

AVIVA INVESTORS MANAGER OF MANAGER ICVC (ICVC2)

Annual Report and Financial Statements

For the year ended 31 July 2020

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* These items (as well as each sub-fund's Investment Objective, Investment Policy, Fund Manager's Report, Portfolio Statement and Material Portfolio Changes) comprise the Authorised Corporate Director's Report for the purposes of the rules contained in the Collective Investment Schemes Sourcebook ("the Regulations").

COMPANY INFORMATION

AUTHORISED CORPORATE DIRECTOR

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

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

DIRECTORS

I Buckle
S Ebenston
D Clayton
M Craston
G Miller (resigned 31 December 2019)
M White (appointed 10 October 2019)
A Coates (appointed 7 November 2019)
K McClellan (appointed 23 April 2020)
M Versey (appointed 30 September 2020)

REGISTRAR AND ADMINISTRATOR

SS&C Financial Services Europe Limited
(formerly known as DST Financial Services Europe Limited)
SS&C House
St Nicholas Lane
Basildon
Essex, SS15 5FS

On 31 March 2020, DST Financial Services Europe Limited changed their name to SS&C Financial Services Europe Limited.

FUND ACCOUNTING AND PRICING AGENT

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

INVESTMENT MANAGER

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

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

TRUSTEE AND DEPOSITARY

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

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

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Atria One
144 Morrison St
Edinburgh, EH3 8EX

REPORT OF THE AUTHORISED CORPORATE DIRECTOR

THE COMPANY

Aviva Investors Manager of Manager ICVC (ICVC2) ("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 three sub-funds ("Funds") which are available for investment, each with a different investment objective. In the financial statements you will find an investment review for each Fund which includes details of the investment objectives.

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.

SIGNIFICANT INFORMATION

With effect from 5 June 2019, the following funds commenced termination, and are no longer available for investment:

- Aviva Investors UK Equity MoM 2 Fund;
- Aviva Investors UK Equity MoM 3 Fund;
- Aviva Investors US Equity MoM 1 Fund;
- Aviva Investors Euro Equity MoM 1 Fund;
- Aviva Investors Euro Equity MoM 2 Fund;
- Aviva Investors Apac Equity MoM 1 Fund;
- Aviva Investors UK Gilts MoM 1 Fund;
- Aviva Investors UK Credit MoM 1 Fund;
- Aviva Investors Global Agg MoM 1 Fund; and
- Aviva Investors EM Equity MoM 1 Fund.

On 7 August 2019, the name of the Aviva Investors UK Equity MoM 1 Fund was changed to the Aviva Investors UK Listed Equity MoM 1 Fund. At the same time, the ACD made a number of changes to that Fund's investment objective and policy in response to new requirement set out in FCA PS19/04. These changes were communicated in a mailing to investors. If you want further information on the changes made, please see <https://www.avivainvestors.com/en-gb/capabilities/regulatory/amms/>

The ACD has adopted a policy whereby funds within its OEIC range that are actively managed by investment managers within the Aviva group, such as Aviva Investors Global Services Limited, will no longer be permitted to directly or indirectly invest in or hold Aviva Plc shares and other securities issued by Aviva Plc such as bonds, commercial paper and derivatives of these securities (collectively 'Aviva Securities'). The following funds are out of scope of the policy and may continue to invest in and hold Aviva Securities:

Aviva Investors UK Listed Equity MoM 1 Fund where investment management is sub-delegated to Lindsell Train Limited and the Aviva Investors Japan Equity MoM 1 Fund where investment management is sub-delegated to Nomura Asset Management Co. Limited.

CLOSURE OF THE AVIVA INVESTORS UK LISTED EQUITY MOM 1 FUND AND LAUNCH OF THE AVIVA INVESTORS UK EQUITY FUND

The Board has been concerned by the historic level of passive breaches on the Aviva Investors UK Listed Equity MoM 1 Fund, caused in the main by the concentrated range of equities held in the Fund. Whilst this high conviction Investment Philosophy has added to the performance of the Fund, the Board made the decision to launch a new Non-UCITS Retail Scheme (NURS) version of the Fund with the existing Investment Manager, which has concentration rules that better align to this high conviction philosophy and should result in fewer breaches. This new fund (known as the Aviva Investors UK Equity Fund) was launched on 2 November 2020, and Investors in the Fund were consulted on this change and their units transferred across to the new fund. The Aviva Investors UK Listed Equity MoM 1 Fund is now in the process of being terminated and is no longer available for investment.

REPORT OF THE AUTHORISED CORPORATE DIRECTOR (CONTINUED)

SIGNIFICANT INFORMATION (CONTINUED)

RESPONSIBLE INVESTMENT POLICY

With effect from 30 April 2020, Aviva Investors UK Fund Services Limited ("ACD") will update the Responsible Investment Policy ("Policy") to prohibit funds from investing in companies which derive prescribed levels of revenue from Controversial Weapons and Civilian Firearms ("Excluded Companies").

We have defined Controversial Weapons as weapons that have been subject to widespread ban or restriction by International Treaties and Conventions, on the basis they have one or more of the following characteristics:

- The weapon is indiscriminate, i.e. there is an increased risk of civilian casualties.
- The weapon can be classified as a weapon of mass destruction with a single incident resulting in a large number of deaths.
- The weapon is considered to be excessively injurious, i.e. it causes an inordinate amount of pain and suffering.
- The weapon may have long term health impacts on the populations in areas where they are used.

We have defined Civilian Firearms as firearms and small arms ammunitions designed for civilian use, excluding products exclusively sold for the military, government, and law enforcement markets.

