,562	0.54

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
United Kingdom 30.26% (30.91%) (continued)				
RSA Insurance Group, FRN 9.37% 20/05/2039	GBP	5,500,000	6,384	1.34
Silverstone Master Issuer, FRN 5.06% 21/01/2055	GBP	3,000,000	3,001	0.63
Spirit Issuer 5.47% 28/12/2028	GBP	3,500,000	3,573	0.75
Travis Perkins 4.38% 15/09/2021	GBP	5,500,000	5,645	1.18
Virgin Media Secured Finance 5.50% 15/01/2025	GBP	9,000,000	9,173	1.92
			144,352	30.26
United States of America 7.88% (5.42%)				
AT&T 4.38% 14/09/2029	GBP	3,695,000	4,276	0.89
AT&T 4.25% 01/06/2043	GBP	5,000,000	5,501	1.15
Citigroup 4.50% 03/03/2031	GBP	3,000,000	3,337	0.70
Diamond 1 Finance 5.88% 15/06/2021	USD	2,965,000	2,564	0.54
Diamond 1 Finance 6.02% 15/06/2026	USD	5,000,000	4,473	0.94
Diamond 1 Finance 8.35% 15/07/2046	USD	2,709,000	2,717	0.57
Goodyear Tire & Rubber 5.00% 31/05/2026	USD	1,347,000	1,127	0.24
Quintiles IMS 3.50% 15/10/2024	EUR	4,113,000	3,786	0.79
Verizon Communications 4.13% 15/08/2046	USD	5,000,000	3,990	0.84
Western Digital 10.50% 01/04/2024	USD	6,200,000	5,837	1.22
			37,608	7.88
Corporate Bonds total			337,866	70.81
Swaps (0.09)% (0.00%)				
Credit Default Swap Barclays French Republic 4.25% 25/04/2019 20/12/2016	USD	5,600,000	(3)	–
Credit Default Swap Barclays Buy iTraxx Europe Series 25 Version 1 20/06/2021	EUR	30,000,000	(414)	(0.09)
Swaps total			(417)	(0.09)
Forward Currency Contracts (1.24)% (0.08%)				
Buy GBP 47,812,581 sell EUR 54,297,000 dated 09/01/2017			(1,158)	(0.24)
Buy GBP 8,342,011 sell USD 10,200,000 dated 09/01/2017			20	–
Buy GBP 111,879,153 sell USD 142,974,000 dated 09/01/2017			(4,775)	(1.00)
Buy GBP 780,900 sell ZAR 13,953,000 dated 09/01/2017			(7)	–
Buy USD 22,296 sell ARS 367,000 dated 09/01/2017			(1)	–
Forward Currency Contracts total			(5,921)	(1.24)
Futures 0.21% ((0.01)%)				
Long Gilt 28/12/2016	GBP	(85)	390	0.08
US Treasury 10 Year Note 20/12/2016	USD	(329)	338	0.07
US Ultra Bond 20/12/2016	USD	(33)	251	0.06
Futures total			979	0.21
Liquidity Funds 2.68% (7.56%)				
Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP [†]	GBP	25,400,000	12,800	2.68
Liquidity Funds total			12,800	2.68
Investment assets			465,090	97.48
Net other assets			12,032	2.52
Net assets			477,122	100.00

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

The comparative percentage figures in brackets are as at 15 October 2015.

§ Security is currently in default.

† Investment in or managed by a related party.

STATEMENT OF TOTAL RETURN

For the year ended 15 October 2016

	Notes	£000	Year ended 15.10.16 £000	£000	Year ended 15.10.15 £000
Income					
Net capital gains/(losses)	2		11,613		(3,208)
Revenue	3	18,726		15,049	
Expenses	4	(2,206)		(1,629)	
Net revenue before taxation		16,520		13,420	
Taxation	5	(1)		–	
Net revenue after taxation			16,519		13,420
Total return before distributions			28,132		10,212
Distributions	6		(16,519)		(13,420)
Change in net assets attributable to shareholders from investment activities			11,613		(3,208)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 15 October 2016

	£000	Year ended 15.10.16 £000	£000	Year ended 15.10.15 £000
Opening net assets attributable to shareholders		346,334		251,311
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	153,738		101,831	
Amounts payable on cancellation of shares	(40,404)		(8,010)	
		113,334		93,821
Dilution adjustment		370		5
Change in net assets attributable to shareholders from investment activities (see above)		11,613		(3,208)
Retained distribution on accumulation shares		5,469		4,405
Unclaimed distribution monies		2		–
Closing net assets attributable to shareholders		477,122		346,334

BALANCE SHEET

As at 15 October 2016

	Notes	As at 15.10.16 £000	Restated* As at 15.10.15 £000
Assets:			
Investments	7	471,448	344,061
Current assets:			
Debtors	8	8,530	6,259
Cash and bank balances	9	8,605	4,889
Total assets		488,583	355,209
Liabilities:			
Investment liabilities		(6,358)	(76)
Creditors:			
Distribution payable		(3,087)	(3,329)
Other creditors	10	(2,016)	(5,470)
Total liabilities		(11,461)	(8,875)
Net assets attributable to shareholders		477,122	346,334

* Refer to the accounting policies note on page 244.

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting basis and policies

Please see pages 7 and 8 for accounting basis and policies.

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

Balance sheet

The Income tax withheld on distributions of £1,365,000 is now included within 'Distributions payable', whereas under SORP 2010 the they would have been included within 'Creditors'.

2 Net capital gains/(losses)

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Net capital gains/(losses) on investments during the year comprise:		
Currency losses	(1,070)	(1,070)
Derivative contracts (losses)/gains	(1,650)	249
Expenses relating to the purchase and sale of investments	(5)	(6)
Forward currency contracts (losses)/gains	(25,172)	4,347
Non-derivative securities gains/(losses)	39,510	(6,728)
Net capital gains/(losses)	11,613	(3,208)

3 Revenue

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Bank and deposit interest	–	19
Interest on debt securities	19,454	15,295
Interest on derivatives	(728)	(314)
UK dividends	–	49
Total revenue	18,726	15,049

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 Expenses

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Payable to the Authorised Corporate Director ("ACD"), associates of the ACD or agents of either of them:		
ACD's periodic charge	1,780	1,349
Registration fees	259	191
	2,039	1,540
Payable to the Depositary, associates of the Depositary or agents of either of them:		
Depositary's fee	48	32
Interest payable	58	–
Safe custody fee	34	28
	140	60
Other expenses:		
Audit fee*	10	10
Printing & postage expenses	5	4
Statement fees	12	15
	27	29
Total expenses	2,206	1,629

* The audit fee was £8,848 (2015: £8,241) net of VAT.

5 Taxation

a Analysis of tax charge

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Corporation tax	1	–
Total current tax (see note 5b)	1	–

b Factors affecting current tax charge

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

The differences are explained below:

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Net revenue before taxation	16,520	13,420
Corporation tax at 20%	3,304	2,684
Effects of:		
Movement in excess expenses	12	–
Overseas dividends not subject to corporation tax	1	–
Tax deductible on interest distributions	(3,316)	(2,684)
	(3,303)	(2,684)
Current tax charge (see note 5.a)	1	–

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 year end (2015: £nil).

After claiming relief against accrued income taxable on receipt, the Fund has unrelieved excess expenses of £58,000 (2015: £nil) creating a potential deferred tax asset of £12,000 (2015: £nil). 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 15.10.16 £000	Year ended 15.10.15 £000
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:		
Gross interest distribution for the three months ended 15 January	3,733	3,042
Gross interest distribution for the three months ended 15 April	4,266	3,288
Gross interest distribution for the three months ended 15 July	4,696	3,530
Gross interest distribution for the three months ended 15 October	4,446	3,884
	17,141	13,744
Add: Revenue deducted on cancellation of shares	101	43
Deduct: Revenue received on issue of shares	(723)	(367)
Total distributions	16,519	13,420
Reconciliations of distributions for the year to net revenue after taxation		
Distributions for the year	16,519	13,420
Net revenue after taxation	16,519	13,420

Details of the distributions per share are set out in the distribution tables on pages 250 and 251.

7 Fair value hierarchy

Valuation technique	Assets at 15.10.16 £000	Liabilities at 15.10.16 £000	Assets at 15.10.15 £000	Liabilities at 15.10.15 £000
Quoted prices for identical instruments in active markets	589	–	–	(42)
Prices of recent transactions for identical instruments	12,800	–	26,200	–
Valuation techniques using observable market data	458,059	(6,358)	317,861	(34)
Total value	471,448	(6,358)	344,061	(76)

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 to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

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

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

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

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

8 Debtors

	As at 15.10.16 £000	As at 15.10.15 £000
Accrued revenue	6,733	5,287
Amounts receivable on issue of shares	1,789	968
Sales awaiting settlement	8	4
Total debtors	8,530	6,259

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 Cash and bank balances

	As at 15.10.16 £000	As at 15.10.15 £000
Amounts held at futures clearing house and brokers	146	145
Cash and bank balances	8,459	4,744
Total cash and bank balances	8,605	4,889

10 Other creditors

	As at 15.10.16 £000	Restated* As at 15.10.15 £000
Accrued expenses	317	256
Amounts payable for cancellation of shares	2	19
Purchases awaiting settlement	1,697	5,195
Total creditors	2,016	5,470

* Refer to the accounting policies note on page 244.

11 Contingent liabilities and commitments

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

	As at 15.10.16 £000	As at 15.10.15 £000
Long Gilt 28/12/2016	390	–
Total contingent liabilities and commitments	390	–

12 Related party transactions

ACD periodic charges paid to Aviva Investors UK Fund Services Limited ("the ACD") are shown in note 4 and details of shares issued and cancelled by the ACD are shown in the statement of change in net assets attributable to shareholders. The balance due to the ACD at the year end in respect of ACD periodic charges was £248,000 (2015: £197,000). Any balance due from the ACD in respect of issues is shown in note 8. Any balance due to the ACD in respect of cancellations is shown in note 10.

Distributions payable to the ACD and related parties of the ACD during the year amounted to £5,729,000 (2015: £4,545,000). The amount outstanding at the year end was £1,437,000 (2015: £1,209,000). Related parties of the ACD are deemed to be all companies under the control of Aviva Plc. This will include companies which hold shares in the Fund on behalf of other external investors.

Any 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 £210,542,000 (2015: £4,431,000) and £197,000,000 (2015: £1,033,000) respectively. The income received during the year amounted to £354,000 (2015: £77,000).

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

	Holdings at 15.10.16 (shares)	Movement (shares)	Holdings at 15.10.15 (shares)
ACD and related parties (share class 2 Income shares)	9,124,504	3,839,439	5,285,065
ACD and related parties (share class 3 Accumulation shares)	84,274,000	20,799,183	63,474,817

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

13 Shareholder funds

The Fund currently has three share classes: Class 1 (Retail), Class 2 (Institutional) and Class 3 (Associated undertakings of Aviva Plc). The annual management charges are as follows:

Class 1: 1.00%
Class 2: 0.50%
Class 3: 0.30%

The net asset value of the share class, the net asset value per share and the number of shares in the class are shown on page 238. The distributions per share are given in the distribution tables on pages 250 and 251. All the share classes have the same rights on winding up.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14 Shares in issue reconciliation

	Number of shares in issue at 15.10.15	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 15.10.16
Share Class 1 Income	5,692,906	131,204	(510,508)	(890,333)	4,423,269
Share Class 2 Income	205,046,770	89,519,495	(21,466,323)	591,028	273,690,970
Share Class 3 Accumulation	63,474,817	29,120,073	(8,320,890)	–	84,274,000

15 Derivatives and other financial instruments

The policies applied in the management of financial instruments are set out on pages 8 and 9.

Value at risk

The Fund enters into derivative transactions in the form of forward currency contracts, futures and credit default 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 15 October 2016 was as follows:

	15.10.16 %	15.10.15 %
As at 15 October, the company's value at risk is		
During the financial year, the highest utilisation of value at risk was	(1.07)	(1.15)
During the financial year, the average utilisation of value at risk was	(1.84)	(1.39)
During the financial year, the lowest utilisation of value at risk was	(2.51)	(1.74)

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 15 October 2016 the average leverage was 53% (2015: 23%).

Market price risk

At the year end date, 97.48% (2015: 99.32%) of the net assets of the Fund were invested in debt securities or stock units and admitted to an official stock exchange. If the market were to change by 10%, the value of the Fund will change by 9.75%.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16 Counterparty Exposure**Financial derivative exposure**

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

	Forward currency contracts £000	Futures contracts £000	Total £000
15.10.16			
Citibank	6	–	6
Goldman Sachs	(1,158)	–	(1,158)
JPMorgan	(1)	979	978
Morgan Stanley	(4)	–	(4)
Nomura International	(23)	–	(23)
Royal Bank of Scotland	(4,752)	–	(4,752)
UBS	11	–	11
Total	(5,921)	979	(4,942)

	Forward currency contracts £000	Futures contracts £000	Total £000
15.10.15			
Citibank N.A.	(25)	–	(25)
Société Générale Paris	297	–	297
Total	272	–	272

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

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

17 Debt security credit analysis

	Market value £000		Total net assets %	
	15.10.16	15.10.15	15.10.16	15.10.15
Investment grade	264,897	177,335	55.52%	51.19%
Below investment grade	187,331	127,087	39.27%	36.71%
Unrated	5,421	13,142	1.13%	3.79%
Total debt securities	457,649	317,564	95.92%	91.69%

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

18 Direct transaction costs

Due to the nature of the investments held, no transaction costs or taxes were incurred on the Fund's purchases or sales during the current year ended 15 October 2016 (2015: £nil). The total purchases for the year amounted to £447,308,000 (2015: £236,793,000) and the total sales amounted to £332,137,000 (2015: £140,815,000).

Dealing spread

As at 15 October 2016, the average portfolio dealing spread was 0.71% (2015: 0.84%). This spread represents the difference between the values determined retrospectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

19 Post balance sheet events

There are no post balance sheet events which require adjustment or disclosure at the year end (2015: £nil).

DISTRIBUTION TABLES

Final distribution payable in pence per share for the three months ended 15 October 2016

Income shares		Gross revenue	Income tax	Net revenue	Equalisation	Final distribution payable 15 December 2016	Final distribution paid 15 December 2015
Share Class 1	Group 1	0.5695	0.1139	0.4556	–	0.4556	0.5529
	Group 2	0.3278	0.0656	0.2622	0.1934	0.4556	0.5529
Share Class 2	Group 1	0.9960	0.1992	0.7968	–	0.7968	0.9425
	Group 2	0.4819	0.0964	0.3855	0.4113	0.7968	0.9425

Accumulation shares		Gross revenue	Income tax	Net revenue	Equalisation	Final distribution payable 15 December 2016	Final distribution paid 15 December 2015
Share Class 3	Group 1	2.0234	0.4047	1.6187	–	1.6187	1.8261
	Group 2	1.1504	0.2301	0.9203	0.6984	1.6187	1.8261

Final distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 July 2016.

Group 2 shares are those shares purchased after 12:00 noon on 15 July 2016.

Interim distribution paid in pence per share for the three months ended 15 July 2016

Income shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 15 September 2016	Interim distribution paid 15 September 2015
Share Class 1	Group 1	0.6271	0.1254	0.5017	–	0.5017	0.5266
	Group 2	0.2514	0.0503	0.2011	0.3006	0.5017	0.5266
Share Class 2	Group 1	1.0795	0.2159	0.8636	–	0.8636	0.9032
	Group 2	0.4919	0.0984	0.3935	0.4701	0.8636	0.9032

Accumulation shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 15 September 2016	Interim distribution paid 15 September 2015
Share Class 3	Group 1	2.1569	0.4314	1.7255	–	1.7255	1.7393
	Group 2	0.9645	0.1929	0.7716	0.9539	1.7255	1.7393

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 April 2016.

Group 2 shares are those shares purchased after 12:00 noon on 15 April 2016.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the three months ended 15 April 2016

Income shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 15 June 2016	Interim distribution paid 15 June 2015
Share Class 1	Group 1	0.6008	0.1202	0.4806	–	0.4806	0.5195
	Group 2	0.2760	0.0552	0.2208	0.2598	0.4806	0.5195
Share Class 2	Group 1	1.0366	0.2073	0.8293	–	0.8293	0.8920
	Group 2	0.4603	0.0921	0.3682	0.4611	0.8293	0.8920

Accumulation shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 15 June 2016	Interim distribution paid 15 June 2015
Share Class 3	Group 1	2.0574	0.4115	1.6459	–	1.6459	1.7043
	Group 2	0.6310	0.1262	0.5048	1.1411	1.6459	1.7043

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 January 2016.

Group 2 shares are those shares purchased after 12:00 noon on 15 January 2016.

Interim distribution paid in pence per share for the three months ended 15 January 2016

Income shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 15 March 2016	Interim distribution paid 15 March 2015
Share Class 1	Group 1	0.6156	0.1231	0.4925	–	0.4925	0.5117
	Group 2	0.2408	0.0482	0.1926	0.2999	0.4925	0.5117
Share Class 2	Group 1	1.0634	0.2127	0.8507	–	0.8507	0.8822
	Group 2	0.5661	0.1132	0.4529	0.3978	0.8507	0.8822

Accumulation shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 15 March 2016	Interim distribution paid 15 March 2015
Share Class 3	Group 1	2.0924	0.4185	1.6739	–	1.6739	1.6720
	Group 2	0.9860	0.1972	0.7888	0.8851	1.6739	1.6720

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 October 2015.

Group 2 shares are those shares purchased after 12:00 noon on 15 October 2015.

Equalisation

Equalisation applies only to Group 2 shares, in other words shares purchased during the relevant 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 EUROPEAN EQUITY FUND

INVESTMENT OBJECTIVE

Long term capital appreciation.

INVESTMENT POLICY

Diversified investment within and across European equity markets. Allocations to individual markets will vary over time. Individual equity selections will be based on price and long term total return prospects.

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

FUND MANAGER'S REPORT

Over the twelve months ended 15 October 2016, the Aviva Investors European Equity Fund delivered a total return of 25.35 per cent (share class A), net of fees, compared to an average return of 21.53 per cent for its peer group the Investment Association Europe excluding UK sector. The Fund's benchmark, the FTSE® AW Europe ex UK Index, returned 22.40 per cent.

Stock selection in the technology sector was the key factor that contributed to the Fund's outperformance of the benchmark index over the year under review. Key holdings SAP, Temenos and ASML all reported strong earnings that the market reacted well to. Software providers Temenos and SAP both posted impressive licence growth over the past twelve months and S4 Hana has attracted both new customers and gained traction amongst SAP's existing customer base. Swiss group Temenos, which sells software to banks, continued to perform strongly as it won large contracts with Nordea, Standard Chartered Bank and Bank of Ireland. Dutch group ASML, a major provider to semiconductor makers, continued to advance its EUV technology product offering including several orders from key customers. The Fund's holding in German semiconductor manufacturer Infineon Technologies also performed well as investors continued to focus on the potential sales the company could generate from automotive electrification.

Holdings in the industrials sector also contributed to the performance of the Fund. Key contributors included Rexel and Coor Service Management. Facilities management firm Coor delivered very strong second quarter results, which easily exceeded market expectations for sales and profit growth. Electrical distributor Rexel showed steady progress in its quarterly results and the new CEO confirmed he would update the market on the company's longer-term ambitions in 2017. In the healthcare sector, the Fund's holding in German group Fresenius performed well. The company announced that it would expand its European hospital footprint with the acquisition of Quironsalud for an enterprise value of €5.7 billion, which received a favourable reaction from the market.

The Fund's limited exposure to consumer staples, and the food and beverages sectors in particular, was detrimental as investors favoured stocks with relatively predictable earnings, while a low weighting in energy stocks was also detrimental as the oil price rallied over the spring and summer months.

The Fund participated in the Initial Public Offering (IPO) of shares in Dutch bank ABN Amro, which performed well following flotation. We have limited exposure to banks owing to the sector's poor returns record, however we acquired a holding in ABN Amro for its focus on the strongly growing Dutch economy and the bank's favourable capital ratios.

The Fund sold its position in Novo Nordisk and Sanofi given increasing evidence of pricing pressure in the insulin market in the USA, which both companies are heavily exposed to. We also sold the Fund's position in biotechnology company Genmab given the share price had reached its fair value in our view.

We assess investment opportunities on each company's individual merits rather than on a market view. Nonetheless we are cautiously optimistic on the medium-term prospects for European equities. European equity markets have recovered their poise after the Brexit-related plunge in late June and early July. Fundamental support has come from positive, albeit sluggish earnings growth, as well as the accommodative monetary policy backdrop. More recently, cyclical stocks have led the gains suggesting confidence in the economic outlook may have increased. Economic growth in the Eurozone slowed during the second quarter, but is still running above the trend place. Inflation is rising slowly and fears of deflation have abated.

November 2016

Sources: Fund and peer group performance figures – Lipper, a Thomson Reuters Company, mid to mid basis with net income reinvested in GBP, with no initial charges applied. Market data – Bloomberg.

As noted above, the performance figures in this commentary have been sourced from an external party and are based on published prices. The performance figures quoted in the comparative tables on pages 254 and 255 are based on the net asset value per the published accounts and may be different due to post year end accounting adjustments.

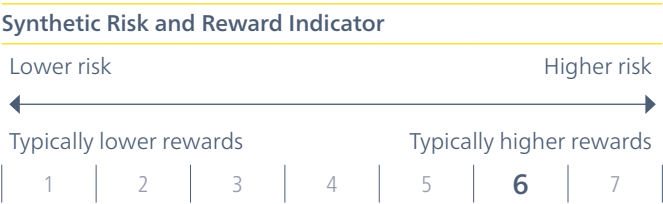
Any opinions expressed are those of the Fund manager. They should not be viewed as a guarantee of a return from an investment in the Funds. The content of the commentary should not be viewed as a recommendation to invest nor buy or sell securities. Past performance is not a guide to the future. The value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

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Material Portfolio Changes

Purchases	Sales
Intesa Sanpaolo	SAP
Orange	Novo Nordisk 'B'
ABN AMRO Group, CVA	Genmab
AXA	Sanofi
Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP	Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP
SAP	Temenos Group
Stroeer	Roche Holding
TOTAL	Brenntag
Continental	BNP Paribas
Amundi	ING Groep

AVIVA INVESTORS EUROPEAN EQUITY FUND (CONTINUED)



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’.
- The value of investments will be affected by changes in exchange rates.
- Full information on the risks applicable to the Fund is detailed in the Prospectus.

COMPARATIVE TABLES

Class 1 Accumulation	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	169.93	142.61	148.43
Return before operating charges [†]	46.49	29.00	(4.29)
Operating charges	(1.88)	(1.68)	(1.53)
Return after operating charges [†]	44.61	27.32	(5.82)
Distributions on income shares	–	–	–
Closing net asset value per share	214.54	169.93	142.61
Retained distributions on accumulation shares	1.81	1.23	0.76
[†] after direct transaction costs of	(0.15)	(0.20)	(0.26)
Performance			
Return after charges	26.25%	19.16%	(3.92)%
Other information			
Closing net asset value (£000)	116,462	109,092	101,198
Closing number of shares	54,284,226	64,198,426	70,960,046
Operating charges (%) [†]	1.00%	1.00%	1.00%
Direct transaction costs (%) [#]	0.07%	0.12%	0.17%
Prices[™]			
Highest share price	217.16	183.04	160.57
Lowest share price	166.73	138.31	142.38

Class 3 Income	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	277.18	234.37	245.37
Return before operating charges [†]	75.98	39.92	(7.16)
Operating charges	(1.06)	(0.97)	(0.92)
Return after operating charges [†]	74.92	38.95	(8.08)
Distributions on income shares	(5.00)	3.86	(2.92)
Closing net asset value per share	347.10	277.18	234.37
Retained distributions on accumulation shares	–	–	–
[†] after direct transaction costs of	(0.24)	(0.33)	(0.43)
Performance			
Return after charges	27.03%	16.62%	(3.29)%
Other information			
Closing net asset value (£000)	17,279	16,138	14,697
Closing number of shares	4,978,001	5,822,213	6,270,711
Operating charges (%) [†]	0.35%	0.35%	0.36%
Direct transaction costs (%) [#]	0.07%	0.12%	0.17%
Prices[™]			
Highest share price	355.39	301.68	266.09
Lowest share price	272.56	227.24	236.37

Class 2 Accumulation	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	264.46	221.61	230.32
Return before operating charges [†]	72.41	45.09	(6.66)
Operating charges	(2.50)	(2.24)	(2.05)
Return after operating charges [†]	69.91	42.85	(8.71)
Distributions on income shares	–	–	–
Closing net asset value per share	334.37	264.46	221.61
Retained distributions on accumulation shares	3.45	2.39	1.62
[†] after direct transaction costs of	(0.24)	(0.32)	(0.40)
Performance			
Return after charges	26.43%	19.34%	(3.78)%
Other information			
Closing net asset value (£000)	29,675	7,370	2,851
Closing number of shares	8,874,729	2,786,918	1,286,685
Operating charges (%) [†]	0.85%	0.85%	0.86%
Direct transaction costs (%) [#]	0.07%	0.12%	0.17%
Prices[™]			
Highest share price	338.44	284.64	249.29
Lowest share price	259.60	214.92	221.25

COMPARATIVE TABLES (CONTINUED)

Class A Accumulation	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	167.40	141.40	148.14
Return before operating charges [†]	45.59	28.73	(4.20)
Operating charges	(3.03)	(2.73)	(2.54)
Return after operating charges [†]	42.56	26.00	(6.74)
Distributions on income shares	–	–	–
Closing net asset value per share	209.96	167.40	141.40
Retained distributions on accumulation shares	0.57	0.10	–
[†] after direct transaction costs of	(0.15)	(0.20)	(0.26)
Performance			
Return after charges	25.42%	18.39%	(4.55)%
Other information			
Closing net asset value (£000)	13,269	12,335	12,647
Closing number of shares	6,319,938	7,368,603	8,943,894
Operating charges (%) [‡]	1.65%	1.65%	1.66%
Direct transaction costs (%) [#]	0.07%	0.12%	0.17%
Prices[≈]			
Highest share price	212.53	180.91	159.84
Lowest share price	163.89	137.14	141.18

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

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

(b) The Ongoing Charge 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.

Ongoing Charges Figure*

Share class	15.10.16	15.10.15
Class 1	1.00%	1.00%
Class 2	0.85%	0.85%
Class 3	0.35%	0.35%
Class A	1.65%	1.65%

* 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 for share class 1 is capped at 1.00%. 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 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Equities 98.64% (97.55%)				
Belgium 2.77% (5.08%)				
Ablynx	EUR	92,264	912	0.52
Biocartis Group	EUR	95,954	830	0.47
Bone Therapeutics	EUR	82,443	642	0.36
Celyad	EUR	10,670	171	0.10
Ontex Group	EUR	94,545	2,343	1.32
			4,898	2.77
Denmark 3.02% (7.96%)				
Bavarian Nordic	DKK	28,288	813	0.46
Chr Hansen Holding	DKK	39,186	1,865	1.06
Novozymes 'B'	DKK	76,122	2,660	1.50
			5,338	3.02
Finland 2.37% (1.69%)				
Kone 'B'	EUR	105,710	4,180	2.37
			4,180	2.37
France 25.66% (20.89%)				
Abivax	EUR	19,465	120	0.07
Amplitude Surgical	EUR	302,345	803	0.46
Amundi	EUR	52,241	2,091	1.18
AXA	EUR	205,759	3,800	2.15
Bureau Veritas	EUR	140,215	2,350	1.33
Coface	EUR	81,870	481	0.27
Essilor International	EUR	20,647	2,078	1.18
Legrand	EUR	90,941	4,256	2.41
Orange	EUR	314,207	3,938	2.23
OSE Immuno	EUR	56,605	318	0.18
Pernod Ricard	EUR	43,781	4,137	2.34
Publicis Groupe	EUR	70,102	4,124	2.33
Rexel	EUR	195,612	2,238	1.27
Schneider Electric	EUR	84,147	4,689	2.65
Sodexo	EUR	37,960	3,517	1.99
SPIE	EUR	142,155	2,273	1.29
TOTAL	EUR	51,819	2,068	1.17
TxCell	EUR	32,468	83	0.05
Worldline	EUR	82,151	1,968	1.11
			45,332	25.66
Germany 19.13% (18.95%)				
Bayer	EUR	57,701	4,719	2.67
Continental	EUR	26,047	4,095	2.32
Deutsche Boerse	EUR	60,113	3,846	2.18
Fresenius	EUR	59,246	3,720	2.10
Infineon Technologies	EUR	333,645	4,728	2.68
Medigene	EUR	159,188	1,484	0.84
Probiobrug	EUR	22,093	382	0.22
SAP	EUR	108,254	7,723	4.37
Stroeer	EUR	34,823	1,208	0.68
United Internet	EUR	55,212	1,887	1.07
			33,792	19.13
Ireland 6.29% (6.72%)				
Glanbia	EUR	186,435	2,651	1.50
Kerry Group 'A'	EUR	39,803	2,539	1.44
Malin Corp	EUR	108,876	1,274	0.72
Paddy Power Betfair	EUR	21,506	1,893	1.07
Ryanair Holdings	EUR	264,131	2,765	1.56
			11,122	6.29

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Italy 4.73% (3.96%)				
Anima Holding	EUR	615,286	2,181	1.23
Cerved Information Solutions	EUR	256,002	1,684	0.95
Intesa Sanpaolo	EUR	1,988,956	3,550	2.01
Newron Pharmaceuticals	CHF	56,523	952	0.54
			8,367	4.73
Luxembourg 0.67% (0.69%)				
Stabilus	EUR	25,781	1,183	0.67
			1,183	0.67
Netherlands 11.43% (8.43%)				
ABN AMRO Group, CVA	EUR	213,493	3,684	2.09
ASML Holding	EUR	59,015	4,879	2.76
IMCD Group	EUR	60,859	2,192	1.24
Intertrust	EUR	125,874	2,295	1.30
Kiadis Pharma	EUR	88,147	854	0.48
Unilever, CVA	EUR	177,282	6,288	3.56
			20,192	11.43
Norway 0.32% (0.07%)				
Nordic Nanovector	NOK	90,093	567	0.32
			567	0.32
Spain 4.68% (3.83%)				
Amadeus IT Group	EUR	112,446	4,393	2.49
Bankinter	EUR	670,046	3,879	2.19
			8,272	4.68
Sweden 2.03% (1.37%)				
Coor Service Management Holding	SEK	490,377	2,503	1.42
Tobii	SEK	147,483	1,085	0.61
			3,588	2.03
Switzerland 13.99% (14.25%)				
Basilea Pharmaceutica	CHF	8,991	543	0.31
Cie Financiere Richemont	CHF	72,215	4,030	2.28
Evolva Holding	CHF	1,294,167	556	0.32
GeNeuro	EUR	27,553	162	0.09
Roche Holding	CHF	41,506	8,088	4.58
Syngenta	CHF	12,958	4,423	2.50
Temenos Group	CHF	121,697	6,911	3.91
			24,713	13.99
United Kingdom 1.55% (3.66%)				
4d pharma [#]	GBP	91,304	712	0.40
Advanced Oncotherapy [#]	GBP	300,861	307	0.17
Avacta Group [#]	GBP	264,154	233	0.13
ImmuPharma [#]	GBP	455,232	168	0.10
Oxford Biomedica	GBP	11,016,178	349	0.20
Oxford Pharmascience Group [#]	GBP	5,178,000	98	0.06
ReNeuron Group [#]	GBP	5,507,392	124	0.07
Silence Therapeutics [#]	GBP	170,654	208	0.12
Verona Pharma [#]	GBP	16,167,717	534	0.30
			2,733	1.55
Equities total			174,277	98.64
Investment assets			174,277	98.64
Net other assets			2,408	1.36
Net assets			176,685	100.00

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

The comparative percentage figures in brackets are as at 15 October 2015.

[#] Security traded on another regulated market.

STATEMENT OF TOTAL RETURN

For the year ended 15 October 2016

	Notes	£000	Year ended 15.10.16 £000	£000	Year ended 15.10.15 £000
Income					
Net capital gains	2		35,942		23,887
Revenue	3	3,251		2,743	
Expenses	4	(1,535)		(1,452)	
Net revenue before taxation		1,716		1,291	
Taxation	5	(117)		(178)	
Net revenue after taxation			1,599		1,113
Total return before distributions			37,541		25,000
Distributions	6		(1,613)		(1,115)
Change in net assets attributable to shareholders from investment activities			35,928		23,885

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 15 October 2016

	£000	Year ended 15.10.16 £000	£000	Year ended 15.10.15 £000
Opening net assets attributable to shareholders		144,935		131,393
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	8,373		3,850	
Amounts payable on cancellation of shares	(13,875)		(15,056)	
		(5,502)		(11,206)
Change in net assets attributable to shareholders from investment activities (see above)		35,928		23,885
Retained distribution on accumulation shares		1,324		863
Closing net assets attributable to shareholders		176,685		144,935

BALANCE SHEET

As at 15 October 2016

	Notes	As at 15.10.16 £000	As at 15.10.15 £000
Assets:			
Investments	7	174,277	141,383
Current assets:			
Debtors	8	359	1,092
Cash and bank balances	9	2,829	4,757
Total assets		177,465	147,232
Liabilities:			
Creditors:			
Distribution payable on income shares		(201)	(176)
Other creditors	10	(579)	(2,121)
Total liabilities		(780)	(2,297)
Net assets attributable to shareholders		176,685	144,935

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting basis and policies

Please see pages 7 and 8 for accounting basis and policies.

There has been no changes to the financial position or financial performance of the Fund as a result of preparing these statements in accordance with SORP 2014 rather than SORP 2010.

2 Net capital gains

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Net capital gains on investments during the year comprise:		
Currency gains/(losses)	279	(483)
Expenses relating to the purchase and sale of investments	5	(3)
Forward currency contracts gains	1	–
Non-derivative securities gains	35,657	24,373
Net capital gains	35,942	23,887

3 Revenue

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Bank and deposit interest	32	4
Overseas dividends	3,219	2,739
Total revenue	3,251	2,743

4 Expenses

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Payable to the Authorised Corporate Director ("ACD"), associates of the ACD or agents of either of them:		
ACD's periodic charge	1,455	1,420
Registration fees	34	18
	1,489	1,438
Payable to the Depositary, associates of the Depositary or agents of either of them:		
Depositary's fee	20	16
Interest payable	12	–
Safe custody fee	26	26
	58	42
Other expenses:		
Audit fee*	9	9
Printing & postage expenses	1	2
Professional fees	17	–
Statement fees	5	6
	32	17
Total expenses	1,579	1,497
Less those expenses rebated by the ACD	(44)	(45)
Net expenses	1,535	1,452

* The audit fee was £8,326 (2015: £7,726) net of VAT.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Taxation**a Analysis of tax charge**

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Corporation tax	117	178
Total current tax (see note 5b)	117	178

b Factors affecting current tax charge

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

The differences are explained below:

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Net revenue before taxation	1,716	1,291
Corporation tax at 20%	343	258
Effects of:		
Expenses not deductible for tax purposes	3	–
Movement in excess expenses	298	290
Overseas dividends not subject to corporation tax	(644)	(548)
Overseas tax suffered	117	178
	(226)	(80)
Current tax charge (see note 5.a)	117	178

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 year end (2015: £nil).

After claiming relief against accrued income taxable on receipt, the Fund has unrelieved excess expenses of £9,568,000 (2015: £8,078,000) creating a potential deferred tax asset of £1,914,000 (2015: £1,616,000). It is unlikely that the Fund will generate taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

6 Distributions

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:		
Interim distribution	81	56
Final distribution	1,495	1,035
	1,576	1,091
Add: Revenue deducted on cancellation of shares	67	46
Deduct: Revenue received on issue of shares	(30)	(22)
Total distributions	1,613	1,115
Reconciliations of distributions for the year to net revenue after taxation		
Distributions for the year	1,613	1,115
Equalisation on conversions	(1)	(2)
Other fees borne by capital account	(13)	–
Net revenue after taxation	1,599	1,113

Details of the distributions per share are set out in the distribution tables on page 266.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 Fair value hierarchy

Valuation technique	Assets at 15.10.16 £000	Assets at 15.10.15 £000
Quoted prices for identical instruments in active markets	174,277	141,383

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 to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

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

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

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

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

8 Debtors

	As at 15.10.16 £000	As at 15.10.15 £000
Accrued revenue	14	17
Amounts receivable on issue of shares	–	33
Corporation tax recoverable	69	69
Overseas tax recoverable	273	321
Sales awaiting settlement	3	652
Total debtors	359	1,092

9 Cash and bank balances

	As at 15.10.16 £000	As at 15.10.15 £000
Cash and bank balances	2,829	4,757
Total cash and bank balances	2,829	4,757

10 Other creditors

	As at 15.10.16 £000	As at 15.10.15 £000
Accrued expenses	217	206
Amounts payable for cancellation of shares	228	384
Purchases awaiting settlement	134	1,531
Total creditors	579	2,121

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11 Contingent liabilities and commitments

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

12 Related party transactions

ACD periodic charges paid to Aviva Investors UK Fund Services Limited ("the ACD") are shown in note 4 and details of shares issued and cancelled by the ACD are shown in the statement of change in net assets attributable to shareholders. The balance due to the ACD at the year end in respect of ACD periodic charges was £190,000 (2015: £182,000). Any balance due from the ACD in respect of issues is shown in note 8. Any balance due to the ACD in respect of cancellations is shown in note 10.

Distributions payable to the ACD and related parties of the ACD during the year amounted to £287,000 (2015: £238,000). The amount outstanding at the year end was £234,000 (2015: £186,000). Related parties of the ACD are deemed to be all companies under the control of Aviva Plc. This will include companies which hold shares in the Fund on behalf of other external investors.

Any investments managed and advised by Aviva Investors Global Services Limited or associated with the Aviva Group are identified on the portfolio statement. The total purchases and sales on these investments during the year amounted to £2,900,000 (2015: £nil) and £2,900,000 (2015: £nil) respectively. There was no income on these investments during the year.

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

	Holdings at 15.10.16 (shares)	Movement (shares)	Holdings at 15.10.15 (shares)
ACD and related parties (share class 1 Accumulation shares)	140,852	42,352	98,500
ACD and related parties (share class 2 Accumulation shares)	571,941	308,445	263,496
ACD and related parties (share class 3 Income shares)	4,978,001	(844,212)	5,822,213
ACD and related parties (share class A Accumulation shares)	2,313,621	(69,504)	2,383,125

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

13 Shareholder funds

The Fund currently has four share classes: Class 1 and A (Retail), Class 2 (Institutional) and Class 3 (Associated undertakings of Aviva Plc). The annual management charges are as follows:

Class 1: 1.00%
 Class 2: 0.70%
 Class 3: 0.30%
 Class A: 1.50%

The net asset value of the share class, the net asset value per share and the number of shares in the class are shown on pages 254 and 255. The distributions per share are given in the distribution tables on page 266. All the share classes have the same rights on winding up.

14 Shares in issue reconciliation

	Number of shares in issue at 15.10.15	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 15.10.16
Class 1 (Acc)	64,198,426	236,342	(4,291,121)	(5,859,421)	54,284,226
Class 2 (Acc)	2,786,918	2,452,811	(719,882)	4,354,882	8,874,729
Class 3	5,822,213	81,576	(925,788)	–	4,978,001
Class A (Acc)	7,368,603	372,418	(486,090)	(934,993)	6,319,938

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 Derivatives and other financial instruments

The policies applied in the management of financial instruments are set out on pages 8 and 9.

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 (2015: £nil).

Currency risk

At the year end date, 97.31% (2015: 95.18%) of the net assets of the Fund were denominated in currencies other than sterling with the effect that the balance sheet and total return can be significantly affected by currency movements.

If the currency rates were to change by 10%, the value of the Fund will change by 9.73%.

Currency	Net foreign currency assets					
	Monetary exposure £000		Non monetary exposure £000		Total £000	
	15.10.16	15.10.15	15.10.16	15.10.15	15.10.16	15.10.15
Danish Krone	25	266	5,338	11,530	5,363	11,796
Euro	225	1,181	136,548	100,724	136,773	101,905
Norwegian Krone	–	–	567	108	567	108
Swedish Krona	41	–	3,588	–	3,629	–
Swiss Franc	97	431	25,503	21,736	25,599	22,167
US Dollar	–	–	–	1,981	–	1,981

Interest rate risk

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

At the year end date, 1.60% (2015: 3.34%) of the net assets of the Fund were interest bearing and as such the interest rate risk is not considered significant.

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

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

Market price risk

At the year end date, 98.64% (2015: 97.55%) of the net assets of the Fund were invested in ordinary shares admitted to an official stock exchange. If the market value were to change by 10%, the value of the Fund would change by 9.86%.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16 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.

