

# AVIVA INVESTORS MANAGER OF MANAGER ICVC (ICVC2)

## Interim Report and Financial Statements

For the six months ended 31 January 2016 (unaudited)



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

## COMPANY INFORMATION

### AUTHORISED CORPORATE DIRECTOR

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

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

### DIRECTORS

I K Buckle  
E E Potter (resigned 19 October 2015)  
J Misselbrook  
D Dahan  
S Ebenston  
C Abrahams (resigned 31 December 2015)  
A Brown (appointed 2 February 2016)

### ADMINISTRATOR AND REGISTRAR

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

### INVESTMENT MANAGER

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

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

### DEPOSITARY

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

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

### INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP  
7 More London Riverside  
London, SE1 2RT

## REPORT OF THE AUTHORISED CORPORATE DIRECTOR

### THE COMPANY

Aviva Investors Manager of Manager ICVC (ICVC 2) (“the Company”) is an Open-Ended Investment Company (OEIC) with variable capital incorporated in England and Wales since 23 October 2001. The property of the Company is entrusted to J.P. Morgan Europe Limited (“the Depositary”). The shareholders are not liable for any debts of the Company.

The object of the Company is to invest the scheme property in transferable securities, money market instruments, derivative instruments and forward transactions, deposits and units of collective investment schemes 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 and currently has 15 sub-funds, each with a different investment objective. In the financial statements you will find an investment review for each sub-fund which includes details of the investment objectives.

### AUTHORISED STATUS

From 23 October 2001 the Company was authorised as an Open-Ended Investment Company under Regulation 7 of the Open-Ended Investment Companies Regulations 1996 (superseded by Regulation 12 of the Open-Ended Investment Companies Regulations 2001).

The Company is authorised to operate as a “UCITS Scheme” for the purposes of the COLL sourcebook and as an “umbrella” company for the purposes of the OEIC Regulations, which means that the Company issues shares linked to different sub-funds.

### SIGNIFICANT INFORMATION

On 3 March 2016, the investors in the Aviva Investors UK Equity MoM 5 Fund switched their holdings into the Aviva Investors UK Equity MoM 1 Fund, Aviva Investors UK Equity MoM 2 Fund and Aviva Investors UK Equity MoM 3 Fund resulting in the disposal of all the investments in the Fund. The Fund will be formally closed in due course.

#### **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.

#### **Change to Aviva Investors Sterling Credit MoM 1 Fund investment policy**

The ACD has amended the investment policy of this Fund to relax the requirement that at least 50% of the Fund should be invested in Sterling denominated fixed interest securities, whilst still maintaining the constraint that Sterling exposure will continue to be managed within a range of 98% to 102%.

#### **Investment Policy clarification for Aviva Investors UK Gilts MoM 1 Fund; Aviva Investors UK Credit MoM 1 Fund; Aviva Investors Sterling Credit MoM 1 Fund; and Aviva Investors Global Agg MoM 1 Fund**

The ACD has clarified the investment policy of these Funds by removing the sentence “Investment grade credit is that which has been assigned a credit rating of BBB or higher by Standard & Poor’s or an equivalent rating assigned by another recognised rating agency.” from the investment policy of each of the following Funds in the Scheme’s Prospectus: Aviva Investors UK Gilts MoM 1 Fund; Aviva Investors UK Credit MoM 1 Fund; Aviva Investors Sterling Credit MoM 1 Fund; and Aviva Investors Global Agg MoM 1 Fund.

### THE FINANCIAL STATEMENTS

We are pleased to present the interim financial statements of the Company for the six months ended 31 January 2016. The financial statements have been prepared on an aggregated basis including all sub-funds as permitted by the COLL Sourcebook. As required by the Regulations, information for each of the sub-funds has also been included in these financial statements. On the following pages we review the performance of each of those sub-funds during the period. We hope that you find our review useful and informative.

### ANNUAL GENERAL MEETINGS

The Company will not be holding Annual General Meetings.

## STATEMENT OF CROSS HOLDINGS

There are no cross holdings as at 31 January 2016.

## AVIVA INVESTORS UK OPPORTUNITIES FUND

### INVESTMENT OBJECTIVE

Long term capital appreciation.

### INVESTMENT POLICY

Selective investment primarily in UK equities based on price and prospects of above average earnings growth. There may also be limited investment in global bond markets from time to time.

### FUND MANAGER'S REPORT

#### Performance

Over the six months ended 31 January 2016 the Fund returned -5.88% after fees (share class 1), compared with a return of -7.22%\* from the Fund's benchmark, the FTSE® All-Share Index.

#### Review

Global equities fell on fears a slowdown in China and higher US interest rates could tip the global economy into recession. Signs of weaker growth in China triggered steep falls in commodity prices. This weighed heavily on the UK market, which is laden with the shares of a large number of the world's biggest commodity producers. Turning to US interest rates, the Federal Reserve raised US interest rates in late 2015. However, recent economic releases have been mixed and the Federal Reserve has hinted that future interest rate rises are likely to be pushed back.

Since the start of this year, markets have focused on the possibility a referendum on the UK's membership of the European Union could come as early as June 2016. Opinion polls suggest the vote could be close and investors and companies are struggling to understand the potential implications of an exit. This uncertainty is likely to weigh on the market for some time. On a more encouraging note, a UK interest rate rise looks off the agenda, at least for this calendar year.

We correctly surmised that the falling oil price would have a negative impact on energy stocks. Against this backdrop, the Fund's long-standing underweight position in energy helped performance. The Fund's cautious approach towards metals and mining stocks also helped as commodity prices and the shares of commodity producers tumbled. Bank stocks were under pressure as investors fretted about heightened regulation. The Fund's underweight in the sector was beneficial.

Turning to activity, we participated in the flotations of several companies. In doing so we targeted firms that are experiencing growing demand for their products or services. Examples included Sanne Group, which provides outsourced corporate and fund administration services and retirement housebuilder McCarthy & Stone. Shares in both companies have leapt since their flotations.

Other positive contributors included holdings in telecom giant BT and UK accounting software firm Sage. Both firms reported strong trading and saw their share prices advance. The biggest disappointment was the decline in Whitbread's share price. We have maintained the position as we are long-term supporters of the leisure group and recognise its two key divisions – Costa Coffee and Premier Inn Hotels – have strong long-term growth prospects.

As outlined above, the UK stock market faces several headwinds. Given this environment, we believe it is imperative to have a clear strategy. Our focus is exclusively on companies which we believe can grow strongly despite these headwinds. Examples include McCarthy & Stone, which has few direct competitors, engineering consultancy company Ricardo, as the pressure on companies to reduce their emissions continues to increase, and price comparison site Moneysupermarket which is seeing increased consumer interaction on its site. Current volatile market conditions should also allow us to add to our preferred holdings at attractive valuations.

February 2016

\* Fund performance figures – share class 1, source Lipper Hindsight, net of fees, net income reinvested in GBP. Unless otherwise indicated, all data has been sourced by Aviva Investors Global Services Limited

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

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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 to buy or sell stocks. Past performance is not a guide to future performance. The value of an investment in the Fund and any income from it may go down as well as up, and the investor may not get back the original amount invested.

### Material Portfolio Changes

Purchases	Sales
Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP	Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP
Paysafe Group plc	HSBC Holdings plc
lbstock plc	Essentra plc
McCarthy & Stone plc	Compass Group plc
Barclays plc	Tritax Big Box plc, REIT
Worldpay Group plc	BT Group plc
Zoopla Property Group plc	Land Securities Group plc, REIT
Daily Mail & General Trust plc 'A'	Restaurant Group plc (The)
DS Smith plc	GKN plc
Prudential plc	IDOX plc

### 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.

– Investment may be restricted to a limited number of holdings, industries, or Countries. The Fund share price may be more exposed to specific events and as a result may experience large daily price changes.

– 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.

## INVESTMENT PERFORMANCE

## Net Asset Value – Accumulation Shares

Share class	As at	Net asset value* £000	Shares in issue	Pence per share
Class 1	31.07.13	1,284	1,095,034	117.28
	31.07.14	1,614	1,311,746	123.08
	31.07.15	1,512	1,120,920	134.90
	31.01.16	1,120	882,834	126.88
Class 2	31.07.13	77	40,281	191.81
	31.07.14	389	191,475	202.92
	31.07.15	821	366,317	224.19
	31.01.16	1,016	479,930	211.71
Class 3	31.07.13	158,200	59,333,366	266.63
	31.07.14	167,861	59,333,366	282.91
	31.07.15	195,017	62,208,505	313.49
	31.01.16	184,434	62,208,505	296.48

\* Valued at bid market prices.

## Share Price Record – Accumulation Shares

Share class	Calendar year	Highest price* (p)	Lowest price* (p)
Class 1	2011	97.68	78.86
	2012	100.38	87.02
	2013	124.69	101.41
	2014	128.60	113.85
	2015	140.35	123.84
	2016**	131.91	122.38
Class 2	2011	157.24	127.18
	2012	163.38	141.02
	2013	204.63	165.10
	2014	212.22	188.01
	2015	232.93	204.93
	2016**	219.98	204.16
Class 3	2011	217.06	175.72
	2012	226.67	195.31
	2013	284.80	229.09
	2014	296.17	262.28
	2015	325.54	286.09
	2016**	308.01	285.89

\* Valued at mid market prices.

\*\* Up to 31 January 2016.

## Ongoing Charges Figure\*

Share class	31.01.16	31.07.15
Class 1	1.53%	1.53%
Class 2	0.73%	0.73%
Class 3	0.43%	0.43%

\* 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 period. The OCF is made up of the Annual Management Charge and other operating costs deducted from the assets of the Fund during the period, except for those payments that are explicitly excluded (performance fees). The OCF includes transaction charges which were excluded from the Total Expense Ratio (TER) calculations provided previously.

## Revenue Record – Accumulation Shares

The revenue record table below shows the net distribution rates per calendar year on a payment date basis for an investment made on 4 January 2011.

Share class	Calendar year	Net revenue per share (p)	Per £1,000 invested (£)
Class 1	2011	1.4930	16.23
	2012	1.7285	18.79
	2013	2.3133	25.14
	2014	2.0904	22.72
	2015	2.0804	22.61
	2016*	0.8079	8.78
Class 2	2011	3.4471	23.36
	2012	3.8594	26.16
	2013	5.0604	34.30
	2014	5.0402	34.16
	2015	5.1723	35.05
	2016*	2.2166	15.02
Class 3	2011	5.4725	26.92
	2012	6.0701	29.86
	2013	7.7322	38.03
	2014	7.8432	38.58
	2015	8.1178	39.93
	2016*	3.5545	17.48

\* Up to 31 March 2016 (the interim distribution payment date).



## PORTFOLIO STATEMENT

As at 31 January 2016 (unaudited)

Investment	Currency	Holding	Market Value £000	% of Net Assets
<b>Equities 94.88% (94.37%)</b>				
<b>Consumer Discretionary 19.33% (21.10%)</b>				
<b>Auto Components 0.39% (1.69%)</b>				
Torotrak plc	GBP	18,585,556	734	0.39
			<u>734</u>	<u>0.39</u>
<b>Hotels, Restaurants &amp; Leisure 5.53% (8.42%)</b>				
Compass Group plc	GBP	373,757	4,455	2.39
Restaurant Group plc (The)	GBP	184,569	969	0.52
Whitbread plc	GBP	123,321	4,887	2.62
			<u>10,311</u>	<u>5.53</u>
<b>Internet &amp; Catalog Retail 0.00% (0.21%)</b>				
<b>Media 7.35% (5.59%)</b>				
Daily Mail & General Trust plc 'A'	GBP	243,425	1,616	0.87
ITV plc	GBP	3,412,053	8,957	4.80
Next Fifteen Communications Group plc#	GBP	1,364,243	3,138	1.68
			<u>13,711</u>	<u>7.35</u>
<b>Multiline Retail 1.69% (1.51%)</b>				
B&M European Value Retail SA	GBP	1,134,943	3,148	1.69
			<u>3,148</u>	<u>1.69</u>
<b>Specialty Retail 4.37% (3.68%)</b>				
BCA Marketplace plc	GBP	3,083,934	5,112	2.74
Dixons Carphone plc	GBP	655,268	3,053	1.63
			<u>8,165</u>	<u>4.37</u>
<b>Consumer Discretionary total</b>			<b>36,069</b>	<b>19.33</b>
<b>Consumer Staples 5.22% (4.67%)</b>				
<b>Tobacco 5.22% (4.67%)</b>				
British American Tobacco plc	GBP	253,070	9,742	5.22
			<u>9,742</u>	<u>5.22</u>
<b>Consumer Staples total</b>			<b>9,742</b>	<b>5.22</b>
<b>Energy 7.84% (8.22%)</b>				
<b>Oil, Gas &amp; Consumable Fuels 7.84% (8.22%)</b>				
BP plc	GBP	1,797,852	6,658	3.57
Royal Dutch Shell plc 'B'	GBP	534,402	7,965	4.27
			<u>14,623</u>	<u>7.84</u>
<b>Energy total</b>			<b>14,623</b>	<b>7.84</b>
<b>Financials 19.56% (23.26%)</b>				
<b>Banks 5.21% (7.62%)</b>				
Barclays plc	GBP	2,632,463	4,798	2.57
HSBC Holdings plc	GBP	1,017,380	4,925	2.64
			<u>9,723</u>	<u>5.21</u>
<b>Capital Markets 2.20% (1.48%)</b>				
Sanne Group plc	GBP	1,134,888	4,108	2.20
			<u>4,108</u>	<u>2.20</u>
<b>Diversified Financial Services 4.79% (4.35%)</b>				
London Stock Exchange Group plc	GBP	363,561	8,926	4.79
			<u>8,926</u>	<u>4.79</u>

## PORTFOLIO STATEMENT (CONTINUED)

As at 31 January 2016 (unaudited)

Investment	Currency	Holding	Market Value £000	% of Net Assets
<b>Insurance 6.09% (5.71%)</b>				
Aviva plc†	GBP	506,000	2,375	1.27
Prudential plc	GBP	666,323	8,982	4.82
			11,357	6.09
<b>Real Estate Investment Trusts (REITs) 1.27% (4.10%)</b>				
Derwent London plc, REIT	GBP	73,992	2,374	1.27
			2,374	1.27
<b>Financials total</b>			<b>36,488</b>	<b>19.56</b>
<b>Health Care 9.51% (8.06%)</b>				
<b>Health Care Equipment &amp; Supplies 1.19% (1.52%)</b>				
Smith & Nephew plc	GBP	193,955	2,213	1.19
			2,213	1.19
<b>Health Care Providers &amp; Services 4.28% (2.03%)</b>				
McCarthy & Stone plc	GBP	1,284,664	3,533	1.89
UDG Healthcare plc	GBP	850,677	4,458	2.39
			7,991	4.28
<b>Pharmaceuticals 4.04% (4.51%)</b>				
GlaxoSmithKline plc	GBP	371,136	5,283	2.83
Shire plc	GBP	56,973	2,255	1.21
			7,538	4.04
<b>Health Care total</b>			<b>17,742</b>	<b>9.51</b>
<b>Industrials 4.90% (4.88%)</b>				
<b>Airlines 2.44% (2.35%)</b>				
easyJet plc	GBP	295,782	4,564	2.44
			4,564	2.44
<b>Professional Services 1.26% (0.99%)</b>				
Ricardo plc	GBP	302,495	2,344	1.26
			2,344	1.26
<b>Trading Companies &amp; Distributors 1.20% (1.54%)</b>				
Lavendon Group plc	GBP	1,668,946	2,232	1.20
			2,232	1.20
<b>Industrials total</b>			<b>9,140</b>	<b>4.90</b>
<b>Information Technology 11.86% (5.23%)</b>				
<b>Communications Equipment 2.21% (1.46%)</b>				
Sapura plc	GBP	2,378,799	4,127	2.21
			4,127	2.21
<b>Internet Software &amp; Services 3.01% (1.37%)</b>				
Moneysupermarket.com Group plc	GBP	996,823	3,288	1.76
Zoopla Property Group plc	GBP	1,093,338	2,332	1.25
			5,620	3.01
<b>IT Services 4.15% (0.00%)</b>				
Paysafe Group plc	GBP	1,117,459	4,456	2.39
Worldpay Group plc	GBP	1,054,302	3,277	1.76
			7,733	4.15
<b>Software 2.49% (2.40%)</b>				
Izodia plc <sup>^</sup>	GBP	1,192,922	–	–
Sage Group plc (The)	GBP	761,000	4,646	2.49
			4,646	2.49
<b>Information Technology total</b>			<b>22,126</b>	<b>11.86</b>

## PORTFOLIO STATEMENT (CONTINUED)

As at 31 January 2016 (unaudited)

Investment	Currency	Holding	Market Value £000	% of Net Assets
<b>Materials 8.33% (9.12%)</b>				
<b>Chemicals 0.00% (2.14%)</b>				
<b>Construction Materials 2.18% (0.00%)</b>				
lbstock plc	GBP	1,954,204	4,074	2.18
			<u>4,074</u>	<u>2.18</u>
<b>Containers &amp; Packaging 3.91% (2.96%)</b>				
DS Smith plc	GBP	1,979,583	7,287	3.91
			<u>7,287</u>	<u>3.91</u>
<b>Metals &amp; Mining 2.24% (4.02%)</b>				
Rio Tinto plc	GBP	249,618	4,189	2.24
			<u>4,189</u>	<u>2.24</u>
<b>Materials total</b>			<b>15,550</b>	<b>8.33</b>
<b>Telecommunication Services 8.33% (9.83%)</b>				
<b>Diversified Telecommunication Services 4.81% (5.59%)</b>				
BT Group plc	GBP	1,883,747	8,974	4.81
			<u>8,974</u>	<u>4.81</u>
<b>Wireless Telecommunication Services 3.52% (4.24%)</b>				
People's Operator Holdings Ltd.*	GBP	2,725,716	1,908	1.02
Vodafone Group plc	GBP	2,127,834	4,661	2.50
			<u>6,569</u>	<u>3.52</u>
<b>Telecommunication Services total</b>			<b>15,543</b>	<b>8.33</b>
<b>Equities total</b>			<b>177,023</b>	<b>94.88</b>
<b>Liquidity Funds 3.86% (4.46%)</b>				
Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP <sup>+</sup>	GBP	7,200,000	7,200	3.86
			<u>7,200</u>	<u>3.86</u>
<b>Liquidity Funds total</b>			<b>7,200</b>	<b>3.86</b>
Investment assets			184,223	98.74
Net other assets			2,347	1.26
<b>Net assets</b>			<b>186,570</b>	<b>100.00</b>

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 at 31 July 2015.

# Security traded on another regulated market.

^ Unlisted, suspended or delisted security.

† Investment in Aviva Group.

+ Investment managed by a related party.

## STATEMENT OF TOTAL RETURN

For the six months ended 31 January 2016 (unaudited)

	£000	Six months ended 31.01.16 £000	£000	Six months ended 31.01.15 £000
Income				
Net capital (losses)/gains		(12,944)		8,156
Revenue	2,635		2,540	
Expenses	(417)		(378)	
Net revenue before taxation	2,218		2,162	
Taxation	12		(9)	
Net revenue after taxation		2,230		2,153
<b>Total return before distributions</b>		<b>(10,714)</b>		<b>10,309</b>
Distributions		(2,230)		(2,153)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(12,944)</b>		<b>8,156</b>

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the six months ended 31 January 2016 (unaudited)

	£000	Six months ended 31.01.16 £000	£000	Six months ended 31.01.15 £000
<b>Opening net assets attributable to shareholders</b>		<b>197,350</b>		<b>169,864</b>
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	87		132	
Amounts payable on cancellation of shares	(152)		(5,129)	
		(65)		(4,997)
Change in net assets attributable to shareholders from investment activities (see above)		(12,944)		8,156
Retained distribution on accumulation shares		2,229		2,119
<b>Closing net assets attributable to shareholders</b>		<b>186,570</b>		<b>175,142</b>

The Statement of Recommended Practice (2014) requires that comparatives are shown for the above report. As the comparatives should be for the comparable interim period, the net asset value at the end of the previous period will not agree to the net asset value at the start of this period. The published net asset value as at 31 July 2015 was £197,350,000.

## BALANCE SHEET

As at 31 January 2016 (unaudited)

	As at 31.01.16 £000	As at 31.07.15 £000
<b>Assets:</b>		
Investments	184,223	195,049
<b>Current assets:</b>		
Debtors	410	212
Cash and bank balances	2,032	3,022
<b>Total assets</b>	<b>186,665</b>	<b>198,283</b>
<b>Liabilities:</b>		
<b>Creditors:</b>		
Other creditors	(95)	(933)
<b>Total liabilities</b>	<b>(95)</b>	<b>(933)</b>
<b>Net assets attributable to shareholders</b>	<b>186,570</b>	<b>197,350</b>

**ACCOUNTING POLICIES**

The interim financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) for Authorised Funds issued by the Investment Management Association (IMA) in May 2014 (SORP 2014). This is effective for accounting periods beginning on or after 1 January 2015 and supersedes the SORP issued by the IMA in October 2010 (SORP 2010).

The accounting policies applied are consistent with those of the financial statements for the year ended 31 July 2015 and are described in those annual financial statements.

## AVIVA INVESTORS UK EQUITY MOM 1 FUND

### INVESTMENT OBJECTIVE

Long term capital growth by investing primarily in UK equities.

### INVESTMENT POLICY

The Fund will invest primarily in equity securities listed or traded on Regulated markets in the UK. Limited exposure to other geographic regions may be possible. The Fund may invest in any of the following financial instruments in order to achieve its investment objective: equities or securities with equity characteristics, unlisted transferable securities, convertibles, preference shares, warrants, money market instruments, collective investment schemes and deposits.

### FUND MANAGER'S REPORT

#### Performance

Over the six months ended 31 January 2016 the Fund returned -2.86% after fees, compared with a return of -7.22%\* from the Fund's benchmark, the FTSE® All-Share Index.

#### Review

Technology was a major influence on performance – good and bad and we expect that to be increasingly the case over coming years. Amongst the winners, for example, Sage was a standout as it persuaded investors it has devised a credible strategy for Cloud and Mobile accountancy software services. Even a modest acceleration in Sage's forecast revenue growth has been enough to deliver a marked P/E (Price Earnings) re-rating. This makes sense, given low or negative rates of inflation around the world. Accelerating real earnings growth is rare and increasingly valuable. Sticking with the tech theme, ostensibly the gains of Hargreaves Lansdown over the period are hard to justify. One would think it would perform as a proxy for world capital markets or UK savings flows and 2015 was not a great year for either. However, if it is looked at as a tech "platform" business, with the probability that increasing amounts and variety of transactions will take place on the platform, it can be seen why the shares did well.

But tech was undermining our problem holdings too. For Pearson we suspect investors don't really care about the cyclical nature of student enrollments in the US education market. It's more the existential threat of digital disintermediation of its text book publishing revenues that bothers them and, to a degree, us. Print is still 38% of Pearson's business and everyone wants reassurance that the IP here can either be protected or transferred to digital. Daily Mail (DMGT) still has 25% revenues exposed to consumer print (though this includes its digital ad revenues). The continued sharp attrition of print advertising in 2015 unnerved DMGT investors last year, as digital investment was slower to pay off.

Companies exposed to the Asian consumer had a difficult period, for example Burberry. We continue to add to the holding as the price has been falling, because the company has a rare and wonderful brand.

Another influential factor was M&A (merger and acquisition) activity. Mondelez had a stake taken in it by an activist investor. eBay was forced to split in two by another activist – releasing value for investors. We're sure the bid for SAB Miller focused investor attention on the strategic value offered by Heineken. Even Diageo, which scraped to a modest 2% gain, perked up toward the end of the year as "fix or be fixed" mutterings arose about a share price no higher than three years ago.

### Outlook

To conclude; no predictions, but some thought-provoking observations from our recent research reading. Acquirers closing deals in 2015 outperformed the MSCI by 10%. Inflation adjusted you can make the argument gasoline prices are at an all-time low. The fall in oil is worth \$3 trillion a year to consumers. 3G has taken Heinz' profit margins from 18% to 27% in two years using Zero-Based Budgeting (ZBB). Every FMCG (Fast Moving Consumer Goods) company must take note. Unilever has begun to deploy ZBB and free cash flow increased 23% in its Q4. Diageo interest cover is 10.8x. Interest costs are c3.5% and the dividend yield at current share price is also 3.5%. Predators and private equity will review those numbers with interest. US stocks have gone up in 73% of all years since 1928.

February 2016

\* Fund performance figures – share class 2, source Lipper, net of fees, net income reinvested in GBP. Unless otherwise indicated, all data has been sourced by Lindsell Train Limited.

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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 to buy or sell stocks. Past performance is not a guide to future performance. The value of an investment in the Fund and any income from it may go down as well as up, and the investor may not get back the original amount invested.

## AVIVA INVESTORS UK EQUITY MOM 1 FUND (CONTINUED)

### Material Portfolio Changes

Purchases	Sales
RELX plc	Greene King plc
Burberry Group plc	eBay, Inc.
Pearson plc	Halma plc
PayPal Holdings, Inc.	Fidessa Group plc
Hargreaves Lansdown plc	Euromoney Institutional Investor plc
Schroders plc, (Non-Voting)	Diageo plc
Daily Mail & General Trust plc 'A'	Celtic plc
Heineken Holding NV	Pearson plc
	Sage Group plc (The)
	Heineken Holding NV

There were only 8 purchases in the period.

### 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.

## INVESTMENT PERFORMANCE

## Net Asset Value – Income Shares

Share class	As at	Net asset value* £000	Shares in issue	Pence per share
Class 2	31.07.13	295,838	127,515,697	232.00
	31.07.14	263,727	109,621,780	240.58
	31.07.15	250,701	89,291,105	280.77
	31.01.16	242,229	89,272,699	271.34

\* Valued at bid market prices.

## Share Price Record – Income Shares

Share class	Calendar year	Highest price* (p)	Lowest price* (p)
Class 2	2011	166.30	137.80
	2012	184.60	151.30
	2013	248.76	186.70
	2014	264.11	229.90
	2015	290.01	255.47
	2016**	274.91	259.53

\* Valued at mid market prices.

\*\* Up to 31 January 2016.

## Ongoing Charges Figure\*

Share class	31.01.16	31.07.15
Class 2	1.02%	1.03%

\* 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 period. The OCF is made up of the Annual Management Charge and other operating costs deducted from the assets of the Fund during the period, except for those payments that are explicitly excluded (performance fees). The OCF includes transaction charges which were excluded from the Total Expense Ratio (TER) calculations provided previously.

## Revenue Record – Income Shares

The revenue record table below shows the net distribution rates per calendar year on a payment date basis for an investment made on 4 January 2011.

Share class	Calendar year	Net revenue per share (p)	Per £1,000 invested (£)
Class 2	2011	2.9814	19.18
	2012	3.7315	24.00
	2013	3.8491	24.76
	2014	3.5620	22.91
	2015	3.6452	23.45
	2016*	1.5034	9.67

\* Up to 31 March 2016 (the interim distribution payment date).



## PORTFOLIO STATEMENT

As at 31 January 2016 (unaudited)

Investment	Currency	Holding	Market Value £000	% of Net Assets
<b>Collective Investment Schemes 2.17% (0.00%)</b>				
<b>Investment Companies 2.17% (0.00%)</b>				
Finsbury Growth & Income Trust plc	GBP	910,000	5,251	2.17
			5,251	2.17
<b>Collective Investment Schemes total</b>			<b>5,251</b>	<b>2.17</b>
<b>Equities 97.68% (99.97%)</b>				
<b>Consumer Discretionary 30.88% (33.73%)</b>				
<b>Hotels, Restaurants &amp; Leisure 6.68% (6.77%)</b>				
Fuller Smith & Turner plc 'A'	GBP	206,675	2,387	0.99
Greene King plc	GBP	898,200	7,864	3.25
Young & Co's Brewery plc 'A'*	GBP	360,785	4,080	1.68
Young & Co's Brewery plc, (Non-Voting)*	GBP	228,947	1,835	0.76
			16,166	6.68
<b>Media 20.36% (22.12%)</b>				
Celtic plc*	GBP	166,410	120	0.05
Daily Mail & General Trust plc 'A'	GBP	1,247,765	8,279	3.42
Euromoney Institutional Investor plc	GBP	689,869	6,274	2.59
Pearson plc	GBP	1,321,337	10,339	4.27
RELX plc	GBP	2,001,872	24,303	10.03
			49,315	20.36
<b>Textiles, Apparel &amp; Luxury Goods 3.84% (4.84%)</b>				
Burberry Group plc	GBP	793,019	9,310	3.84
			9,310	3.84
<b>Consumer Discretionary total</b>			<b>74,791</b>	<b>30.88</b>
<b>Consumer Staples 28.57% (26.30%)</b>				
<b>Beverages 15.40% (14.13%)</b>				
A.G.Barr plc	GBP	1,596,076	8,340	3.44
Diageo plc	GBP	904,586	16,852	6.96
Heineken Holding NV	EUR	227,746	12,105	5.00
			37,297	15.40
<b>Food Products 4.44% (4.26%)</b>				
Mondelez International, Inc. 'A'	USD	369,500	10,768	4.44
			10,768	4.44
<b>Personal Products 8.73% (7.91%)</b>				
Unilever plc	GBP	696,617	21,149	8.73
			21,149	8.73
<b>Consumer Staples total</b>			<b>69,214</b>	<b>28.57</b>
<b>Financials 21.67% (23.34%)</b>				
<b>Capital Markets 13.29% (14.73%)</b>				
Hargreaves Lansdown plc	GBP	780,568	10,467	4.32
Rathbone Brothers plc	GBP	506,649	11,607	4.80
Schroders plc	GBP	353,293	9,497	3.92
Schroders plc, (Non-Voting)	GBP	30,000	608	0.25
			32,179	13.29
<b>Diversified Financial Services 8.38% (8.61%)</b>				
London Stock Exchange Group plc	GBP	825,650	20,303	8.38
			20,303	8.38
<b>Financials total</b>			<b>52,482</b>	<b>21.67</b>

PORTFOLIO STATEMENT (CONTINUED)  
As at 31 January 2016 (unaudited)

Investment	Currency	Holding	Market Value £000	% of Net Assets
<b>Information Technology 16.56% (16.60%)</b>				
<b>Electronic Equipment, Instruments &amp; Components 2.97% (2.62%)</b>				
Halma plc	GBP	867,747	7,198	2.97
			<u>7,198</u>	<u>2.97</u>
<b>Internet Software &amp; Services 1.43% (2.03%)</b>				
eBay, Inc.	USD	213,000	3,455	1.43
			<u>3,455</u>	<u>1.43</u>
<b>IT Services 2.77% (2.74%)</b>				
PayPal Holdings, Inc.	USD	280,000	6,724	2.77
			<u>6,724</u>	<u>2.77</u>
<b>Software 9.39% (9.21%)</b>				
Fidessa Group plc	GBP	494,376	9,289	3.83
Sage Group plc (The)	GBP	2,193,352	13,456	5.56
			<u>22,745</u>	<u>9.39</u>
<b>Information Technology total</b>			<b>40,122</b>	<b>16.56</b>
<b>Equities total</b>			<b>236,609</b>	<b>97.68</b>
Investment assets			241,860	99.85
Net other assets			369	0.15
<b>Net assets</b>			<b>242,229</b>	<b>100.00</b>

All holdings are ordinary shares or stock units and admitted to an official stock exchange unless otherwise stated.  
The comparative percentage figures in brackets are as at 31 July 2015.  
# Security traded on another regulated market.

## STATEMENT OF TOTAL RETURN

For the six months ended 31 January 2016 (unaudited)

	£000	Six months ended 31.01.16 £000	£000	Restated* Six months ended 31.01.15 £000
Income				
Net capital (losses)/gains		(8,422)		32,080
Revenue	2,602		2,889	
Expenses	(1,240)		(1,283)	
Net revenue before taxation	1,362		1,606	
Taxation	(20)		(22)	
Net revenue after taxation		1,342		1,584
<b>Total return before distributions</b>		<b>(7,080)</b>		<b>33,664</b>
Distributions		(1,342)		(1,584)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(8,422)</b>		<b>32,080</b>

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the six months ended 31 January 2016 (unaudited)

	£000	Six months ended 31.01.16 £000	£000	Six months ended 31.01.15 £000
<b>Opening net assets attributable to shareholders</b>		<b>250,701</b>		<b>263,727</b>
Movement due to issue and cancellation of shares:				
Amounts payable on cancellation of shares	(50)		(38,050)	
		(50)		(38,050)
Dilution levy		–		89
Change in net assets attributable to shareholders from investment activities (see above)		(8,422)		32,080
<b>Closing net assets attributable to shareholders</b>		<b>242,229</b>		<b>257,846</b>

The Statement of Recommended Practice (2014) requires that comparatives are shown for the above report. As the comparatives should be for the comparable interim period, the net asset value at the end of the previous period will not agree to the net asset value at the start of this period. The published net asset value as at 31 July 2015 was £250,701,000.

\* Refers to the accounting policies on page 18.

## BALANCE SHEET

As at 31 January 2016 (unaudited)

	As at 31.01.16 £000	As at 31.07.15 £000
<b>Assets:</b>		
Investments	241,860	250,615
<b>Current assets:</b>		
Debtors	350	74
Cash and bank balances	1,578	2,218
<b>Total assets</b>	<b>243,788</b>	<b>252,907</b>
<b>Liabilities:</b>		
<b>Creditors:</b>		
Distribution payable	(1,342)	(1,955)
Other creditors	(217)	(251)
<b>Total liabilities</b>	<b>(1,559)</b>	<b>(2,206)</b>
<b>Net assets attributable to shareholders</b>	<b>242,229</b>	<b>250,701</b>

**ACCOUNTING POLICIES**

The interim financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) for Authorised Funds issued by the Investment Management Association (IMA) in May 2014 (SORP 2014). This is effective for accounting periods beginning on or after 1 January 2015 and supersedes the SORP issued by the IMA in October 2010 (SORP 2010).

The accounting policies applied are consistent with those of the financial statements for the year ended 31 July 2015 and are described in those annual financial statements.

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 this was disclosed within 'Finance costs'.

## AVIVA INVESTORS UK EQUITY MOM 2 FUND

### INVESTMENT OBJECTIVE

Long term capital growth by investing primarily in UK equities.

### INVESTMENT POLICY

The Fund will invest primarily in equity securities listed or traded on Regulated markets in the UK. Limited exposure to other geographic regions may be possible. The Fund may invest in any of the following financial instruments in order to achieve its investment objective: equities or securities with equity characteristics, unlisted transferable securities, convertibles, preference shares, warrants, money market instruments, collective investment schemes and deposits.

### FUND MANAGER'S REPORT

#### Performance

Over the six months to 31 January 2016 the Fund returned -5.26% (net of fees), compared with a return of -7.22%\* from the Fund's benchmark, the FTSE® All-Share Index.

#### Review

The period under review began and ended with steep falls in equity markets. In August, the travails of the Chinese economy and the resulting political initiatives unnerved investors who had failed to anticipate the extent of the slowdown. Six months on and China was again the main culprit – alongside a growing list of reasons – blamed for the extraordinarily difficult start to 2016.

There is a more basic explanation. Companies have been struggling to grow in recent years, yet their valuations have risen in anticipation that they would. Today we are at a critical point: as the prospect of a return to growth recedes, courtesy of a difficult macro environment, valuations look too high. The result has been a correction as markets feel their way towards a level more in keeping with the outlook.

The portfolio provided shelter from some of the fall in the benchmark during the period. Having minimal exposure to oil was a benefit: the price of Brent crude dropped to just below \$30 a barrel in January. Also positive was the Fund's underweight in miners, particularly not owning Glencore and BHP Billiton.

There were positive contributors too. Among the large-cap stocks, it was a 24% relative performance from Imperial Tobacco Group, on completing its purchase of a portfolio of brands in the US, which stood out. RELX (+19%), the company formerly – and preferably – known as Reed Elsevier, also made a contribution. Among the mid-size companies, it was TUI (+16%) and Inmarsat (+35%), which at last launched its third satellite. All have very different stories but the common theme was delivering on expectations in a difficult economic backdrop. Two international holdings in General Electric (GE) and Lockheed Martin were also strong performers: these help cement our belief that, carefully selected, such holdings can broaden the portfolio where the UK market is too concentrated.

On the negative side, the largest detractor from performance was SABMiller, which was not in the portfolio when it agreed to a takeover by AB InBev to create the world's first global brewer. We also gave up some performance with our slight shift towards assured and enduring growth, instead of yield, as dividends come under threat. This has meant a lower exposure to the so-called 'dividend stalwarts' such as BAT, Diageo and Unilever – which was costly during the last six months. Meanwhile, Pearson disappointed (-36%) on its move from print to digital content.

Our main move within the portfolio was to sell some stocks which had performed more strongly and met our target valuations. To this end, we trimmed holdings such as Novartis, Reckitt Benckiser and Smith & Nephew. We also took some profits in Legal & General. After three years of strong performance and good dividend growth, the risk/reward had shifted in anticipation of the Solvency II Directive, which came into force on 1 January 2016. With GE, while there is still much to like, the weakness of its end markets suggested we should bank the performance and revisit at a later stage. We also realised our profit in Worldpay.

With the proceeds of these and other sales, we continued to build a position in Lloyds Banking Group. The sector's weighting in the Fund – we also own Barclays – is now at its highest level since the financial crisis. I would not say we feel unbridled enthusiasm for these particular banks. Instead, this is a recognition of their journey through heightened regulation and into an environment where interest rates may rise (if not immediately in the UK); of the capital now retained within them; and of the dividends that may emerge over the next couple of years.

We also used weakness in the market to add to existing holdings including AstraZeneca, BT, Royal Mail and Rentokil. Having met the management, we added to our defence holdings, BAE Systems and Cobham. After a very difficult five-year period of defence cuts there has clearly been a change in governments' priorities. It is now up to these companies to deliver.

#### Outlook

Conflict in the Middle East, the presidential election in the US and the UK's vote on EU membership will preoccupy investors this year. This is on top of the usual 'Fed watching': the US Federal Reserve finally moved interest rates up by 0.25% in December, signalling a wish to return to 'normal' economics. Subsequent signals have been mixed, however, as to the likely frequency of future raises. Meanwhile, Mark Carney has ruled out a move upwards in UK rates until 2017.

All this will lead to persistent volatility and moderate returns. We have already made a number of changes to your portfolio over the past year; and will use any weakness to deploy the increased cash balances in the portfolio. Our focus will be on sustainable dividends and avoiding those shares with faltering revenues.

Understandably the press is reporting that dividends are under threat in a number of the largest stocks in the FTSE® 100. Our exposure is much more modest than recent history – so that risk is manageable in the context of our distribution. In our judgment, share prices have already moved to discount cuts in dividends. The market is also at a level where other valuation metrics will begin to provide some support. Moreover, mergers & acquisitions will continue to play an important part in returns. We had not seen out the first week out of 2016 before the embattled retailers launched an attempt at consolidation with Sainsbury's indicating interest in Home Retail. Meanwhile, at the time of writing, Syngenta had agreed to a revised bid from China National Chemical Corporation of \$43 billion.