The ACD has prohibited direct investment by the Funds into any Excluded Companies. The Funds are also prohibited from having indirect exposure to Excluded Companies except where:

- The Fund has indirect exposure to a financial index and Excluded Companies are constituents of the financial index and,
- The Fund invests in other funds managed by third parties. While, consideration of environmental, social, and governance factors are an integral part of the Fund selection process, the underlying funds may not operate exclusions equivalent to the Policy.

The Policy will be updated to reflect these prohibitions and will be available from 30 April 2020 on the Aviva Investors website.

Impact on our funds

The Policy applies to all our funds.

From 30 April 2020 all fund Prospectuses will be updated to reflect the amended Policy.

In addition, currently the Funds listed below do not refer to the Policy in their respective investment objectives and policies. We wish to make it clear that the Funds are subject to the restrictions and exclusions set out in the Policy and therefore are applying to the Financial Conduct Authority to include the following sentence within the investment objective and policy. "In addition, the Fund has limited exclusions based on Aviva Investors' UK Responsible Investment Policy."

- Aviva Investors UK Listed Equity High Alpha Fund
- Aviva Investors UK Listed Equity MoM 1 Fund
- Aviva Investors Japan Equity MoM 1 Fund

REMUNERATION POLICY

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

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

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

The financial considerations includes the following comparisons:–

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

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

AIUKFSL has no employees but is a wholly owned subsidiary of Aviva Investors Holdings Limited. For the year to 31 December 2019, apportioned remuneration based on the time assessed to be spent on AIUKFSL (in its role as UCITS FM) to its senior management team, and Code Staff:

	Senior Management	Other Code Staff
Total Remuneration:	£1.8m	£1.5m
Of which, Fixed Remuneration:	20.5%	34.5%
Variable Remuneration:	72.5%	48.0%
Pension/Benefits:	7%	17.5%
Number of Code staff:	18	30

REPORT OF THE AUTHORISED CORPORATE DIRECTOR (CONTINUED)

THE FINANCIAL STATEMENTS

We are pleased to present the annual financial statements of the Company for the year ended 31 July 2019. As required by the Regulations, information for each of the Funds has also been included in these financial statements. On the following pages we review the performance of each of those Funds during the year. We hope that you find our review useful and informative.

ANNUAL GENERAL MEETINGS

The Company will not be holding Annual General Meetings.

STATEMENT OF CROSS HOLDINGS

There are no cross holdings as at 31 July 2020.

POLICIES AND RISKS

ACCOUNTING POLICIES

a Basis of accounting

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

The Authorised Corporate Director intends to terminate the following funds:

- Aviva Investors UK Listed Equity MoM 1 Fund
- Aviva Investors UK Equity MoM 2 Fund;
- Aviva Investors US Equity MoM 1 Fund;
- Aviva Investors Euro Equity MoM 1 Fund;
- Aviva Investors Euro Equity MoM 2 Fund;
- Aviva Investors Apac Equity MoM 1 Fund;
- Aviva Investors EM Equity MoM 1 Fund;
- Aviva Investors Sterling Credit MoM 1 Fund

These Funds will be terminated at the earliest opportunity following approval of the financial statements and therefore the financial statements of these Funds have been prepared on a basis other than going concern and any additional costs in respect of the termination of these Funds will be borne by the ACD. Comparative financial information continues to be prepared under the going concern basis. In applying this basis of preparation, the assets and liabilities of this Fund continues to be stated at their fair value which materially equate to their realisable values. No adjustments were necessary in the Funds' financial statements to reduce assets to their realisable values, to provide for liabilities arising from the termination or to reclassify fixed assets and long term liabilities as current assets and liabilities.

The financial statements of Aviva Investors UK Listed Equity High Alpha Fund and Aviva Investors Japan Equity MoM 1 Fund have been prepared on a going concern basis.

b Share classes

The Funds have three types of share classes: retail shares (class 1), institutional shares (class 2) and shares held by associated undertakings of Aviva Plc (class 3). Each share class bears different charges and consequently the level of revenue allocated to each share class will differ. Some share classes consist of income shares only, whilst others consist of accumulation shares only.

c Recognition of revenue

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

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

d Expenses

All expenses, except those relating to the purchase and sale of investments and transaction charges, are charged to revenue of the respective Funds, on an accruals basis.

e Treatment of derivatives

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

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

f Underwriting commission

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

g Dilution Levy Policy

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

h Basis of valuation of investments

Quoted investments

The quoted investments of the Company have been valued at bid market value at 2pm on the last working day of the accounting period for all Funds with the exception of the Aviva Investors UK Listed Equity High Alpha Fund which has been valued at midday. Investments in Luxembourg SICAVs are valued using their single quoted price.

Unquoted and unapproved investments

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

Suspended securities

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

Delisted securities

Delisted securities have been valued at nil pence per share.

Forward foreign currency contracts

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

POLICIES AND RISKS (CONTINUED)

ACCOUNTING POLICIES (CONTINUED)

Over the counter (OTC) derivatives

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

Exchange traded derivatives (ETDs)

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

CIS investments

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

i Exchange rates

Assets and liabilities held in foreign currencies are translated at the rate ruling at 2pm on the last working day of the accounting period for all Funds with the exception of the Aviva Investors UK Listed Equity High Alpha Fund which was translated at midday. Revenue and expenditure items are translated at the rate ruling at the date of the transaction.

j Taxation and deferred taxation

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

DISTRIBUTION POLICIES

a Distribution policy

Where appropriate, the Company will pay any surplus revenue as a revenue distribution or accumulation of capital. All the active Funds pay dividend distributions.

Full details are set out in the distribution tables.

b Treatment of stock dividends

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

c Treatment of management expenses

The Fund Management Fee is charged to income of all the Funds except for Aviva Investors Sterling Credit MoM 1 Fund (closed on 6 December 2017) which charged the Fund Management Fee to capital for the purpose of the distribution.