	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
15.10.16						
Purchases (excluding in-specie transfers and corporate actions)						
Equities	(45,806)	(38)	(39)	(45,883)	(0.08)%	(0.09)%
	(45,806)	(38)	(39)	(45,883)		
Sales (excluding in-specie transfers and corporate actions)						
Equities	48,691	(45)	–	48,646	0.09%	0.00%
	48,691	(45)	–	48,646		
Total		(83)	(39)			
Percentage of Fund average net assets		0.05%	0.02%			

	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
15.10.15						
Purchases (excluding in-specie transfers and corporate actions)						
Equities	(56,005)	(63)	(37)	(56,105)	(0.11)%	(0.07)%
	(56,005)	(63)	(37)	(56,105)		
Sales (excluding in-specie transfers and corporate actions)						
Equities	67,320	(85)	–	67,235	0.13%	0.00%
	67,320	(85)	–	67,235		
Total		(148)	(37)			
Percentage of Fund average net assets		0.10%	0.02%			

Dealing spread

As at 15 October 2016, the average portfolio dealing spread was 0.21% (2015: 0.33%). 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.

17 Post balance sheet events

There are no post balance sheet events which require adjustment or disclosure at the year end (2015: £nil).

DISTRIBUTION TABLES

Final distribution payable in pence per share for the six months ended 15 October 2016

Income shares		Net revenue	Equalisation	Final distribution payable 15 December 2016	Final distribution paid 15 December 2015
Share Class 3	Group 1	4.0316	–	4.0316	3.0277
	Group 2	0.8988	3.1328	4.0316	3.0277

Accumulation shares		Net revenue	Equalisation	Final distribution payable 15 December 2016	Final distribution paid 15 December 2015
Share Class 1	Group 1	1.8121	–	1.8121	1.2322
	Group 2	0.2286	1.5835	1.8121	1.2322
Share Class 2	Group 1	3.0933	–	3.0933	2.1812
	Group 2	0.7063	2.3870	3.0933	2.1812
Share Class A	Group 1	0.5714	–	0.5714	0.1001
	Group 2	0.1104	0.4610	0.5714	0.1001

Final distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 April 2016.

Group 2 shares are those shares purchased after 12:00 noon on 15 April 2016.

Interim distribution paid in pence per share for the six months ended 15 April 2016

Income shares		Net revenue	Equalisation	Interim distribution paid 15 June 2016	Interim distribution paid 15 June 2015
Share Class 3	Group 1	0.9716	–	0.9716	0.8367
	Group 2	0.9716	0.0000	0.9716	0.8367

Accumulation shares		Net revenue	Equalisation	Interim distribution paid 15 June 2016	Interim distribution paid 15 June 2015
Share Class 1	Group 1	0.0000	–	0.0000	0.0000
	Group 2	0.0000	0.0000	0.0000	0.0000
Share Class 2	Group 1	0.3582	–	0.3582	0.2111
	Group 2	0.2535	0.1047	0.3582	0.2111
Share Class A	Group 1	0.0000	–	0.0000	0.0000
	Group 2	0.0000	0.0000	0.0000	0.0000

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 October 2015.

Group 2 shares are those shares purchased after 12:00 noon on 15 October 2015.

Equalisation

Equalisation applies only to Group 2 shares, in other words shares purchased during the relevant 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 INTERNATIONAL INDEX TRACKING FUND

INVESTMENT OBJECTIVE

To track the total return (after charges) of the FTSE® World (ex UK) Index.

INVESTMENT POLICY

To invest in international equities employing a combination of sampling and full replication strategies across the equity markets which comprise the FTSE® World (ex UK) Index.

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

FUND MANAGER'S REPORT

Over the twelve months ended 15 October 2016, the Aviva Investors International Index Tracking Fund (share class 1) delivered a total return of 32.09 per cent net of fees. The Fund's benchmark, the FTSE® World ex UK index, returned 33.39 per cent. The sector average return generated by the Fund's peer group, the Investment Association's Global (equity) sector was 27.52 per cent.

The effect of Fund charges will be to lower returns so the Fund will not be able to track the index return. Additional divergences will be caused by timing differences between changes in the stocks in the index and changes in the holdings in the Fund and by timing differences between re-investment of income in the index and the re-investment of distributions in the Fund.

International equity markets gained ground over the year under review as investors became convinced interest rates would remain lower for longer. Several central banks, notably the Bank of Japan (BOJ) and the European Central Bank (ECB), adopted the unorthodox policy of negative interest rates as inflation remained very subdued. For UK-based investors, the weakness of sterling substantially enhanced returns from international markets as the pound plunged to a 31-year low against the US dollar in the aftermath of the UK referendum result. European markets were among the weakest as the ECB's decision to ease monetary policy further left investors underwhelmed, while the UK referendum vote in favour of Brexit provided a severe jolt to investor sentiment. Although markets recovered during the third quarter, concerns over the fragility of the European banking system resurfaced with Deutsche Bank in the spotlight. Japan was the weakest major market. Although Japanese stocks rallied after the BOJ unexpectedly announced the adoption of negative interest rates in January, equities subsequently fell back on concerns that a resurgent yen would erode corporate profits and business confidence, while domestic economic indicators continued to highlight sluggish growth. US stocks outperformed other major markets over the period. After months of frenzied speculation, the Federal Reserve (Fed) finally raised interest rates in December, its first rate hike in almost a decade, although equities took this news in their stride. While the strengthening dollar remains a significant impediment for revenue growth, corporate earnings announcements have been broadly encouraging with results from a number of leading IT stocks exceeding forecasts. Asian and emerging equity markets rallied strongly towards the end of the year under review as concern over the health of the Chinese economy abated, while the Fed refrained from further interest rate hikes. Latin American markets performed relatively well, as commodity prices recovered over the spring and summer months.

Despite an initial sharp fall after the UK referendum result in favour of withdrawal from the European Union, international equity markets have regained their poise, with most indices back to their pre-Brexit levels. Cyclical stocks have been the main drivers of the rebound, with defensive sectors that had led the way during the first half of the year giving back some of their gains. We expect markets to remain volatile after the recent US presidential elections in November though history has shown US equities are fairly resilient to election outcomes. Having acknowledged that, we do expect certain sectors will be more sensitive to the outcome than others. Infrastructure stocks are gaining attention, as the clamour across the globe for fiscal stimulus measures increases.

November 2016

Sources: Fund and peer group performance figures – Lipper, a Thomson Reuters Company, mid to mid basis with net income reinvested in GBP, with no initial charges applied. Market data – Bloomberg.

As noted above, the performance figures in this commentary have been sourced from an external party and are based on published prices. The performance figures quoted in the comparative tables on page 268 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 securities. Past performance is not a guide to the future. The value of an investment and any income from it can go down as well as up. Investors may not get back the original amount invested.

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Material Portfolio Changes

Purchases	Sales
Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP	Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP
Apple	Synchrony Financial
Synchrony Financial	Apple
Microsoft	EMC
Exxon Mobil	Precision Castparts
Johnson & Johnson	Time Warner Cable
Amazon.com	Broadcom
Facebook 'A'	Microsoft
AT&T	Exxon Mobil
Novartis	Wells Fargo

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'.
- The value of investments will be affected by changes in exchange rates.
- Full information on the risks applicable to the Fund is detailed in the Prospectus.

COMPARATIVE TABLES

	2016 p per share	2015 p per share	2014 p per share
Class 1 Accumulation			
Change in net assets per share			
Opening net asset value per share	110.29	103.72	99.72
Return before operating charges [†]	36.26	7.67	4.99
Operating charges	(0.86)	(1.10)	(0.99)
Return after operating charges [†]	35.40	6.57	4.00
Distributions on income shares	–	–	–
Closing net asset value per share	145.69	110.29	103.72
Retained distributions on accumulation shares	1.81	1.23	1.15
[†] after direct transaction costs of	(0.02)	–	(0.01)
Performance			
Return after charges	32.10%	6.33%	4.01%
Other information			
Closing net asset value (£000)	64,060	79,707	91,751
Closing number of shares	43,969,907	72,272,560	88,457,862
Operating charges (%) [‡]	0.70%	0.96%	0.96%
Direct transaction costs (%) [#]	0.02%	–	–
Prices[™]			
Highest share price	147.19	124.70	111.25
Lowest share price	104.07	101.76	96.36

	2016 p per share	2015 p per share	2014 p per share
Class 2 Accumulation			
Change in net assets per share			
Opening net asset value per share	116.91	109.19	104.24
Return before operating charges [†]	38.71	8.04	5.23
Operating charges	(0.42)	(0.32)	(0.28)
Return after operating charges [†]	38.29	7.72	4.95
Distributions on income shares	–	–	–
Closing net asset value per share	155.20	116.91	109.19
Retained distributions on accumulation shares	2.56	2.14	1.97
[†] after direct transaction costs of	(0.03)	–	(0.01)
Performance			
Return after charges	32.75%	7.07%	4.75%
Other information			
Closing net asset value (£000)	234,891	42,716	36,240
Closing number of shares	151,344,422	36,538,278	33,189,797
Operating charges (%) [‡]	0.31%	0.26%	0.26%
Direct transaction costs (%) [#]	0.02%	–	–
Prices[™]			
Highest share price	156.79	131.72	117.03
Lowest share price	110.57	107.12	100.95

	2016 p per share	2015 p per share	2014 p per share
Class 3 Accumulation			
Change in net assets per share			
Opening net asset value per share	226.40	211.45	201.87
Return before operating charges [†]	74.93	15.56	10.13
Operating charges	(0.77)	(0.61)	(0.55)
Return after operating charges [†]	74.16	14.95	9.58
Distributions on income shares	–	–	–
Closing net asset value per share	300.56	226.40	211.45
Retained distributions on accumulation shares	4.95	4.15	3.82
[†] after direct transaction costs of	(0.05)	–	(0.01)
Performance			
Return after charges	32.76%	7.07%	4.75%
Other information			
Closing net asset value (£000)	348,416	274,962	265,108
Closing number of shares	115,923,531	121,448,624	125,373,077
Operating charges (%) [‡]	0.31%	0.26%	0.26%
Direct transaction costs (%) [#]	0.02%	–	–
Prices[™]			
Highest share price	303.63	255.09	226.63
Lowest share price	214.12	207.44	195.49

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

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

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

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

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

Ongoing Charges Figure*

Share class	15.10.16	15.10.15
Class 1	0.70%**	0.96%
Class 2	0.31%	0.26%
Class 3	0.31%	0.26%

* 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 note that with effect from 8 February 2016, the Annual Management Charge on share class 1 was reduced from 0.9% to 0.6%. The OCF for share class 1 is capped at 0.70%. 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 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Equities 98.05% (98.85%)				
Australia 2.78% (2.62%)				
Adelaide Brighton	AUD	10,140	34	0.01
AGL Energy	AUD	15,880	190	0.03
ALS	AUD	17,200	65	0.01
Alumina	AUD	58,313	55	0.01
Amcor	AUD	27,334	266	0.04
AMP	AUD	70,437	234	0.04
Ansell	AUD	3,513	51	0.01
APA Group	AUD	25,580	129	0.02
Aristocrat Leisure	AUD	14,550	146	0.02
ASX	AUD	4,409	131	0.02
Aurizon Holdings	AUD	46,170	140	0.02
AusNet Services	AUD	39,400	37	0.01
Australia & New Zealand Banking Group	AUD	68,840	1,180	0.18
Bank of Queensland	AUD	11,000	75	0.01
Bendigo & Adelaide Bank	AUD	11,620	80	0.01
BHP Billiton	AUD	76,748	1,076	0.17
BlueScope Steel	AUD	13,268	65	0.01
Boral	AUD	16,530	69	0.01
Brambles	AUD	37,986	285	0.04
Caltex Australia	AUD	5,990	129	0.02
Challenger	AUD	12,640	80	0.01
CIMIC Group	AUD	2,032	36	0.01
Coca-Cola Amatil	AUD	13,145	81	0.01
Cochlear	AUD	1,310	113	0.02
Commonwealth Bank of Australia	AUD	40,227	1,867	0.29
Computershare	AUD	11,930	79	0.01
Crown Resorts	AUD	9,160	74	0.01
CSL	AUD	11,000	723	0.11
CSR	AUD	11,673	27	–
Dexus Property Group, REIT	AUD	24,062	133	0.02
Domino's Pizza Enterprises	AUD	1,430	61	0.01
Downer EDI	AUD	11,080	39	0.01
DUET Group	AUD	59,000	88	0.01
DuluxGroup	AUD	9,121	37	0.01
Fairfax Media	AUD	60,640	34	0.01
Flight Centre Travel Group	AUD	1,150	26	–
Fortescue Metals Group	AUD	36,520	111	0.02
Goodman Group, REIT	AUD	41,186	180	0.03
GPT Group, REIT	AUD	44,510	135	0.02
Harvey Norman Holdings	AUD	11,810	38	0.01
Healthscope	AUD	42,440	78	0.01
Iluka Resources	AUD	10,760	37	0.01
Incitec Pivot	AUD	40,170	73	0.01
Insurance Australia Group	AUD	59,500	206	0.03
IOOF Holdings	AUD	7,030	37	0.01
LendLease Group	AUD	12,695	113	0.02
Macquarie Atlas Roads Group	AUD	9,420	26	–
Macquarie Group	AUD	7,207	368	0.06
Magellan Financial Group	AUD	2,350	32	0.01
Medibank Pvt	AUD	63,420	101	0.02
Metcash	AUD	21,310	28	–
Mirvac Group, REIT	AUD	85,094	113	0.02
National Australia Bank	AUD	63,259	1,093	0.17
Newcrest Mining	AUD	17,992	235	0.04
Nufarm	AUD	3,800	21	–
Orica	AUD	9,051	91	0.01
Origin Energy	AUD	41,793	144	0.02
Orora	AUD	26,234	50	0.01
OZ Minerals	AUD	6,611	24	–
Perpetual	AUD	1,050	31	–

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Australia 2.78% (2.62%) (continued)				
Platinum Asset Management	AUD	4,430	14	–
Qantas Airways	AUD	23,563	48	0.01
QBE Insurance Group	AUD	31,710	199	0.03
Ramsay Health Care	AUD	3,070	150	0.02
REA Group	AUD	1,150	39	0.01
Rio Tinto	AUD	9,940	316	0.05
Santos	AUD	37,875	87	0.01
Scentre Group, REIT	AUD	119,647	334	0.05
SEEK	AUD	8,220	79	0.01
Seven West Media	AUD	19,380	9	–
Shopping Centres Australasia Property Group, REIT	AUD	14,999	21	–
Sims Metal Management	AUD	3,800	23	–
Sonic Healthcare	AUD	10,050	136	0.02
South32	AUD	130,158	201	0.03
Star Entertainment Grp	AUD	19,680	70	0.01
Stockland, REIT	AUD	56,380	161	0.02
Suncorp Group	AUD	30,895	237	0.04
Sydney Airport	AUD	25,889	106	0.02
Tabcorp Holdings	AUD	19,224	59	0.01
Tatts Group	AUD	35,420	80	0.01
Telstra	AUD	103,690	328	0.05
TPG Telecom	AUD	7,920	38	0.01
Transurban Group	AUD	47,819	320	0.05
Treasury Wine Estates	AUD	17,648	126	0.02
Vicinity Centres, REIT	AUD	16,420	31	–
Vicinity Centres, REIT	USD	58,981	110	0.02
Vocus Communications	AUD	13,310	47	0.01
Wesfarmers	AUD	26,566	752	0.12
Westfield, REIT	AUD	46,480	273	0.04
Westpac Banking	AUD	78,475	1,477	0.23
Whitehaven Coal	AUD	14,860	26	–
Woodside Petroleum	AUD	17,170	316	0.05
Woolworths	AUD	29,619	448	0.07
WorleyParsons	AUD	4,630	26	–
			17,987	2.78
Austria 0.07% (0.08%)				
ANDRITZ	EUR	1,760	74	0.01
Erste Group Bank	EUR	6,755	164	0.03
IMMOEAST Rights Perpetual^	EUR	12,600	–	–
OMV	EUR	3,290	81	0.01
Raiffeisen Bank International	EUR	2,700	34	0.01
Vienna Insurance Group Wiener Versicherung Gruppe	EUR	895	15	–
voestalpine	EUR	2,780	79	0.01
			447	0.07
Belgium 0.51% (0.52%)				
Ackermans & van Haaren	EUR	570	63	0.01
Ageas	EUR	4,600	138	0.02
Anheuser-Busch InBev	EUR	18,340	1,922	0.30
bpost	EUR	2,180	48	0.01
Colruyt	EUR	1,690	76	0.01
Groupe Bruxelles Lambert	EUR	2,152	152	0.02
KBC Group	EUR	6,500	310	0.05
Proximus	EUR	3,040	71	0.01
Sofina	EUR	350	39	–
Solvay	EUR	1,735	162	0.02
Telenet Group Holding	EUR	1,060	45	0.01
UCB	EUR	2,880	173	0.03
Umicore	EUR	2,500	128	0.02
			3,327	0.51

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Bermuda 0.41% (0.50%)				
Arch Capital Group	USD	2,610	169	0.03
Axis Capital Holdings	USD	1,900	88	0.01
Brightoil Petroleum Holdings	HKD	72,000	17	–
Bunge	USD	3,230	159	0.02
Cafe de Coral Holdings	HKD	8,000	23	–
Cheung Kong Infrastructure Holdings	HKD	14,910	99	0.02
China Oceanwide Holdings	HKD	90,000	7	–
Esprit Holdings	HKD	41,038	28	–
Everest Re Group	USD	1,060	168	0.03
First Pacific	HKD	60,150	37	0.01
Global Brands Group Holding	HKD	120,600	11	–
Great Eagle Holdings	HKD	6,000	21	–
Haitong International Securities Group	HKD	46,000	25	–
Hongkong Land Holdings	USD	28,200	156	0.02
Huabao International Holdings	HKD	38,000	12	–
Invesco	USD	9,620	238	0.04
Jardine Matheson Holdings	USD	4,900	246	0.04
Jardine Strategic Holdings	USD	5,500	151	0.02
Johnson Electric Holdings	HKD	9,000	19	–
Kerry Logistics Network	HKD	10,500	11	–
Kerry Properties	HKD	14,000	35	0.01
Kingston Financial Group	HKD	96,000	32	0.01
Li & Fung	HKD	128,600	52	0.01
Marvell Technology Group	USD	10,275	109	0.02
Noble Group	SGD	284,000	31	–
Norwegian Cruise Line Holdings	USD	4,050	125	0.02
NWS Holdings	HKD	42,000	58	0.01
Orient Overseas International	HKD	5,000	15	–
RenaissanceRe Holdings	USD	870	88	0.01
Shangri-La Asia	HKD	38,147	34	0.01
Signet Jewelers	USD	1,800	119	0.02
VTech Holdings	HKD	3,800	36	0.01
XL Group	USD	6,480	181	0.03
Yue Yuen Industrial Holdings	HKD	20,500	63	0.01
			2,663	0.41
Brazil 0.99% (0.68%)				
AES Tiete Energia	BRL	4,310	18	–
Ambev	BRL	48,041	237	0.04
Ambev, ADR	USD	67,500	332	0.05
Banco Bradesco	BRL	15,953	123	0.02
Banco Bradesco Preference	BRL	6,770	54	0.01
Banco Bradesco, ADR Preference	USD	58,392	460	0.07
Banco BTG Pactual Preference	BRL	5,695	5	–
Banco do Brasil	BRL	20,490	133	0.02
Banco Santander Brasil	BRL	11,000	66	0.01
BB Seguridade Participacoes	BRL	14,370	114	0.02
BM&Fbovespa – Bolsa de Valores Mercadorias e Futuros	BRL	42,000	190	0.03
BR Malls Participacoes	BRL	14,215	47	0.01
Braskem Preference 'A'	BRL	3,850	26	–
BRF	BRL	18,230	259	0.04
CCR	BRL	20,520	89	0.01
Centrais Eletricas Brasileiras	BRL	11,810	64	0.01
Centrais Eletricas Brasileiras Preference 'B'	BRL	5,650	36	0.01
CETIP SA – Mercados Organizados	BRL	5,479	61	0.01
Cia Brasileira de Distribuicao Preference	BRL	3,620	49	0.01
Cia de Saneamento Basico do Estado de Sao Paulo	BRL	8,360	67	0.01
Cia Energetica de Minas Gerais Preference	BRL	1,900	4	–
Cia Energetica de Minas Gerais, ADR Preference	USD	15,368	35	–
Cia Paranaense de Energia Preference	BRL	2,770	25	–
Cia Siderurgica Nacional	BRL	1,800	5	–

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Brazil 0.99% (0.68%) (continued)				
Cia Siderurgica Nacional, ADR	USD	14,380	36	–
Cielo	BRL	26,623	227	0.03
Cosan SA Industria e Comercio	BRL	3,530	38	0.01
CPFL Energia	BRL	7,629	47	0.01
EDP – Energias do Brasil	BRL	7,475	30	–
Embraer	BRL	3,300	12	–
Embraer, ADR	USD	3,800	56	0.01
Engie Brasil Energia	BRL	5,050	51	0.01
Equatorial Energia	BRL	4,800	65	0.01
Fibria Celulose	BRL	5,750	34	–
Gerdau Preference	BRL	1,890	5	–
Gerdau, ADR Preference	USD	19,500	46	0.01
Hypermarcas	BRL	9,130	65	0.01
Itau Unibanco Holding Preference	BRL	7,130	70	0.01
Itau Unibanco Holding, ADR Preference	USD	61,555	608	0.09
Itausa – Investimentos Itau Preference	BRL	92,882	209	0.03
JBS	BRL	16,450	53	0.01
Klabin	BRL	13,300	57	0.01
Kroton Educacional	BRL	37,400	149	0.02
Localiza Rent a Car	BRL	3,600	38	0.01
Lojas Americanas Preference	BRL	14,760	78	0.01
Lojas Renner	BRL	15,330	102	0.02
M Dias Branco	BRL	1,100	38	0.01
Multipan Empreendimentos Imobiliarios	BRL	1,800	29	–
Natura Cosmeticos	BRL	4,600	37	0.01
Petroleo Brasileiro	BRL	89,420	402	0.06
Petroleo Brasileiro Preference	BRL	105,810	428	0.07
Porto Seguro	BRL	2,600	21	–
Raia Drogasil	BRL	6,800	120	0.02
Rumo Logistica Operadora Multimodal	BRL	24,450	41	0.01
Telefonica Brasil Preference	BRL	4,650	53	0.01
Telefonica Brasil, ADR Preference	USD	4,730	53	0.01
TIM Participacoes, ADR	USD	3,775	40	0.01
TOTVS	BRL	3,300	25	–
Ultrapar Participacoes	BRL	9,480	174	0.03
Usinas Siderurgicas de Minas Gerais, ADR Preference	USD	8,100	7	–
Vale	BRL	31,390	143	0.02
Vale Preference	BRL	2,300	10	–
Vale, ADR Preference	USD	42,840	178	0.03
WEG	BRL	13,416	61	0.01
			6,435	0.99
Canada 3.17% (3.15%)				
Agnico Eagle Mines	CAD	5,390	204	0.03
Agrium	CAD	3,320	243	0.04
Alimentation Couche-Tard 'B'	CAD	9,520	391	0.06
ARC Resources	CAD	8,290	123	0.02
Bank of Montreal	CAD	13,800	723	0.11
Bank of Montreal	USD	1,198	63	0.01
Bank of Nova Scotia	CAD	28,560	1,243	0.19
Barrick Gold	CAD	27,245	357	0.05
BCE	CAD	6,764	253	0.04
BlackBerry	CAD	11,170	68	0.01
Brookfield Asset Management 'A'	CAD	19,266	566	0.09
Cameco	CAD	9,080	58	0.01
Canadian Imperial Bank of Commerce	CAD	9,620	598	0.09
Canadian National Railway	CAD	16,328	889	0.14
Canadian Natural Resources	CAD	26,630	706	0.11
Canadian Pacific Railway	CAD	3,735	466	0.07
Canadian Tire 'A'	CAD	1,730	140	0.02
Canadian Utilities 'A'	CAD	4,450	102	0.02
Genovus Energy	CAD	19,572	249	0.04

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Canada 3.17% (3.15%) (continued)				
CGI Group 'A'	CAD	6,100	232	0.04
CI Financial	CAD	5,440	82	0.01
Constellation Software	CAD	380	138	0.02
Crescent Point Energy	CAD	11,550	125	0.02
Enbridge	CAD	21,880	789	0.12
Encana	CAD	22,452	205	0.03
Fairfax Financial Holdings	CAD	540	241	0.04
Fortis	CAD	6,700	168	0.03
Franco-Nevada	CAD	4,260	225	0.03
George Weston	CAD	1,180	79	0.01
Goldcorp	CAD	20,010	240	0.04
Great-West Lifeco	CAD	7,390	152	0.02
Husky Energy	CAD	7,446	73	0.01
Hydro One	CAD	4,060	61	0.01
IGM Financial	CAD	2,200	48	0.01
Imperial Oil	CAD	6,540	176	0.03
Intact Financial	CAD	3,060	176	0.03
Inter Pipeline	CAD	7,680	134	0.02
Loblaw	CAD	5,481	225	0.03
Magna International	CAD	8,770	303	0.05
Manulife Financial	CAD	10,160	426	0.06
Manulife Financial	USD	35,860	120	0.02
Metro	CAD	5,870	151	0.02
National Bank of Canada	CAD	8,090	229	0.04
Pembina Pipeline	CAD	9,090	228	0.04
Potash of Saskatchewan	CAD	20,175	265	0.04
Power Financial	CAD	5,420	103	0.02
Power of Canada	CAD	8,585	151	0.02
Restaurant Brands International	CAD	3,833	137	0.02
Restaurant Brands International	USD	1,479	52	0.01
RioCan Real Estate Investment Trust	CAD	7,290	120	0.02
Rogers Communications 'B'	CAD	8,500	288	0.04
Royal Bank of Canada	CAD	35,260	1,805	0.28
Saputo	CAD	5,920	171	0.03
Shaw Communications 'B'	CAD	9,860	162	0.02
Silver Wheaton	CAD	10,570	200	0.03
SNC-Lavalin Group	CAD	3,460	110	0.02
Sun Life Financial	CAD	14,690	394	0.06
Suncor Energy	CAD	39,526	921	0.14
TELUS	CAD	3,630	96	0.01
Thomson Reuters	CAD	7,960	260	0.04
Toronto-Dominion Bank	CAD	43,580	1,573	0.24
Tourmaline Oil	CAD	5,120	114	0.02
TransCanada	CAD	18,962	718	0.11
Turquoise Hill Resources	CAD	17,890	43	0.01
Valeant Pharmaceuticals International	CAD	7,270	135	0.02
Waste Connections	CAD	4,130	248	0.04
			20,534	3.17
Cayman Islands 0.34% (0.34%)				
AAC Technologies Holdings	HKD	16,500	135	0.02
ASM Pacific Technology	HKD	6,400	45	0.01
Cheung Kong Property Holdings	HKD	66,372	385	0.06
China Mengniu Dairy	HKD	62,000	97	0.02
Chow Tai Fook Jewellery Group	HKD	21,400	12	–
CK Hutchison Holdings	HKD	66,372	678	0.10
FIH Mobile	HKD	50,000	14	–
Herbalife	USD	2,140	109	0.02
Hopewell Highway Infrastructure	HKD	34,650	17	–
Hutchison Telecommunications Hong Kong Holdings	HKD	26,000	7	–
Lifestyle China Group	HKD	13,500	3	–
Lifestyle International Holdings	HKD	13,500	14	–

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Cayman Islands 0.34% (0.34%) (continued)				
MGM China Holdings	HKD	20,800	29	–
Minth Group	HKD	12,000	34	0.01
Sands China	HKD	56,800	209	0.03
Semiconductor Manufacturing International	HKD	594,000	60	0.01
Shui On Land	HKD	76,000	16	–
Tingyi Cayman Islands Holding	HKD	47,160	46	0.01
TPK Holding	TWD	4,887	6	–
Uni-President China Holdings	HKD	50,000	29	–
Want Want China Holdings	HKD	147,000	75	0.01
WH Group	HKD	161,000	113	0.02
Wynn Macau	HKD	34,000	42	0.01
Xinyi Glass Holdings	HKD	46,000	33	0.01
Xinyi Solar Holdings	HKD	58,000	18	–
			2,226	0.34
Curacao 0.34% (0.29%)				
Schlumberger	USD	32,884	2,191	0.34
			2,191	0.34
Czech Republic 0.02% (0.02%)				
CEZ	CZK	3,710	57	0.01
Komerční banka	CZK	1,790	53	0.01
Moneta Money Bank	CZK	6,330	17	–
			127	0.02
Denmark 0.64% (0.71%)				
AP Moeller – Maersk 'A'	DKK	105	117	0.02
AP Moeller – Maersk 'B'	DKK	160	188	0.03
Carlsberg 'B'	DKK	2,530	189	0.03
Chr Hansen Holding	DKK	2,000	95	0.01
Coloplast 'B'	DKK	2,370	139	0.02
Danske Bank	DKK	17,480	425	0.06
DONG Energy	DKK	1,770	57	0.01
DSV	DKK	4,250	167	0.03
Genmab	DKK	1,280	174	0.03
H Lundbeck	DKK	1,320	35	–
ISS	DKK	4,250	138	0.02
Jyske Bank	DKK	1,570	62	0.01
Novo Nordisk 'B'	DKK	43,550	1,437	0.22
Novozymes 'B'	DKK	5,100	178	0.03
Pandora	DKK	2,670	266	0.04
TDC	DKK	19,020	87	0.01
Tryg	DKK	2,640	43	0.01
Vestas Wind Systems	DKK	5,170	331	0.05
William Demant Holding	DKK	2,500	41	0.01
			4,169	0.64
Finland 0.39% (0.37%)				
Elisa	EUR	4,000	114	0.02
Fortum	EUR	10,230	137	0.02
Huhtamaki	EUR	2,460	91	0.01
Kesko 'B'	EUR	1,630	63	0.01
Kone 'B'	EUR	8,890	351	0.06
Metso	EUR	3,090	71	0.01
Neste	EUR	2,915	103	0.02
Nokia	EUR	133,442	541	0.08
Nokian Renkaat	EUR	3,060	84	0.01
Orion 'B'	EUR	2,340	74	0.01
Sampo 'A'	EUR	11,510	428	0.07

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Finland 0.39% (0.37%) (continued)				
Stora Enso 'R'	EUR	13,042	96	0.02
UPM-Kymmene	EUR	12,496	213	0.03
Wartsila	EUR	3,580	129	0.02
			2,495	0.39
France 3.36% (3.65%)				
Accor	EUR	4,520	135	0.02
Aeroports de Paris	EUR	640	50	0.01
Air Liquide	EUR	9,267	782	0.12
Alstom	EUR	3,732	81	0.01
Amundi	EUR	940	38	0.01
Arkema	EUR	1,678	127	0.02
Atos	EUR	2,135	183	0.03
AXA	EUR	45,725	844	0.13
BioMerieux	EUR	320	39	0.01
BNP Paribas	EUR	23,352	1,022	0.16
Bolloré	EUR	22,540	62	0.01
Bouygues	EUR	4,721	127	0.02
Bureau Veritas	EUR	6,430	108	0.02
Capgemini	EUR	3,730	276	0.04
Carrefour	EUR	13,340	279	0.04
Casino Guichard Perrachon	EUR	1,400	54	0.01
Christian Dior	EUR	1,265	196	0.03
Cie de Saint-Gobain	EUR	11,428	397	0.06
Cie Generale des Etablissements Michelin	EUR	4,228	372	0.06
CNP Assurances	EUR	3,703	49	0.01
Credit Agricole	EUR	26,408	220	0.03
Danone	EUR	13,508	784	0.12
Dassault Systemes	EUR	2,980	204	0.03
Edenred	EUR	4,620	89	0.01
Eiffage	EUR	1,660	99	0.02
Electricite de France	EUR	6,160	57	0.01
Engie	EUR	33,614	398	0.06
Essilor International	EUR	4,850	488	0.08
Euler Hermes Group	EUR	360	25	—
Eurazeo	EUR	921	42	0.01
Eutelsat Communications	EUR	3,900	63	0.01
Faurecia	EUR	1,650	50	0.01
Fonciere Des Regions, REIT	EUR	844	61	0.01
Gecina, REIT	EUR	1,000	119	0.02
Groupe Eurotunnel	EUR	10,600	79	0.01
Hermes International	EUR	586	200	0.03
ICADE, REIT	EUR	780	47	0.01
Iliad	EUR	540	88	0.01
Imerys	EUR	945	57	0.01
Ingenico Group	EUR	1,230	78	0.01
Ipsen	EUR	750	43	0.01
JCDecaux	EUR	1,620	41	0.01
Kering	EUR	1,744	302	0.05
Klepierre, REIT	EUR	4,884	169	0.03
Lagardere	EUR	2,570	52	0.01
Legrand	EUR	6,220	291	0.05
L'Oreal	EUR	5,710	867	0.13
LVMH Moët Hennessy Louis Vuitton	EUR	6,025	907	0.14
Natixis	EUR	22,670	89	0.01
Orange	EUR	45,801	574	0.09
Orpea	EUR	960	67	0.01
Pernod Ricard	EUR	5,083	480	0.07

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
France 3.36% (3.65%) (continued)				
Peugeot	EUR	8,930	105	0.02
Plastic Omnium	EUR	1,290	35	0.01
Publicis Groupe	EUR	4,800	282	0.04
Remy Cointreau	EUR	490	33	0.01
Renault	EUR	4,040	277	0.04
Rexel	EUR	7,270	83	0.01
Safran	EUR	6,920	391	0.06
Sanofi	EUR	26,440	1,649	0.25
Sartorius Stedim Biotech	EUR	500	31	0.01
Schneider Electric	EUR	12,888	718	0.11
SCOR	EUR	3,620	92	0.01
SEB	EUR	600	71	0.01
SFR Group	EUR	2,000	43	0.01
Societe BIC	EUR	630	75	0.01
Societe Generale	EUR	17,585	526	0.08
Sodexo	EUR	2,080	193	0.03
Suez	EUR	7,343	91	0.01
Technip	EUR	2,685	145	0.02
Teleperformance	EUR	1,320	114	0.02
Thales	EUR	2,425	180	0.03
TOTAL	EUR	50,933	2,033	0.31
Unibail-Rodamco, REIT	EUR	2,301	468	0.07
Valeo	EUR	5,550	261	0.04
Veolia Environnement	EUR	11,918	212	0.03
Vinci	EUR	11,053	667	0.10
Vivendi	EUR	26,456	434	0.07
Wendel	EUR	700	66	0.01
Zodiac Aerospace	EUR	4,900	95	0.01
			21,721	3.36
Germany 3.32% (3.38%)				
adidas	EUR	4,810	680	0.10
Allianz	EUR	10,753	1,336	0.21
Axel Springer	EUR	1,230	49	0.01
BASF	EUR	21,870	1,565	0.24
Bayer	EUR	19,594	1,603	0.25
Bayerische Motoren Werke	EUR	7,798	543	0.08
Bayerische Motoren Werke Preference	EUR	1,250	75	0.01
Beiersdorf	EUR	2,284	168	0.03
Brenntag	EUR	3,690	170	0.03
Commerzbank	EUR	24,343	126	0.02
Continental	EUR	2,530	398	0.06
Covestro	EUR	1,380	67	0.01
Daimler	EUR	22,547	1,306	0.20
Deutsche Bank	EUR	32,470	362	0.06
Deutsche Boerse	EUR	4,560	292	0.04
Deutsche Lufthansa	EUR	6,228	57	0.01
Deutsche Post	EUR	22,830	568	0.09
Deutsche Telekom	EUR	76,869	993	0.15
Deutsche Wohnen	EUR	7,804	209	0.03
E.ON	EUR	44,303	269	0.04
Evonik Industries	EUR	3,780	101	0.02
Fielmann	EUR	620	41	0.01
Fraport Frankfurt Airport Services Worldwide	EUR	820	38	0.01
Fresenius	EUR	8,735	548	0.08
Fresenius Medical Care	EUR	5,200	353	0.05
FUCHS PETROLUB	EUR	690	22	–
FUCHS PETROLUB Preference	EUR	1,610	59	0.01
GEA Group	EUR	4,170	179	0.03
Hannover Rueck	EUR	1,390	120	0.02

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Germany 3.32% (3.38%) (continued)				
HeidelbergCement	EUR	3,517	269	0.04
Hella KGaA Hueck	EUR	890	27	–
Henkel	EUR	2,760	258	0.04
Henkel Preference	EUR	4,060	440	0.07
HOCHTIEF	EUR	470	52	0.01
HUGO BOSS	EUR	1,490	72	0.01
Infineon Technologies	EUR	26,999	383	0.06
Innogy	EUR	3,000	101	0.02
K+S	EUR	4,376	69	0.01
KION Group	EUR	1,490	76	0.01
LANXESS	EUR	2,249	117	0.02
LEG Immobilien	EUR	1,440	102	0.02
Linde	EUR	4,443	594	0.09
MAN	EUR	810	67	0.01
Merck	EUR	3,160	277	0.04
METRO	EUR	4,177	102	0.02
MTU Aero Engines	EUR	1,270	108	0.02
Muenchener Rueckversicherungs-Gesellschaft	EUR	3,434	528	0.08
OSRAM Licht	EUR	1,860	90	0.01
Porsche Automobil Holding Preference	EUR	3,657	156	0.02
ProSiebenSat.1 Media	EUR	5,020	172	0.03
Rational	EUR	120	48	0.01
RWE	EUR	11,335	142	0.02
RWE, (Non-Voting) Preference	EUR	670	6	–
SAP	EUR	21,176	1,511	0.23
Sartorius Preference	EUR	1,000	71	0.01
Siemens	EUR	18,008	1,698	0.26
Suedzucker	EUR	1,560	36	0.01
Symrise	EUR	2,860	164	0.03
Talanx	EUR	760	19	–
Telefonica Deutschland Holding	EUR	15,880	50	0.01
thyssenkrupp	EUR	10,060	200	0.03
Uniper	EUR	4,190	43	0.01
United Internet	EUR	2,690	92	0.01
Volkswagen	EUR	670	80	0.01
Volkswagen Preference	EUR	4,292	465	0.07
Vonovia	EUR	11,210	318	0.05
Wacker Chemie	EUR	280	20	–
Wirecard	EUR	2,900	115	0.02
Zalando	EUR	2,490	85	0.01
			21,520	3.32
Greece 0.04% (0.02%)				
Alpha Bank	EUR	29,294	43	0.01
Eurobank Ergasias	EUR	39,450	20	–
FF Group	EUR	850	16	–
Hellenic Petroleum	EUR	1,670	6	–
Hellenic Telecommunications Organization	EUR	5,678	41	0.01
JUMBO	EUR	2,300	25	0.01
Motor Oil Hellas Corinth Refineries	EUR	1,190	12	–
National Bank of Greece	EUR	123,221	22	–
OPAP	EUR	4,950	33	0.01
Piraeus Bank	EUR	120,476	16	–
Titan Cement	EUR	1,090	21	–
			255	0.04
Guernsey 0.03% (0.03%)				
Amdocs	USD	3,490	169	0.03
			169	0.03

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Hong Kong 0.94% (0.90%)				
AIA Group	HKD	288,060	1,581	0.24
Bank of East Asia	HKD	28,000	93	0.01
BOC Hong Kong Holdings	HKD	84,000	231	0.04
Cathay Pacific Airways	HKD	26,000	28	–
Champion REIT	HKD	54,000	26	–
China Travel International Investment Hong Kong	HKD	100,000	24	–
CLP Holdings	HKD	36,240	295	0.05
Dah Sing Banking Group	HKD	7,200	11	–
Dah Sing Financial Holdings	HKD	3,600	20	–
Galaxy Entertainment Group	HKD	50,000	161	0.03
Guotai Junan International Holdings	HKD	50,000	16	–
Hang Lung Group	HKD	21,000	66	0.01
Hang Lung Properties	HKD	49,000	88	0.01
Hang Seng Bank	HKD	18,415	273	0.04
Henderson Land Development	HKD	26,128	125	0.02
Hong Kong & China Gas	HKD	176,378	274	0.04
Hong Kong Exchanges & Clearing	HKD	28,800	623	0.10
Hopewell Holdings	HKD	14,000	41	0.01
Hysan Development	HKD	14,000	54	0.01
Link REIT	HKD	53,000	312	0.05
Melco International Development	HKD	23,000	25	–
MTR	HKD	35,000	158	0.03
New World Development	HKD	121,400	124	0.02
PCCW	HKD	94,494	47	0.01
Power Assets Holdings	HKD	31,622	240	0.04
Shougang Fushan Resources Group	HKD	110,000	18	–
Shun Tak Holdings	HKD	44,000	12	–
Sino Land	HKD	70,500	98	0.02
SJM Holdings	HKD	51,000	30	0.01
Sun Art Retail Group	HKD	59,000	34	0.01
Sun Hung Kai Properties	HKD	33,081	397	0.06
Swire Pacific 'A'	HKD	11,660	102	0.02
Swire Properties	HKD	27,012	63	0.01
Techtronic Industries	HKD	29,000	92	0.01
Television Broadcasts	HKD	6,000	18	–
Wharf Holdings	HKD	28,175	163	0.03
Wheelock	HKD	19,000	92	0.01
			6,055	0.94
Hungary 0.03% (0.03%)				
Magyar Telekom Telecommunications	HUF	8,890	12	–
MOL Hungarian Oil & Gas	HUF	1,160	60	0.01
OTP Bank	HUF	4,320	94	0.01
Richter Gedeon	HUF	3,100	52	0.01
			218	0.03
Indonesia 0.00% (0.00%)				
Bank Dagang Nasional Indonesia^	IDR	126	–	–
Bank Indonesia Raya^	IDR	100	–	–
			–	–
Ireland 1.45% (1.49%)				
Accenture 'A'	USD	14,820	1,431	0.22
Alkermes	USD	3,370	121	0.02
Allegion	USD	2,203	120	0.02
Allergan	USD	9,340	1,774	0.27
Anglo Irish Bank^	EUR	16,820	–	–
Bank of Ireland	EUR	624,530	96	0.02
Eaton	USD	10,997	567	0.09
Endo International	USD	5,080	82	0.01
Glanbia	EUR	3,780	54	0.01
Ingersoll-Rand	USD	6,011	321	0.05