February 2016

\* Fund performance figures – share class 2, source Lipper, net of fees, net income reinvested in GBP. Unless otherwise indicated, all data has been sourced by Artemis.

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## INVESTMENT PERFORMANCE

## Net Asset Value – Income Shares

Share class	As at	Net asset value* £000	Shares in issue	Pence per share
Class 2	31.07.13	97,481	100,341,471	97.15
	31.07.14	90,980	98,723,937	92.16
	31.07.15	94,786	100,905,434	93.94
	31.01.16	88,708	100,838,425	87.97

\* Valued at bid market prices.

## Share Price Record – Income Shares

Share class	Calendar year	Highest price* (p)	Lowest price* (p)
Class 2	2011	82.18	64.89
	2012	84.53	72.84
	2013	104.87	85.65
	2014	107.09	81.42
	2015	98.67	86.56
	2016**	90.90	85.81

\* Valued at mid market prices.

\*\* Up to 31 January 2016.

## Ongoing Charges Figure\*

Share class	31.01.16	31.07.15
Class 2	1.03%	1.04%

\* 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 period. The OCF is made up of the Annual Management Charge and other operating costs deducted from the assets of the Fund during the period, except for those payments that are explicitly excluded (performance fees). The OCF includes transaction charges which were excluded from the Total Expense Ratio (TER) calculations provided previously.

## Revenue Record – Income Shares

The revenue record table below shows the net distribution rates per calendar year on a payment date basis for an investment made on 4 January 2011.

Share class	Calendar year	Net revenue per share (p)	Per £1,000 invested (£)
Class 2	2011	1.5477	19.72
	2012	1.5875	20.23
	2013	1.3924	17.74
	2014	1.0570	13.47
	2015	1.9354	24.66
	2016*	1.0348	13.18

\* Up to 31 March 2016 (the interim distribution payment date).

## PORTFOLIO STATEMENT

As at 31 January 2016 (unaudited)

Investment	Currency	Holding	Market Value £000	% of Net Assets
<b>Collective Investment Schemes 0.53% (0.54%)</b>				
<b>Investment Companies 0.53% (0.54%)</b>				
NextEnergy Solar Fund Ltd.	GBP	500,000	469	0.53
			<u>469</u>	<u>0.53</u>
<b>Collective Investment Schemes total</b>			<b>469</b>	<b>0.53</b>
<b>Equities 93.72% (98.95%)</b>				
<b>Consumer Discretionary 16.51% (16.78%)</b>				
<b>Hotels, Restaurants &amp; Leisure 5.64% (6.41%)</b>				
Greene King plc	GBP	112,230	983	1.11
SSP Group plc	GBP	321,341	927	1.05
TUI AG	GBP	196,993	2,307	2.60
William Hill plc	GBP	205,469	785	0.88
			<u>5,002</u>	<u>5.64</u>
<b>Household Durables 1.10% (1.16%)</b>				
Persimmon plc	GBP	48,491	975	1.10
			<u>975</u>	<u>1.10</u>
<b>Media 7.82% (7.11%)</b>				
Informa plc	GBP	367,688	2,315	2.61
Pearson plc	GBP	178,947	1,400	1.58
RELX NV	EUR	30,212	349	0.39
RELX plc	GBP	236,898	2,876	3.24
			<u>6,940</u>	<u>7.82</u>
<b>Specialty Retail 1.95% (2.10%)</b>				
Card Factory plc	GBP	274,256	952	1.07
Halfords Group plc	GBP	206,866	777	0.88
			<u>1,729</u>	<u>1.95</u>
<b>Consumer Discretionary total</b>			<b>14,646</b>	<b>16.51</b>
<b>Consumer Staples 7.33% (7.13%)</b>				
<b>Food Products 1.33% (1.10%)</b>				
Tate & Lyle plc	GBP	190,474	1,182	1.33
			<u>1,182</u>	<u>1.33</u>
<b>Household Products 1.06% (1.89%)</b>				
Reckitt Benckiser Group plc	GBP	15,144	938	1.06
			<u>938</u>	<u>1.06</u>
<b>Tobacco 4.94% (4.14%)</b>				
Imperial Tobacco Group plc	GBP	116,951	4,387	4.94
			<u>4,387</u>	<u>4.94</u>
<b>Consumer Staples total</b>			<b>6,507</b>	<b>7.33</b>
<b>Energy 5.13% (5.66%)</b>				
<b>Oil, Gas &amp; Consumable Fuels 5.13% (5.66%)</b>				
BP plc	GBP	630,630	2,331	2.63
Premier Oil plc	GBP	73,910	14	0.02
Royal Dutch Shell plc 'B'	GBP	148,232	2,202	2.48
			<u>4,547</u>	<u>5.13</u>
<b>Energy total</b>			<b>4,547</b>	<b>5.13</b>



## PORTFOLIO STATEMENT (CONTINUED)

As at 31 January 2016 (unaudited)

Investment	Currency	Holding	Market Value £000	% of Net Assets
<b>Financials 25.55% (28.95%)</b>				
<b>Banks 7.76% (10.39%)</b>				
Barclays plc	GBP	977,774	1,786	2.02
HSBC Holdings plc	GBP	442,976	2,155	2.43
Lloyds Banking Group plc	GBP	4,523,509	2,938	3.31
			<u>6,879</u>	<u>7.76</u>
<b>Capital Markets 3.39% (3.95%)</b>				
3i Group plc	GBP	456,450	2,007	2.26
Ashmore Group plc	GBP	461,676	999	1.13
			<u>3,006</u>	<u>3.39</u>
<b>Consumer Finance 0.79% (0.87%)</b>				
Capital One Financial Corp.	USD	15,882	702	0.79
			<u>702</u>	<u>0.79</u>
<b>Diversified Financial Services 2.47% (2.42%)</b>				
IG Group Holdings plc	GBP	178,902	1,301	1.47
London Stock Exchange Group plc	GBP	36,239	891	1.00
			<u>2,192</u>	<u>2.47</u>
<b>Insurance 8.48% (9.08%)</b>				
Direct Line Insurance Group plc	GBP	605,141	2,263	2.55
Legal & General Group plc	GBP	734,301	1,754	1.98
Phoenix Group Holdings	GBP	104,006	890	1.00
Saga plc	GBP	660,183	1,299	1.46
Standard Life plc	GBP	368,141	1,318	1.49
			<u>7,524</u>	<u>8.48</u>
<b>Real Estate Investment Trusts (REITs) 2.66% (2.24%)</b>				
Assura plc	GBP	1,542,058	840	0.95
Segro plc	GBP	348,911	1,520	1.71
			<u>2,360</u>	<u>2.66</u>
<b>Financials total</b>			<b>22,663</b>	<b>25.55</b>
<b>Health Care 13.37% (13.70%)</b>				
<b>Health Care Equipment &amp; Supplies 0.81% (1.47%)</b>				
Smith & Nephew plc	GBP	63,265	721	0.81
			<u>721</u>	<u>0.81</u>
<b>Pharmaceuticals 12.56% (12.23%)</b>				
AstraZeneca plc	GBP	88,404	3,918	4.42
Bayer AG	EUR	24,392	1,903	2.15
GlaxoSmithKline plc	GBP	282,040	4,001	4.51
Indivior plc	GBP	299,918	461	0.52
Novartis AG	CHF	16,035	856	0.96
			<u>11,139</u>	<u>12.56</u>
<b>Health Care total</b>			<b>11,860</b>	<b>13.37</b>
<b>Industrials 11.17% (11.45%)</b>				
<b>Aerospace &amp; Defense 6.90% (5.96%)</b>				
BAE Systems plc	GBP	305,772	1,567	1.77
Cobham plc	GBP	599,555	1,507	1.70
Lockheed Martin Corp.	USD	11,688	1,693	1.91
Ultra Electronics Holdings plc	GBP	70,482	1,348	1.52
			<u>6,115</u>	<u>6.90</u>

## PORTFOLIO STATEMENT (CONTINUED)

As at 31 January 2016 (unaudited)

Investment	Currency	Holding	Market Value £000	% of Net Assets
<b>Air Freight &amp; Logistics 1.29% (0.53%)</b>				
Royal Mail plc	GBP	252,325	1,145	1.29
			1,145	1.29
<b>Commercial Services &amp; Supplies 1.49% (0.99%)</b>				
Rentokil Initial plc	GBP	843,554	1,316	1.49
			1,316	1.49
<b>Construction &amp; Engineering 0.76% (0.74%)</b>				
SPIE SA	EUR	55,167	677	0.76
			677	0.76
<b>Industrial Conglomerates 0.00% (1.67%)</b>				
<b>Machinery 0.23% (1.21%)</b>				
Melrose Industries plc	GBP	71,234	206	0.23
			206	0.23
<b>Transportation Infrastructure 0.50% (0.35%)</b>				
BBA Aviation plc	GBP	275,488	446	0.50
			446	0.50
<b>Industrials total</b>			<b>9,905</b>	<b>11.17</b>
<b>Information Technology 1.50% (1.39%)</b>				
<b>Electronic Equipment, Instruments &amp; Components 1.50% (1.39%)</b>				
Laird plc	GBP	383,512	1,332	1.50
			1,332	1.50
<b>Information Technology total</b>			<b>1,332</b>	<b>1.50</b>
<b>Materials 2.26% (3.08%)</b>				
<b>Chemicals 0.84% (1.40%)</b>				
Syngenta AG	CHF	2,929	746	0.84
			746	0.84
<b>Metals &amp; Mining 1.42% (1.68%)</b>				
Rio Tinto plc	GBP	75,789	1,261	1.42
			1,261	1.42
<b>Materials total</b>			<b>2,007</b>	<b>2.26</b>
<b>Telecommunication Services 7.42% (7.06%)</b>				
<b>Diversified Telecommunication Services 4.94% (4.16%)</b>				
BT Group plc	GBP	638,229	3,046	3.43
Inmarsat plc	GBP	125,149	1,338	1.51
			4,384	4.94
<b>Wireless Telecommunication Services 2.48% (2.90%)</b>				
Vodafone Group plc	GBP	1,000,801	2,198	2.48
			2,198	2.48
<b>Telecommunication Services total</b>			<b>6,582</b>	<b>7.42</b>

PORTFOLIO STATEMENT (CONTINUED)  
As at 31 January 2016 (unaudited)

Investment	Currency	Holding	Market Value £000	% of Net Assets
<b>Utilities 3.48% (3.75%)</b>				
<b>Gas Utilities 1.42% (1.16%)</b>				
Enagas SA	EUR	61,681	1,258	1.42
			<hr/> 1,258	<hr/> 1.42
<b>Independent Power and Renewable Electricity Producers 0.60% (0.83%)</b>				
Drax Group plc	GBP	214,889	535	0.60
			<hr/> 535	<hr/> 0.60
<b>Multi-Utilities 1.46% (1.76%)</b>				
Centrica plc	GBP	639,252	1,294	1.46
			<hr/> 1,294	<hr/> 1.46
<b>Utilities total</b>			<hr/> <b>3,087</b>	<hr/> <b>3.48</b>
<b>Equities total</b>			<hr/> <b>83,136</b>	<hr/> <b>93.72</b>
Investment assets			83,605	94.25
Net other assets			5,103	5.75
<b>Net assets</b>			<hr/> <b>88,708</b>	<hr/> <b>100.00</b>

All holdings are ordinary shares or stock units and admitted to an official stock exchange unless otherwise stated.  
The comparative percentage figures in brackets are as at 31 July 2015.

## STATEMENT OF TOTAL RETURN

For the six months ended 31 January 2016 (unaudited)

	£000	Six months ended 31.01.16 £000	£000	Six months ended 31.01.15 £000
Income				
Net capital losses		(6,019)		(15)
Revenue	1,524		981	
Expenses	(472)		(445)	
Net revenue before taxation	1,052		536	
Taxation	(8)		–	
Net revenue after taxation		1,044		536
<b>Total return before distributions</b>		<b>(4,975)</b>		<b>521</b>
Distributions		(1,044)		(536)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(6,019)</b>		<b>(15)</b>

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the six months ended 31 January 2016 (unaudited)

	£000	Six months ended 31.01.16 £000	£000	Six months ended 31.01.15 £000
<b>Opening net assets attributable to shareholders</b>		<b>94,786</b>		<b>90,980</b>
Movement due to issue and cancellation of shares:				
Amounts payable on cancellation of shares	(59)		(7,257)	
		(59)		(7,257)
Dilution levy		–		13
Change in net assets attributable to shareholders from investment activities (see above)		(6,019)		(15)
<b>Closing net assets attributable to shareholders</b>		<b>88,708</b>		<b>83,721</b>

The Statement of Recommended Practice (2014) requires that comparatives are shown for the above report. As the comparatives should be for the comparable interim period, the net asset value at the end of the previous period will not agree to the net asset value at the start of this period. The published net asset value as at 31 July 2015 was £94,786,000.

## BALANCE SHEET

As at 31 January 2016 (unaudited)

	As at 31.01.16 £000	As at 31.07.15 £000
<b>Assets:</b>		
Investments	83,605	94,307
<b>Current assets:</b>		
Debtors	120	132
Cash and bank balances	6,112	1,966
<b>Total assets</b>	<b>89,837</b>	<b>96,405</b>
<b>Liabilities:</b>		
<b>Creditors:</b>		
Distribution payable	(1,043)	(1,399)
Other creditors	(86)	(220)
<b>Total liabilities</b>	<b>(1,129)</b>	<b>(1,619)</b>
<b>Net assets attributable to shareholders</b>	<b>88,708</b>	<b>94,786</b>

**ACCOUNTING POLICIES**

The interim financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) for Authorised Funds issued by the Investment Management Association (IMA) in May 2014 (SORP 2014). This is effective for accounting periods beginning on or after 1 January 2015 and supersedes the SORP issued by the IMA in October 2010 (SORP 2010).

The accounting policies applied are consistent with those of the financial statements for the year ended 31 July 2015 and are described in those annual financial statements.

## AVIVA INVESTORS UK EQUITY MOM 3 FUND

### INVESTMENT OBJECTIVE

Long term capital growth by investing primarily in UK equities.

### INVESTMENT POLICY

The Fund will invest primarily in equity securities listed or traded on Regulated markets in the UK. Limited exposure to other geographic regions may be possible. The Fund may invest in any of the following financial instruments in order to achieve its investment objective: equities or securities with equity characteristics, unlisted transferable securities, convertibles, preference shares, warrants, money market instruments, collective investment schemes and deposits.

### FUND MANAGER'S REPORT

#### Performance

Over the six months ended 31 January 2016 the Fund returned -10.30% after fees, compared with a return of -7.22%\* from the Fund's benchmark, the FTSE® All-Share Index.

#### Review

The US Federal Reserve has finally raised rates and has tried to give the impression that the US economy is now growing sufficiently strongly to justify a number of further increases in 2016. However, their confidence comes from their focus on employment statistics; generally regarded as the most backward looking of economic data. If instead, they had looked at survey evidence and company profit announcements one wonders if they might have been tempted to move interest rates in the opposite direction.

With the US economic recovery actually quite long in the tooth compared to previous cycles, a recession may not be far away. At that point one would typically expect interest rates to be coming down. Unfortunately, as they have not been raised in the (relatively) good times, they are in no position to be dropped in tougher times.

Consequently, we believe we are moving closer to more innovative forms of monetary policy – negative interest rates, the banning of cash and dropping money from helicopters have all been mentioned in polite company. Having whole-heartedly supported the actions of central bankers over the last few years, we think investors are in danger of losing confidence. This could be exacerbated if Japan decides to go even further in their reactions to a frustratingly slow economy.

During the six month period we initiated a number of new positions which included:

Joy Global is one of the world's leading manufacturers of mining equipment, operating in a virtual duopoly with Bucyrus (now a Caterpillar subsidiary). This market position and the mining boom of the mid-to-late 2000s helped the firm earn phenomenally high margins and returns on capital, which have subsequently fallen (and are still falling) as equipment sits idle and miners try and sweat their assets in an effort to cut costs. The key question then becomes where we are in the cycle, what a normalised return is relative to current levels, and whether what we've just experienced over the past five to ten years should really be regarded as 'normal', or as a supernormal level of profitability which is unlikely to be repeated? This is an extremely difficult question to answer, although we believe the answer lies somewhere in the middle, on which basis the firm's shares look relatively cheap.

Concerns about the sustainability of economic growth in China have caused us to pretty much completely avoid the mining sector over recent years. More recently, the market has started to share our concerns, causing miners to dramatically underperform, to the point that they are starting to look more interesting. Therefore, during the quarter, we initiated a new position in Rio Tinto to close our underweight position. Rio is both the world's largest, and also the lowest-cost producer of iron ore, which it ships from Australia to steel mills in China, Japan and Korea. Commodity prices have fallen significantly, including iron ore, which is down from \$160/tonne at its 2011 peak to \$55/tonne in 2015 and \$40/tonne as at the end of December 2015. That is below its real historical average of \$46/tonne prior to the 2004 boom in demand from China. Expansion has been curtailed but Rio should be the last to cut output because of its cost advantage and modest balance sheet debt. It is also much less likely than its competitors to cut the dividend, although with a 9% yield we have bought the shares with a cut already priced in.

During the last six months we have sold out of our position in Carrefour. The shares have re-rated to a point where we believe they are no longer obviously cheap versus struggling peers. In addition, there is a good chance of disappointment in Brazil, where the company has a significant presence, which we believe is not factored into the current share price. We have also now completed the sale of TNT Express after the FedEx bid approach pushed up the share price.

We have reduced the portfolio's holding in Direct Line Insurance. The hidden cost-cutting possibilities and under-appreciated balance sheet potential that existed when the company floated are now fully recognised, leaving the shares looking fully valued.

The position in Land Securities was trimmed as a very strong run in real estate stocks has left valuations looking stretched.

We have also begun to reduce the position in Vallourec as volumes have been shown to be significantly worse than even the most conservative expectations and the group has a stretched balance sheet.

Finally, we have reduced the positions in British American Tobacco and British Telecom, both of which have benefited from the recent momentum market. We thought that the market was missing the potential for BT to leverage off its dominant position in fixed line telephony when we bought it, and post the successful move into TV and back into mobile this is no longer the case.

## AVIVA INVESTORS UK EQUITY MOM 3 FUND (CONTINUED)

## FUND MANAGER'S REPORT (CONTINUED)

**Review (continued)**

Over recent months the portfolio has benefited from not holding conventional mining stocks such as Glencore, Anglo American, BHP Billiton and Rio Tinto, as concerns over a China-led slowdown in demand hit commodities-exposed shares especially hard.

GlaxoSmithKline's share price has rebounded since the start of 2016 from depressed levels in 2015 as the market now believes that the imminent third-quarter results will exceed analysts' expectations and warms to its longer-term prospects.

The largest negative contributor to performance over the 6 month period was Royal Bank of Scotland. The shares underperformed despite decent results and an announcement of further investment banking restructuring that was generally well received. The reason was continued pressure from regulators which translated into a £500 million increase in the UK bank levy in the budget from £2.5 billion to £3.4 billion, in combination with comments from the Labour Party that they would increase it by a further £800 million if they were to come into power. We believe that RBS focusing down on its UK (old Nat West and RBS) core is likely to yield attractive long-term returns, but 2015 presents a key hurdle because RBS is set to reach settlement with the DOJ (US Department of Justice) and FHFA (Federal Housing Finance Agency) over past mis-selling of UK mortgage backed securities.

Vallourec has performed poorly over the last six months as it has exposure to commodities and the oil price, both of which are extremely out of favour.

SIG was also a negative contributor to performance over the period after an unexpected decline in third-quarter sales, especially in mainland Europe. The company was also impacted by a lower than anticipated level of demand in the UK RMI (Repair, Maintenance and Improvement) market. The shares remain very lowly valued and despite the issues we continue to think that they are cheap.

February 2016

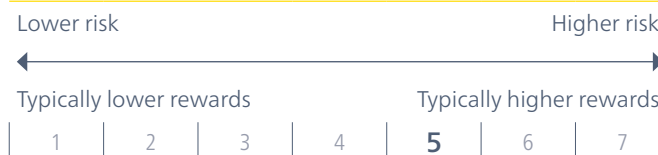
\* Fund performance figures – share class 2, source Lipper, net of fees, net income reinvested in GBP. Unless otherwise indicated, all data has been sourced by Investec Asset Management.

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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 to buy or sell stocks. Past performance is not a guide to future performance. The value of an investment in the Fund and any income from it may go down as well as up, and the investor may not get back the original amount invested.

**Material Portfolio Changes**

Purchases	Sales
Tesco plc	TNT Express NV
Wm Morrison Supermarkets plc	Carnival plc
BP plc	Carrefour SA
Joy Global, Inc.	Royal Dutch Shell plc 'B'
Standard Chartered plc	BT Group plc
Rio Tinto plc	Direct Line Insurance Group plc
Best Buy Co., Inc.	British American Tobacco plc
Royal Bank of Scotland Group plc	Computacenter plc
Kuoni Reisen Holding AG	QinetiQ Group plc
Manitowoc Co., Inc. (The)	Land Securities Group plc

**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.

## INVESTMENT PERFORMANCE

## Net Asset Value – Income Shares

Share class	As at	Net asset value* £000	Shares in issue	Pence per share
Class 2	31.07.13	156,659	115,787,172	135.30
	31.07.14	141,509	102,775,890	137.69
	31.07.15	94,612	66,692,243	141.86
	31.01.16	83,891	66,665,000	125.84

\* Valued at bid market prices.

## Share Price Record – Income Shares

Share class	Calendar year	Highest price* (p)	Lowest price* (p)
Class 2	2011	107.70	89.01
	2012	112.00	97.43
	2013	142.14	112.75
	2014	144.95	127.48
	2015	150.62	126.49
	2016**	131.64	121.77

\* Valued at mid market prices.

\*\* Up to 31 January 2016.

## Ongoing Charges Figure\*

Share class	31.01.16	31.07.15
Class 2	1.05%	1.04%

\* 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 period. The OCF is made up of the Annual Management Charge and other operating costs deducted from the assets of the Fund during the period, except for those payments that are explicitly excluded (performance fees). The OCF includes transaction charges which were excluded from the Total Expense Ratio (TER) calculations provided previously.

## Revenue Record – Income Shares

The revenue record table below shows the net distribution rates per calendar year on a payment date basis for an investment made on 4 January 2011.

Share class	Calendar year	Net revenue per share (p)	Per £1,000 invested (£)
Class 2	2011	2.1862	21.21
	2012	2.8354	27.51
	2013	2.6708	25.91
	2014	3.0446	29.54
	2015	3.4219	33.20
	2016*	1.4276	13.85

\* Up to 31 March 2016 (the interim distribution payment date).



## PORTFOLIO STATEMENT

As at 31 January 2016 (unaudited)

Investment	Currency	Holding	Market Value £000	% of Net Assets
<b>Equities 97.07% (96.17%)</b>				
<b>Consumer Discretionary 7.16% (6.93%)</b>				
<b>Hotels, Restaurants &amp; Leisure 3.98% (4.73%)</b>				
Carnival plc	GBP	27,179	925	1.10
J D Wetherspoon plc	GBP	108,342	732	0.87
Kuoni Reisen Holding AG	CHF	5,608	1,222	1.46
Ladbrokes plc	GBP	359,094	456	0.55
			3,335	3.98
<b>Internet &amp; Catalog Retail 0.02% (0.02%)</b>				
Home Retail Group plc	GBP	13,302	18	0.02
			18	0.02
<b>Media 0.26% (0.26%)</b>				
Bloomsbury Publishing plc	GBP	152,072	218	0.26
			218	0.26
<b>Multiline Retail 1.26% (1.35%)</b>				
Marks & Spencer Group plc	GBP	251,724	1,056	1.26
			1,056	1.26
<b>Specialty Retail 1.64% (0.57%)</b>				
Best Buy Co., Inc.	USD	46,611	881	1.05
Kingfisher plc	GBP	154,959	499	0.59
			1,380	1.64
<b>Consumer Discretionary total</b>			<b>6,007</b>	<b>7.16</b>
<b>Consumer Staples 10.56% (8.59%)</b>				
<b>Food &amp; Staples Retailing 6.79% (4.39%)</b>				
Tesco plc	GBP	1,733,818	2,900	3.46
Wm Morrison Supermarkets plc	GBP	1,615,493	2,793	3.33
			5,693	6.79
<b>Personal Products 0.53% (0.79%)</b>				
Avon Products, Inc.	USD	217,204	446	0.53
			446	0.53
<b>Tobacco 3.24% (3.41%)</b>				
British American Tobacco plc	GBP	70,668	2,720	3.24
			2,720	3.24
<b>Consumer Staples total</b>			<b>8,859</b>	<b>10.56</b>
<b>Energy 16.04% (15.24%)</b>				
<b>Energy Equipment &amp; Services 0.36% (0.00%)</b>				
Vallourec SA	EUR	84,316	297	0.36
			297	0.36
<b>Oil, Gas &amp; Consumable Fuels 15.68% (15.24%)</b>				
BG Group plc	GBP	193,318	2,012	2.40
BP plc	GBP	1,760,156	6,507	7.75
Royal Dutch Shell plc 'B'	GBP	312,148	4,637	5.53
			13,156	15.68
<b>Energy total</b>			<b>13,453</b>	<b>16.04</b>

## PORTFOLIO STATEMENT (CONTINUED)

As at 31 January 2016 (unaudited)

Investment	Currency	Holding	Market Value £000	% of Net Assets
<b>Financials 26.35% (27.30%)</b>				
<b>Banks 20.45% (20.17%)</b>				
Citigroup, Inc.	USD	64,647	1,831	2.18
HSBC Holdings plc	GBP	1,482,376	7,213	8.60
Lloyds Banking Group plc	GBP	5,696,857	3,700	4.41
Royal Bank of Scotland Group plc	GBP	1,449,590	3,647	4.35
Standard Chartered plc	GBP	165,830	766	0.91
			17,157	20.45
<b>Insurance 2.09% (2.41%)</b>				
Direct Line Insurance Group plc	GBP	468,672	1,753	2.09
			1,753	2.09
<b>Real Estate Investment Trusts (REITs) 2.07% (3.11%)</b>				
British Land Co. plc (The)	GBP	126,664	931	1.11
Land Securities Group plc	GBP	74,039	807	0.96
			1,738	2.07
<b>Real Estate Management &amp; Development 1.74% (1.61%)</b>				
Helical Bar plc	GBP	374,296	1,461	1.74
			1,461	1.74
<b>Financials total</b>			<b>22,109</b>	<b>26.35</b>
<b>Health Care 8.46% (7.12%)</b>				
<b>Pharmaceuticals 8.46% (7.12%)</b>				
GlaxoSmithKline plc	GBP	500,661	7,102	8.46
			7,102	8.46
<b>Health Care total</b>			<b>7,102</b>	<b>8.46</b>
<b>Industrials 14.64% (17.32%)</b>				
<b>Aerospace &amp; Defense 1.97% (3.02%)</b>				
Chemring Group plc	GBP	153,996	248	0.29
QinetiQ Group plc	GBP	603,146	1,408	1.68
			1,656	1.97
<b>Air Freight &amp; Logistics 0.13% (2.29%)</b>				
Royal Mail plc	GBP	23,379	106	0.13
			106	0.13
<b>Building Products 0.82% (0.74%)</b>				
Kingspan Group plc	EUR	38,801	685	0.82
			685	0.82
<b>Machinery 1.42% (0.92%)</b>				
Joy Global, Inc.	USD	74,974	500	0.60
Manitowoc Co., Inc. (The)	USD	70,086	688	0.82
			1,188	1.42
<b>Road &amp; Rail 2.01% (2.16%)</b>				
Go-Ahead Group plc	GBP	70,150	1,691	2.01
			1,691	2.01
<b>Trading Companies &amp; Distributors 8.29% (8.19%)</b>				
Grafton Group plc	GBP	656,451	4,595	5.47
SIG plc	GBP	1,761,701	2,364	2.82
			6,959	8.29
<b>Industrials total</b>			<b>12,285</b>	<b>14.64</b>

## PORTFOLIO STATEMENT (CONTINUED)

As at 31 January 2016 (unaudited)

Investment	Currency	Holding	Market Value £000	% of Net Assets
<b>Information Technology 1.00% (1.40%)</b>				
<b>IT Services 1.00% (1.40%)</b>				
Computacenter plc	GBP	102,656	838	1.00
			838	1.00
<b>Information Technology total</b>			<b>838</b>	<b>1.00</b>
<b>Materials 6.04% (4.42%)</b>				
<b>Chemicals 0.00% (0.18%)</b>				
<b>Construction Materials 2.80% (2.74%)</b>				
CRH plc	EUR	129,172	2,350	2.80
			2,350	2.80
<b>Metals &amp; Mining 3.24% (1.50%)</b>				
AngloGold Ashanti Ltd., ADR	USD	21,228	123	0.15
Barrick Gold Corp.	CAD	18,972	128	0.15
Fresnillo plc	GBP	167,387	1,167	1.39
Gold Fields Ltd., ADR	USD	18,000	41	0.05
Hochschild Mining plc	GBP	40,855	19	0.02
Kinross Gold Corp.	CAD	44,455	50	0.06
Lonmin plc	GBP	1,915	1	–
Newmont Mining Corp.	USD	20,679	283	0.34
Rio Tinto plc	GBP	54,222	902	1.08
			2,714	3.24
<b>Materials total</b>			<b>5,064</b>	<b>6.04</b>
<b>Telecommunication Services 2.21% (2.89%)</b>				
<b>Diversified Telecommunication Services 2.21% (2.89%)</b>				
BT Group plc	GBP	388,223	1,853	2.21
			1,853	2.21
<b>Telecommunication Services total</b>			<b>1,853</b>	<b>2.21</b>
<b>Utilities 4.61% (4.96%)</b>				
<b>Independent Power and Renewable Electricity Producers 2.20% (2.25%)</b>				
Drax Group plc	GBP	739,998	1,843	2.20
			1,843	2.20
<b>Multi-Utilities 2.41% (2.71%)</b>				
Centrica plc	GBP	999,369	2,023	2.41
			2,023	2.41
<b>Utilities total</b>			<b>3,866</b>	<b>4.61</b>
<b>Equities total</b>			<b>81,436</b>	<b>97.07</b>
Investment assets			81,436	97.07
Net other assets			2,455	2.93
<b>Net assets</b>			<b>83,891</b>	<b>100.00</b>

All holdings are ordinary shares or stock units and admitted to an official stock exchange unless otherwise stated.  
The comparative percentage figures in brackets are as at 31 July 2015.

## STATEMENT OF TOTAL RETURN

For the six months ended 31 January 2016 (unaudited)

	£000	Six months ended 31.01.16 £000	£000	Six months ended 31.01.15 £000
Income				
Net capital (losses)/gains		(10,687)		2,172
Revenue	1,414		2,218	
Expenses	(457)		(673)	
Net revenue before taxation	957		1,545	
Taxation	(5)		(1)	
Net revenue after taxation		952		1,544
<b>Total return before distributions</b>		<b>(9,735)</b>		<b>3,716</b>
Distributions		(952)		(1,544)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(10,687)</b>		<b>2,172</b>

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the six months ended 31 January 2016 (unaudited)

	£000	Six months ended 31.01.16 £000	£000	Six months ended 31.01.15 £000
<b>Opening net assets attributable to shareholders</b>		<b>94,612</b>		<b>141,509</b>
Movement due to issue and cancellation of shares:				
Amounts payable on cancellation of shares	(34)		(19,777)	
		(34)		(19,777)
Dilution levy		–		24
Change in net assets attributable to shareholders from investment activities (see above)		(10,687)		2,172
<b>Closing net assets attributable to shareholders</b>		<b>83,891</b>		<b>123,928</b>

The Statement of Recommended Practice (2014) requires that comparatives are shown for the above report. As the comparatives should be for the comparable interim period, the net asset value at the end of the previous period will not agree to the net asset value at the start of this period. The published net asset value as at 31 July 2015 was £94,612,000.

## BALANCE SHEET

As at 31 January 2016 (unaudited)

	As at 31.01.16 £000	As at 31.07.15 £000
<b>Assets:</b>		
Investments	81,436	90,985
<b>Current assets:</b>		
Debtors	117	529
Cash and bank balances	3,409	4,446
<b>Total assets</b>	<b>84,962</b>	<b>95,960</b>
<b>Liabilities:</b>		
<b>Creditors:</b>		
Distribution payable	(952)	(1,240)
Other creditors	(119)	(108)
<b>Total liabilities</b>	<b>(1,071)</b>	<b>(1,348)</b>
<b>Net assets attributable to shareholders</b>	<b>83,891</b>	<b>94,612</b>

**ACCOUNTING POLICIES**

The interim financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) for Authorised Funds issued by the Investment Management Association (IMA) in May 2014 (SORP 2014). This is effective for accounting periods beginning on or after 1 January 2015 and supersedes the SORP issued by the IMA in October 2010 (SORP 2010).

The accounting policies applied are consistent with those of the financial statements for the year ended 31 July 2015 and are described in those annual financial statements.

## AVIVA INVESTORS UK EQUITY MOM 5 FUND

### INVESTMENT OBJECTIVE

Long term capital growth by investing primarily in UK equities.

### INVESTMENT POLICY

The Fund will invest primarily in equity securities listed or traded on Regulated markets in the UK. Limited exposure to other geographic regions may be possible. The Fund may invest in any of the following financial instruments in order to achieve its investment objective: equities or securities with equity characteristics, unlisted transferable securities, convertibles, preference shares, warrants, money market instruments, collective investment schemes and deposits.

### FUND MANAGER'S REPORT

#### Performance

Over the six months ended 31 January 2016 the Fund returned -9.52% after fees, compared with a return of -7.22%\* from the Fund's benchmark, the FTSE® All-Share Index.

#### Review

UK equities were weak during the period, despite still-positive domestic economic data. Concerns about global growth, and particularly China dominated sentiment. US interest rate policy was another area of intense investor focus and led to bouts of volatility.

The period began in weak fashion as concern about China grew. An unexpected devaluation of the renminbi led to worries that the true extent of the growth slowdown may be worse than expected. Further declines in economically sensitive commodity prices ensued, weighing on the FTSE® 100 Index given its heavy exposure to basic material and energy companies. Investors remained jittery due to speculation about US interest rate increases, although global growth concerns led the Federal Reserve to make no policy changes in September. It finally lifted interest rates in December, while the European Central Bank extended its own stimulus measures. The UK economy has proved particularly resilient throughout 2015. Signs of long-awaited wage inflation suggested that pressures on consumers may be easing. However, some slowing in the data emerged as the period drew to a close. GDP growth for 2015 was 2.2%, the slowest in three years. This led to declines in UK small and mid-cap stocks, whose greater domestic focus had enabled them to outperform their more internationally focused large-cap peers. The period ended with further general stock market weakness as China came into sharp focus once again. Soft economic data from the country, a slumping stock market and further renminbi devaluation all hit global markets.

Purchase activity largely reflected our identification of a number of different stock-level opportunities during the period. These included a new position in ARM Holdings. The shares had suffered a sharp valuation derating following a slowdown in capital spending by Asian semiconductor manufacturers. However, we believe that ARM can buck that trend as its new generation of V8 chips gains traction. We also bought shares in Imperial Tobacco. The company is using price increases and cost savings to offset the steady volume declines happening across the industry. Elsewhere, we participated in the initial listing of McCarthy & Stone, the retirement home builder. The shares came to market at a discount to peers, despite the fact that we expect faster growth and greater earnings stability due to its niche positioning. We also added to the position in infrastructure utility National Grid after a derating of the shares. Greater regulatory certainty reassures us that the group can continue to grow its dividend.

Profit taking was a key driver of our sales, and we were particularly active in the housebuilding sector. We reduced exposure to Bellway following a period of very strong performance. In general, we remain positive on the strong trading conditions for housebuilders given sustained demand for housing and limited competition for land. However, we decided to sell due to diminished valuation attractions. We cut back exposure to Crest Nicholson for similar reasons. We also sold shares in Barclays Bank to reflect a worsening regulatory and trading outlook, particularly for its investment banking division. Hungary-based low-cost airline Wizz Air exited the Fund. The shares had performed very strongly, and the prospect that increased European short-haul capacity could hit pricing and profitability led us to sell. Lastly, we sold BG shares ahead of the Royal Dutch Shell deal completion. Bought at a significant valuation discount to the terms offered, the shares have since converged with the bid price. We remain cautious on the combined business, believing that there has been insufficient action to cut costs and capital expenditure to support the dividend in the current oil price environment.

The position in Sage, the accounting software company, was beneficial for Fund returns. Financial results revealed strong revenue growth, positive margin gains and an optimistic management outlook. BT also outperformed well in anticipation of strong quarterly results. Peers in the broadband and pay TV industry have demonstrated stable customer bases, meaning a reduction in churn has been beneficial for the whole industry. Our real estate exposure was another notable contributor during the period. Bellway shares continued to perform well in an environment of strong demand and rising profit margins. Meanwhile, McCarthy & Stone shares outperformed after listing as its initial valuation discount relative to its peers narrowed. Shares in property portal Rightmove were also standouts, as the recovery in the UK housing market boosts the profitability of its estate agency customers and facilitates future price rises.

## AVIVA INVESTORS UK EQUITY MOM 5 FUND (CONTINUED)

## FUND MANAGER'S REPORT (CONTINUED)

By contrast, Crest Nicholson underperformed the housebuilding sector partly due to its valuation premium, but also its South of England bias. Signs of some weakness spreading out from London prompted a more cautious stance on the part of investors. In an environment of global growth concerns, stocks with exposure to emerging markets suffered. WS Atkins, the engineering consultancy business, has significant exposure to Middle Eastern governments and projects and suffered from sentiment around the weak oil price and possible budget pressures. Elsewhere, some financial holdings were detrimental, mainly due to a mixture of fundamental and regulatory concerns. International Personal Finance announced in December that the imposition of an interest rate cap would make lending at its Slovakian operation uneconomical. The profit impact is small, but the shares fell by more to reflect the risk of a repeat elsewhere. Close Brothers also lagged, as a trading update highlighted continuing difficulties in its Winterflood Securities business and some margin attrition in its lending division.

**Outlook**

We remain of the view that the variable global growth backdrop leaves scope for further bouts of stock market volatility. The UK stock market, dominated by many internationally focused large-caps, is consequently unlikely to be immune from any further adverse newsflow. That said, despite a short-term slowing in growth, the UK economy continues to expand and at a rate that is the envy of many peers. This is positive for domestically oriented sectors, particularly consumer-related businesses. Wages continue to grow and unemployment is hitting new lows. Combined with weaker commodity prices, this is boosting real income – something we believe should buoy consumer activity and the earnings of numerous UK businesses.