All other expenses, except those relating to the purchase and sale of investments, are charged against revenue. Expenses are accounted for on an accruals basis.

FINANCIAL INSTRUMENTS

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

The Company also enters into derivative transactions including but not limited to, in the form of forward foreign currency contracts, credit default swaps, interest rate swaps, equity variance swaps, options and stock index futures.

The Company uses these financial instruments as a cheaper or more liquid alternative to other investments, to hedge or reduce overall risk, or in pursuit of its investment objectives. In particular, forward foreign currency contracts are used to manage currency risk arising from holdings of overseas securities. Stock index futures are used to manage market price risk arising from the time lag between funds being receivable or payable by the Company and investment or disinvestment in underlying securities. Options are used to generate additional income.

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

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

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

a Foreign currency risk

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

b Interest rate risk

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

POLICIES AND RISKS (CONTINUED)

FINANCIAL INSTRUMENTS (CONTINUED)

c Market risk

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

Further information on the investment portfolios is set out in the investment reports and portfolio statements, of the individual Funds.

d Credit risk

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

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

e Liquidity risk

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

f Counterparty Risk

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

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

AVIVA INVESTORS UK LISTED EQUITY HIGH ALPHA FUND

INVESTMENT OBJECTIVE

The Fund aims to grow your investment and generate a higher return than the FTSE® All-Share Index over the long term (5 years or more) by investing in shares of UK companies.

INVESTMENT POLICY

Core investment

At least 80% of the Fund will be invested in shares of UK companies, or non-UK companies which are listed in the UK or which have significant trading activities in the UK.

Other investments

The Fund may also invest in other shares, other funds, (including funds managed by Aviva Investors companies), cash and deposits.

Strategy

The Fund is actively managed, and the Investment Manager generally takes a medium-term outlook when selecting companies with the aim of generating a higher return than the FTSE® All-Share Index (this is also known as generating "alpha"). The Investment Manager will invest in opportunities which may be viewed as contrarian to the overall market, but does not adopt a style bias. This will result in the Fund taking high conviction positions in companies where the manager believes future earnings growth prospects are undervalued by the market. In addition, there are often companies where the Investment Manager has identified catalysts for recovery such as management change or an improving business environment. This investment approach may result in higher risk or price volatility with the aim to generate a higher return than the Index over the long term ("alpha").

Environmental, Social and Governance (ESG) factors

ESG factors are integrated into the investment process and considered alongside a range of financial metrics and research, but the investment manager retains discretion over which investments are selected. We also actively engage with companies and use voting rights with the aim of positively influencing company behaviour and helping to create competitive returns. In addition, the Fund has limited exclusions based on Aviva Investors' UK Responsible Investment policy. Further information on how we integrate ESG and the Aviva Investors UK Responsible Investment policy into our investment approach, and how we engage with companies is available on our website and in the prospectus.

Performance and Risk Measurement

The Fund's performance is compared against the FTSE® AllShare Index (the "Index"). The Fund does not base its investment process upon the Index, so will not hold every company in the Index and will also hold companies that do not form part of it.

The Fund uses a "tracking error" to measure the variation between the Fund's returns and the returns of the Index. In general, the lower the tracking error, the more closely the Index is tracked by the Fund, and vice-versa. The Fund is expected to have an average yearly tracking error of between 3% and 8% when compared to the Index. In certain conditions the Fund may be outside of this range.

The Index represents the performance of all eligible companies listed on the London Stock Exchange, and 98% of the UK's market capitalisation (total market value of a company's outstanding shares).

The Index has been selected for performance and risk measurement because it is representative of the type of companies in which the Fund is likely to invest, and it is therefore an appropriate comparator for the Fund's performance.

FUND MANAGER'S REPORT

Performance

Over the twelve months ended 31 July 2020 the Fund* returned (24.45)% (net of fees). The Fund's benchmark, the FTSE® All-Share Index, returned (17.43)% over the same period.

Review

Global equity indices were broadly unchanged over the year under review, recovering from a turbulent opening quarter of 2020 when Covid-19 spread worldwide and countries implemented lockdown measures closing industries and businesses, while imposing tight restrictions on citizens' movements. Equity markets plunged in late February and early March as fears grew of a severe global economic recession. Subsequently, markets rebounded after central banks and governments worldwide announced an extensive range of monetary and fiscal stimulus packages to underpin the global economy.

Nevertheless, returns from UK equities have been particularly disappointing over the last 12 months. Throughout the second half of 2019, uncertainty over the outcome of Brexit negotiations had overshadowed the market before a resounding victory for the Conservatives in the December general election heralded a rally over the fourth quarter, particularly amongst more domestically focused smaller companies which had previously underperformed the FTSE All Share Index. However, the UK equity market posted its worst quarterly performance since 1987 during the first quarter of 2020, with smaller companies particularly hard hit by the sell-off. The impact of Covid-19 was severe on sectors such as retailers, financials, industrials and real estate, as lockdown restrictions were imposed in late March.

Of particular concern for investors in UK equities has been the outlook for dividends, historically a more significant proportion of total returns than for other major equity markets. A broad range of companies moved to suspend dividend payments over the review period and opted to preserve cash, to ensure they had sufficient liquidity to see themselves through the crisis. This has been a major factor behind the underperformance of UK equities relative to global indices. Notably, major banks such as Lloyds and HSBC halted dividends in response to pressure from the Bank of England to refrain from payouts to shareholders during the Covid-19 pandemic. In the energy sector, Royal Dutch Shell announced it would cut its dividend for the first time since the second world war, as oil prices have collapsed and demand has tailed off during the pandemic. Despite reporting first quarter profits, food retailer Sainsbury's announced a dividend cut, citing the uncertain economic outlook and the need to shore up its balance sheet, while Marks and Spencer confirmed it was unlikely to pay a dividend this year.