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Ireland 1.45% (1.49%) (continued)				
James Hardie Industries	AUD	10,240	130	0.02
Jazz Pharmaceuticals	USD	1,270	126	0.02
Johnson Controls International	USD	22,306	793	0.12
Kerry Group 'A'	EUR	3,350	214	0.03
Mallinckrodt	USD	2,460	134	0.02
Medtronic	USD	32,933	2,242	0.35
Pentair	USD	4,391	211	0.03
Perrigo	USD	3,252	234	0.04
Ryanair Holdings	EUR	8,356	87	0.01
Seagate Technology	USD	6,730	193	0.03
Weatherford International	USD	21,272	107	0.02
Willis Towers Watson	USD	3,213	336	0.05
			9,373	1.45
Isle of Man 0.02% (0.01%)				
Genting Singapore	SGD	144,400	64	0.01
New Europe Property Investments	ZAR	5,470	50	0.01
			114	0.02
Israel 0.26% (0.31%)				
Alony Hetz Properties & Investments, REIT	ILS	2,220	15	–
Azrieli Group	ILS	1,080	37	0.01
Bank Hapoalim BM	ILS	24,960	115	0.02
Bank Leumi Le-Israel BM	ILS	29,830	93	0.02
Bezeq The Israeli Telecommunication	ILS	42,590	64	0.01
Check Point Software Technologies	USD	3,050	190	0.03
Delek Group	ILS	110	18	–
Elbit Systems	ILS	730	57	0.01
Frutarom Industries	ILS	890	38	0.01
Gazit-Globe	ILS	2,480	20	–
Israel	ILS	50	6	–
Israel Chemicals	ILS	10,710	33	0.01
Israel Discount Bank 'A'	ILS	25,930	39	0.01
Mizrahi Tefahot Bank	ILS	2,660	28	–
Nice	ILS	1,500	81	0.01
Oil Refineries	ILS	29,920	9	–
Paz Oil	ILS	130	16	–
Strauss Group	ILS	840	11	–
Teva Pharmaceutical Industries	ILS	4,070	147	0.02
Teva Pharmaceutical Industries, ADR	USD	17,385	629	0.10
Tower Semiconductor	ILS	1,857	24	–
			1,670	0.26
Italy 0.65% (0.96%)				
Assicurazioni Generali	EUR	30,323	311	0.05
Atlantia	EUR	11,256	223	0.03
Banca Mediolanum	EUR	5,690	31	–
Davide Campari-Milano	EUR	6,160	54	0.01
Enel	EUR	177,833	610	0.09
Eni	EUR	57,494	697	0.11
EXOR	EUR	2,793	94	0.01
FincoBank Banca Finco	EUR	5,930	27	–
Intesa Sanpaolo	EUR	281,293	502	0.08
Intesa Sanpaolo Savings Shares	EUR	21,900	37	0.01
Leonardo-Finmeccanica	EUR	9,858	90	0.01
Luxottica Group	EUR	4,200	158	0.02
Mediaset	EUR	17,470	41	0.01
Mediobanca	EUR	12,683	71	0.01
Parmalat	EUR	6,990	15	–
Poste Italiane	EUR	11,520	62	0.01
PRADA	HKD	12,700	34	0.01
Prysmian	EUR	4,880	101	0.02

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Italy 0.65% (0.96%) (continued)				
Recordati	EUR	2,560	63	0.01
Saipem	EUR	128,500	48	0.01
Salvatore Ferragamo	EUR	1,980	41	0.01
Snam	EUR	58,871	251	0.04
Telecom Italia	EUR	230,821	148	0.02
Telecom Italia Savings Shares	EUR	151,650	79	0.01
Terna Rete Elettrica Nazionale	EUR	32,770	129	0.02
UniCredit	EUR	122,902	233	0.04
Unione di Banche Italiane	EUR	18,286	39	0.01
UnipolSai	EUR	22,930	31	–
			4,220	0.65
Japan 9.43% (9.53%)				
77 Bank	JPY	7,000	23	–
ABC-Mart	JPY	500	25	–
Acom	JPY	9,300	34	0.01
Adastria	JPY	600	12	–
Advantest	JPY	4,620	49	0.01
Aeon	JPY	17,000	191	0.03
AEON Financial Service	JPY	2,200	31	0.01
Aeon Mall	JPY	2,390	27	–
Aiful	JPY	5,800	14	–
Ain Holdings	JPY	600	33	0.01
Air Water	JPY	4,000	59	0.01
Aisin Seiki	JPY	4,700	175	0.03
Ajinomoto	JPY	12,400	218	0.03
Alfresa Holdings	JPY	4,100	69	0.01
Alps Electric	JPY	4,500	90	0.01
Amada Holdings	JPY	8,600	74	0.01
ANA Holdings	JPY	26,000	55	0.01
Aoyama Trading	JPY	1,000	28	–
Aozora Bank	JPY	26,000	70	0.01
Ariake Japan	JPY	400	17	–
Asahi Glass	JPY	23,000	119	0.02
Asahi Group Holdings	JPY	9,100	257	0.04
Asahi Intecc	JPY	1,200	42	0.01
Asahi Kasei	JPY	29,000	189	0.03
Asics	JPY	4,200	69	0.01
ASKUL	JPY	900	30	–
Astellas Pharma	JPY	50,500	605	0.09
Autobacs Seven	JPY	1,300	15	–
Awa Bank	JPY	5,000	26	–
Azbil	JPY	1,500	36	0.01
Bandai Namco Holdings	JPY	4,500	110	0.02
Bank of Kyoto	JPY	8,450	48	0.01
Benesse Holdings	JPY	1,500	32	0.01
Bic Camera	JPY	3,100	21	–
Bridgestone	JPY	15,400	471	0.07
Brother Industries	JPY	5,300	77	0.01
Calbee	JPY	1,600	46	0.01
Calsonic Kansei	JPY	3,000	23	–
Canon	JPY	25,250	594	0.09
Canon Marketing Japan	JPY	1,155	17	–
Capcom	JPY	1,100	20	–
Casio Computer	JPY	5,000	56	0.01
Central Japan Railway	JPY	4,300	572	0.09
Chiba Bank	JPY	15,000	70	0.01
Chiyoda	JPY	3,000	21	–
Chubu Electric Power	JPY	16,710	190	0.03
Chugai Pharmaceutical	JPY	5,330	148	0.02
Chugoku Bank	JPY	3,800	38	0.01
Chugoku Electric Power	JPY	6,880	66	0.01

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Japan 9.43% (9.53%) (continued)				
Citizen Watch	JPY	6,100	27	–
Coca-Cola East Japan	JPY	1,500	26	–
Coca-Cola West	JPY	1,500	35	0.01
COLOPL	JPY	900	11	–
COMSYS Holdings	JPY	2,400	33	0.01
Concordia Financial Group	JPY	27,800	96	0.02
COOKPAD	JPY	900	7	–
Cosmo Energy Holdings	JPY	1,200	12	–
Cosmos Pharmaceutical	JPY	200	35	0.01
Credit Saison	JPY	3,700	50	0.01
CyberAgent	JPY	2,300	55	0.01
Dai Nippon Printing	JPY	14,000	109	0.02
Daicel	JPY	7,000	68	0.01
Daido Steel	JPY	7,000	25	–
Daifuku	JPY	3,000	42	0.01
Dai-ichi Life Holdings	JPY	26,500	300	0.05
Daiichi Sankyo	JPY	15,536	297	0.05
Daiichikoshō	JPY	900	29	–
Daikin Industries	JPY	6,400	479	0.07
Daikyo	JPY	6,000	9	–
Daishi Bank	JPY	8,000	26	–
Daito Trust Construction	JPY	1,800	227	0.04
Daiwa House Industry	JPY	15,100	314	0.05
Daiwa Securities Group	JPY	40,000	182	0.03
DeNA	JPY	2,300	58	0.01
Denka	JPY	9,000	30	–
Denso	JPY	11,800	395	0.06
Dentsu	JPY	5,200	209	0.03
DIC	JPY	1,900	50	0.01
Disco	JPY	600	57	0.01
DMG Mori	JPY	2,000	17	–
Don Quijote Holdings	JPY	2,700	84	0.01
Dowa Holdings	JPY	5,400	30	–
East Japan Railway	JPY	8,900	635	0.10
Ebara	JPY	2,000	49	0.01
Eisai	JPY	6,400	328	0.05
Electric Power Development	JPY	4,140	76	0.01
Exedy	JPY	500	10	–
Ezaki Glico	JPY	1,400	64	0.01
FamilyMart UNY Holdings	JPY	2,004	100	0.02
FANUC	JPY	4,600	684	0.11
Fast Retailing	JPY	1,200	327	0.05
FP	JPY	500	22	–
Fuji Electric	JPY	15,000	59	0.01
Fuji Heavy Industries	JPY	14,400	446	0.07
FUJIFILM Holdings	JPY	9,400	286	0.04
Fujikura	JPY	6,000	29	–
Fujitsu	JPY	41,000	181	0.03
Fujitsu General	JPY	1,000	18	–
Fukuoka Financial Group	JPY	18,525	62	0.01
Fukuyama Transporting	JPY	4,000	19	–
Furukawa Electric	JPY	1,300	30	–
Glory	JPY	1,200	32	0.01
GMO Payment Gateway	JPY	400	17	–
Gree	JPY	1,800	8	–
GS Yuasa	JPY	8,000	27	–
GungHo Online Entertainment	JPY	6,900	13	–
Gunma Bank	JPY	9,000	33	0.01
H2O Retailing	JPY	2,200	26	–
Hachijuni Bank	JPY	9,300	39	0.01
Hakuhodo DY Holdings	JPY	5,500	52	0.01

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Japan 9.43% (9.53%) (continued)				
Hamamatsu Photonics KK	JPY	3,100	76	0.01
Hankyu Hanshin Holdings	JPY	6,200	165	0.03
Haseko	JPY	6,500	48	0.01
Heiwa	JPY	1,000	18	–
Hikari Tsushin	JPY	500	37	0.01
Hino Motors	JPY	6,200	53	0.01
Hirose Electric	JPY	730	77	0.01
Hiroshima Bank	JPY	13,000	43	0.01
HIS	JPY	700	14	–
Hisamitsu Pharmaceutical	JPY	1,700	68	0.01
Hitachi	JPY	111,400	453	0.07
Hitachi Capital	JPY	800	13	–
Hitachi Chemical	JPY	2,300	43	0.01
Hitachi Construction Machinery	JPY	2,600	42	0.01
Hitachi High-Technologies	JPY	1,850	59	0.01
Hitachi Metals	JPY	4,400	44	0.01
Hitachi Transport System	JPY	800	13	–
Hokkaido Electric Power	JPY	3,760	25	–
Hokuhoku Financial Group	JPY	2,900	32	0.01
Hokuriku Electric Power	JPY	4,360	41	0.01
Honda Motor	JPY	42,500	1,022	0.16
Horiba	JPY	1,500	58	0.01
Hoshizaki	JPY	1,200	86	0.01
House Foods Group	JPY	1,700	31	0.01
Hoya	JPY	9,300	297	0.05
Hulic	JPY	7,800	59	0.01
Ibiden	JPY	2,400	28	–
Ichigo	JPY	4,600	16	–
Idemitsu Kosan	JPY	2,400	45	0.01
IHI	JPY	38,000	88	0.01
Iida Group Holdings	JPY	3,500	53	0.01
Inpex	JPY	22,500	180	0.03
Isetan Mitsukoshi Holdings	JPY	7,920	64	0.01
Isuzu Motors	JPY	12,900	119	0.02
Ito En	JPY	1,700	50	0.01
ITOCHU	JPY	33,700	336	0.05
Itochu Techno-Solutions	JPY	1,000	21	–
Itoham Yonekyu Holdings	JPY	3,700	29	–
Iyo Bank	JPY	5,600	26	–
Izumi	JPY	1,000	35	0.01
J Front Retailing	JPY	5,600	60	0.01
Jafco	JPY	700	17	–
Japan Airlines	JPY	1,500	35	0.01
Japan Airport Terminal	JPY	1,400	41	0.01
Japan Aviation Electronics Industry	JPY	2,000	26	–
Japan Display	JPY	7,300	10	–
Japan Exchange Group	JPY	12,600	155	0.02
Japan Petroleum Exploration	JPY	600	12	–
Japan Post Bank	JPY	9,500	88	0.01
Japan Post Holdings	JPY	10,300	103	0.02
Japan Post Insurance	JPY	1,500	25	–
Japan Steel Works	JPY	1,400	24	–
Japan Tobacco	JPY	28,500	919	0.14
JFE Holdings	JPY	12,275	137	0.02
JGC	JPY	5,000	71	0.01
JSR	JPY	4,400	57	0.01
JTEKT	JPY	4,900	60	0.01
Juroku Bank	JPY	7,000	16	–
JX Holdings	JPY	56,948	185	0.03
Kagome	JPY	1,600	33	0.01
Kajima	JPY	21,000	114	0.02

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Japan 9.43% (9.53%) (continued)				
Kakaku.com	JPY	3,500	50	0.01
Kaken Pharmaceutical	JPY	800	40	0.01
Kamigumi	JPY	5,000	33	0.01
Kandenko	JPY	2,000	15	–
Kaneka	JPY	7,000	45	0.01
Kansai Electric Power	JPY	17,600	127	0.02
Kansai Paint	JPY	4,300	72	0.01
Kao	JPY	12,100	534	0.08
Kawasaki Heavy Industries	JPY	33,000	76	0.01
Kawasaki Kisen Kaisha	JPY	17,000	35	0.01
KDDI	JPY	43,850	1,068	0.17
Keihan Holdings	JPY	11,000	60	0.01
Keikyu	JPY	11,210	91	0.01
Keio	JPY	13,000	87	0.01
Keisei Electric Railway	JPY	3,400	65	0.01
Keiyo Bank	JPY	5,000	17	–
Kewpie	JPY	2,700	62	0.01
Keyence	JPY	1,100	658	0.10
Kikkoman	JPY	4,100	104	0.02
Kinden	JPY	3,120	30	–
Kintetsu Group Holdings	JPY	41,157	133	0.02
Kirin Holdings	JPY	19,700	261	0.04
Kissei Pharmaceutical	JPY	800	17	–
Kobayashi Pharmaceutical	JPY	1,400	58	0.01
Kobe Steel	JPY	6,700	44	0.01
Koei Tecmo Holdings	JPY	1,100	17	–
Koito Manufacturing	JPY	2,700	109	0.02
Komatsu	JPY	22,600	423	0.07
Komeri	JPY	500	10	–
Konami Holdings	JPY	2,100	67	0.01
Konica Minolta	JPY	9,884	68	0.01
Kose	JPY	700	54	0.01
K's Holdings	JPY	1,700	23	–
Kubota	JPY	26,300	319	0.05
Kuraray	JPY	8,100	96	0.02
Kurita Water Industries	JPY	2,600	50	0.01
Kusuri No Aoki	JPY	400	17	–
Kyocera	JPY	7,580	293	0.05
KYORIN Holdings	JPY	1,100	20	–
Kyowa Hakko Kirin	JPY	5,900	71	0.01
Kyudenko	JPY	1,500	44	0.01
Kyushu Electric Power	JPY	10,770	78	0.01
Kyushu Financial Group	JPY	8,430	44	0.01
Lawson	JPY	1,500	92	0.01
Leopalace21	JPY	5,500	28	–
LINE	JPY	800	30	–
Lintec	JPY	1,000	17	–
Lion	JPY	6,000	81	0.01
LIXIL Group	JPY	6,272	113	0.02
M3	JPY	4,100	115	0.02
Mabuchi Motor	JPY	1,200	55	0.01
Maeda Road Construction	JPY	1,000	14	–
Makita	JPY	2,800	161	0.03
Marubeni	JPY	36,700	154	0.02
Marui Group	JPY	5,200	56	0.01
Maruichi Steel Tube	JPY	1,400	36	0.01
Matsui Securities	JPY	2,400	15	–
Matsumotokiyoshi Holdings	JPY	1,000	42	0.01
Mazda Motor	JPY	13,400	172	0.03
Medipal Holdings	JPY	4,000	54	0.01
Megmilk Snow Brand	JPY	2,000	56	0.01

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Japan 9.43% (9.53%) (continued)				
MEIJI Holdings	JPY	3,336	267	0.04
Minebea	JPY	7,600	61	0.01
Miraca Holdings	JPY	1,800	66	0.01
MISUMI Group	JPY	6,000	92	0.01
Mitsubishi	JPY	33,100	613	0.09
Mitsubishi Chemical Holdings	JPY	31,100	156	0.02
Mitsubishi Electric	JPY	47,600	484	0.07
Mitsubishi Estate	JPY	28,000	406	0.06
Mitsubishi Gas Chemical	JPY	4,700	56	0.01
Mitsubishi Heavy Industries	JPY	75,000	258	0.04
Mitsubishi Logistics	JPY	3,000	34	0.01
Mitsubishi Materials	JPY	2,700	57	0.01
Mitsubishi Motors	JPY	15,700	60	0.01
Mitsubishi Shokuhin	JPY	300	8	–
Mitsubishi Tanabe Pharma	JPY	5,400	92	0.01
Mitsubishi UFJ Financial Group	JPY	321,196	1,282	0.20
Mitsubishi UFJ Lease & Finance	JPY	9,000	34	0.01
Mitsui	JPY	40,900	452	0.07
Mitsui Chemicals	JPY	21,000	81	0.01
Mitsui Engineering & Shipbuilding	JPY	15,000	17	–
Mitsui Fudosan	JPY	23,000	375	0.06
Mitsui OSK Lines	JPY	25,714	50	0.01
Miura	JPY	2,500	36	0.01
Mizuho Financial Group	JPY	593,880	778	0.12
Mochida Pharmaceutical	JPY	300	19	–
MonotaRO	JPY	1,200	26	–
MS&AD Insurance Group Holdings	JPY	11,944	278	0.04
Murata Manufacturing	JPY	4,500	499	0.08
Nabtes	JPY	2,600	60	0.01
Nagase	JPY	2,500	25	–
Nagoya Railroad	JPY	22,000	93	0.01
Nankai Electric Railway	JPY	13,000	49	0.01
NEC	JPY	62,000	129	0.02
Nexon	JPY	2,800	36	0.01
NGK Insulators	JPY	6,000	99	0.02
NGK Spark Plug	JPY	4,300	65	0.01
NH Foods	JPY	5,000	94	0.01
NHK Spring	JPY	3,600	26	–
Nichirei	JPY	2,500	44	0.01
Nidec	JPY	5,836	434	0.07
Nifco	JPY	1,000	44	0.01
Nihon Kohden	JPY	2,000	40	0.01
Nihon M&A Center	JPY	1,600	40	0.01
Nikon	JPY	8,100	100	0.02
Nintendo	JPY	2,600	533	0.08
Nippo	JPY	1,000	15	–
Nippon Electric Glass	JPY	8,600	36	0.01
Nippon Express	JPY	17,000	64	0.01
Nippon Kayaku	JPY	4,000	36	0.01
Nippon Paint Holdings	JPY	4,100	110	0.02
Nippon Paper Industries	JPY	2,000	28	–
Nippon Shinyaku	JPY	1,100	46	0.01
Nippon Shokubai	JPY	700	36	0.01
Nippon Steel & Sumitomo Metal	JPY	18,400	290	0.05
Nippon Telegraph & Telephone	JPY	9,000	335	0.05
Nippon Yusen KK	JPY	39,000	62	0.01
Nipro	JPY	2,600	26	–
Nishi-Nippon Financial Holdings	JPY	3,200	26	–
Nishi-Nippon Railroad	JPY	9,000	34	0.01
Nissan Chemical Industries	JPY	3,600	92	0.01
Nissan Motor	JPY	47,200	367	0.06

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Japan 9.43% (9.53%) (continued)				
Nissan Shatai	JPY	1,500	11	–
Nisshin Seifun Group	JPY	6,790	81	0.01
Nisshin Steel	JPY	1,700	18	–
Nisshinbo Holdings	JPY	3,100	25	–
Nissin Foods Holdings	JPY	1,600	76	0.01
Nitori Holdings	JPY	1,700	159	0.02
Nitto Denko	JPY	3,700	197	0.03
NOK	JPY	2,600	46	0.01
Nomura Holdings	JPY	82,180	296	0.05
Nomura Real Estate Holdings	JPY	2,700	34	0.01
Nomura Research Institute	JPY	2,200	62	0.01
North Pacific Bank	JPY	6,400	18	–
NS Solutions	JPY	600	9	–
NSK	JPY	10,100	87	0.01
NTN	JPY	10,000	29	–
NTT Data	JPY	3,000	121	0.02
NTT DOCOMO	JPY	31,500	632	0.10
NTT Urban Development	JPY	2,600	18	–
Obayashi	JPY	16,600	128	0.02
Obic	JPY	1,600	66	0.01
OBIC Business Consultants	JPY	200	8	–
Odakyu Electric Railway	JPY	7,150	123	0.02
Oji Holdings	JPY	19,166	61	0.01
OKUMA	JPY	3,000	19	–
Olympus	JPY	7,800	225	0.03
Omron	JPY	4,700	132	0.02
Ono Pharmaceutical	JPY	10,800	237	0.04
Oracle Japan	JPY	700	30	–
Orient	JPY	12,700	19	–
Oriental Land	JPY	4,600	217	0.03
ORIX	JPY	30,700	348	0.05
Osaka Gas	JPY	49,000	163	0.03
OSG	JPY	1,500	25	–
Otsuka	JPY	1,200	46	0.01
Otsuka Holdings	JPY	10,100	366	0.06
PanaHome	JPY	2,000	12	–
Panasonic	JPY	49,713	409	0.06
Park24	JPY	2,400	62	0.01
PeptiDream	JPY	900	38	0.01
Pigeon	JPY	2,400	56	0.01
Pilot	JPY	800	27	–
Pola Orbis Holdings	JPY	400	28	–
Rakuten	JPY	20,600	212	0.03
Recruit Holdings	JPY	7,600	250	0.04
Relo Group	JPY	200	27	–
Rengo	JPY	4,000	20	–
Resona Holdings	JPY	51,400	170	0.03
Resorttrust	JPY	1,400	22	–
Ricoh	JPY	15,900	114	0.02
Rinnai	JPY	900	66	0.01
Rohm	JPY	2,100	88	0.01
Rohto Pharmaceutical	JPY	2,000	27	–
Ryohin Keikaku	JPY	600	105	0.02
San-In Godo Bank	JPY	3,000	16	–
Sankyo	JPY	1,300	36	0.01
Sanrio	JPY	1,100	16	–
Santen Pharmaceutical	JPY	9,700	114	0.02
Sanwa Holdings	JPY	5,000	38	0.01
Sapporo Holdings	JPY	1,500	34	0.01
Sawai Pharmaceutical	JPY	700	39	0.01
SBI Holdings	JPY	4,600	43	0.01

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Japan 9.43% (9.53%) (continued)				
SCREEN Holdings	JPY	1,000	52	0.01
SCSK	JPY	900	28	–
Secom	JPY	4,600	271	0.04
Sega Sammy Holdings	JPY	4,640	55	0.01
Seibu Holdings	JPY	5,200	71	0.01
Seiko Epson	JPY	6,800	107	0.02
Seino Holdings	JPY	3,000	25	–
Sekisui Chemical	JPY	8,500	100	0.02
Sekisui House	JPY	14,200	180	0.03
Senshu Ikeda Holdings	JPY	5,880	21	–
Seven & i Holdings	JPY	18,660	651	0.10
Seven Bank	JPY	15,300	38	0.01
Sharp	JPY	29,000	31	0.01
Shiga Bank	JPY	5,000	20	–
Shikoku Electric Power	JPY	3,280	24	–
Shimachu	JPY	1,000	21	–
Shimadzu	JPY	6,000	73	0.01
Shimamura	JPY	500	50	0.01
Shimano	JPY	1,900	244	0.04
Shimizu	JPY	13,000	90	0.01
Shin-Etsu Chemical	JPY	9,850	560	0.09
Shinsei Bank	JPY	39,000	50	0.01
Shionogi	JPY	7,100	289	0.04
Shiseido	JPY	9,200	183	0.03
Shizuoka Bank	JPY	12,000	78	0.01
Shochiku	JPY	3,000	29	–
Showa Denko KK	JPY	3,000	32	0.01
Showa Shell Sekiyu KK	JPY	3,900	30	–
SKY Perfect JSAT Holdings	JPY	3,000	12	–
Skylark	JPY	1,900	21	–
SMC	JPY	1,400	324	0.05
SoftBank Group	JPY	20,400	1,072	0.17
Sohgo Security Services	JPY	1,500	63	0.01
Sojitz	JPY	27,900	59	0.01
Sompo Holdings	JPY	8,700	230	0.04
Sony	JPY	29,800	803	0.12
Sony Financial Holdings	JPY	3,800	42	0.01
Sotetsu Holdings	JPY	9,000	35	0.01
Square Enix Holdings	JPY	1,800	48	0.01
Stanley Electric	JPY	3,800	87	0.01
Start Today	JPY	3,900	54	0.01
Sugi Holdings	JPY	900	40	0.01
Sumco	JPY	4,200	30	–
Sumitomo	JPY	27,000	253	0.04
Sumitomo Chemical	JPY	37,000	139	0.02
Sumitomo Dainippon Pharma	JPY	3,500	52	0.01
Sumitomo Electric Industries	JPY	18,500	221	0.03
Sumitomo Forestry	JPY	3,000	32	0.01
Sumitomo Heavy Industries	JPY	12,000	48	0.01
Sumitomo Metal Mining	JPY	11,000	113	0.02
Sumitomo Mitsui Financial Group	JPY	30,800	817	0.13
Sumitomo Mitsui Trust Holdings	JPY	12,408	313	0.05
Sumitomo Osaka Cement	JPY	8,000	27	–
Sumitomo Real Estate Sales	JPY	340	6	–
Sumitomo Realty & Development	JPY	10,000	193	0.03
Sumitomo Rubber Industries	JPY	4,200	53	0.01
Sundrug	JPY	900	58	0.01
Suntory Beverage & Food	JPY	3,000	103	0.02
Suruga Bank	JPY	4,000	76	0.01
Suzuken	JPY	1,900	49	0.01
Suzuki Motor	JPY	9,700	272	0.04

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Japan 9.43% (9.53%) (continued)				
Sysmex	JPY	3,400	199	0.03
T&D Holdings	JPY	14,200	134	0.02
Tadano	JPY	2,300	22	–
Taiheiyō Cement	JPY	28,000	61	0.01
Taisei	JPY	25,000	150	0.02
Taisho Pharmaceutical Holdings	JPY	1,200	97	0.02
Taiyo Nippon Sanso	JPY	3,400	28	–
Taiyo Yuden	JPY	2,600	21	–
Takara Holdings	JPY	4,000	30	–
Takashimaya	JPY	7,000	45	0.01
Takeda Pharmaceutical	JPY	18,600	698	0.11
TDK	JPY	2,900	155	0.02
Teijin	JPY	4,000	60	0.01
Temp Holdings	JPY	3,200	44	0.01
Terumo	JPY	7,400	226	0.04
THK	JPY	2,900	46	0.01
TIS	JPY	2,000	42	0.01
Tobu Railway	JPY	25,000	99	0.02
Toda	JPY	5,000	22	–
Toho	JPY	2,620	65	0.01
Toho Gas	JPY	10,000	73	0.01
Tohoku Electric Power	JPY	11,362	113	0.02
Tokai Rika	JPY	1,200	19	–
Tokai Tokyo Financial Holdings	JPY	4,600	18	–
Tokio Marine Holdings	JPY	16,900	534	0.08
Tokyo Broadcasting System Holdings	JPY	800	10	–
Tokyo Century	JPY	1,100	30	–
Tokyo Electric Power Co Holdings	JPY	37,400	122	0.02
Tokyo Electron	JPY	3,700	254	0.04
Tokyo Gas	JPY	53,000	191	0.03
Tokyo Tatemono	JPY	4,800	44	0.01
Tokyu	JPY	25,000	144	0.02
Tokyu Fudosan Holdings	JPY	11,600	48	0.01
TonenGeneral Sekiyu KK	JPY	7,111	58	0.01
Topcon	JPY	2,100	25	–
Toppan Forms	JPY	800	7	–
Toppan Printing	JPY	12,000	88	0.01
Toray Industries	JPY	37,000	273	0.04
Toshiba	JPY	92,000	270	0.04
Tosoh	JPY	16,000	82	0.01
TOTO	JPY	3,450	107	0.02
Toyo Seikan Group Holdings	JPY	3,700	52	0.01
Toyo Suisan Kaisha	JPY	2,100	71	0.01
Toyo Tire & Rubber	JPY	3,900	47	0.01
Toyobo	JPY	18,000	24	–
Toyoda Gosei	JPY	1,700	32	0.01
Toyota Boshoku	JPY	1,500	28	–
Toyota Industries	JPY	4,000	153	0.02
Toyota Motor	JPY	64,718	3,038	0.47
Toyota Tsusho	JPY	5,500	103	0.02
Trend Micro	JPY	2,900	79	0.01
TS Tech	JPY	1,000	22	–
Tsumura	JPY	1,400	32	0.01
Tsuruha Holdings	JPY	800	72	0.01
TV Asahi Holdings	JPY	400	6	–
Ube Industries	JPY	24,000	36	0.01
Unicharm	JPY	9,300	182	0.03
Ushio	JPY	2,200	20	–
USS	JPY	4,800	64	0.01
Wacoal Holdings	JPY	3,000	27	–
Welcia Holdings	JPY	500	29	–

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Japan 9.43% (9.53%) (continued)				
West Japan Railway	JPY	4,400	214	0.03
Yahoo Japan	JPY	31,700	100	0.02
Yakult Honsha	JPY	2,400	85	0.01
Yamada Denki	JPY	18,300	74	0.01
Yamaguchi Financial Group	JPY	5,000	42	0.01
Yamaha	JPY	3,800	103	0.02
Yamaha Motor	JPY	6,800	115	0.02
Yamato Holdings	JPY	8,800	162	0.03
Yamato Kogyo	JPY	800	18	–
Yamazaki Baking	JPY	3,000	58	0.01
Yaskawa Electric	JPY	5,900	72	0.01
Yokogawa Electric	JPY	5,600	62	0.01
Yokohama Rubber	JPY	2,300	30	–
Zenoku Hosho	JPY	1,200	41	0.01
Zensho Holdings	JPY	2,100	31	0.01
Zeon	JPY	3,000	22	–
			61,069	9.43
Jersey 0.05% (0.07%)				
Delphi Automotive	USD	6,390	344	0.05
United Co RUSAL	HKD	32,000	9	–
			353	0.05
Liberia 0.03% (0.04%)				
Royal Caribbean Cruises	USD	3,480	205	0.03
			205	0.03
Luxembourg 0.11% (0.11%)				
ArcelorMittal	EUR	41,975	216	0.03
Eurofins Scientific	EUR	200	76	0.01
L'Occitane International	HKD	12,500	21	–
RTL Group	EUR	850	55	0.01
Samsonite International	HKD	29,400	77	0.01
SES	EUR	8,200	155	0.03
Tenaris	EUR	11,170	133	0.02
			733	0.11
Malaysia 0.39% (0.41%)				
AirAsia	MYR	40,800	22	–
Alliance Financial Group	MYR	22,300	16	–
AMMB Holdings	MYR	41,800	33	0.01
Astro Malaysia Holdings	MYR	48,000	26	–
Axiata Group	MYR	107,900	107	0.02
Berjaya Sports Toto	MYR	23,174	14	–
British American Tobacco Malaysia	MYR	3,100	29	0.01
Bumi Armada	MYR	62,100	8	–
CIMB Group Holdings	MYR	128,400	119	0.02
DiGi.Com	MYR	86,100	84	0.01
Felda Global Ventures Holdings	MYR	46,100	21	–
Gamuda	MYR	49,800	47	0.01
Genting	MYR	51,200	79	0.01
Genting Malaysia	MYR	65,700	61	0.01
HAP Seng Consolidated	MYR	15,400	23	–
Hong Leong Bank	MYR	14,697	38	0.01
IHH Healthcare	MYR	73,000	91	0.01
IJM	MYR	73,800	47	0.01
IOI	MYR	77,500	67	0.01
IOI Properties Group	MYR	43,100	21	–
KLCCP Stapled Group, REIT	MYR	11,900	18	–
Kuala Lumpur Kepong	MYR	12,200	57	0.01
Lafarge Malaysia	MYR	9,200	14	–
Malayan Banking	MYR	136,100	202	0.03

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Malaysia 0.39% (0.41%) (continued)				
Malaysia Airports Holdings	MYR	21,600	28	0.01
Maxis	MYR	60,700	71	0.01
MISC	MYR	35,700	53	0.01
MMC	MYR	26,500	12	–
Petronas Chemicals Group	MYR	68,600	91	0.01
Petronas Dagangan	MYR	7,100	32	0.01
Petronas Gas	MYR	18,900	80	0.01
PPB Group	MYR	14,500	45	0.01
Public Bank	MYR	76,130	292	0.05
RHB Bank	MYR	24,311	22	–
RHB Capital	MYR	14,500	–	–
SapuraKencana Petroleum	MYR	111,800	35	0.01
Sime Darby	MYR	77,900	119	0.02
Telekom Malaysia	MYR	26,600	35	0.01
Tenaga Nasional	MYR	82,800	232	0.04
UEM Sunrise	MYR	45,700	11	–
UMW Holdings	MYR	18,900	22	–
Westports Holdings	MYR	27,000	23	–
YTL	MYR	121,700	42	0.01
YTL Power International	MYR	65,520	21	–
			2,510	0.39
Malta 0.01% (0.01%)				
BGP Holdings^	EUR	196,800	–	–
Brait	ZAR	7,680	42	0.01
			42	0.01
Mauritius 0.01% (0.01%)				
Golden Agri-Resources	SGD	155,578	32	0.01
			32	0.01
Mexico 0.49% (0.54%)				
Alfa 'A'	MXN	65,270	87	0.01
Alsea	MXN	20,000	59	0.01
America Movil	MXN	690,688	333	0.05
Arca Continental	MXN	7,060	36	0.01
Banregio Grupo Financiero	MXN	5,200	27	–
Cemex	MXN	24,480	17	–
Cemex, ADR	USD	30,455	211	0.03
Coca-Cola Femsa	MXN	11,810	77	0.01
El Puerto de Liverpool 'C1'	MXN	5,400	48	0.01
Fibra Uno Administracion, REIT	MXN	63,910	98	0.02
Fomento Economico Mexicano	MXN	50,570	397	0.06
Genera	MXN	26,190	41	0.01
Gruma 'B'	MXN	3,940	44	0.01
Grupo Aeromexico	MXN	9,000	14	–
Grupo Aeroportuario del Centro Norte	MXN	4,700	23	–
Grupo Aeroportuario del Pacifico 'B'	MXN	8,000	65	0.01
Grupo Aeroportuario del Sureste 'B'	MXN	5,200	64	0.01
Grupo Bimbo	MXN	44,730	99	0.02
Grupo Carso	MXN	13,250	45	0.01
Grupo Comercial Chedraui	MXN	10,000	18	–
Grupo Elektra	MXN	1,390	15	–
Grupo Financiero Banorte 'O'	MXN	53,410	245	0.04
Grupo Financiero Inbursa 'O'	MXN	47,950	63	0.01
Grupo Financiero Santander Mexico 'B'	MXN	43,030	62	0.01
Grupo Lala	MXN	14,800	24	–
Grupo Mexico	MXN	91,869	190	0.03
Grupo Televisa	MXN	61,050	253	0.04
Industrias Penoles	MXN	3,060	60	0.01
Infraestructura Energetica Nova	MXN	4,200	15	–
Kimberly-Clark de Mexico 'A'	MXN	23,750	43	0.01

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Mexico 0.49% (0.54%) (continued)				
Megacable Holdings	MXN	6,500	21	–
Mexichem	MXN	25,912	50	0.01
Minera Frisco	MXN	14,640	9	–
OHL Mexico	MXN	16,800	16	–
Organizacion Soriana 'B'	MXN	7,100	15	–
Promotora y Operadora de Infraestructura	MXN	4,840	45	0.01
Telesites	MXN	27,535	13	–
Wal-Mart de Mexico	MXN	131,930	236	0.04
			3,178	0.49
Netherlands 1.58% (1.60%)				
ABN AMRO Group, CVA	EUR	4,930	85	0.01
Aegon	EUR	45,391	152	0.02
AerCap Holdings	USD	4,350	138	0.02
Airbus Group	EUR	12,970	612	0.09
Akzo Nobel	EUR	5,852	324	0.05
Altice 'A'	EUR	9,210	138	0.02
Altice 'B'	EUR	2,810	42	0.01
ASML Holding	EUR	7,794	644	0.10
Boskalis Westminster	EUR	2,630	75	0.01
Chicago Bridge & Iron	USD	2,290	52	0.01
CNH Industrial	EUR	21,701	132	0.02
Core Laboratories	USD	1,040	96	0.02
Ferrari	EUR	3,131	136	0.02
Fiat Chrysler Automobiles	EUR	19,830	102	0.02
Gemalto	EUR	1,930	97	0.02
GrandVision	EUR	1,000	22	–
Heineken	EUR	5,068	358	0.06
Heineken Holding	EUR	2,210	143	0.02
ING Groep	EUR	91,542	938	0.15
Koninklijke Ahold Delhaize	EUR	30,538	563	0.09
Koninklijke DSM	EUR	4,000	215	0.03
Koninklijke KPN	EUR	75,953	193	0.03
Koninklijke Philips	EUR	21,772	520	0.08
Koninklijke Vopak	EUR	1,700	73	0.01
LyondellBasell Industries 'A'	USD	8,380	547	0.08
Mobileye	USD	4,130	126	0.02
Mylan	USD	10,646	330	0.05
NN Group	EUR	7,950	197	0.03
NXP Semiconductors	USD	6,563	546	0.08
OCI	EUR	1,710	19	–
QIAGEN	EUR	5,610	120	0.02
Randstad Holding	EUR	2,490	97	0.02
RELX	EUR	21,270	293	0.05
Sensata Technologies Holding	USD	3,870	120	0.02
Steinhoff International Holdings	ZAR	60,551	261	0.04
STMicroelectronics^	EUR	14,759	96	0.02
Unilever, CVA	EUR	36,767	1,304	0.20
Wolters Kluwer	EUR	6,680	217	0.03
Yandex 'A'	USD	5,870	92	0.01
			10,215	1.58
New Zealand 0.10% (0.07%)				
Auckland International Airport	NZD	21,024	81	0.01
Contact Energy	NZD	16,072	45	0.01
Fisher & Paykel Healthcare	NZD	14,080	79	0.01
Fletcher Building	NZD	14,900	91	0.01
Kiwi Property Group, REIT	NZD	30,800	26	–
Mercury NZ	NZD	13,800	24	–
Meridian Energy	NZD	30,150	48	0.01
Ryman Healthcare	NZD	10,590	55	0.01
SKY Network Television	NZD	13,760	38	0.01