February 2016

\* Fund performance figures –share class 2, source Lipper, net of fees, net income reinvested in GBP. Unless otherwise indicated, all data has been sourced by Standard Life Investments Limited.

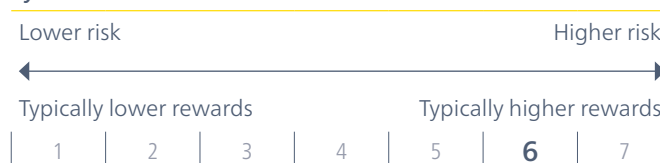
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Any opinions expressed are those of the Fund manager. They should not be viewed as a guarantee of a return from an investment in the Funds. The content of the commentary should not be viewed as a recommendation to invest nor to buy or sell stocks.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

**Material Portfolio Changes**

Purchases	Sales
Imperial Tobacco Group plc	Barclays plc
ARM Holdings plc	Burberry Group plc
National Grid plc	Bellway plc
Thomas Cook Group plc	Spirent Communications plc
McCarthy & Stone plc	Crest Nicholson Holdings plc
Sophos Group plc	Wizz Air Holdings plc
BTG plc	HSBC Holdings plc
BG Group plc	BG Group plc
Just Retirement Group plc	Anglo American plc
Savills plc	

There were only 9 sales in the period.

**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.

## INVESTMENT PERFORMANCE

## Net Asset Value – Income Shares

Share class	As at	Net asset value* £000	Shares in issue	Pence per share
Class 2	31.07.13	97,131	64,603,852	150.35
	31.07.14	114,621	75,167,203	152.49
	31.07.15	78,450	50,415,675	155.61
	31.01.16	70,150	50,391,259	139.21

\* Valued at bid market prices.

## Share Price Record – Income Shares

Share class	Calendar year	Highest price* (p)	Lowest price* (p)
Class 2	2011	134.50	102.20
	2012	131.50	111.50
	2013	160.82	133.33
	2014	164.53	138.00
	2015	164.85	140.69
	2016**	147.12	134.83

\* Valued at mid market prices.

\*\* Up to 31 January 2016.

## Ongoing Charges Figure\*

Share class	31.01.16	31.07.15
Class 2	1.04%	1.04%

\* 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 period. The OCF is made up of the Annual Management Charge and other operating costs deducted from the assets of the Fund during the period, except for those payments that are explicitly excluded (performance fees). The OCF includes transaction charges which were excluded from the Total Expense Ratio (TER) calculations provided previously.

## Revenue Record – Income Shares

The revenue record table below shows the net distribution rates per calendar year on a payment date basis for an investment made on 4 January 2011.

Share class	Calendar year	Net revenue per share (p)	Per £1,000 invested (£)
Class 2	2011	2.1859	16.73
	2012	3.3115	25.34
	2013	3.2447	24.83
	2014	3.3368	25.53
	2015	3.5765	27.37
	2016*	1.6035	12.27

\* Up to 31 March 2016 (the interim distribution payment date).



## PORTFOLIO STATEMENT

As at 31 January 2016 (unaudited)

Investment	Currency	Holding	Market Value £000	% of Net Assets
<b>Equities 99.18% (99.80%)</b>				
<b>Consumer Discretionary 12.45% (16.23%)</b>				
<b>Auto Components 1.89% (1.91%)</b>				
GKN plc	GBP	473,683	1,324	1.89
			1,324	1.89
<b>Distributors 1.44% (1.45%)</b>				
Inchcape plc	GBP	141,900	1,012	1.44
			1,012	1.44
<b>Hotels, Restaurants &amp; Leisure 1.29% (0.70%)</b>				
Enterprise Inns plc	GBP	492,076	453	0.65
Thomas Cook Group plc	GBP	427,590	452	0.64
			905	1.29
<b>Household Durables 4.83% (5.48%)</b>				
Bellway plc	GBP	66,213	1,809	2.58
Crest Nicholson Holdings plc	GBP	279,753	1,579	2.25
			3,388	4.83
<b>Internet &amp; Catalog Retail 1.04% (0.67%)</b>				
boohoo.com plc <sup>#</sup>	GBP	1,864,137	732	1.04
			732	1.04
<b>Media 1.96% (4.52%)</b>				
ITV plc	GBP	220,630	579	0.83
Johnston Press plc	GBP	432,734	157	0.22
WPP plc	GBP	42,750	637	0.91
			1,373	1.96
<b>Textiles, Apparel &amp; Luxury Goods 0.00% (1.50%)</b>				
<b>Consumer Discretionary total</b>			<b>8,734</b>	<b>12.45</b>
<b>Consumer Staples 5.59% (3.38%)</b>				
<b>Beverages 2.67% (2.10%)</b>				
Diageo plc	GBP	48,169	898	1.28
SABMiller plc	GBP	23,465	976	1.39
			1,874	2.67
<b>Tobacco 2.92% (1.28%)</b>				
Imperial Tobacco Group plc	GBP	54,619	2,049	2.92
			2,049	2.92
<b>Consumer Staples total</b>			<b>3,923</b>	<b>5.59</b>
<b>Energy 9.78% (10.24%)</b>				
<b>Oil, Gas &amp; Consumable Fuels 9.78% (10.24%)</b>				
BG Group plc	GBP	126,010	1,311	1.87
BP plc	GBP	684,462	2,530	3.61
Royal Dutch Shell plc 'B'	GBP	203,148	3,018	4.30
			6,859	9.78
<b>Energy total</b>			<b>6,859</b>	<b>9.78</b>
<b>Financials 24.28% (28.92%)</b>				
<b>Banks 11.45% (16.13%)</b>				
Barclays plc	GBP	622,971	1,138	1.62
HSBC Holdings plc	GBP	832,190	4,049	5.77
Lloyds Banking Group plc	GBP	3,106,300	2,018	2.88
Virgin Money Holdings UK plc	GBP	264,540	830	1.18
			8,035	11.45

## PORTFOLIO STATEMENT (CONTINUED)

As at 31 January 2016 (unaudited)

Investment	Currency	Holding	Market Value £000	% of Net Assets
<b>Capital Markets 2.93% (2.90%)</b>				
Close Brothers Group plc	GBP	87,096	1,119	1.59
IP Group plc	GBP	498,498	937	1.34
			<u>2,056</u>	<u>2.93</u>
<b>Consumer Finance 1.17% (1.73%)</b>				
International Personal Finance plc	GBP	341,190	823	1.17
			<u>823</u>	<u>1.17</u>
<b>Diversified Financial Services 1.69% (1.60%)</b>				
London Stock Exchange Group plc	GBP	48,176	1,185	1.69
			<u>1,185</u>	<u>1.69</u>
<b>Insurance 6.50% (6.25%)</b>				
Just Retirement Group plc	GBP	626,905	941	1.34
Legal & General Group plc	GBP	232,644	556	0.80
Prudential plc	GBP	226,255	3,059	4.36
			<u>4,556</u>	<u>6.50</u>
<b>Real Estate Management &amp; Development 0.54% (0.31%)</b>				
Savills plc	GBP	49,895	378	0.54
			<u>378</u>	<u>0.54</u>
<b>Financials total</b>			<b>17,033</b>	<b>24.28</b>
<b>Health Care 4.66% (2.86%)</b>				
<b>Health Care Providers &amp; Services 0.89% (0.00%)</b>				
McCarthy & Stone plc	GBP	223,188	620	0.89
			<u>620</u>	<u>0.89</u>
<b>Pharmaceuticals 3.77% (2.86%)</b>				
BTG plc	GBP	62,802	365	0.52
GlaxoSmithKline plc	GBP	160,893	2,282	3.25
			<u>2,647</u>	<u>3.77</u>
<b>Health Care total</b>			<b>3,267</b>	<b>4.66</b>
<b>Industrials 13.95% (14.24%)</b>				
<b>Airlines 3.34% (3.47%)</b>				
International Consolidated Airlines Group SA	GBP	362,810	1,948	2.78
Wizz Air Holdings plc	GBP	21,257	394	0.56
			<u>2,342</u>	<u>3.34</u>
<b>Commercial Services &amp; Supplies 1.97% (1.67%)</b>				
Babcock International Group plc	GBP	152,016	1,386	1.97
			<u>1,386</u>	<u>1.97</u>
<b>Construction &amp; Engineering 1.04% (1.13%)</b>				
Galliford Try plc	GBP	49,945	733	1.04
			<u>733</u>	<u>1.04</u>
<b>Machinery 2.33% (2.60%)</b>				
Bodycote plc	GBP	302,273	1,632	2.33
			<u>1,632</u>	<u>2.33</u>
<b>Professional Services 3.55% (3.76%)</b>				
Hays plc	GBP	802,504	1,004	1.43
WS Atkins plc	GBP	103,596	1,486	2.12
			<u>2,490</u>	<u>3.55</u>
<b>Trading Companies &amp; Distributors 1.72% (1.61%)</b>				
Ashtead Group plc	GBP	37,483	336	0.48
Grafton Group plc	GBP	124,114	869	1.24
			<u>1,205</u>	<u>1.72</u>
<b>Industrials total</b>			<b>9,788</b>	<b>13.95</b>

## PORTFOLIO STATEMENT (CONTINUED)

As at 31 January 2016 (unaudited)

Investment	Currency	Holding	Market Value £000	% of Net Assets
<b>Information Technology 7.93% (3.72%)</b>				
<b>Communications Equipment 0.00% (0.73%)</b>				
<b>Internet Software &amp; Services 2.83% (0.00%)</b>				
Rightmove plc	GBP	50,782	1,981	2.83
			1,981	2.83
<b>Semiconductors &amp; Semiconductor Equipment 1.77% (0.75%)</b>				
ARM Holdings plc	GBP	88,276	860	1.23
Imagination Technologies Group plc	GBP	292,398	382	0.54
			1,242	1.77
<b>Software 3.33% (2.24%)</b>				
Sage Group plc (The)	GBP	227,554	1,396	1.99
Sophos Group plc	GBP	397,092	939	1.34
			2,335	3.33
<b>Information Technology total</b>			<b>5,558</b>	<b>7.93</b>
<b>Materials 7.01% (8.90%)</b>				
<b>Chemicals 0.70% (0.77%)</b>				
Essentra plc	GBP	67,278	494	0.70
			494	0.70
<b>Containers &amp; Packaging 3.63% (3.53%)</b>				
DS Smith plc	GBP	693,919	2,546	3.63
			2,546	3.63
<b>Metals &amp; Mining 2.68% (4.60%)</b>				
BHP Billiton plc	GBP	57,434	377	0.54
Glencore plc	GBP	471,902	410	0.59
Rio Tinto plc	GBP	65,488	1,090	1.55
			1,877	2.68
<b>Materials total</b>			<b>4,917</b>	<b>7.01</b>
<b>Telecommunication Services 9.31% (8.54%)</b>				
<b>Diversified Telecommunication Services 5.46% (4.75%)</b>				
BT Group plc	GBP	802,516	3,830	5.46
			3,830	5.46
<b>Wireless Telecommunication Services 3.85% (3.79%)</b>				
Vodafone Group plc	GBP	1,230,670	2,703	3.85
			2,703	3.85
<b>Telecommunication Services total</b>			<b>6,533</b>	<b>9.31</b>
<b>Utilities 4.22% (2.77%)</b>				
<b>Multi-Utilities 4.22% (2.77%)</b>				
National Grid plc	GBP	211,581	2,057	2.93
Telecom Plus plc	GBP	89,350	903	1.29
			2,960	4.22
<b>Utilities total</b>			<b>2,960</b>	<b>4.22</b>
<b>Equities total</b>			<b>69,572</b>	<b>99.18</b>
Investment assets			69,572	99.18
Net other assets			578	0.82
<b>Net assets</b>			<b>70,150</b>	<b>100.00</b>

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

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

# Security traded on another regulated market.

## STATEMENT OF TOTAL RETURN

For the six months ended 31 January 2016 (unaudited)

	£000	Six months ended 31.01.16 £000	£000	Six months ended 31.01.15 £000
Income				
Net capital losses		(8,265)		(1,076)
Revenue	1,193		1,751	
Expenses	(385)		(557)	
Net revenue before taxation	808		1,194	
Taxation	–		–	
Net revenue after taxation		808		1,194
<b>Total return before distributions</b>		<b>(7,457)</b>		<b>118</b>
Distributions		(808)		(1,195)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(8,265)</b>		<b>(1,077)</b>

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the six months ended 31 January 2016 (unaudited)

	£000	Six months ended 31.01.16 £000	£000	Six months ended 31.01.15 £000
<b>Opening net assets attributable to shareholders</b>		<b>78,450</b>		<b>114,621</b>
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	–		1	
Amounts payable on cancellation of shares	(35)		(11,288)	
		(35)		(11,287)
Dilution levy		–		11
Change in net assets attributable to shareholders from investment activities (see above)		(8,265)		(1,077)
<b>Closing net assets attributable to shareholders</b>		<b>70,150</b>		<b>102,268</b>

The Statement of Recommended Practice (2014) requires that comparatives are shown for the above report. As the comparatives should be for the comparable interim period, the net asset value at the end of the previous period will not agree to the net asset value at the start of this period. The published net asset value as at 31 July 2015 was £78,450,000.

## BALANCE SHEET

As at 31 January 2016 (unaudited)

	As at 31.01.16 £000	As at 31.07.15 £000
<b>Assets:</b>		
Investments	69,572	78,293
<b>Current assets:</b>		
Debtors	87	222
Cash and bank balances	1,369	1,007
<b>Total assets</b>	<b>71,028</b>	<b>79,522</b>
<b>Liabilities:</b>		
<b>Creditors:</b>		
Distribution payable	(808)	(983)
Other creditors	(70)	(89)
<b>Total liabilities</b>	<b>(878)</b>	<b>(1,072)</b>
<b>Net assets attributable to shareholders</b>	<b>70,150</b>	<b>78,450</b>

**ACCOUNTING POLICIES**

The interim financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) for Authorised Funds issued by the Investment Management Association (IMA) in May 2014 (SORP 2014). This is effective for accounting periods beginning on or after 1 January 2015 and supersedes the SORP issued by the IMA in October 2010 (SORP 2010).

The accounting policies applied are consistent with those of the financial statements for the year ended 31 July 2015 and are described in those annual financial statements.

## AVIVA INVESTORS US EQUITY MOM 1 FUND

### INVESTMENT OBJECTIVE

Long term capital growth by investing primarily in US equities.

### INVESTMENT POLICY

The Fund will invest primarily in equity securities listed or traded on Regulated markets in the US. Limited exposure to other geographic regions may be possible. The Fund may invest in any of the following financial instruments in order to achieve its investment objective: equities or securities with equity characteristics, unlisted transferable securities, convertibles, preference shares, warrants, money market instruments, collective investment schemes and deposits.

### FUND MANAGER'S REPORT

#### Performance

Over the six months ended 31 January 2016 the Fund returned -0.86% after fees, compared with a return of 2.56%\* from the Fund's benchmark, the S&P 500 Index.

#### Review

The Fund's active size positioning had a negative impact on relative performance during the period as larger cap stocks outperformed the smaller cap stocks in the index on average.

The strategy's active sector positioning tends to vary over time and is a function of the volatility and correlation characteristics of the underlying stocks. Over the past six months, the Fund's average active sector positioning moderately detracted from the strategy's relative return. Specifically, underweight allocations to the telecommunication services and information technology sectors detracted from relative performance. The Fund was also negatively impacted by an average underweight allocation to some strong performing mega cap technology stocks during the period.

Due to their volatility and correlation characteristics, the Fund tends to overweight the smaller cap stocks within the investment universe as they provide more relative volatility capture potential.

The Fund's active size positioning had a negative impact on relative performance during the period as the larger cap stocks strongly outperformed the smaller cap stocks within the S&P 500 Index.

However, the Fund benefited from an overall positive selection effect, which is a residual of the investment process, during the period.

The strategy's overall active sector positioning moderately detracted from the Fund's relative performance during the period.

While an overall positive selection effect contributed to relative performance during the period, an underweight to some strong performing mega cap information technology names detracted during the period.

The Fund was negatively impacted by several positions in the information technology and health care sectors.

Four of the strategy's ten largest detractors during the period were positions in the information technology sector (an overweight to Western Digital and underweight positions to Alphabet Class C, Microsoft, and Alphabet Class A).

Four of the strategy's ten largest detractors during the period were overweight positions in the health care sector (Mallinckrodt, AmerisourceBergen, Anthem, and McKesson).

February 2016

\* Fund performance figures – share class 2, source Lipper, net of fees, net income reinvested in GBP. Unless otherwise indicated, all data has been sourced by INTECH.

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 to buy or sell stocks. Past performance is not a guide to future performance. The value of an investment in the Fund and any income from it may go down as well as up, and the investor may not get back the original amount invested.

### Material Portfolio Changes

Purchases	Sales
Netflix, Inc.	Southwest Airlines Co.
Skyworks Solutions, Inc.	Alcoa, Inc.
Aetna, Inc.	Micron Technology, Inc.
Vulcan Materials Co.	Kroger Co. (The)
Electronic Arts, Inc.	Norfolk Southern Corp.
Anthem, Inc.	Entergy Corp.
Starbucks Corp.	Aetna, Inc.
Comcast Corp. 'A'	Xerox Corp.
Amazon.com, Inc.	Molson Coors Brewing Co. 'B'
Total System Services, Inc.	Sigma-Aldrich Corp.

### 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.
- The value of investments will be affected by changes in exchange rates.

## COMPARATIVE TABLES

## Net Asset Value – Income Shares

Share class	As at	Net asset value* £000	Shares in issue	Pence per share
Class 2	31.07.13	179,114	99,579,189	179.87
	31.07.14	187,632	98,456,588	190.57
	31.07.15	187,751	82,476,830	227.64
	31.01.16	182,921	81,251,050	225.13

\* Valued at bid market prices.

## Share Price Record – Income Shares

Share class	Calendar year	Highest price* (p)	Lowest price* (p)
Class 2	2011	137.80	110.60
	2012	148.60	132.30
	2013	182.69	142.60
	2014	224.30	174.50
	2015	243.90	205.76
	2016**	236.65	223.00

\* Valued at mid market prices.

\*\* Up to 31 January 2016.

## Ongoing Charges Figure\*

Share class	31.01.16	31.07.15
Class 2	1.04%	1.04%

\* 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 period. The OCF is made up of the Annual Management Charge and other operating costs deducted from the assets of the Fund during the period, except for those payments that are explicitly excluded (performance fees). The OCF includes transaction charges which were excluded from the Total Expense Ratio (TER) calculations provided previously.

## Revenue Record – Income Shares

The revenue record table below shows the net distribution rates per calendar year on a payment date basis for an investment made on 4 January 2011.

Share class	Calendar year	Net revenue per share (p)	Per £1,000 invested (£)
Class 2	2011	0.9858	7.58
	2012	1.2342	9.49
	2013	1.4017	10.78
	2014	0.9009	6.93
	2015	1.2488	9.61
	2016*	0.6164	4.74

\* Up to 31 March 2016 (the interim distribution payment date).

## PORTFOLIO STATEMENT

As at 31 January 2016 (unaudited)

Investment	Currency	Holding	Market Value £000	% of Net Assets
<b>Equities 99.57% (99.36%)</b>				
<b>Consumer Discretionary 16.31% (11.76%)</b>				
<b>Auto Components 0.87% (0.48%)</b>				
Delphi Automotive plc	USD	24,500	1,102	0.60
Goodyear Tire & Rubber Co. (The)	USD	24,200	470	0.26
Johnson Controls, Inc.	USD	600	15	0.01
			1,587	0.87
<b>Automobiles 0.02% (0.00%)</b>				
Ford Motor Co.	USD	4,200	34	0.02
			34	0.02
<b>Distributors 0.00% (0.17%)</b>				
<b>Hotels, Restaurants &amp; Leisure 1.81% (1.35%)</b>				
Carnival Corp.	USD	6,100	200	0.11
Darden Restaurants, Inc.	USD	10,700	475	0.26
Marriott International, Inc. 'A'	USD	24,100	1,001	0.55
McDonald's Corp.	USD	400	34	0.02
Royal Caribbean Cruises Ltd.	USD	6,200	341	0.19
Starbucks Corp.	USD	20,000	832	0.45
Yum! Brands, Inc.	USD	8,600	425	0.23
			3,308	1.81
<b>Household Durables 1.39% (1.08%)</b>				
DR Horton, Inc.	USD	19,000	357	0.20
Leggett & Platt, Inc.	USD	17,200	479	0.26
Lennar Corp. 'A'	USD	9,600	278	0.15
Mohawk Industries, Inc.	USD	5,100	584	0.32
Newell Rubbermaid, Inc.	USD	31,900	839	0.46
			2,537	1.39
<b>Internet &amp; Catalog Retail 1.24% (0.12%)</b>				
Amazon.com, Inc.	USD	1,700	758	0.41
Expedia, Inc.	USD	1,800	125	0.07
Netflix, Inc.	USD	17,700	1,172	0.64
Priceline Group, Inc. (The)	USD	300	219	0.12
			2,274	1.24
<b>Leisure Products 0.32% (0.02%)</b>				
Hasbro, Inc.	USD	11,500	584	0.32
			584	0.32
<b>Media 3.55% (2.85%)</b>				
Cablevision Systems Corp. 'A'	USD	24,500	543	0.30
Comcast Corp. 'A'	USD	53,840	2,044	1.12
Interpublic Group of Cos., Inc. (The)	USD	10,200	157	0.08
TEGNA, Inc.	USD	7,100	115	0.06
Time Warner Cable, Inc.	USD	8,600	1,075	0.59
Time Warner, Inc.	USD	21,900	1,069	0.58
Walt Disney Co. (The)	USD	22,900	1,502	0.82
			6,505	3.55
<b>Multiline Retail 0.71% (0.51%)</b>				
Dollar General Corp.	USD	4,000	206	0.11
Dollar Tree, Inc.	USD	6,800	376	0.20
Kohl's Corp.	USD	4,700	158	0.09
Target Corp.	USD	11,300	563	0.31
			1,303	0.71



## PORTFOLIO STATEMENT (CONTINUED)

As at 31 January 2016 (unaudited)

Investment	Currency	Holding	Market Value £000	% of Net Assets
<b>Specialty Retail 4.56% (3.73%)</b>				
Advance Auto Parts, Inc.	USD	1,900	198	0.11
AutoNation, Inc.	USD	3,000	88	0.05
AutoZone, Inc.	USD	1,500	787	0.43
Best Buy Co., Inc.	USD	18,300	346	0.19
CarMax, Inc.	USD	700	21	0.01
GameStop Corp. 'A'	USD	14,600	263	0.14
Home Depot, Inc. (The)	USD	23,000	1,972	1.08
L Brands, Inc.	USD	19,400	1,286	0.70
Lowe's Cos, Inc.	USD	17,700	859	0.47
O'Reilly Automotive, Inc.	USD	8,300	1,493	0.82
Ross Stores, Inc.	USD	12,800	484	0.26
TJX Cos., Inc. (The)	USD	2,600	127	0.07
Tractor Supply Co.	USD	6,900	411	0.23
			8,335	4.56
<b>Textiles, Apparel &amp; Luxury Goods 1.84% (1.45%)</b>				
Hanesbrands, Inc.	USD	21,600	449	0.24
NIKE, Inc. 'B'	USD	13,600	584	0.32
Under Armour, Inc. 'A'	USD	18,200	1,073	0.59
VF Corp.	USD	30,000	1,264	0.69
			3,370	1.84
<b>Consumer Discretionary total</b>			<b>29,837</b>	<b>16.31</b>
<b>Consumer Staples 11.90% (11.00%)</b>				
<b>Beverages 3.16% (2.78%)</b>				
Brown-Forman Corp. 'B'	USD	10,500	698	0.38
Coca-Cola Co. (The)	USD	6,940	207	0.11
Coca-Cola Enterprises, Inc.	USD	5,500	178	0.10
Constellation Brands, Inc. 'A'	USD	16,400	1,747	0.96
Dr Pepper Snapple Group, Inc.	USD	18,800	1,214	0.66
Molson Coors Brewing Co. 'B'	USD	4,600	285	0.16
Monster Beverage Corp.	USD	6,400	616	0.34
PepsiCo, Inc.	USD	12,154	831	0.45
			5,776	3.16
<b>Food &amp; Staples Retailing 3.40% (3.53%)</b>				
Costco Wholesale Corp.	USD	8,800	923	0.51
CVS Health Corp.	USD	37,750	2,475	1.35
Kroger Co. (The)	USD	63,400	1,682	0.92
Walgreens Boots Alliance, Inc.	USD	20,800	1,132	0.62
			6,212	3.40
<b>Food Products 1.66% (1.22%)</b>				
Archer-Daniels-Midland Co.	USD	17,800	433	0.24
Campbell Soup Co.	USD	3,200	125	0.07
ConAgra Foods, Inc.	USD	11,800	332	0.18
General Mills, Inc.	USD	17,300	670	0.36
Hormel Foods Corp.	USD	9,300	511	0.28
JM Smucker Co. (The)	USD	1,000	89	0.05
Kraft Heinz Co. (The)	USD	400	21	0.01
McCormick & Co., Inc., (Non-Voting) 'G'	USD	5,100	305	0.17
Mondelez International, Inc. 'A'	USD	10,900	318	0.17
Tyson Foods, Inc. 'A'	USD	6,400	236	0.13
			3,040	1.66

## PORTFOLIO STATEMENT (CONTINUED)

As at 31 January 2016 (unaudited)

Investment	Currency	Holding	Market Value £000	% of Net Assets
<b>Household Products 1.32% (1.51%)</b>				
Church & Dwight Co., Inc.	USD	2,400	137	0.07
Clorox Co. (The)	USD	9,700	857	0.47
Colgate-Palmolive Co.	USD	4,400	201	0.11
Kimberly-Clark Corp.	USD	9,400	833	0.46
Procter & Gamble Co. (The)	USD	6,770	379	0.21
			2,407	1.32
<b>Personal Products 0.18% (0.00%)</b>				
Estee Lauder Cos., Inc. (The) 'A'	USD	5,600	329	0.18
			329	0.18
<b>Tobacco 2.18% (1.96%)</b>				
Altria Group, Inc.	USD	51,419	2,151	1.17
Reynolds American, Inc.	USD	54,208	1,845	1.01
			3,996	2.18
<b>Consumer Staples total</b>			<b>21,760</b>	<b>11.90</b>
<b>Energy 3.39% (3.12%)</b>				
<b>Energy Equipment &amp; Services 0.40% (0.05%)</b>				
Baker Hughes, Inc.	USD	3,500	105	0.06
Cameron International Corp.	USD	6,700	299	0.16
Halliburton Co.	USD	6,100	130	0.07
Helmerich & Payne, Inc.	USD	1,600	56	0.03
Schlumberger Ltd.	USD	1,700	83	0.05
Transocean Ltd.	USD	8,900	61	0.03
			734	0.40
<b>Oil, Gas &amp; Consumable Fuels 2.99% (3.07%)</b>				
Anadarko Petroleum Corp.	USD	500	13	0.01
Cimarex Energy Co.	USD	3,900	243	0.13
Columbia Pipeline Group, Inc.	USD	38,100	482	0.26
ConocoPhillips	USD	2,786	74	0.04
Exxon Mobil Corp.	USD	34,057	1,839	1.01
Kinder Morgan, Inc.	USD	7,300	78	0.04
Marathon Petroleum Corp.	USD	15,700	443	0.24
Newfield Exploration Co.	USD	19,000	367	0.20
Occidental Petroleum Corp.	USD	300	14	0.01
Phillips 66	USD	8,143	449	0.25
Tesoro Corp.	USD	12,100	711	0.39
Valero Energy Corp.	USD	11,800	534	0.29
Williams Cos., Inc. (The)	USD	15,800	214	0.12
			5,461	2.99
<b>Energy total</b>			<b>6,195</b>	<b>3.39</b>
<b>Financials 17.31% (16.35%)</b>				
<b>Banks 4.19% (2.66%)</b>				
Bank of America Corp.	USD	63,837	606	0.33
BB&T Corp.	USD	8,400	188	0.10
Citigroup, Inc.	USD	16,700	473	0.26
Comerica, Inc.	USD	5,900	141	0.08
Fifth Third Bancorp	USD	21,200	231	0.13
Huntington Bancshares, Inc.	USD	83,300	495	0.27
JPMorgan Chase & Co.	USD	25,867	1,039	0.57
KeyCorp	USD	21,900	170	0.09
M&T Bank Corp.	USD	4,800	364	0.20
People's United Financial, Inc.	USD	34,800	343	0.19
PNC Financial Services Group, Inc. (The)	USD	6,000	357	0.19

## PORTFOLIO STATEMENT (CONTINUED)

As at 31 January 2016 (unaudited)

Investment	Currency	Holding	Market Value £000	% of Net Assets
<b>Banks 4.19% (2.66%) (continued)</b>				
Regions Financial Corp.	USD	9,400	53	0.03
SunTrust Banks, Inc.	USD	10,200	260	0.14
US Bancorp	USD	28,413	781	0.43
Wells Fargo & Co.	USD	55,173	1,893	1.03
Zions Bancorporation	USD	17,700	275	0.15
			7,669	4.19
<b>Capital Markets 2.73% (2.24%)</b>				
Affiliated Managers Group, Inc.	USD	1,400	126	0.07
Ameriprise Financial, Inc.	USD	6,900	421	0.23
Bank of New York Mellon Corp. (The)	USD	30,400	754	0.41
BlackRock, Inc.	USD	1,200	252	0.14
Charles Schwab Corp. (The)	USD	39,400	686	0.38
E*TRADE Financial Corp.	USD	37,400	610	0.33
Goldman Sachs Group, Inc. (The)	USD	6,200	683	0.37
Invesco Ltd.	USD	6,000	120	0.07
Legg Mason, Inc.	USD	2,700	56	0.03
Morgan Stanley	USD	32,600	575	0.31
Northern Trust Corp.	USD	9,300	390	0.21
State Street Corp.	USD	9,100	331	0.18
			5,004	2.73
<b>Consumer Finance 0.86% (1.07%)</b>				
Capital One Financial Corp.	USD	11,800	522	0.28
Discover Financial Services	USD	25,000	786	0.43
Synchrony Financial	USD	13,600	267	0.15
			1,575	0.86
<b>Diversified Financial Services 3.02% (3.01%)</b>				
Berkshire Hathaway 'B'	USD	13,764	1,217	0.67
CME Group, Inc.	USD	15,800	965	0.53
Intercontinental Exchange, Inc.	USD	2,610	466	0.25
Leucadia National Corp.	USD	3,000	34	0.02
McGraw Hill Financial, Inc.	USD	23,300	1,346	0.74
Moody's Corp.	USD	15,400	941	0.51
Nasdaq, Inc.	USD	13,300	549	0.30
			5,518	3.02
<b>Insurance 4.24% (3.00%)</b>				
Aflac, Inc.	USD	2,900	118	0.06
Allstate Corp. (The)	USD	34,600	1,437	0.79
American International Group, Inc.	USD	13,200	507	0.28
Aon plc	USD	4,200	253	0.14
Assurant, Inc.	USD	5,200	290	0.16
Chubb Ltd.	USD	2,323	178	0.10
Cincinnati Financial Corp.	USD	1,800	70	0.04
Hartford Financial Services Group, Inc. (The)	USD	21,800	595	0.32
Lincoln National Corp.	USD	11,500	311	0.17
Marsh & McLennan Cos, Inc.	USD	27,600	1,003	0.55
MetLife, Inc.	USD	7,100	218	0.12
Principal Financial Group, Inc.	USD	9,300	244	0.13
Progressive Corp. (The)	USD	19,900	429	0.23
Prudential Financial, Inc.	USD	1,900	92	0.05
Torchmark Corp.	USD	15,200	565	0.31
Travelers Cos., Inc. (The)	USD	9,980	731	0.40
Unum Group	USD	9,300	185	0.10
Willis Towers Watson plc	USD	2,300	182	0.10
XL Group plc	USD	13,800	341	0.19
			7,749	4.24

## PORTFOLIO STATEMENT (CONTINUED)

As at 31 January 2016 (unaudited)

Investment	Currency	Holding	Market Value £000	% of Net Assets
<b>Real Estate Investment Trusts (REITs) 2.13% (4.28%)</b>				
American Tower Corp.	USD	2,700	175	0.10
Apartment Investment & Management Co. 'A'	USD	11,900	318	0.17
AvalonBay Communities, Inc.	USD	4,500	539	0.29
Boston Properties, Inc.	USD	1,800	146	0.08
Crown Castle International Corp.	USD	2,800	167	0.09
Equinix, Inc.	USD	2,213	466	0.26
Equity Residential	USD	11,400	606	0.33
Essex Property Trust, Inc.	USD	4,100	606	0.33
Extra Space Storage, Inc.	USD	1,900	119	0.07
General Growth Properties, Inc.	USD	5,400	104	0.06
Macerich Co. (The)	USD	3,900	208	0.11
Public Storage	USD	1,000	175	0.10
Simon Property Group, Inc.	USD	1,300	170	0.09
Vornado Realty Trust	USD	1,000	61	0.03
Welltower, Inc.	USD	900	38	0.02
			3,898	2.13
<b>Real Estate Management &amp; Development 0.14% (0.09%)</b>				
CBRE Group, Inc. 'A'	USD	13,500	256	0.14
			256	0.14
<b>Financials total</b>			<b>31,669</b>	<b>17.31</b>
<b>Health Care 16.58% (16.25%)</b>				
<b>Biotechnology 1.86% (2.02%)</b>				
Amgen, Inc.	USD	4,800	499	0.27
Celgene Corp.	USD	8,000	545	0.30
Gilead Sciences, Inc.	USD	18,000	1,105	0.60
Regeneron Pharmaceuticals, Inc.	USD	3,400	990	0.54
Vertex Pharmaceuticals, Inc.	USD	4,200	274	0.15
			3,413	1.86
<b>Health Care Equipment &amp; Supplies 1.73% (1.61%)</b>				
Abbott Laboratories	USD	14,900	384	0.21
Becton Dickinson and Co.	USD	7,430	741	0.41
Boston Scientific Corp.	USD	33,000	391	0.21
CR Bard, Inc.	USD	1,700	213	0.12
DENTSPLY International, Inc.	USD	1,000	41	0.02
Edwards Lifesciences Corp.	USD	15,700	836	0.46
Medtronic plc	USD	7,800	404	0.22
St Jude Medical, Inc.	USD	1,200	44	0.02
Stryker Corp.	USD	1,600	109	0.06
			3,163	1.73
<b>Health Care Providers &amp; Services 7.84% (6.87%)</b>				
Aetna, Inc.	USD	24,497	1,698	0.93
AmerisourceBergen Corp.	USD	25,000	1,531	0.84
Anthem, Inc.	USD	22,800	2,023	1.11
Cardinal Health, Inc.	USD	17,100	948	0.52
Cigna Corp.	USD	20,100	1,831	1.00
DaVita HealthCare Partners, Inc.	USD	5,000	226	0.12
Express Scripts Holding Co.	USD	3,700	181	0.10
HCA Holdings, Inc.	USD	15,400	729	0.40
Henry Schein, Inc.	USD	2,300	236	0.13
Humana, Inc.	USD	6,100	684	0.37
Laboratory Corp. of America Holdings	USD	3,100	239	0.13
McKesson Corp.	USD	9,900	1,112	0.61
Patterson Cos, Inc.	USD	5,700	165	0.09
Quest Diagnostics, Inc.	USD	3,700	166	0.09
UnitedHealth Group, Inc.	USD	21,100	1,648	0.90
Universal Health Services, Inc. 'B'	USD	12,100	917	0.50
			14,334	7.84

## PORTFOLIO STATEMENT (CONTINUED)

As at 31 January 2016 (unaudited)

Investment	Currency	Holding	Market Value £000	% of Net Assets
<b>Health Care Technology 0.13% (0.15%)</b>				
Cerner Corp.	USD	6,000	236	0.13
			236	0.13
<b>Life Sciences Tools &amp; Services 0.95% (0.71%)</b>				
illumina, Inc.	USD	1,800	195	0.11
PerkinElmer, Inc.	USD	11,900	392	0.21
Thermo Fisher Scientific, Inc.	USD	11,500	1,034	0.56
Waters Corp.	USD	1,500	123	0.07
			1,744	0.95
<b>Pharmaceuticals 4.07% (4.89%)</b>				
AbbVie, Inc.	USD	15,670	612	0.33
Actavis plc	USD	10,614	2,095	1.15
Bristol-Myers Squibb Co.	USD	500	21	0.01
Eli Lilly & Co.	USD	13,100	706	0.39
Endo International plc	USD	1,900	73	0.04
Johnson & Johnson	USD	18,101	1,299	0.71
Mallinckrodt plc	USD	11,100	446	0.24
Merck & Co., Inc.	USD	7,926	274	0.15
Perrigo Co. plc	USD	200	20	0.01
Pfizer, Inc.	USD	50,265	1,064	0.58
Zoetis, Inc.	USD	27,700	833	0.46
			7,443	4.07
<b>Health Care total</b>			<b>30,333</b>	<b>16.58</b>
<b>Industrials 9.54% (11.88%)</b>				
<b>Aerospace &amp; Defense 3.51% (3.64%)</b>				
Boeing Co. (The)	USD	4,900	406	0.22
General Dynamics Corp.	USD	14,500	1,308	0.71
Honeywell International, Inc.	USD	1,600	110	0.06
Lockheed Martin Corp.	USD	12,600	1,825	1.00
Northrop Grumman Corp.	USD	12,400	1,565	0.86
Raytheon Co.	USD	10,800	926	0.51
Rockwell Collins, Inc.	USD	4,000	228	0.12
Textron, Inc.	USD	2,400	57	0.03
			6,425	3.51
<b>Air Freight &amp; Logistics 0.30% (0.67%)</b>				
CH Robinson Worldwide, Inc.	USD	2,100	93	0.05
Expeditors International of Washington, Inc.	USD	800	25	0.01
FedEx Corp.	USD	4,600	414	0.23
United Parcel Service, Inc. 'B'	USD	300	19	0.01
			551	0.30
<b>Airlines 0.67% (1.85%)</b>				
Delta Air Lines, Inc.	USD	13,600	412	0.22
Southwest Airlines Co.	USD	32,300	820	0.45
			1,232	0.67
<b>Building Products 0.38% (0.10%)</b>				
Allegion plc	USD	7,733	321	0.18
Masco Corp.	USD	20,600	368	0.20
			689	0.38
<b>Commercial Services &amp; Supplies 0.89% (1.04%)</b>				
ADT Corp. (The)	USD	7,400	148	0.08
Cintas Corp.	USD	11,400	665	0.36
Republic Services, Inc.	USD	22,700	680	0.37
Stericycle, Inc.	USD	400	33	0.02
Waste Management, Inc.	USD	2,900	106	0.06
			1,632	0.89

## PORTFOLIO STATEMENT (CONTINUED)

As at 31 January 2016 (unaudited)