Nevertheless, growing optimism on the prospects for a recovery in global economic growth later this year has heralded a rebound in share prices since March, with domestic-oriented mid-cap stocks and smaller companies rallying strongly as national lockdown measures were eased while economic indicators such as manufacturing activity and business sentiment have been more encouraging. Cyclical sectors, such as mining and industrials, returned to favour while leisure & travel stocks rebounded as the economy reopened. However, this rally over recent months was insufficient to compensate for the steep losses incurred during February and March.

AVIVA INVESTORS UK LISTED EQUITY HIGH ALPHA FUND (CONTINUED)

FUND MANAGER'S REPORT (CONTINUED)

Portfolio Review

Throughout the year under review, we continued to position the Fund in favour of domestically-focused companies, cyclical stocks and financials, with much less emphasis on defensive sectors of the UK equity market, as we took the view that many stocks within these sectors were on overstretched valuations. At the start of 2020, the Fund was positioned for recovery as we believed the UK economy was starting to pick up after the general election brought some much-needed clarity to the immediate political landscape. This caused significant harm to fund performance during the first quarter as cyclicals and financials fell by a much larger margin than the market, with an even more pronounced differential versus defensive sectors as consumer goods, healthcare, utilities and telecoms, all sectors where the portfolio is materially underweight relative to the benchmark FTSE All Share index.

Amongst the worst hit stocks in the portfolio was our holding in Cineworld. 2020 had started well for the company with the box office tracking more than 10% ahead of 2019 and the group evidencing a return to market share growth in the US. However, post the outbreak of Covid-19 cinemas were closed and investors have grown nervous about the group's liquidity given their high starting debt position, which was expected to increase further with the debt-financed acquisition of the Canadian cinema-chain, Cineplex. However, Cineworld subsequently pulled out of the acquisition, which relieves the pressure on the company's finances.

Our holding in Carnival detracted as the cruise operator came under severe strain during the coronavirus-induced downturn, as cruises were halted and ships remained docked. The company tapped the bond markets and confirmed it had raised sufficient capital to allow it to continue running without any revenues at all for 12 months. Other holdings that were marked down heavily during the first quarter included specialty chemicals supplier Elementis. Sales in the company's cosmetics division dropped due to Covid-19, while Elementis is also dependent on the automotive industry and oil and gas exploration for its revenues, both sectors which were badly affected during the lockdown period.

Amongst financials, our holdings in banking groups Barclays and RBS had de-rated to trade at such low price to book values that we added to our positions, as we considered that both banks had strong enough balance sheets to come through this market turmoil. Our holding in Asia-focused Standard Chartered also detracted, given the social unrest in Hong Kong and concerns over escalating geopolitical tensions between the US and China.

In the healthcare sector, a key factor that detracted from fund performance, relative to the customised benchmark, was not holding any position in pharmaceutical group AstraZeneca, on valuation grounds. The company became the largest UK-listed stock by market capitalisation. A positive set of results for an oncology drug has the potential to drive earnings higher in addition to pharmaceuticals becoming a very crowded 'safe-haven' trade in the market, regardless of valuation.

To further position the Fund towards recovery, towards the end of the first quarter new positions were started in clothing retailer Superdry and Marks & Spencer as we considered that consumer cyclicals had been hit overly hard. Subsequently, new positions in RHI Magnesita and Drax were acquired. RHI Magnesita is a global leading supplier of refractory products, systems and services. The steel industry is picking up strongly in Asia where RHI have good exposure. We expect further self-help measures following a positive meeting with company management to provide additional support.

Drax is an electrical power generation company. The shares had come back a long way earlier in 2020 and we considered the market had been overly negative on the outlook for power prices. Drax has been relatively resilient in terms of cash flow and profitability, and despite the challenging economic backdrop still paid a dividend. We believe the company is also well positioned for the continued transition to renewable energy, as well as a pathway to economic recovery.

Our holding in Royal Dutch Shell was significantly reduced prior to the company's dividend cut. We also reduced several holdings that had rebounded strongly during the second quarter, notably media group Future, gaming group 888, packaging firm DS Smith and specialty chemicals company Synthomer.

The main factor that contributed to fund performance over the year under review, relative to the benchmark FTSE All Share, was exposure to the industrials sector. Key contributors were holdings in construction groups Balfour Beatty and Morgan Sindall. Balfour's Beatty's order book has been boosted by government-backed infrastructure projects, notably HS2. Morgan Sindall has substantial exposure to the affordable housing market, an area of increased government spending and focus for housebuilders, and the most recent trading update from management highlighted a relatively quick recovery in capacity post-lockdown.

Outlook

Looking forward, we would expect to see modest progress in equity markets aided by monetary and fiscal policy support. Our direct contact with companies is reinforcing that view. The main risk to continued recovery is a second wave of Covid-19 causing an economic pullback. The Fund remains tilted to financials and economically sensitive stocks, based on valuation criteria.

September 2020

* 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.

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

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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.