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
New Zealand 0.10% (0.07%) (continued)				
SKYCITY Entertainment Group	NZD	16,026	43	0.01
Spark New Zealand	NZD	41,787	85	0.01
Vector	NZD	6,520	12	–
Warehouse Group	NZD	3,030	5	–
Xero	NZD	2,840	30	0.01
			662	0.10
Norway 0.22% (0.24%)				
DNB	NOK	23,866	268	0.04
Gjensidige Forsikring	NOK	4,280	66	0.01
Marine Harvest	NOK	9,140	139	0.02
Norsk Hydro	NOK	29,595	104	0.01
Orkla	NOK	17,925	144	0.02
Schibsted 'A'	NOK	2,160	45	0.01
Schibsted 'B'	NOK	2,150	42	0.01
Statoil	NOK	21,873	303	0.05
Telenor	NOK	16,669	220	0.03
Yara International	NOK	4,046	108	0.02
			1,439	0.22
Panama 0.05% (0.06%)				
Carnival	USD	9,030	345	0.05
			345	0.05
Papua New Guinea 0.02% (0.02%)				
Oil Search	AUD	26,980	120	0.02
			120	0.02
Poland 0.13% (0.16%)				
Alior Bank	PLN	3,555	35	0.01
Asseco Poland	PLN	1,970	22	–
Bank Handlowy w Warszawie	PLN	840	13	–
Bank Millennium	PLN	13,190	16	–
Bank Pekao	PLN	3,540	89	0.01
Bank Zachodni WBK	PLN	650	44	0.01
CCC	PLN	600	23	–
Cyfrowy Polsat	PLN	5,140	26	–
Enea	PLN	8,880	17	–
Eurocash	PLN	1,710	14	–
KGHM Polska Miedz	PLN	3,630	54	0.01
LPP	PLN	30	32	0.01
mBank	PLN	330	24	–
Orange Polska	PLN	22,800	28	0.01
PGE Polska Grupa Energetyczna	PLN	17,950	37	0.01
Polski Koncern Naftowy ORLEN	PLN	7,530	109	0.02
Polskie Gornictwo Naftowe i Gazownictwo	PLN	43,160	48	0.01
Powszechna Kasa Oszczednosci Bank Polski	PLN	20,210	108	0.02
Powszechny Zaklad Ubezpieczen	PLN	13,330	70	0.01
Synthos	PLN	20,130	20	–
Tauron Polska Energia	PLN	28,560	14	–
			843	0.13
Portugal 0.06% (0.05%)				
Banco Espirito Santo^	EUR	55,927	6	–
EDP – Energias de Portugal	EUR	45,300	120	0.02
Galp Energia	EUR	12,880	146	0.02
Jeronimo Martins	EUR	5,670	83	0.02
			355	0.06
Singapore 0.68% (0.63%)				
Ascendas Real Estate Investment Trust	SGD	56,300	80	0.01
Broadcom	USD	9,222	1,273	0.20
CapitaLand	SGD	58,325	106	0.02

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Singapore 0.68% (0.63%) (continued)				
CapitaLand Commercial Trust, REIT	SGD	43,578	40	0.01
CapitaLand Mall Trust, REIT	SGD	63,400	78	0.01
City Developments	SGD	14,149	73	0.01
ComfortDelGro	SGD	46,500	74	0.01
DBS Group Holdings	SGD	43,032	381	0.06
Flex	USD	12,954	144	0.02
Global Logistic Properties	SGD	70,600	76	0.01
Hutchison Port Holdings Trust 'U'	USD	109,800	39	0.01
Jardine Cycle & Carriage	SGD	2,622	64	0.01
Keppel	SGD	32,790	102	0.02
M1	SGD	8,000	11	–
Oversea-Chinese Banking	SGD	77,651	385	0.06
SATS	SGD	14,000	39	0.01
Sembcorp Industries	SGD	22,114	33	0.01
Sembcorp Marine	SGD	18,000	14	–
SIA Engineering	SGD	4,000	9	–
Singapore Airlines	SGD	11,773	71	0.01
Singapore Exchange	SGD	19,000	81	0.01
Singapore Post	SGD	32,900	29	–
Singapore Press Holdings	SGD	37,931	84	0.01
Singapore Technologies Engineering	SGD	41,200	77	0.01
Singapore Telecommunications	SGD	175,472	401	0.06
SMRT	SGD	16,000	16	–
StarHub	SGD	13,390	27	–
Suntec Real Estate Investment Trust, REIT	SGD	56,000	57	0.01
United Overseas Bank	SGD	29,480	318	0.05
UOL Group	SGD	11,708	40	0.01
Venture	SGD	5,600	31	0.01
Wilmar International	SGD	51,800	98	0.02
Wing Tai Holdings	SGD	11,000	11	–
Yangzijiang Shipbuilding Holdings	SGD	52,200	23	–
Yanlord Land Group	SGD	14,400	12	–
			4,397	0.68
South Africa 0.82% (0.95%)				
Adcock Ingram Holdings (AdBEE) Warrant 26/07/2019	ZAR	153	–	–
AECI	ZAR	2,550	16	–
African Bank Investments^	ZAR	28,373	1	–
African Rainbow Minerals	ZAR	2,780	14	–
Anglo American Platinum	ZAR	1,329	25	–
AngloGold Ashanti	ZAR	9,652	105	0.02
Aspen Pharmacare Holdings	ZAR	9,180	163	0.03
Assore	ZAR	830	8	–
AVI	ZAR	7,690	41	0.01
Barclays Africa Group	ZAR	10,090	85	0.01
Barloworld	ZAR	4,420	21	–
Bid	ZAR	7,837	110	0.02
Bidvest Group	ZAR	7,937	74	0.01
Capitec Bank Holdings	ZAR	1,315	50	0.01
Clicks Group	ZAR	5,390	37	0.01
Coronation Fund Managers	ZAR	6,560	28	–
Discovery	ZAR	7,909	50	0.01
EOH Holdings	ZAR	2,780	26	–
Exxaro Resources	ZAR	2,770	16	–
FirstRand	ZAR	72,440	185	0.03
Fortressome Fund, REIT	ZAR	17,288	31	0.01
Fortressome Fund, REIT 'A'	ZAR	26,978	25	–
Foschini Group	ZAR	4,500	34	0.01
Gold Fields	ZAR	18,719	63	0.01
Grindrod	ZAR	14,210	10	–
Growthpoint Properties, REIT	ZAR	64,660	91	0.01
Harmony Gold Mining	ZAR	8,400	20	–

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
South Africa 0.82% (0.95%) (continued)				
Hyprop Investments, REIT	ZAR	6,390	43	0.01
Impala Platinum Holdings	ZAR	14,542	48	0.01
Imperial Holdings	ZAR	4,030	37	0.01
Investec	ZAR	6,540	31	0.01
JSE	ZAR	2,160	19	–
Kumba Iron Ore	ZAR	1,420	10	–
Liberty Holdings	ZAR	2,840	18	–
Life Healthcare Group Holdings	ZAR	24,790	53	0.01
Massmart Holdings	ZAR	2,450	16	–
MMI Holdings	ZAR	22,700	28	–
Mondi	ZAR	2,960	47	0.01
Mr Price Group	ZAR	7,000	61	0.01
MTN Group	ZAR	42,038	268	0.04
Nampak	ZAR	13,680	15	–
Naspers 'N'	ZAR	10,198	1,322	0.20
Nedbank Group 01/01/1900	ZAR	5,150	63	0.01
Netcare	ZAR	34,950	70	0.01
Northam Platinum	ZAR	8,620	25	–
Omnia Holdings	ZAR	2,000	19	–
Pick n Pay Stores	ZAR	8,311	31	0.01
Pioneer Foods Group	ZAR	3,620	35	0.01
PSG Group	ZAR	2,270	27	–
Redefine Properties, REIT	ZAR	106,971	68	0.01
Remgro	ZAR	13,320	168	0.03
Remgro Rights 21/10/2016	ZAR	1,152	2	–
Resilient REIT	ZAR	6,650	43	0.01
Reunert	ZAR	3,940	14	–
RMB Holdings	ZAR	16,430	53	0.01
Sanlam	ZAR	42,610	156	0.02
Santam	ZAR	930	13	–
Sappi	ZAR	13,170	59	0.01
Sasol	ZAR	13,220	304	0.05
Shoprite Holdings	ZAR	10,070	108	0.02
Sibanye Gold	ZAR	17,729	42	0.01
SPAR Group	ZAR	4,571	50	0.01
Standard Bank Group	ZAR	28,258	223	0.03
Sun International	ZAR	2,180	11	–
Telkom	ZAR	8,000	27	–
Tiger Brands	ZAR	3,763	84	0.01
Tongalet Hulett	ZAR	2,520	18	–
Truworths International	ZAR	10,530	42	0.01
Tsogo Sun Holdings	ZAR	13,680	25	–
Vodacom Group	ZAR	12,000	102	0.02
Woolworths Holdings	ZAR	22,365	99	0.02
			5,326	0.82
South Korea 1.77% (1.78%)				
Amorepacific	KRW	870	231	0.04
AMOREPACIFIC Group	KRW	700	81	0.01
Amorepacific Preference	KRW	300	44	0.01
BGF retail	KRW	240	30	–
BNK Financial Group	KRW	6,347	40	0.01
Celltrion	KRW	1,643	121	0.02
Cheil Worldwide	KRW	2,000	24	–
CJ	KRW	280	36	0.01
CJ CheilJedang	KRW	170	43	0.01
CJ Korea Express	KRW	150	23	–
Coway	KRW	1,460	99	0.02
Daelim Industrial	KRW	700	44	0.01
Daewoo Engineering&Construction	KRW	4,030	19	–
Daewoo Shipbuilding & Marine Engineering	KRW	1,520	5	–
DGB Financial Group	KRW	3,191	21	–

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
South Korea 1.77% (1.78%) (continued)				
Dongbu Insurance	KRW	1,140	56	0.01
Doosan	KRW	230	17	–
Doosan Heavy Industriesnstruction	KRW	1,200	23	–
Doosan Infracore	KRW	3,240	16	–
E-MART	KRW	459	55	0.01
GS Engineeringnstruction	KRW	1,455	32	0.01
GS Holdings	KRW	1,350	51	0.01
Hana Financial Group	KRW	6,717	147	0.02
Hankook Tire	KRW	1,704	71	0.01
Hanmi Pharm	KRW	140	42	0.01
Hanmi Science	KRW	300	20	–
Hanon Systems	KRW	5,000	41	0.01
Hanssem	KRW	210	27	–
Hanwha	KRW	1,600	42	0.01
Hanwha Chemical	KRW	1,830	35	0.01
Hanwha Life Insurance	KRW	5,090	22	–
Hanwha Techwin	KRW	1,020	48	0.01
Hotel Shilla	KRW	620	27	–
Hyosung	KRW	510	49	0.01
Hyundai Department Store	KRW	360	32	–
Hyundai Development Co-Engineeringnstruction	KRW	1,540	57	0.01
Hyundai Engineeringnstruction	KRW	1,600	49	0.01
Hyundai Glovis	KRW	420	52	0.01
Hyundai Heavy Industries	KRW	1,080	115	0.02
Hyundai Marine & Fire Insurance	KRW	1,560	41	0.01
Hyundai Mipo Dockyard	KRW	300	17	–
Hyundai Mobis	KRW	1,530	294	0.05
Hyundai Motor	KRW	3,420	328	0.05
Hyundai Motor 2nd Preference	KRW	800	58	0.01
Hyundai Motor Preference	KRW	520	36	0.01
Hyundai Steel	KRW	1,710	60	0.01
Hyundai Wia	KRW	380	23	–
Industrial Bank of Korea	KRW	7,500	67	0.01
Kakao	KRW	690	39	0.01
Kangwon Land	KRW	2,890	79	0.01
KB Financial Group	KRW	660	19	–
KB Financial Group, ADR	USD	8,308	232	0.04
KCC	KRW	110	33	0.01
KEPCO Plant Service & Engineering	KRW	440	18	–
Kia Motors	KRW	6,200	185	0.03
Korea Aerospace Industries	KRW	1,600	84	0.01
Korea Electric Power	KRW	610	23	–
Korea Electric Power, ADR	USD	10,800	200	0.03
Korea Gas	KRW	500	16	–
Korea Investment Holdings	KRW	1,190	35	0.01
Korea Zinc	KRW	250	82	0.01
KT&G	KRW	2,840	235	0.04
KT, ADR	USD	2,900	37	0.01
Kumho Petrochemical	KRW	450	25	–
LG	KRW	2,450	108	0.02
LG Chem	KRW	989	166	0.03
LG Chem Preference	KRW	210	24	–
LG Display	KRW	5,090	110	0.02
LG Electronics, GDR Preference	EUR	12,140	111	0.02
LG Hausys	KRW	190	14	–
LG Household & Health Care	KRW	200	132	0.02
LG Household & Health Care Preference	KRW	40	14	–
LG Uplus	KRW	5,000	42	0.01
Lotte Chemical	KRW	340	74	0.01
Lotte Confectionery	KRW	200	25	–
Lotte Shopping	KRW	240	40	0.01

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
South Korea 1.77% (1.78%) (continued)				
LS	KRW	400	17	–
Mando	KRW	140	25	–
Mirae Asset Daewoo	KRW	4,762	27	–
Mirae Asset Securities	KRW	1,330	22	–
NAVER	KRW	681	415	0.06
NCSOFT	KRW	390	80	0.01
NH Investment & Securities	KRW	2,920	21	–
NongShim	KRW	150	31	–
OCI	KRW	480	34	0.01
Orion	KRW	90	51	0.01
POSCO	KRW	70	12	–
Posco Daewoo	KRW	910	17	–
POSCO, ADR	USD	5,960	243	0.04
S-1	KRW	570	40	0.01
Samsung C&T	KRW	2,521	298	0.05
Samsung Card	KRW	650	24	–
Samsung Electro-Mechanics 01/01/1900	KRW	1,190	41	0.01
Samsung Electronics	KRW	460	524	0.08
Samsung Electronics Preference	KRW	420	383	0.06
Samsung Electronics, GDR	USD	3,796	2,145	0.33
Samsung Engineering	KRW	3,600	28	–
Samsung Fire & Marine Insurance	KRW	740	150	0.02
Samsung Heavy Industries	KRW	5,740	41	0.01
Samsung Heavy Industries Rights 08/11/2016	KRW	2,142	4	–
Samsung Life Insurance	KRW	1,780	136	0.02
Samsung SDI	KRW	1,217	83	0.01
Samsung SDS	KRW	710	82	0.01
Samsung Securities	KRW	1,219	31	–
Shinhan Financial Group	KRW	2,585	78	0.01
Shinhan Financial Group, ADR	USD	8,080	240	0.04
Shinsegae	KRW	261	37	0.01
SK Holdings	KRW	824	124	0.02
SK Hynix	KRW	3,840	115	0.02
SK Hynix, GDR	USD	8,270	248	0.04
SK Innovation	KRW	1,569	174	0.03
SK Networks	KRW	2,770	14	–
SK Telecom	KRW	540	86	0.01
SK Telecom, ADR	USD	4,369	77	0.01
S-Oil	KRW	1,080	64	0.01
Woori Bank	KRW	6,870	57	0.01
Yuhan	KRW	157	29	–
			11,461	1.77
Spain 1.12% (1.34%)				
Abertis Infraestructuras 01/01/1900	EUR	15,696	194	0.03
Acciona^	EUR	560	35	–
Acerinox	EUR	3,561	36	0.01
ACS Actividades de Construcción y Servicios	EUR	4,009	97	0.01
Aena	EUR	1,520	177	0.03
Amadeus IT Group 'A'	EUR	9,700	379	0.06
Banco Bilbao Vizcaya Argentaria	EUR	152,927	785	0.12
Banco Bilbao Vizcaya Argentaria Rights 18/10/2016	EUR	149,327	12	–
Banco de Sabadell	EUR	113,256	115	0.02
Banco Popular Espanol^	EUR	71,137	66	0.01
Banco Santander	EUR	340,138	1,233	0.19
Bankia	EUR	100,170	66	0.01
Bankinter	EUR	16,418	95	0.01
CaixaBank	EUR	57,179	123	0.02
Corp Financiera Alba	EUR	340	12	–
Distribuidora Internacional de Alimentación	EUR	13,360	66	0.01
EDP Renováveis	EUR	4,730	30	–
Enagas	EUR	5,360	125	0.02

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Spain 1.12% (1.34%) (continued)				
Endesa	EUR	7,510	127	0.02
Ferrovial	EUR	11,200	185	0.03
Gamesa Corp Tecnologica	EUR	5,310	99	0.01
Gas Natural SDG	EUR	7,066	113	0.02
Grifols	EUR	8,500	144	0.02
Grifols Preference 'B'	EUR	6,150	77	0.01
Iberdrola	EUR	134,312	725	0.11
Industria de Diseno Textil	EUR	25,600	750	0.12
Mapfre	EUR	22,097	51	0.01
Mediaset Espana Comunicacion	EUR	3,955	36	0.01
Red Electrica	EUR	10,190	174	0.03
Repsol	EUR	26,085	300	0.05
Telefonica	EUR	101,631	812	0.13
Zardoya Otis	EUR	4,253	30	–
			7,269	1.12
Sweden 1.05% (1.13%)				
Alfa Laval	SEK	6,930	87	0.01
Assa Abloy 'B'	SEK	22,615	377	0.06
Atlas Copco 'A'	SEK	14,644	351	0.05
Atlas Copco 'B'	SEK	8,940	193	0.03
Boliden	SEK	6,630	129	0.02
Electrolux	SEK	5,200	104	0.02
Fastighets AB Balder 'B'	SEK	2,060	40	0.01
Getinge 'B'	SEK	3,930	58	0.01
Hennes & Mauritz 'B'	SEK	23,180	557	0.09
Hexagon 'B'	SEK	6,020	211	0.03
Husqvarna 'B'	SEK	8,630	58	0.01
ICA Gruppen	SEK	2,210	56	0.01
Industrivarden 'A'	SEK	4,840	77	0.01
Industrivarden 'C'	SEK	4,190	62	0.01
Investment AB Latour 'B'	SEK	640	20	–
Investor 'B'	SEK	10,820	318	0.05
Kinnevik 'B'	SEK	5,480	115	0.02
L E Lundbergforetagen 'B'	SEK	1,000	52	0.01
Lundin Petroleum	SEK	3,820	59	0.01
Melker Schorling	SEK	500	27	–
Nordea Bank	SEK	74,176	618	0.10
Sandvik	SEK	26,700	239	0.04
Securitas 'B'	SEK	7,730	103	0.02
Skandinaviska Enskilda Banken 'A'	SEK	34,814	289	0.04
Skanska 'B'	SEK	8,110	150	0.02
SKF 'A'	SEK	500	7	–
SKF 'B'	SEK	8,630	117	0.02
Svenska Cellulosa 'B'	SEK	14,377	339	0.05
Svenska Handelsbanken 'A'	SEK	34,278	384	0.06
Svenska Handelsbanken 'B'	SEK	1,500	16	–
Swedbank 'A'	SEK	24,657	462	0.07
Swedish Match	SEK	4,320	124	0.02
Tele2 'B'	SEK	8,140	57	0.01
Telefonaktiebolaget LM Ericsson 'B'	SEK	69,594	309	0.05
Telia	SEK	59,488	213	0.03
Trelleborg 'B'	SEK	5,590	84	0.01
Volvo 'B'	SEK	36,495	326	0.05
			6,788	1.05
Switzerland 3.56% (3.84%)				
ABB	CHF	46,039	846	0.13
Actelion	CHF	2,150	285	0.04
Adecco Group	CHF	3,730	174	0.03
Aryzta	CHF	1,920	72	0.01
Banque Cantonale Vaudoise	CHF	60	31	–

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Switzerland 3.56% (3.84%) (continued)				
Barry Callebaut	CHF	50	52	0.01
Chocoladefabriken Lindt & Spruengli	CHF	22	98	0.02
Chocoladefabriken Lindt & Spruengli Registered Shares	CHF	3	159	0.02
Chubb	USD	10,964	1,122	0.17
Cie Financiere Richemont	CHF	12,270	685	0.11
Clariant	CHF	6,650	93	0.01
Credit Suisse Group	CHF	49,970	542	0.08
DKSH Holding	CHF	600	35	0.01
Dufry	CHF	1,100	111	0.02
EMS-Chemie Holding	CHF	180	76	0.01
Flughafen Zuerich	CHF	370	56	0.01
Galenica	CHF	114	97	0.02
Garmin	USD	2,530	99	0.02
Geberit	CHF	870	306	0.05
Givaudan	CHF	221	357	0.06
Helvetia Holding	CHF	150	62	0.01
Julius Baer Group	CHF	5,138	170	0.03
Kuehne + Nagel International	CHF	1,220	138	0.02
LafargeHolcim	CHF	8,367	352	0.06
LafargeHolcim	EUR	3,275	138	0.02
Lonza Group	CHF	1,250	189	0.03
Nestle	CHF	73,070	4,545	0.70
Novartis	CHF	55,986	3,508	0.54
Pargesa Holding	CHF	630	34	0.01
Partners Group Holding	CHF	440	179	0.03
PSP Swiss Property	CHF	970	71	0.01
Roche Holding	CHF	16,640	3,242	0.50
Roche Holding Bearer Shares	CHF	660	130	0.02
Schindler Holding	CHF	930	139	0.02
Schindler Holding Registered Shares	CHF	490	74	0.01
SGS	CHF	120	209	0.03
Sika	CHF	51	199	0.03
Sonova Holding	CHF	1,210	136	0.02
Straumann Holding	CHF	250	81	0.01
Sulzer	CHF	300	26	–
Swatch Group	CHF	735	188	0.03
Swatch Group Registered Shares	CHF	1,080	54	0.01
Swiss Life Holding	CHF	743	158	0.02
Swiss Prime Site	CHF	1,495	101	0.02
Swiss Re	CHF	7,857	577	0.09
Swisscom	CHF	530	199	0.03
Syngenta	CHF	1,780	608	0.09
Syngenta	CHF	230	79	0.01
TE Connectivity	USD	8,363	419	0.06
Transocean	USD	8,710	71	0.01
UBS Group	CHF	83,807	928	0.14
Zurich Insurance Group	CHF	3,557	745	0.12
			23,045	3.56
Taiwan 1.49% (1.39%)				
Acer, GDR	USD	10,685	20	–
Advanced Semiconductor Engineering	TWD	150,323	147	0.02
Advantech	TWD	8,795	58	0.01
Asia Cement	TWD	67,491	47	0.01
Asustek Computer	TWD	2,000	14	–
Asustek Computer, GDR	USD	2,706	98	0.02
AU Optronics, ADR	USD	19,421	59	0.01
Capital Securities	TWD	46,000	9	–
Catcher Technology	TWD	17,111	108	0.02
Cathay Financial Holding	TWD	42,000	43	0.01
Cathay Financial Holding, GDR	USD	13,959	143	0.02
Cathay Real Estate Development	TWD	24,000	9	–

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Taiwan 1.49% (1.39%) (continued)				
Chang Hwa Commercial Bank	TWD	145,032	60	0.01
Cheng Shin Rubber Industry	TWD	41,733	69	0.01
Cheng Uei Precision Industry	TWD	7,000	7	–
Chicony Electronics	TWD	16,296	33	0.01
China Airlines	TWD	45,000	11	–
China Development Financial Holding	TWD	356,107	72	0.01
China Motor	TWD	14,000	9	–
China Steel	TWD	50,000	28	–
China Steel, GDR	USD	11,495	129	0.02
Chunghwa Telecom	TWD	5,000	14	–
Chunghwa Telecom, ADR	USD	8,024	229	0.04
Compal Electronics, GDR	USD	17,016	42	0.01
CTBC Financial Holding	TWD	425,566	187	0.03
Delta Electronics	TWD	53,045	225	0.04
E.Sun Financial Holding	TWD	191,489	88	0.01
Eclat Textile	TWD	5,000	46	0.01
Epistar	TWD	17,000	9	–
Eternal Materials	TWD	16,686	14	–
Eva Airways	TWD	62,600	23	–
Evergreen Marine Taiwan	TWD	37,772	12	–
Far Eastern International Bank	TWD	38,760	9	–
Far Eastern New Century	TWD	88,683	54	0.01
Far EastOne Telecommunications	TWD	37,000	71	0.01
Feng Hsin Steel	TWD	9,000	10	–
Feng TAY Enterprise	TWD	6,720	22	–
First Financial Holding	TWD	221,851	94	0.01
Formosa Chemicals & Fibre	TWD	104,005	235	0.04
Formosa Petrochemical	TWD	35,000	90	0.01
Formosa Plastics	TWD	115,746	238	0.04
Formosa Taffeta	TWD	21,000	16	–
Foxconn Technology	TWD	26,441	62	0.01
Fubon Financial Holding	TWD	27,000	32	0.01
Fubon Financial Holding, GDR	USD	14,374	169	0.03
Giant Manufacturing	TWD	7,000	39	0.01
Hermes Microvision	TWD	2,000	72	0.01
Hon Hai Precision Industry	TWD	76,191	160	0.03
Hon Hai Precision Industry, GDR	USD	136,555	570	0.09
Hotai Motor	TWD	10,000	95	0.02
HTC	TWD	15,348	36	0.01
Hua Nan Financial Holdings	TWD	179,570	74	0.01
Innolux	TWD	190,428	51	0.01
Inotera Memories	TWD	51,000	39	0.01
Inventec	TWD	71,000	48	0.01
Largan Precision	TWD	3,000	284	0.04
Lite-On Technology	TWD	46,464	53	0.01
MediaTek	TWD	34,326	210	0.03
Mega Financial Holding	TWD	267,803	150	0.02
Nan Ya Plastics	TWD	142,591	232	0.04
Nanya Technology	TWD	8,000	8	–
Novatek Microelectronics	TWD	15,000	45	0.01
OBI Pharma	TWD	3,000	25	–
Oriental Union Chemical	TWD	13,000	7	–
Pegatron, GDR	USD	8,225	87	0.01
Pou Chen	TWD	64,000	72	0.01
President Chain Store	TWD	14,000	89	0.01
Quanta Computer	TWD	61,000	101	0.02
Realtek Semiconductor, GDR	USD	2,521	29	–
Shin Kong Financial Holding	TWD	174,276	30	0.01
Siliconware Precision Industries	TWD	54,247	67	0.01
SinoPac Financial Holdings	TWD	262,035	62	0.01
Synnex Technology International	TWD	34,650	30	–

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Taiwan 1.49% (1.39%) (continued)				
Taishin Financial Holding	TWD	233,720	68	0.01
Taiwan Business Bank	TWD	80,355	16	–
Taiwan Cement	TWD	74,901	69	0.01
Taiwan Cooperative Financial Holding	TWD	197,112	70	0.01
Taiwan Fertilizer	TWD	18,000	20	–
Taiwan Glass Industry	TWD	26,665	9	–
Taiwan Mobile	TWD	38,000	109	0.02
Taiwan Secom	TWD	7,105	17	–
Taiwan Semiconductor Manufacturing	TWD	78,000	377	0.06
Taiwan Semiconductor Manufacturing, ADR	USD	96,043	2,396	0.37
Teco Electric and Machinery	TWD	66,000	46	0.01
Ton Yi Industrial	TWD	15,000	5	–
Transcend Information	TWD	7,000	16	–
U-Ming Marine Transport	TWD	10,000	6	–
Unimicron Technology	TWD	33,000	11	–
Uni-President Enterprises	TWD	111,791	173	0.03
United Microelectronics	TWD	26,000	8	–
United Microelectronics, ADR	USD	50,007	75	0.01
Vanguard International Semiconductor	TWD	38,000	60	0.01
Walsin Lihwa	TWD	72,000	19	–
Wan Hai Lines	TWD	22,000	9	–
Wistron	TWD	72,641	44	0.01
Yang Ming Marine Transport	TWD	27,000	5	–
Yuanta Financial Holding	TWD	260,427	75	0.01
Yulon Motor	TWD	17,000	12	–
			9,644	1.49
Thailand 0.37% (0.26%)				
Advanced Info Service	THB	2,700	10	–
Advanced Info Service Registered Shares	THB	26,300	96	0.02
Airports of Thailand	THB	1,000	9	–
Airports of Thailand Registered Shares	THB	9,500	86	0.01
Bangkok Bank	THB	13,400	50	0.01
Bangkok Dusit Medical Services 'F'	THB	208,000	105	0.02
Banpu	THB	90,000	36	0.01
Bumrungrad Hospital	THB	8,300	33	0.01
Central Pattana	THB	60,900	80	0.01
Charoen Pokphand Foods	THB	108,100	79	0.01
CP ALL	THB	136,800	194	0.03
Electricity Generating	THB	1,800	8	–
Electricity Generating Registered Shares	THB	5,600	25	–
Finance One Public	USD	6,000	–	–
Glow Energy	THB	11,600	21	–
Indorama Ventures	THB	38,700	25	0.01
Intouch Holdings, NVDR	THB	53,200	66	0.01
IRPC	THB	46,700	5	–
IRPC Foreign Shares	THB	236,400	27	0.01
Kasikornbank	THB	51,000	224	0.04
Krung Thai Bank	THB	180,800	74	0.01
Land & Houses	THB	89,400	19	–
Land & Houses Registered Shares	THB	79,300	17	–
Minor International	THB	5,500	5	–
Minor International Registered Shares	THB	79,200	72	0.01
PTT	THB	38,800	316	0.05
PTT Exploration & Production	THB	4,800	9	–
PTT Exploration & Production Registered Shares	THB	30,289	58	0.01
PTT Global Chemical	THB	56,200	77	0.01
Siam Cement	THB	17,900	211	0.03
Siam Commercial Bank	THB	57,000	196	0.03
Thai Oil	THB	7,800	12	–
Thai Oil Foreign Shares	THB	19,100	30	0.01
TMB Bank	THB	99,300	5	–

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Thailand 0.37% (0.26%) (continued)				
TMB Bank Foreign Shares	THB	513,200	24	–
Total Access Communication	THB	9,200	7	–
Total Access Communication, NVDR	THB	14,400	10	–
True Corp	THB	37,000	6	–
True Corp Foreign Shares	THB	235,600	37	0.01
			2,364	0.37
Turkey 0.14% (0.16%)				
Akbank	TRY	47,080	99	0.02
Anadolu Efes Biracilik Ve Malt Sanayii	TRY	5,330	27	–
Arcelik	TRY	4,400	25	–
BIM Birlesik Magazalar	TRY	5,340	71	0.01
Coca-Cola Icecek	TRY	1,800	18	–
Emlak Konut Gayrimenkul Yatirim Ortakligi, REIT	TRY	45,570	36	0.01
Enka Insaat ve Sanayi	TRY	13,314	16	–
Eregli Demir ve Celik Fabrikalari	TRY	33,757	38	0.01
Ford Otomotiv Sanayi	TRY	1,960	17	–
Haci Omer Sabanci Holding	TRY	19,970	50	0.01
KOC Holding	TRY	16,927	59	0.01
Koza Altin Isletmeleri	TRY	1,590	7	–
Petkim Petrokimya Holding	TRY	14,170	16	–
Tofas Turk Otomobil Fabrikasi	TRY	3,260	20	–
Tupras Turkiye Petrol Rafinerileri	TRY	3,020	48	0.01
Turk Hava Yollari	TRY	14,191	20	–
Turk Telekomunikasyon	TRY	11,410	17	–
Turkcell Iletisim Hizmetleri	TRY	19,220	50	0.01
Turkiye Garanti Bankasi	TRY	52,460	110	0.02
Turkiye Halk Bankasi	TRY	15,460	36	0.01
Turkiye Is Bankasi 'C'	TRY	34,510	43	0.01
Turkiye Sise ve Cam Fabrikalari	TRY	18,619	16	–
Turkiye Vakiflar Bankasi 'D'	TRY	24,860	29	0.01
Ulker Biskuvi Sanayi	TRY	3,570	20	–
Yapi ve Kredi Bankasi	TRY	22,910	21	–
			909	0.14
United Kingdom 0.26% (0.27%)				
Aon	USD	6,365	573	0.09
Coca-Cola European Partners	USD	5,250	163	0.03
International Game Technology	USD	2,265	49	0.01
Liberty Global	USD	14,635	373	0.06
Liberty Global 'A'	USD	5,822	152	0.02
Nielsen Holdings	USD	8,230	353	0.05
			1,663	0.26
United States of America 54.33% (54.09%)				
3M	USD	14,310	1,989	0.31
Abbott Laboratories	USD	34,930	1,170	0.18
AbbVie	USD	38,220	1,910	0.30
Activision Blizzard	USD	16,670	588	0.09
Acuity Brands	USD	1,040	208	0.03
Adobe Systems	USD	11,900	1,050	0.16
Advance Auto Parts	USD	1,780	214	0.03
AdvanSix	USD	702	9	–
AES	USD	15,225	146	0.02
Aetna	USD	8,329	747	0.12
Affiliated Managers Group	USD	1,300	152	0.02
Aflac	USD	9,430	544	0.08
Agilent Technologies	USD	7,879	291	0.04
AGNC Investment, REIT	USD	7,640	122	0.02
Air Products & Chemicals	USD	5,200	562	0.09
Akamai Technologies	USD	3,850	171	0.03
Alaska Air Group	USD	630	38	0.01

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
United States of America 54.33% (54.09%) (continued)				
Albemarle	USD	2,700	177	0.03
Alcoa	USD	10,190	223	0.03
Alexion Pharmaceuticals	USD	5,390	527	0.08
Alleghany	USD	360	154	0.02
Alliance Data Systems	USD	1,420	240	0.04
Alliant Energy	USD	5,210	159	0.02
Allstate	USD	8,990	508	0.08
Ally Financial	USD	11,040	174	0.03
Alnylam Pharmaceuticals	USD	1,670	49	0.01
Alphabet 'A'	USD	6,980	4,587	0.71
Alphabet 'C'	USD	6,875	4,372	0.68
Altria Group	USD	46,340	2,374	0.37
Amazon.com	USD	9,100	6,168	0.95
Ameren	USD	5,720	225	0.03
American Airlines Group	USD	3,130	100	0.02
American Electric Power	USD	11,820	604	0.09
American Express	USD	18,980	937	0.14
American International Group	USD	25,418	1,238	0.19
American Tower, REIT	USD	10,050	926	0.14
American Water Works	USD	4,210	247	0.04
Ameriprise Financial	USD	3,872	312	0.05
AmerisourceBergen	USD	4,500	296	0.05
AMETEK	USD	5,720	214	0.03
Amgen	USD	17,774	2,386	0.37
Amphenol 'A'	USD	7,240	374	0.06
Anadarko Petroleum	USD	13,302	697	0.11
Analog Devices	USD	7,470	371	0.06
Annaly Capital Management, REIT	USD	23,410	196	0.03
ANSYS	USD	1,900	142	0.02
Antero Resources	USD	4,630	105	0.02
Anthem	USD	6,329	626	0.10
Apache	USD	8,805	447	0.07
Apple	USD	127,640	12,203	1.89
Applied Materials	USD	26,180	596	0.09
Archer-Daniels-Midland	USD	13,728	474	0.07
Arrow Electronics	USD	2,090	107	0.02
Arthur J Gallagher	USD	4,140	169	0.03
Ashland Global Holdings	USD	1,470	137	0.02
Assurant	USD	1,520	112	0.02
AT&T	USD	146,377	4,711	0.73
Autodesk	USD	5,260	298	0.05
Autoliv	USD	2,010	166	0.03
Automatic Data Processing	USD	10,930	776	0.12
AutoNation	USD	1,520	60	0.01
AutoZone	USD	700	439	0.07
AvalonBay Communities, REIT	USD	3,203	440	0.07
Avangrid	USD	1,300	43	0.01
Avery Dennison	USD	2,110	131	0.02
Avnet	USD	2,960	100	0.02
B/E Aerospace	USD	3,260	135	0.02
Baker Hughes	USD	10,004	429	0.07
Ball	USD	4,270	274	0.04
Bank of America	USD	243,329	3,150	0.49
Bank of New York Mellon	USD	25,573	817	0.13
Baxter International	USD	13,040	509	0.08
BB&T	USD	19,482	603	0.09
Becton Dickinson	USD	5,045	713	0.11
Bed Bath & Beyond	USD	3,660	125	0.02
Bemis	USD	2,250	91	0.01
Ben Franklin Retail Stores^	USD	50	–	–
Berkshire Hathaway 'A'	USD	11	1,930	0.30

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
United States of America 54.33% (54.09%) (continued)				
Berkshire Hathaway 'B'	USD	27,950	3,270	0.51
Best Buy	USD	6,340	206	0.03
Biogen	USD	5,170	1,244	0.19
BioMarin Pharmaceutical	USD	3,920	278	0.04
BlackRock	USD	2,920	834	0.13
Boeing	USD	14,880	1,622	0.25
BorgWarner	USD	4,870	137	0.02
Boston Properties, REIT	USD	3,590	378	0.06
Boston Scientific	USD	32,601	617	0.10
Bristol-Myers Squibb	USD	39,390	1,618	0.25
Broadridge Financial Solutions	USD	2,710	145	0.02
Brown & Brown	USD	2,730	84	0.01
Brown-Forman 'B'	USD	5,434	204	0.03
CA	USD	7,197	189	0.03
Cabot Oil & Gas	USD	10,910	203	0.03
Calpine	USD	6,730	72	0.01
Campbell Soup	USD	4,410	198	0.03
Capital One Financial	USD	11,065	643	0.10
Cardinal Health	USD	7,645	471	0.07
CarMax	USD	4,390	185	0.03
Caterpillar	USD	13,840	984	0.15
CBRE Group 'A'	USD	7,180	156	0.02
CBS, (Non-Voting) 'B'	USD	9,516	430	0.07
CDK Global	USD	3,423	153	0.02
Celanese	USD	3,410	177	0.03
Celgene	USD	18,470	1,519	0.23
Centene	USD	3,910	192	0.03
CenterPoint Energy	USD	9,889	181	0.03
CenturyLink	USD	13,411	300	0.05
Cerner	USD	6,810	341	0.05
CF Industries Holdings	USD	5,370	101	0.02
CH Robinson Worldwide	USD	3,320	191	0.03
Charles Schwab	USD	26,825	689	0.11
Charter Communications 'A'	USD	4,924	1,032	0.16
Cheniere Energy	USD	5,420	184	0.03
Chevron	USD	44,780	3,689	0.57
Chipotle Mexican Grill	USD	710	238	0.04
Church & Dwight	USD	6,050	236	0.04
Cigna	USD	6,190	613	0.09
Cimarex Energy	USD	2,230	253	0.04
Cincinnati Financial	USD	3,339	206	0.03
Cintas	USD	2,030	181	0.03
Cisco Systems	USD	119,205	2,939	0.45
CIT Group	USD	4,770	140	0.02
Citigroup	USD	68,985	2,733	0.42
Citizens Financial Group	USD	12,560	252	0.04
Citrix Systems	USD	3,820	260	0.04
Clorox	USD	3,020	302	0.05
CME Group	USD	7,670	651	0.10
CMS Energy	USD	6,580	220	0.03
CNA Financial	USD	790	23	–
Coach	USD	6,430	191	0.03
Coca-Cola	USD	97,890	3,342	0.52
Cognizant Technology Solutions 'A'	USD	14,670	614	0.09
Cohu	CHF	1,110	110	0.02
Colgate-Palmolive	USD	21,320	1,257	0.19
Comcast 'A'	USD	56,907	3,028	0.47
Comerica	USD	4,020	157	0.02
Commerce Bancshares	USD	2,350	95	0.01
CommerceHub	USD	557	7	–
CommerceHub	USD	278	3	–

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
United States of America 54.33% (54.09%) (continued)				
Computer Sciences	USD	3,220	139	0.02
ConAgra Foods	USD	10,210	392	0.06
Concho Resources	USD	3,300	373	0.06
ConocoPhillips	USD	29,103	1,003	0.15
Consolidated Edison	USD	7,080	422	0.07
Constellation Brands 'A'	USD	4,060	561	0.09
Continental Resources	USD	2,140	92	0.01
Corning	USD	24,990	474	0.07
Costco Wholesale	USD	10,402	1,277	0.20
CR Bard	USD	1,730	309	0.05
Crown Castle International, REIT	USD	8,120	610	0.09
CSRA	USD	4,150	88	0.01
CSX	USD	22,740	579	0.09
Cummins	USD	4,070	420	0.06
CVS Health	USD	25,380	1,825	0.28
Danaher	USD	13,810	860	0.13
Darden Restaurants	USD	3,000	152	0.02
DaVita	USD	4,830	249	0.04
Deere	USD	7,130	503	0.08
Dell Technologies – VMware 'V'	USD	5,273	203	0.03
Delta Air Lines	USD	4,390	144	0.02
DENTSPLY SIRONA	USD	5,550	262	0.04
Devon Energy	USD	12,250	440	0.07
Digital Realty Trust, REIT	USD	3,700	286	0.04
Discover Financial Services	USD	9,440	420	0.06
Discovery Communications 'A'	USD	3,273	69	0.01
Discovery Communications 'C'	USD	5,219	107	0.02
DISH Network 'A'	USD	4,950	230	0.04
Dollar General	USD	6,130	347	0.05
Dollar Tree	USD	5,194	332	0.05
Dominion Resources	USD	14,896	893	0.14
Dover	USD	3,680	200	0.03
Dow Chemical	USD	26,459	1,144	0.18
DR Horton	USD	7,900	186	0.03
Dr Pepper Snapple Group	USD	4,350	311	0.05
DST Systems	USD	680	64	0.01
DTE Energy	USD	4,205	319	0.05
Duke Energy	USD	16,387	1,044	0.16
Duke Realty, REIT	USD	8,260	173	0.03
Dun & Bradstreet	USD	840	87	0.01
E*TRADE Financial	USD	6,670	153	0.02
Eastman Chemical	USD	3,420	177	0.03
eBay	USD	24,420	629	0.10
Ecolab	USD	6,340	606	0.09
Edgewell Personal Care	USD	1,410	89	0.01
Edison International	USD	7,620	442	0.07
Edwards Lifesciences	USD	5,090	494	0.08
El du Pont de Nemours	USD	20,739	1,155	0.18
Electronic Arts	USD	6,750	451	0.07
Eli Lilly	USD	23,260	1,521	0.23
Emerson Electric	USD	15,450	634	0.10
Entergy	USD	4,380	268	0.04
EOG Resources	USD	13,040	1,018	0.16
EQT	USD	3,985	229	0.04
Equifax	USD	2,790	294	0.05
Equinix, REIT	USD	1,700	502	0.08
Equity Residential, REIT	USD	8,430	421	0.07
Essex Property Trust, REIT	USD	1,540	262	0.04
Estee Lauder 'A'	USD	5,000	360	0.06
Eversource Energy	USD	7,407	323	0.05
Exelon	USD	21,141	568	0.09