Investment	Currency	Holding	Market Value £000	% of Net Assets
<b>Electrical Equipment 0.17% (0.00%)</b>				
AMETEK, Inc.	USD	5,900	191	0.10
Rockwell Automation, Inc.	USD	1,900	124	0.07
			315	0.17
<b>Industrial Conglomerates 1.28% (1.02%)</b>				
3M Co.	USD	5,700	589	0.32
Danaher Corp.	USD	200	12	–
General Electric Co.	USD	59,028	1,168	0.64
Roper Technologies, Inc.	USD	4,900	583	0.32
			2,352	1.28
<b>Machinery 0.62% (0.30%)</b>				
Deere & Co.	USD	2,600	136	0.08
Illinois Tool Works, Inc.	USD	2,400	149	0.08
Ingersoll-Rand plc	USD	300	11	0.01
Snap-on, Inc.	USD	5,200	573	0.31
Stanley Black & Decker, Inc.	USD	4,000	258	0.14
			1,127	0.62
<b>Professional Services 0.88% (0.74%)</b>				
Dun & Bradstreet Corp. (The)	USD	3,300	221	0.12
Equifax, Inc.	USD	12,100	864	0.47
Nielsen Holdings plc	USD	1,400	46	0.03
Robert Half International, Inc.	USD	8,100	245	0.13
Verisk Analytics, Inc.	USD	4,600	230	0.13
			1,606	0.88
<b>Road &amp; Rail 0.84% (2.25%)</b>				
CSX Corp.	USD	12,400	194	0.11
Norfolk Southern Corp.	USD	1,000	49	0.03
Ryder System, Inc.	USD	4,400	157	0.08
Union Pacific Corp.	USD	22,936	1,129	0.62
			1,529	0.84
<b>Trading Companies &amp; Distributors 0.00% (0.27%)</b>				
<b>Industrials total</b>			<b>17,458</b>	<b>9.54</b>
<b>Information Technology 16.21% (16.57%)</b>				
<b>Communications Equipment 0.77% (0.55%)</b>				
Cisco Systems, Inc.	USD	19,200	311	0.17
F5 Networks, Inc.	USD	9,400	610	0.33
Harris Corp.	USD	500	29	0.02
Juniper Networks, Inc.	USD	29,000	457	0.25
			1,407	0.77
<b>Electronic Equipment, Instruments &amp; Components 0.30% (0.46%)</b>				
Amphenol Corp. 'A'	USD	16,000	544	0.30
			544	0.30
<b>Internet Software &amp; Services 1.96% (1.36%)</b>				
Akamai Technologies, Inc.	USD	16,700	509	0.28
Alphabet, Inc. 'A'	USD	800	420	0.23
Alphabet, Inc. 'C'	USD	801	411	0.22
eBay, Inc.	USD	15,300	248	0.14
Facebook, Inc. 'A'	USD	22,500	1,722	0.94
VeriSign, Inc.	USD	4,900	265	0.15
Yahoo!, Inc.	USD	400	8	–
			3,583	1.96

## PORTFOLIO STATEMENT (CONTINUED)

As at 31 January 2016 (unaudited)

Investment	Currency	Holding	Market Value £000	% of Net Assets
<b>IT Services 4.15% (3.36%)</b>				
Accenture plc 'A'	USD	4,700	340	0.19
Alliance Data Systems Corp.	USD	100	14	0.01
Automatic Data Processing, Inc.	USD	16,700	946	0.52
Cognizant Technology Solutions Corp. 'A'	USD	9,500	409	0.22
Fidelity National Information Services, Inc.	USD	22,800	931	0.51
Fiserv, Inc.	USD	26,300	1,679	0.92
International Business Machines Corp.	USD	800	69	0.04
MasterCard, Inc. 'A'	USD	8,800	515	0.28
Paychex, Inc.	USD	4,100	133	0.07
PayPal Holdings, Inc.	USD	12,700	305	0.17
Total System Services, Inc.	USD	20,100	535	0.29
Visa, Inc. 'A'	USD	26,900	1,309	0.71
Western Union Co. (The)	USD	29,200	350	0.19
Xerox Corp.	USD	7,400	48	0.03
			7,583	4.15
<b>Semiconductors &amp; Semiconductor Equipment 2.67% (3.80%)</b>				
Analog Devices, Inc.	USD	6,100	221	0.12
Avago Technologies Ltd.	USD	15,700	1,392	0.76
Broadcom Corp. 'A' ^	USD	26,800	1,024	0.56
Intel Corp.	USD	19,200	404	0.22
Lam Research Corp.	USD	8,200	399	0.22
NVIDIA Corp.	USD	11,000	216	0.12
Qorvo, Inc.	USD	1,600	41	0.02
Skyworks Solutions, Inc.	USD	24,300	1,105	0.60
Texas Instruments, Inc.	USD	2,500	90	0.05
			4,892	2.67
<b>Software 3.47% (2.30%)</b>				
Activision Blizzard, Inc.	USD	22,200	526	0.29
Adobe Systems, Inc.	USD	2,900	172	0.09
Citrix Systems, Inc.	USD	3,500	168	0.09
Electronic Arts, Inc.	USD	29,000	1,420	0.77
Intuit, Inc.	USD	11,100	716	0.39
Microsoft Corp.	USD	77,006	2,812	1.54
Red Hat, Inc.	USD	8,000	378	0.21
salesforce.com, Inc.	USD	1,900	88	0.05
Symantec Corp.	USD	5,400	74	0.04
			6,354	3.47
<b>Technology Hardware, Storage &amp; Peripherals 2.89% (4.74%)</b>				
Apple, Inc.	USD	71,972	4,750	2.60
EMC Corp.	USD	3,900	66	0.04
Seagate Technology plc	USD	7,800	147	0.08
Western Digital Corp.	USD	9,900	317	0.17
			5,280	2.89
<b>Information Technology total</b>			<b>29,643</b>	<b>16.21</b>
<b>Materials 4.48% (3.99%)</b>				
<b>Chemicals 2.64% (2.53%)</b>				
Air Products & Chemicals, Inc.	USD	600	50	0.03
CF Industries Holdings, Inc.	USD	17,400	370	0.20
Dow Chemical Co. (The)	USD	16,100	469	0.26
Eastman Chemical Co.	USD	2,800	124	0.07
Ecolab, Inc.	USD	12,200	890	0.49
International Flavors & Fragrances, Inc.	USD	4,200	330	0.18
LyondellBasell Industries NV 'A'	USD	24,000	1,303	0.71
PPG Industries, Inc.	USD	10,600	685	0.37
Sherwin-Williams Co. (The)	USD	3,500	613	0.33
			4,834	2.64

## PORTFOLIO STATEMENT (CONTINUED)

As at 31 January 2016 (unaudited)

Investment	Currency	Holding	Market Value £000	% of Net Assets
<b>Construction Materials 0.81% (0.16%)</b>				
Martin Marietta Materials, Inc.	USD	5,400	449	0.25
Vulcan Materials Co.	USD	17,700	1,033	0.56
			<u>1,482</u>	<u>0.81</u>
<b>Containers &amp; Packaging 1.01% (0.65%)</b>				
Avery Dennison Corp.	USD	10,200	425	0.23
Ball Corp.	USD	15,400	722	0.39
Sealed Air Corp.	USD	25,000	673	0.37
WestRock Co.	USD	1,354	30	0.02
			<u>1,850</u>	<u>1.01</u>
<b>Metals &amp; Mining 0.02% (0.65%)</b>				
Newmont Mining Corp.	USD	1,900	26	0.02
			<u>26</u>	<u>0.02</u>
<b>Materials total</b>			<b>8,192</b>	<b>4.48</b>
<b>Telecommunication Services 0.73% (1.14%)</b>				
<b>Diversified Telecommunication Services 0.73% (1.14%)</b>				
AT&T, Inc.	USD	18,917	472	0.26
Level 3 Communications, Inc.	USD	7,800	258	0.14
Verizon Communications, Inc.	USD	17,837	613	0.33
			<u>1,343</u>	<u>0.73</u>
<b>Telecommunication Services total</b>			<b>1,343</b>	<b>0.73</b>
<b>Utilities 3.12% (7.30%)</b>				
<b>Electric Utilities 1.20% (3.65%)</b>				
American Electric Power Co., Inc.	USD	4,600	192	0.10
Duke Energy Corp.	USD	2,159	111	0.06
Edison International	USD	7,900	341	0.19
Entergy Corp.	USD	3,600	178	0.10
Exelon Corp.	USD	8,300	167	0.09
NextEra Energy, Inc.	USD	10,000	760	0.42
Pepco Holdings, Inc.	USD	5,400	101	0.05
PPL Corp.	USD	8,900	214	0.12
Xcel Energy, Inc.	USD	4,800	126	0.07
			<u>2,190</u>	<u>1.20</u>
<b>Gas Utilities 0.00% (0.08%)</b>				
<b>Multi-Utilities 1.92% (3.57%)</b>				
CMS Energy Corp.	USD	14,500	385	0.21
Consolidated Edison, Inc.	USD	200	10	–
Dominion Resources, Inc.	USD	1,600	80	0.04
DTE Energy Co.	USD	9,000	525	0.29
NiSource, Inc.	USD	30,500	444	0.24
PG&E Corp.	USD	2,300	87	0.05
Public Service Enterprise Group, Inc.	USD	7,000	198	0.11
Sempra Energy	USD	19,600	1,276	0.70
WEC Energy Group, Inc.	USD	13,377	513	0.28
			<u>3,518</u>	<u>1.92</u>
<b>Utilities total</b>			<b>5,708</b>	<b>3.12</b>
<b>Equities total</b>			<b>182,138</b>	<b>99.57</b>
Investment assets			182,138	99.57
Net other assets			783	0.43
<b>Net assets</b>			<b>182,921</b>	<b>100.00</b>

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

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

^ Unlisted, suspended or delisted security.



## STATEMENT OF TOTAL RETURN

For the six months ended 31 January 2016 (unaudited)

	£000	Six months ended 31.01.16 £000	£000	Six months ended 31.01.15 £000
Income				
Net capital (losses)/gains		(1,875)		36,006
Revenue	1,752		1,784	
Expenses	(988)		(1,051)	
Net revenue before taxation	764		733	
Taxation	(241)		(260)	
Net revenue after taxation		523		473
<b>Total return before distributions</b>		<b>(1,352)</b>		<b>36,479</b>
Distributions		(523)		(473)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(1,875)</b>		<b>36,006</b>

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the six months ended 31 January 2016 (unaudited)

	£000	Six months ended 31.01.16 £000	£000	Six months ended 31.01.15 £000
<b>Opening net assets attributable to shareholders</b>		<b>187,751</b>		<b>187,632</b>
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	14,328		25,713	
Amounts payable on cancellation of shares	(17,320)		(4,058)	
		(2,992)		21,655
Dilution levy		37		30
Change in net assets attributable to shareholders from investment activities (see above)		(1,875)		36,006
<b>Closing net assets attributable to shareholders</b>		<b>182,921</b>		<b>245,323</b>

The Statement of Recommended Practice (2014) requires that comparatives are shown for the above report. As the comparatives should be for the comparable interim period, the net asset value at the end of the previous period will not agree to the net asset value at the start of this period. The published net asset value as at 31 July 2015 was £187,751,000.

## BALANCE SHEET

As at 31 January 2016 (unaudited)

	As at 31.01.16 £000	As at 31.07.15 £000
<b>Assets:</b>		
Investments	182,138	186,552
<b>Current assets:</b>		
Debtors	5,160	237
Cash and bank balances	1,363	1,776
<b>Total assets</b>	<b>188,661</b>	<b>188,565</b>
<b>Liabilities:</b>		
<b>Creditors:</b>		
Distribution payable	(501)	(625)
Other creditors	(5,239)	(189)
<b>Total liabilities</b>	<b>(5,740)</b>	<b>(814)</b>
<b>Net assets attributable to shareholders</b>	<b>182,921</b>	<b>187,751</b>

**ACCOUNTING POLICIES**

The interim financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) for Authorised Funds issued by the Investment Management Association (IMA) in May 2014 (SORP 2014). This is effective for accounting periods beginning on or after 1 January 2015 and supersedes the SORP issued by the IMA in October 2010 (SORP 2010).

The accounting policies applied are consistent with those of the financial statements for the year ended 31 July 2015 and are described in those annual financial statements.

## AVIVA INVESTORS EURO EQUITY MOM 1 FUND

### INVESTMENT OBJECTIVE

Long term capital growth by investing primarily in European equities (excluding UK).

### INVESTMENT POLICY

The Fund will invest primarily in equity securities listed or traded on Regulated markets in Europe (excluding UK). Limited exposure to other geographic regions may be possible. The Fund may invest in any of the following financial instruments in order to achieve its investment objective: equities or securities with equity characteristics, unlisted transferable securities, convertibles, preference shares, warrants, money market instruments, collective investment schemes and deposits.

### FUND MANAGER'S REPORT

#### Performance

Over the six months ended 31 January 2016 the Fund returned -4.42% after fees, compared with a return of -6.13%\* from the Fund's benchmark, the FTSE® World Euro ex UK Index.

#### Review

Continental European markets declined in Sterling terms over the six-months to 31 January 2016. Slower growth in China and weakness in emerging market currencies was an important factor in the performance, particularly with regard to the impact on commodity prices as reflected in the poor performance of the materials sector. Weakness in oil prices persisted throughout the period, with oil falling to an eleven year low to reach \$36 a barrel by the end of December, affecting not only the energy sector, but also its suppliers whose revenues have suffered from substantially reduced capital expenditure budgets. The weaker oil price also had wider-reaching impacts; as Europe is a net importer of oil this has been beneficial for consumers and supported the domestic recovery. Emerging market currency weakness was also partly responsible for poor corporate earnings over the period, although this was widely anticipated by the market.

Another factor that depressed market returns going into year-end was the European Central Bank's (ECB) monetary policy decision in December. While the Federal Reserve began increasing interest rates, at its December 3 meeting, the ECB moved in the opposite direction. However, the ECB's monetary stimulus was not as large as the market expected, which was perhaps a response to some positive signs in Europe, with total third-quarter 2015 GDP rising 1.9% year-on-year and the unemployment rate falling to 9.3%, its lowest level since 2009.

Perhaps the biggest global risk is the slowing growth in China, which could undermine the economically fragile conditions in Japan and Eurozone and in turn the recovery in the US. Data coming out of China is opaque, however the latest purchasing managers' survey showed manufacturing is shrinking at its fastest rate since the aftermath of Lehman's collapse. On the other hand, company commentary and recent stimulus measures, point to some stabilisation more recently.

Stock selection was the driver of the Fund's outperformance during this period, particularly among financials, technology and industrials, while stock selection in consumer services and telecommunications detracted.

At the stock level, Italian spirits producer Davide Campari-Milano was the strongest contributor to performance. Underlying sales trends for its brands continue to be very strong, particularly with the resurgence in popularity of older-style cocktails, and its lower exposure to emerging markets also helped from a sentiment perspective.

Also in consumer goods, brewer Anheuser-Busch InBev was another strong performer. It has delivered strong gains over the past six months, particularly since news of its bid for SABMiller was announced at the end of September and received favourably by the market. However, not holding Nestle detracted from relative performance, as it has defended well in the weaker markets we have experience since October.

In financials, we benefited from not holding significant underperformers such as Banco Santander and Deutsche Bank while being overweight Flow Traders and Sampo. However, the financials sector is also home to our largest detractor during this period, Credit Suisse, which detracted as the share price weakened following October's rights issue announcement. Italian-listed Banco Popolare also detracted, having been affected by recent concerns over the Italian banking system following the bail-in of four small popolari banks during late 2015, which has led to significant weakness of Italian banks over the year to date. This position has now been sold, but we continue to hold an overweight position in Banca Mediolanum.

In technology, Iliad was the strongest contributor to returns although overweight's in Nokia and SAP also helped returns.

In the health care sector an overweight position in Novartis detracted, after its third quarter results disappointed with earnings lagging expectations and negative impacts from currency. Novartis' problems stem mainly from Alcon, its eye treatment business, where revenues have been weak as surgical equipment sales have slowed in emerging markets. We continue to believe that Novartis has a strong pipeline and after a challenging 2015 we feel the valuation is attractive relative to peers. Elsewhere in the sector we had better results with German health care facility Fresenius, which contributed positively as management announced that the company would reach its mid-term earnings target two years ahead of expectations, implying a significant upgrade to earnings per share.

Other detractors included Television Francaise (TF1), a French broadcaster which has had some weakness due to a loss of momentum in the French advertising over the year, and the short-term earnings impact of moving its news channel from pay-TV to a free-to-air channel. However this was more than offset by the strong performance of an overweight position in Dutch information services business Wolters Kluwer, which performed well after delivering strong results and reiterating guidance for the remainder of the year. Organic revenue growth and improved margins are supportive of our investment thesis, and growth in North America and Asia Pacific more than offset the weaker environment in Europe.

## AVIVA INVESTORS EURO EQUITY MOM 1 FUND (CONTINUED)

## FUND MANAGER'S REPORT (CONTINUED)

**Outlook**

Very low to negative interest rates across the short- to medium-term yield curve puts the value of other assets into perspective, and in this context European equities continue to represent good value. This, coupled with lower commodity prices and an improving underlying economic environment should, we feel, make Europe stand out in a global context. Therefore, despite the uncertainties of the European political and global macroeconomic environment, we remain positive in our outlook for European equities, particularly given the backdrop of other asset prices and global equity valuations. In light of these anomalous market conditions, we continue to believe that focusing on the unique challenges and opportunities of each individual investment is the most effective way of cutting through the static. For stock pickers focused on the right Fundamentals this can translate into an opportunity to establish positions in attractively valued companies.

February 2016

\* Fund performance figures – share class 2, source Lipper, net of fees, net income reinvested in GBP. Unless otherwise indicated, all data has been sourced by Lazard Asset Management.

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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 to buy or sell stocks. Past performance is not a guide to future performance. The value of an investment in the Fund and any income from it may go down as well as up, and the investor may not get back the original amount invested.

**Material Portfolio Changes**

Purchases	Sales
Carlsberg A/S 'B'	Novartis AG
Schneider Electric SE	Fresenius SE & Co. KGaA
Bayerische Motoren Werke AG	Sanofi
Valeo SA	Galp Energia SGPS SA
NN Group NV	Banco Bilbao Vizcaya Argentaria SA
Zodiac Aerospace	Banco Popolare SC
Elior	Sampo OYJ 'A'
Adecco SA	Volkswagen AG Preference
Credit Suisse Group AG	BNP Paribas SA
ABN AMRO Group NV, CVA	Ryanair Holdings plc

**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.

## INVESTMENT PERFORMANCE

## Net Asset Value – Income Shares

Share class	As at	Net asset value* £000	Shares in issue	Pence per share
Class 2	31.07.13	75,012	44,692,822	167.84
	31.07.14	90,386	53,451,969	169.10
	31.07.15	154,186	81,256,281	189.75
	31.01.16	147,379	81,237,162	181.42

\* Valued at bid market prices.

## Share Price Record – Income Shares

Share class	Calendar year	Highest price* (p)	Lowest price* (p)
Class 2	2011	155.50	108.91
	2012	144.30	113.70
	2013	176.31	144.40
	2014	183.03	156.23
	2015	199.67	172.32
	2016**	185.25	176.99

\* Valued at mid market prices.

\*\* Up to 31 January 2016.

## Ongoing Charges Figure\*

Share class	31.01.16	31.07.15
Class 2	1.07%	1.07%

\* 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 period. The OCF is made up of the Annual Management Charge and other operating costs deducted from the assets of the Fund during the period, except for those payments that are explicitly excluded (performance fees). The OCF includes transaction charges which were excluded from the Total Expense Ratio (TER) calculations provided previously.

## Revenue Record – Income Shares

The revenue record table below shows the net distribution rates per calendar year on a payment date basis for an investment made on 4 January 2011.

Share class	Calendar year	Net revenue per share (p)	Per £1,000 invested (£)
Class 2	2011	2.6241	18.24
	2012	2.5437	17.68
	2013	2.8258	19.65
	2014	2.2963	15.96
	2015	2.2936	15.95
	2016*	0.0000	0.00

\* Up to 31 March 2016 (the interim distribution payment date).

## PORTFOLIO STATEMENT

As at 31 January 2016 (unaudited)

Investment	Currency	Holding	Market Value £000	% of Net Assets
<b>Equities 96.67% (100.90%)</b>				
<b>Austria 0.45% (0.76%)</b>				
UNIQA Insurance Group AG	EUR	151,533	662	0.45
			662	0.45
<b>Belgium 5.76% (4.72%)</b>				
Anheuser-Busch InBev SA	EUR	71,865	6,225	4.22
KBC Groep NV	EUR	56,967	2,264	1.54
			8,489	5.76
<b>Denmark 5.04% (3.74%)</b>				
Carlsberg A/S 'B'	DKK	53,828	3,141	2.13
Novo Nordisk A/S 'B'	DKK	108,869	4,286	2.91
			7,427	5.04
<b>Finland 3.73% (4.07%)</b>				
Nokia OYJ	EUR	633,442	3,135	2.13
Sampo OYJ 'A'	EUR	70,548	2,362	1.60
			5,497	3.73
<b>France 18.44% (16.65%)</b>				
AXA SA	EUR	256,790	4,396	2.98
BNP Paribas SA	EUR	91,165	3,012	2.04
Cap Gemini SA	EUR	31,323	1,974	1.34
Elior	EUR	161,700	2,257	1.53
Iliad SA	EUR	17,818	3,106	2.11
Schneider Electric SE	EUR	62,130	2,307	1.56
Societe Television Francaise 1	EUR	255,046	1,974	1.34
Valeo SA	EUR	14,091	1,276	0.87
Vinci SA	EUR	58,856	2,783	1.89
Vivendi SA	EUR	161,917	2,470	1.68
Zodiac Aerospace	EUR	114,458	1,620	1.10
			27,175	18.44
<b>Germany 14.61% (13.75%)</b>				
Bayer AG	EUR	65,341	5,097	3.46
Bayerische Motoren Werke AG	EUR	36,965	2,159	1.46
Fresenius SE & Co. KGaA	EUR	68,939	3,154	2.14
GEA Group AG	EUR	96,901	2,808	1.91
HeidelbergCement AG	EUR	34,490	1,762	1.20
SAP SE	EUR	70,964	3,897	2.64
Vonovia SE	EUR	125,603	2,659	1.80
			21,536	14.61
<b>Ireland 7.77% (8.88%)</b>				
Bank of Ireland	EUR	15,834,449	3,608	2.45
CRH plc	EUR	172,317	3,135	2.13
Kerry Group plc 'A'	EUR	49,549	2,794	1.90
Kingspan Group plc	EUR	45,317	800	0.54
Permanent TSB Group Holdings plc	EUR	375,415	1,112	0.75
			11,449	7.77
<b>Italy 5.27% (7.45%)</b>				
Banca Mediolanum SpA	EUR	477,716	2,222	1.51
Davide Campari-Milano SpA	EUR	487,984	2,951	2.00
Mediaset SpA	EUR	348,948	815	0.55
Snam SpA	EUR	455,702	1,780	1.21
			7,768	5.27

## PORTFOLIO STATEMENT (CONTINUED)

As at 31 January 2016 (unaudited)

Investment	Currency	Holding	Market Value £000	% of Net Assets
<b>Netherlands 12.21% (9.83%)</b>				
ABN AMRO Group NV, CVA	EUR	122,574	1,775	1.21
Euronext NV	EUR	47,906	1,624	1.10
Flow Traders	EUR	34,247	1,188	0.81
GrandVision NV	EUR	70,457	1,361	0.92
NN Group NV	EUR	86,250	2,037	1.38
RELX NV	EUR	209,966	2,424	1.65
Unilever NV, CVA	EUR	117,439	3,601	2.44
Wolters Kluwer NV	EUR	167,828	3,981	2.70
			<hr/>	
			17,991	12.21
<b>Norway 3.93% (4.24%)</b>				
Europris ASA	NOK	337,629	1,114	0.76
Gjensidige Forsikring ASA	NOK	138,381	1,527	1.04
Petroleum Geo-Services ASA	NOK	195,810	405	0.27
Telenor ASA	NOK	244,351	2,745	1.86
			<hr/>	
			5,791	3.93
<b>Portugal 0.00% (1.67%)</b>				
<b>Spain 2.98% (5.01%)</b>				
Acciona SA	EUR	48,657	2,612	1.77
Red Electrica Corp. SA	EUR	31,420	1,781	1.21
			<hr/>	
			4,393	2.98
<b>Sweden 3.11% (3.51%)</b>				
SKF AB 'B'	SEK	115,455	1,222	0.83
Swedbank AB 'A'	SEK	231,824	3,360	2.28
			<hr/>	
			4,582	3.11
<b>Switzerland 11.22% (13.28%)</b>				
Actelion Ltd.	CHF	31,674	2,893	1.96
Adecco SA	CHF	21,622	916	0.62
Cie Financiere Richemont SA	CHF	42,177	1,901	1.29
Credit Suisse Group AG	CHF	294,933	3,564	2.42
Novartis AG	CHF	136,037	7,265	4.93
			<hr/>	
			16,539	11.22
<b>Turkey 1.17% (1.92%)</b>				
Turkcell Iletisim Hizmetleri AS	TRY	702,093	1,722	1.17
			<hr/>	
			1,722	1.17
<b>United Kingdom 0.98% (1.42%)</b>				
Royal Dutch Shell plc 'A'	EUR	97,023	1,450	0.98
			<hr/>	
			1,450	0.98
<b>Equities total</b>			<hr/>	
			<b>142,471</b>	<b>96.67</b>
Investment assets			142,471	96.67
Net other assets			4,908	3.33
<b>Net assets</b>			<hr/>	
			<b>147,379</b>	<b>100.00</b>

All holdings are ordinary shares or stock units and admitted to an official stock exchange unless otherwise stated.  
The comparative percentage figures in brackets are as at 31 July 2015.

## STATEMENT OF TOTAL RETURN

For the six months ended 31 January 2016 (unaudited)

	£000	Six months ended 31.01.16 £000	£000	Six months ended 31.01.15 £000
Income				
Net capital (losses)/gains		(6,577)		7,113
Revenue	556		324	
Expenses	(792)		(515)	
Net expense before taxation	(236)		(191)	
Taxation	41		(16)	
Net expense after taxation		(195)		(207)
<b>Total return before distributions</b>		<b>(6,772)</b>		<b>6,906</b>
Distributions		-		-
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(6,772)</b>		<b>6,906</b>

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the six months ended 31 January 2016 (unaudited)

	£000	Six months ended 31.01.16 £000	£000	Six months ended 31.01.15 £000
<b>Opening net assets attributable to shareholders</b>		<b>154,186</b>		<b>90,386</b>
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	-		22,499	
Amounts payable on cancellation of shares	(35)		(1,100)	
		(35)		21,399
Dilution levy		-		64
Change in net assets attributable to shareholders from investment activities (see above)		(6,772)		6,906
<b>Closing net assets attributable to shareholders</b>		<b>147,379</b>		<b>118,755</b>

The Statement of Recommended Practice (2014) requires that comparatives are shown for the above report. As the comparatives should be for the comparable interim period, the net asset value at the end of the previous period will not agree to the net asset value at the start of this period. The published net asset value as at 31 July 2015 was £154,186,000.



## BALANCE SHEET

As at 31 January 2016 (unaudited)

	As at 31.01.16 £000	As at 31.07.15 £000
<b>Assets:</b>		
Investments	142,471	155,579
<b>Current assets:</b>		
Debtors	1,226	928
Cash and bank balances	3,834	3,865
<b>Total assets</b>	<b>147,531</b>	<b>160,372</b>
<b>Liabilities:</b>		
<b>Creditors:</b>		
Distribution payable	–	(1,864)
Other creditors	(152)	(4,322)
<b>Total liabilities</b>	<b>(152)</b>	<b>(6,186)</b>
<b>Net assets attributable to shareholders</b>	<b>147,379</b>	<b>154,186</b>

**ACCOUNTING POLICIES**

The interim financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) for Authorised Funds issued by the Investment Management Association (IMA) in May 2014 (SORP 2014). This is effective for accounting periods beginning on or after 1 January 2015 and supersedes the SORP issued by the IMA in October 2010 (SORP 2010).

The accounting policies applied are consistent with those of the financial statements for the year ended 31 July 2015 and are described in those annual financial statements.

## AVIVA INVESTORS EURO EQUITY MOM 2 FUND

### INVESTMENT OBJECTIVE

Long term capital growth by investing primarily in European equities (excluding UK).

### INVESTMENT POLICY

The Fund will invest primarily in equity securities listed or traded on Regulated markets in Europe (excluding UK). Limited exposure to other geographic regions may be possible. The Fund may invest in any of the following financial instruments in order to achieve its investment objective: equities or securities with equity characteristics, unlisted transferable securities, convertibles, preference shares, warrants, money market instruments, collective investment schemes and deposits.

### FUND MANAGER'S REPORT

#### Performance

Over the six months ended 31 January 2016 the Fund returned 5.03% after fees, compared with a return of -6.13%\* from the Fund's benchmark, the FTSE® World Euro ex UK Index.

#### Review

Worries over the Chinese stockmarket and economy grew to become – along with the prospect of US interest rate rises – a source of nervousness and market volatility. Weakness in Chinese markets was transmitted globally, resulting in a sell-off whose epicentre on 24 August was labelled 'Black Monday'. The decision to devalue the renminbi, although only by a few percent, seemed to be the catalyst for the spike in nervousness, as commentators speculated that the move was a signal that the Chinese economy may be less robust than official statements would have investors believe.

The global importance of China's economic strength raised question marks about the timing of impending rate rises in the US and UK. The Fed subsequently chose not to enact interest rate 'lift-off' at its September meeting, instead waiting for December to raise rates.

This delay in US tightening boosted sentiment in October and November, as did comments from ECB (European Central Bank) President Mario Draghi that the Bank stood ready to adjust the "size, duration and composition" of QE (Quantitative Easing), and that the programme would be re-examined at the December meeting. The ECB subsequently announced an extension of its QE programme, but it fell short of the level of stimulus that had been expected and failed to offset a revival in Chinese growth concerns. The downtrend in markets seen in December continued more aggressively in the first weeks of 2016, reflecting ongoing concerns regarding slower growth in China and emerging markets generally, and the related weakness in commodities. This was accompanied by rising volatility (as measured by the VIX index). Comments from Mario Draghi which were more dovish than expected led to the anticipation of further ECB QE-related stimulus in March, which briefly lifted European markets off the month lows. However, this effect eased off fairly quickly.

Having noted on a number of occasions during the European market's liquidity-fuelled rise – which included Q1 2015 – that gains were fairly indiscriminate, we have seen increasing signs that we are now in a 'show me' phase where investors are beginning to differentiate more between stocks as they focus on company fundamentals. Aside from during the sharp market rally in October 2015, the six months to 31 January 2016 were characterised by a decline in the market's value style bias and an improvement in the performance of cash flow as an investment style, which has provided a more supportive environment for the investment process. Small & mid-caps also outperformed large-caps over this period, which was beneficial to the Fund given its equally-weighted rather than cap-weighted construction.

The Fund's strongest contributors included online bookmaker Paddy Power, wind turbine manufacturer Gamesa, and Danish jewellery retailer Pandora.

- The main event for Paddy Power shareholders was the announcement of a merger with Betfair, which subsequently completed shortly after the end of the interim period. Paddy Power shareholders will receive a €1.2 dividend per share for 2015, to be paid alongside a special dividend and 'closing dividend' of c. €1.8 and c. €0.2 per share respectively. In January Paddy Power announced that trading in the final weeks of 2015 had continued to be good, leading it to expect €180m in operating profit for the year.
  - Robust growth in wind turbine sales was the basis for a 30% increase in Gamesa's revenues to €2.53bn in the first nine months of 2015. Net profit doubled to €126m. The company received orders equivalent to 2,841MWe compared to 2,301MWe sold in the period, taking its total order book to 3,034MWe. However, much of its share price rise was attributable to reports that the company could represent a bid target for Siemens.
  - Strength in Pandora shares was aided by a set of Q3 results which revealed a 28% year-on-year increase in constant currency sales. In December the company also completed its DKK3.9bn share buyback programme that started in February (amounting to over 4% of the share capital).
- The biggest detractors from performance included potash producer K+S, fashion retailer Hugo Boss and compressors and vacuum system specialist Atlas Copco.
- Hugo Boss was able to announce sales growth of 9% in the first nine months of 2015 but it noted that momentum had slowed in the third quarter, and it failed to generate growth in operating profit. While European sales growth was good, trends in China and the US deteriorated. The company's adjusted operating margin shrank by 280bps in the third quarter due to increased investment in upgrading its retail store network.
  - Atlas Copco's Q4 report flagged tough market conditions, which resulted in an organic revenue decline of 2% and a 5% fall in orders. The company has experienced robust demand for its services business, but reduced demand for equipment, particularly from customers in mining, construction and oil & gas. However, profitability and cash flow remains strong, allowing it to increase its full year dividend by 17%.
  - Prior to the review period, shares in K+S had been boosted by a takeover approach from Potash Corporation of Saskatchewan. But K+S rejected the offer, describing it as undervaluing its business. In addition, the potash price dropped significantly, in line with other commodity price trends, which put further pressure on its share price.

## AVIVA INVESTORS EURO EQUITY MOM 2 FUND (CONTINUED)

## FUND MANAGER'S REPORT (CONTINUED)

**Review (continued)**

We reduced the position in K+S in the weeks after the takeover approach and had sold the majority of the position prior to PotashCorp withdrawing its proposal in October. We completed the sale in November. Other changes to the Fund were minimal, reflecting the fact that the majority of Fund restructuring occurs following our yearly review of company report and accounts, typically taking place across May and June.

The holding in Deutsche Wohnen was sold having performed well during a relatively short holding period; the company's announcement of an agreed all-share offer for LEG Immobilien will fundamentally alter the profile of the business, and the combination is unlikely to continue to meet our strict investment criteria. A new position was added to the Fund in the form of Austrian oil & gas company OMV.

**Outlook**

Due to the absence of exuberance among both investors and corporate managers, the European equity market has breached the technical levels we use to classify a downtrend.

Valuation dispersion in Europe remains low but is rising rapidly as investors become increasingly discriminating. We do not yet see widespread evidence of investor anxiety concerning a slowing of economic activity. Historically, this lack of anxiety combined with a downtrend signal has resulted in disappointing outcomes for equity markets in subsequent six month periods. In the US market, valuation dispersion has now widened to very wide levels suggestive of a growing opportunity for contrarian value styles. But in Europe dispersion remain low and is widening – suggesting that venturing into contrarian stocks at this stage is hazardous, while the environment should remain constructive for the application of our Cashflow Solution investment process. If valuation spreads were to widen to extreme levels in Europe we would anticipate placing more emphasis on Contrarian and Recovering Value cash flow stocks within the top quintile.

February 2016

\* Fund performance figures – share class 2, source Lipper, net of fees, net income reinvested in GBP. Unless otherwise indicated, all data has been sourced by Liontrust Investment Partners LLP.

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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 to buy or sell stocks. Past performance is not a guide to future performance. The value of an investment in the Fund and any income from it may go down as well as up, and the investor may not get back the original amount invested.

**Material Portfolio Changes**

Purchases	Sales
OMV AG	Deutsche Wohnen AG
Pandora A/S	K+S AG
Axfood AB	HUGO BOSS AG
Paddy Power plc	
Straumann Holding AG	
Euronext NV	
Swedish Match AB	
Ipsen SA	
Industria de Diseno Textil SA	
Caverion Corp.	

There were only 3 sales in the period.

**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.

## INVESTMENT PERFORMANCE

## Net Asset Value – Income Shares

Share class	As at	Net asset value* £000	Shares in issue	Pence per share
Class 2	31.07.13	45,652	28,715,422	158.98
	31.07.14	48,635	29,985,174	162.20
	31.07.15	83,266	48,409,590	172.00
	31.01.16	87,430	48,389,549	180.68

\* Valued at bid market prices.

## Share Price Record – Income Shares

Share class	Calendar year	Highest price* (p)	Lowest price* (p)
Class 2	2011	159.40	113.20
	2012	142.70	117.80
	2013	162.54	142.90
	2014	173.96	146.66
	2015	182.14	158.47
	2016**	180.77	169.65

\* Valued at mid market prices.

\*\* Up to 31 January 2016.

## Ongoing Charges Figure\*

Share class	31.01.16	31.07.15
Class 2	1.05%	1.06%

\* 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 period. The OCF is made up of the Annual Management Charge and other operating costs deducted from the assets of the Fund during the period, except for those payments that are explicitly excluded (performance fees). The OCF includes transaction charges which were excluded from the Total Expense Ratio (TER) calculations provided previously.

## Revenue Record – Income Shares

The revenue record table below shows the net distribution rates per calendar year on a payment date basis for an investment made on 4 January 2011.

Share class	Calendar year	Net revenue per share (p)	Per £1,000 invested (£)
Class 2	2011	2.3033	15.37
	2012	2.0115	13.43
	2013	3.3851	22.60
	2014	3.0972	20.68
	2015	2.1503	14.36
	2016*	0.0000	0.00

\* Up to 31 March 2016 (the interim distribution payment date).