COMPARATIVE TABLES

Class 1 Accumulation	2020 p per share	2019 p per share	2018 p per share
Change in net assets per share			
Opening net asset value per share	142.61	162.87	150.83
Return before operating charges [†]	(36.41)	(18.73)	14.30
Operating charges	(1.34)	(1.53)	(2.26)
Return after operating charges [†]	(37.75)	(20.26)	12.04
Distributions	(3.41)	(4.81)	(2.90)
Retained distributions on accumulation shares	3.41	4.81	2.90
Closing net asset value per share	104.86	142.61	162.87
[†] after direct transaction costs of	(0.53)	(0.54)	(0.98)
Performance			
Return after charges	(26.47)%	(12.44)%	7.98%
Other information			
Closing net asset value (£000)	776	910	1,288
Closing number of shares	740,294	637,843	790,799
Operating charges (%) [†]	1.03%	1.03%	1.45%
Direct transaction costs (%) [#]	0.41%	0.36%	0.63%
Prices[≈]			
Highest share price	160.57	162.46	169.53
Lowest share price	82.09	131.59	146.43

Class 2 Accumulation	2020 p per share	2019 p per share	2018 p per share
Change in net assets per share			
Opening net asset value per share	243.29	277.03	254.70
Return before operating charges [†]	(62.27)	(31.91)	24.26
Operating charges	(1.59)	(1.83)	(1.93)
Return after operating charges [†]	(63.86)	(33.74)	22.33
Distributions	(6.49)	(8.96)	(6.80)
Retained distributions on accumulation shares	6.49	8.96	6.80
Closing net asset value per share	179.43	243.29	277.03
[†] after direct transaction costs of	(0.89)	(0.89)	(1.67)
Performance			
Return after charges	(26.25)%	(12.18)%	8.77%
Other information			
Closing net asset value (£000)	12,561	10,473	928
Closing number of shares	7,000,327	4,304,956	334,896
Operating charges (%) [†]	0.73%	0.73%	0.73%
Direct transaction costs (%) [#]	0.41%	0.36%	0.63%
Prices[≈]			
Highest share price	274.26	276.45	288.15
Lowest share price	140.31	224.09	248.62

Class 3 Accumulation	2020 p per share	2019 p per share	2018 p per share
Change in net assets per share			
Opening net asset value per share	344.30	390.88	358.30
Return before operating charges [†]	(88.25)	(45.04)	34.17
Operating charges	(1.36)	(1.54)	(1.59)
Return after operating charges [†]	(89.61)	(46.58)	32.58
Distributions	(10.13)	(13.73)	(10.70)
Retained distributions on accumulation shares	10.13	13.73	10.70
Closing net asset value per share	254.69	344.30	390.88
[†] after direct transaction costs of	(1.29)	(1.29)	(2.35)
Performance			
Return after charges	(26.03)%	(11.92)%	9.09%
Other information			
Closing net asset value (£000)	153,686	207,852	236,157
Closing number of shares	60,342,832	60,369,543	60,417,130
Operating charges (%) [†]	0.43%	0.43%	0.43%
Direct transaction costs (%) [#]	0.41%	0.36%	0.63%
Prices[≈]			
Highest share price	388.61	390.24	406.34
Lowest share price	198.95	316.57	350.45

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

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

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

≈ The high and low prices disclosed are the high and low prices for the accounting period and not the calendar year and are based on published prices. The net asset value per share price is based on the net asset value in the published accounts and may be different due to post year end accounting adjustments.

Ongoing Charges Figure*

Share class	31.07.20	31.07.19
Class 1	1.03%	1.03%
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 year. The OCF is made up of the Fund Management Fee and, where a fund invests a substantial portion of its assets in other funds, an amount for the pro-rated charges of those other funds (referred to as "synthetic charges" or the "synthetic" part of the ongoing charge). The figure for ongoing charges excludes performance fees and portfolio transaction costs, except in the case of an entry/exit charge paid by the Fund when buying or selling shares/units in another collective investment scheme.

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

PORTFOLIO STATEMENT

As at 31 July 2020

Investment	Currency	Holding	Market Value £000	% of Net Assets
Equities 99.31% (99.43%)				
Communication Services 8.87% (5.38%)				
Diversified Telecommunication Services 3.04% (1.96%)				
BT Group	GBP	4,855,208	5,074	3.04
			5,074	3.04
Entertainment 0.87% (1.45%)				
Cineworld Group	GBP	3,703,761	1,450	0.87
			1,450	0.87
Media 3.01% (1.97%)				
Euro money Institutional Investor	GBP	234,725	1,899	1.13
Next Fifteen Communications Group#	GBP	869,258	3,138	1.88
			5,037	3.01
Wireless Telecommunication Services 1.95% (0.00%)				
Vodafone Group	GBP	2,767,320	3,250	1.95
			3,250	1.95
Communication Services total			14,811	8.87
Consumer Discretionary 14.51% (12.70%)				
Distributors 1.14% (1.51%)				
Inchcape	GBP	441,850	1,911	1.14
			1,911	1.14
Hotels, Restaurants & Leisure 4.86% (5.11%)				
888 Holdings	GBP	1,915,936	3,483	2.09
Carnival	GBP	63,952	558	0.33
Mitchells & Butlers	GBP	2,559,096	4,069	2.44
			8,110	4.86
Household Durables 2.69% (3.31%)				
Bellway	GBP	173,072	4,486	2.69
			4,486	2.69
Internet & Direct Marketing Retail 0.00% (1.08%)				
Multiline Retail 1.32% (0.00%)				
Marks & Spencer Group	GBP	2,281,732	2,208	1.32
			2,208	1.32
Specialty Retail 4.50% (1.69%)				
Dixons Carphone	GBP	4,657,109	3,525	2.11
Kingfisher	GBP	797,364	1,966	1.18
Superdry	GBP	1,791,992	2,025	1.21
			7,516	4.50
Consumer Discretionary total			24,231	14.51
Consumer Staples 3.26% (6.08%)				
Food & Staples Retailing 3.26% (2.18%)				
Tesco	GBP	2,508,852	5,454	3.26
			5,454	3.26
Tobacco 0.00% (3.90%)				
Consumer Staples total			5,454	3.26

PORTFOLIO STATEMENT (CONTINUED)