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
United States of America 54.33% (54.09%) (continued)				
Expedia	USD	2,940	285	0.04
Expeditors International of Washington	USD	4,260	177	0.03
Express Scripts Holding	USD	15,057	850	0.13
Extra Space Storage, REIT	USD	2,760	172	0.03
Exxon Mobil 'Null'	USD	98,857	6,997	1.08
F5 Networks	USD	1,560	148	0.02
Facebook 'A'	USD	52,030	5,435	0.84
Fastenal	USD	6,530	205	0.03
Federal Realty Investment Trust, REIT	USD	1,660	202	0.03
FedEx	USD	5,930	828	0.13
Fidelity National Information Services	USD	7,624	476	0.07
Fifth Third Bancorp	USD	18,469	298	0.05
First Horizon National	USD	91,087	–	–
First Republic Bank	USD	3,680	222	0.03
First Solar	USD	1,600	51	0.01
FirstEnergy	USD	9,965	257	0.04
Fiserv	USD	5,140	419	0.06
FleetCor Technologies	USD	1,900	262	0.04
Flowserve	USD	3,010	107	0.02
Fluor	USD	3,285	135	0.02
FMC	USD	3,350	127	0.02
FMC Technologies	USD	5,340	139	0.02
FNF Group	USD	6,370	192	0.03
Foot Locker	USD	3,190	179	0.03
Ford Motor	USD	92,194	896	0.14
Fortive	USD	7,195	287	0.04
Fortune Brands Home & Security	USD	3,595	162	0.03
Franklin Resources	USD	8,790	247	0.04
Freeport-McMoRan 'B'	USD	31,277	246	0.04
Frontier Communications	USD	26,720	87	0.01
Gap	USD	5,670	123	0.02
General Dynamics	USD	5,280	652	0.10
General Electric	USD	212,276	4,991	0.77
General Growth Properties, REIT	USD	11,880	252	0.04
General Mills	USD	14,180	721	0.11
General Motors	USD	34,050	877	0.14
Gentex	USD	7,250	104	0.02
Genuine Parts	USD	3,600	287	0.04
Gilead Sciences	USD	31,480	1,880	0.29
Global Payments	USD	3,560	213	0.03
Goldman Sachs Group	USD	8,990	1,230	0.19
Goodyear Tire & Rubber	USD	6,020	156	0.02
H&R Block	USD	5,280	99	0.02
Halliburton	USD	20,250	778	0.12
Hanesbrands	USD	8,710	176	0.03
Harley-Davidson	USD	4,100	169	0.03
Harman International Industries	USD	1,610	104	0.02
Harris	USD	2,910	214	0.03
Hartford Financial Services Group	USD	9,410	330	0.05
Hasbro	USD	2,660	167	0.03
HCA Holdings	USD	6,820	448	0.07
HCP, REIT	USD	10,890	324	0.05
Helmerich & Payne	USD	2,390	136	0.02
Henry Schein	USD	1,940	247	0.04
Herc Holdings	USD	572	15	–
Hershey	USD	3,670	287	0.04
Hertz Global Holdings	USD	1,916	53	0.01
Hess	USD	6,870	289	0.04
Hewlett Packard Enterprise	USD	39,363	700	0.11
Hilton Worldwide Holdings	USD	12,300	228	0.04
HollyFrontier	USD	4,520	87	0.01

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
United States of America 54.33% (54.09%) (continued)				
Hologic	USD	6,560	205	0.03
Home Depot	USD	29,270	3,022	0.47
Honeywell International	USD	18,015	1,594	0.25
Hormel Foods	USD	6,360	198	0.03
Hospitality Properties Trust, REIT	USD	3,690	88	0.01
Host Hotels & Resorts, REIT	USD	17,552	222	0.03
HP	USD	41,463	513	0.08
Humana	USD	3,560	493	0.08
Huntington Bancshares	USD	26,507	211	0.03
IAC	USD	1,730	87	0.01
Illinois Tool Works	USD	7,606	720	0.11
Illumina	USD	3,420	384	0.06
Incyte	USD	4,090	299	0.05
Ingevity	USD	904	31	–
Ingredion	USD	1,500	164	0.03
Intel	USD	112,190	3,391	0.52
Intercontinental Exchange	USD	2,854	622	0.10
International Business Machines	USD	22,745	2,858	0.44
International Flavors & Fragrances	USD	1,830	195	0.03
International Paper	USD	9,705	363	0.06
Interpublic Group of Cos	USD	9,340	172	0.03
Intuit	USD	5,725	500	0.08
Intuitive Surgical	USD	920	536	0.08
Iron Mountain, REIT	USD	5,349	154	0.02
Iron Mountain, REIT	AUD	153	4	–
Jabil Circuit	USD	3,910	68	0.01
Jacobs Engineering Group	USD	3,070	126	0.02
JB Hunt Transport Services	USD	2,210	144	0.02
JM Smucker	USD	2,700	296	0.05
Johnson & Johnson	USD	65,052	6,289	0.97
JPMorgan Chase	USD	85,564	4,740	0.73
Juniper Networks	USD	8,815	167	0.03
Kansas City Southern	USD	2,590	197	0.03
Kellogg	USD	5,570	345	0.05
KeyCorp	USD	26,520	267	0.04
Keysight Technologies	USD	4,069	104	0.02
Kimberly-Clark	USD	8,532	848	0.13
Kimco Realty, REIT	USD	9,850	228	0.04
Kinder Morgan	USD	45,027	756	0.12
KLA-Tencor	USD	3,670	214	0.03
Kohl's	USD	4,070	150	0.02
Kraft Heinz	USD	14,048	999	0.15
Kroger	USD	21,750	554	0.09
L Brands	USD	5,248	312	0.05
L-3 Communications Holdings	USD	1,440	175	0.03
Laboratory of America Holdings	USD	2,520	281	0.04
Lam Research	USD	3,815	305	0.05
Las Vegas Sands	USD	9,380	445	0.07
Lear	USD	1,690	161	0.02
Leggett & Platt	USD	3,180	119	0.02
Lennar 'A'	USD	4,200	141	0.02
Leucadia National	USD	7,250	112	0.02
Level 3 Communications	USD	6,830	252	0.04
Liberty Broadband 'A'	USD	471	25	–
Liberty Broadband 'C'	USD	3,416	188	0.03
Liberty Interactive QVC Group 'A'	USD	10,246	158	0.02
Liberty Media-Liberty Braves 'A'	USD	168	2	–
Liberty Media-Liberty Braves 'C'	USD	585	8	–
Liberty Media-Liberty Media 'A'	USD	421	9	–
Liberty Media-Liberty Media 'C'	USD	860	19	–
Liberty Media-Liberty SiriusXM 'A'	USD	2,045	54	0.01

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
United States of America 54.33% (54.09%) (continued)				
Liberty Media-Liberty SiriusXM 'C'	USD	4,150	109	0.02
Liberty Property Trust, REIT	USD	3,700	121	0.02
Liberty Ventures	USD	3,207	103	0.02
Lincoln National	USD	5,502	217	0.03
Linear Technology	USD	5,640	271	0.04
LinkedIn 'A'	USD	2,800	436	0.07
LKQ	USD	6,430	173	0.03
Lockheed Martin	USD	5,501	1,047	0.16
Loews	USD	6,298	211	0.03
Lowe's	USD	20,980	1,219	0.19
lululemon athletica	USD	2,310	109	0.02
M&T Bank	USD	3,490	323	0.05
Macerich, REIT	USD	3,344	210	0.03
Macy's	USD	7,546	227	0.04
ManpowerGroup	USD	1,530	90	0.01
Marathon Oil	USD	19,909	240	0.04
Marathon Petroleum	USD	12,394	421	0.07
Markel	USD	300	226	0.03
Marriott International 'A'	USD	8,279	455	0.07
Marriott International 'A' ^	USD	92,449	–	–
Marsh & McLennan	USD	12,500	671	0.10
Martin Marietta Materials	USD	1,520	214	0.03
Masco	USD	7,820	213	0.03
Mastercard 'A'	USD	22,930	1,887	0.29
Mattel	USD	7,962	195	0.03
Maxim Integrated Products	USD	6,690	205	0.03
McCormick, (Non-Voting) 'G'	USD	2,720	210	0.03
McDonald's	USD	20,160	1,902	0.29
McKesson	USD	5,336	707	0.11
MDU Resources Group	USD	4,470	91	0.01
Mead Johnson Nutrition	USD	4,480	295	0.05
Merck	USD	65,743	3,359	0.52
MetLife	USD	21,160	807	0.12
Mettler-Toledo International	USD	540	179	0.03
MGM Resorts International	USD	10,580	225	0.03
Microchip Technology	USD	5,290	252	0.04
Micron Technology	USD	24,290	335	0.05
Microsoft	USD	179,060	8,330	1.29
Mohawk Industries	USD	1,490	237	0.04
Molson Coors Brewing 'B'	USD	3,844	348	0.05
Mondelez International 'A'	USD	36,846	1,261	0.19
Monsanto	USD	10,410	872	0.13
Monster Beverage	USD	3,370	402	0.06
Moody's	USD	4,540	396	0.06
Morgan Stanley	USD	33,370	865	0.13
Mosaic	USD	8,080	153	0.02
Motorola Solutions	USD	3,915	234	0.04
Murphy Oil	USD	3,750	88	0.01
Nasdaq	USD	3,020	165	0.03
National Oilwell Varco	USD	8,820	262	0.04
Navient	USD	7,330	83	0.01
NCR	USD	2,966	73	0.01
NetApp	USD	6,765	187	0.03
Netflix	USD	9,630	788	0.12
New York Community Bancorp	USD	11,013	125	0.02
Newell Brands	USD	11,586	494	0.08
Newfield Exploration	USD	4,545	160	0.02
Newmont Mining	USD	12,369	352	0.05
News 'A'	USD	8,790	97	0.02
News 'B'	USD	2,158	24	–
NextEra Energy	USD	10,905	1,111	0.17

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
United States of America 54.33% (54.09%) (continued)				
NIKE 'B'	USD	26,280	1,118	0.17
NiSource	USD	7,602	142	0.02
Noble Energy	USD	10,080	292	0.05
Nordstrom	USD	3,230	142	0.02
Norfolk Southern	USD	7,050	546	0.08
Northern Trust	USD	5,480	313	0.05
Northrop Grumman	USD	4,472	799	0.12
NRG Energy	USD	6,980	64	0.01
Nuance Communications	USD	5,240	59	0.01
Nucor	USD	7,600	289	0.04
NVIDIA	USD	12,290	656	0.10
NVR	USD	90	118	0.02
Occidental Petroleum	USD	18,125	1,095	0.17
Old Republic International	USD	5,737	85	0.01
Omnicom Group	USD	5,550	372	0.06
ONEOK	USD	5,150	210	0.03
Oracle	USD	75,519	2,347	0.36
O'Reilly Automotive	USD	2,250	513	0.08
PACCAR	USD	8,275	383	0.06
Palo Alto Networks	USD	2,110	261	0.04
Parker-Hannifin	USD	3,182	321	0.05
Patterson	USD	1,750	65	0.01
Paychex	USD	7,665	352	0.05
PayPal Holdings	USD	25,780	826	0.13
People's United Financial	USD	7,385	93	0.01
PepsiCo	USD	34,089	2,951	0.46
Pfizer	USD	143,666	3,847	0.59
PG&E	USD	12,110	597	0.09
Philip Morris International	USD	37,000	2,909	0.45
Phillips 66	USD	12,631	817	0.13
Pinnacle West Capital	USD	2,540	154	0.02
Pioneer Natural Resources	USD	4,015	617	0.10
PNC Financial Services Group	USD	11,649	837	0.13
Polaris Industries	USD	1,370	84	0.01
PPG Industries	USD	6,410	482	0.07
PPL	USD	15,735	424	0.07
Praxair	USD	6,850	656	0.10
Priceline Group	USD	1,180	1,391	0.21
Principal Financial Group	USD	6,740	286	0.04
Procter & Gamble	USD	61,972	4,470	0.69
Progressive	USD	12,560	333	0.05
Prologis, REIT	USD	12,587	527	0.08
Prudential Financial	USD	10,350	708	0.11
Public Service Enterprise Group	USD	11,900	398	0.06
Public Storage, REIT	USD	3,490	611	0.09
PulteGroup	USD	6,380	101	0.02
PVH	USD	1,820	166	0.03
Qorvo	USD	3,090	134	0.02
QUALCOMM	USD	34,700	1,863	0.29
Quest Diagnostics	USD	3,400	232	0.04
Quintiles IMS Holdings	USD	3,392	210	0.03
Ralph Lauren	USD	1,260	103	0.02
Range Resources	USD	4,680	151	0.02
Raytheon	USD	7,407	836	0.13
Realtyome, REIT	USD	6,030	309	0.05
Red Hat	USD	4,270	268	0.04
Regency Centers, REIT	USD	2,400	146	0.02
Regeneron Pharmaceuticals	USD	1,960	602	0.09
Regions Financial	USD	29,904	243	0.04
Republic Services	USD	6,890	279	0.04
ResMed	USD	3,440	180	0.03

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
United States of America 54.33% (54.09%) (continued)				
Reynolds American	USD	19,632	761	0.12
Robert Half International	USD	2,870	88	0.01
Rockwell Automation	USD	3,120	297	0.05
Rockwell Collins	USD	3,230	219	0.03
Roper Technologies	USD	2,370	337	0.05
Ross Stores	USD	9,580	507	0.08
S&P Global	USD	6,370	639	0.10
Safeway Casa Ley^	USD	4,630	4	–
Safeway^	USD	4,630	–	–
salesforce.com	USD	14,680	847	0.13
Santander Consumer USA Holdings	USD	2,100	21	–
SBA Communications 'A'	USD	2,890	263	0.04
SCANA	USD	3,000	171	0.03
Scripps Networks Interactive 'A'	USD	1,650	83	0.01
Sealed Air	USD	4,522	164	0.03
SEI Investments	USD	2,800	101	0.02
Sempra Energy	USD	5,994	512	0.08
ServiceNow	USD	3,670	226	0.03
Sherwin-Williams	USD	1,770	390	0.06
Simon Property Group, REIT	USD	7,427	1,206	0.19
Sirius XM Holdings	USD	59,690	200	0.03
Skyworks Solutions	USD	4,400	278	0.04
SL Green Realty, REIT	USD	2,450	211	0.03
Snap-on	USD	1,280	153	0.02
Southern	USD	23,215	963	0.15
Southern Copper	USD	3,701	79	0.01
Southwest Airlines	USD	3,562	121	0.02
Spectra Energy	USD	16,779	585	0.09
Splunk	USD	3,060	141	0.02
Sprint	USD	21,016	116	0.02
St Jude Medical	USD	6,640	424	0.07
Stanley Black & Decker	USD	3,517	347	0.05
Staples	USD	14,880	93	0.01
Starbucks	USD	33,210	1,437	0.22
State Street	USD	9,349	525	0.08
Stericycle	USD	2,010	122	0.02
Stryker	USD	6,730	625	0.10
SunTrust Banks	USD	11,591	424	0.07
Symantec	USD	14,595	290	0.04
Synchrony Financial	USD	19,416	418	0.06
Synopsys	USD	3,470	169	0.03
Sysco	USD	12,450	497	0.08
T Rowe Price Group	USD	5,730	307	0.05
Target	USD	13,620	756	0.12
TD Ameritrade Holding	USD	4,740	138	0.02
TEGNA	USD	5,110	83	0.01
Tesla Motors	USD	2,620	429	0.07
Tesoro	USD	2,590	173	0.03
Texas Instruments	USD	23,830	1,320	0.20
Textron	USD	4,870	151	0.02
Thermo Fisher Scientific	USD	9,390	1,167	0.18
Tiffany	USD	2,730	162	0.03
Time Warner	USD	18,473	1,199	0.19
TJX	USD	15,720	957	0.15
T-Mobile US	USD	6,440	242	0.04
Toll Brothers	USD	3,860	90	0.01
Torchmark	USD	2,627	137	0.02
Total System Services	USD	3,892	149	0.02
Tractor Supply	USD	2,410	133	0.02
TransDigm Group	USD	1,120	255	0.04
Travelers	USD	6,932	652	0.10

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
United States of America 54.33% (54.09%) (continued)				
Trimble	USD	5,750	134	0.02
TripAdvisor	USD	2,450	125	0.02
Twenty-First Century Fox 'A'	USD	25,530	512	0.08
Twenty-First Century Fox 'B'	USD	10,552	214	0.03
Twitter	USD	11,320	165	0.03
Tyson Foods 'A'	USD	7,010	413	0.06
UDR, REIT	USD	6,210	173	0.03
Ulta Salon Cosmetics & Fragrance	USD	1,470	320	0.05
Under Armour 'A'	USD	4,500	140	0.02
Under Armour 'C'	USD	4,604	126	0.02
Union Pacific	USD	19,874	1,571	0.24
United Continental Holdings	USD	1,900	83	0.01
United Parcel Service 'B'	USD	16,310	1,444	0.22
United Rentals	USD	1,770	113	0.02
United Technologies	USD	20,566	1,678	0.26
UnitedHealth Group	USD	22,794	2,501	0.39
Universal Health Services 'B'	USD	2,110	215	0.03
Unum Group	USD	5,356	158	0.02
US Bancorp	USD	40,941	1,434	0.22
Valero Energy	USD	11,078	488	0.08
Valspar	USD	1,960	169	0.03
Vantiv 'A'	USD	3,610	165	0.03
Varian Medical Systems	USD	2,150	169	0.03
Ventas, REIT	USD	8,200	447	0.07
VEREIT, REIT	USD	22,710	180	0.03
VeriSign	USD	2,515	155	0.02
Verisk Analytics	USD	3,650	237	0.04
Verizon Communications	USD	96,654	3,973	0.61
Versum Materials	USD	2,530	47	0.01
Vertex Pharmaceuticals	USD	5,760	379	0.06
VF	USD	7,710	344	0.05
Viacom 'B'	USD	8,166	239	0.04
Visa 'A'	USD	44,690	2,990	0.46
VMware 'A'	USD	1,680	100	0.02
Vornado Realty Trust, REIT	USD	3,971	310	0.05
Voya Financial	USD	4,750	116	0.02
Vulcan Materials	USD	3,110	276	0.04
Wabtec	USD	1,660	109	0.02
Walgreens Boots Alliance	USD	20,640	1,319	0.20
Wal-Mart Stores	USD	36,820	2,054	0.32
Walt Disney	USD	38,070	2,835	0.44
Waste Management	USD	10,715	540	0.08
Waters	USD	1,870	237	0.04
WEC Energy Group	USD	7,440	354	0.05
Weingarten Realty Investors, REIT	USD	2,740	85	0.01
Wells Fargo	USD	119,798	4,380	0.68
Welltower, REIT	USD	8,520	487	0.08
Western Digital	USD	6,241	282	0.04
Western Union	USD	11,380	185	0.03
Westlake Chemical	USD	910	40	0.01
WestRock	USD	5,964	220	0.03
Weyerhaeuser, REIT	USD	17,468	446	0.07
Whirlpool	USD	1,800	237	0.04
Whole Foods Market	USD	7,350	172	0.03
Williams	USD	17,470	417	0.06
Workday 'A'	USD	2,770	197	0.03
WR Berkley	USD	2,370	112	0.02
WW Grainger	USD	1,260	220	0.03
Wyndham Worldwide	USD	2,737	150	0.02
Wynn Resorts	USD	2,040	158	0.02
Xcel Energy	USD	11,820	390	0.06

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
United States of America 54.33% (54.09%) (continued)				
Xerox	USD	23,810	186	0.03
Xilinx	USD	6,020	246	0.04
Xylem	USD	4,115	167	0.03
Yahoo!	USD	20,940	712	0.11
Yum! Brands	USD	9,380	685	0.11
Zimmer Biomet Holdings	USD	4,768	495	0.08
Zions Bancorporation	USD	4,700	117	0.02
Zoetis	USD	11,990	500	0.08
			351,702	54.33
Virgin Islands, British 0.02% (0.03%)				
Michael Kors Holdings	USD	3,920	149	0.02
			149	0.02
Equities total			634,734	98.05
Supranational 0.00% (0.01%)				
BTG Pactual Group	BRL	6,130	26	–
Supranational total			26	–
Liquidity Funds 0.14% (0.00%)				
Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP [†]	GBP	900,000	900	0.14
Liquidity Funds total			900	0.14
Investment assets			635,660	98.19
Net other assets			11,707	1.81
Net assets			647,367	100.00

All holdings are ordinary shares or stock units and admitted to an official stock exchange unless otherwise stated.
The comparative percentage figures in brackets are as at 15 October 2015.

[^] Unlisted, suspended or delisted security.

[†] Investment in or managed by a related party.

STATEMENT OF TOTAL RETURN

For the year ended 15 October 2016

	Notes	£000	Year ended 15.10.16 £000	£000	Year ended 15.10.15 £000
Income					
Net capital gains	2		132,126		21,995
Revenue	3	11,322		9,900	
Expenses	4	(1,545)		(1,686)	
Net revenue before taxation		9,777		8,214	
Taxation	5	(1,287)		(1,403)	
Net revenue after taxation			8,490		6,811
Total return before distributions			140,616		28,806
Distributions	6		(8,517)		(6,827)
Change in net assets attributable to shareholders from investment activities			132,099		21,979

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 15 October 2016

	£000	Year ended 15.10.16 £000	£000	Year ended 15.10.15 £000
Opening net assets attributable to shareholders		397,385		393,099
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	181,429		27,488	
Amounts payable on cancellation of shares	(72,871)		(51,939)	
		108,558		(24,451)
Change in net assets attributable to shareholders from investment activities (see above)		132,099		21,979
Retained distribution on accumulation shares		9,325		6,758
Closing net assets attributable to shareholders		647,367		397,385

BALANCE SHEET

As at 15 October 2016

	Notes	As at 15.10.16 £000	As at 15.10.15 £000
Assets:			
Investments	7	635,660	392,842
Current assets:			
Debtors	8	9,758	1,094
Cash and bank balances	9	8,656	3,980
Total assets		654,074	397,916
Liabilities:			
Creditors:			
Other creditors	10	(6,707)	(531)
Total liabilities		(6,707)	(531)
Net assets attributable to shareholders		647,367	397,385

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting basis and policies

Please see pages 7 and 8 for accounting basis and policies.

There has been no changes to the financial position or financial performance of the Fund as a result of preparing these statements in accordance with SORP 2014 rather than SORP 2010.

2 Net capital gains

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Net capital gains on investments during the year comprise:		
Currency losses	(113)	(47)
Expenses relating to the purchase and sale of investments	(187)	(47)
Forward currency contracts gains	–	4
Non-derivative securities gains	132,426	22,085
Net capital gains	132,126	21,995

3 Revenue

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Bank and deposit interest	8	5
Interest on debt securities	3	–
Overseas dividends	11,256	9,854
Stock dividends	40	27
UK dividends	15	14
Total revenue	11,322	9,900

4 Expenses

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Payable to the Authorised Corporate Director ("ACD"), associates of the ACD or agents of either of them:		
ACD's periodic charge	1,233	1,465
	1,233	1,465
Payable to the Depositary, associates of the Depositary or agents of either of them:		
Depositary's fee	50	40
Dividend collection charges	7	6
Interest payable	15	–
Safe custody fee	63	68
	135	114
Other expenses:		
Audit fee*	10	11
FTSE® Index Tracker Fund licence fee	127	72
Printing & postage expenses	4	6
Professional fees	24	–
Statement fees	12	18
	177	107
Total expenses	1,545	1,686

* The audit fee was £9,161 (2015: £8,550) net of VAT.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Taxation**a Analysis of tax charge**

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Corporation tax	1,287	1,403
Total current tax (see note 5b)	1,287	1,403

b Factors affecting current tax charge

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

The differences are explained below:

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Net revenue before taxation	9,777	8,214
Corporation tax at 20%	1,955	1,643
Effects of:		
Expenses not deductible for tax purposes	3	–
Movement in excess expenses	245	266
Overseas dividends not subject to corporation tax	(2,184)	(1,903)
Overseas tax suffered	1,287	1,403
Overseas tax credit	(9)	–
Revenue taxable in different periods	(3)	–
Stock dividends not taxable	(6)	(3)
Non-trade deficit set against current year income	1	–
UK dividends not subject to corporation tax	(2)	(3)
	(668)	(240)
Current tax charge (see note 5.a)	1,287	1,403

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 year end (2015: £nil).

After claiming relief against accrued income taxable on receipt, the Fund has unrelieved excess expenses of £10,237,000 (2015: £9,008,000) creating a potential deferred tax asset of £2,047,000 (2015: £1,802,000). It is unlikely that the Fund will generate taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 Distributions

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:		
Interim distributions	3,222	2,804
Final distributions	6,103	3,954
	9,325	6,758
Add: Revenue deducted on cancellation of shares	247	176
Deduct: Revenue received on issue of shares	(1,054)	(107)
Total distributions	8,517	6,827
Reconciliations of distributions for the year to net revenue after taxation		
Distributions for the year	8,517	6,827
Equalisation on conversions	(14)	(16)
Professional fees borne by the capital account	(13)	–
Net revenue after taxation	8,490	6,811

Details of the distributions per share are set out in the distribution tables on page 320.

7 Fair value hierarchy

Valuation technique	Assets at 15.10.16 £000	Assets at 15.10.15 £000
Quoted prices for identical instruments in active markets	635,660	392,842
Total value	635,660	392,842

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 to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8 Debtors

	As at 15.10.16 £000	As at 15.10.15 £000
Accrued revenue	1,178	576
Amounts receivable on issue of shares	8,346	213
Overseas tax recoverable	200	223
Income tax recoverable	1	1
Sales awaiting settlement	33	81
Total debtors	9,758	1,094

9 Cash and bank balances

	As at 15.10.16 £000	As at 15.10.15 £000
Cash and bank balances	8,656	3,980
Total cash and bank balances	8,656	3,980

10 Other creditors

	As at 15.10.16 £000	As at 15.10.15 £000
Accrued expenses	276	235
Amounts payable for cancellation of shares	299	296
Purchases awaiting settlement	6,132	–
Total creditors	6,707	531

11 Contingent liabilities and commitments

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

	As at 15.10.16 £000	As at 15.10.15 £000
Banco Bilbao Vizcaya Argentaria Rights 18/10/2016	135	–
IMMOEAST Rights Perpetual	11	–
Remgro Rights 21/10/2016	13	–
Adcock Ingram Holdings (AdBEE) Warrant 26/07/2019	2	–
Total contingent liabilities and commitments	161	–

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12 Related party transactions

ACD periodic charges paid to Aviva Investors UK Fund Services Limited ("the ACD") are shown in note 4 and details of shares issued and cancelled by the ACD are shown in the statement of change in net assets attributable to shareholders. The balance due to the ACD at the year end in respect of ACD periodic charges was £172,000 (2015: £174,000). Any balance due from the ACD in respect of issues is shown in note 8. Any balance due to the ACD in respect of cancellations is shown in note 10.

Distributions payable to the ACD and related parties of the ACD during the year amounted to £5,855,000 (2015: £5,144,000). The amount outstanding at the year end was £3,404,000 (2015: £2,975,000). Related parties of the ACD are deemed to be all companies under the control of Aviva Plc. This will include companies which hold shares in the Fund on behalf of other external investors.

Any 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 £32,000,000 (2015: £nil) and £31,100,000 (2015: £nil) respectively. The income received during the year amounted to £3,465 (2015: £nil).

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

	Holdings at 15.10.16 (shares)	Movement (shares)	Holdings at 15.10.15 (shares)
ACD and related parties (share class SC 1 shares)	2,976,168	8,738	2,967,430
ACD and related parties (share class SC 2 shares)	1,690,910	421,282	1,269,628
ACD and related parties (share class SC 3 shares)	115,923,531	(5,525,093)	121,448,624

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

13 Shareholder funds

The Fund currently has three share classes: Class 1 (Retail), Class 2 (Institutional) and Class 3 (Associated undertakings of Aviva Plc). The annual management charges are as follows:

Class 1: 0.60%

Class 2: 0.20%

Class 3: 0.20%

The net asset value of the share class, the net asset value per share and the number of shares in the class are shown on page 268. The distributions per share are given in the distribution tables on page 320. All the share classes have the same rights on winding up.

The annual management charge was reduced from 0.90% to 0.60% for Class 1 share on 8 February 2016.

14 Shares in issue reconciliation

	Number of shares in issue at 15.10.15	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 15.10.16
Share class 1 (Acc)	72,272,560	22,061,384	(40,259,638)	(10,104,399)	43,969,907
Share class 2 (Acc)	36,538,278	109,695,210	(4,409,265)	9,520,199	151,344,422
Share class 3 (Acc)	121,448,624	2,434,115	(7,959,208)	–	115,923,531

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 Derivatives and other financial instruments

The policies applied in the management of financial instruments are set out on pages 8 and 9.

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 (2015: £nil).

Currency risk

At the year end date, 98.23% (2015: 99.29%) of the net assets of the Fund were denominated in currencies other than sterling with the effect that the balance sheet and total return can be significantly affected by currency movements. If currency rates were to change by 10.00%, the value of the Fund would change by 9.82%.

Currency	Net foreign currency assets					
	Monetary exposure		Non monetary exposure		Total	
	£000		£000		£000	
	15.10.16	15.10.15	15.10.16	15.10.15	15.10.16	15.10.15
Australian Dollar	20	107	18,131	10,564	18,151	10,671
Brazilian Real	(72)	39	4,610	1,740	4,538	1,779
Canadian Dollar	46	44	20,299	12,285	20,345	12,329
Czech Koruna	10	1	127	95	137	96
Danish Krone	25	37	4,169	2,826	4,194	2,863
Euro	177	92	70,817	47,155	70,994	47,247
Hong Kong Dollar	12	7	8,942	5,448	8,954	5,455
Hungarian Forint	12	–	218	123	230	123
Indonesian Rupiah	1	–	–	–	1	–
Israeli New Shekels	13	62	851	469	864	531
Japanese Yen	467	334	61,069	37,882	61,536	38,216
Malaysian Ringgit	(38)	8	2,510	1,628	2,472	1,636
Mexican Peso	3	5	2,967	2,021	2,970	2,026
New Zealand Dollar	17	5	662	266	679	271
Norwegian Krone	24	25	1,439	1,013	1,463	1,038
Polish Zloty	16	37	843	632	859	669
Singapore Dollar	10	11	3,068	2,084	3,078	2,095
South African Rand	16	21	5,679	3,841	5,695	3,862
South Korean Won	(143)	1	7,928	4,498	7,785	4,499
Swedish Krona	5	20	6,788	4,509	6,793	4,529
Swiss Franc	91	131	21,306	14,354	21,397	14,485
Taiwan Dollar	(120)	207	5,604	2,889	5,484	3,096
Thailand Baht	–	–	2,364	1,016	2,364	1,016
Turkish Lira	5	3	909	626	914	629
US Dollar	535	557	383,460	234,878	383,995	235,435

Interest rate risk

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

At the year end date 1.48% (2015: 1.00%) of the net assets of the Fund were interest bearing and as such the interest rate risk is not considered significant.

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

The interest rate risk is not considered significant.

Market price risk

At the year end date, 98.05% (2015: 98.85%) of the net assets of the Fund were invested in ordinary shares or stock units or debt securities admitted to an official stock exchange. If the market value were to change by 10%, the value of the Fund would change by 9.80%.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16 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.

	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
15.10.16						
Purchases (excluding in-specie transfers and corporate actions)						
Equities	(143,467)	(44)	(19)	(143,530)	(0.03)%	0.01%
Funds	(32,000)	–	–	(32,000)	0.00%	0.00%
Purchases (include corporate action activity only)						
Equities	(259)	–	–	(259)	0.00%	0.00%
	(175,726)	(44)	(19)	(175,789)		
Sales (excluding in-specie transfers and corporate actions)						
Equities	34,255	(10)	(2)	34,243	0.02%	0.00%
Funds	31,100	–	–	31,100	0.00%	0.00%
	65,355	(10)	(2)	65,343		
Total		(54)	(21)			
Percentage of Fund average net assets		0.01%	0.01%			

	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
15.10.15						
Purchases (excluding in-specie transfers and corporate actions)						
Equities	(12,261)	(3)	(1)	(12,265)	(0.02)%	0.01%
Purchases (include corporate action activity only)						
Equities	(113)	–	–	(113)	0.00%	0.00%
	(12,374)	(3)	(1)	(12,378)		
Sales (excluding in-specie transfers and corporate actions)						
Equities	30,086	(7)	(2)	30,077	0.02%	0.01%
	30,086	(7)	(2)	30,077		
Total		(10)	(3)			
Percentage of Fund average net assets		0.00%	0.00%			

Dealing spread

As at 15 October 2016, the average portfolio dealing spread was 0.06% (2015: 0.08%). 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.

17 Post balance sheet events

There are no post balance sheet events which require adjustment or disclosure at the year end (2015: £nil).

DISTRIBUTION TABLES

Final distribution payable in pence per share for the six months ended 15 October 2016

Accumulation shares		Net revenue	Equalisation	Final distribution payable 15 December 2016	Final distribution paid 15 December 2015
Share Class 1	Group 1	1.1408	–	1.1408	0.7774
	Group 2	0.7075	0.4333	1.1408	0.7774
Share Class 2	Group 1	1.4912	–	1.4912	1.2483
	Group 2	0.6224	0.8688	1.4912	1.2483
Share Class 3	Group 1	2.8854	–	2.8854	2.4174
	Group 2	1.1300	1.7554	2.8854	2.4174

Final distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 April 2016.

Group 2 shares are those shares purchased after 12:00 noon on 15 April 2016.

Interim distribution paid in pence per share for the six months ended 15 April 2016

Accumulation shares		Net revenue	Equalisation	Interim distribution paid 15 June 2016	Interim distribution paid 15 June 2015
Share Class 1	Group 1	0.6674	–	0.6674	0.4497
	Group 2	0.3923	0.2751	0.6674	0.4497
Share Class 2	Group 1	1.0648	–	1.0648	0.8957
	Group 2	0.5464	0.5184	1.0648	0.8957
Share Class 3	Group 1	2.0617	–	2.0617	1.7346
	Group 2	1.1651	0.8966	2.0617	1.7346

Final distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 October 2015.

Group 2 shares are those shares purchased after 12:00 noon on 15 October 2015.

Equalisation

Equalisation applies only to Group 2 shares, in other words shares purchased during the relevant 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 GLOBAL EQUITY INCOME FUND

INVESTMENT OBJECTIVE

To provide an annualised income yield at least one and a quarter times that of the annual income yield obtainable on the MSCI World Index (GBP)[†], with the potential for capital growth. Income on the Fund will be paid quarterly. The income aim is a 12 month rolling target and is before the deduction of charges and after the deduction of tax for a UK basic rate income taxpayer. For the purposes of measuring the income aim the annual income yield of the Index will also be calculated on a 12 month rolling basis.

INVESTMENT POLICY

The Fund aims to achieve the investment objective by investing principally in global equities judged to offer above average dividend yields with prospects of dividend growth and the potential for long term capital growth. The Fund may also invest in other transferable securities, collective investment schemes, money market instruments, deposits, cash, near cash, derivatives and forward transactions.

FUND MANAGER'S REPORT

Over the twelve months ended 15 October 2016, the Aviva Investors Global Equity Income Fund (share class 1) returned 24.74 per cent net of fees, in comparison with a sector average return of 26.99 per cent for the Investment Association Global Equity Income sector. The MSCI World Index[†], the Fund's benchmark, returned 31.57 per cent.

Stock selection in the consumer sectors detracted from performance relative to the benchmark MSCI World Index[†] over the year under review. US-based specialty apparel retailer L Brands lost ground as first quarter revenues fell short of expectations, leading the company to lower full-year earnings guidance. Although auto manufacturer Ford reported first quarter earnings well ahead of forecasts, subsequently management cautioned that trading would slow significantly over the second half of the year as higher raw material costs and the strength of the dollar weaken earnings momentum. The Fund's holding in German media company ProSiebenSat detracted as the shares fell back on profit taking after the company had announced a jump in second quarter revenues, driven by stronger trading conditions in its German speaking markets.

Amongst financials, the Fund's holding in Legal & General detracted after management projected slower dividend growth. Legal & General is shifting away from individual annuity business, which is more capital intensive as it carries stricter solvency requirements, to bulk annuities, where the insurer takes on the liabilities of a final salary pension scheme.

In contrast, Japanese construction group Daito Trust, which operates in the real estate market, was a key contributor as the sector is viewed as a prime beneficiary of the Bank of Japan's negative interest rate policy, aimed at reviving domestic economic growth. The Fund's holding in Finnish engineering group Kone, acquired in the early part of the year under review, performed well. Kone's primary focus is the elevator and escalator industries, and the company is a major beneficiary of urbanisation, through the construction of apartment blocks generating higher demand for elevators. Amongst technology stocks, chip maker Texas Instruments performed well on the back of strong revenue growth in the automotive and industrial markets, focusing on analog chips and embedded processors which have a higher profit margin.

In terms of portfolio activity, we initiated a new position in Dutch retailer Ahold. The recent merger with Belgian retailer Delhaize gives them a strong presence in Europe, whilst their US business (where they own the Food Lion and Giant chains) is also well-positioned, with a focus on quality and fresh produce. We see significant potential for cash generation which should lead to attractive returns for shareholders. The Fund sold its holding in German chemicals maker BASF, which has suffered as a result of weaker demand from farmers for their agricultural products as well as lower oil prices which has impacted their commodities business.

Despite an initial sharp fall after the UK referendum result in favour of withdrawal from the European Union, global equity markets have regained their poise, with most indices back to their pre-Brexit levels. Cyclical stocks have been the main drivers of the rebound, with defensive sectors that had led the way during the first half of the year giving back some of their gains. From a corporate perspective, earnings growth remains sluggish, though we do expect earnings to rebound this quarter. We expect markets to remain volatile after the recent US presidential elections in November though history has shown US equities are fairly resilient to election outcomes. Having acknowledged that, we do expect certain sectors will be more sensitive to the outcome than others. Infrastructure stocks are gaining attention, as the clamour across the globe for fiscal stimulus measures increases.

November 2016

Sources: Fund and peer group performance figures – Lipper, a Thomson Reuters Company, mid to mid basis with net income reinvested in GBP, with no initial charges applied. Market data – Bloomberg.

[†] MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indices or any securities or financial products. This report is not approved, endorsed, reviewed or produced by MSCI. None of the MSCI data is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such.

As noted above, the performance figures in this commentary have been sourced from an external party and are based on published prices. The performance figures quoted in the comparative tables on pages 323 and 324 are based on the net asset value per the published accounts and may be different due to post year end accounting adjustments.

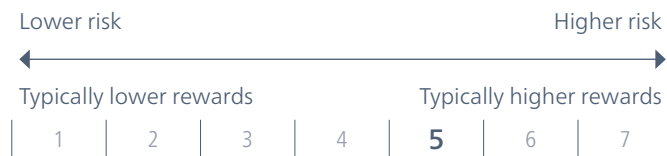
Any opinions expressed are those of the Fund manager. They should not be viewed as a guarantee of a return from an investment in the Funds. The content of the commentary should not be viewed as a recommendation to invest nor buy or sell stocks. Past performance is not a guide to the future. The value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

Material Portfolio Changes

Purchases	Sales
Sanofi	Allianz
Simon Property Group, REIT	AbbVie
CVS Health	Daito Trust Construction
Koninklijke Philips	Telenor
Imperial Brands	Australia & New Zealand Banking Group
ProSiebenSat.1 Media	Time Warner
Orange	SSE
AbbVie	Apple
SSE	Gilead Sciences
Allianz	BASF

AVIVA INVESTORS GLOBAL EQUITY INCOME FUND (CONTINUED)

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'.
- The value of investments will be affected by changes in exchange rates.
- Full information on the risks applicable to the Fund is detailed in the Prospectus.