## PORTFOLIO STATEMENT

As at 31 January 2016 (unaudited)

Investment	Currency	Holding	Market Value £000	% of Net Assets
<b>Equities 97.23% (96.50%)</b>				
<b>Austria 0.76% (0.00%)</b>				
OMV AG	EUR	37,416	666	0.76
			666	0.76
<b>Denmark 14.03% (13.19%)</b>				
NKT Holding A/S	DKK	62,620	2,417	2.76
Novo Nordisk A/S 'B'	DKK	70,287	2,767	3.17
Novozymes A/S 'B'	DKK	88,363	2,577	2.95
Pandora A/S	DKK	48,949	4,506	5.15
			12,267	14.03
<b>Finland 9.08% (9.00%)</b>				
Caverion Corp.	EUR	428,814	2,840	3.25
Kone OYJ 'B'	EUR	91,107	2,758	3.16
Valmet OYJ	EUR	340,735	2,337	2.67
			7,935	9.08
<b>France 13.98% (15.00%)</b>				
Ipsen SA	EUR	69,225	2,797	3.20
Metropole Television SA	EUR	190,672	2,124	2.43
Societe BIC SA	EUR	23,366	2,630	3.01
TOTAL SA	EUR	72,486	2,239	2.56
Vivendi SA	EUR	159,770	2,437	2.78
			12,227	13.98
<b>Germany 8.41% (12.40%)</b>				
HUGO BOSS AG	EUR	26,265	1,446	1.65
ProSiebenSat.1 Media SE	EUR	77,525	2,679	3.07
Software AG	EUR	136,649	3,225	3.69
			7,350	8.41
<b>Ireland 4.79% (2.66%)</b>				
Paddy Power plc	EUR	40,095	4,192	4.79
			4,192	4.79
<b>Netherlands 6.78% (6.15%)</b>				
Euronext NV	EUR	93,164	3,158	3.61
Unilever NV, CVA	EUR	90,420	2,773	3.17
			5,931	6.78
<b>Norway 1.37% (1.47%)</b>				
Fred Olsen Energy ASA	NOK	108,760	282	0.32
Kongsberg Gruppen ASA	NOK	83,261	914	1.05
			1,196	1.37
<b>Spain 10.49% (9.47%)</b>				
Amadeus IT Holding SA 'A'	EUR	87,684	2,468	2.82
Gamesa Corp. Tecnologica SA	EUR	293,988	3,877	4.44
Industria de Diseno Textil SA	EUR	124,402	2,823	3.23
			9,168	10.49
<b>Sweden 18.20% (17.85%)</b>				
Atlas Copco AB 'A'	SEK	131,688	1,953	2.23
Axfood AB	SEK	304,382	3,741	4.28
Hennes & Mauritz AB 'B'	SEK	99,170	2,247	2.57
Hexpol AB	SEK	366,905	2,253	2.58
Peab AB	SEK	475,538	2,509	2.87
Swedish Match AB	SEK	130,161	3,209	3.67
			15,912	18.20

## PORTFOLIO STATEMENT (CONTINUED)

As at 31 January 2016 (unaudited)

Investment	Currency	Holding	Market Value	
			£000	% of Net Assets
<b>Switzerland 9.34% (9.31%)</b>				
Actelion Ltd.	CHF	29,617	2,705	3.09
Roche Holding AG	CHF	13,942	2,499	2.86
Straumann Holding AG	CHF	14,125	2,963	3.39
			8,167	9.34
<b>Equities total</b>			<b>85,011</b>	<b>97.23</b>
Investment assets			85,011	97.23
Net other assets			2,419	2.77
<b>Net assets</b>			<b>87,430</b>	<b>100.00</b>

All holdings are ordinary shares or stock units and admitted to an official stock exchange unless otherwise stated.  
The comparative percentage figures in brackets are as at 31 July 2015.

## STATEMENT OF TOTAL RETURN

For the six months ended 31 January 2016 (unaudited)

	£000	Six months ended 31.01.16 £000	£000	Six months ended 31.01.15 £000
Income				
Net capital gains		4,323		1,613
Revenue	201		207	
Expenses	(429)		(275)	
Net expense before taxation	(228)		(68)	
Taxation	104		(35)	
Net expense after taxation		(124)		(103)
<b>Total return before distributions</b>		<b>4,199</b>		<b>1,510</b>
Distributions		–		–
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>4,199</b>		<b>1,510</b>

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the six months ended 31 January 2016 (unaudited)

	£000	Six months ended 31.01.16 £000	£000	Six months ended 31.01.15 £000
<b>Opening net assets attributable to shareholders</b>		<b>83,266</b>		<b>48,635</b>
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	–		12,984	
Amounts payable on cancellation of shares	(35)		(190)	
		(35)		12,794
Dilution levy		–		35
Change in net assets attributable to shareholders from investment activities (see above)		4,199		1,510
<b>Closing net assets attributable to shareholders</b>		<b>87,430</b>		<b>62,974</b>

The Statement of Recommended Practice (2014) requires that comparatives are shown for the above report. As the comparatives should be for the comparable interim period, the net asset value at the end of the previous period will not agree to the net asset value at the start of this period. The published net asset value as at 31 July 2015 was £83,266,000.

## BALANCE SHEET

As at 31 January 2016 (unaudited)

	As at 31.01.16 £000	As at 31.07.15 £000
<b>Assets:</b>		
Investments	85,011	80,354
<b>Current assets:</b>		
Debtors	206	357
Cash and bank balances	2,312	3,696
<b>Total assets</b>	<b>87,529</b>	<b>84,407</b>
<b>Liabilities:</b>		
<b>Creditors:</b>		
Distribution payable	–	(1,041)
Other creditors	(99)	(100)
<b>Total liabilities</b>	<b>(99)</b>	<b>(1,141)</b>
<b>Net assets attributable to shareholders</b>	<b>87,430</b>	<b>83,266</b>

**ACCOUNTING POLICIES**

The interim financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) for Authorised Funds issued by the Investment Management Association (IMA) in May 2014 (SORP 2014). This is effective for accounting periods beginning on or after 1 January 2015 and supersedes the SORP issued by the IMA in October 2010 (SORP 2010).

The accounting policies applied are consistent with those of the financial statements for the year ended 31 July 2015 and are described in those annual financial statements.



## AVIVA INVESTORS APAC EQUITY MOM 1 FUND

### INVESTMENT OBJECTIVE

Long term capital growth by investing primarily in Asia Pacific equities (excluding Japan).

### INVESTMENT POLICY

The Fund will invest primarily in equity securities listed or traded on Regulated markets in the Asia Pacific region (excluding Japan). Limited exposure to other geographic regions may be possible. The Fund may invest in any of the following financial instruments in order to achieve its investment objective: equities or securities with equity characteristics, unlisted transferable securities, convertibles, preference shares, warrants, money market instruments, collective investment schemes and deposits.

### FUND MANAGER'S REPORT

#### Performance

Over the six months ended 31 January 2016 the Fund returned -7.81% after fees, compared with a return of -4.16%\* from the Fund's benchmark, the FTSE® World Asia Pacific ex Japan Equity Index.

#### Review

Asian equities' negative returns came from worries about the slowdown in the Chinese economy, US interest rate hikes, negative interest rates elsewhere, and currency volatility. The Chinese market was the worst performer as the boom of a year ago continued to unwind, made worse by an unexpected devaluation of the currency. The other notable weakness came in commodity-related areas as oil and metal prices fell. The impact was seen both directly in the Australian mining sector and less directly in, for example, the Singapore oil service sector.

Korea continued to be a difficult market for stock picking. SK Group companies came under pressure with negative news flows on the group's Chairman, SK Telecom shares also being dragged down by weakness in the telecommunication sector and SK Hynix on sluggish PC sales and weak DRAM pricing. The Fund also suffered from not holding consumer stocks such as Amorepacific and LG Household which performed well despite high share valuations. An underweight position in Samsung Electronics did not benefit the Fund as announcement of a share buyback program provided a boost to its share price.

Hong Kong financials fell, with property stocks Hongkong Land, Kerry Properties, Cheung Kong Property and Sun Hung Kai down on worries over a sluggish outlook amidst the deteriorating China backdrop. BOC Hong Kong underperformed on rising fears of a weaker Chinese currency and outlook. Cathay Pacific Airways was a laggard on the back of a cyclical shortfall in premium passenger demand and structurally rising competition.

Our underweight in Chinese e-commerce stock, Tencent, adversely impacted performance as the stock benefitted from its long term growth prospects. This was partly offset by our holding in Baidu. Belle International and China Mengniu were other laggards in China as a result of weak domestic consumption demand.

Amongst the positive contributors, Jardine Cycle & Carriage and Jardine Matheson rose on strong profits growth. Sector positioning in China was also a positive, in particular through the overweight in private-sector stocks relative to banks and brokerages. Baoxin Auto surged on news of China Grand Auto's partial cash offer. Taiwan Semiconductor Manufacturing share price was supported by its high dividend.

The Fund's policy did not change materially over the period, with transactions mostly switches in response to market developments. These included switching the holding in healthcare company CSL after its strong performance into ASX, the Australian stock exchange management company, and changing the chosen Macao casino holding from Sands China to Galaxy Entertainment. We increased the weighting in HSBC and Chinese internet name, Alibaba.

#### Outlook

We remain relatively cautious on the Asian equity outlook. We can still find enough ideas to remain close to fully invested, but any prospect for strong returns must be constrained by the weak profits outlook.

Our caution stems from a view that deflationary forces and the sluggish global economy are likely to remain headwinds for Asian stock markets. Deflation is not good for highly borrowed companies, and significant leverage has been added in the region since the 2008-09 Global Financial Crisis, particularly in Greater China. Sluggish top-line growth and sticky cost bases mean that many companies' return on capital is likely to remain under pressure.

Our preferred areas for the Fund are companies geared to areas of secular growth and that are less vulnerable to the near-term cyclical weakness or to the disruptive changes in technologies and business models likely to wreak havoc on many sleepy incumbents. This leaves a fairly narrow opportunity set, and selectivity is key. The Fund is overweight our favoured holdings in Chinese e-commerce, Hong Kong/China exporters, Hong Kong office property stocks, regional life insurance, Taiwanese technology, consumer stocks and select telecom operators.

February 2016

\* Fund performance figures – share class 2, source Lipper, net of fees, net income reinvested in GBP. Unless otherwise indicated, all data has been sourced by Schroder Investment Management.

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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 to buy or sell stocks. Past performance is not a guide to future performance. The value of an investment in the Fund and any income from it may go down as well as up, and the investor may not get back the original amount invested.

## AVIVA INVESTORS APAC EQUITY MOM 1 FUND (CONTINUED)

**Material Portfolio Changes**

Purchases	Sales
Alibaba Group Holding Ltd., ADR	Public Bank Bhd.
Taiwan Mobile Co. Ltd.	CSL Ltd.
HSBC Holdings plc	Advanced Semiconductor Engineering, Inc.
ASX Ltd.	Sino Biopharmaceutical Ltd.
AIA Group Ltd.	Pacific Textiles Holdings Ltd.
Intouch Holdings PCL, NVDR	KB Financial Group, Inc.
Samsonite International SA	Baoxin Auto Group Ltd.
SK Hynix, Inc.	
Cathay Financial Holding Co. Ltd.	
Singapore Telecommunications Ltd.	
There were only 7 sales in the period.	

**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.

## INVESTMENT PERFORMANCE

## Net Asset Value – Income Shares

Share class	As at	Net asset value* £000	Shares in issue	Pence per share
Class 2	31.07.13	68,906	37,072,607	185.87
	31.07.14	46,854	23,647,402	198.14
	31.07.15	47,473	25,091,209	189.20
	31.01.16	43,386	25,091,209	172.91

\* Valued at bid market prices.

## Share Price Record – Income Shares

Share class	Calendar year	Highest price* (p)	Lowest price* (p)
Class 2	2011	183.70	143.70
	2012	188.50	161.00
	2013	209.30	172.50
	2014	209.63	175.66
	2015	228.05	162.38
	2016**	181.58	168.95

\* Valued at mid market prices.

\*\* Up to 31 January 2016.

## Ongoing Charges Figure\*

Share class	31.01.16	31.07.15
Class 2	1.34%	1.34%

\* 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 period. The OCF is made up of the Annual Management Charge and other operating costs deducted from the assets of the Fund during the period, except for those payments that are explicitly excluded (performance fees). The OCF includes transaction charges which were excluded from the Total Expense Ratio (TER) calculations provided previously.

## Revenue Record – Income Shares

The revenue record table below shows the net distribution rates per calendar year on a payment date basis for an investment made on 4 January 2011.

Share class	Calendar year	Net revenue per share (p)	Per £1,000 invested (£)
Class 2	2011	2.4839	13.04
	2012	2.4480	12.85
	2013	2.3841	12.52
	2014	2.4787	13.01
	2015	3.3855	17.77
	2016*	1.4884	7.81

\* Up to 31 March 2016 (the interim distribution payment date).

## PORTFOLIO STATEMENT

As at 31 January 2016 (unaudited)

Investment	Currency	Holding	Market Value £000	% of Net Assets
<b>Equities 98.12% (96.98%)</b>				
<b>Australia 20.80% (21.35%)</b>				
AGL Energy Ltd.	AUD	44,949	416	0.96
ASX Ltd.	AUD	8,920	188	0.43
Australia & New Zealand Banking Group Ltd.	AUD	55,090	662	1.53
BHP Billiton Ltd.	AUD	74,225	567	1.31
Brambles Ltd.	AUD	131,968	728	1.68
Commonwealth Bank of Australia	AUD	14,030	548	1.26
Computershare Ltd.	AUD	66,784	345	0.79
CSL Ltd.	AUD	16,236	840	1.94
Incitec Pivot Ltd.	AUD	230,937	356	0.82
Medibank Pvt Ltd.	AUD	298,310	369	0.85
National Australia Bank Ltd.	AUD	88,715	1,218	2.81
Orica Ltd.	AUD	22,570	159	0.37
QBE Insurance Group Ltd.	AUD	35,664	193	0.44
Recall Holdings Ltd.	AUD	32,974	107	0.25
Rio Tinto Ltd.	AUD	17,386	338	0.78
South32 Ltd.	AUD	74,225	36	0.08
Wesfarmers Ltd.	AUD	14,469	303	0.70
Westpac Banking Corp.	AUD	55,661	851	1.96
Woodside Petroleum Ltd.	AUD	23,875	331	0.76
Woolworths Ltd.	AUD	38,747	468	1.08
			9,023	20.80
<b>Bermuda 6.27% (6.11%)</b>				
Hongkong Land Holdings Ltd.	USD	238,000	1,037	2.39
Jardine Matheson Holdings Ltd.	USD	35,600	1,309	3.02
Kerry Properties Ltd.	HKD	234,000	375	0.86
Peace Mark Ltd.	HKD	276,000	-	-
			2,721	6.27
<b>Cayman Islands 12.99% (12.51%)</b>				
Alibaba Group Holding Ltd., ADR	USD	11,304	530	1.22
Baidu, Inc., ADR	USD	5,876	647	1.49
Baoxin Auto Group Ltd.	HKD	1,188,500	472	1.09
Belle International Holdings Ltd.	HKD	1,109,000	518	1.19
Cheung Kong Property Holdings Ltd.	HKD	98,832	370	0.85
China Mengniu Dairy Co. Ltd.	HKD	336,000	324	0.75
China Resources Land Ltd.	HKD	418,888	714	1.65
China Shineway Pharmaceutical Group Ltd.	HKD	460,000	366	0.84
CK Hutchison Holdings Ltd.	HKD	47,832	416	0.96
Pacific Textiles Holdings Ltd.	HKD	648,000	659	1.52
Sino Biopharmaceutical Ltd.	HKD	206,000	98	0.23
Tencent Holdings Ltd.	HKD	40,100	523	1.20
			5,637	12.99
<b>China 8.69% (9.37%)</b>				
China Cinda Asset Management Co. Ltd. 'H'	HKD	468,000	102	0.24
China Construction Bank Corp. 'H'	HKD	1,700,000	725	1.67
China Life Insurance Co. Ltd. 'H'	HKD	89,000	151	0.35
China Pacific Insurance Group Co. Ltd. 'H'	HKD	256,600	631	1.45
China Petroleum & Chemical Corp. 'H'	HKD	370,200	144	0.33
Industrial & Commercial Bank of China Ltd. 'H'	HKD	2,103,000	763	1.76
Shandong Weigao Group Medical Polymer Co. Ltd. 'H'	HKD	848,000	375	0.86
Zhuzhou CSR Times Electric Co. Ltd. 'H'	HKD	247,000	879	2.03
			3,770	8.69

## PORTFOLIO STATEMENT (CONTINUED)

As at 31 January 2016 (unaudited)

Investment	Currency	Holding	Market Value £000	% of Net Assets
<b>Hong Kong 10.84% (11.22%)</b>				
AIA Group Ltd.	HKD	418,200	1,615	3.72
BOC Hong Kong Holdings Ltd.	HKD	403,500	745	1.72
Cathay Pacific Airways Ltd.	HKD	382,000	419	0.96
China Mobile Ltd.	HKD	152,500	1,179	2.72
CNOOC Ltd.	HKD	377,000	268	0.62
Galaxy Entertainment Group Ltd.	HKD	32,000	70	0.16
Sun Hung Kai Properties Ltd.	HKD	54,000	406	0.94
			4,702	10.84
<b>Indonesia 2.13% (1.74%)</b>				
Bank Mandiri Persero Tbk. PT	IDR	1,104,004	534	1.23
Semen Indonesia Persero Tbk. PT	IDR	699,000	391	0.90
			925	2.13
<b>Ireland 2.02% (2.06%)</b>				
James Hardie Industries plc, CDI	AUD	110,337	876	2.02
			876	2.02
<b>Luxembourg 1.03% (0.79%)</b>				
Samsonite International SA	HKD	248,400	447	1.03
			447	1.03
<b>Malaysia 0.00% (1.19%)</b>				
<b>Philippines 1.33% (1.40%)</b>				
Ayala Land, Inc.	PHP	617,600	281	0.65
Emperador, Inc.	PHP	2,759,000	296	0.68
			577	1.33
<b>Singapore 6.31% (6.32%)</b>				
First Resources Ltd.	SGD	560,400	481	1.11
Jardine Cycle & Carriage Ltd.	SGD	28,888	530	1.22
Singapore Telecommunications Ltd.	SGD	327,800	566	1.30
Sound Global Ltd.	HKD	769,000	199	0.46
United Overseas Bank Ltd.	SGD	68,500	609	1.40
UOL Group Ltd.	SGD	128,900	355	0.82
			2,740	6.31
<b>South Korea 9.34% (9.09%)</b>				
Hyundai Motor Co.	KRW	10,865	836	1.93
KB Financial Group, Inc.	KRW	16,710	296	0.68
LG Chem Ltd.	KRW	1,481	253	0.58
Samsung Electronics Co. Ltd.	KRW	1,572	1,049	2.42
SK Hynix, Inc.	KRW	41,280	653	1.51
SK Telecom Co. Ltd.	KRW	7,964	964	2.22
			4,051	9.34
<b>Taiwan 10.56% (9.40%)</b>				
Advanced Semiconductor Engineering, Inc.	TWD	634,000	471	1.09
Cathay Financial Holding Co. Ltd.	TWD	204,000	154	0.35
Hon Hai Precision Industry Co. Ltd.	TWD	766,975	1,244	2.87
MediaTek, Inc.	TWD	38,898	173	0.40
Taiwan Mobile Co. Ltd.	TWD	141,000	294	0.68
Taiwan Semiconductor Manufacturing Co. Ltd.	TWD	755,000	2,245	5.17
			4,581	10.56

## PORTFOLIO STATEMENT (CONTINUED)

As at 31 January 2016 (unaudited)

Investment	Currency	Holding	Market Value £000	% of Net Assets
<b>Thailand 4.48% (3.79%)</b>				
Bangkok Bank PCL	THB	170,200	508	1.17
BEC World PCL	THB	315,700	186	0.43
BTS Rail Mass Transit Growth Infrastructure Fund 'F'	THB	2,643,900	530	1.22
Intouch Holdings PCL, NVDR	THB	200,400	221	0.51
Kasikornbank PCL, NVDR	THB	31,700	105	0.24
Land & Houses PCL, NVDR	THB	2,296,540	395	0.91
			1,945	4.48
<b>United Kingdom 0.58% (0.00%)</b>				
HSBC Holdings plc	HKD	51,200	251	0.58
			251	0.58
<b>United States of America 0.75% (0.64%)</b>				
ResMed, Inc., CDI	AUD	81,320	325	0.75
			325	0.75
<b>Equities total</b>			<b>42,571</b>	<b>98.12</b>
Investment assets			42,571	98.12
Net other assets			815	1.88
<b>Net assets</b>			<b>43,386</b>	<b>100.00</b>

All holdings are ordinary shares or stock units and admitted to an official stock exchange unless otherwise stated.  
The comparative percentage figures in brackets are as at 31 July 2015.

## STATEMENT OF TOTAL RETURN

For the six months ended 31 January 2016 (unaudited)

	£000	Six months ended 31.01.16 £000	£000	Six months ended 31.01.15 £000
Income				
Net capital (losses)/gains		(4,087)		1,919
Revenue	719		684	
Expenses	(302)		(313)	
Net revenue before taxation	417		371	
Taxation	(44)		(67)	
Net revenue after taxation		373		304
<b>Total return before distributions</b>		<b>(3,714)</b>		<b>2,223</b>
Distributions		(373)		(304)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(4,087)</b>		<b>1,919</b>

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the six months ended 31 January 2016 (unaudited)

	£000	Six months ended 31.01.16 £000	£000	Six months ended 31.01.15 £000
<b>Opening net assets attributable to shareholders</b>		<b>47,473</b>		<b>46,854</b>
Movement due to issue and cancellation of shares:				
Amounts payable on cancellation of shares	-		(598)	
		-		(598)
Change in net assets attributable to shareholders from investment activities (see above)		(4,087)		1,919
<b>Closing net assets attributable to shareholders</b>		<b>43,386</b>		<b>48,175</b>

The Statement of Recommended Practice (2014) requires that comparatives are shown for the above report. As the comparatives should be for the comparable interim period, the net asset value at the end of the previous period will not agree to the net asset value at the start of this period. The published net asset value as at 31 July 2015 was £47,473,000.

## BALANCE SHEET

As at 31 January 2016 (unaudited)

	As at 31.01.16 £000	As at 31.07.15 £000
<b>Assets:</b>		
Investments	42,571	46,040
<b>Current assets:</b>		
Debtors	125	118
Cash and bank balances	1,206	1,913
<b>Total assets</b>	<b>43,902</b>	<b>48,071</b>
<b>Liabilities:</b>		
<b>Creditors:</b>		
Distributions payable	(373)	(527)
Other creditors	(143)	(71)
<b>Total liabilities</b>	<b>(516)</b>	<b>(598)</b>
<b>Net assets attributable to shareholders</b>	<b>43,386</b>	<b>47,473</b>

**ACCOUNTING POLICIES**

The interim financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) for Authorised Funds issued by the Investment Management Association (IMA) in May 2014 (SORP 2014). This is effective for accounting periods beginning on or after 1 January 2015 and supersedes the SORP issued by the IMA in October 2010 (SORP 2010).

The accounting policies applied are consistent with those of the financial statements for the year ended 31 July 2015 and are described in those annual financial statements.



## AVIVA INVESTORS JAPAN EQUITY MOM 1 FUND

### INVESTMENT OBJECTIVE

Long term capital growth by investing primarily in Japanese equities.

### INVESTMENT POLICY

The Fund will invest primarily in equity securities listed or traded on Regulated markets in Japan. Limited exposure to other geographic regions may be possible. The Fund may invest in any of the following financial instruments in order to achieve its investment objective: equities or securities with equity characteristics, unlisted transferable securities, convertibles, preference shares, warrants, money market instruments, collective investment schemes and deposits.

### FUND MANAGER'S REPORT

#### Performance

Over the six months ended 31 January 2016 the Fund returned -3.72% after fees, compared with a return of -2.62%\* from the Fund's benchmark, the FTSE® World Japan Index.

#### Review

The benchmark FTSE® World Japan Index declined by 13.51% in yen terms during the review period, as global economic conditions appeared to deteriorate, especially in many Asian countries. Despite the steady earnings results for the first half of fiscal year 2015, the stagnating global demand is being reflected in the earnings outlook for export-oriented sectors in Japan. The domestic demand recovery also failed to make any progress as wage conditions saw no real improvement. Global Investor confidence was drained further by the continued slide in oil and commodity prices, with an effective devaluation in the exchange rate of the Chinese renminbi (RMB). Investors became increasingly cautious about the earnings prospects for the Japanese corporate sector. However, following its meeting on 28-29 January 2016, the Bank of Japan (BoJ) announced the surprise decision to impose negative interest rates on some commercial bank reserves held with the BoJ; action that resulted in a temporary market rebound but failed to alleviate the overall weakness in the Japanese equity market seen during this review period.

Macroeconomic data over the past six months has been rather mixed, and has failed to indicate an improvement in Japanese economic conditions. Real GDP Growth for the July-September quarter increased by 1.0% (year on year, annualised), revised up from the initial negative figure of -0.8% as private capital expenditure was overwritten from negative to a positive contribution. In the meantime, domestic growth figures appear to indicate a possible peak in the domestic demand recovery. Net Household Spending fell for four consecutive months from September to December. Due to weaker domestic demand, inflationary conditions have levelled off, and the National Consumer Price Index (CPI) increased by 0.2% (year-on-year) in December 2015. The BoJ announced a new and unexpected monetary policy move in order to deal with growing uncertainty surrounding the market and economic conditions. In addition to the flatter CPI growth rate, the recent strength of the Japanese yen and weakness in economic activity appears to have prompted the decision to introduce a negative interest rate on new current deposits at the BoJ, which is also driving yields into negative territory further along the yield curve. During the review period, the Financials sector's decline weighed heavily on the overall market performance. In addition to weakness in global business conditions and financial markets, concerns over the negative impact of new monetary measures on the profitability of Japanese banks resulted in a major sell off in this sub-sector.

February 2016

\* Fund performance figures – share class 2, source Lipper, net of fees, net income reinvested in GBP. Unless otherwise indicated, all data has been sourced by Nomura Asset Management.

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## INVESTMENT PERFORMANCE

## Net Asset Value – Income Shares

Share class	As at	Net asset value* £000	Shares in issue	Pence per share
Class 2	31.07.13	48,639	37,471,261	129.80
	31.07.14	54,629	41,849,356	130.54
	31.07.15	276,694	184,152,820	150.25
	31.01.16	265,837	184,152,820	144.36

\* Valued at bid market prices.

## Share Price Record – Income Shares

Share class	Calendar year	Highest price* (p)	Lowest price* (p)
Class 2	2011	125.40	100.30
	2012	113.70	97.40
	2013	141.30	104.80
	2014	136.56	116.53
	2015	160.10	132.23
	2016**	151.70	139.46

\* Valued at mid market prices.

\*\* Up to 31 January 2016.

## Ongoing Charges Figure\*

Share class	31.01.16	31.07.15
Class 2	1.31%	1.31%

\* 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 period. The OCF is made up of the Annual Management Charge and other operating costs deducted from the assets of the Fund during the period, except for those payments that are explicitly excluded (performance fees). The OCF includes transaction charges which were excluded from the Total Expense Ratio (TER) calculations provided previously.

## Revenue Record – Income Shares

The revenue record table below shows the net distribution rates per calendar year on a payment date basis for an investment made on 4 January 2011.

Share class	Calendar year	Net revenue per share (p)	Per £1,000 invested (£)
Class 2	2011	0.7038	5.75
	2012	1.0220	8.35
	2013	0.4195	3.43
	2014	0.7002	5.72
	2015	0.6461	5.28
	2016*	0.2180	1.78

\* Up to 31 March 2016 (the interim distribution payment date).

## PORTFOLIO STATEMENT

As at 31 January 2016 (unaudited)

Investment	Currency	Holding	Market Value £000	% of Net Assets
<b>Equities 99.43% (99.62%)</b>				
<b>Consumer Discretionary 25.70% (25.06%)</b>				
<b>Auto Components 5.04% (4.81%)</b>				
Denso Corp.	JPY	64,400	1,923	0.72
Keihin Corp.	JPY	128,800	1,393	0.52
KYB Corp.	JPY	772,000	1,533	0.58
Sanden Holdings Corp.	JPY	730,000	1,369	0.52
Stanley Electric Co. Ltd.	JPY	131,200	1,986	0.75
Toyoda Gosei Co. Ltd.	JPY	189,700	2,829	1.06
Toyota Industries Corp.	JPY	68,900	2,369	0.89
			<u>13,402</u>	<u>5.04</u>
<b>Automobiles 9.83% (10.97%)</b>				
Honda Motor Co. Ltd.	JPY	263,400	5,093	1.92
Isuzu Motors Ltd.	JPY	301,500	2,097	0.79
Mazda Motor Corp.	JPY	318,200	3,956	1.49
Nissan Motor Co. Ltd.	JPY	879,100	6,005	2.26
Toyota Motor Corp.	JPY	194,300	8,092	3.04
Yamaha Motor Co. Ltd.	JPY	64,300	883	0.33
			<u>26,126</u>	<u>9.83</u>
<b>Hotels, Restaurants &amp; Leisure 0.00% (0.27%)</b>				
<b>Household Durables 3.45% (2.31%)</b>				
Alpine Electronics, Inc.	JPY	158,300	1,235	0.46
PanaHome Corp.	JPY	261,000	1,308	0.49
Panasonic Corp.	JPY	408,200	2,631	0.99
Sony Corp.	JPY	145,900	2,131	0.80
Sumitomo Forestry Co. Ltd.	JPY	214,200	1,874	0.71
			<u>9,179</u>	<u>3.45</u>
<b>Leisure Products 0.96% (0.00%)</b>				
Bandai Namco Holdings, Inc.	JPY	162,300	2,555	0.96
			<u>2,555</u>	<u>0.96</u>
<b>Media 0.00% (0.73%)</b>				
<b>Multiline Retail 0.47% (1.09%)</b>				
Marui Group Co. Ltd.	JPY	112,800	1,234	0.47
			<u>1,234</u>	<u>0.47</u>
<b>Specialty Retail 4.94% (4.88%)</b>				
ABC-Mart, Inc.	JPY	37,400	1,405	0.53
EDION Corp.	JPY	293,900	1,524	0.58
K's Holdings Corp.	JPY	87,100	2,052	0.77
Nitori Holdings Co. Ltd.	JPY	95,900	5,352	2.01
Shimachu Co. Ltd.	JPY	91,900	1,443	0.54
Shimamura Co. Ltd.	JPY	17,600	1,358	0.51
			<u>13,134</u>	<u>4.94</u>
<b>Textiles, Apparel &amp; Luxury Goods 1.01% (0.00%)</b>				
TSI Holdings Co. Ltd.	JPY	275,800	1,368	0.51
Wacoal Holdings Corp.	JPY	163,000	1,319	0.50
			<u>2,687</u>	<u>1.01</u>
<b>Consumer Discretionary total</b>			<b>68,317</b>	<b>25.70</b>
<b>Consumer Staples 4.55% (4.29%)</b>				
<b>Food &amp; Staples Retailing 1.16% (1.08%)</b>				
Seven & i Holdings Co. Ltd.	JPY	69,900	2,149	0.81
Tsuruha Holdings, Inc.	JPY	16,500	945	0.35
			<u>3,094</u>	<u>1.16</u>

## PORTFOLIO STATEMENT (CONTINUED)

As at 31 January 2016 (unaudited)

Investment	Currency	Holding	Market Value £000	% of Net Assets
<b>Food Products 1.83% (1.18%)</b>				
Ajinomoto Co., Inc.	JPY	91,000	1,494	0.56
Kewpie Corp.	JPY	54,600	825	0.31
MEIJI Holdings Co. Ltd.	JPY	18,800	1,085	0.41
Morinaga Milk Industry Co. Ltd.	JPY	459,000	1,451	0.55
			4,855	1.83
<b>Personal Products 0.78% (1.09%)</b>				
Kao Corp.	JPY	31,600	1,169	0.44
Pola Orbis Holdings, Inc.	JPY	19,000	900	0.34
			2,069	0.78
<b>Tobacco 0.78% (0.94%)</b>				
Japan Tobacco, Inc.	JPY	77,500	2,090	0.78
			2,090	0.78
<b>Consumer Staples total</b>			<b>12,108</b>	<b>4.55</b>
<b>Energy 0.00% (0.89%)</b>				
<b>Oil, Gas &amp; Consumable Fuels 0.00% (0.89%)</b>				
<b>Financials 17.95% (18.89%)</b>				
<b>Banks 7.68% (10.23%)</b>				
Aozora Bank Ltd.	JPY	878,000	2,033	0.77
Mitsubishi UFJ Financial Group, Inc.	JPY	1,144,640	4,038	1.52
Mizuho Financial Group, Inc.	JPY	3,127,000	3,722	1.40
Nishi-Nippon City Bank Ltd. (The)	JPY	1,123,000	1,729	0.65
Sumitomo Mitsui Financial Group, Inc.	JPY	268,200	6,176	2.32
Sumitomo Mitsui Trust Holdings, Inc.	JPY	1,237,000	2,719	1.02
			20,417	7.68
<b>Consumer Finance 0.73% (0.00%)</b>				
Credit Saison Co. Ltd.	JPY	150,000	1,936	0.73
			1,936	0.73
<b>Diversified Financial Services 1.72% (1.54%)</b>				
Mitsubishi UFJ Lease & Finance Co. Ltd.	JPY	488,000	1,667	0.63
ORIX Corp.	JPY	147,600	1,440	0.54
Zenkoku Hoshu Co. Ltd.	JPY	67,800	1,470	0.55
			4,577	1.72
<b>Insurance 2.55% (2.47%)</b>				
Sompo Japan Nipponkoa Holdings, Inc.	JPY	99,500	2,026	0.76
T&D Holdings, Inc.	JPY	377,800	2,968	1.12
Tokio Marine Holdings, Inc.	JPY	72,700	1,787	0.67
			6,781	2.55
<b>Real Estate Investment Trusts (REITs) 1.79% (1.79%)</b>				
Advance Residence Investment Corp.	JPY	899	1,356	0.51
Hoshino Resorts REIT, Inc.	JPY	237	1,631	0.62
Japan Hotel REIT Investment Corp.	JPY	3,344	1,756	0.66
			4,743	1.79
<b>Real Estate Management &amp; Development 3.48% (2.86%)</b>				
Aeon Mall Co. Ltd.	JPY	169,800	1,790	0.67
Leopalace21 Corp.	JPY	415,100	1,586	0.60
Mitsui Fudosan Co. Ltd.	JPY	150,000	2,432	0.91
Tokyu Fudosan Holdings Corp.	JPY	762,000	3,445	1.30
			9,253	3.48
<b>Financials total</b>			<b>47,707</b>	<b>17.95</b>

## PORTFOLIO STATEMENT (CONTINUED)

As at 31 January 2016 (unaudited)

Investment	Currency	Holding	Market Value £000	% of Net Assets
<b>Health Care 5.19% (4.54%)</b>				
<b>Health Care Equipment &amp; Supplies 0.25% (0.27%)</b>				
Hogy Medical Co. Ltd.	JPY	19,600	672	0.25
			<u>672</u>	<u>0.25</u>
<b>Health Care Providers &amp; Services 0.00% (0.35%)</b>				
<b>Pharmaceuticals 4.94% (3.92%)</b>				
Chugai Pharmaceutical Co. Ltd.	JPY	60,500	1,276	0.48
Daiichi Sankyo Co. Ltd.	JPY	121,700	1,748	0.66
Eisai Co. Ltd.	JPY	23,500	978	0.37
Mitsubishi Tanabe Pharma Corp.	JPY	256,400	2,907	1.09
Ono Pharmaceutical Co. Ltd.	JPY	14,500	1,609	0.60
Shionogi & Co. Ltd.	JPY	70,500	2,120	0.80
Tsumura & Co.	JPY	132,300	2,489	0.94
			<u>13,127</u>	<u>4.94</u>
<b>Health Care total</b>			<b>13,799</b>	<b>5.19</b>
<b>Industrials 17.43% (18.44%)</b>				
<b>Air Freight &amp; Logistics 0.00% (0.77%)</b>				
<b>Building Products 1.04% (1.98%)</b>				
Nichias Corp.	JPY	187,000	790	0.30
Noritz Corp.	JPY	75,900	813	0.30
Takasago Thermal Engineering Co. Ltd.	JPY	125,700	1,159	0.44
			<u>2,762</u>	<u>1.04</u>
<b>Commercial Services &amp; Supplies 0.51% (1.55%)</b>				
Secom Co. Ltd.	JPY	15,700	755	0.29
Toppan Forms Co. Ltd.	JPY	71,600	595	0.22
			<u>1,350</u>	<u>0.51</u>
<b>Construction &amp; Engineering 3.72% (2.88%)</b>				
JGC Corp.	JPY	18,000	196	0.07
Kajima Corp.	JPY	351,000	1,371	0.52
Kanden Co. Ltd.	JPY	304,000	1,281	0.48
Kinden Corp.	JPY	233,000	1,996	0.75
Kyowa Exeo Corp.	JPY	135,200	958	0.36
Nippo Corp.	JPY	184,000	1,894	0.71
Penta-Ocean Construction Co. Ltd.	JPY	580,000	1,605	0.61
Taihei Dengyo Kaisha Ltd.	JPY	80,000	577	0.22
			<u>9,878</u>	<u>3.72</u>
<b>Electrical Equipment 2.82% (1.61%)</b>				
Daihen Corp.	JPY	246,000	892	0.34
Fujikura Ltd.	JPY	191,000	642	0.24
Furukawa Electric Co. Ltd.	JPY	662,000	939	0.35
Mabuchi Motor Co. Ltd.	JPY	39,700	1,466	0.55
Nidec Corp.	JPY	53,100	2,490	0.94
Ushio, Inc.	JPY	118,900	1,065	0.40
			<u>7,494</u>	<u>2.82</u>

## PORTFOLIO STATEMENT (CONTINUED)

As at 31 January 2016 (unaudited)

Investment	Currency	Holding	Market Value £000	% of Net Assets
<b>Industrial Conglomerates 0.00% (0.21%)</b>				
<b>Machinery 5.68% (5.08%)</b>				
Ebara Corp.	JPY	689,000	2,102	0.79
FANUC Corp.	JPY	20,600	1,885	0.71
Glory Ltd.	JPY	72,900	1,604	0.60
Hitachi Construction Machinery Co. Ltd.	JPY	117,800	1,180	0.45
Hitachi Koki Co. Ltd.	JPY	188,800	825	0.31
Makino Milling Machine Co. Ltd.	JPY	254,000	1,145	0.43
METAWATER Co. Ltd.	JPY	68,800	983	0.37
Mitsui Engineering & Shipbuilding Co. Ltd.	JPY	1,285,000	1,227	0.46
NTN Corp.	JPY	565,000	1,459	0.55
THK Co. Ltd.	JPY	149,700	1,641	0.62
Toshiba Machine Co. Ltd.	JPY	498,000	1,046	0.39
			15,097	5.68
<b>Marine 0.00% (0.38%)</b>				
<b>Road &amp; Rail 1.44% (1.58%)</b>				
East Japan Railway Co.	JPY	39,100	2,486	0.94
Fukuyama Transporting Co. Ltd.	JPY	390,000	1,332	0.50
			3,818	1.44
<b>Trading Companies &amp; Distributors 1.87% (2.40%)</b>				
Hanwa Co. Ltd.	JPY	450,000	1,297	0.49
Mitsubishi Corp.	JPY	334,300	3,687	1.38
			4,984	1.87
<b>Transportation Infrastructure 0.35% (0.00%)</b>				
Sumitomo Warehouse Co. Ltd. (The)	JPY	266,000	944	0.35
			944	0.35
<b>Industrials total</b>			<b>46,327</b>	<b>17.43</b>
<b>Information Technology 12.71% (12.44%)</b>				
<b>Communications Equipment 0.35% (0.49%)</b>				
Hitachi Kokusai Electric, Inc.	JPY	113,000	935	0.35
			935	0.35
<b>Electronic Equipment, Instruments &amp; Components 1.48% (2.12%)</b>				
Nippon Chemi-Con Corp.	JPY	574,000	612	0.23
Nippon Signal Co. Ltd.	JPY	172,800	1,143	0.43
TDK Corp.	JPY	57,900	2,172	0.82
			3,927	1.48
<b>Internet Software &amp; Services 1.06% (0.85%)</b>				
Yahoo Japan Corp.	JPY	1,073,200	2,820	1.06
			2,820	1.06
<b>IT Services 2.33% (2.62%)</b>				
Fujitsu Ltd.	JPY	607,000	1,746	0.66
IT Holdings Corp.	JPY	51,100	777	0.29
Itochu Techno-Solutions Corp.	JPY	132,800	1,479	0.55
NET One Systems Co. Ltd.	JPY	258,600	1,009	0.38
Nihon Unisys Ltd.	JPY	162,000	1,192	0.45
			6,203	2.33

## PORTFOLIO STATEMENT (CONTINUED)

As at 31 January 2016 (unaudited)

Investment	Currency	Holding	Market Value £000	% of Net Assets
<b>Semiconductors &amp; Semiconductor Equipment 1.59% (1.94%)</b>				
Disco Corp.	JPY	16,000	1,046	0.39
Renesas Electronics Corp.	JPY	101,000	457	0.17
Rohm Co. Ltd.	JPY	52,900	1,648	0.62
Tokyo Seimitsu Co. Ltd.	JPY	73,400	1,082	0.41
			4,233	1.59
<b>Software 1.23% (0.27%)</b>				
Capcom Co. Ltd.	JPY	129,500	1,988	0.75
Nexon Co. Ltd.	JPY	114,000	1,278	0.48
			3,266	1.23
<b>Technology Hardware, Storage &amp; Peripherals 4.67% (4.15%)</b>				
Canon, Inc.	JPY	248,400	4,804	1.81
Eizo Corp.	JPY	49,900	818	0.31
FUJIFILM Holdings Corp.	JPY	45,800	1,218	0.46
Hitachi Maxell Ltd.	JPY	116,700	1,179	0.44
NEC Corp.	JPY	1,135,000	2,050	0.77
Seiko Epson Corp.	JPY	248,900	2,330	0.88
			12,399	4.67
<b>Information Technology total</b>			<b>33,783</b>	<b>12.71</b>
<b>Materials 8.42% (8.92%)</b>				
<b>Chemicals 5.45% (5.25%)</b>				
Denka Co. Ltd.	JPY	405,000	1,233	0.46
Mitsubishi Chemical Holdings Corp.	JPY	964,500	3,697	1.39
Mitsui Chemicals, Inc.	JPY	652,000	1,955	0.74
NOF Corp.	JPY	311,000	1,523	0.57
Sumitomo Bakelite Co. Ltd.	JPY	335,000	880	0.33
Teijin Ltd.	JPY	700,000	1,763	0.66
Tokyo Ohka Kogyo Co. Ltd.	JPY	66,100	1,421	0.54
Toyobo Co. Ltd.	JPY	1,461,000	1,328	0.50
Ube Industries Ltd.	JPY	518,000	693	0.26
			14,493	5.45
<b>Metals &amp; Mining 2.97% (3.67%)</b>				
Dowa Holdings Co. Ltd.	JPY	429,000	2,002	0.75
JFE Holdings, Inc.	JPY	301,500	2,799	1.05
Kobe Steel Ltd.	JPY	3,161,000	2,086	0.78
Nippon Denko Co. Ltd.	JPY	535,700	599	0.23
Nippon Steel & Sumitomo Metal Corp.	JPY	34,000	418	0.16
			7,904	2.97
<b>Materials total</b>			<b>22,397</b>	<b>8.42</b>
<b>Telecommunication Services 6.65% (5.41%)</b>				
<b>Diversified Telecommunication Services 2.70% (2.11%)</b>				
Nippon Telegraph & Telephone Corp.	JPY	246,300	7,168	2.70
			7,168	2.70
<b>Wireless Telecommunication Services 3.95% (3.30%)</b>				
KDDI Corp.	JPY	97,700	1,700	0.64
NTT DOCOMO, Inc.	JPY	320,600	4,688	1.76
SoftBank Group Corp.	JPY	135,100	4,117	1.55
			10,505	3.95
<b>Telecommunication Services total</b>			<b>17,673</b>	<b>6.65</b>



## PORTFOLIO STATEMENT (CONTINUED)

As at 31 January 2016 (unaudited)

Investment	Currency	Holding	Market Value £000	% of Net Assets
<b>Utilities 0.83% (0.74%)</b>				
<b>Electric Utilities 0.83% (0.74%)</b>				
Kyushu Electric Power Co., Inc.	JPY	295,700	2,200	0.83
			2,200	0.83
<b>Utilities total</b>			<b>2,200</b>	<b>0.83</b>
<b>Equities total</b>			<b>264,311</b>	<b>99.43</b>
Investment assets			264,311	99.43
Net other assets			1,526	0.57
<b>Net assets</b>			<b>265,837</b>	<b>100.00</b>

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 at 31 July 2015.