As at 31 July 2020

Investment	Currency	Holding	Market Value £000	% of Net Assets
Energy 6.07% (19.27%)				
Energy Equipment & Services 2.16% (3.76%)				
John Wood Group	GBP	1,819,300	3,598	2.16
			<u>3,598</u>	<u>2.16</u>
Oil, Gas & Consumable Fuels 3.91% (15.51%)				
Cairn Energy	GBP	873,445	1,089	0.65
Royal Dutch Shell 'B'	GBP	489,891	5,446	3.26
			<u>6,535</u>	<u>3.91</u>
Energy total			10,133	6.07
Financials 30.87% (22.14%)				
Banks 14.92% (13.77%)				
Barclays	GBP	9,354,419	9,663	5.79
Natwest Group	GBP	4,378,508	4,683	2.80
Standard Chartered	GBP	2,677,885	10,570	6.33
			<u>24,916</u>	<u>14.92</u>
Capital Markets 1.70% (1.66%)				
St James's Place	GBP	298,183	2,837	1.70
			<u>2,837</u>	<u>1.70</u>
Consumer Finance 0.99% (1.15%)				
International Personal Finance	GBP	2,904,605	1,656	0.99
			<u>1,656</u>	<u>0.99</u>
Diversified Financial Services 2.93% (0.00%)				
M&G	GBP	3,045,372	4,901	2.93
			<u>4,901</u>	<u>2.93</u>
Insurance 7.13% (5.56%)				
Hiscox	GBP	241,740	1,908	1.14
Phoenix Group Holdings	GBP	751,399	5,059	3.03
Prudential	GBP	439,056	4,939	2.96
			<u>11,906</u>	<u>7.13</u>
Thriffs & Mortgage Finance 3.20% (0.00%)				
OneSavings Bank	GBP	1,444,564	3,464	2.07
Paragon Banking Group	GBP	581,416	1,881	1.13
			<u>5,345</u>	<u>3.20</u>
Financials total			51,561	30.87
Health Care 3.69% (1.45%)				
Health Care Providers & Services 1.17% (1.45%)				
Spire Healthcare Group	GBP	2,560,020	1,961	1.17
			<u>1,961</u>	<u>1.17</u>
Pharmaceuticals 2.52% (0.00%)				
GlaxoSmithKline	GBP	274,813	4,205	2.52
			<u>4,205</u>	<u>2.52</u>
Health Care total			6,166	3.69
Industrials 10.96% (11.01%)				
Airlines 1.72% (2.14%)				
International Consolidated Airlines Group	GBP	1,685,961	2,865	1.72
			<u>2,865</u>	<u>1.72</u>

PORTFOLIO STATEMENT (CONTINUED)

As at 31 July 2020

Investment	Currency	Holding	Market Value £000	% of Net Assets
Construction & Engineering 6.72% (2.90%)				
Balfour Beatty	GBP	1,347,571	3,294	1.97
Kier Group	GBP	6,514,576	4,335	2.60
Morgan Sindall Group	GBP	344,805	3,586	2.15
			11,215	6.72
Electrical Equipment 0.00% (1.11%)				
Machinery 0.00% (1.80%)				
Professional Services 1.17% (1.99%)				
Alpha Financial Markets Consulting*	GBP	444,698	818	0.49
Ricardo	GBP	336,467	1,141	0.68
			1,959	1.17
Trading Companies & Distributors 1.35% (1.07%)				
Grafton Group	GBP	335,795	2,262	1.35
			2,262	1.35
Industrials total			18,301	10.96
Information Technology 0.00% (0.00%)				
Software 0.00% (0.00%)				
Izodia ^A	GBP	1,192,922	-	-
			-	-
Information Technology total			-	-
Investment Funds 0.43% (0.51%)				
Investment Companies 0.43% (0.51%)				
Sherborne Investors Guernsey C	GBP	2,131,381	720	0.43
			720	0.43
Investment Funds total			720	0.43
Materials 19.04% (19.41%)				
Chemicals 3.45% (2.15%)				
Elementis	GBP	7,023,767	4,246	2.54
Synthomer	GBP	522,030	1,521	0.91
			5,767	3.45
Construction Materials 2.01% (1.79%)				
Rhi Magnesita	GBP	134,334	3,353	2.01
			3,353	2.01
Containers & Packaging 1.81% (2.97%)				
DS Smith	GBP	1,122,540	3,022	1.81
			3,022	1.81
Metals & Mining 11.77% (12.50%)				
Anglo American	GBP	570,957	10,817	6.47
Glencore	GBP	4,981,161	8,851	5.30
			19,668	11.77
Materials total			31,810	19.04
Real Estate 1.61% (1.99%)				
Equity Real Estate Investment Trusts (REITs) 1.61% (1.99%)				
Land Securities Group	GBP	469,654	2,685	1.61
			2,685	1.61
Real Estate total			2,685	1.61
Equities total			165,872	99.31

PORTFOLIO STATEMENT (CONTINUED)

As at 31 July 2020

Investment	Currency	Holding	Market Value £000	% of Net Assets
Liquidity Funds 0.66% (0.73%)				
Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP [†]	GBP	1,100,000	1,100	0.66
Liquidity Funds total			1,100	0.66
Investment assets			166,972	99.97
Net other assets			51	0.03
Net assets			167,023	100.00

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

The comparative percentage figures in brackets are as at 31 July 2019.

Security traded on another regulated market.

^ Unlisted, suspended or delisted security.

† A related party to the Fund.