COMPARATIVE TABLES

Class 1 Income	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	108.06	101.10	100.81
Return before operating charges [†]	28.34	11.72	4.94
Operating charges	(1.95)	(1.86)	(1.68)
Return after operating charges [†]	26.39	9.86	3.26
Distributions on income shares	(3.99)	(2.90)	(2.97)
Closing net asset value per share	130.46	108.06	101.10
Retained distributions on accumulation shares	–	–	–
[†] after direct transaction costs of	(0.15)	(0.15)	(0.06)
Performance			
Return after charges	24.42%	9.75%	3.23%
Other information			
Closing net asset value (£000)	286	154	71
Closing number of shares	218,917	142,307	70,447
Operating charges (%) [†]	1.67%	1.66%	1.65%
Direct transaction costs (%) [#]	0.13%	0.13%	0.06%
Prices^{**}			
Highest share price	132.40	123.57	108.00
Lowest share price	103.81	99.29	96.16

Class 2 Income	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	110.15	102.27	101.20
Return before operating charges [†]	29.00	11.87	4.96
Operating charges	(1.10)	(1.04)	(0.93)
Return after operating charges [†]	27.90	10.83	4.03
Distributions on income shares	(4.08)	(2.95)	(2.96)
Closing net asset value per share	133.97	110.15	102.27
Retained distributions on accumulation shares	–	–	–
[†] after direct transaction costs of	(0.16)	(0.15)	(0.06)
Performance			
Return after charges	25.33%	10.59%	3.98%
Other information			
Closing net asset value (£000)	731	330	30
Closing number of shares	545,962	299,965	29,208
Operating charges (%) [†]	0.92%	0.91%	0.90%
Direct transaction costs (%) [#]	0.13%	0.13%	0.06%
Prices^{**}			
Highest share price	135.96	125.47	109.17
Lowest share price	106.07	100.45	96.76

Class 1 Accumulation	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	105.66	96.36	93.29
Return before operating charges [†]	28.06	11.09	4.64
Operating charges	(1.92)	(1.79)	(1.57)
Return after operating charges [†]	26.14	9.30	3.07
Distributions on income shares	–	–	–
Closing net asset value per share	131.80	105.66	96.36
Retained distributions on accumulation shares	3.94	2.79	2.78
[†] after direct transaction costs of	(0.15)	(0.14)	(0.06)
Performance			
Return after charges	24.74%	9.65%	3.29%
Other information			
Closing net asset value (£000)	26,025	22,494	22,281
Closing number of shares	19,744,883	21,290,636	23,123,586
Operating charges (%) [†]	1.67%	1.66%	1.65%
Direct transaction costs (%) [#]	0.13%	0.13%	0.06%
Prices^{**}			
Highest share price	133.06	118.34	102.19
Lowest share price	102.03	94.65	89.55

Class 2 Accumulation	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	115.73	104.75	100.65
Return before operating charges [†]	30.90	12.05	5.03
Operating charges	(1.17)	(1.07)	(0.93)
Return after operating charges [†]	29.73	10.98	4.10
Distributions on income shares	–	–	–
Closing net asset value per share	145.46	115.73	104.75
Retained distributions on accumulation shares	4.34	3.05	3.02
[†] after direct transaction costs of	(0.17)	(0.15)	(0.06)
Performance			
Return after charges	25.69%	10.48%	4.07%
Other information			
Closing net asset value (£000)	3,509	1,856	534
Closing number of shares	2,412,454	1,603,500	509,383
Operating charges (%) [†]	0.92%	0.91%	0.90%
Direct transaction costs (%) [#]	0.13%	0.13%	0.06%
Prices^{**}			
Highest share price	146.84	129.13	111.01
Lowest share price	112.04	102.90	96.84

COMPARATIVE TABLES (CONTINUED)

Class 3 Income	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	103.28	95.56	94.48
Return before operating charges [†]	27.25	11.08	4.65
Operating charges	(0.53)	(0.49)	(0.43)
Return after operating charges [†]	26.72	10.59	4.22
Distributions on income shares	(3.94)	(2.87)	(3.14)
Closing net asset value per share	126.06	103.28	95.56
Retained distributions on accumulation shares	–	–	–
[†] after direct transaction costs of	(0.15)	(0.14)	(0.06)
Performance			
Return after charges	25.87%	11.08%	4.47%
Other information			
Closing net asset value (£000)	301	165	189
Closing number of shares	238,643	159,451	197,171
Operating charges (%) [‡]	0.47%	0.46%	0.45%
Direct transaction costs (%) [#]	0.13%	0.13%	0.06%
Prices[≈]			
Highest share price	127.96	117.46	101.99
Lowest share price	99.58	93.86	90.52

Class 3 Accumulation	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	111.88	100.76	96.39
Return before operating charges [†]	30.02	11.63	4.82
Operating charges	(0.54)	(0.51)	(0.45)
Return after operating charges [†]	29.48	11.12	4.37
Distributions on income shares	–	–	–
Closing net asset value per share	141.36	111.88	100.76
Retained distributions on accumulation shares	4.37	3.10	2.99
[†] after direct transaction costs of	(0.16)	(0.14)	(0.06)
Performance			
Return after charges	26.35%	11.04%	4.53%
Other information			
Closing net asset value (£000)	2	2	40,483
Closing number of shares	1,682	1,682	40,178,068
Operating charges (%) [‡]	0.46%	0.46%	0.45%
Direct transaction costs (%) [#]	0.13%	0.13%	0.06%
Prices[≈]			
Highest share price	142.69	124.49	106.73
Lowest share price	108.50	98.98	92.86

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

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

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

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

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

Ongoing Charges Figure*

Share class	15.10.16	15.10.15
Class 1	1.67%	1.66%
Class 2	0.92%	0.91%
Class 3	0.46%	0.46%

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

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

PORTFOLIO STATEMENT

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Equities 96.40% (95.81%)				
Australia 0.00% (2.40%)				
Canada 1.75% (1.60%)				
Nortel Networks [^]	CAD	170	–	–
Toronto-Dominion Bank	CAD	14,976	541	1.75
			541	1.75
Curacao 2.70% (2.19%)				
Schlumberger	USD	12,508	834	2.70
			834	2.70
Denmark 2.79% (2.84%)				
Danske Bank	DKK	35,312	859	2.79
			859	2.79
Finland 2.22% (1.55%)				
Kone 'B'	EUR	17,363	686	2.22
			686	2.22
France 8.99% (2.35%)				
Orange	EUR	53,600	672	2.18
Sanofi	EUR	11,240	701	2.27
TOTAL	EUR	15,428	615	1.99
Vinci	EUR	13,012	786	2.55
			2,774	8.99
Germany 7.34% (9.13%)				
Deutsche Telekom	EUR	64,105	828	2.68
ProSiebenSat.1 Media	EUR	21,767	745	2.42
Siemens	EUR	7,312	690	2.24
			2,263	7.34
Japan 0.00% (5.33%)				
Netherlands 8.72% (4.62%)				
Koninklijke Ahold Delhaize	EUR	55,401	1,022	3.31
Koninklijke Philips	EUR	35,293	842	2.73
LyondellBasell Industries 'A'	USD	12,657	827	2.68
			2,691	8.72
Norway 0.00% (2.50%)				
Switzerland 2.73% (3.02%)				
Roche Holding	CHF	4,322	842	2.73
			842	2.73
United Kingdom 11.69% (9.94%)				
GlaxoSmithKline	GBP	40,571	688	2.23
Imperial Brands	GBP	20,710	808	2.62
Legal & General Group	GBP	316,951	673	2.18
Prudential	GBP	42,069	591	1.92
Unilever	GBP	23,829	847	2.74
			3,607	11.69

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
United States of America 47.47% (48.34%)				
Altria Group	USD	19,938	1,022	3.31
Amgen	USD	6,822	916	2.97
Apple	USD	7,213	690	2.24
AT&T	USD	30,804	991	3.21
Boeing	USD	7,931	865	2.80
Cisco Systems	USD	32,950	812	2.63
CVS Health	USD	11,208	806	2.61
Ford Motor	USD	59,520	578	1.87
Home Depot	USD	10,198	1,053	3.41
Honeywell International	USD	10,220	904	2.93
JPMorgan Chase	USD	16,456	912	2.96
L Brands	USD	10,119	601	1.95
McDonald's	USD	9,667	912	2.96
Microsoft	USD	20,246	942	3.05
Pfizer	USD	37,764	1,011	3.28
Simon Property Group, REIT	USD	5,085	826	2.68
Texas Instruments	USD	14,531	805	2.61
			14,646	47.47
Equities total			29,743	96.40
Investment assets			29,743	96.40
Net other assets			1,111	3.60
Net assets			30,854	100.00

All holdings are ordinary shares or stock units and admitted to an official stock exchange unless otherwise stated.
The comparative percentage figures in brackets are as at 15 October 2015.

^ Unlisted, suspended or delisted security.

STATEMENT OF TOTAL RETURN

For the year ended 15 October 2016

	Notes	£000	Year ended 15.10.16 £000	£000	Year ended 15.10.15 £000
Income					
Net capital gains	2		5,595		8,852
Revenue	3	1,053		1,303	
Expenses	4	(424)		(494)	
Net revenue before taxation		629		809	
Taxation	5	(86)		(150)	
Net revenue after taxation			543		659
Total return before distributions			6,138		9,511
Distributions	6		(922)		(1,105)
Change in net assets attributable to shareholders from investment activities			5,216		8,406

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 15 October 2016

	£000	Year ended 15.10.16 £000	£000	Year ended 15.10.15 £000
Opening net assets attributable to shareholders		25,001		63,588
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	2,152		3,663	
Amounts payable on cancellation of shares	(2,405)		(51,626)	
		(253)		(47,963)
Dilution levy		–		103
Change in net assets attributable to shareholders from investment activities (see above)		5,216		8,406
Retained distribution on accumulation shares		890		867
Closing net assets attributable to shareholders		30,854		25,001

BALANCE SHEET

As at 15 October 2016

	Notes	As at 15.10.16 £000	As at 15.10.15 £000
Assets:			
Investments	7	29,743	23,953
Current assets:			
Debtors	8	65	63
Cash and bank balances	9	1,141	1,076
Total assets		30,949	25,092
Liabilities:			
Creditors:			
Distribution payable		(7)	(3)
Other creditors	10	(88)	(88)
Total liabilities		(95)	(91)
Net assets attributable to shareholders		30,854	25,001

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting basis and policies

Please see pages 7 and 8 for accounting basis and policies.

There has been no changes to the financial position or financial performance of the Fund as a result of preparing these statements in accordance with SORP 2014 rather than SORP 2010.

2 Net capital gains

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Net capital gains on investments during the year comprise:		
Currency gains/(losses)	54	(82)
Expenses relating to the purchase and sale of investments	(2)	(5)
Forward currency contracts losses	–	(2)
Non-derivative securities gains	5,543	8,941
Net capital gains	5,595	8,852

3 Revenue

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Bank and deposit interest	–	1
Overseas dividends	887	1,138
UK dividends	166	164
Total revenue	1,053	1,303

4 Expenses

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Payable to the Authorised Corporate Director ("ACD"), associates of the ACD or agents of either of them:		
ACD's periodic charge	379	446
Registration fees	27	25
	406	471
Payable to the Depositary, associates of the Depositary or agents of either of them:		
Depositary's fee	3	5
Interest payable	3	–
Safe custody fee	3	5
	9	10
Other expenses:		
Audit fee*	9	10
Statement fees	–	3
	9	13
Total expenses	424	494

* The audit fee was £8,326 (2015: £7,726) net of VAT.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Taxation**a Analysis of tax charge**

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Corporation tax	86	150
Total current tax (see note 5b)	86	150

b Factors affecting current tax charge

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

The differences are explained below:

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Net revenue before taxation	629	809
Corporation tax at 20%	126	162
Effects of:		
Movement in excess expenses	83	99
Overseas dividends not subject to corporation tax	(177)	(228)
Overseas tax suffered	86	150
Non-trade deficit set against current year income	1	–
UK dividends not subject to corporation tax	(33)	(33)
	(40)	(12)
Current tax charge (see note 5.a)	86	150

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 year end (2015: £nil).

After claiming relief against accrued income taxable on receipt, the Fund has unrelieved excess expenses of £4,977,000 (2015: £4,560,000) creating a potential deferred tax asset of £995,000 (2015: £912,000). It is unlikely that the Fund will generate taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

6 Distributions

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:		
Distributions for the three months ended 15 January	133	336
Distributions for the three months ended 15 April	271	227
Distributions for the three months ended 15 July	354	198
Distributions for the three months ended 15 October	164	120
	922	881
Add: Revenue deducted on cancellation of shares	11	233
Deduct: Revenue received on issue of shares	(11)	(9)
Total distributions	922	1,105
Reconciliations of distributions for the year to net revenue after taxation		
Distributions for the year	922	1,105
ACD's periodic charge borne by the capital account	(379)	(446)
Net revenue after taxation	543	659

Details of the distributions per share are set out in the distribution tables on pages 335 and 336.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 Fair value hierarchy

Valuation technique	Assets at 15.10.16 £000	Assets at 15.10.15 £000
Quoted prices for identical instruments in active markets	29,743	23,953
Total value	29,743	23,953

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 to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

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

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

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

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

8 Debtors

	As at 15.10.16 £000	As at 15.10.15 £000
Accrued revenue	26	34
Amounts receivable on issue of shares	–	4
Overseas tax recoverable	34	25
Sales awaiting settlement	5	–
Total debtors	65	63

9 Cash and bank balances

	As at 15.10.16 £000	As at 15.10.15 £000
Cash and bank balances	1,141	1,076
Total cash and bank balances	1,141	1,076

10 Other creditors

	As at 15.10.16 £000	As at 15.10.15 £000
Accrued expenses	65	63
Amounts payable for cancellation of shares	23	25
Total creditors	88	88

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11 Contingent liabilities and commitments

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

12 Related party transactions

ACD periodic charges and registration fees 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 £50,000 (2015: £46,000). Any balance due from the ACD in respect of issues is shown in note 8. Any balance due to the ACD in respect of cancellations is shown in note 10.

Distributions payable to the ACD and related parties of the ACD during the year amounted to £38,000 (2015: £236,000). The amount outstanding at the year end was £8,000 (2015: £3,300). Related parties of the ACD are deemed to be all companies under the control of Aviva Plc. This will include companies which hold shares in the Fund on behalf of other external investors.

All investments managed and advised by Aviva Investors Global Services Limited or associated with the Aviva Group are marked on the portfolio statement. The total purchases and sales on these investments during the year amounted to £nil (2015: £1,219,000) and £nil (2015: £1,292,000) respectively. The income received during the year amounted to £nil (2015: £nil).

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

	Holdings at 15.10.16 (shares)	Movement (shares)	Holdings at 15.10.15 (shares)
ACD and related parties (share class 1 Accumulation shares)	4,800	–	4,800
ACD and related parties (share class 2 Income shares)	142,437	141,113	1,324
ACD and related parties (share class 2 Accumulation shares)	709,918	284,091	425,827
ACD and related parties (share class 3 Income shares)	238,643	79,192	159,451
ACD and related parties (share class 3 Accumulation shares)	1,682	–	1,682

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

13 Shareholder funds

The Fund currently has three share classes: Class 1 (Retail), Class 2 (Institutional) and Class 3 (Associated undertakings of Aviva Plc). The annual management charges are as follows:

Class 1: 1.50%

Class 2: 0.75%

Class 3: 0.40%

The net asset value of the share class, the net asset value per share and the number of shares in the class are shown on pages 323 and 324. The distributions per share are given in the distribution tables on pages 335 and 336. All the share classes have the same rights on winding up.

14 Shares in issue reconciliation

	Number of shares in issue at 15.10.15	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 15.10.16
Share Class 1 Income	142,307	82,015	(5,405)	–	218,917
Share Class 1 Accumulation	21,290,636	300,988	(1,324,262)	(522,479)	19,744,883
Share Class 2 Income	299,965	481,196	(235,199)	–	545,962
Share Class 2 Accumulation	1,603,500	744,477	(411,704)	476,181	2,412,454
Share Class 3 Income	159,451	124,049	(44,857)	–	238,643
Share Class 3 Accumulation	1,682	–	–	–	1,682

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 Derivatives and other financial instruments

The policies applied in the management of financial instruments are set out on pages 8 and 9.

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 (2015: £nil).

Currency risk

At the year end date, 85.47% (2015: 86.12%) of the net assets of the Fund were denominated in currencies other than sterling with the effect that the balance sheet and total return can be significantly affected by currency movements. If exchange rates were to change by 10.00%, the value of the Fund will change by 8.55%.

Currency	Net foreign currency assets					
	Monetary exposure £000		Non monetary exposure £000		Total £000	
	15.10.16	15.10.15	15.10.16	15.10.15	15.10.16	15.10.15
Australian Dollar	–	–	–	601	–	601
Canadian Dollar	4	7	541	399	545	406
Danish Krone	4	–	859	711	863	711
Euro	190	12	7,587	3,693	7,777	3,705
Japanese Yen	–	17	–	1,332	–	1,349
Norwegian Krone	5	2	–	624	5	626
Swiss Franc	6	11	842	756	848	767
US Dollar	27	14	16,307	13,351	16,334	13,365

Interest rate risk

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

At the year end date 3.70% (2015: 4.30%) of the net assets of the Fund were interest bearing and as such the interest rate risk is not considered significant.

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

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

Market price risk

At the year end date, 96.40% (2015: 95.81%) of the net assets of the Fund were invested in ordinary shares and admitted to an official stock exchange. If the market were to change by 10%, the value of the Fund will change by 9.64%.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16 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.

	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
15.10.16						
Purchases (excluding in-specie transfers and corporate actions)						
Equities	(9,538)	(11)	(12)	(9,561)	0.12%	0.13%
	(9,538)	(11)	(12)	(9,561)		
Sales (excluding in-specie transfers and corporate actions)						
Equities	9,314	(12)	–	9,302	0.13%	0.00%
	9,314	(12)	–	9,302		
Total		(23)	(12)			
Percentage of Fund average net assets		0.08%	0.05%			

	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
15.10.15						
Purchases (excluding in-specie transfers and corporate actions)						
Equities	(15,004)	(24)	(5)	(15,033)	0.16%	0.03%
	(15,004)	(24)	(5)	(15,033)		
Sales (excluding in-specie transfers and corporate actions)						
Equities	61,415	(28)	(1)	61,386	0.05%	0.00%
	61,415	(28)	(1)	61,386		
Total		(52)	(6)			
Percentage of Fund average net assets		0.12%	0.01%			

Dealing spread

As at 15 October 2016, the average portfolio dealing spread was 0.03% (2015: 0.04%). 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.

17 Post balance sheet events

There are no post balance sheet events which require adjustment or disclosure at the year end (2015: £nil).

DISTRIBUTION TABLES

Final distribution payable in pence per share for the three months ended 15 October 2016

Income shares		Net revenue	Equalisation	Final distribution payable 15 December 2016	Final distribution paid 15 December 2015
Share Class 1	Group 1	0.6964	–	0.6964	0.5238
	Group 2	0.3312	0.3652	0.6964	0.5238
Share Class 2	Group 1	0.7142	–	0.7142	0.5337
	Group 2	0.1179	0.5963	0.7142	0.5337
Share Class 3	Group 1	0.7020	–	0.7020	0.5259
	Group 2	0.3016	0.4004	0.7020	0.5259

Accumulation shares		Net revenue	Equalisation	Final distribution payable 15 December 2016	Final distribution paid 15 December 2015
Share Class 1	Group 1	0.6997	–	0.6997	0.5097
	Group 2	0.2515	0.4482	0.6997	0.5097
Share Class 2	Group 1	0.7714	–	0.7714	0.5582
	Group 2	0.3565	0.4149	0.7714	0.5582
Share Class 3	Group 1	0.7909	–	0.7909	0.5828
	Group 2	0.7909	0.0000	0.7909	0.5828

Final distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 July 2016.

Group 2 shares are those shares purchased after 12:00 noon on 15 July 2016.

Interim distribution paid in pence per share for the three months ended 15 July 2016

Income shares		Net revenue	Equalisation	Interim distribution paid 15 September 2016	Interim distribution paid 15 September 2015
Share Class 1	Group 1	1.5291	–	1.5291	0.8715
	Group 2	0.5279	1.0012	1.5291	0.8715
Share Class 2	Group 1	1.5658	–	1.5658	0.8855
	Group 2	0.3659	1.1999	1.5658	0.8855
Share Class 3	Group 1	1.4988	–	1.4988	0.8567
	Group 2	0.3291	1.1697	1.4988	0.8567

Accumulation shares		Net revenue	Equalisation	Interim distribution paid 15 September 2016	Interim distribution paid 15 September 2015
Share Class 1	Group 1	1.5181	–	1.5181	0.8415
	Group 2	0.2734	1.2447	1.5181	0.8415
Share Class 2	Group 1	1.6704	–	1.6704	0.9193
	Group 2	0.5330	1.1374	1.6704	0.9193
Share Class 3	Group 1	1.6627	–	1.6627	0.9336
	Group 2	1.6627	0.0000	1.6627	0.9336

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 April 2016.

Group 2 shares are those shares purchased after 12:00 noon on 15 April 2016.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the three months ended 15 April 2016

Income shares		Net revenue	Equalisation	Interim distribution paid 15 June 2016	Interim distribution paid 15 June 2015
Share Class 1	Group 1	1.1790	–	1.1790	1.0017
	Group 2	0.7109	0.4681	1.1790	1.0017
Share Class 2	Group 1	1.2052	–	1.2052	1.0176
	Group 2	0.4615	0.7437	1.2052	1.0176
Share Class 3	Group 1	1.1583	–	1.1583	0.9781
	Group 2	0.9569	0.2014	1.1583	0.9781

Accumulation shares		Net revenue	Equalisation	Interim distribution paid 15 June 2016	Interim distribution paid 15 June 2015
Share Class 1	Group 1	1.1588	–	1.1588	0.9592
	Group 2	0.5202	0.6386	1.1588	0.9592
Share Class 2	Group 1	1.2731	–	1.2731	1.0461
	Group 2	0.6004	0.6727	1.2731	1.0461
Share Class 3	Group 1	1.2791	–	1.2791	1.0484
	Group 2	1.2791	0.0000	1.2791	1.0484

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 January 2016.

Group 2 shares are those shares purchased after 12:00 noon on 15 January 2016.

Interim distribution paid in pence per share for the three months ended 15 January 2016

Income shares		Net revenue	Equalisation	Interim distribution paid 15 March 2016	Interim distribution paid 15 March 2015
Share Class 1	Group 1	0.5807	–	0.5807	0.5078
	Group 2	0.3877	0.1930	0.5807	0.5078
Share Class 2	Group 1	0.5929	–	0.5929	0.5146
	Group 2	0.1772	0.4157	0.5929	0.5146
Share Class 3	Group 1	0.5823	–	0.5823	0.5059
	Group 2	0.1257	0.4566	0.5823	0.5059

Accumulation shares		Net revenue	Equalisation	Interim distribution paid 15 March 2016	Interim distribution paid 15 March 2015
Share Class 1	Group 1	0.5675	–	0.5675	0.4837
	Group 2	0.1870	0.3805	0.5675	0.4837
Share Class 2	Group 1	0.6221	–	0.6221	0.5269
	Group 2	0.1629	0.4592	0.6221	0.5269
Share Class 3	Group 1	0.6416	–	0.6416	0.5338
	Group 2	0.6416	0.0000	0.6416	0.5338

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 October 2015.

Group 2 shares are those shares purchased after 12:00 noon on 15 October 2015.

Equalisation

Equalisation applies only to Group 2 shares, in other words shares purchased during the relevant 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 RETURN FUND

INVESTMENT OBJECTIVE

To deliver a positive return over rolling three year periods regardless of the prevailing stock market environment. The Fund aims to generate a positive return, on average 5% per annum above the Bank of England Base Rate before the deduction of charges, over rolling three year periods. In seeking to target this level of return the Fund also aims to manage volatility to a target of less than half the volatility of global equities, measured over the same rolling three year periods. These aims, however, are not guaranteed and it may not always be possible to achieve positive returns or to achieve the target level of volatility over rolling three year periods, or over any period of investment. Consequently, investors' capital is at risk.

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 will 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

Over the twelve months ended 15 October 2016, the Aviva Investors Multi-Strategy Target Return Fund posted a total return of -0.45 per cent (share class 6) net of fees. The Fund's peer group, the Investment Association's Targeted Absolute Return sector, delivered a net return of 5.48 per cent.

In a first half of the period, when financial markets suffered heightened volatility, the Fund sustained losses from strategies giving exposure to Japanese, European and Chinese equities.

Strategies that were looking to profit from the US dollar rising against a range of other currencies also weighed on performance as the US currency declined despite the US central bank having lifted interest rates for the first time in nearly a decade in December. These negatives were partially offset by gains in a strategy looking to profit from lower interest rates in Australia, and a 'relative-value' US equity position that anticipated shares in larger US companies outperforming the 'small-cap' sector.

The second half of the period saw markets stabilise before making encouraging progress as earlier worries about the Chinese economy and commodity prices eased and the European Central Bank announced a move to negative interest rates and an expansion of its quantitative easing programme. During this time the Australian interest rates position continued to add value, as did the investments in US corporate bonds. The main detractor was our negative stance on 10-year German government bond futures.

For the review period overall, the most profitable positions were the exposure to rallying emerging market equities and US corporate bonds. The holdings in Chinese equities were the biggest detractor.

When constructing the portfolio we maintain an investment horizon of three years. That means continually monitoring both existing and potential new positions to assess the expected performance over that horizon.

As part of this process, during March we made a number of changes to the portfolio, the net effect of which was to increase portfolio risk. In particular, we added to our equity positions and a strategy that looks to profit from an increase in European inflation. We also initiated a position in US high-yield corporate bonds. We simultaneously cut some risk-reducing positions, including two which were looking to profit from an increase in the US dollar's value relative to the euro and Mexican peso.

November 2016

Sources: Fund and peer group performance figures – Lipper, a Thomson Reuters Company, mid to mid basis with net income reinvested in GBP, with no initial charges applied. Market data – Bloomberg.

As noted above, the performance figures in this commentary have been sourced from an external party and are based on published prices. The performance figures quoted in the comparative tables on pages 339 and 340 are based on the net asset value per the published accounts and may be different due to post year end accounting adjustments.

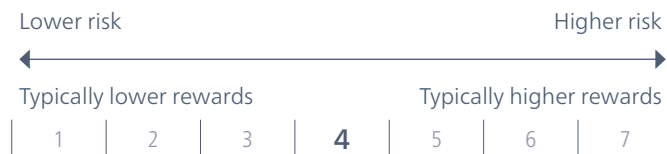
Any opinions expressed are those of the Fund manager. They should not be viewed as a guarantee of a return from an investment in the Funds. The content of the commentary should not be viewed as a recommendation to invest nor buy or sell securities. Past performance is not a guide to the future. The value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

Material Portfolio Changes

Purchases	Sales
US Treasury Inflation Indexed 0.63% 15/01/2026	Mexico Government Bond 10.00% 05/12/2024
Mexico Government Bond 10.00% 05/12/2024	Consumer Staples Select Sector SPDR Fund
Consumer Staples Select Sector SPDR Fund	Italy Government Bond 5.00% 01/09/2040
South Africa Government Bond 10.50% 21/12/2026	Barclays 0.43% 15/07/2016
Poland Government Bond 2.50% 25/07/2026	Consumer Discretionary Select Sector SPDR Fund
Indonesia Treasury Bond 8.25% 15/07/2021	BlackRock iShares II plc – iShares MSCI Turkey Fund
South Africa Government Bond 8.75% 28/02/2048	GNMA, FRN, Series 2015-73 'Z' 3.49% 16/12/2056
Indonesia Treasury Bond 8.38% 15/09/2026	GNMA, FRN, Series 2016-50 'Z' 3.49% 16/08/2056
Poland Government Bond 3.25% 25/07/2025	Aviva Investors – Emerging Europe Equity Fund, Class Zy, Accumulation shares
Barclays 0.43% 15/07/2016	GNMA, FRN, Series 2015-22 'Z' 3.30% 16/03/2055

AVIVA INVESTORS MULTI-STRATEGY TARGET RETURN FUND (CONTINUED)

Synthetic Risk and Reward Indicator



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

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

COMPARATIVE TABLES

Class 2 Accumulation	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	108.44	100.63	100.00
Return before operating charges [†]	0.56	8.71	0.87
Operating charges	(0.91)	(0.90)	(0.24)
Return after operating charges [†]	(0.35)	7.81	0.63
Distributions on income shares	–	–	–
Closing net asset value per share	108.09	108.44	100.63
Retained distributions on accumulation shares	0.56	–	–
[†] after direct transaction costs of	(0.06)	(0.04)	–
Performance			
Return after charges	(0.32)%	7.76%	0.63%
Other information			
Closing net asset value (£000)	889,063	168,885	6,928
Closing number of shares	822,545,446	155,745,487	6,885,148
Operating charges (%) [†]	0.85%	0.85%	0.24%
Direct transaction costs (%) [#]	0.06%	0.04%	–
Prices[™]			
Highest share price	110.49	110.57	102.11
Lowest share price	106.69	100.28	99.77

Class 5 Accumulation	2016 p per share	2015 p per share	2014 ^s p per share
Change in net assets per share			
Opening net asset value per share	108.42	100.57	100.00
Return before operating charges [†]	0.55	8.70	1.30
Operating charges	(0.86)	(0.85)	(0.73)
Return after operating charges [†]	(0.31)	7.85	0.57
Distributions on income shares	–	–	–
Closing net asset value per share	108.11	108.42	100.57
Retained distributions on accumulation shares	0.58	–	–
[†] after direct transaction costs of	(0.07)	(0.04)	–
Performance			
Return after charges	(0.29)%	7.81%	0.57%
Other information			
Closing net asset value (£000)	55,511	32,593	449
Closing number of shares	51,348,744	30,063,180	446,305
Operating charges (%) [†]	0.80%	0.80%	0.72%
Direct transaction costs (%) [#]	0.06%	0.04%	–
Prices[™]			
Highest share price	110.49	110.53	102.05
Lowest share price	106.69	100.23	99.78

Class 3 Accumulation	2016 p per share	2015 p per share	2014 ^s p per share
Change in net assets per share			
Opening net asset value per share	109.19	100.76	100.00
Return before operating charges [†]	0.42	8.57	0.83
Operating charges	(0.15)	(0.14)	(0.07)
Return after operating charges [†]	0.27	8.43	0.76
Distributions on income shares	–	–	–
Closing net asset value per share	109.46	109.19	100.76
Retained distributions on accumulation shares	1.15	0.54	0.05
[†] after direct transaction costs of	(0.07)	(0.04)	–
Performance			
Return after charges	0.25%	8.37%	0.76%
Other information			
Closing net asset value (£000)	927,892	619,921	108,950
Closing number of shares	847,676,075	567,723,812	108,123,851
Operating charges (%) [†]	0.13%	0.13%	0.07%
Direct transaction costs (%) [#]	0.06%	0.04%	–
Prices[™]			
Highest share price	111.46	111.02	102.19
Lowest share price	107.86	100.42	99.78

Class 6 Accumulation	2016 p per share	2015 p per share	2014 ^s p per share
Change in net assets per share			
Opening net asset value per share	108.15	100.57	100.00
Return before operating charges [†]	0.63	8.75	0.81
Operating charges	(1.19)	(1.17)	(0.24)
Return after operating charges [†]	(0.56)	7.58	0.57
Distributions on income shares	–	–	–
Closing net asset value per share	107.59	108.15	100.57
Retained distributions on accumulation shares	0.34	–	–
[†] after direct transaction costs of	(0.06)	(0.04)	–
Performance			
Return after charges	(0.52)%	7.54%	0.57%
Other information			
Closing net asset value (£000)	2,514	1,880	451
Closing number of shares	2,337,096	1,738,593	448,435
Operating charges (%) [†]	1.10%	1.10%	0.24%
Direct transaction costs (%) [#]	0.06%	0.04%	–
Prices[™]			
Highest share price	110.14	110.39	102.07
Lowest share price	106.26	100.22	99.77

COMPARATIVE TABLES (CONTINUED)

Class 8 Accumulation	2016 p per share	2015 [§] p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	109.18	109.41	–
Return before operating charges [†]	0.52	(0.21)	–
Operating charges	(0.64)	(0.02)	–
Return after operating charges [†]	(0.12)	(0.23)	–
Distributions on income shares	–	–	–
Closing net asset value per share	109.06	109.18	–
Retained distributions on accumulation shares	0.77	0.52	–
[†] after direct transaction costs of	(0.07)	–	–
Performance			
Return after charges	(0.11)%	(0.21)%	–
Other information			
Closing net asset value (£000)	1,010,951	43	–
Closing number of shares	926,973,852	38,894	–
Operating charges (%) [‡]	0.59%	0.41%	–
Direct transaction costs (%) [#]	0.06%	–	–
Prices[≈]			
Highest share price	111.33	109.75	–
Lowest share price	107.58	109.12	–

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

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

(b) The Ongoing Charge 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.

[§] Class 2 and Class 3 were launched on 1 July 2014, Class 5 and Class 6 were launched on 11 July 2014 and Class 8 was launched on 1 October 2015.

Ongoing Charges Figure*

Share class	15.10.16	15.10.15
Class 2	0.85%	0.85%
Class 3	0.13%	0.13%
Class 5	0.80%	0.80%
Class 6	1.10%	1.10%
Class 8	0.59%	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 for share classes 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 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Collective Investment Schemes 0.66% (4.18%)				
Ireland 0.00% (1.13%)				
Luxembourg 0.00% (0.97%)				
United States of America 0.66% (2.08%)				
VanEck Vectors India Small-Cap Index ETF	USD	495,454	19,171	0.66
			19,171	0.66
Collective Investment Schemes total			19,171	0.66
Equities 13.36% (0.00%)				
Bermuda 0.12% (0.00%)				
Man Wah Holdings	HKD	2,232,771	1,291	0.04
VTech Holdings	HKD	232,058	2,234	0.08
			3,525	0.12
Brazil 0.12% (0.00%)				
Grendene	BRL	351,500	1,650	0.06
Smiles	BRL	115,234	1,687	0.06
			3,337	0.12
Cayman Islands 0.27% (0.00%)				
China Distance Education Holdings, ADR	USD	61,578	671	0.02
China Maple Leaf Educational Systems	HKD	1,375,972	896	0.03
Cosmo Lady China Holdings	HKD	845,549	284	0.01
Haitian International Holdings	HKD	1,563,441	2,604	0.09
Pacific Textiles Holdings	HKD	1,283,140	1,310	0.05
Value Partners Group	HKD	2,392,448	1,957	0.07
			7,722	0.27
Chile 0.04% (0.00%)				
Banmedica	CLP	698,319	1,149	0.04
			1,149	0.04
China 0.03% (0.00%)				
Livzon Pharmaceutical Group 'H'	HKD	196,747	969	0.03
			969	0.03
Curacao 0.41% (0.00%)				
Schlumberger	USD	176,743	11,788	0.41
			11,788	0.41
Czech Republic 0.08% (0.00%)				
Moneta Money Bank	CZK	423,932	1,172	0.04
Philip Morris CR	CZK	2,479	1,034	0.04
			2,206	0.08
Finland 0.19% (0.00%)				
Kone 'B'	EUR	139,200	5,520	0.19
			5,520	0.19
France 0.64% (0.00%)				
L'Oreal	EUR	44,100	6,679	0.23
TOTAL	EUR	299,515	11,925	0.41
			18,604	0.64
Germany 0.22% (0.00%)				
Henkel	EUR	40,400	3,767	0.13
Henkel Preference	EUR	24,100	2,628	0.09
			6,395	0.22
Indonesia 0.14% (0.00%)				
AKR Corporindo	IDR	4,313,051	1,762	0.06
Summarecon Agung	IDR	20,282,098	2,244	0.08
			4,006	0.14

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Italy 0.41% (0.00%)				
Eni	EUR	967,507	11,714	0.41
			11,714	0.41
Jersey 0.02% (0.00%)				
Wizz Air Holdings	GBP	45,345	689	0.02
			689	0.02
Malaysia 0.33% (0.00%)				
Carlsberg Brewery Malaysia	MYR	576,700	1,639	0.06
Hartalega Holdings	MYR	3,916,000	3,752	0.13
Inari Amertron	MYR	974,000	645	0.02
KPJ Healthcare	MYR	1,601,800	1,322	0.04
Padini Holdings	MYR	2,170,000	1,203	0.04
Sunway Construction Group	MYR	3,441,900	1,108	0.04
			9,669	0.33
Mexico 0.24% (0.00%)				
Bolsa Mexicana de Valores	MXN	1,189,619	1,617	0.06
Controladora Vuela Cia de Aviacion 'A'	MXN	615,618	956	0.03
Genomma Lab Internacional 'B'	MXN	1,026,027	884	0.03
Industrias Bachoco	MXN	292,594	1,037	0.03
Qualitas Controladora	MXN	1,016,234	1,330	0.05
Rassini 'A'	MXN	580,510	1,085	0.04
			6,909	0.24
Netherlands 0.20% (0.00%)				
RELX	EUR	416,400	5,737	0.20
			5,737	0.20
Philippines 0.12% (0.00%)				
Filinvest Land	PHP	114,903,000	3,443	0.12
Rizal Commercial Banking	PHP	183,350	111	0.00
			3,554	0.12
Poland 0.11% (0.00%)				
Budimex	PLN	17,090	745	0.03
KRUK	PLN	35,540	1,612	0.06
Synthos	PLN	715,906	699	0.02
			3,056	0.11
Romania 0.11% (0.00%)				
Banca Transilvania	RON	4,527,219	2,184	0.07
Fondul Proprietatea, GDR	USD	127,110	1,068	0.04
			3,252	0.11
Singapore 0.06% (0.00%)				
Sheng Siong Group	SGD	2,530,700	1,614	0.06
			1,614	0.06
South Africa 0.46% (0.00%)				
Advtech	ZAR	1,673,287	1,638	0.06
Blue Label Telecoms	ZAR	1,016,297	1,228	0.04
Cashbuild	ZAR	89,180	2,191	0.08
JSE	ZAR	117,442	1,054	0.04
Life Healthcare Group Holdings	ZAR	1,387,939	2,976	0.10
Super Group	ZAR	1,672,781	4,091	0.14
			13,178	0.46

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
South Korea 0.40% (0.00%)				
Com2uSCorp	KRW	10,263	717	0.02
DGB Financial Group	KRW	181,161	1,201	0.04
GS Home Shopping	KRW	12,547	1,567	0.05
IDIS Holdings	KRW	21,873	236	0.01
Intelligent Digital Integrated Security	KRW	22,646	198	0.01
Nice Information & Telecommunication	KRW	81,512	2,181	0.08
Samjin Pharmaceutical	KRW	154,903	3,551	0.12
Sungwoo Hitech	KRW	335,083	1,912	0.07
			11,563	0.40
Sweden 0.20% (0.00%)				
Assa Abloy 'B'	SEK	349,400	5,822	0.20
			5,822	0.20
Switzerland 1.18% (0.00%)				
Asia Polymer (UBS) Warrant 26/01/2017^	USD	3,220	2	0.00
Basso Industry (UBS) Warrant 26/01/2017^	USD	1,341,154	2,772	0.10
Getac Technology (UBS) Warrant 26/01/2017^	USD	4,142,411	4,014	0.14
Golden Lane (UBS) Warrant 10/08/2017^	USD	1,014,596	2,419	0.08
Macauto Industrial (UBS) Warrant 26/01/2017^	USD	542,397	2,782	0.10
Merida Industry (UBS) Warrant 26/01/2017^	USD	417,975	1,512	0.05
Nestle	CHF	112,000	6,996	0.24
Pacific Hospital Supply (UBS) Warrant 26/01/2017^	USD	830,092	1,986	0.07
Powertech Technology (UBS) Warrant 26/01/2017^	USD	2,075,957	4,409	0.15
Sinmag Equipment (UBS) Warrant 26/01/2017^	USD	406,338	1,512	0.05
Test Research (UBS) Warrant 26/01/2017^	USD	1,200,996	1,220	0.04
WT Microelectronics (UBS) Warrant 26/01/2017^	USD	2,802,165	3,208	0.11
Youngtek Electronics (UBS) Warrant 26/01/2017^	USD	1,146,634	1,355	0.05
			34,187	1.18
Thailand 0.40% (0.00%)				
Bumrungrad Hospital	THB	414,500	1,631	0.06
KCE Electronics	THB	1,720,400	4,333	0.15
Kiatnakin Bank	THB	1,651,700	2,157	0.08
MCS Steel	THB	5,794,300	1,843	0.06
Quality Houses	THB	26,483,200	1,488	0.05
Thai Stanley Electric 'F'	THB	21,600	83	0.00
			11,535	0.40
Turkey 0.33% (0.00%)				
Celebi Hava Servisi	TRY	126,232	692	0.02
Ford Otomotiv Sanayi	TRY	293,938	2,532	0.09
Turk Traktor ve Ziraat Makineleri	TRY	132,290	2,943	0.10
Türkiye Sise ve Cam Fabrikalari	TRY	1,302,595	1,115	0.04
Ulker Biskuvi Sanayi	TRY	394,636	2,192	0.08
			9,474	0.33
United Kingdom 2.47% (0.00%)				
BGEO Group	GBP	59,782	1,793	0.06
BHP Billiton	GBP	935,869	11,310	0.39
BP	GBP	2,373,371	11,618	0.40
British American Tobacco	GBP	131,500	6,424	0.22
Bunzl	GBP	124,705	2,892	0.10
Reckitt Benckiser Group	GBP	104,500	7,724	0.27
Rio Tinto	GBP	430,958	11,188	0.39
Royal Dutch Shell 'A'	GBP	559,416	11,659	0.41
Unilever	GBP	187,000	6,632	0.23
			71,240	2.47