## STATEMENT OF TOTAL RETURN

For the six months ended 31 January 2016 (unaudited)

	£000	Six months ended 31.01.16 £000	£000	Six months ended 31.01.15 £000
Income				
Net capital (losses)/gains		(10,857)		6,286
Revenue	2,363		521	
Expenses	(1,726)		(409)	
Net revenue before taxation	637		112	
Taxation	(236)		(52)	
Net revenue after taxation		401		60
<b>Total return before distributions</b>		<b>(10,456)</b>		<b>6,346</b>
Distributions		(401)		(60)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(10,857)</b>		<b>6,286</b>

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the six months ended 31 January 2016 (unaudited)

	£000	Six months ended 31.01.16 £000	£000	Six months ended 31.01.15 £000
<b>Opening net assets attributable to shareholders</b>		<b>276,694</b>		<b>54,629</b>
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	–		22,156	
Amounts payable on cancellation of shares	–		(377)	
		–		21,779
Dilution levy		–		68
Change in net assets attributable to shareholders from investment activities (see above)		(10,857)		6,286
<b>Closing net assets attributable to shareholders</b>		<b>265,837</b>		<b>82,762</b>

The Statement of Recommended Practice (2014) requires that comparatives are shown for the above report. As the comparatives should be for the comparable interim period, the net asset value at the end of the previous period will not agree to the net asset value at the start of this period. The published net asset value as at 31 July 2015 was £276,694,000.

## BALANCE SHEET

As at 31 January 2016 (unaudited)

	As at 31.01.16 £000	As at 31.07.15 £000
<b>Assets:</b>		
Investments	264,311	275,646
<b>Current assets:</b>		
Debtors	787	897
Cash and bank balances	1,889	1,951
<b>Total assets</b>	<b>266,987</b>	<b>278,494</b>
<b>Liabilities:</b>		
<b>Creditors:</b>		
Other creditors	(749)	(969)
Distribution payable	(401)	(831)
<b>Total liabilities</b>	<b>(1,150)</b>	<b>(1,800)</b>
<b>Net assets attributable to shareholders</b>	<b>265,837</b>	<b>276,694</b>

**ACCOUNTING POLICIES**

The interim financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) for Authorised Funds issued by the Investment Management Association (IMA) in May 2014 (SORP 2014). This is effective for accounting periods beginning on or after 1 January 2015 and supersedes the SORP issued by the IMA in October 2010 (SORP 2010).

The accounting policies applied are consistent with those of the financial statements for the year ended 31 July 2015 and are described in those annual financial statements.

## AVIVA INVESTORS EM EQUITY MOM 1 FUND

### INVESTMENT OBJECTIVE

Long term capital growth by investing primarily in emerging market equities.

### INVESTMENT POLICY

The Fund will invest primarily in equity securities listed or traded in emerging markets. Limited exposure to other geographic regions may be possible. The Fund may invest in any of the following financial instruments in order to achieve its investment objective: equities or securities with equity characteristics, unlisted transferable securities, convertibles, preference shares, warrants, money market instruments, collective investment schemes and deposits.

### FUND MANAGER'S REPORT

#### Performance

Over the six months ended 31 January 2016 the Fund returned -8.00% after fees, compared with a return of -8.51%\* from the Fund's benchmark, the MSCI Emerging Market Index.

#### Review

From a country perspective, stock selection added value, although group allocation had a negative impact.

Stock selection in China was the main positive. Shares in dominant Internet search engine Baidu outperformed as investors reacted positively to the company's solid quarterly figures and, in particular, higher-than-expected margins and earnings. The market was also encouraged by the healthy revenue guidance provided in late October. Our holding in the China-based dominant social platform Tencent was beneficial. Investors were enthused by the company's quarterly results, which demonstrated good momentum across all main business lines.

Our off-benchmark position in large global brewer SABMiller was also a notable positive. The company is UK-listed but has considerable presence across emerging markets. Its shares were boosted by a takeover approach by its largest rival, Anheuser-Busch InBev. The bid was finally accepted by the SABMiller board in October after it was materially improved.

Stock selection in South Africa had a negative impact, particularly our holding in pharmaceuticals group Aspen Pharmacare. The shares were affected by investor concerns about the current drug pipeline and the potential earnings impact of volatility in key trading currencies. We continue to hold the stock as the management team has an established track record of achieving growth through successful acquisitions.

In terms of country allocation, our underweight to the outperforming South Korean and Malaysian markets detracted, although this was partially offset by the positive impact of our underweight to Poland, which underperformed.

At the sector level, both our stock selection within and overweight to the information technology and consumer staples sectors added value. Stock selection among financials was also beneficial. However, stock selection within the consumer discretionary sector weighed on relative returns, although this was partially offset by the positive impact of our overweight stance. Our choice of stocks among health care and utilities names also detracted.

Emerging equity markets delivered negative returns over the six-month period to 31 January 2016, underperforming developed markets in what was a volatile period for the asset class.

Emerging markets began and ended the period in similar fashion—with sharp falls largely as a result of investor concerns related to China. In August, the unexpected announcement by the Chinese government that it was devaluing its currency shook financial markets, particularly as it raised fears about the health of the world's second-largest economy. In an echo of the volatility seen in August, it was a similarly torrid start to 2016 for emerging markets, amid a more general sell-off in global equities. Investors were spooked by considerable volatility in the domestic Chinese stock market, while renewed worries about devaluation of the country's currency and its slowing economy also weighed on sentiment.

Chinese growth concerns contributed to commodity price weakness over the period, dimming the outlook for many emerging countries that are heavily dependent on demand for raw materials. Geopolitical strife was also a negative, with heightened global instability after the terrorist attacks in Paris and Turkey's downing of a Russian plane in November reducing investors' risk appetite. In other developments, the US Federal Reserve (Fed) raised short-term interest rates for the first time in almost a decade.

The MSCI China Index underperformed against this background, and Brazil was also among the worst-performing emerging markets over the period. Brazilian equities were impacted by falling commodity prices as well as concerns over its deteriorating economy and domestic political uncertainties, while two major ratings agencies downgraded its debt to "junk" status. Other underperforming markets included Colombia, which was hit by oil price weakness, and South Africa amid concerns that the commodities downturn would further harm its economy. Other negatives for South Africa included a slew of downgrades by all three major credit rating agencies and the unexpected dismissal of the country's finance minister in December. Markets that held up relatively well included Thailand, a significant beneficiary of lower oil prices, and Mexico, which is seeing improving domestic economic conditions.

## AVIVA INVESTORS EM EQUITY MOM 1 FUND (CONTINUED)

## FUND MANAGER'S REPORT (CONTINUED)

**Outlook**

Economic growth across many developing markets should continue to be higher than in the developed world in the near future, although that gap may continue to narrow. Those countries that push forward with reforms should do well, while countries that do not will struggle. Valuations are compelling and remain at a discount relative to their history and to their developed market peers. Our view is that we are likely to see a much more uneven world going forward, with less correlation and greater divergence in performance among countries and in stocks within those countries. We will remain focused on quality companies, as we continue to believe that those leading firms will weather the tough environment and will, in fact, improve their competitive positioning.

Near-term risks include a worse-than-expected slowdown in China or a breakdown in its financial system, a sharper-than-anticipated rise in US interest rates, or an unexpected bout of risk aversion due to geopolitical events. However, we believe that investor concerns may be overdone. The extent of the Chinese growth slowdown remains a key question, but policymakers are now focused on structural reforms that will lead to higher-quality and more sustainable growth. In addition, we believe the actual impact of interest rate increases on emerging markets will prove less significant than investors fear. As interest rates rise, markets may suffer a mini sell-off as the hunt for higher yields pulls money out of emerging bonds and currencies, but this is widely expected and priced in to valuations. Furthermore, if rates move moderately higher because the US economy is doing well, that would be good for the global economy, including emerging markets.

Overall, the environment will remain complex, but this should provide a good opportunity for active investors to take advantage of valuation anomalies. The emerging consumer remains a powerful force and should continue to drive strong growth in a variety of industries and companies, including retail, banking, technology, and the internet. With investors sceptical, valuations attractive, and fundamentals bottoming, the environment appears positive for emerging markets equities and ripe for stock picking.

February 2016

\* Fund performance figures – share class 2, source Lipper Hindight, net of fees, net income reinvested in GBP. Unless otherwise indicated, all data has been sourced by T Rowe Price International.

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 to buy or sell stocks. Past performance is not a guide to future performance. The value of an investment in the Fund and any income from it may go down as well as up, and the investor may not get back the original amount invested.

**Material Portfolio Changes**

Purchases	Sales
Axis Bank Ltd., GDR	Dr Reddy's Laboratories Ltd., ADR
Hengan International Group Co. Ltd.	Larsen & Toubro Ltd., GDR
Infosys Ltd., ADR	Bank Mandiri Persero Tbk. PT
Itau Unibanco Holding SA Preference	State Bank of India, GDR
ICICI Bank Ltd., ADR	ICICI Bank Ltd., ADR
Tencent Holdings Ltd.	Southern Copper Corp.
Largan Precision Co. Ltd.	China Unicom Hong Kong Ltd.
Tata Motors Ltd., ADR	Petroleo Brasileiro SA, ADR Preference
FirstRand Ltd.	Cie Financiere Richemont SA
Turkiye Garanti Bankasi AS	Turkiye Halk Bankasi AS

**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.

## INVESTMENT PERFORMANCE

## Net Asset Value – Income Shares

Share class	As at	Net asset value* £000	Shares in issue	Pence per share
Class 2	31.07.13	61,669	19,765,631	312.00
	31.07.14	65,749	20,532,115	320.22
	31.07.15	39,873	12,853,103	310.22
	31.01.16	41,039	14,379,895	285.39

\* Valued at bid market prices.

## Share Price Record – Income Shares

Share class	Calendar year	Highest price* (p)	Lowest price* (p)
Class 2	2011	311.90	249.70
	2012	323.30	271.90
	2013	359.40	286.19
	2014	346.59	274.90
	2015	377.86	268.73
	2016**	292.14	273.65

\* Valued at mid market prices.

\*\* Up to 31 January 2016.

## Ongoing Charges Figure\*

Share class	31.01.16	31.07.15
Class 2	1.50%	1.45%

\* 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 period. The OCF is made up of the Annual Management Charge and other operating costs deducted from the assets of the Fund during the period, except for those payments that are explicitly excluded (performance fees). The OCF includes transaction charges which were excluded from the Total Expense Ratio (TER) calculations provided previously.

## Revenue Record – Income Shares

The revenue record table below shows the net distribution rates per calendar year on a payment date basis for an investment made on 4 January 2011.

Share class	Calendar year	Net revenue per share (p)	Per £1,000 invested (£)
Class 2	2011	3.0685	9.84
	2012	4.5094	14.46
	2013	3.4914	11.19
	2014	1.3039	4.18
	2015	0.9087	2.91
	2016*	0.0027	0.01

\* Up to 31 March 2016 (the interim distribution payment date).

## PORTFOLIO STATEMENT

As at 31 January 2016 (unaudited)

Investment	Currency	Holding	Market Value £000	% of Net Assets
<b>Equities 96.16% (97.80%)</b>				
<b>Brazil 7.88% (9.85%)</b>				
Banco Bradesco SA Preference	BRL	65,720	201	0.49
Banco Bradesco SA Rights 05/02/2016	BRL	2,152	–	–
BR Malls Participacoes SA	BRL	156,800	313	0.76
BRF SA	BRL	12,300	101	0.25
CCR SA	BRL	56,800	121	0.29
Itau Unibanco Holding SA Preference	BRL	262,072	1,108	2.70
Lojas Renner SA	BRL	343,800	1,039	2.53
Raia Drogasil SA	BRL	49,800	352	0.86
			<hr/>	
			3,235	7.88
<b>Cayman Islands 13.11% (10.67%)</b>				
58.com, Inc., ADR	USD	6,100	235	0.57
Alibaba Group Holding Ltd., ADR	USD	9,817	461	1.12
Baidu, Inc., ADR	USD	8,500	936	2.28
China Mengniu Dairy Co. Ltd.	HKD	315,000	304	0.74
Hengan International Group Co. Ltd.	HKD	91,000	567	1.38
Sunny Optical Technology Group Co. Ltd.	HKD	225,000	334	0.82
Tencent Holdings Ltd.	HKD	162,200	2,115	5.15
Vipshop Holdings Ltd., ADR	USD	27,200	232	0.57
Want Want China Holdings Ltd.	HKD	429,000	195	0.48
			<hr/>	
			5,379	13.11
<b>Chile 1.13% (0.89%)</b>				
Banco Santander Chile, ADR	USD	15,200	180	0.44
SACI Falabella	CLP	62,316	282	0.69
			<hr/>	
			462	1.13
<b>China 6.93% (8.57%)</b>				
Anhui Conch Cement Co. Ltd. 'H'	HKD	76,000	104	0.25
BAIC Motor Corp. Ltd. 'H'	HKD	237,500	118	0.29
Bank of China Ltd. 'H'	HKD	917,000	250	0.61
China Longyuan Power Group Corp. Ltd. 'H'	HKD	436,000	181	0.44
China Pacific Insurance Group Co. Ltd. 'H'	HKD	58,400	144	0.35
China Vanke Co. Ltd. 'H'	HKD	254,300	402	0.98
Dongfeng Motor Group Co. Ltd. 'H'	HKD	206,000	169	0.41
Huaneng Renewables Corp. Ltd. 'H'	HKD	870,000	130	0.32
Industrial & Commercial Bank of China Ltd. 'H'	HKD	958,000	348	0.85
Ping An Insurance Group Co. of China Ltd. 'H'	HKD	317,000	997	2.43
			<hr/>	
			2,843	6.93
<b>Colombia 0.47% (0.50%)</b>				
Grupo Aval Acciones y Valores SA, ADR Preference	USD	42,400	192	0.47
			<hr/>	
			192	0.47
<b>Hong Kong 2.43% (3.55%)</b>				
Beijing Enterprises Holdings Ltd.	HKD	139,000	482	1.17
CNOOC Ltd.	HKD	439,000	312	0.76
CSPC Pharmaceutical Group Ltd.	HKD	348,000	204	0.50
			<hr/>	
			998	2.43
<b>India 12.47% (13.29%)</b>				
Axis Bank Ltd., GDR	USD	35,453	749	1.82
Dr Reddy's Laboratories Ltd., ADR	USD	11,184	339	0.83
HDFC Bank Ltd., ADR	USD	22,300	903	2.20
ICICI Bank Ltd., ADR	USD	130,335	597	1.45
Infosys Ltd., ADR	USD	122,456	1,486	3.62
Larsen & Toubro Ltd., GDR	USD	3,214	36	0.09
Mahindra & Mahindra Ltd., GDR	USD	3,259	41	0.10
State Bank of India, GDR	USD	1,881	35	0.09
Tata Motors Ltd., ADR	USD	55,409	932	2.27
			<hr/>	
			5,118	12.47

## PORTFOLIO STATEMENT (CONTINUED)

As at 31 January 2016 (unaudited)

Investment	Currency	Holding	Market Value £000	% of Net Assets
<b>Indonesia 3.25% (3.02%)</b>				
Astra International Tbk. PT	IDR	1,351,000	442	1.08
Bank Central Asia Tbk. PT	IDR	884,000	588	1.43
Matahari Department Store Tbk. PT	IDR	372,200	303	0.74
			1,333	3.25
<b>Malaysia 0.48% (0.53%)</b>				
Astro Malaysia Holdings Bhd.	MYR	427,700	198	0.48
			198	0.48
<b>Mexico 2.46% (2.33%)</b>				
Grupo Financiero Santander Mexico SAB de CV, ADR	USD	60,000	311	0.76
Wal-Mart de Mexico SAB de CV	MXN	407,700	700	1.70
			1,011	2.46
<b>Netherlands 0.28% (0.32%)</b>				
Yandex NV 'A'	USD	12,400	114	0.28
			114	0.28
<b>Philippines 4.35% (4.00%)</b>				
BDO Unibank, Inc.	PHP	255,170	377	0.92
GT Capital Holdings, Inc.	PHP	17,170	321	0.78
SM Investments Corp.	PHP	41,370	500	1.22
Universal Robina Corp.	PHP	207,920	588	1.43
			1,786	4.35
<b>Russia 4.46% (4.00%)</b>				
Magnit PJSC, GDR	USD	38,881	1,064	2.59
Sberbank of Russia PJSC, ADR	USD	198,742	766	1.87
			1,830	4.46
<b>South Africa 7.56% (8.88%)</b>				
Aspen Pharmacare Holdings Ltd.	ZAR	42,156	489	1.19
FirstRand Ltd.	ZAR	249,574	482	1.17
Mr Price Group Ltd.	ZAR	27,210	192	0.47
Naspers Ltd. 'N'	ZAR	4,021	347	0.84
Sanlam Ltd.	ZAR	185,703	471	1.15
Shoprite Holdings Ltd.	ZAR	88,230	553	1.35
Woolworths Holdings Ltd.	ZAR	141,378	569	1.39
			3,103	7.56
<b>South Korea 8.97% (8.38%)</b>				
Hyundai Glovis Co. Ltd.	KRW	1,075	127	0.31
Hyundai Motor Co.	KRW	6,784	522	1.27
LG Household & Health Care Ltd.	KRW	1,645	946	2.30
NAVER Corp.	KRW	1,253	456	1.11
Samsung Electronics Co. Ltd.	KRW	1,762	1,176	2.87
SK Hynix, Inc.	KRW	28,693	454	1.11
			3,681	8.97
<b>Switzerland 0.40% (0.86%)</b>				
Cie Financiere Richemont SA, Receipts	ZAR	36,913	166	0.40
			166	0.40
<b>Taiwan 11.21% (10.49%)</b>				
Catcher Technology Co. Ltd.	TWD	121,000	617	1.50
China Life Insurance Co. Ltd.	TWD	412,790	202	0.49
Delta Electronics, Inc.	TWD	87,511	254	0.62
Largan Precision Co. Ltd.	TWD	6,000	297	0.73
Quanta Computer, Inc.	TWD	212,000	233	0.57
Taiwan Semiconductor Manufacturing Co. Ltd.	TWD	741,000	2,204	5.37
Uni-President Enterprises Corp.	TWD	684,878	792	1.93
			4,599	11.21



## PORTFOLIO STATEMENT (CONTINUED)

As at 31 January 2016 (unaudited)

Investment	Currency	Holding	Market Value £000	% of Net Assets
<b>Thailand 2.66% (2.43%)</b>				
CP ALL PCL	THB	344,200	274	0.67
Kasikornbank PCL, NVDR	THB	163,900	541	1.32
Siam Cement PCL (The), NVDR	THB	32,850	276	0.67
			1,091	2.66
<b>Turkey 2.25% (2.10%)</b>				
BIM Birlesik Magazalar AS	TRY	43,236	509	1.24
Turkiye Garanti Bankasi AS	TRY	236,401	414	1.01
			923	2.25
<b>United Kingdom 3.41% (2.67%)</b>				
Fresnillo plc	GBP	37,007	258	0.63
SABMiller plc	ZAR	27,483	1,143	2.78
			1,401	3.41
<b>United States of America 0.00% (0.47%)</b>				
<b>Equities total</b>			<b>39,463</b>	<b>96.16</b>
<b>Forward Currency Contracts 0.00% (0.00%)</b>				
Buy ZAR 2,228,175 sell USD 138,899 dated 05/02/2016			–	–
<b>Forward Currency Contracts total</b>			<b>–</b>	<b>–</b>
Investment assets			39,463	96.16
Net other assets			1,576	3.84
<b>Net assets</b>			<b>41,039</b>	<b>100.00</b>

All holdings are ordinary shares or stock units and admitted to an official stock exchange unless otherwise stated.  
The comparative percentage figures in brackets are as at 31 July 2015.

## STATEMENT OF TOTAL RETURN

For the six months ended 31 January 2016 (unaudited)

	£000	Six months ended 31.01.16 £000	£000	Six months ended 31.01.15 £000
Income				
Net capital (losses)/gains		(3,478)		2,742
Revenue	304		424	
Expenses	(271)		(356)	
Net revenue before taxation	33		68	
Taxation	(34)		(60)	
Net (expense)/revenue after taxation		(1)		8
<b>Total return before distributions</b>		<b>(3,479)</b>		<b>2,750</b>
Distributions		1		(38)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(3,478)</b>		<b>2,712</b>

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the six months ended 31 January 2016 (unaudited)

	£000	Six months ended 31.01.16 £000	£000	Six months ended 31.01.15 £000
<b>Opening net assets attributable to shareholders</b>		<b>39,873</b>		<b>65,749</b>
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	4,632		–	
Amounts payable on cancellation of shares	–		(23,282)	
		4,632		(23,282)
Dilution levy		12		107
Change in net assets attributable to shareholders from investment activities (see above)		(3,478)		2,712
<b>Closing net assets attributable to shareholders</b>		<b>41,039</b>		<b>45,286</b>

The Statement of Recommended Practice (2014) requires that comparatives are shown for the above report. As the comparatives should be for the comparable interim period, the net asset value at the end of the previous period will not agree to the net asset value at the start of this period. The published net asset value as at 31 July 2015 was £39,873,000.

## BALANCE SHEET

As at 31 January 2016 (unaudited)

	As at 31.01.16 £000	As at 31.07.15 £000
<b>Assets:</b>		
Investments	39,463	38,997
<b>Current assets:</b>		
Debtors	1,230	128
Cash and bank balances	770	954
<b>Total assets</b>	<b>41,463</b>	<b>40,079</b>
<b>Liabilities:</b>		
<b>Creditors:</b>		
Distribution payable	–	(117)
Other creditors	(424)	(89)
<b>Total liabilities</b>	<b>(424)</b>	<b>(206)</b>
<b>Net assets attributable to shareholders</b>	<b>41,039</b>	<b>39,873</b>

**ACCOUNTING POLICIES**

The interim financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) for Authorised Funds issued by the Investment Management Association (IMA) in May 2014 (SORP 2014). This is effective for accounting periods beginning on or after 1 January 2015 and supersedes the SORP issued by the IMA in October 2010 (SORP 2010).

The accounting policies applied are consistent with those of the financial statements for the year ended 31 July 2015 and are described in those annual financial statements.

## AVIVA INVESTORS UK GILTS MOM 1 FUND

### INVESTMENT OBJECTIVE

To achieve income (with some prospect for long-term capital growth) by investing primarily in UK government fixed interest securities.

### INVESTMENT POLICY

The Fund will invest primarily in UK government fixed interest securities listed or traded on Regulated markets in the UK. The Fund may invest in any of the following financial instruments in order to achieve its investment objective: Sterling gilts, index linked gilts, Sterling, US dollar and Euro denominated investment grade credit, money market instruments, collective investment schemes and deposits. In addition to the instruments detailed above, on an ancillary basis and not exceeding 10% of the value of the scheme property, the Fund may invest in credit which is deemed to be below investment grade.

### FUND MANAGER'S REPORT

#### Performance

Over the six months ended 31 January 2016 the Fund returned 3.09% after fees, compared with a return of 3.90%\* from the Fund's benchmark, the FTSE® British Government All Stocks Index.

#### Review

UK government bonds posted strong total returns as investor appetite for riskier assets waned amid a myriad of economic growth concerns in both developed and emerging economies alike. This in turn further exacerbated the continued volatility and price declines in oil and other commodity prices alike. Nonetheless, it was not all smooth sailing for the gilt market during the period as the European Central Bank underwhelmed investors with the expansion of their Quantitative Easing programme, and the first hike in US interest rates by the Federal Reserve in nearly a decade also gave investors a pause for thought. The US rate rise had been viewed by some a precursor to UK rate increases, although the Bank of England (BoE) has since reiterated their dovish bias and appear to be relatively comfortable with the current level of interest rates, or at least until they see stronger evidence that inflationary pressures building within the economy.

#### Outlook

Given the uncertain outlook for global growth and elevated levels of volatility, we continue in our prudent approach to managing the gilt portfolios. There are number of headwinds that the UK domestic economy will face throughout 2016 however, the most significant being a referendum on European Union membership ('Brexit'). A vote is scheduled to take place in June 2016. In light of these risks, and the subdued outlook for inflation, we maintain our view that it will be difficult for the BoE to raise rates in the very near future.

February 2016

\* Fund performance figures –share class 2, source Lipper Hindsight, net of fees, net income reinvested in GBP. Unless otherwise indicated, all data has been sourced by Aviva Investors Global Services Limited.

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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 to buy or sell stocks. Past performance is not a guide to future performance. The value of an investment in the Fund and any income from it may go down as well as up, and the investor may not get back the original amount invested..

## AVIVA INVESTORS UK GILTS MOM 1 FUND (CONTINUED)

### Material Portfolio Changes

Purchases	Sales
UK Treasury 2.00% 22/01/2016	UK Treasury 2.00% 22/01/2016
UK Treasury 2.75% 07/09/2024	UK Treasury 2.75% 07/09/2024
UK Treasury 4.00% 07/09/2016	UK Treasury 4.75% 07/09/2015
UK Treasury 2.00% 07/09/2025	UK Treasury 2.00% 22/07/2020
UK Treasury 2.50% 22/07/2065	UK Treasury 3.25% 22/01/2044
UK Treasury 4.75% 07/09/2015	UK Treasury 3.75% 07/09/2020
UK Treasury 3.25% 22/01/2044	UK Treasury 4.50% 07/09/2034
UK Treasury 1.75% 07/09/2022	UK Treasury 3.50% 22/07/2068
UK Treasury 1.50% 22/01/2021	UK Treasury 2.00% 07/09/2025
UK Treasury 4.25% 07/12/2040	UK Treasury Inflation Linked 2.50% 26/07/2016

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

## INVESTMENT PERFORMANCE

## Net Asset Value – Income Shares

Share class	As at	Net asset value* £000	Shares in issue	Pence per share
Class 2	31.07.13	120,831	111,364,779	108.50
	31.07.14	81,601	75,360,065	108.28
	31.07.15	74,945	64,992,280	115.31
	31.01.16	78,113	66,169,293	118.05

\* Valued at bid market prices.

## Share Price Record – Income Shares

Share class	Calendar year	Highest price* (p)	Lowest price* (p)
Class 2	2011	112.80	96.90
	2012	116.10	108.20
	2013	114.60	105.65
	2014	117.56	105.87
	2015	122.34	112.75
	2016**	118.47	115.42

\* Valued at mid market prices.

\*\* Up to 31 January 2016.

## Ongoing Charges Figure\*

Share class	31.01.16	31.07.15
Class 2	0.79%	0.79%

\* 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 period. The OCF is made up of the Annual Management Charge and other operating costs deducted from the assets of the Fund during the period, except for those payments that are explicitly excluded (performance fees). The OCF includes transaction charges which were excluded from the Total Expense Ratio (TER) calculations provided previously.

## Revenue Record – Income Shares

The revenue record table below shows the net distribution rates per calendar year on a payment date basis for an investment made on 4 January 2011.

Share class	Calendar year	Net revenue per share (p)	Per £1,000 invested (£)
Class 2	2011	2.1927	21.93
	2012	1.6880	16.88
	2013	1.5915	15.92
	2014	1.8276	18.28
	2015	1.7850	17.85
	2016*	0.3926	3.93

\* Up to 31 March 2016 (the interim distribution payment date).

## PORTFOLIO STATEMENT

As at 31 January 2016 (unaudited)

Investment	Currency	Holding	Market Value £000	% of Net Assets
<b>Government Bonds 98.70% (97.52%)</b>				
<b>United Kingdom 98.70% (97.52%)</b>				
UK Treasury 4.00% 07/09/2016	GBP	12,230,000	12,494	15.99
UK Treasury 4.50% 07/03/2019	GBP	5,185,000	5,813	7.44
UK Treasury 2.00% 22/07/2020	GBP	1,625,000	1,702	2.18
UK Treasury 3.75% 07/09/2020	GBP	4,106,000	4,640	5.94
UK Treasury 1.50% 22/01/2021	GBP	4,599,000	4,702	6.02
UK Treasury 1.75% 07/09/2022	GBP	4,761,000	4,915	6.29
UK Treasury 5.00% 07/03/2025	GBP	2,491,316	3,236	4.14
UK Treasury 2.00% 07/09/2025	GBP	4,089,000	4,236	5.42
UK Treasury 4.25% 07/12/2027	GBP	1,033,000	1,310	1.68
UK Treasury 4.25% 07/06/2032	GBP	1,732,000	2,256	2.89
UK Treasury 4.50% 07/09/2034	GBP	4,240,000	5,743	7.35
UK Treasury 4.25% 07/09/2039	GBP	2,530,000	3,408	4.36
UK Treasury 4.25% 07/12/2040	GBP	2,991,000	4,067	5.21
UK Treasury 4.50% 07/12/2042	GBP	682,000	974	1.25
UK Treasury 3.25% 22/01/2044	GBP	622,000	733	0.94
UK Treasury 3.50% 22/01/2045	GBP	2,931,000	3,624	4.64
UK Treasury 3.75% 22/07/2052	GBP	2,561,500	3,497	4.48
UK Treasury 2.50% 22/07/2065	GBP	5,450,000	5,904	7.56
UK Treasury Inflation Linked 1.25% 22/11/2017	GBP	2,725,000	3,840	4.92
			77,094	98.70
<b>Government Bonds total</b>			<b>77,094</b>	<b>98.70</b>
Investment assets			77,094	98.70
Net other assets			1,019	1.30
<b>Net assets</b>			<b>78,113</b>	<b>100.00</b>

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 31 July 2015.

### Bond Rating

	Market value £000	% of net assets
<b>Bonds</b>		
– Investment grade*	77,094	98.70
<b>Debt securities total</b>	<b>77,094</b>	<b>98.70</b>

\* Investment grade refers to the quality of a company's credit. A rating of 'BBB' or higher is considered an investment grade issue.

## STATEMENT OF TOTAL RETURN

For the six months ended 31 January 2016 (unaudited)

	£000	Six months ended 31.01.16 £000	£000	Six months ended 31.01.15 £000
Income				
Net capital gains		2,078		8,313
Revenue	702		754	
Expenses	(304)		(279)	
Net revenue before taxation	398		475	
Taxation	–		–	
Net revenue after taxation		398		475
<b>Total return before distributions</b>		<b>2,476</b>		<b>8,788</b>
Distributions		(690)		(743)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>1,786</b>		<b>8,045</b>

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the six months ended 31 January 2016 (unaudited)

	£000	Six months ended 31.01.16 £000	£000	Six months ended 31.01.15 £000
<b>Opening net assets attributable to shareholders</b>		<b>74,945</b>		<b>81,601</b>
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	4,437		–	
Amounts payable on cancellation of shares	(3,056)		(23,817)	
		1,381		(23,817)
Dilution levy		1		6
Change in net assets attributable to shareholders from investment activities (see above)		1,786		8,045
<b>Closing net assets attributable to shareholders</b>		<b>78,113</b>		<b>65,835</b>

The Statement of Recommended Practice (2014) requires that comparatives are shown for the above report. As the comparatives should be for the comparable interim period, the net asset value at the end of the previous period will not agree to the net asset value at the start of this period. The published net asset value as at 31 July 2015 was £74,945,000.



## BALANCE SHEET

As at 31 January 2016 (unaudited)

	As at 31.01.16 £000	Restated* As at 31.07.15 £000
<b>Assets:</b>		
Investments	77,094	73,087
<b>Current assets:</b>		
Debtors	635	4,491
Cash and bank balances	767	1,224
<b>Total assets</b>	<b>78,496</b>	<b>78,802</b>
<b>Liabilities:</b>		
<b>Creditors:</b>		
Distribution payable	(326)	(360)
Other creditors	(57)	(3,497)
<b>Total liabilities</b>	<b>(383)</b>	<b>(3,857)</b>
<b>Net assets attributable to shareholders</b>	<b>78,113</b>	<b>74,945</b>

## ACCOUNTING POLICIES

The interim financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) for Authorised Funds issued by the Investment Management Association (IMA) in May 2014 (SORP 2014). This is effective for accounting periods beginning on or after 1 January 2015 and supersedes the SORP issued by the IMA in October 2010 (SORP 2010).

The accounting policies applied are consistent with those of the financial statements for the year ended 31 July 2015 and are described in those annual financial statements.

\* 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 £63,000 is now included with 'Distribution payable', whereas under SORP 2010 this was included within 'Creditors'.

## AVIVA INVESTORS UK CREDIT MOM 1 FUND

### INVESTMENT OBJECTIVE

To achieve income (with some prospect for long-term capital growth) by investing primarily in UK corporate fixed interest securities.

### INVESTMENT POLICY

The Fund will invest primarily in UK corporate fixed interest securities listed or traded on Regulated Markets in the UK. The Fund may invest in any of the following financial instruments in order to achieve its investment objective: Sterling denominated investment grade credit, overseas investment grade credit (hedged), gilts, overseas government bonds (hedged), money market instruments, collective investment schemes and deposits. In addition to the instruments detailed above, on an ancillary basis and not exceeding 10% of the value of the scheme property, the Fund may invest in credit which is deemed to be below investment grade.

### FUND MANAGER'S REPORT

#### Performance

Over the six months ended 31 January 2016 the Fund returned 0.03% after fees, compared with a return of 1.14%\* from the Fund's benchmark, the iBoxx Sterling Non-Gilts Index.

#### Review

Both corporate and government bonds endured a turbulent six months. Investors focused on the key themes of the strength of the economic recovery (particularly in the US and UK), Central Bank policy activity (real or inferred) and the search for yield in a low interest rate/low inflation environment. Although both the US and UK economies continued to improve, the pace of recovery was again slow.

Idiosyncratic issuer risk proved to be a significant source of concern in the second half of 2015. Much of the turbulence was centred on issuers most directly impacted by a quicker-than-expected Chinese economic slowdown, with the large commodity producers the most obvious example.

While Central Banks continued to provide support to economies, they also generated a good deal of uncertainty by giving mixed messages about future policy action which caused significant volatility in the market. In the event, the US Federal Reserve held off raising rates until December 2015, while the ECB (European Central Bank) and Bank of Japan lowered rates in December 2015 and January 2016 respectively.

The Fund began the period with a small underweight position in interest rate risk relative to its benchmark. We closed this position in the latter half of the third quarter as we had become more cautious about the macroeconomic outlook, and believed (correctly) that potential interest rate rises could extend into the future. We ran a broadly neutral duration position thereafter, preferring to use our risk budget in areas where we had greater conviction. Over the period as a whole, duration management was positive for relative performance.