STATEMENT OF TOTAL RETURN

For the year ended 31 July 2020

	Notes	£000	Year ended 31.07.20 £000	£000	Year ended 31.07.19 £000
Income					
Net capital losses	2		(63,583)		(37,286)
Revenue	3	7,408		9,568	
Expenses					
	4	(919)		(996)	
Net revenue before taxation		6,489		8,572	
Taxation	5	(60)		–	
Net revenue after taxation			6,429		8,572
Total return before distributions			(57,154)		(28,714)
Distributions	6		(6,429)		(8,572)
Change in net assets attributable to shareholders from investment activities			(63,583)		(37,286)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 31 July 2020

	£000	Year ended 31.07.20 £000	£000	Year ended 31.07.19 £000
Opening net assets attributable to shareholders		219,235		238,373
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	5,662		10,019	
Amounts payable on cancellation of shares	(782)		(640)	
		4,880		9,379
Dilution adjustment		–		63
Change in net assets attributable to shareholders from investment activities (see above)		(63,583)		(37,286)
Retained distribution on accumulation shares		6,491		8,706
Closing net assets attributable to shareholders		167,023		219,235

BALANCE SHEET

As at 31 July 2020

	Notes	As at 31.07.20 £000	As at 31.07.19 £000
Assets:			
Investments	7	166,972	219,587
Current assets:			
Debtors	8	106	187
Cash and bank balances	9	39	1,024
Total assets		167,117	220,798
Liabilities:			
Creditors:			
Other creditors	10	(94)	(1,563)
Total liabilities		(94)	(1,563)
Net assets attributable to shareholders		167,023	219,235

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting basis and policies

Please see pages 7 to 9 for accounting basis and policies.

2 Net capital losses

	Year ended 31.07.20 £000	Year ended 31.07.19 £000
Net capital losses on investment during the year comprise:		
Compensation items	3	–
Currency (losses)/gains	(83)	29
Non-derivative securities losses	(63,503)	(37,315)
Net capital losses	(63,583)	(37,286)

3 Revenue

	Year ended 31.07.20 £000	Year ended 31.07.19 £000
Bank and deposit interest	3	5
Interest on debt securities	5	8
Overseas dividends	739	1,559
Property income distributions	121	221
UK dividends	6,540	7,768
Underwriting commission	–	7
Total revenue	7,408	9,568

4 Expenses

	Year ended 31.07.20 £000	Year ended 31.07.19 £000
Payable to the Authorised Corporate Director (“ACD”), associates of the ACD or agents of either of them:		
Fund Management Fee	912	995
Payable to the Depositary, associates of the Depositary or agents of either of them:		
Interest payable	7	1
Total expenses	919	996

The audit fee was £8,904 (2019: £8,733) net of VAT.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Taxation**a Analysis of tax charge**

	Year ended 31.07.20 £000	Year ended 31.07.19 £000
Overseas tax suffered	60	–
Total current tax for the year (see note 5b)	60	–

b Factors affecting current tax charge

The tax assessed for the year is lower (2019: lower) than the standard rate of corporation tax in the UK for an Authorised Investment Fund (20%) (2019: 20%).

The differences are explained below:

	Year ended 31.07.20 £000	Year ended 31.07.19 £000
Net revenue before taxation	6,489	8,572
Corporation tax at 20%	1,298	1,714
Effects of:		
Movement in excess management expenses	158	151
Overseas dividends not subject to corporation tax	(148)	(311)
Overseas tax suffered	60	–
UK dividends not subject to corporation tax	(1,308)	(1,554)
	(1,238)	(1,714)
Current tax charge (see note 5a)	60	–

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

c Deferred tax

There was no provision for deferred tax at the year end (2019: £nil).

After claiming relief against accrued income taxable on receipt, the Fund has unrelieved excess expenses of £8,428,760 (2019: £7,638,771) creating a potential deferred tax asset of £1,685,752 (2019: £1,527,754). It is unlikely that the Fund will generate taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

6 Distributions

	Year ended 31.07.20 £000	Year ended 31.07.19 £000
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:		
Interim distribution	4,686	3,708
Final distribution	1,806	4,998
	6,492	8,706
Add: Revenue deducted on cancellation of shares	10	8
Deduct: Revenue received on issue of shares	(73)	(142)
Total distributions	6,429	8,572

Details of the distributions per share are set out in the distribution tables on page 26.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 Fair value hierarchy

Valuation technique	As at 31.07.20 Assets £000	As at 31.07.19 Assets £000
Level 1: Quoted prices	165,872	217,987
Level 2: Observable market data	1,100	1,600
Total value	166,972	219,587

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

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

The disclosure is split into the following categories:

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

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

Level 3: Valuation techniques using unobservable inputs.

8 Debtors

	As at 31.07.20 £000	As at 31.07.19 £000
Accrued revenue	92	146
Amounts receivable on issue of shares	11	8
Income tax recoverable	–	1
Overseas tax recoverable	–	32
Sales awaiting settlement	3	–
Total debtors	106	187

9 Cash and bank balances

	As at 31.07.20 £000	As at 31.07.19 £000
Cash and bank balances	39	1,024
Total cash and bank balances	39	1,024

10 Other creditors

	As at 31.07.20 £000	As at 31.07.19 £000
Accrued expenses	63	86
Amounts payable for cancellation of shares	31	24
Purchases awaiting settlement	–	1,453
Total other creditors	94	1,563

11 Contingent liabilities and commitments

There were no contingent liabilities or commitments at the year end (2019: £nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12 Related party transactions

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

Fund Management Fee paid to Aviva Investors UK Fund Services Limited ("the ACD") are shown in note 4 and details of shares issued and cancelled by the ACD are shown in the statement of change in net assets attributable to shareholders. The balance due to the ACD at the year end in respect of Fund Management Fee was £63,126 (2019: £86,365). Any balance due from the ACD in respect of issues is shown in note 8. Any balance due to the ACD in respect of cancellations is shown in note 10.