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
United States of America 4.06% (0.00%)				
3M	USD	40,500	5,656	0.20
Amphenol 'A'	USD	108,000	5,628	0.20
Berkshire Hathaway 'B'	USD	48,700	5,758	0.20
Chevron	USD	140,520	11,646	0.40
Church & Dwight	USD	200,300	7,868	0.27
Colgate-Palmolive	USD	120,300	7,133	0.25
CR Bard	USD	32,200	5,803	0.20
Exxon Mobil 'Null'	USD	165,678	11,757	0.41
Fiserv	USD	36,400	2,986	0.10
Henry Schein	USD	44,000	5,532	0.19
Jack Henry & Associates	USD	42,400	2,874	0.10
John Keells Holdings (Citigroup) Warrant 17/01/2017	USD	1,880,712	1,588	0.06
Mettler-Toledo International	USD	16,800	5,601	0.19
Occidental Petroleum	USD	195,417	11,735	0.41
Philip Morris International	USD	82,400	6,475	0.22
Rollins	USD	102,848	2,378	0.08
Service International	USD	259,400	5,629	0.20
TJX	USD	92,355	5,622	0.19
Zoetis	USD	135,500	5,575	0.19
			117,244	4.06
Equities total			385,658	13.36
Government Bonds 34.43% (9.08%)				
Indonesia 5.17% (0.00%)				
Indonesia Treasury Bond 8.25% 15/07/2021	IDR	1,657,126,000,000	109,566	3.80
Indonesia Treasury Bond 8.38% 15/09/2026	IDR	574,935,000,000	39,572	1.37
			149,138	5.17
Italy 0.00% (6.45%)				
Poland 5.99% (0.00%)				
Poland Government Bond 3.25% 25/07/2025	PLN	160,003,000	34,199	1.18
Poland Government Bond 2.50% 25/07/2026	PLN	693,000,000	138,679	4.81
			172,878	5.99
South Africa 6.98% (0.00%)				
South Africa Government Bond 10.50% 21/12/2026	ZAR	2,322,980,000	149,081	5.17
South Africa Government Bond 8.75% 28/02/2048	ZAR	971,600,000	52,239	1.81
			201,320	6.98
United States of America 16.29% (2.63%)				
US Treasury Inflation Indexed 0.63% 15/01/2026	USD	543,800,000	470,201	16.29
			470,201	16.29
Government Bonds total			993,537	34.43
Municipal Bonds 0.06% (0.00%)				
United States of America 0.06% (0.00%)				
Mohegan Tribal Gaming Authority	USD	2,005,000	1,656	0.06
Municipal Bonds total			1,656	0.06
Corporate Bonds 11.52% (0.00%)				
Bermuda 0.24% (0.00%)				
Aircastle 6.25% 01/12/2019	USD	1,850,000	1,659	0.06
Fly Leasing 6.75% 15/12/2020	USD	3,080,000	2,607	0.09
IHS Markit 5.00% 01/11/2022	USD	3,050,000	2,653	0.09
			6,919	0.24

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Canada 0.56% (0.00%)				
Eldorado Gold 6.13% 15/12/2020	USD	1,703,000	1,421	0.05
IAMGOLD 6.75% 01/10/2020	USD	3,850,000	3,078	0.11
Kinross Gold 5.95% 15/03/2024	USD	2,200,000	1,865	0.06
Seven Generations Energy 8.25% 15/05/2020	USD	500,000	437	0.02
Seven Generations Energy 6.75% 01/05/2023	USD	1,350,000	1,162	0.04
Teck Resources 3.75% 01/02/2023	USD	2,400,000	1,873	0.06
Teine Energy 6.88% 30/09/2022	USD	700,000	585	0.02
Thompson Creek Metals 7.38% 01/06/2018	USD	1,000,000	835	0.03
Valeant Pharmaceuticals International 5.63% 01/12/2021	USD	4,400,000	3,138	0.11
Yamana Gold 4.95% 15/07/2024	USD	2,000,000	1,666	0.06
			16,060	0.56
Cayman Islands 0.09% (0.00%)				
UPCB Finance IV 5.38% 15/01/2025	USD	3,200,000	2,633	0.09
			2,633	0.09
France 0.13% (0.00%)				
SFR Group 7.38% 01/05/2026	USD	4,415,000	3,687	0.13
			3,687	0.13
Germany 0.01% (0.00%)				
IHO Verwaltungs 4.75% 15/09/2026	USD	405,000	333	0.01
			333	0.01
Jersey 0.05% (0.00%)				
Adient Global Holdings 4.88% 15/08/2026	USD	1,880,000	1,542	0.05
			1,542	0.05
Luxembourg 0.63% (0.00%)				
Altice Luxembourg 7.75% 15/05/2022	USD	6,315,000	5,495	0.19
ARD Finance 7.13% 15/09/2023	USD	1,575,000	1,269	0.04
Consolidated Energy Finance 6.75% 15/10/2019	USD	2,850,000	2,317	0.08
ConvaTec Healthcare E 10.50% 15/12/2018	USD	1,950,000	1,621	0.06
INEOS Group Holdings 5.88% 15/02/2019	USD	1,500,000	1,253	0.04
Intelsat Jackson Holdings 8.00% 15/02/2024	USD	1,950,000	1,605	0.06
Mallinckrodt International Finance 3.50% 15/04/2018	USD	3,450,000	2,806	0.10
Wind Acquisition Finance 4.75% 15/07/2020	USD	2,100,000	1,730	0.06
			18,096	0.63
Netherlands 0.20% (0.00%)				
CNH Industrial 4.50% 15/08/2023	USD	2,500,000	2,065	0.07
Fiat Chrysler Automobiles 5.25% 15/04/2023	USD	1,400,000	1,176	0.04
NXP BV 4.13% 15/06/2020	USD	1,300,000	1,133	0.04
Ziggo Secured Finance 5.50% 15/01/2027	USD	1,700,000	1,376	0.05
			5,750	0.20
United Kingdom 0.21% (0.00%)				
Royal Bank of Scotland Group 6.13% 15/12/2022	USD	2,940,000	2,539	0.09
Virgin Media Secured Finance 5.25% 15/01/2026	USD	4,200,000	3,482	0.12
			6,021	0.21
United States of America 9.40% (0.00%)				
Acadia Healthcare 6.50% 01/03/2024	USD	1,900,000	1,624	0.05
Acadia Healthcare 6.50% 01/03/2024	USD	1,300,000	1,111	0.04
ADT 6.25% 15/10/2021	USD	2,728,000	2,437	0.08
Alcoa 5.13% 01/10/2024	USD	3,600,000	3,095	0.11
Alliance Data Systems 6.38% 01/04/2020	USD	3,000,000	2,497	0.09
Ally Financial 4.13% 13/02/2022	USD	3,500,000	2,900	0.10
AMC Entertainment 5.88% 15/02/2022	USD	4,065,000	3,441	0.12

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
United States of America 9.40% (0.00%) (continued)				
American Axle & Manufacturing 6.25% 15/03/2021	USD	1,300,000	1,112	0.04
Antero Resources 5.13% 01/12/2022	USD	3,640,000	3,003	0.10
Aramark Services 5.13% 15/01/2024	USD	3,135,000	2,692	0.09
Ashland 4.75% 15/08/2022	USD	2,000,000	1,711	0.06
Avis Budget Car Rental 5.13% 01/06/2022	USD	900,000	738	0.03
Boyd Gaming 6.88% 15/05/2023	USD	445,000	395	0.01
Boyd Gaming 6.38% 01/04/2026	USD	1,405,000	1,235	0.04
CalAtlantic Group 8.38% 15/01/2021	USD	1,650,000	1,605	0.06
Calpine 5.75% 15/01/2025	USD	3,050,000	2,484	0.09
CCO Holdings 5.50% 01/05/2026	USD	3,908,000	3,337	0.12
Centene 5.63% 15/02/2021	USD	1,300,000	1,130	0.04
Centene 4.75% 15/05/2022	USD	127,000	107	0.00
Century Communities 6.88% 15/05/2022	USD	1,400,000	1,165	0.04
CenturyLink 7.50% 01/04/2024	USD	1,850,000	1,605	0.06
Chemtura 5.75% 15/07/2021	USD	896,000	765	0.03
CHS 8.00% 15/11/2019	USD	4,050,000	3,234	0.11
CIT Group 5.00% 15/08/2022	USD	2,950,000	2,601	0.09
CNH Industrial Capital 3.63% 15/04/2018	USD	775,000	643	0.02
CNO Financial Group 5.25% 30/05/2025	USD	3,000,000	2,452	0.08
Communications Sales & Leasing, REIT 6.00% 15/04/2023	USD	1,850,000	1,589	0.05
Concho Resources 6.50% 15/01/2022	USD	2,000,000	1,703	0.06
Constellis Holdings LLC 9.75% 15/05/2020	USD	1,500,000	1,227	0.04
Crescent Communities 8.88% 15/10/2021	USD	1,450,000	1,196	0.04
Crescent Resources 10.25% 15/08/2017	USD	1,500,000	1,236	0.04
CrownRock 7.13% 15/04/2021	USD	1,350,000	1,151	0.04
CSC Holdings 6.63% 15/10/2025	USD	610,000	543	0.02
CSC Holdings 5.50% 15/04/2027	USD	1,160,000	967	0.03
CSC Holdings 5.50% 15/04/2027	USD	585,000	488	0.02
CVR Partners 9.25% 15/06/2023	USD	2,300,000	1,848	0.06
CyrusOne 6.38% 15/11/2022	USD	1,470,000	1,274	0.04
DaVita 5.13% 15/07/2024	USD	3,750,000	3,104	0.11
DCP Midstream Operating 2.50% 01/12/2017	USD	1,600,000	1,311	0.05
Diamond 1 Finance 7.13% 15/06/2024	USD	5,425,000	4,895	0.17
DISH DBS 5.13% 01/05/2020	USD	3,250,000	2,756	0.10
DISH DBS 6.75% 01/06/2021	USD	750,000	661	0.02
Dollar Tree 5.75% 01/03/2023	USD	2,595,000	2,288	0.08
DPL 7.25% 15/10/2021	USD	1,900,000	1,605	0.06
DS Services of America 10.00% 01/09/2021	USD	2,400,000	2,192	0.08
Dynegy 8.00% 15/01/2025	USD	1,330,000	1,090	0.04
Eldorado Resorts 7.00% 01/08/2023	USD	680,000	588	0.02
Equinix, REIT 5.88% 15/01/2026	USD	2,900,000	2,548	0.09
ESH Hospitality, REIT 5.25% 01/05/2025	USD	3,700,000	3,015	0.10
FGI Operating 7.88% 01/05/2020	USD	2,500,000	1,701	0.06
First Data 6.75% 01/11/2020	USD	2,050,000	1,742	0.06
First Data 5.38% 15/08/2023	USD	3,750,000	3,186	0.11
Frontier Communications 10.50% 15/09/2022	USD	1,500,000	1,288	0.04
Frontier Communications 11.00% 15/09/2025	USD	4,800,000	4,053	0.14
GNMA, FRN 'I,O' 1.06% 16/10/2057	USD	109,631,660	7,647	0.26
GNMA, FRN, Series 2012-114 'Z' 2.74% 16/08/2054	USD	(14,325)	(11)	0.00
GNMA, FRN, Series 2015-115 'Z' 3.00% 16/07/2057	USD	3,770,465	2,802	0.10
GNMA, FRN, Series 2015-22 'Z' 3.30% 16/03/2055	USD	(22,057)	(17)	0.00
Goodyear Tire & Rubber 5.00% 31/05/2026	USD	1,515,000	1,275	0.04
Greatbatch 9.13% 01/11/2023	USD	3,050,000	2,395	0.08
Greektown Holdings 8.88% 15/03/2019	USD	1,900,000	1,647	0.06
HCA 5.88% 01/05/2023	USD	2,700,000	2,352	0.08
HCA 5.00% 15/03/2024	USD	2,300,000	1,995	0.07
HCA 5.38% 01/02/2025	USD	3,515,000	2,967	0.10
HealthSouth 5.75% 01/11/2024	USD	1,800,000	1,516	0.05
Hecla Mining 6.88% 01/05/2021	USD	2,775,000	2,307	0.08
HUB International 7.88% 01/10/2021	USD	3,300,000	2,767	0.10
Huntsman International 5.13% 15/11/2022	USD	2,050,000	1,746	0.06

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
United States of America 9.40% (0.00%) (continued)				
Infor US 5.75% 15/08/2020	USD	1,900,000	1,634	0.06
Innovation Ventures 9.50% 15/08/2019	USD	1,450,000	1,248	0.04
INVISTA Finance 4.25% 15/10/2019	USD	1,030,000	847	0.03
Iron Mountain, REIT 6.00% 01/10/2020	USD	2,800,000	2,439	0.08
Jaguar Holding Co II 6.38% 01/08/2023	USD	1,500,000	1,287	0.04
JC Penney 5.65% 01/06/2020	USD	1,000,000	815	0.03
JC Penney 5.88% 01/07/2023	USD	2,795,000	2,368	0.08
KFC Holding 5.00% 01/06/2024	USD	2,885,000	2,457	0.09
Landry's 9.38% 01/05/2020	USD	3,507,000	3,012	0.10
Landry's 6.75% 15/10/2024	USD	1,820,000	1,519	0.05
Landry's 6.75% 15/10/2024	USD	958,000	799	0.03
Lennar 4.50% 15/11/2019	USD	2,050,000	1,753	0.06
Level 3 Financing 5.13% 01/05/2023	USD	2,000,000	1,681	0.06
Level 3 Financing 5.25% 15/03/2026	USD	1,200,000	1,007	0.03
Live Nation Entertainment 5.38% 15/06/2022	USD	1,115,000	946	0.03
LTF Merger Sub 8.50% 15/06/2023	USD	3,150,000	2,654	0.09
M/I Homes 6.75% 15/01/2021	USD	1,130,000	975	0.03
Masco 5.95% 15/03/2022	USD	1,800,000	1,681	0.06
Mediacom 7.25% 15/02/2022	USD	1,950,000	1,663	0.06
MGM Growth Properties Operating Partnership, REIT 5.63% 01/05/2024	USD	1,800,000	1,589	0.05
MGM Resorts International 5.25% 31/03/2020	USD	650,000	567	0.02
MGM Resorts International 6.63% 15/12/2021	USD	1,150,000	1,060	0.04
Mohegan Tribal Gaming Authority 9.75% 01/09/2021	USD	1,300,000	1,143	0.04
Mohegan Tribal Gaming Authority 7.88% 15/10/2024	USD	475,000	392	0.01
MPT Operating Partnership, REIT 6.38% 01/03/2024	USD	2,231,000	1,993	0.07
MSCI 5.75% 15/08/2025	USD	1,900,000	1,663	0.06
Murphy Oil 6.88% 15/08/2024	USD	1,250,000	1,074	0.04
NBTY 7.63% 15/05/2021	USD	4,125,000	3,393	0.12
Nexstar Escrow 5.63% 01/08/2024	USD	1,750,000	1,446	0.05
Nexstar Escrow 5.63% 01/08/2024	USD	250,000	206	0.01
NRG Energy 6.25% 01/05/2024	USD	1,850,000	1,536	0.05
NRG Energy 6.63% 15/01/2027	USD	1,300,000	1,053	0.04
Nuance Communications 5.38% 15/08/2020	USD	1,070,000	900	0.03
Nuance Communications 6.00% 01/07/2024	USD	1,000,000	867	0.03
Nuance Communications 6.00% 01/07/2024	USD	1,000,000	867	0.03
OneMain Financial Holdings 6.75% 15/12/2019	USD	2,650,000	2,276	0.08
OneMain Financial Holdings 7.25% 15/12/2021	USD	1,200,000	1,031	0.04
Owens-Brockway Glass Container 5.88% 15/08/2023	USD	1,715,000	1,508	0.05
Parsley Energy 6.25% 01/06/2024	USD	980,000	843	0.03
Plantronics 5.50% 31/05/2023	USD	3,050,000	2,560	0.09
Plastipak Holdings 6.50% 01/10/2021	USD	2,250,000	1,900	0.07
Post Holdings 5.00% 15/08/2026	USD	3,150,000	2,545	0.09
Potlatch, REIT 7.50% 01/11/2019	USD	927,000	846	0.03
Prime Security Services Borrower 9.25% 15/05/2023	USD	1,225,000	1,091	0.04
QCP SNF West, REIT 8.13% 01/11/2023	USD	2,070,000	1,718	0.06
QCP SNF West, REIT 8.13% 01/11/2023	USD	430,000	357	0.01
Quintiles IMS 5.00% 15/10/2026	USD	725,000	619	0.02
Resolute Forest Products 5.88% 15/05/2023	USD	3,550,000	2,479	0.09
Reynolds Group Issuer 5.75% 15/10/2020	USD	1,950,000	1,643	0.06
Rockies Express Pipeline 6.85% 15/07/2018	USD	2,000,000	1,734	0.06
Rockies Express Pipeline 6.00% 15/01/2019	USD	1,000,000	863	0.03
RSP Permian 6.63% 01/10/2022	USD	3,000,000	2,620	0.09
Sabine Pass Liquefaction 5.63% 01/02/2021	USD	4,000,000	3,490	0.12
Sabine Pass LNG 7.50% 30/11/2016	USD	1,450,000	1,187	0.04
Sabre GLBL 5.25% 15/11/2023	USD	2,000,000	1,671	0.06
Signode Industrial Group Lux 6.38% 01/05/2022	USD	1,950,000	1,617	0.06
Sirius XM Radio 6.00% 15/07/2024	USD	3,300,000	2,895	0.10
Sprint 7.25% 15/09/2021	USD	1,650,000	1,365	0.05
Sprint 7.13% 15/06/2024	USD	800,000	629	0.02
Sprint Communications 9.00% 15/11/2018	USD	2,570,000	2,318	0.08
Standard Industries 6.00% 15/10/2025	USD	2,550,000	2,237	0.08

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
United States of America 9.40% (0.00%) (continued)				
Summit Materials 8.50% 15/04/2022	USD	1,415,000	1,273	0.04
Sunoco 6.25% 15/04/2021	USD	1,850,000	1,561	0.05
Tempur Sealy International 5.63% 15/10/2023	USD	1,300,000	1,116	0.04
Tenet Healthcare 4.50% 01/04/2021	USD	1,650,000	1,355	0.05
Tenet Healthcare 8.13% 01/04/2022	USD	4,350,000	3,597	0.12
T-Mobile USA 6.63% 15/11/2020	USD	1,300,000	1,095	0.04
T-Mobile USA 6.50% 15/01/2026	USD	4,200,000	3,769	0.13
Toll Brothers Finance 4.88% 15/11/2025	USD	3,050,000	2,552	0.09
Tribune Media 5.88% 15/07/2022	USD	3,000,000	2,483	0.09
United Rentals North America 5.88% 15/09/2026	USD	1,935,000	1,619	0.06
United States Steel 8.38% 01/07/2021	USD	2,500,000	2,212	0.08
Universal Health Services 4.75% 01/08/2022	USD	4,175,000	3,526	0.12
Univision Communications 5.13% 15/02/2025	USD	3,250,000	2,655	0.09
Vector Group 7.75% 15/02/2021	USD	6,140,000	5,269	0.18
WESCO Distribution 5.38% 15/12/2021	USD	2,000,000	1,668	0.06
Western Digital 10.50% 01/04/2024	USD	5,560,000	5,255	0.18
Westmoreland Coal 8.75% 01/01/2022	USD	2,350,000	1,522	0.05
Xerium Technologies 9.50% 15/08/2021	USD	1,375,000	1,136	0.04
ZF North America Capital 4.50% 29/04/2022	USD	1,500,000	1,301	0.05
			271,292	9.40
Corporate Bonds total			332,333	11.52
Certificates of Deposit 24.94% (71.90%)				
United Kingdom 24.94% (71.90%)				
ABN AMRO Bank 0.52% 27/10/2016	GBP	30,000,000	30,000	1.04
Australia & New Zealand Banking Group 0.00% 17/01/2017	GBP	25,000,000	24,975	0.86
Bank of America 0.39% 13/02/2017	GBP	15,000,000	15,000	0.52
Banque Federative Du Credit Mutuel 0.40% 03/01/2017	GBP	15,000,000	15,000	0.52
Banque Federative Du Credit Mutuel 0.44% 13/02/2017	GBP	35,000,000	34,949	1.21
Banque Federative Du Credit Mutuel 0.49% 03/01/2017	GBP	20,000,000	20,000	0.69
BNP Paribas 0.46% 02/11/2016	GBP	10,000,000	10,000	0.35
Citibank 0.32% 11/11/2016	GBP	30,000,000	30,000	1.04
Cooperatieve Rabobank 0.50% 06/02/2017	GBP	20,000,000	20,000	0.69
Credit Agricole Corporate and Investment Bank 0.40% 01/12/2016	GBP	50,000,000	50,000	1.73
Credit Agricole Corporate and Investment Bank 0.37% 23/11/2016	GBP	20,000,000	20,000	0.69
DZ Bank 0.39% 28/11/2016	GBP	25,000,000	25,000	0.87
Industrial and Commercial Bank of China 0.44% 14/02/2017	GBP	30,000,000	29,956	1.04
ING Bank 0.39% 01/12/2016	GBP	25,000,000	25,000	0.87
ING Bank 0.39% 01/12/2016	GBP	20,000,000	20,000	0.69
Mizuho Bank 0.40% 23/11/2016	GBP	40,000,000	40,000	1.38
Mizuho Bank 0.39% 30/11/2016	GBP	20,000,000	20,000	0.69
Mizuho Bank 0.40% 05/12/2016	GBP	25,000,000	25,000	0.87
National Bank of Abu Dhabi 0.66% 24/10/2016	GBP	30,000,000	30,000	1.04
National Bank of Abu Dhabi 0.37% 16/11/2016	GBP	25,000,000	25,000	0.87
National Bank of Abu Dhabi 0.39% 30/11/2016	GBP	25,000,000	25,000	0.87
Nationwide Building Society 0.39% 02/12/2016	GBP	25,000,000	25,000	0.87
Nationwide Building Society 0.42% 23/12/2016	GBP	20,000,000	20,000	0.69
Natixis 0.64% 01/11/2016	GBP	10,000,000	10,000	0.35
Natixis 0.66% 21/11/2016	GBP	20,000,000	20,000	0.69
Qatar National Bank 23/01/2017	GBP	25,000,000	24,973	0.86
Standard Chartered Bank 0.72% 24/10/2016	GBP	20,000,000	20,002	0.69
Sumitomo Mitsui Banking Corporation Europe 0.37% 17/11/2016	GBP	15,000,000	15,000	0.52
Sumitomo Mitsui Banking Corporation Europe 0.39% 14/11/2016	GBP	10,000,000	10,000	0.35
Sumitomo Mitsui Banking Corporation Europe 0.37% 28/11/2016	GBP	30,000,000	30,000	1.04
United Overseas Bank 0.40% 21/02/2017	GBP	10,000,000	10,000	0.35
			719,855	24.94
Certificates of Deposit total			719,855	24.94

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Commercial Papers 3.36% (2.43%)				
United Kingdom 3.36% (2.43%)				
Chesham Finance 0.43% 25/11/2016	GBP	30,000,000	29,986	1.04
OP Corporate Bank 0.54% 28/10/2016	GBP	47,000,000	46,990	1.63
Oversea-Chinese Banking 0.40% 28/12/2016	GBP	20,000,000	19,984	0.69
			96,960	3.36
Commercial Papers total			96,960	3.36
Swaps 0.75% (1.14%)				
Credit Default Swap Goldman Sachs Sell CDX.NA.HY.27-V1 20/12/2021	USD	141,787,718	5,228	0.18
Credit Default Swap Goldman Sachs Sell iTraxx Europe Series 26 Version 1 20/12/2021	EUR	208,325,191	2,627	0.09
Credit Default Swap Citigroup Sell iTraxx Europe Series 26 Version 1 20/12/2021	EUR	83,880,332	1,058	0.04
Credit Default Swap Citigroup Sell iTraxx Europe Series 26 Version 1 20/12/2021	EUR	83,880,331	1,058	0.04
Credit Default Swap Citigroup Sell iTraxx Europe Series 26 Version 1 20/12/2021	EUR	81,867,204	1,033	0.04
Credit Default Swap BNP Paribas Sell iTraxx Europe Series 26 Version 1 20/12/2021	EUR	62,071,445	783	0.03
Credit Default Swap Citigroup Sell iTraxx Europe Series 26 Version 1 20/12/2021	EUR	50,328,199	635	0.02
Credit Default Swap Citigroup Sell iTraxx Europe Series 26 Version 1 20/12/2021	EUR	33,552,133	423	0.01
Credit Default Swap BNP Paribas Sell iTraxx Europe Series 26 Version 1 20/12/2021	EUR	15,601,742	197	0.01
Credit Default Swap BNP Paribas Sell iTraxx Europe Series 26 Version 1 20/12/2021	EUR	12,078,767	152	0.00
Credit Default Swap BNP Paribas Sell iTraxx Europe Series 26 Version 1 20/12/2021	EUR	9,914,656	125	0.00
Credit Default Swap BNP Paribas Buy iTraxx Europe Senior Financials Series 26 Version 1 20/12/2021	EUR	10,304,880	(11)	0.00
Credit Default Swap BNP Paribas Buy iTraxx Europe Senior Financials Series 26 Version 1 20/12/2021	EUR	12,379,238	(13)	0.00
Credit Default Swap BNP Paribas Buy iTraxx Europe Senior Financials Series 26 Version 1 20/12/2021	EUR	20,576,301	(22)	0.00
Credit Default Swap Citigroup Buy iTraxx Europe Senior Financials Series 26 Version 1 20/12/2021	EUR	33,457,401	(36)	0.00
Credit Default Swap Citigroup Buy iTraxx Europe Senior Financials Series 26 Version 1 20/12/2021	EUR	50,186,101	(54)	0.00
Credit Default Swap BNP Paribas Buy iTraxx Europe Senior Financials Series 26 Version 1 20/12/2021	EUR	62,899,913	(68)	0.00
Credit Default Swap Citigroup Buy iTraxx Europe Senior Financials Series 26 Version 1 20/12/2021	EUR	83,643,502	(91)	0.00
Credit Default Swap Citigroup Buy iTraxx Europe Senior Financials Series 26 Version 1 20/12/2021	EUR	83,643,502	(91)	0.00
Credit Default Swap Citigroup Buy iTraxx Europe Senior Financials Series 26 Version 1 20/12/2021	EUR	85,784,775	(93)	0.00
Credit Default Swap Goldman Sachs Buy iTraxx Europe Senior Financials Series 26 Version 1 20/12/2021	EUR	213,324,387	(231)	(0.01)
Equity Variance Swap Bank of America EURO STOXX 50 Index 21/12/2018	EUR	121,094,800	(101)	0.00
Equity Variance Swap Goldman Sachs EURO STOXX 50 Index 21/12/2018	EUR	371,610,000	(520)	(0.02)
Equity Variance Swap Société Générale EURO STOXX 50 Index 21/12/2018	EUR	253,116,900	(1,407)	(0.05)
Equity Variance Swap Bank of America EURO STOXX 50 Index 15/06/2018	EUR	109,060,000	(858)	(0.03)
Equity Variance Swap Société Générale EURO STOXX 50 Index 15/12/2017	EUR	142,002,800	1,017	0.03
Equity Variance Swap Société Générale EURO STOXX 50 Index 15/12/2017	EUR	49,657,600	476	0.02
Equity Variance Swap Société Générale EURO STOXX 50 Index 15/12/2017	EUR	73,635,200	376	0.01
Equity Variance Swap Société Générale EURO STOXX 50 Index 15/12/2017	EUR	74,154,500	245	0.01
Equity Variance Swap Goldman Sachs EURO STOXX 50 Index 15/12/2017	EUR	201,860,000	194	0.01
Equity Variance Swap BNP Paribas EURO STOXX 50 Index 15/12/2017	EUR	36,773,200	122	0.00
Equity Variance Swap Bank of America EURO STOXX 50 Index 15/12/2017	EUR	70,065,500	107	0.00
Equity Variance Swap Société Générale EURO STOXX 50 Index 15/12/2017	EUR	72,056,700	(191)	(0.01)
Equity Variance Swap Goldman Sachs EURO STOXX 50 Index 15/12/2017	EUR	36,842,100	(256)	(0.01)
Equity Variance Swap Bank of America EURO STOXX 50 Index 15/12/2017	EUR	120,100,000	(1,422)	(0.05)
Equity Variance Swap Société Générale EURO STOXX 50 Index 15/12/2017	EUR	104,225,000	(1,602)	(0.06)
Equity Variance Swap Société Générale EURO STOXX 50 Index 15/12/2017	EUR	232,903,000	(2,685)	(0.09)
Equity Variance Swap Bank of America EURO STOXX 50 Index 16/06/2017	EUR	57,090,000	993	0.03
Equity Variance Swap Société Générale EURO STOXX 50 Index 16/12/2016	EUR	112,696,300	1,981	0.07
Equity Variance Swap Société Générale EURO STOXX 50 Index 16/12/2016	EUR	43,446,900	1,182	0.04
Equity Variance Swap Bank of America EURO STOXX 50 Index 16/12/2016	EUR	48,930,000	1,004	0.03
Equity Variance Swap Goldman Sachs EURO STOXX 50 Index 16/12/2016	EUR	19,724,900	185	0.01
Equity Variance Swap Société Générale EURO STOXX 50 Index 16/12/2016	EUR	31,744,100	(10)	0.00
Equity Variance Swap Société Générale EURO STOXX 50 Index 16/12/2016	EUR	28,626,000	(170)	(0.01)
Equity Variance Swap Société Générale KOSPI 200 Index 08/12/2016	KRW	30,072,650,000	(785)	(0.03)
Equity Variance Swap Société Générale Nikkei 225 Index 14/12/2018	JPY	5,054,380,000	287	0.01
Equity Variance Swap Société Générale S&P 500 Index 21/12/2018	USD	45,640,000	572	0.02
Equity Variance Swap Société Générale S&P 500 Index 15/12/2017	USD	88,041,100	1,575	0.05
Equity Variance Swap Société Générale S&P 500 Index 15/12/2017	USD	92,134,800	1,186	0.04
Equity Variance Swap Société Générale S&P 500 Index 15/12/2017	USD	93,181,800	1,070	0.04
Equity Variance Swap BNP Paribas S&P 500 Index 15/12/2017	USD	46,067,400	593	0.02
Equity Variance Swap Société Générale S&P 500 Index 16/12/2016	USD	41,917,800	984	0.03

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Swaps 0.75% (1.14%) (continued)				
Equity Variance Swap Société Générale S&P 500 Index 16/12/2016	USD	24,620,000	756	0.03
FX Volatility Swap Société Générale EUR/JPY, Call, 12.15 22/09/2017	EUR	359,994	20	0.00
FX Volatility Swap Goldman Sachs EUR/JPY, Call, 12.3 22/09/2017	EUR	161,457	(10)	0.00
FX Volatility Swap Société Générale EUR/JPY, Call, 12.65 05/10/2017	EUR	359,994	(121)	0.00
FX Volatility Swap Société Générale USD/JPY, Call, 10.95 22/09/2017	USD	402,794	(131)	(0.01)
FX Volatility Swap Goldman Sachs USD/JPY, Call, 11.15 22/09/2017	USD	179,980	(26)	0.00
FX Volatility Swap Société Générale USD/JPY, Call, 11.45 05/10/2017	USD	403,874	14	0.00
Inflation Rate Swap Goldman Sachs Pay fixed 0.78% Receive floating HICPXT 1 month 15/09/2021	EUR	31,500,000	129	0.00
Inflation Rate Swap Société Générale Pay fixed 0.85% Receive floating HICPXT 1 month 15/09/2021	EUR	44,000,000	46	0.00
Inflation Rate Swap Goldman Sachs Pay fixed 0.79% Receive floating HICPXT 1 month 15/08/2021	EUR	31,500,000	165	0.01
Inflation Rate Swap RBS Pay fixed 0.76% Receive floating HICPXT 1 month 15/07/2021	EUR	51,000,000	482	0.02
Inflation Rate Swap Société Générale Pay fixed 0.86% Receive floating HICPXT 1 month 15/06/2021	EUR	30,000,000	96	0.00
Inflation Rate Swap Société Générale Pay fixed 0.89% Receive floating HICPXT 1 month 15/05/2021	EUR	24,000,000	87	0.00
Inflation Rate Swap J.P. Morgan Pay fixed 0.87% Receive floating HICPXT 1 month 15/05/2021	EUR	8,000,000	37	0.00
Inflation Rate Swap Morgan Stanley Pay fixed 0.74% Receive floating HICPXT 1 month 15/04/2021	EUR	71,000,000	629	0.02
Inflation Rate Swap Morgan Stanley Pay fixed 0.77% Receive floating HICPXT 1 month 15/04/2021	EUR	28,000,000	211	0.01
Inflation Rate Swap J.P. Morgan Pay fixed 0.82% Receive floating HICPXT 1 month 15/04/2021	EUR	16,000,000	80	0.00
Inflation Rate Swap UBS Pay fixed 0.74% Receive floating HICPXT 1 month 15/04/2021	EUR	3,600,000	32	0.00
Inflation Rate Swap BNP Paribas Pay fixed 0.76% Receive floating HICPXT 1 month 15/03/2021	EUR	57,000,000	184	0.01
Inflation Rate Swap Barclays Pay fixed 0.76% Receive floating HICPXT 1 month 15/03/2021	EUR	57,000,000	174	0.01
Inflation Rate Swap Citigroup Pay fixed 0.76% Receive floating HICPXT 1 month 15/03/2021	EUR	57,000,000	174	0.01
Inflation Rate Swap BNP Paribas Pay fixed 0.71% Receive floating HICPXT 1 month 15/03/2021	EUR	18,200,000	101	0.00
Inflation Rate Swap Citigroup Pay fixed 0.68% Receive floating HICPXT 1 month 17/02/2021	EUR	56,000,000	246	0.01
Inflation Rate Swap BNP Paribas Pay fixed 0.68% Receive floating HICPXT 1 month 14/09/2021	EUR	56,000,000	240	0.01
Inflation Rate Swap Citigroup Pay fixed 0.69% Receive floating HICPXT 1 month 17/02/2021	EUR	48,000,000	188	0.01
Inflation Rate Swap Citigroup Pay fixed 0.60% Receive floating HICPXT 1 month 15/02/2021	EUR	2,000,000	16	0.00
Interest Rate Swap HSBC Pay fixed 1.36% Receive floating CD_KSDA 3 month 26/09/2027	KRW	10,000,000,000	55	0.00
Interest Rate Swap Goldman Sachs Pay fixed 1.42% Receive floating CD_KSDA 3 month 19/09/2027	KRW	203,300,000,000	272	0.01
Interest Rate Swap J.P. Morgan Pay fixed 2.30% Receive floating BBR 6 month 14/09/2027	AUD	39,775,949	310	0.01
Interest Rate Swap J.P. Morgan Pay fixed 2.32% Receive floating BBR 6 month 14/09/2027	AUD	45,576,608	307	0.01
Interest Rate Swap J.P. Morgan Pay fixed 2.32% Receive floating BBR 6 month 14/09/2027	AUD	42,261,946	296	0.01
Interest Rate Swap J.P. Morgan Pay fixed 2.32% Receive floating BBR 6 month 14/09/2027	AUD	41,433,014	288	0.01
Interest Rate Swap J.P. Morgan Pay fixed 2.31% Receive floating BBR 6 month 13/09/2027	AUD	45,576,741	324	0.01
Interest Rate Swap J.P. Morgan Pay fixed 2.33% Receive floating BBR 6 month 13/09/2027	AUD	45,576,742	284	0.01
Interest Rate Swap Citigroup Pay floating TELBOR01 3 month Receive fixed 2.45% 28/09/2026	ILS	96,000,000	(201)	(0.01)
Interest Rate Swap BNP Paribas Pay floating TELBOR01 3 month Receive fixed 2.53% 17/09/2026	ILS	197,280,000	(248)	(0.01)
Interest Rate Swap BNP Paribas Pay floating TELBOR01 3 month Receive fixed 2.52% 17/09/2026	ILS	201,600,000	(263)	(0.01)
Interest Rate Swap BNP Paribas Pay floating TELBOR01 3 month Receive fixed 2.51% 17/09/2026	ILS	460,800,000	(659)	(0.02)
Interest Rate Swap Citigroup Pay floating TELBOR01 3 month Receive fixed 2.56% 16/09/2026	ILS	100,800,000	(99)	0.00
Interest Rate Swap Citigroup Pay floating TELBOR01 3 month Receive fixed 2.57% 14/09/2026	ILS	479,520,000	(396)	(0.01)
Interest Rate Swap J.P. Morgan Pay fixed 1.31% Receive floating LIBOR 3 month 27/09/2022	USD	86,500,000	393	0.01
Interest Rate Swap J.P. Morgan Pay fixed 1.34% Receive floating LIBOR 3 month 06/09/2022	USD	57,000,000	159	0.00
Interest Rate Swap J.P. Morgan Pay fixed 1.27% Receive floating LIBOR 3 month 17/08/2022	USD	30,000,000	161	0.01
Interest Rate Swap J.P. Morgan Pay fixed 1.27% Receive floating LIBOR 3 month 24/07/2022	USD	52,400,000	261	0.01
Interest Rate Swap J.P. Morgan Pay fixed 1.55% Receive floating LIBOR 3 month 23/05/2022	USD	32,100,000	(231)	(0.01)
Interest Rate Swap Morgan Stanley Pay fixed 1.52% Receive floating LIBOR 3 month 25/04/2022	USD	36,750,000	(241)	(0.01)
Interest Rate Swap Goldman Sachs Pay fixed 1.53% Receive floating LIBOR 3 month 25/04/2022	USD	36,750,000	(254)	(0.01)
Interest Rate Swap HSBC Pay fixed 1.40% Receive floating LIBOR 3 month 18/04/2022	USD	200,000,000	(367)	(0.01)
Interest Rate Swap Morgan Stanley Pay fixed 1.40% Receive floating LIBOR 3 month 18/04/2022	USD	200,000,000	(391)	(0.01)
Interest Rate Swap Bank of America Pay fixed 1.42% Receive floating LIBOR 3 month 18/04/2022	USD	200,000,000	(534)	(0.02)
Interest Rate Swap Citigroup Pay fixed 1.43% Receive floating LIBOR 3 month 18/04/2022	USD	200,000,000	(566)	(0.02)
Interest Rate Swap J.P. Morgan Pay floating LIBOR 3 month Receive fixed 1.14% 27/09/2019	USD	200,000,000	(206)	(0.01)
Interest Rate Swap HSBC Pay floating CD_KSDA 3 month Receive fixed 1.24% 26/09/2019	KRW	50,000,000,000	(37)	0.00
Interest Rate Swap Goldman Sachs Pay floating CD_KSDA 3 month Receive fixed 1.29% 19/09/2019	KRW	1,005,000,000,000	42	0.00
Interest Rate Swap J.P. Morgan Pay floating BBR 3 month Receive fixed 1.70% 14/09/2019	AUD	196,148,599	(362)	(0.01)
Interest Rate Swap J.P. Morgan Pay floating BBR 3 month Receive fixed 1.68% 14/09/2019	AUD	184,610,446	(397)	(0.01)
Interest Rate Swap J.P. Morgan Pay floating BBR 3 month Receive fixed 1.70% 14/09/2019	AUD	211,532,802	(403)	(0.01)
Interest Rate Swap J.P. Morgan Pay floating BBR 3 month Receive fixed 1.68% 14/09/2019	AUD	192,302,809	(413)	(0.01)
Interest Rate Swap J.P. Morgan Pay floating BBR 3 month Receive fixed 1.73% 13/09/2019	AUD	211,532,672	(324)	(0.01)
Interest Rate Swap J.P. Morgan Pay floating BBR 3 month Receive fixed 1.71% 13/09/2019	AUD	211,532,672	(370)	(0.01)
Interest Rate Swap J.P. Morgan Pay floating LIBOR 3 month Receive fixed 1.19% 06/09/2019	USD	152,000,000	(20)	0.00