We maintained a small overweight position in aggregate credit risk throughout the period. This proved a small drag on relative Fund returns with investment grade credit spreads drifting wider over the period as a whole.

Overall sector preferences had a positive effect on relative performance. The largest sector position in the Fund remains a preference for collateralised bonds, at the expense of generic industrial and telecom bonds. The inherently defensive nature of the collateralised sector made the Fund less vulnerable to any generic sell-off in corporate bonds during risk-averse periods. However, the sector did struggle in the final months of 2015 under the weight of selling pressure as insurance companies looked to optimise their portfolios in the run-up to Solvency II. Notwithstanding this, the sector made a positive contribution over the six month period as a whole. Also of note was our overweight position in other financials which also benefited relative performance.

Issue selection had a negative impact on relative performance, with the poorest performances coming from bonds issued by Standard Chartered and Legal & General. Contributions from bonds in the collateralised sector were mixed with White City Property and Annington Finance positive, while Telereal and Tesco Property negative. Selections within sovereign and sub sovereign were supportive with notable contributions from bonds issued by EIB, Transport for London and Network Rail.

Although the vast majority of the Fund's subordinated bank exposure performed well, the exception was the small position in enhanced capital notes from Lloyds Banking Group. These reacted negatively to the news that Lloyds had won a court judgement that would allow them to redeem the bonds earlier than expected, and at a price below the current market level.

On a positive note, relative performance was boosted by avoiding some of the worst performing stocks over the quarter. The Fund had no exposure to Volkswagen, or any of the other auto manufacturers that were weaker in sympathy. It also had no positions in Glencore, or the other major mining companies.

February 2016

\* Fund performance figures – share class 2, source Lipper, net of fees, net income reinvested in GBP. Unless otherwise indicated, all data has been sourced by Kames Capital.

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 to buy or sell stocks. Past performance is not a guide to future performance. The value of an investment in the Fund and any income from it may go down as well as up, and the investor may not get back the original amount invested.

## AVIVA INVESTORS UK CREDIT MOM 1 FUND (CONTINUED)

**Material Portfolio Changes**

Purchases	Sales
UK Treasury 4.50% 07/09/2034	Network Rail Infrastructure Finance plc 4.88% 27/11/2015
Tesco Property Finance 1 plc 7.62% 13/07/2039	KFW 5.50% 07/12/2015
Anheuser-Busch InBev Finance, Inc. 4.90% 01/02/2046	High Speed Rail Finance 1 plc 4.38% 01/11/2038
CPUK Finance Ltd. 7% 28/02/2042	International Business Machines Corp. 2.75% 21/12/2020
Unique Pub Finance Co. plc (The), Series A3 6.54% 30/03/2021	Gatwick Funding Ltd. 4.63% 27/03/2036
	Electricite de France SA 6.13% 02/06/2034
	UK Treasury 4.25% 07/12/2055
	Porterbrook Rail Finance Ltd. 6.50% 20/10/2020
	HSBC Bank plc, FRN 4.75% 29/09/2020
	Rabobank Capital Funding Trust IV, FRN 5.56% Perpetual

There were only 5 purchases in the period.

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

## INVESTMENT PERFORMANCE

## Net Asset Value – Income Shares

Share class	As at	Net asset value* £000	Shares in issue	Pence per share
Class 2	31.07.13	131,993	138,434,810	95.35
	31.07.14	102,870	106,442,516	96.64
	31.07.15	117,868	118,941,868	99.10
	31.01.16	100,297	102,889,619	97.48

\* Valued at bid market prices.

## Share Price Record – Income Shares

Share class	Calendar year	Highest price* (p)	Lowest price* (p)
Class 2	2011	91.22	86.52
	2012	98.30	90.88
	2013	101.60	93.63
	2014	101.79	94.80
	2015	106.07	97.07
	2016**	99.05	98.04

\* Valued at mid market prices.

\*\* Up to 31 January 2016.

## Ongoing Charges Figure\*

Share class	31.01.16	31.07.15
Class 2	0.79%	0.79%

\* 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 period. The OCF is made up of the Annual Management Charge and other operating costs deducted from the assets of the Fund during the period, except for those payments that are explicitly excluded (performance fees). The OCF includes transaction charges which were excluded from the Total Expense Ratio (TER) calculations provided previously.

## Revenue Record – Income Shares

The revenue record table below shows the net distribution rates per calendar year on a payment date basis for an investment made on 4 January 2011.

Share class	Calendar year	Net revenue per share (p)	Per £1,000 invested (£)
Class 2	2011	3.4860	39.44
	2012	3.6230	41.00
	2013	3.4817	39.40
	2014	3.4533	39.07
	2015	3.2078	36.30
	2016*	0.7865	8.90

\* Up to 31 March 2016 (the interim distribution payment date).

## PORTFOLIO STATEMENT

As at 31 January 2016 (unaudited)

Investment	Currency	Holding	Market Value £000	% of Net Assets
<b>Government Bonds 2.12% (3.34%)</b>				
<b>Germany 0.00% (1.21%)</b>				
<b>United Kingdom 2.12% (2.13%)</b>				
UK Treasury 4.50% 07/09/2034	GBP	700,000	948	0.94
UK Treasury 3.25% 22/01/2044	GBP	1,000,000	1,179	1.18
			<u>2,127</u>	<u>2.12</u>
<b>Government Bonds total</b>			<b>2,127</b>	<b>2.12</b>
<b>Corporate Bonds 84.99% (85.93%)</b>				
<b>Australia 3.17% (3.43%)</b>				
APT Pipelines Ltd. 3.50% 22/03/2030	GBP	1,600,000	1,446	1.44
Asciano Finance Ltd. 5.00% 19/09/2023	GBP	800,000	847	0.85
Scentre Group Trust, REIT 2.38% 08/04/2022	GBP	900,000	887	0.88
			<u>3,180</u>	<u>3.17</u>
<b>Cayman Islands 1.64% (1.44%)</b>				
THPA Finance Ltd., Series A2 7.13% 15/03/2024	GBP	588,499	690	0.69
Yorkshire Water Services Bradford Finance Ltd., FRN 6.00% 24/04/2025	GBP	914,000	954	0.95
			<u>1,644</u>	<u>1.64</u>
<b>Denmark 1.08% (0.96%)</b>				
DONG Energy A/S 5.75% 09/04/2040	GBP	900,000	1,081	1.08
			<u>1,081</u>	<u>1.08</u>
<b>France 6.26% (6.71%)</b>				
BPCE SA 5.25% 16/04/2029	GBP	800,000	818	0.82
Credit Agricole SA 7.38% 18/12/2023	GBP	650,000	796	0.79
Dexia Credit Local SA 2.13% 12/02/2025	GBP	800,000	787	0.78
Electricite de France SA 6.00% 23/01/2114	GBP	900,000	1,073	1.07
Electricite de France SA, FRN 6.00% Perpetual	GBP	1,100,000	978	0.98
Engie SA 5.00% 01/10/2060	GBP	700,000	861	0.86
Orange SA, FRN 5.75% Perpetual	GBP	1,000,000	967	0.96
			<u>6,280</u>	<u>6.26</u>
<b>Ireland 1.16% (1.34%)</b>				
GE Capital UK Funding 5.13% 24/05/2023	GBP	1,000,000	1,163	1.16
			<u>1,163</u>	<u>1.16</u>
<b>Jersey 3.89% (5.47%)</b>				
AA Bond Co. Ltd. 6.27% 02/07/2043	GBP	1,265,000	1,471	1.47
CPUK Finance Ltd. 7.24% 28/02/2042	GBP	600,000	738	0.74
Heathrow Funding Ltd. 6.45% 10/12/2033	GBP	773,000	1,025	1.02
Porterbrook Rail Finance Ltd. 4.63% 04/04/2029	GBP	600,000	667	0.66
			<u>3,901</u>	<u>3.89</u>
<b>Netherlands 4.03% (4.18%)</b>				
ABN AMRO Bank NV 2.25% 11/09/2017	GBP	1,100,000	1,115	1.11
Cooperatieve Rabobank UA 4.63% 23/05/2029	GBP	400,000	402	0.40
Cooperatieve Rabobank UA, FRN 6.91% Perpetual	GBP	700,000	836	0.83
E.ON International Finance BV 6.75% 27/01/2039	GBP	650,000	800	0.80
Siemens Financieringsmaatschappij NV, FRN 6.12% 14/09/2066	GBP	879,000	889	0.89
			<u>4,042</u>	<u>4.03</u>
<b>Sweden 1.10% (0.92%)</b>				
Swedbank AB 1.63% 15/04/2019	GBP	1,100,000	1,100	1.10
			<u>1,100</u>	<u>1.10</u>

## PORTFOLIO STATEMENT (CONTINUED)

As at 31 January 2016 (unaudited)

Investment	Currency	Holding	Market Value £000	% of Net Assets
<b>United Kingdom 47.63% (46.97%)</b>				
Abbey National Treasury Services plc 1.88% 17/02/2020	GBP	1,200,000	1,190	1.19
Annington Finance No. 4 plc, Series C1 8.07% 10/01/2023	GBP	850,000	1,099	1.10
Arqiva Financing plc 4.88% 31/12/2032	GBP	1,000,000	1,081	1.08
Aspire Defence Finance plc 4.67% 31/03/2040	GBP	858,511	963	0.96
BAE Systems plc 4.13% 08/06/2022	GBP	795,000	852	0.85
BG Energy Capital plc, FRN 6.50% 30/11/2072	GBP	492,000	512	0.51
BL Superstores Finance plc, Series A2 4.48% 04/10/2030	GBP	848,269	921	0.92
British Land Co. plc (The), REIT 5.26% 24/09/2035	GBP	500,000	568	0.57
BUPA Finance plc 5.00% 25/04/2023	GBP	281,000	288	0.29
BUPA Finance plc, FRN 6.12% Perpetual	GBP	700,000	732	0.73
Centrica plc 6.38% 10/03/2022	GBP	633,000	756	0.75
Coventry Building Society 5.88% 28/09/2022	GBP	879,000	1,055	1.05
Dignity Finance plc, Series B 4.70% Perpetual	GBP	1,080,000	1,171	1.17
Eastern Power Networks plc 4.75% 30/09/2021	GBP	843,000	947	0.94
Equity Release Funding No. 2 plc, Series 2 5.88% 26/05/2032	GBP	703,000	845	0.84
Gwynt y Mor OFTO plc 2.78% 17/02/2034	GBP	972,781	948	0.94
HJ Heinz Finance UK plc 6.25% 18/02/2030	GBP	687,000	837	0.83
HSBC Bank plc 4.75% 24/03/2046	GBP	1,125,000	1,133	1.13
Imperial Tobacco Finance plc 9.00% 17/02/2022	GBP	597,000	788	0.78
Imperial Tobacco Finance plc 4.88% 07/06/2032	GBP	400,000	433	0.43
John Lewis plc 4.25% 18/12/2034	GBP	800,000	781	0.78
Land Securities Capital Markets plc, FRN 4.87% 29/09/2025	GBP	633,000	729	0.73
LBG Capital No. 2 plc 15.00% 22/01/2029	GBP	351,000	608	0.61
Legal & General Group plc, FRN 5.50% 27/06/2064	GBP	800,000	731	0.73
Liverpool Victoria Friendly Society Ltd., FRN 6.50% 22/05/2043	GBP	800,000	776	0.77
Marston's Issuer plc, FRN, Series A3 5.18% 15/07/2032	GBP	914,000	984	0.98
Meadowhall Finance plc, Series A1 4.99% 12/07/2037	GBP	702,891	825	0.82
Mitchells & Butlers Finance plc, Series C1 6.47% 15/09/2032	GBP	1,054,000	1,268	1.26
Motability Operations Group plc 5.63% 29/11/2030	GBP	738,000	950	0.95
Nats En Route plc 5.25% 31/03/2026	GBP	1,011,552	1,161	1.16
Network Rail Infrastructure Finance plc 4.75% 29/11/2035	GBP	879,000	1,175	1.17
Northern Powergrid Yorkshire plc 9.25% 17/01/2020	GBP	703,000	893	0.89
Northern Powergrid Yorkshire plc 4.38% 05/07/2032	GBP	900,000	992	0.99
Prudential plc 1.38% 19/01/2018	GBP	600,000	600	0.60
Prudential plc, FRN 11.37% 29/05/2039	GBP	492,000	609	0.61
Punch Taverns Finance plc 7.32% 15/10/2025	GBP	57,961	62	0.06
RSA Insurance Group plc, FRN 9.37% 20/05/2039	GBP	362,000	419	0.42
SP Manweb plc 4.88% 20/09/2027	GBP	800,000	917	0.91
SSE plc, FRN 3.88% Perpetual	GBP	1,200,000	1,119	1.11
Standard Chartered Bank, FRN 5.38% Perpetual	GBP	527,000	501	0.50
Standard Chartered plc 5.13% 06/06/2034	GBP	800,000	673	0.67
Standard Life plc, FRN 6.75% Perpetual	GBP	700,000	758	0.76
Telereal Securitisation plc 5.39% 10/12/2033	GBP	585,768	660	0.66
Telereal Securitisation plc 6.16% 10/12/2033	GBP	501,704	567	0.56
Tesco Property Finance 1 plc 7.62% 13/07/2039	GBP	742,927	763	0.76
Tesco Property Finance 2 plc 6.05% 13/10/2039	GBP	410,722	377	0.38
Transport for London 2.25% 09/08/2022	GBP	2,400,000	2,448	2.44
Transport for London 3.88% 23/07/2042	GBP	2,100,000	2,387	2.38
Unique Pub Finance Co. plc (The), Series A3 6.54% 30/03/2021	GBP	748,400	772	0.77
Virgin Media Secured Finance plc 5.50% 15/01/2021	GBP	633,000	678	0.68
Wales & West Utilities Finance plc 6.25% 30/11/2021	GBP	703,000	847	0.84
Western Power Distribution East Midlands plc 5.25% 17/01/2023	GBP	773,000	885	0.88
Whitbread Group plc 3.38% 16/10/2025	GBP	600,000	594	0.59
White City Property Finance plc 5.12% 17/04/2035	GBP	1,082,202	1,281	1.28
Zurich Finance UK plc, FRN 6.62% Perpetual	GBP	800,000	869	0.87
			47,778	47.63

## PORTFOLIO STATEMENT (CONTINUED)

As at 31 January 2016 (unaudited)

Investment	Currency	Holding	Market Value £000	% of Net Assets
<b>United States of America 15.03% (14.51%)</b>				
American International Group, Inc. 5.00% 26/04/2023	GBP	700,000	775	0.77
Amgen, Inc. 4.00% 13/09/2029	GBP	800,000	822	0.82
AT&T, Inc. 7.00% 30/04/2040	GBP	650,000	847	0.84
Citigroup, Inc. 7.63% 03/04/2018	GBP	633,000	710	0.71
Digital Stout Holding LLC, REIT 4.25% 17/01/2025	GBP	800,000	813	0.81
DIRECTV Holdings LLC 4.38% 14/09/2029	GBP	984,000	1,009	1.01
General Electric Capital Corp., FRN 6.50% 15/09/2067	GBP	964,000	1,014	1.01
Goldman Sachs Group, Inc. (The) 4.25% 29/01/2026	GBP	700,000	751	0.75
Goldman Sachs Group, Inc. (The) 6.88% 18/01/2038	GBP	700,000	881	0.88
JPMorgan Chase Bank NA 5.38% 28/09/2016	GBP	750,000	769	0.77
Juneau Investments LLC 5.90% 22/02/2021	GBP	941,000	1,024	1.02
Mellon Capital III, FRN 6.37% 05/09/2066	GBP	400,000	402	0.40
Pfizer, Inc. 6.50% 03/06/2038	GBP	600,000	839	0.84
Verizon Communications, Inc. 4.07% 18/06/2024	GBP	1,200,000	1,272	1.27
Walgreens Boots Alliance, Inc. 2.88% 20/11/2020	GBP	1,000,000	1,001	1.00
Wells Fargo & Co. 4.88% 29/11/2035	GBP	1,000,000	1,079	1.07
Welltower, Inc. 4.80% 20/11/2028	GBP	1,000,000	1,068	1.06
			15,076	15.03
<b>Corporate Bonds total</b>			<b>85,245</b>	<b>84.99</b>
<b>Supranationals 7.51% (6.35%)</b>				
European Investment Bank 8.75% 25/08/2017	GBP	1,371,000	1,540	1.54
European Investment Bank 4.75% 15/10/2018	GBP	1,687,000	1,859	1.85
European Investment Bank 5.38% 07/06/2021	GBP	527,000	634	0.63
European Investment Bank 5.63% 07/06/2032	GBP	800,000	1,151	1.15
European Investment Bank 3.88% 08/06/2037	GBP	1,933,000	2,350	2.34
			7,534	7.51
<b>Supranationals total</b>			<b>7,534</b>	<b>7.51</b>
Investment assets			94,906	94.62
Net other assets			5,391	5.38
<b>Net assets</b>			<b>100,297</b>	<b>100.00</b>

All holdings are ordinary debt securities denominated in Sterling stock units and admitted to an official stock exchange unless otherwise stated.  
The comparative percentage figures in brackets are as at 31 July 2015.

## Bond Rating

	Market value £000	% of net assets
<b>Bonds</b>		
– Investment Grade*	83,887	83.63
– Below Investment Grade	8,646	8.62
– Unrated	2,373	2.37
<b>Debt securities total</b>	<b>94,906</b>	<b>94.62</b>

\* Investment grade refers to the quality of a company's credit. A rating of 'BBB' or higher is considered an investment grade issue.

## STATEMENT OF TOTAL RETURN

For the six months ended 31 January 2016 (unaudited)

	£000	Six months ended 31.01.16 £000	£000	Six months ended 31.01.15 £000
Income				
Net capital (losses)/gains		(1,340)		9,010
Revenue	2,150		2,256	
Expenses	(418)		(417)	
Net revenue before taxation	1,732		1,839	
Taxation	–		–	
Net revenue after taxation		1,732		1,839
<b>Total return before distributions</b>		<b>392</b>		<b>10,849</b>
Distributions		(2,130)		(2,239)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(1,738)</b>		<b>8,610</b>

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the six months ended 31 January 2016 (unaudited)

	£000	Six months ended 31.01.16 £000	£000	Six months ended 31.01.15 £000
<b>Opening net assets attributable to shareholders</b>		<b>117,868</b>		<b>102,870</b>
Movement due to issue and cancellation of shares:				
Amounts payable on cancellation of shares	(15,888)		(574)	
		(15,888)		(574)
Dilution levy		55		–
Change in net assets attributable to shareholders from investment activities (see above)		(1,738)		8,610
<b>Closing net assets attributable to shareholders</b>		<b>100,297</b>		<b>110,906</b>

The Statement of Recommended Practice (2014) requires that comparatives are shown for the above report. As the comparatives should be for the comparable interim period, the net asset value at the end of the previous period will not agree to the net asset value at the start of this period. The published net asset value as at 31 July 2015 was £117,868,000.



## BALANCE SHEET

As at 31 January 2016 (unaudited)

	As at 31.01.16 £000	Restated* As at 31.07.15 £000
<b>Assets:</b>		
Investments	94,906	112,703
<b>Current assets:</b>		
Debtors	1,663	1,819
Cash and bank balances	4,816	4,616
<b>Total assets</b>	<b>101,385</b>	<b>119,138</b>
<b>Liabilities:</b>		
<b>Creditors:</b>		
Distribution payable	(1,013)	(1,176)
Other creditors	(75)	(94)
<b>Total liabilities</b>	<b>(1,088)</b>	<b>(1,270)</b>
<b>Net assets attributable to shareholders</b>	<b>100,297</b>	<b>117,868</b>

**ACCOUNTING POLICIES**

The interim financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) for Authorised Funds issued by the Investment Management Association (IMA) in May 2014 (SORP 2014). This is effective for accounting periods beginning on or after 1 January 2015 and supersedes the SORP issued by the IMA in October 2010 (SORP 2010).

The accounting policies applied are consistent with those of the financial statements for the year ended 31 July 2015 and are described in those annual financial statements.

\* 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 £234,000 is now included with 'Distribution payable', whereas under SORP 2010 this was included within 'Creditors'.

## AVIVA INVESTORS STERLING CREDIT MOM 1 FUND

### INVESTMENT OBJECTIVE

To achieve income (with some prospect for long-term capital growth).

### INVESTMENT POLICY

The Fund may invest in any of the following financial instruments in order to achieve its investment objective: Sterling credit, overseas credit, gilts, overseas government bonds, asset backed securities, (including mortgage backed securities), money market instruments, collective investment schemes and deposits. Up to 50% of the value of the scheme property may be invested in credit which is deemed to be below investment grade. The Fund's exposure will be in Sterling or currency hedged back to Sterling. The Sterling exposure will be within a range of 98% to 102%.

### FUND MANAGER'S REPORT

#### Performance

Over the six months ended 31 January 2016 the Fund returned -2.98% after fees, compared with a return of 4.31%\* from the Fund's composite benchmark, 35% iBoxx EUR HY; 35% iBoxx EUR Overall Corporate; 30% 3m LIBOR.

#### Review

August 2015 started with the probability of a September lift-off for Fed Funds reaching 50% and the threat of an imminent rate rise causing US high yield bonds and equities to fluctuate, and worries around Asia and emerging markets in general beginning to surface. This was compounded when the People's Bank of China (PBoC) adjusted the fixing of the renminbi, causing an initial 2% depreciation against the US\$ as well as triggering a large broad based equity market sell off, with the Shenzhen index falling by 27% in the space of four trading days.

Then, on 24 August, following two weak days with the losses of almost 900 points, the Dow Jones index in the US opened over 1,000 points down, before recovering to close just 600 lower! Global indices followed suit and the FTSE®100 lost almost 5% and the EuroFirst300 index fell by 5.6%. While most indices recovered some of the losses during the week, fears remained elevated and sharp intra-day swings were commonplace.

The PBoC then took the market by surprise again on 25 August and cut the Reserve Requirement Ratio, with the one year benchmark rate reduced by 0.25% to 4.6% and the one year deposit rate cut by 0.25% to 1.75%.

The key driver in September was the Federal Open Market Committee (FOMC) rates decision and subsequent press statement from Janet Yellen on 17 September. In line with consensus, the Fed kept rates on hold but contrary to speculation, the following rhetoric was considerably more dovish with little guidance to help mitigate the market uncertainty. This uncertainty did little to calm market nerves and contagion from heavy selling in emerging markets had an obvious detrimental effect across equity, credit and commodities markets, amplified by the close proximity to the quarter-end date.

In the UK the political playing field was shaken by Jeremy Corbyn winning the Labour Party leadership.

October saw a change in sentiment right at the start of the month, with a much lower than expected rise in US non-farm payrolls, which the market interpreted as low enough to eliminate an October rate hike.

October also kicked-off the Q3 earnings cycle and US companies announced they had generally beaten profit forecasts and the economic data continued to be slightly softer, which added to the market discounting any rate hike in 2015. However, the FOMC meeting that concluded on 28 October put the December hike back on the cards and consequently applied the brakes to the October rally.

In Europe, the ECB (European Central Bank) talk was markedly more dovish and further action from Mario Draghi at the Governing Council meeting on 3 December began to be priced in and speculation of a further cut to the depo-rate kept shorter dated Euro sovereign debt in high demand.

Speculation increased further in November when Draghi commented that the process of economic repair in the Euro area was not complete and set the scene for additional stimulus being applied at the next ECB meeting on 3 December, while in the US Yellen set the scene for a December rate hike.

In Portugal, the recently appointed government was ousted by a left-wing coalition led by Antonio Costa, sparking fears this would lead to anti-Eurozone policies and a roll-back of austerity measures, but these softened on assurance they would maintain the goal of driving the deficit below the 3% EU target.

As widely expected, December began with the ECB cutting rates further to minus 30bp, whilst also extending the duration of the programme and widening the remit. Furthermore they agreed to reinvest maturing bonds and continued their policy of unlimited liquidity. However, this was deemed a disappointment as the market was looking for more, and it set the tone for what would become a miserable December.

The FOMC delivered as expected, by hiking rates but with a relatively dovish message, managing a fairly "painless" initial hike. However the pain was felt in the preceding week when the market witnessed huge outflows from US high yield bond funds. The majority of underperformance came from the energy sector, returning -17.4% for 2015, while metals and mining lost 26.3%. This meant that overall, US HY had only its third negative year in the last 20 years, with a total return of minus 5%. The downward spiral in commodity prices is at the core of this underperformance, and once again the price action in December was aggressive, with Brent down a further 17%, taking 2015 losses to 44%.

Heading into the Christmas break, the Bank of Portugal astonished the markets by selecting 5 of the 52 available senior bonds Novo Banco, all of which ranked pari passu, and moved them back to BES, enforcing big losses on the bonds. The move proved to be a destroyer of investor confidence in Portugal as a whole.

Anyone hoping for positive start to 2016 was very disappointing, with January posting the worst start to a year many can remember. Oil kicked off by testing lows of \$28.50 a barrel and equities sold off across the globe on deflation fears and Chinese growth fears. In a shock move, the Bank of Japan cut domestic rates to negative yield, although it failed to boost confidence.

In the UK, dovish comments from Mark Carney caused GBP to sell off aggressively against most major currencies, despite Draghi being equally dovish and further action is expected from the ECB in March.

Given the market backdrop during the period Aug 2015 to January 2016, it is no surprise that most markets struggled. The Euro HY index returned -3.3% for the period, £ HY returned -0.4%, while US HY dropped 7.9%. Equities also performed poorly with the S&P 500 falling 7.8% and Oil dropped 34%.

## AVIVA INVESTORS STERLING CREDIT MOM 1 FUND (CONTINUED)

## FUND MANAGER'S REPORT (CONTINUED)

**Outlook**

The Manager continues to adopt a strategy of investment in shorter-dated bonds which exhibit relatively attractive credit spreads.

Looking at current spread levels, the market appears to be pricing in a recession across global markets, which is contrary to the current fundamental data in established economies. In light of the yields now on offer, in names that should not be directly impacted by either the energy crisis or Chinese slowdown, the Manager is slightly more constructive on the medium term outlook than many market commentators. However, the markets are very volatile and the Manager is staying very cautious and not putting much cash to work. The Manager continues to believe that a global recession in 2016 is an unlikely event, but the markets will need a catalyst to turn more positive from here.

The Manager still believes that the ECB purchase programme will lend support to the convergence of peripheral bond yields versus the core rates, but with the current uncertainty that exists, the Manager will not be adding to this trade.

February 2016

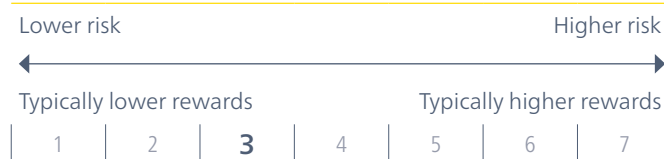
\* Fund performance figures – share class 2, source Lipper, net of fees, net income reinvested in GBP, composite benchmark source Morningstar Direct. Unless otherwise indicated, all data has been sourced by Twentyfour Asset Management.

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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 to buy or sell stocks. Past performance is not a guide to future performance. The value of an investment in the Fund and any income from it may go down as well as up, and the investor may not get back the original amount invested.

**Material Portfolio Changes**

Purchases	Sales
US Treasury Inflation Indexed 0.375% 15/07/2025	US Treasury Inflation Indexed 0.375% 15/07/2025
UK Treasury 1.25% 22/07/2018	RL Finance Bonds plc, FRN 6.12% Perpetual
Intesa Sanpaolo SpA, FRN 7.00% Perpetual	Morgan Stanley Investment Management Mezzano BV, FRN, Series 2007-1X 'E' 7.06% 15/05/2024
Cordusio RMBS Srl, FRN, Series 1 'C' 0.35% 30/06/2033	Scottish Widows plc, FRN 5.13% Perpetual
Warwick Finance Residential Mortgages Number Two Plc, FRN 2.785% 21/09/2049	AXA SA, FRN 5.45% Perpetual
Hiscox Ltd. 6.125% 24/11/2045	Credit Suisse AG 6.50% 08/08/2023
Ethias SA 5.00% 14/01/2026	Jubilee CDO VII BV, FRN, Series VII-X 'E' 3.34% 20/11/2022
Amicus Mortgage Finance 2015 1 plc, FRN, Series 2015-1 'A' 3.85% 12/07/2021	Portugal Obrigacoes do Tesouro OT 3.88% 15/02/2030
Portugal Obrigacoes do Tesouro OT 3.88% 15/02/2030	New Look Secured Issuer plc 6.50% 01/07/2022
Cabot Financial Luxembourg II SA, FRN 5.81% 15/11/2021	QBE Insurance Group Ltd., FRN 6.75% 02/12/2044

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

## INVESTMENT PERFORMANCE

## Net Asset Value – Income Shares

Share class	As at	Net asset value* £000	Shares in issue	Pence per share
Class 2	31.07.13	–	–	–
	31.07.14	92,082	86,813,983	106.07
	31.07.15	89,287	84,396,386	105.79
	31.01.16	71,442	71,287,983	100.22

\* Valued at bid market prices.

## Share Price Record – Income Shares

Share class	Calendar year	Highest price* (p)	Lowest price* (p)
Class 2	2011	N/A	N/A
	2012	N/A	N/A
	2013**	104.47	100.00
	2014	108.76	104.00
	2015	108.94	102.86
	2016***	103.25	101.34

\* Valued at mid market prices.

\*\* From 12 September 2013 when the Fund relaunched.

\*\*\* Up to 31 January 2016.

## Ongoing Charges Figure\*

Share class	31.01.16	31.07.15
Class 2	0.79%	0.80%

\* 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 period. The OCF is made up of the Annual Management Charge and other operating costs deducted from the assets of the Fund during the period, except for those payments that are explicitly excluded (performance fees). The OCF includes transaction charges which were excluded from the Total Expense Ratio (TER) calculations provided previously.

## Revenue Record – Income Shares

The revenue record table below shows the net distribution rates per calendar year on a payment date basis for an investment made on 12 September 2013.

Share class	Calendar year	Net revenue per share (p)	Per £1,000 invested (£)
Class 2	2011	N/A	N/A
	2012	N/A	N/A
	2013*	0.6400	6.40
	2014	4.8956	48.95
	2015	4.6237	46.24
	2016**	1.1337	11.34

\* From launch date 12 September 2013.

\*\* Up to 31 March 2016 (the interim distribution payment date).

## PORTFOLIO STATEMENT

As at 31 January 2016 (unaudited)

Investment	Currency	Holding	Market Value £000	% of Net Assets
<b>Government Bonds 8.65% (5.44%)</b>				
<b>Portugal 1.70% (2.47%)</b>				
Portugal Obrigacoes do Tesouro OT 3.88% 15/02/2030	EUR	1,500,000	1,214	1.70
			1,214	1.70
<b>Spain 3.68% (2.97%)</b>				
Spain Government Bond 1.95% 30/07/2030	EUR	3,500,000	2,627	3.68
			2,627	3.68
<b>United Kingdom 3.27% (0.00%)</b>				
UK Treasury 1.25% 22/07/2018	GBP	2,300,000	2,341	3.27
			2,341	3.27
<b>Government Bonds total</b>			<b>6,182</b>	<b>8.65</b>
<b>Corporate Bonds 98.55% (90.89%)</b>				
<b>Australia 0.00% (1.28%)</b>				
<b>Austria 0.00% (0.16%)</b>				
<b>Belgium 1.07% (0.00%)</b>				
Ethias SA 5.00% 14/01/2026	EUR	1,300,000	764	1.07
			764	1.07
<b>Bermuda 1.09% (0.00%)</b>				
Hiscox Ltd., FRN 6.12% 24/11/2045	GBP	800,000	781	1.09
			781	1.09
<b>Cayman Islands 2.56% (1.94%)</b>				
DRYDEN 35 EURO CLO 2014 BV, FRN, Series 2014-35X 'DN' 3.91% 17/05/2027	EUR	2,500,000	1,827	2.56
			1,827	2.56
<b>France 6.56% (8.27%)</b>				
AXA SA, FRN 6.46% Perpetual	USD	135,000	97	0.13
AXA SA, FRN 6.67% Perpetual	GBP	150,000	149	0.21
Credit Agricole SA, FRN 8.12% Perpetual	GBP	1,400,000	1,541	2.16
Groupama SA, FRN 6.37% Perpetual	EUR	1,200,000	819	1.15
Orange SA, FRN 5.75% Perpetual	GBP	2,000,000	1,935	2.71
Societe Generale SA, FRN 8.25% Perpetual	USD	200,000	146	0.20
			4,687	6.56
<b>Germany 2.62% (2.00%)</b>				
Aareal Bank AG, FRN 7.63% Perpetual	EUR	2,000,000	1,476	2.07
Commerzbank AG 8.13% 19/09/2023	USD	500,000	397	0.55
			1,873	2.62
<b>Ireland 12.96% (10.29%)</b>				
Arbour CLO II Ltd., FRN, Series 2014-2X 'D' 4.00% 15/02/2028	EUR	2,500,000	1,863	2.61
Avoca CLO XIII Ltd., FRN, Series 13X 'D' 3.37% 29/12/2027	EUR	3,000,000	2,200	3.08
Bank of Ireland, FRN 7.38% Perpetual	EUR	950,000	734	1.03
Black Diamond CLO 2015-1 Designated Activity Co., FRN, Series 2015-1X 'DNE' 3.76% 03/10/2029	EUR	850,000	574	0.80
CELF Loan Partners III plc, FRN, Series 2006-1X 'E' 3.35% 01/11/2023	EUR	800,000	455	0.64
CVC Cordatus Loan Fund IV Ltd., FRN, Series 4X 'DNV' 3.70% 24/01/2028	EUR	3,000,000	2,254	3.16
Harvest CLO XIV Designated Activity Co., FRN, Series 14X 'E' 5.50% 18/11/2029	EUR	500,000	368	0.52
Swiss Reinsurance Co. Ltd., FRN 6.37% 01/09/2024	USD	800,000	575	0.80
Swiss Reinsurance Co. Ltd., FRN 8.25% Perpetual	USD	310,000	232	0.32
			9,255	12.96
<b>Italy 3.85% (0.51%)</b>				
Cordusio RMBS Srl, FRN, Series 1 'C' 0.35% 30/06/2033	EUR	1,500,000	1,091	1.53
Intesa Sanpaolo SpA, FRN 7.00% Perpetual	EUR	1,600,000	1,206	1.69
Snai SpA 7.63% 15/06/2018	EUR	600,000	452	0.63
			2,749	3.85

## PORTFOLIO STATEMENT (CONTINUED)

As at 31 January 2016 (unaudited)

Investment	Currency	Holding	Market Value £000	% of Net Assets
<b>Luxembourg 7.60% (3.78%)</b>				
Aguila 3 SA 7.88% 31/01/2018	CHF	600,000	419	0.59
Cabot Financial Luxembourg II SA, FRN 5.81% 15/11/2021	EUR	650,000	474	0.66
Cabot Financial Luxembourg SA 8.38% 01/08/2020	GBP	500,000	504	0.71
Garfunkelux Holdco 3 SA 8.50% 01/11/2022	GBP	700,000	687	0.96
Hayfin Ruby II Luxembourg SCA, FRN, Series 2X 'D2' 5.25% 28/08/2024	GBP	3,000,000	2,983	4.17
UniCredit Bank Luxembourg SA, FRN 8.59% Perpetual	GBP	355,000	365	0.51
			5,432	7.60
<b>Netherlands 9.01% (11.08%)</b>				
ABN AMRO Bank NV, FRN 5.75% Perpetual	EUR	300,000	219	0.31
Cooperatieve Rabobank UA, FRN 5.50% Perpetual	EUR	1,750,000	1,312	1.83
Dryden Leveraged Loan CDO 2002-II, FRN, Series 2013-27A 'D' 3.97% 09/12/2025	EUR	1,000,000	743	1.04
Generali Finance BV, FRN 6.21% Perpetual	GBP	1,250,000	1,244	1.74
Grupo Isolux Corsan Finance BV 6.63% 15/04/2021	EUR	1,100,000	241	0.34
Jubilee CLO 2014-XII BV, FRN, Series 2014-12X 'E' 4.85% 15/07/2027	EUR	1,000,000	674	0.94
Jubilee CLO 2014-XIV BV, FRN, Series 2014-14X 'E' 4.86% 15/01/2028	EUR	1,400,000	999	1.40
TMF Group Holding BV 9.88% 01/12/2019	EUR	825,000	671	0.94
UPC Holding BV 6.75% 15/03/2023	CHF	455,000	334	0.47
			6,437	9.01
<b>Norway 0.58% (0.00%)</b>				
Lock Lower Holding AS 9.50% 15/08/2022	EUR	550,000	417	0.58
			417	0.58
<b>Spain 3.28% (3.97%)</b>				
Banco Bilbao Vizcaya Argentaria SA, FRN 9.00% Perpetual	USD	3,200,000	2,346	3.28
			2,346	3.28
<b>Switzerland 3.11% (3.91%)</b>				
Credit Suisse AG 6.50% 08/08/2023	USD	1,240,000	924	1.29
UBS Group AG, FRN 7.13% Perpetual	USD	1,800,000	1,300	1.82
			2,224	3.11
<b>United Kingdom 43.24% (43.70%)</b>				
Amicus Mortgage Finance 2015 1 plc, FRN, Series 2015-1 'A' 3.85% 12/07/2021	GBP	750,000	743	1.04
Barclays Bank plc, FRN 14.00% Perpetual	GBP	1,840,000	2,334	3.27
BUPA Finance plc, FRN 6.12% Perpetual	GBP	2,000,000	2,092	2.93
Coventry Building Society, FRN 6.37% Perpetual	GBP	2,500,000	2,336	3.27
esure Group plc 6.75% 19/12/2024	GBP	1,500,000	1,399	1.96
Honours plc, FRN 'A1' 0.72% 10/04/2029	GBP	677,120	609	0.85
Investec Bank plc 9.63% 17/02/2022	GBP	100,000	115	0.16
Jerrold Finco plc 9.75% 15/09/2018	GBP	1,325,000	1,422	1.99
Keystone Financing plc 9.50% 15/10/2019	GBP	1,250,000	1,283	1.80
Legal & General Group plc, FRN 5.88% Perpetual	GBP	600,000	612	0.86
Liverpool Victoria Friendly Society Ltd., FRN 6.50% 22/05/2043	GBP	2,124,000	2,060	2.88
Lloyds Banking Group plc, FRN 7.00% Perpetual	GBP	1,500,000	1,472	2.06
Logistics UK 2015 plc, FRN, Series 2015-1X 'D' 3.59% 20/08/2025	GBP	1,000,000	996	1.40
Nationwide Building Society, FRN 6.88% Perpetual	GBP	2,400,000	2,335	3.27
New Look Secured Issuer plc 6.50% 01/07/2022	GBP	800,000	780	1.09
Old Mutual plc 8.00% 03/06/2021	GBP	1,550,000	1,572	2.20
RSA Insurance Group plc, FRN 6.70% Perpetual	GBP	2,500,000	2,573	3.60
Skipton Building Society, FRN 6.75% 30/05/2022	GBP	1,200,000	1,188	1.66
Society of Lloyd's, FRN 7.42% Perpetual	GBP	2,310,000	2,374	3.32
Standard Chartered Bank, FRN 7.75% Perpetual	GBP	730,000	785	1.10
Standard Chartered plc, FRN 6.50% Perpetual	USD	250,000	166	0.23
Uropa Securities plc, FRN, Series 2007-1 'S' 4.83% 10/10/2040	GBP	66,918	66	0.09
Vedanta Resources plc 9.50% 18/07/2018	USD	1,350,000	672	0.94
Warwick Finance Residential Mortgages Number Two plc, FRN, Series 2 'E' 2.77% 21/09/2049	GBP	1,000,000	904	1.27
			30,888	43.24

## PORTFOLIO STATEMENT (CONTINUED)

As at 31 January 2016 (unaudited)

Investment	Currency	Holding	Market Value £000	% of Net Assets
<b>United States of America 1.02% (0.00%)</b>				
Cemex Finance LLC 9.38% 12/10/2022	USD	800,000	567	0.80
General Electric Capital Corp., FRN 6.50% 15/09/2067	GBP	150,000	158	0.22
			725	1.02
<b>Corporate Bonds total</b>			<b>70,405</b>	<b>98.55</b>
<b>Swaps (0.85)% ((0.44)%)</b>				
Interest Rate Swap BNP Paribas Fixed 2.83% Floating Libor 6 Month 15/06/2024	GBP	6,000,000	(606)	(0.85)
<b>Swaps total</b>			<b>(606)</b>	<b>(0.85)</b>
<b>Forward Currency Contracts (0.55)% (0.74%)</b>				
Buy EUR 5,000,000 sell GBP 3,812,000 dated 19/02/2016			–	–
Buy EUR 740,000 sell GBP 569,097 dated 19/02/2016			(5)	(0.01)
Buy GBP 781,045 sell CHF 1,130,000 dated 19/02/2016			6	0.01
Buy GBP 77,010 sell EUR 100,000 dated 19/02/2016			2	–
Buy GBP 30,225,161 sell EUR 40,020,000 dated 19/02/2016			(287)	(0.40)
Buy GBP 70,608 sell USD 100,000 dated 19/02/2016			–	–
Buy GBP 11,212,524 sell USD 16,130,000 dated 19/02/2016			(103)	(0.14)
Buy USD 2,100,000 sell GBP 1,472,651 dated 19/02/2016			1	–
Buy USD 2,900,000 sell GBP 2,045,567 dated 19/02/2016			(11)	(0.01)
<b>Forward Currency Contracts total</b>			<b>(397)</b>	<b>(0.55)</b>
Investment assets			75,584	105.80
Net other liabilities			(4,142)	(5.80)
<b>Net assets</b>			<b>71,442</b>	<b>100.00</b>

All holdings are debt securities and admitted to an official stock exchange unless otherwise stated.  
The comparative percentage figures in brackets are as at 31 July 2015.

## Portfolio Statement by Asset Class

	31.01.16 %	31.07.15 %
<b>Bonds</b>		
– Investment grade*	42.27	48.55
– Below investment grade	61.52	45.30
– Unrated	3.41	2.48
Forwards	(0.55)	0.74
Swaps	(0.85)	(0.44)
Investment assets	105.80	96.63
Net other (liabilities)/assets	(5.80)	3.37
<b>Net assets</b>	<b>100.00</b>	<b>100.00</b>

\* Investment grade refers to the quality of a company's credit. A rating of 'BBB' or higher is considered an investment grade issue.

## STATEMENT OF TOTAL RETURN

For the six months ended 31 January 2016 (unaudited)

	£000	Six months ended 31.01.16 £000	£000	Six months ended 31.01.15 £000
Income				
Net capital losses		(4,355)		(96)
Revenue	2,465		2,384	
Expenses	(368)		(362)	
Net revenue before taxation	2,097		2,022	
Taxation	–		–	
Net revenue after taxation		2,097		2,022
<b>Total return before distributions</b>		<b>(2,258)</b>		<b>1,926</b>
Distributions		(2,423)		(2,365)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(4,681)</b>		<b>(439)</b>

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the six months ended 31 January 2016 (unaudited)

	£000	Six months ended 31.01.16 £000	£000	Six months ended 31.01.15 £000
<b>Opening net assets attributable to shareholders</b>		<b>89,287</b>		<b>92,082</b>
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	5,715		411	
Amounts payable on cancellation of shares	(18,917)		(1,917)	
		(13,202)		(1,506)
Dilution levy		38		–
Change in net assets attributable to shareholders from investment activities (see above)		(4,681)		(439)
<b>Closing net assets attributable to shareholders</b>		<b>71,442</b>		<b>90,137</b>

The Statement of Recommended Practice (2014) requires that comparatives are shown for the above report. As the comparatives should be for the comparable interim period, the net asset value at the end of the previous period will not agree to the net asset value at the start of this period. The published net asset value as at 31 July 2015 was £89,287,000.



## BALANCE SHEET

As at 31 January 2016 (unaudited)

	As at 31.01.16 £000	Restated* As at 31.07.15 £000
<b>Assets:</b>		
Investments	76,596	86,677
<b>Current assets:</b>		
Debtors	1,758	1,662
Cash and bank balances	8,604	4,260
<b>Total assets</b>	<b>86,958</b>	<b>92,599</b>
<b>Liabilities:</b>		
Investment liabilities	(1,012)	(403)
<b>Creditors:</b>		
Bank overdrafts	(24)	–
Distribution payable	(1,047)	(1,284)
Other creditors	(13,433)	(1,625)
<b>Total liabilities</b>	<b>(15,516)</b>	<b>(3,312)</b>
<b>Net assets attributable to shareholders</b>	<b>71,442</b>	<b>89,287</b>

**ACCOUNTING POLICIES**

The interim financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) for Authorised Funds issued by the Investment Management Association (IMA) in May 2014 (SORP 2014). This is effective for accounting periods beginning on or after 1 January 2015 and supersedes the SORP issued by the IMA in October 2010 (SORP 2010).

The accounting policies applied are consistent with those of the financial statements for the year ended 31 July 2015 and are described in those annual financial statements.

\* 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 £257,000 is now included with 'Distribution payable', whereas under SORP 2010 this was included within 'Creditors'.

## AVIVA INVESTORS GLOBAL AGG MOM 1 FUND

### INVESTMENT OBJECTIVE

To achieve income (with some prospect for long-term capital growth) by investing primarily in global fixed interest securities.

### INVESTMENT POLICY

The Fund will invest primarily in global fixed interest securities listed or traded on Regulated Markets. The Fund may invest in any of the following financial instruments in order to achieve its investment objective: Sterling denominated investment grade credit, overseas investment grade credit (hedged), gilts, overseas government bonds (hedged), money market instruments, collective investment schemes and deposits. In addition to the instruments detailed above, on an ancillary basis and not exceeding 10% of the value of the scheme property, the Fund may invest in credit which is deemed to be below investment grade.

### FUND MANAGER'S REPORT

#### Performance

Over the six months ended 31 January 2016 the Fund returned -0.16% after fees, compared with a return of 3.17%\* from the Fund's benchmark, the Barclays Global Aggregate (hedged to GBP) index.

#### Review

Relative performance was down versus the benchmark during the time period, with FX allocation and security selection being the main drivers. An underweight position in several Asian currencies (such as the Singapore Dollar, Korean Won, and Taiwan Dollar) detracted from performance. FX underperformance was also attributed to an underweight in the Australian Dollar which outperformed during the period. Although asset allocation performance was positive, our overweight position high yield and inflation linked securities were sources of underperformance as well. Security selection underperformance was driven by certain names held in the investment grade credit sector. Yield curve positioning was a slight positive to performance as we added duration throughout the period as global rates rallied.

The third quarter of 2015 was marked by a continued fall in commodity prices, led by oil, which declined over 33% into the month of August. The decline in commodity prices, in conjunction with a stronger US Dollar hurt credit markets, as well as emerging markets in the quarter. In addition to these moves, the slowdown in China added more volatility as the central bank commented on its plan to devalue its currency. Risk sold off further toward the end of September as the US Federal Reserve did not change interest rates, and commented on its concerns over global growth impacts. These items, in conjunction with further political and economic volatility caused emerging markets to also sell off.

The fourth quarter began with a major risk rally as the US Federal Reserve clarified some of its remarks on the global slowdown, and the US showed signs of economic strength. High yield, credit and emerging markets all staged recoveries in October off of their lows in September as commodity prices stabilised and sovereign yields sold off. November and December were decidedly the opposite as multiple events conspired against bond markets globally. In emerging markets, multiple political events, from further negative news in Brazil, to a change in finance minister in South Africa, further impaired that sector. In high yield and credit, oil prices dived to new lows on further concerns of demand and supply imbalances and exacerbated by OPEC's removal of supply caps. In sovereign debt yields, the ECB (European Central Bank) added more stimulus measures, but less than the market's expectations, surprising markets and sending European rates higher. Finally, the Fed increased rates in December, which was met with uncertainty about US growth and whether or not their timing was well timed. While volatility reigned throughout much of the year, there were opportunities in currencies, sovereigns and credit, which provided for some portfolio stability.

January was a volatile period for risk assets, as growth fears in China led equity markets lower across the globe. China's shift to a new currency regime and the authorities' less active management of the country's equity market have, once again, been uncoordinated and clumsy. This has generated considerable volatility in local, as well as global, FX and equity markets. Commodity prices also fell during the month, with Brent Crude ending the month at \$34.74 per barrel. A flight to quality bid helped developed bond markets rally during the month as money flowed into safer havens. Risk markets firmed up towards the end of the month due to signs of increasing accommodative monetary policy from both the European Central Bank (ECB) and the Bank of Japan (BoJ).

We expected the ECB to be dovish at its January 2016 meeting, although ECB Governor Draghi went further than expected stating that the policy stance 'will need to be reviewed in March', and 'potentially has to change'. Given this came within the initial minutes of the opening statement the ECB wanted to send a clear commitment to its willingness to do more easing. Previously, ECB minutes pointed towards a 10 basis points (bps) deposit rate cut being the most likely tool of choice rather than expanding quantitative easing. Importantly there was unanimous agreement on this statement – and given it was the divergence in ECB Governing Council views in December which led to the market disappointment – we now expect further easing at the March ECB meeting.

In the US, the Fed kept rates on hold at their January meeting which was widely expected by the markets. Q4 GDP came in lower than expected, leading us to revise down our full year 2015 growth estimate. Moderation in personal consumption, a further rebalancing of business inventories and the ongoing drag from weak global trade all contributed to the slowing of growth in the fourth quarter to 0.7% based on the advance estimate by the Bureau of Economic Analysis which brings our full year 2015 forecast down to 1.8%.

## AVIVA INVESTORS GLOBAL AGG MOM 1 FUND (CONTINUED)

### FUND MANAGER’S REPORT (CONTINUED)

#### Outlook

We expect world GDP to be around 2.9% in 2016, with balance of risk shifted to the downside. US economic growth looks poised to stay above the 2% trend into 2016, although global volatility may test this level. Broader developed market growth looks mixed, but generally positive. Accommodative monetary policy from the ECB and BoJ should be positive for developed markets. Emerging market economic growth remains mixed, varying by region. In China, efforts to shore up market confidence and policy buffers will require a combination of supply-side reform and further market liberalisation. The balance of risks in China are tilted lower as the authorities face a growing need for making important policy trade-offs or potentially encounter rising growth and balance-of-payments pressure.

Moderating economic fundamentals in the US combined with recent tightening of financial conditions are likely to cause the Federal Reserve to exercise caution in evaluating the appropriate pace of policy normalisation in the coming quarters. While our base case is for continued above trend growth and a further tightening of labour markets throughout the year which would warrant additional rate increases, recent events are likely to impact their outlook and thus we are less confident in a March rate hike. We are still expecting three hikes for 2016 but recognise the increasing downside risks to that forecast.

February 2016

\* Fund performance figures – share class 2, source Lipper, net of fees, net income reinvested in GBP. Unless otherwise indicated, all data has been sourced by Rogge Global Partners.

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 to buy or sell stocks. Past performance is not a guide to future performance. The value of an investment in the Fund and any income from it may go down as well as up, and the investor may not get back the original amount invested.

#### Material Portfolio Changes

Purchases	Sales
US Treasury 1.63% 31/07/2020	US Treasury 1.63% 31/07/2020
US Treasury 0.38% 31/01/2016	US Treasury 0.38% 31/01/2016
German Government Bond 0.50% 15/02/2025	German Government Bond 0.50% 15/02/2025
US Treasury 0.63% 31/07/2017	US Treasury 1.88% 31/05/2022
US Treasury 1.88% 31/05/2022	US Treasury 0.63% 31/07/2017
Australia Government Bond 3.25% 21/04/2025	German Government Bond 2.25% 04/09/2020
Canadian Government Bond 2.25% 01/06/2025	Italy Buoni Poliennali Del Tesoro 2.36% 15/09/2024
US Treasury 2.50% 15/02/2045	Australia Government Bond 3.25% 21/10/2018
Italy Buoni Poliennali Del Tesoro 2.36% 15/09/2024	Asian Development Bank 2.35% 21/06/2027
Spain Government Bond 1.40% 31/01/2020	Italy Buoni Poliennali Del Tesoro 3.75% 01/09/2024

#### 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.

## INVESTMENT PERFORMANCE

## Net Asset Value – Income Shares

Share class	As at	Net asset value* £000	Shares in issue	Pence per share
Class 2	31.07.13	103,595	101,646,504	101.92
	31.07.14	94,558	90,325,415	104.69
	31.07.15	90,224	84,417,523	106.88
	31.01.16	89,028	84,098,837	105.86

\* Valued at bid market prices.

## Share Price Record – Income Shares

Share class	Calendar year	Highest price* (p)	Lowest price* (p)
Class 2	2011	103.10	99.38
	2012	106.10	101.80
	2013	107.60	100.79
	2014	108.02	102.36
	2015	110.26	105.42
	2016**	106.44	105.72

\* Valued at mid market prices.

\*\* Up to 31 January 2016.

## Ongoing Charges Figure\*

Share class	31.01.16	31.07.15
Class 2	0.83%	0.80%

\* 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 period. The OCF is made up of the Annual Management Charge and other operating costs deducted from the assets of the Fund during the period, except for those payments that are explicitly excluded (performance fees). The OCF includes transaction charges which were excluded from the Total Expense Ratio (TER) calculations provided previously.

## Revenue Record – Income Shares

The revenue record table below shows the net distribution rates per calendar year on a payment date basis for an investment made on 4 January 2011.

Share class	Calendar year	Net revenue per share (p)	Per £1,000 invested (£)
Class 2	2011	2.7164	26.81
	2012	2.1748	21.47
	2013	1.8871	18.63
	2014	2.0804	20.54
	2015	1.2037	11.88
	2016*	0.4646	4.59

\* Up to 31 March 2016 (the interim distribution payment date).

## PORTFOLIO STATEMENT

As at 31 January 2016 (unaudited)

Investment	Currency	Holding	Market Value £000	% of Net Assets
<b>Government Bonds 62.85% (32.22%)</b>				
<b>Australia 5.85% (1.40%)</b>				
Australia Government Bond 3.25% 21/04/2025	AUD	9,940,000	5,207	5.85
			<u>5,207</u>	<u>5.85</u>
<b>Belgium 0.00% (0.79%)</b>				
<b>Canada 8.93% (2.05%)</b>				
Canadian Government Bond 1.50% 01/03/2020	CAD	100,000	52	0.06
Canadian Government Bond 2.25% 01/06/2025	CAD	9,575,000	5,231	5.88
Canadian Government Bond 3.50% 01/12/2045	CAD	800,000	534	0.60
Province of Ontario Canada 4.40% 08/03/2016	CAD	4,250,000	2,132	2.39
			<u>7,949</u>	<u>8.93</u>
<b>Dominican Republic 0.00% (0.25%)</b>				
<b>Finland 0.00% (0.25%)</b>				
<b>France 2.67% (2.45%)</b>				
France Government Bond OAT, 1.00% 25/11/2025	EUR	3,025,000	2,380	2.67
			<u>2,380</u>	<u>2.67</u>
<b>Germany 2.04% (2.80%)</b>				
Bundesrepublik Deutschland 2.50% 15/08/2046	EUR	1,735,000	1,813	2.04
			<u>1,813</u>	<u>2.04</u>
<b>Hungary 0.00% (0.39%)</b>				
<b>Iceland 1.83% (0.00%)</b>				
Iceland Government International Bond, 4.88% 16/06/2016	USD	2,290,000	1,627	1.83
			<u>1,627</u>	<u>1.83</u>
<b>Indonesia 0.00% (0.83%)</b>				
<b>Ireland 3.47% (0.00%)</b>				
Ireland Government Bond 5.40% 13/03/2025	EUR	1,590,000	1,691	1.90
Ireland Government Bond, 1.00% 15/05/2026	EUR	1,830,000	1,398	1.57
			<u>3,089</u>	<u>3.47</u>
<b>Italy 6.04% (5.58%)</b>				
Italy Buoni Poliennali Del Tesoro 3.50% 01/06/2018	EUR	2,750,000	2,266	2.54
Italy Buoni Poliennali Del Tesoro 1.05% 01/12/2019	EUR	1,150,000	904	1.02
Italy Buoni Poliennali Del Tesoro, 2.96% 15/09/2023	EUR	1,165,000	1,184	1.33
Italy Buoni Poliennali Del Tesoro 2.36% 15/09/2024	EUR	1,160,000	1,022	1.15
			<u>5,376</u>	<u>6.04</u>
<b>Japan 3.66% (0.00%)</b>				
Japan Government Thirty Year Bond 1.70% 20/09/2044	JPY	489,500,000	3,259	3.66
			<u>3,259</u>	<u>3.66</u>
<b>Kazakhstan 0.00% (0.26%)</b>				
<b>Mexico 0.00% (3.00%)</b>				
<b>Morocco 1.87% (0.00%)</b>				
Morocco Government International Bond, 4.25% 11/12/2022	USD	490,000	344	0.39
Morocco Government International Bond, 3.50% 19/06/2024	EUR	1,730,000	1,322	1.48
			<u>1,666</u>	<u>1.87</u>
<b>Netherlands 1.03% (0.00%)</b>				
Netherlands Government Bond, 1.25% 15/01/2019	EUR	1,145,000	915	1.03
			<u>915</u>	<u>1.03</u>
<b>Peru 0.42% (0.00%)</b>				
Peruvian Government International Bond 2.75% 30/01/2026	EUR	200,000	151	0.17
Peruvian Government International Bond 4.13% 25/08/2027	USD	325,000	225	0.25
			<u>376</u>	<u>0.42</u>

## PORTFOLIO STATEMENT (CONTINUED)

As at 31 January 2016 (unaudited)

Investment	Currency	Holding	Market Value £000	% of Net Assets
<b>Poland 0.87% (0.00%)</b>				
Poland Government International Bond, 1.50% 09/09/2025	EUR	1,025,000	775	0.87
			775	0.87
<b>Romania 0.00% (0.32%)</b>				
<b>Serbia 0.26% (0.00%)</b>				
Republic of Serbia, 7.25% 28/09/2021	USD	300,000	236	0.26
			236	0.26
<b>Singapore 1.42% (0.00%)</b>				
Singapore Government Bond 3.00% 01/09/2024	SGD	2,425,000	1,266	1.42
			1,266	1.42
<b>Slovenia 0.26% (0.00%)</b>				
Slovenia Government International Bond, 5.25% 18/02/2024	USD	300,000	234	0.26
			234	0.26
<b>South Korea 0.00% (1.38%)</b>				
<b>Spain 4.03% (3.62%)</b>				
Spain Government Bond 1.40% 31/01/2020	EUR	3,945,000	3,130	3.52
Spain Government Bond 5.75% 30/07/2032	EUR	400,000	455	0.51
			3,585	4.03
<b>Sweden 0.76% (0.56%)</b>				
Sweden Government Bond 5.00% 01/12/2020	SEK	6,635,000	674	0.76
			674	0.76
<b>United Kingdom 2.18% (4.03%)</b>				
UK Treasury 3.25% 22/01/2044	GBP	1,645,000	1,939	2.18
			1,939	2.18
<b>United States of America 15.26% (1.89%)</b>				
US Treasury 0.63% 31/07/2017	USD	4,835,000	3,386	3.80
US Treasury Inflation Linked 0.13% 15/04/2020	USD	2,625,000	1,870	2.10
US Treasury 1.75% 31/12/2020	USD	555,000	397	0.45
US Treasury 1.88% 31/08/2022	USD	450,000	320	0.36
US Treasury Inflation Linked 0.38% 15/07/2025	USD	2,700,000	1,870	2.10
US Treasury 2.50% 15/02/2045	USD	4,485,000	2,980	3.35
US Treasury Bill 0.00% 11/02/2016	USD	1,757,000	1,232	1.38
US Treasury Bill 0.00% 31/03/2016	USD	2,180,000	1,529	1.72
			13,584	15.26
<b>Uruguay 0.00% (0.37%)</b>				
<b>Government Bonds total</b>			<b>55,950</b>	<b>62.85</b>
<b>Corporate Bonds 30.34% (52.84%)</b>				
<b>Australia 0.00% (2.19%)</b>				
<b>Belgium 0.00% (0.32%)</b>				
<b>Canada 0.00% (2.08%)</b>				
<b>Chile 0.36% (0.00%)</b>				
Corp. Nacional del Cobre de Chile, 4.50% 16/09/2025	USD	475,000	319	0.36
			319	0.36
<b>Denmark 0.00% (0.47%)</b>				
<b>France 1.47% (3.31%)</b>				
AXA SA, FRN 5.78% Perpetual	EUR	610,000	472	0.53
Engie SA, FRN 3.00% Perpetual	EUR	300,000	224	0.25
Pernod Ricard SA 5.50% 15/01/2042	USD	350,000	253	0.29
Societe Generale SA 2.75% 12/10/2017	USD	500,000	356	0.40
			1,305	1.47

## PORTFOLIO STATEMENT (CONTINUED)

As at 31 January 2016 (unaudited)

Investment	Currency	Holding	Market Value £000	% of Net Assets
<b>Germany 2.47% (1.10%)</b>				
Allianz SE,, FRN 5.63% 17/10/2042	EUR	600,000	532	0.60
KFW 1.13% 16/11/2018	USD	2,375,000	1,663	1.87
			<u>2,195</u>	<u>2.47</u>
<b>Guernsey 0.00% (0.63%)</b>				
<b>Hungary 0.24% (0.00%)</b>				
MFB Magyar Fejlesztési Bank Zrt. 6.25% 21/10/2020	USD	280,000	216	0.24
			<u>216</u>	<u>0.24</u>
<b>India 0.00% (0.58%)</b>				
<b>Indonesia 0.00% (0.27%)</b>				
<b>Ireland 0.00% (0.69%)</b>				
<b>Italy 1.37% (0.96%)</b>				
Enel SpA 4.88% 20/02/2018	EUR	350,000	291	0.33
Intesa Sanpaolo SpA 3.88% 15/01/2019	USD	980,000	709	0.80
Telecom Italia SpA 6.38% 24/06/2019	GBP	200,000	216	0.24
			<u>1,216</u>	<u>1.37</u>
<b>Japan 0.00% (0.56%)</b>				
<b>Luxembourg 0.00% (1.18%)</b>				
<b>Mexico 0.47% (0.36%)</b>				
Banco Nacional de Comercio Exterior SNC, 4.38% 14/10/2025	USD	600,000	417	0.47
			<u>417</u>	<u>0.47</u>
<b>Netherlands 4.43% (6.56%)</b>				
ABN AMRO Bank NV 4.25% 02/02/2017	USD	280,000	202	0.23
ABN AMRO Bank NV 4.75% 28/07/2025	USD	915,000	637	0.72
Cooperatieve Rabobank UA 3.38% 19/01/2017	USD	1,125,000	805	0.90
Cooperatieve Rabobank UA, FRN 2.50% 26/05/2026	EUR	915,000	700	0.79
Iberdrola International BV, FRN 5.75% Perpetual	EUR	500,000	401	0.45
ING Groep NV, FRN 6.50% Perpetual	USD	280,000	190	0.21
Volkswagen International Finance NV, 2.38% 22/03/2017	USD	500,000	349	0.39
Volkswagen International Finance NV, 1.60% 20/11/2017	USD	200,000	137	0.15
Vonovia Finance BV 3.20% 02/10/2017	USD	420,000	297	0.33
Vonovia Finance BV 1.63% 15/12/2020	EUR	300,000	229	0.26
			<u>3,947</u>	<u>4.43</u>
<b>Spain 1.06% (1.05%)</b>				
BBVA Subordinated Capital SAU, FRN 3.50% 11/04/2024	EUR	500,000	391	0.44
Santander International Debt SAU, 4.00% 27/03/2017	EUR	700,000	556	0.62
			<u>947</u>	<u>1.06</u>
<b>Sweden 0.00% (3.80%)</b>				
<b>United Kingdom 1.51% (6.04%)</b>				
HSBC Holdings plc, FRN 3.37% 10/01/2024	EUR	655,000	521	0.58
Lloyds Bank plc, 4.63% 02/02/2017	EUR	255,000	203	0.23
Lloyds Banking Group plc 4.58% 10/12/2025	USD	385,000	274	0.31
Royal Bank of Scotland Group plc 6.00% 19/12/2023	USD	465,000	346	0.39
			<u>1,344</u>	<u>1.51</u>

## PORTFOLIO STATEMENT (CONTINUED)

As at 31 January 2016 (unaudited)

Investment	Currency	Holding	Market Value £000	% of Net Assets
<b>United States of America 16.96% (20.69%)</b>				
21st Century Fox America, Inc. 3.70% 15/10/2025	USD	200,000	139	0.16
Ally Financial, Inc. 3.50% 27/01/2019	USD	345,000	235	0.26
American International Group, Inc. 4.88% 01/06/2022	USD	210,000	157	0.18
AmeriCredit Automobile Receivables Trust, Series 2013-1 'D' 2.09% 08/02/2019	USD	440,000	310	0.35
Aventura Mall Trust, FRN, Series 2013-AVM 'A' 3.74% 05/12/2032	USD	330,000	244	0.27
BAE Systems Holdings, Inc. 3.80% 07/10/2024	USD	305,000	215	0.24
Banc of America Commercial Mortgage Trust, FRN, Series 2007-2 'AJ' 5.63% 10/04/2049	USD	300,000	209	0.23
BBCMS Trust, Series 2013-TYSN 'A2' 3.76% 05/09/2032	USD	100,000	74	0.08
Bear Stearns Commercial Mortgage Securities Trust, FRN, Series 2007-PW17 'AJ' 5.88% 11/06/2050	USD	280,000	194	0.22
Branch Banking & Trust Co. 3.63% 16/09/2025	USD	675,000	482	0.54
Capital Auto Receivables Asset Trust, Series 2014-2 'C' 2.41% 20/05/2019	USD	80,000	57	0.06
Capital Auto Receivables Asset Trust, Series 2014-2 'D' 2.81% 20/08/2019	USD	650,000	461	0.52
CarMax Auto Owner Trust, Series 2014-2 'D' 2.58% 16/11/2020	USD	525,000	369	0.41
CarMax Auto Owner Trust, Series 2014-4 'D' 3.04% 17/05/2021	USD	450,000	318	0.36
Chase Issuance Trust, FRN, Series 2013-A6 'A6' 0.85% 15/07/2020	USD	585,000	410	0.46
Chrysler Capital Auto Receivables Trust 2015-B, Series 2015-BA 'C' 3.26% 15/04/2021	USD	450,000	319	0.36
Citigroup, Inc. 4.40% 10/06/2025	USD	635,000	444	0.50
Citigroup, Inc. 4.65% 30/07/2045	USD	400,000	276	0.31
Colony American Homes 2014-1, FRN, Series 2014-1A 'C' 2.20% 17/05/2031	USD	140,000	94	0.11
Drive Auto Receivables Trust 2015-A, Series 2015-AA 'C' 3.06% 17/05/2021	USD	465,000	328	0.37
Drive Auto Receivables Trust 2015-D, Series 2015-DA 'C' 3.38% 15/11/2021	USD	750,000	527	0.59
DT Auto Owner Trust 2014-3, Series 2014-3A 'D' 4.47% 15/11/2021	USD	200,000	142	0.16
Exeter Automobile Receivables Trust 2015-3, Series 2015-3A 'A' 2.00% 16/03/2020	USD	369,132	259	0.29
Extended Stay America Trust 2013-ESH, FRN, Series 2013-ESH7 'D7' 5.05% 05/12/2031	USD	375,000	263	0.30
FNMA Connecticut Avenue Securities, FRN, Series 2014-C04 '1M1' 2.37% 25/11/2024	USD	263,800	186	0.21
Ford Motor Credit Co. LLC 3.00% 12/06/2017	USD	655,000	464	0.52
General Electric Co., FRN 5.00% Perpetual	USD	123,000	89	0.10
GM Financial Automobile Leasing Trust, Series 2015-1 'C' 2.50% 20/06/2019	USD	535,000	373	0.42
GM Financial Automobile Leasing Trust, Series 2015-3 'C' 2.98% 20/11/2019	USD	220,000	154	0.17
GM Financial Automobile Leasing Trust, Series 2015-3 'D' 3.48% 20/08/2020	USD	300,000	211	0.24
GM Financial Automobile Leasing Trust 2014-1, Series 2014-1A 'D' 2.51% 20/03/2019	USD	620,000	435	0.49
Hewlett Packard Enterprise Co., 6.35% 15/10/2045	USD	350,000	223	0.25
J.P. Morgan Chase Commercial Mortgage Securities Trust, Series 2006-LDP9 'AM' 5.37% 15/05/2047	USD	585,000	414	0.46
J.P. Morgan Chase Commercial Mortgage Securities Trust, FRN, Series 2013-LC11 'C' 3.96% 15/04/2046	USD	185,000	123	0.14
J.P. Morgan Chase Commercial Mortgage Securities Trust 2007-LDP10, FRN, Series 2007-LDPX 'AM' 5.46% 15/01/2049	USD	560,000	395	0.44
JPMorgan Chase & Co. 3.88% 10/09/2024	USD	120,000	83	0.09
JPMorgan Chase Bank NA., FRN 4.38% 30/11/2021	EUR	600,000	467	0.52
LB-UBS Commercial Mortgage Trust, FRN, Series 2007-C7 'AJ' 6.24% 15/09/2045	USD	325,000	228	0.26
Morgan Stanley 4.00% 23/07/2025	USD	330,000	235	0.26
OneMain Financial Issuance Trust 2014-2, Series 2014-2A 'A' 2.47% 18/09/2024	USD	745,000	519	0.58
OneMain Financial Issuance Trust 2015-1, Series 2015-1A 'A' 3.19% 18/03/2026	USD	550,000	385	0.43
OneMain Financial Issuance Trust 2015-1, Series 2015-1A 'B' 3.85% 18/03/2026	USD	580,000	409	0.46
OneMain Financial Issuance Trust 2015-2, Series 2015-2A 'A' 2.57% 18/07/2025	USD	715,000	495	0.56
Prudential Financial, Inc. 5.38% 21/06/2020	USD	280,000	219	0.25
Springleaf Funding Trust 2015-A, Series 2015-AA 'A' 3.16% 15/11/2024	USD	1,005,000	702	0.79
T-Mobile USA, Inc. 6.00% 01/03/2023	USD	210,000	147	0.16
Visa, Inc. 2.20% 14/12/2020	USD	650,000	459	0.52
Walgreens Boots Alliance, Inc. 3.80% 18/11/2024	USD	150,000	103	0.12
Wells Fargo & Co. 2.63% 15/12/2016	USD	330,000	234	0.26
Wells Fargo & Co. 4.30% 22/07/2027	USD	655,000	470	0.53
ZFS Finance USA Trust V, FRN 6.50% 09/05/2067	USD	500,000	354	0.40
			15,102	16.96
<b>Corporate Bonds total</b>			<b>27,008</b>	<b>30.34</b>



## PORTFOLIO STATEMENT (CONTINUED)

As at 31 January 2016 (unaudited)

Investment	Currency	Holding	Market Value £000	% of Net Assets
<b>Supranationals 0.70% (4.37%)</b>				
European Investment Bank, 1.25% 05/11/2020	CAD	1,250,000	627	0.70
			627	0.70
<b>Supranationals total</b>			<b>627</b>	<b>0.70</b>
<b>Forward Currency Contracts (0.27)% (2.73%)</b>				
Buy EUR 1,360,000 sell GBP 1,040,948 dated 29/02/2016			(4)	–
Buy GBP 6,031,798 sell AUD 12,335,000 dated 29/02/2016			(94)	(0.10)
Buy GBP 8,484,327 sell CAD 17,190,000 dated 29/02/2016			(108)	(0.12)
Buy GBP 25,442,343 sell EUR 33,495,000 dated 29/02/2016			(101)	(0.11)
Buy GBP 3,447,282 sell JPY 573,850,000 dated 29/02/2016			125	0.14
Buy GBP 868,402 sell NZD 1,920,000 dated 29/02/2016			(4)	–
Buy GBP 549,084 sell SEK 6,755,000 dated 29/02/2016			(3)	–
Buy GBP 3,051,200 sell SGD 6,220,000 dated 29/02/2016			(8)	(0.01)
Buy GBP 38,259,701 sell USD 54,605,000 dated 29/02/2016			(46)	(0.05)
Buy GBP 47,365 sell USD 70,636 dated 29/12/2016			(2)	–
Buy IDR 17,721,000,000 sell USD 1,250,115 dated 31/03/2016			21	0.01
Buy INR 177,425,000 sell USD 2,589,904 dated 31/03/2016			1	–
Buy JPY 30,920,000 sell GBP 185,747 dated 29/02/2016			(7)	(0.01)
Buy USD 2,750,000 sell GBP 1,918,069 dated 29/02/2016			10	0.01
Buy USD 930,000 sell GBP 653,662 dated 29/02/2016			(1)	–
Buy USD 2,506,685 sell KRW 3,035,395,000 dated 31/03/2016			(1)	–
Buy USD 2,573,537 sell TWD 87,080,000 dated 31/03/2016			(22)	(0.03)
<b>Forward Currency Contracts total</b>			<b>(244)</b>	<b>(0.27)</b>
<b>Futures (0.08)% (0.04%)</b>				
Australia 3 Year Bond 15/03/2016	AUD	202	67	0.08
Euro Buxl 30 Year Bond 08/03/2016	EUR	3	20	0.02
Euro-Bund 08/03/2016	EUR	(35)	(126)	(0.14)
Long Gilt 29/03/2016	GBP	(10)	(27)	(0.03)
US 2 Year Note Bond 31/03/2016	USD	(57)	(43)	(0.05)
US 5 Year Note Bond 31/03/2016	USD	38	19	0.02
US 10 Year Note 21/03/2016	USD	30	21	0.02
<b>Futures total</b>			<b>(69)</b>	<b>(0.08)</b>
Investment assets			83,272	93.54
Net other assets			5,756	6.46
<b>Net assets</b>			<b>89,028</b>	<b>100.00</b>

All holdings are debt securities and admitted to an official stock exchange unless otherwise stated.  
The comparative percentage figures in brackets are as at 31 July 2015.

## Bond Rating

	Market Value £000	% of Net Assets
<b>Bonds</b>		
– Investment grade*	75,687	85.03
– Below investment grade	7,898	8.86
<b>Debt Securities Total</b>	<b>83,585</b>	<b>93.89</b>

\* Investment grade refers to the quality of a company's credit. A rating of 'BBB' or higher is considered an investment grade issue.

## STATEMENT OF TOTAL RETURN

For the six months ended 31 January 2016 (unaudited)

	£000	Six months ended 31.01.16 £000	£000	Six months ended 31.01.15 £000
Income				
Net capital (losses)/gains		(526)		4,717
Revenue	972		925	
Expenses	(366)		(378)	
Net revenue before taxation	606		547	
Taxation	(1)		(3)	
Net revenue after taxation		605		544
<b>Total return before distributions</b>		79		5,261
Distributions		(942)		(905)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(863)</b>		<b>4,356</b>

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the six months ended 31 January 2016 (unaudited)

	£000	Six months ended 31.01.16 £000	£000	Six months ended 31.01.15 £000
<b>Opening net assets attributable to shareholders</b>		90,224		94,558
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	374		–	
Amounts payable on cancellation of shares	(707)		(662)	
		(333)		(662)
Change in net assets attributable to shareholders from investment activities (see above)		(863)		4,356
<b>Closing net assets attributable to shareholders</b>		<b>89,028</b>		<b>98,252</b>

The Statement of Recommended Practice (2014) requires that comparatives are shown for the above report. As the comparatives should be for the comparable interim period, the net asset value at the end of the previous period will not agree to the net asset value at the start of this period. The published net asset value as at 31 July 2015 was £90,224,000.

## BALANCE SHEET

As at 31 January 2016 (unaudited)

	As at 31.01.16 £000	Restated* As at 31.07.15 £000
<b>Assets:</b>		
Investments	83,869	83,384
<b>Current assets:</b>		
Debtors	1,233	15,492
Cash and bank balances	5,183	2,383
<b>Total assets</b>	<b>90,285</b>	<b>101,259</b>
<b>Liabilities:</b>		
Investment liabilities	(597)	(197)
<b>Creditors:</b>		
Bank overdrafts	(81)	–
Distributions payable	(489)	(467)
Other creditors	(90)	(10,371)
<b>Total liabilities</b>	<b>(1,257)</b>	<b>(11,035)</b>
<b>Net assets attributable to shareholders</b>	<b>89,028</b>	<b>90,224</b>

The interim financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) for Authorised Funds issued by the Investment Management Association (IMA) in May 2014 (SORP 2014). This is effective for accounting periods beginning on or after 1 January 2015 and supersedes the SORP issued by the IMA in October 2010 (SORP 2010).

The accounting policies applied are consistent with those of the financial statements for the year ended 31 July 2015 and are described in those annual financial statements.

\* 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 £93,000 is now included with 'Distribution payable', whereas under SORP 2010 this was included within 'Creditors'.

## 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 positions of the Company at the period end and of the net revenue 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 Manager of Manager ICVC (ICVC 2) for the six months ended 31 January 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

A Brown  
Director  
31 March 2016

## GENERAL INFORMATION

Investments in Aviva Investors Manager of Manager ICVC (ICVC 2) 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 sub-funds and the revenue from it may go down as well as up, and you may not get back the original amount invested.

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

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

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

The performance figure given for each fund is based on midday values for the Aviva Investors UK Opportunities Fund and at 2pm for all other Funds.

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](http://www.avivainvestors.com). Calls may be recorded for training or monitoring purposes. Calls are free from landlines and mobiles.

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Registered address: No. 1 Poultry, London EC2R 8EJ.  
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