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Swaps 0.75% (1.14%) (continued)				
Interest Rate Swap J.P. Morgan Pay floating LIBOR 3 month Receive fixed 1.09% 17/08/2019	USD	70,000,000	(112)	0.00
Interest Rate Swap J.P. Morgan Pay floating LIBOR 3 month Receive fixed 1.07% 24/07/2019	USD	32,000,000	(55)	0.00
Interest Rate Swap J.P. Morgan Pay floating LIBOR 3 month Receive fixed 1.07% 24/07/2019	USD	127,000,000	(226)	(0.01)
Interest Rate Swap J.P. Morgan Pay floating LIBOR 3 month Receive fixed 1.30% 23/05/2019	USD	129,000,000	304	0.01
Interest Rate Swap Morgan Stanley Pay floating LIBOR 3 month Receive fixed 1.21% 25/04/2019	USD	92,500,000	96	0.00
Interest Rate Swap Goldman Sachs Pay floating LIBOR 3 month Receive fixed 1.21% 25/04/2019	USD	92,500,000	94	0.00
Interest Rate Swap Citigroup Pay floating LIBOR 3 month Receive fixed 1.10% 18/04/2019	USD	475,000,000	(279)	(0.01)
Interest Rate Swap Bank of America Pay floating LIBOR 3 month Receive fixed 1.10% 18/04/2019	USD	475,000,000	(310)	(0.01)
Interest Rate Swap Morgan Stanley Pay floating LIBOR 3 month Receive fixed 1.09% 18/04/2019	USD	475,000,000	(363)	(0.01)
Interest Rate Swap HSBC Pay floating LIBOR 3 month Receive fixed 1.09% 18/04/2019	USD	475,000,000	(386)	(0.01)
Total Return Swap J.P. Morgan Pay USJPTAXB11.I Receive LIBOR 3 Month 27/04/2017	USD	68,256,339	3,960	0.14
Total Return Swap J.P. Morgan Pay USJPTAXB11.I Receive LIBOR 3 Month 27/04/2017	USD	4,297,888	76	0.00
Total Return Swap Société Générale Pay USSGAVIVA1.I Receive LIBOR 3 Month 09/06/2017	USD	32,845,298	965	0.03
Total Return Swap Société Générale Pay USSGAVIVA1.I Receive LIBOR 3 Month 09/06/2017	USD	31,390,471	923	0.03
Total Return Swap Société Générale Pay USSGAVIVA1.I Receive LIBOR 3 Month 09/06/2017	USD	5,420,628	159	0.01
Swaps total			21,586	0.75
Swaptions 1.75% (1.25%)				
Interest Rate Swap Morgan Stanley Pay fixed 3.60% Receive floating LIBOR 6 month, Call, 3.6, 29/01/2045	GBP	27,800,000	1,094	0.04
Interest Rate Swap Morgan Stanley Pay fixed 3.60% Receive floating LIBOR 6 month, Call, 3.6, 25/02/2045	GBP	26,000,000	1,025	0.04
Interest Rate Swap J.P. Morgan Pay fixed 3.60% Receive floating LIBOR 6 month, Call, 3.6, 29/04/2045	GBP	8,900,000	309	0.01
Interest Rate Swap J.P. Morgan Pay fixed 3.60% Receive floating LIBOR 6 month, Call, 3.6, 22/05/2045	GBP	6,460,000	225	0.01
Interest Rate Swap HSBC Pay fixed 3.60% Receive floating LIBOR 6 month, Call, 3.6, 01/07/2045	GBP	3,700,000	147	0.01
Interest Rate Swap HSBC Pay fixed 3.60% Receive floating LIBOR 6 month, Call, 3.6, 19/08/2045	GBP	6,300,000	250	0.01
Interest Rate Swap Citigroup Pay fixed 3.60% Receive floating LIBOR 6 month, Call, 3.6, 07/10/2045	GBP	2,000,000	79	0.00
Interest Rate Swap Goldman Sachs Pay fixed 3.60% Receive floating LIBOR 6 month, Call, 3.6, 21/10/2045	GBP	9,700,000	338	0.01
Interest Rate Swap Goldman Sachs Pay fixed 3.60% Receive floating LIBOR 6 month, Call, 3.6, 28/10/2045	GBP	7,500,000	262	0.01
Interest Rate Swap Goldman Sachs Pay fixed 3.60% Receive floating LIBOR 6 month, Call, 3.6, 20/11/2045	GBP	4,600,000	160	0.01
Interest Rate Swap J.P. Morgan Pay fixed 3.60% Receive floating LIBOR 6 month, Call, 3.6, 16/12/2045	GBP	12,300,000	429	0.02
Interest Rate Swap Barclays Pay fixed 3.60% Receive floating LIBOR 6 month, Call, 3.6, 03/02/2046	GBP	8,100,000	283	0.01
Interest Rate Swap Barclays Pay fixed 3.60% Receive floating LIBOR 6 month, Call, 3.6, 10/02/2046	GBP	2,900,000	101	0.00
Interest Rate Swap Barclays Pay fixed 3.60% Receive floating LIBOR 6 month, Call, 3.6, 26/02/2046	GBP	7,600,000	266	0.01
Interest Rate Swap Goldman Sachs Pay fixed 3.60% Receive floating LIBOR 6 month, Call, 3.6, 07/04/2046	GBP	17,000,000	706	0.02
Interest Rate Swap RBS Pay fixed 3.60% Receive floating LIBOR 6 month, Call, 3.6, 15/04/2046	GBP	28,000,000	1,223	0.04
Interest Rate Swap RBS Pay fixed 3.60% Receive floating LIBOR 6 month, Call, 3.6, 18/04/2046	GBP	11,000,000	481	0.02
Interest Rate Swap Morgan Stanley Pay fixed 3.60% Receive floating LIBOR 6 month, Call, 3.6, 23/05/2046	GBP	12,000,000	526	0.02
Interest Rate Swap Goldman Sachs Pay fixed 3.85% Receive floating LIBOR 3 month, Call, 3.85, 13/03/2045	USD	67,100,000	2,036	0.07
Interest Rate Swap J.P. Morgan Pay fixed 3.85% Receive floating LIBOR 3 month, Call, 3.85, 11/04/2045	USD	3,660,000	111	0.00
Interest Rate Swap Goldman Sachs Pay fixed 3.85% Receive floating LIBOR 3 month, Call, 3.85, 23/04/2045	USD	81,000,000	2,460	0.09
Interest Rate Swap J.P. Morgan Pay fixed 3.85% Receive floating LIBOR 3 month, Call, 3.85, 02/05/2045	USD	39,000,000	1,185	0.04
Interest Rate Swap J.P. Morgan Pay fixed 3.85% Receive floating LIBOR 3 month, Call, 3.85, 24/05/2045	USD	22,630,000	688	0.02
Interest Rate Swap Goldman Sachs Pay fixed 3.85% Receive floating LIBOR 3 month, Call, 3.85, 21/06/2045	USD	11,000,000	335	0.01
Interest Rate Swap HSBC Pay fixed 3.85% Receive floating LIBOR 3 month, Call, 3.85, 16/08/2045	USD	12,100,000	377	0.01
Interest Rate Swap Goldman Sachs Pay fixed 3.85% Receive floating LIBOR 3 month, Call, 3.85, 23/10/2045	USD	23,000,000	702	0.02
Interest Rate Swap J.P. Morgan Pay fixed 3.85% Receive floating LIBOR 3 month, Call, 3.85, 23/10/2045	USD	20,000,000	610	0.02

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Swaptions 1.75% (1.25%) (continued)				
Interest Rate Swap J.P. Morgan Pay fixed 3.85% Receive floating LIBOR 3 month, Call, 3.85, 30/10/2045	USD	21,000,000	641	0.02
Interest Rate Swap Goldman Sachs Pay fixed 3.85% Receive floating LIBOR 3 month, Call, 3.85, 12/12/2045	USD	20,000,000	611	0.02
Interest Rate Swap Barclays Pay fixed 3.85% Receive floating LIBOR 3 month, Call, 3.85, 17/12/2045	USD	27,400,000	837	0.03
Interest Rate Swap Barclays Pay fixed 3.85% Receive floating LIBOR 3 month, Call, 3.85, 12/02/2046	USD	16,000,000	489	0.02
Interest Rate Swap Goldman Sachs Pay fixed 3.85% Receive floating LIBOR 3 month, Call, 3.85, 28/02/2046	USD	8,000,000	245	0.01
Interest Rate Swap Nomura Pay fixed 3.85% Receive floating LIBOR 3 month, Call, 3.85, 09/04/2046	USD	38,000,000	1,606	0.06
Interest Rate Swap Morgan Stanley Pay fixed 3.85% Receive floating LIBOR 3 month, Call, 3.85, 17/04/2046	USD	84,000,000	3,528	0.12
Interest Rate Swap Morgan Stanley Pay fixed 3.85% Receive floating LIBOR 3 month, Call, 3.85, 22/04/2046	USD	28,000,000	1,172	0.04
Interest Rate Swap Morgan Stanley Pay fixed 3.85% Receive floating LIBOR 3 month, Call, 3.85, 08/05/2046	USD	29,000,000	1,226	0.04
Interest Rate Swap Nomura Pay fixed 3.85% Receive floating LIBOR 3 month, Call, 3.85, 14/05/2046	USD	5,000,000	210	0.01
Interest Rate Swap Goldman Sachs Pay fixed 3.85% Receive floating LIBOR 3 month, Call, 3.85, 20/08/2046	USD	80,800,000	3,348	0.12
Interest Rate Swap BNP Paribas Pay fixed 3.85% Receive floating LIBOR 3 month, Call, 3.85, 25/09/2046	USD	93,000,000	3,816	0.13
Interest Rate Swap Barclays Pay fixed 3.85% Receive floating LIBOR 3 month, Call, 3.85, 03/10/2046	USD	14,000,000	592	0.02
Interest Rate Swap Morgan Stanley Pay fixed 3.85% Receive floating LIBOR 6 month, Call, 3.85, 27/03/2045	USD	1,500,000	50	0.00
Interest Rate Swap J.P. Morgan Pay floating LIBOR 3 month Receive fixed 1.00%, Put, 1, 26/02/2046	USD	60,000,000	2,253	0.08
Interest Rate Swap Nomura Pay floating LIBOR 3 month Receive fixed 1.00%, Put, 1, 09/04/2046	USD	35,000,000	1,717	0.06
Interest Rate Swap Morgan Stanley Pay floating LIBOR 3 month Receive fixed 1.00%, Put, 1, 17/04/2046	USD	73,000,000	3,555	0.12
Interest Rate Swap Morgan Stanley Pay floating LIBOR 3 month Receive fixed 1.00%, Put, 1, 22/04/2046	USD	24,500,000	1,192	0.04
Interest Rate Swap Morgan Stanley Pay floating LIBOR 3 month Receive fixed 1.00%, Put, 1, 08/05/2046	USD	25,000,000	1,215	0.04
Interest Rate Swap Nomura Pay floating LIBOR 3 month Receive fixed 1.00%, Put, 1, 14/05/2046	USD	5,000,000	245	0.01
Interest Rate Swap Goldman Sachs Pay floating LIBOR 3 month Receive fixed 1.00%, Put, 1, 20/08/2046	USD	70,000,000	3,822	0.13
Interest Rate Swap BNP Paribas Pay floating LIBOR 3 month Receive fixed 1.00%, Put, 1, 25/09/2046	USD	22,000,000	1,156	0.04
Interest Rate Swap Barclays Pay floating LIBOR 3 month Receive fixed 1.00%, Put, 1, 03/10/2046	USD	11,000,000	545	0.02
Swaptions total			50,479	1.75
Options 3.00% (1.79%)				
Equity Option Index, Call, 20,000, 11/12/2020	JPY (10,740,000,000)		(5,096)	(0.18)
Equity Option Index, Call, 20,000, 11/12/2020	JPY (11,140,000,000)		(5,285)	(0.18)
EURO STOXX 50 Index, Call, 3,800, 20/12/2019	EUR 30,732		26,036	0.90
EURO STOXX 50 Index, Call, 3,800, 20/12/2019	EUR 36,100,000		805	0.03
Foreign Exchange, Call, 3.88, 25/09/2018	USD 30,000,000		983	0.03
Foreign Exchange, Call, 97.19, 15/04/2021	USD 13,500,000		884	0.03
Foreign Exchange, Call, 90.76, 23/09/2021	USD 21,000,000		1,896	0.07
Foreign Exchange USD/CNH, Call, 7.04, 13/10/2017	USD 918,950,000		14,559	0.50
Foreign Exchange USD/CNH, Call, 7.59, 13/10/2017	USD (918,950,000)		(5,028)	(0.17)
Foreign Exchange USD/JPY, Call, 108, 30/09/2020	USD 8,000,000		289	0.01
Foreign Exchange USD/JPY, Call, 108.18, 02/10/2020	USD 122,500,000		4,378	0.15
Foreign Exchange USD/JPY, Call, 108.1, 20/10/2020	USD 10,000,000		360	0.01
Foreign Exchange USD/JPY, Call, 108.9, 26/10/2020	USD 10,500,000		363	0.01
Foreign Exchange USD/JPY, Call, 107.65, 10/12/2020	USD 10,000,000		373	0.01
Foreign Exchange USD/JPY, Call, 107.56, 11/12/2020	USD 13,500,000		506	0.02
Foreign Exchange USD/JPY, Call, 105.17, 03/02/2021	USD 5,000,000		214	0.01
Foreign Exchange USD/JPY, Call, 104.15, 09/02/2021	USD 6,000,000		271	0.01
Foreign Exchange USD/JPY, Call, 100.4, 12/03/2021	USD 11,000,000		608	0.02
Foreign Exchange USD/JPY, Call, 99.2, 22/03/2021	USD 15,100,000		889	0.03
Foreign Exchange USD/JPY, Call, 97.85, 13/04/2021	USD 42,400,000		2,683	0.09
Foreign Exchange USD/JPY, Call, 99.15, 29/04/2021	USD 12,000,000		708	0.02
Foreign Exchange USD/JPY, Call, 95.9, 06/05/2021	USD 4,000,000		280	0.01

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Options 3.00% (1.79%) (continued)				
Foreign Exchange USD/JPY, Call, 97.55, 26/05/2021	USD	17,000,000	1,092	0.04
Foreign Exchange USD/JPY, Call, 91.4, 13/08/2021	USD	24,000,000	2,106	0.07
Foreign Exchange USD/JPY, Call, 93.2, 03/09/2021	USD	22,000,000	1,759	0.06
Foreign Exchange USD/SAR, Call, 3.85, 15/11/2017	USD	150,000,000	1,963	0.07
Foreign Exchange USD/SAR, Call, 3.9, 13/12/2017	USD	13,500,000	187	0.01
Foreign Exchange USD/SAR, Call, 3.9, 13/12/2017	USD	11,000,000	152	0.01
Foreign Exchange USD/SAR, Call, 3.925, 06/02/2018	USD	5,000,000	83	0.00
Foreign Exchange USD/SAR, Call, 3.903, 07/02/2018	USD	6,000,000	103	0.00
Foreign Exchange USD/SAR, Call, 3.85, 14/03/2018	USD	11,000,000	229	0.01
Foreign Exchange USD/SAR, Call, 3.865, 21/03/2018	USD	15,100,000	315	0.01
Foreign Exchange USD/SAR, Call, 3.846, 12/04/2018	USD	42,400,000	976	0.03
Foreign Exchange USD/SAR, Call, 3.845, 17/04/2018	USD	13,500,000	315	0.01
Foreign Exchange USD/SAR, Call, 3.837, 30/04/2018	USD	11,000,000	270	0.01
Foreign Exchange USD/SAR, Call, 3.825, 07/05/2018	USD	4,000,000	102	0.00
Foreign Exchange USD/SAR, Call, 3.885, 29/05/2018	USD	15,000,000	373	0.01
Foreign Exchange USD/SAR, Call, 3.878, 18/07/2018	USD	20,000,000	570	0.02
Foreign Exchange USD/SAR, Call, 3.894, 23/08/2018	USD	20,000,000	605	0.02
KOSPI 200 Index, Put, 250, 09/03/2017	USD	17,083,000	4,193	0.15
Nikkei 225 Index, Call, 20,000, 11/12/2020	JPY	2,949	29,201	1.01
Nikkei 225 Index, Call, 20,000, 11/12/2020	JPY	(7,140,000,000)	(3,388)	(0.12)
SPDR Gold Trust, Call, 144, 16/06/2017	USD	22,200	2,002	0.07
SPDR Gold Trust, Call, 140, 16/06/2017	USD	2,060	242	0.01
SPDR Gold Trust, Call, 142, 16/06/2017	USD	1,500	154	0.01
SPDR Gold Trust, Call, 169, 16/06/2017	USD	(1,500)	(35)	0.00
SPDR Gold Trust, Call, 168, 16/06/2017	USD	(2,060)	(51)	0.00
SPDR Gold Trust, Call, 172, 16/06/2017	USD	(22,200)	(446)	(0.01)
SPDR Gold Trust, Call, 142, 15/09/2017	USD	13,600	2,297	0.08
SPDR Gold Trust, Call, 141, 15/09/2017	USD	3,000	534	0.02
SPDR Gold Trust, Call, 168, 15/09/2017	USD	(3,000)	(157)	0.00
SPDR Gold Trust, Call, 166, 15/09/2017	USD	(13,600)	(775)	(0.03)
Options total			86,647	3.00
Forward Currency Contracts (4.49)% ((0.40)%)				
Buy GBP 147,000,000 sell CAD 240,893,604 dated 21/12/2016			(3,094)	(0.11)
Buy GBP 5,869,232 sell CHF 7,408,319 dated 02/11/2016			(279)	(0.01)
Buy GBP 26,920,369 sell EUR 31,237,193 dated 02/11/2016			(1,273)	(0.04)
Buy GBP 91,711,903 sell EUR 104,963,792 dated 21/12/2016			(3,146)	(0.11)
Buy GBP 23,983,531 sell JPY 3,240,000,000 dated 21/12/2016			(1,511)	(0.05)
Buy GBP 147,926,068 sell MXN 3,715,120,000 dated 21/12/2016			(11,464)	(0.40)
Buy GBP 163,192,616 sell PLN 830,700,000 dated 21/12/2016			(10,497)	(0.36)
Buy GBP 4,465,169 sell SEK 49,797,519 dated 02/11/2016			(167)	(0.01)
Buy GBP 330,135,906 sell USD 428,741,000 dated 31/10/2016			(21,321)	(0.74)
Buy GBP 77,913,715 sell USD 101,340,422 dated 02/11/2016			(5,156)	(0.18)
Buy GBP 920,819,819 sell USD 1,212,837,039 dated 21/12/2016			(72,530)	(2.51)
Buy GBP 184,552,148 sell ZAR 3,547,000,000 dated 21/12/2016			(17,663)	(0.61)
Buy JPY 524,808,813 sell GBP 4,121,093 dated 20/12/2016			8	0.00
Buy JPY 841,805,650 sell GBP 6,640,165 dated 20/12/2016			(17)	0.00
Buy JPY 13,280,436,650 sell USD 130,000,000 dated 21/12/2016			(1,974)	(0.07)
Buy MXN 450,000,000 sell CAD 30,064,409 dated 21/12/2016			574	0.02
Buy MXN 3,200,000,000 sell CAD 223,126,395 dated 21/12/2016			(1,734)	(0.06)
Buy MXN 3,715,120,000 sell GBP 153,944,068 dated 21/12/2016			5,446	0.19
Buy USD 12,000,000 sell AUD 15,725,972 dated 21/12/2016			22	0.00
Buy USD 117,638,000 sell AUD 157,718,116 dated 21/12/2016			(2,000)	(0.07)
Buy USD 8,027,950 sell GBP 6,177,124 dated 31/10/2016			404	0.01
Buy USD 405,590,217 sell GBP 317,801,937 dated 21/12/2016			14,389	0.50
Buy USD 25,070,125 sell GBP 20,624,627 dated 21/12/2016			(91)	0.00
Buy USD 28,000,000 sell JPY 2,836,526,000 dated 21/12/2016			613	0.02
Buy USD 129,700,000 sell NZD 178,370,355 dated 21/12/2016			2,847	0.10
Forward Currency Contracts total			(129,614)	(4.49)

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Futures 0.32% ((0.48)%)				
EURO STOXX 50 Index 16/12/2016	EUR	2228	1,128	0.04
EURO-Bund 08/12/2016	EUR	(3511)	3,699	0.13
FTSE 100 Index 16/12/2016	GBP	2050	(1,307)	(0.05)
NIKKEI 225 Index 08/12/2016	JPY	(486)	(1,655)	(0.06)
Russell UK Mid 150 index 16/12/2016	GBP	(4290)	314	0.01
TOPIX Banks Index 08/12/2016	JPY	5053	(1,861)	(0.06)
US 10 Year Ultra Bond 20/12/2016	USD	(4155)	9,046	0.31
Futures total			9,364	0.32
Investment assets			2,587,632	89.66
Net other assets			298,299	10.34
Net assets			2,885,931	100.00

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

The comparative percentage figures in brackets are as at 15 October 2015.

^Unlisted, suspended or delisted security.

STATEMENT OF TOTAL RETURN

For the year ended 15 October 2016

	Notes	£000	Year ended 15.10.16 £000	£000	Restated* Year ended 15.10.15 £000
Income					
Net capital (losses)/gains	2		(21,538)		11,841
Revenue	3	31,174		2,763	
Expenses	4	(8,092)		(1,329)	
Net revenue before taxation		23,082		1,434	
Taxation	5	(5,307)		(268)	
Net revenue after taxation			17,775		1,166
Total return before distributions			(3,763)		13,007
Distributions	6		(17,773)		(1,257)
Change in net assets attributable to shareholders from investment activities			(21,536)		11,750

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 15 October 2016

	£000	Year ended 15.10.16 £000	£000	Year ended 15.10.15 £000
Opening net assets attributable to shareholders		823,322		116,778
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	2,100,341		723,954	
Amounts payable on cancellation of shares	(38,646)		(32,276)	
		2,061,695		691,678
Dilution levy		682		73
Change in net assets attributable to shareholders from investment activities (see above)		(21,536)		11,750
Retained distribution on accumulation shares		21,768		3,043
Closing net assets attributable to shareholders		2,885,931		823,322

* Refer to the accounting policies note on page 357.

BALANCE SHEET

As at 15 October 2016

	Notes	As at 15.10.16 £000	As at 15.10.15 £000
Assets:			
Investments	7	2,786,351	780,351
Current assets:			
Debtors	8	63,145	7,674
Cash and bank balances	9	300,905	67,932
Total assets		3,150,401	855,957
Liabilities:			
Investment liabilities		(198,719)	(32,025)
Creditors:			
Bank overdrafts		(675)	–
Other creditors	10	(65,076)	(610)
Total liabilities		(264,470)	(32,635)
Net assets attributable to shareholders		2,885,931	823,322

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting basis and policies

Please see pages 7 and 8 for accounting basis and policies.

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

Statement of Total Return

Interest payable of £2,000 is now disclosed within 'Expenses', whereas under SORP 2010 they were disclosed within 'Finance costs'.

2 Net capital (losses)/gains

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Net capital (losses)/gains on investments during the year comprise:		
Currency gains	2,468	337
Derivative contracts (losses)/gains	(15,908)	7,092
Expenses relating to the purchase and sale of investments	(42)	(2)
Forward currency contracts (losses)/gains	(252,624)	6,608
Non-derivative securities gains/(losses)	244,568	(2,194)
Net capital (losses)/gains	(21,538)	11,841

3 Revenue

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Bank and deposit interest	344	99
Interest on debt securities	26,639	3,381
Interest on derivatives	(251)	(835)
Overseas dividends	3,358	103
Revenue from offshore funds	–	15
Stock dividends	859	–
UK dividends	225	–
Total revenue	31,174	2,763

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 Expenses

	Year ended 15.10.16 £000	Restated* Year ended 15.10.15 £000
Payable to the Authorised Corporate Director ("ACD"), associates of the ACD or agents of either of them:		
ACD's periodic charge	6,920	1,105
Registration fees	488	97
	7,408	1,202
Payable to the Depositary, associates of the Depositary or agents of either of them:		
Depositary's fee	290	117
Interest payable	279	2
Safe custody fee	186	15
	755	134
Other expenses:		
Audit fee**	13	13
Broker fees	–	1
Printing & postage expenses	20	5
Statement fees	58	5
	91	24
Total expenses	8,254	1,360
Less those expenses rebated by the ACD	(162)	(31)
Net expenses	8,092	1,329

* Refer to the accounting policies note on page 357.

** The audit fee was £17,000 (2015: £10,816) net of VAT.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Taxation**a Analysis of tax charge**

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Corporation tax	4,032	263
Overseas tax suffered	1,275	5
Total current tax (see note 5b)	5,307	268

b Factors affecting current tax charge

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

The differences are explained below:

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
Net revenue before taxation	23,082	1,434
Corporation tax at 20%	4,616	287
Effects of:		
Overseas dividends not subject to corporation tax	(539)	(24)
Overseas tax suffered	1,275	5
UK dividends not subject to corporation tax	(45)	–
	691	(19)
Current tax charge (see note 5.a)	5,307	268

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 year end (2015: £nil).

After claiming relief against accrued income taxable on receipt, the Fund has unrelieved excess expenses of £nil (2015: £nil) creating a potential deferred tax asset of £nil (2015: £nil). 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.

6 Distributions

	Year ended 15.10.16 £000	Year ended 15.10.15 £000
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:		
Final distribution	21,768	3,043
	21,768	3,043
Add: Revenue deducted on cancellation of shares	84	23
Deduct: Revenue received on issue of shares	(4,079)	(1,809)
Total distributions	17,773	1,257
Reconciliations of distributions for the year to net revenue after taxation		
Distributions for the year	17,773	1,257
Movement in revenue account	2	–
Equalisation on conversions	–	(12)
Revenue deficit transferred to capital	–	(79)
Net revenue after taxation	17,775	1,166

Details of the distributions per share are set out in the distribution tables on page 365.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 Fair value hierarchy

Valuation technique	Assets at 15.10.16 £000	Liabilities at 15.10.16 £000	Assets at 15.10.15 £000	Liabilities at 15.10.15 £000
Quoted prices for identical instruments in active markets	450,386	(4,980)	39,170	(4,889)
Valuation techniques using observable market data	1,390,538	(174,942)	98,014	(20,488)
Valuation techniques using non-observable market data	945,427	(18,797)	643,167	(6,648)
Total value	2,786,351	(198,719)	780,351	(32,025)

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 to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

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

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

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

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

8 Debtors

	As at 15.10.16 £000	As at 15.10.15 £000
Accrued revenue	15,165	910
Amounts receivable on issue of shares	6,055	6,764
Overseas tax recoverable	2	–
Sales awaiting settlement	41,887	–
Accrued Management fee rebates	36	–
Total debtors	63,145	7,674

9 Cash and bank balances

	As at 15.10.16 £000	As at 15.10.15 £000
Amounts held at futures clearing house and brokers	24,782	30,570
Cash and bank balances	276,123	37,362
Total cash and bank balances	300,905	67,932

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10 Other creditors

	As at 15.10.16 £000	As at 15.10.15 £000
Accrued expenses	1,779	347
Amounts payable for cancellation of shares	364	–
Corporation tax payable	4,032	263
Purchases awaiting settlement	58,901	–
Total creditors	65,076	610

11 Contingent liabilities and commitments

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

12 Related party transactions

ACD periodic charges paid to Aviva Investors UK Fund Services Limited ("the ACD") are shown in note 4 and details of shares issued and cancelled by the ACD are shown in the statement of change in net assets attributable to shareholders. The balance due to the ACD at the year end in respect of ACD periodic charges was £1,533,000 (2015: £273,000). Any balance due from the ACD in respect of issues is shown in note 8. Any balance due to the ACD in respect of cancellations is shown in note 10.

Distributions payable to the ACD and related parties of the ACD during the year amounted to £17,406,000 (2015: £3,043,000). The amount outstanding at the year end was £17,406,000 (2015: £3,043,000). Related parties of the ACD are deemed to be all companies under the control of Aviva Plc. This will include companies which hold shares in the Fund on behalf of other external investors.

Any 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 £802,000 (2015: £8,008,000) and £8,805,000 (2015: £1,147,000) respectively. The income received during the year amounted to £nil (2015: £15,000).

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

	Holdings at 15.10.16 (shares)	Movement (shares)	Holdings at 15.10.15 (shares)
ACD and related parties (share class SC 2 shares)	43,838,129	19,898,358	23,939,771
ACD and related parties (share class SC 3 shares)	847,676,075	279,952,263	567,723,812
ACD and related parties (share class SC 5 shares)	50,528,054	38,753,405	11,774,649
ACD and related parties (share class SC 8 shares)	926,964,695	926,964,695	–

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

13 Shareholder funds

The Fund currently has five share classes: Class 6 (Retail), Classes 2 and 5 (Institutional) and Classes 3 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 of the share class, the net asset value per share and the number of shares in the class are shown on pages 339 and 340. The distributions per share are given in the distribution tables on page 365. All the share classes have the same rights on winding up.

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

14 Shares in issue reconciliation

	Number of shares in issue at 15.10.15	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 15.10.16
Share Class 2 Accumulation	155,745,487	681,982,574	(15,182,615)	–	822,545,446
Share Class 3 Accumulation	567,723,812	290,325,089	(10,372,826)	–	847,676,075
Share Class 5 Accumulation	30,063,180	40,330,870	(1,381,577)	(17,663,729)	51,348,744
Share Class 6 Accumulation	1,738,593	1,096,034	(497,531)	–	2,337,096
Share Class 8 Accumulation	38,894	917,987,446	(8,587,331)	17,534,843	926,973,852

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 Derivatives and other financial instruments

The policies applied in the management of financial instruments are set out on pages 8 and 9.

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 (2015: £nil).

Value at risk

The Fund enters into derivative transactions in the form of options, swaps, futures contracts and forward currency contracts 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 15 October 2016 was as follows:

	15.10.16 %	15.10.15 %
As at 15 October, the company's value at risk is		
During the financial year, the highest utilisation of value at risk was	(1.30)	(1.24)
During the financial year, the average utilisation of value at risk was	(2.07)	(2.29)
During the financial year, the lowest utilisation of value at risk was	(2.94)	(3.45)

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 15 October 2016 the average leverage was 575% (2015: 518%).

Market price risk

At the year end date, 89.66% (2015: 90.89%) of the net assets of the Fund were invested in ordinary shares or stock units or debt securities admitted to an official stock exchange. If the market value were to change by 10%, the value of the Fund would change by 8.96%.

16 Counterparty Exposure

Financial derivative exposure

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

15.10.16	Options £000	Swaps £000	Futures contracts £000	Forward currency contracts £000	Total £000
Barclays	–	3,287	–	(465)	2,822
BNP Paribas	26,258	7,469	–	2,251	35,978
Citigroup Global Markets	1,359	4,910	–	(17,825)	(11,556)
Goldman Sachs	–	23,961	–	(43,535)	(19,574)
HSBC	–	829	–	–	829
JPMorgan	4,755	13,691	12,745	(11,980)	19,211
Merrill Lynch	–	2,104	–	(2,121)	(17)
Morgan Stanley	–	15,519	–	(2,386)	13,133
Nomura International	9,527	3,778	–	956	14,261
Royal Bank of Canada	–	–	–	(209)	(209)
Royal Bank of Scotland	–	2,186	–	1,481	3,667
Société Générale	2,911	14,017	–	(35,626)	(18,698)
Standard Chartered Bank	1,632	–	–	(18,582)	(16,950)
UBS	60,466	32	1,442	(1,573)	60,367
Total	106,908	91,783	14,187	(129,614)	83,264

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16 Counterparty Exposure (continued)

	Options £000	Swaps £000	Futures contracts £000	Forward currency contracts £000	Total £000
15.10.15					
BNP Paribas	3,824	403	–	(1,540)	2,687
Citibank	–	6,271	–	(1,031)	5,240
Deutsche Bank	–	385	–	–	385
Goldman Sachs	1,131	5,117	–	63	6,311
HSBC	–	992	–	(1)	991
JPMorgan	204	4,856	774	93	5,927
Merrill Lynch	–	534	–	–	534
Morgan Stanley	–	5,469	–	–	5,469
Nomura	7,533	–	–	(817)	6,716
Société Générale	137	8,735	–	(91)	8,781
Standard Chartered Bank	52	–	–	–	52
UBS	8,559	246	3,451	–	12,256
Total	21,440	33,008	4,225	(3,324)	55,349

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

Collateral

There is £7,510,000 (2015: £48,161,000) of collateral held on the above derivatives in the form of cash.

17 Debt security credit analysis

	Market value £000		Total net assets %	
	15.10.16	15.10.15	15.10.16	15.10.15
Investment grade	846,927	–	29.35%	–
Below investment grade	467,475	–	16.20%	–
Unrated	13,124	–	0.46%	–
Total debt securities	1,327,526	–	46.01%	–

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18 Direct transaction costs

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

	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
15.10.16						
Purchases (excluding in-specie transfers and corporate actions)						
Equities	(626,368)	(269)	(424)	(627,061)	(0.05)%	0.08%
Bonds	(5,067,344)	–	–	(5,067,344)	0.00%	0.00%
Funds	(802)	–	–	(802)	0.00%	0.00%
	<u>(5,694,514)</u>	<u>(269)</u>	<u>(424)</u>	<u>(5,695,207)</u>		
Sales (excluding in-specie transfers and corporate actions)						
Equities	324,178	(66)	(10)	274,102	0.03%	0.00%
Bonds	3,780,371	–	–	3,830,371	0.00%	0.00%
Funds	8,008	–	–	8,008	0.00%	0.00%
	<u>4,112,557</u>	<u>(66)</u>	<u>(10)</u>	<u>4,112,481</u>		
Derivative purchases and sales		<u>(127)</u>	<u>–</u>			
Total		<u>(462)</u>	<u>(434)</u>			
Percentage of Fund average net assets		<u>0.03%</u>	<u>0.03%</u>			

	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
15.10.15						
Purchases (excluding in-specie transfers and corporate actions)						
Equities	(45,019)	(7)	–	(45,026)	(0.03)%	0.00%
Bonds	(1,644,317)	–	–	(1,644,317)	0.00%	0.00%
Funds	(8,008)	–	–	(8,008)	0.00%	0.00%
	<u>(1,697,344)</u>	<u>(7)</u>	<u>–</u>	<u>(1,697,351)</u>		
Sales (excluding in-specie transfers and corporate actions)						
Bonds	1,046,582	–	–	1,046,582	0.00%	0.00%
Funds	1,152	–	–	1,152	0.00%	0.00%
	<u>1,047,734</u>	<u>–</u>	<u>–</u>	<u>1,047,734</u>		
Derivative purchases and sales		<u>(178)</u>	<u>–</u>			
Total		<u>(185)</u>	<u>–</u>			
Percentage of Fund average net assets		<u>0.04%</u>	<u>0.00%</u>			

Dealing spread

As at 15 October 2016, the average portfolio dealing spread was 0.31% (2015: 0.80%). 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.

18 Post balance sheet events

There are no post balance sheet events which require adjustment or disclosure at the year end (2015: £nil).

DISTRIBUTION TABLE

Final distribution payable in pence per share for the year ended 15 October 2016

Income shares		Net revenue	Equalisation	Final distribution payable 15 December 2016	Final distribution paid 15 December 2015
Share Class 2	Group 1	0.5586	–	0.5586	0.0000
	Group 2	0.3947	0.1639	0.5586	0.0000
Share Class 3	Group 1	1.1463	–	1.1463	0.5360
	Group 2	0.9540	0.1923	1.1463	0.5360
Share Class 5	Group 1	0.5785	–	0.5785	0.0000
	Group 2	0.4779	0.1006	0.5785	0.0000
Share Class 6	Group 1	0.3360	–	0.3360	0.0000
	Group 2	0.3170	0.0190	0.3360	0.0000
Share Class 8	Group 1	0.7715	–	0.7715	0.5243
	Group 2	0.5119	0.2596	0.7715	0.5243

Final distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 October 2015.

Group 2 shares are those shares purchased after 12:00 noon on 15 October 2015.

Equalisation

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

STATEMENT OF THE AUTHORISED CORPORATE DIRECTOR'S RESPONSIBILITIES

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

In preparing the financial statements the ACD is required to:

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

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

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

AUTHORISED CORPORATE DIRECTOR'S STATEMENT

We hereby approve the Report and Financial Statements of Aviva Investors Investment Funds ICVC for the year ended 15 October 2016 on behalf of Aviva Investors UK Fund Services Limited in accordance with the requirements of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority.

I Buckle
Director

S Ebenston
Director
9 February 2017

STATEMENT OF THE DEPOSITARY'S RESPONSIBILITIES

The Depositary is responsible for the safe keeping of all 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 income 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 income in accordance with the COLL Sourcebook, as appropriate, and, where applicable, the OEIC Regulations and the Company's Instrument of Incorporation and Prospectus; and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

Citibank Europe plc, UK Branch
London
9 February 2017

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AVIVA INVESTORS INVESTMENT FUNDS ICVC

REPORT ON THE FINANCIAL STATEMENTS

OUR OPINION

In our opinion, Aviva Investors Investment Funds financial statements (the "financial statements of the Company"):

- give a true and fair view of the financial position of the Company and each of the Funds as at 15 October 2016 and of the net revenue and the net capital gains of the scheme property of the Company and each of the Funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Instrument of Incorporation.

WHAT WE HAVE AUDITED

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

- the balance sheet as at 15 October 2016
- the statement of total return for the year then ended;
- the statement of change in net assets attributable to shareholders for the year then ended;
- the accounting policies and notes applicable to the financial statements of all Funds and notes to the financial statements of individual Funds, which include other explanatory information; and
- the distribution table

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

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

OPINIONS ON MATTERS PRESCRIBED BY THE COLLECTIVE INVESTMENT SCHEMES SOURCEBOOK

In our opinion:

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

OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

PROPRIETY OF ACCOUNTING RECORDS AND INFORMATION AND EXPLANATIONS RECEIVED

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

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

We have no exceptions to report arising from this responsibility.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

OUR RESPONSIBILITIES AND THOSE OF THE AUTHORISED CORPORATE DIRECTOR

As explained more fully in the Statement of Authorised Corporate Director's Responsibilities set out on page 366, the Authorised Corporate Director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

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

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

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

WHAT AN AUDIT OF FINANCIAL STATEMENTS INVOLVES

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

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

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

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

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

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
9 February 2017

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

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

SECURITIES FINANCING TRANSACTIONS (UNAUDITED)

As defined in Article 3 of Regulation (EU) 2015/2365, securities financing transactions include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions and margin lending transactions. The only fund impacted by this new regulation is the Aviva Investors Multi-Strategy Target Return Fund. Whilst the fund does not engage in such SFT's, it does engage in Total Return Swaps ("TRS") therefore, in accordance with Article 13 of the Regulation, the funds involvement in and exposures related to TRS for the accounting period ended 15 October 2016 are detailed below.

Amount of assets engaged in TRS

The following table represents the fair value of assets engaged in TRS as at the balance sheet date:

	Value £000	% of AUM
TRS	6,083	0.21%

Ten largest collateral issuers

All collateral received or pledged in relation to TRS positions is in the form of cash. As a result of this there is no requirement to list the top 10 non-cash collateral issuers.

Counterparties

The following table provides details of the top ten counterparties, their country of incorporation and the gross volume of outstanding transactions (underlying exposure per counterparty, on a gross absolute basis), in respect of TRS, as at the balance sheet date.

Counterparty	Country of incorporation	Value £000
J.P. Morgan Securities PLC	UK	59,490
Société Générale	UK	57,114

Type, quality of maturity tenor of collateral

All collateral received (GBP'000: 13,052) and provided (GBP'000: 34,722) by the fund in respect of OTC derivatives (including TRS) with the counterparties noted (J.P. Morgan Securities Plc and Société Générale) as at the balance sheet date is in the form of cash and has therefore a maturity tenor of less than one day.

Currency of collateral

The following tables provide an analysis of the currency profile of collateral received and provided in respect of OTC derivatives (including TRS) with the counterparties noted (J.P. Morgan Securities Plc and Société Générale) as at the balance sheet date.

Collateral Received		Collateral Provided	
Currency	Value £000	Currency	Value £000
EUR	–	EUR	20,864
GBP	–	GBP	11,270
USD	13,052	USD	2,588
	13,052		34,722

Maturity tenor of TRS

The following table provides an analysis of the maturity tenor of open TRS positions as at the balance sheet date.

Maturity	Value £000
3 to 12 months	6,083
	6,083

The above maturity tenor analysis has been based on the contractual maturity date of the relevant TRS.

SECURITIES FINANCING TRANSACTIONS (UNAUDITED) (CONTINUED)

Settlement and clearing

OTC derivative transactions are entered into by the fund under an International Swaps and Derivatives Association, Inc. Master Agreement ("ISDA Master Agreement") or similar agreement. An ISDA Master Agreement is a bilateral agreement between the fund/s and a counterparty that governs OTC derivative transactions (including TRS) entered into by the parties. All OTC derivative transactions entered under an ISDA Master agreement are netted together for collateral purposes, therefore any collateral disclosures provided in this report are in respect of all OTC derivative transactions entered into by the fund with the applicable TRS counterparties under the ISDA Master agreement, not just TRS.

Share of collateral received that is reused and reinvestment return

As at the balance sheet date, all cash collateral received in respect of OTC derivative transactions (including TRS) with the counterparties noted (J.P. Morgan Securities Plc and Société Générale) was re-invested in other instruments in accordance with prospectus provisions. Returns generated by the fund from the reinvestment of cash collateral, net of any interest payable to the relevant counterparty, for the year ended 15 October 2016 is included in Note 2 to the financial statements.

Safekeeping of collateral

All collateral received and provided by the fund in respect of OTC derivative transactions (including TRS) as at the reporting date is cash, held by Citibank N.A.

Return and cost

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

GENERAL INFORMATION

Investments in Aviva Investors Investment 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 on the internet at www.avivainvestors.com or 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 Manager and should not be relied upon as indicating any guarantee of return from investment in the funds.

The performance figure given for each fund (source: Aviva Investors) is based on midday values (with the exception of Aviva Investors UK Index Tracking Fund which is based on 5 p.m values and Aviva Investors Multi-Strategy Target Return Fund which is based on 11:59 p.m values). The performance figure given for each comparative index (source: Lipper) is based on close of business values. Hence any over/under performance may be adversely or favourably affected by this time difference.

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