Distributions payable to the ACD and related parties of the ACD during the year amounted to £6,824,314 (2019: £8,292,561). The amount outstanding at the year end was £2,393,281 (2019: £4,758,482). Related parties of the ACD are deemed to be all companies under the control of Aviva Plc. This will include companies which hold shares in the Fund on behalf of other external investors.

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

The total purchases and sales on these investments during the year amounted to £37,900,000 (2019: £34,400,000) and £38,400,000 (2019: £35,309,611) respectively. The income received during the year amounted to £5,194 (2019: £7,985).

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

	Holdings at 31.07.20 (shares)	Movement (shares)	Holdings at 31.07.19 (shares)
ACD and related parties (Share Class 2 Accumulation)	42,434,474	42,393,170	41,304
ACD and related parties (Share Class 3 Accumulation)	60,342,832	(26,711)	60,369,543

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

13 Shareholder funds

The Fund currently has three share classes: Class 1 (Retail), Class 2 (Institutional) and Class 3 (Associated undertakings of Aviva Plc). The Fund Management Fee is as follows:

Class 1: 1.03%
Class 2: 0.73%
Class 3: 0.43%

The net asset value per share class, the net asset value per share and the number of shares in the class are shown on page 13. The distributions per share class are given in the distribution tables on page 26. All the share classes have the same rights on winding up.

14 Shares in issue reconciliation

	Number of shares in issue at 31.07.19	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 31.07.20
Class 1 Accumulation shares	637,843	174,176	(71,725)	–	740,294
Class 2 Accumulation shares	4,304,956	2,993,319	(297,948)	–	7,000,327
Class 3 Accumulation shares	60,369,543	2,480	(29,191)	–	60,342,832

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 Derivatives and other financial instruments

The policies applied in the management of financial instruments are set out on pages 7 to 9.

Fair value of financial assets and financial liabilities

There is no significant difference between the carrying values of the financial assets and liabilities and their fair values (2019: £nil).

Currency risk

At the year end date, 0.00% (2019: 0.43%) of the net assets of the Fund were denominated in currencies other than sterling and as such the currency risk is not considered significant.

Interest rate risk

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

At the year end date 0.68% (2019: 1.20%) of the net assets of the Fund were interest bearing and as such the interest rate risk is not considered significant.

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

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

Market price risk

At the year end date, 99.97% (2019: 100.16%) of the net assets of the Fund were invested in ordinary shares or stock units or debt securities admitted to an official stock exchange. If the market value were to change by 10%, the value of the Fund would change by 10.00% (2019: 10.02%).

16 Direct transaction costs

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

31.07.20	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
Purchases (excluding Inspecie & Corporate Action activity)						
Equities	(150,502)	(84)	(666)	(151,252)	0.06%	0.44%
Funds	(37,900)	–	–	(37,900)	0.00%	0.00%
	(188,402)	(84)	(666)	(189,152)		
Sales (excluding Inspecie & Corporate Action activity)						
Equities	139,940	(76)	–	139,864	0.05%	0.00%
Funds	38,400	–	–	38,400	0.00%	0.00%
	178,340	(76)	–	178,264		
Total		(160)	(666)			
Percentage of Fund average net assets		0.08%	0.33%			

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16 Direct transaction costs (continued)

31.07.19	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
Purchases (excluding Inspecie & Corporate Action activity)						
Equities	(130,642)	(71)	(674)	(131,387)	0.05%	0.52%
Funds	(34,400)	–	–	(34,400)	0.00%	0.00%
Purchases (in-specie activity only)						
Equities	(343)	–	–	(343)	0.00%	0.00%
	(165,385)	(71)	(674)	(166,130)		
Sales (excluding Inspecie & Corporate Action activity)						
Equities	108,584	(60)	–	108,524	0.06%	0.00%
Funds	32,800	–	–	32,800	0.00%	0.00%
	141,384	(60)	–	141,324		
Total		(131)	(674)			
Percentage of Fund average net assets		0.06%	0.30%			

Dealing spread

As at 31 July 2020, the average portfolio dealing spread was 0.39% (2019: 0.24%). This spread represents the difference between the values determined retrospectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

17 Post balance sheet events

During the period from the balance sheet date to the date that the Financial Statements were approved, the coronavirus (Covid-19) outbreak has caused extensive disruptions to businesses and economic activities globally. The uncertainties over the emergence and spread of Covid-19 have caused market volatility on a global scale. The quantum of the effect on the price of each unit has been disclosed below. The Authorised Corporate Director is monitoring the situation and considering the effect it may have on the valuation of any impacted underlying investment holdings in the future. In accordance with the requirements of FRS 102 and the IA SORP, the fair valuations at balance sheet date reflect the economic conditions in existence at that date.

Share Class	Share Price in class currency 31.07.20	Share Price in class currency 26.11.20	Increase/(Decrease) %
Class 1 Accumulation	104.95	136.55	30.11
Class 2 Accumulation	179.58	233.88	30.24
Class 3 Accumulation	254.90	332.30	30.36

The impact on the net asset value of the Fund is also shown below:

Share Class	Net Asset Value (£) 31.07.20	Net Redemption (£)	Market Movements (£)	Net Asset Value (£) 26.11.20
Class 1 Accumulation	776,251	179,181	240,910	1,196,342
Class 2 Accumulation	12,560,519	1,725,222	3,717,799	18,003,540
Class 3 Accumulation	153,686,220	(53,185,800)	33,351,850	133,852,270
Total	167,022,990	(51,281,397)	37,310,559	153,052,152

DISTRIBUTION TABLES

Final distribution payable in pence per share for the six months ended 31 July 2020

Accumulation shares		Net revenue	Equalisation	Final distribution payable 30 September 2020	Final distribution paid 30 September 2019
Share Class 1	Group 1	0.8094	–	0.8094	2.8301
	Group 2	0.0000	0.8094	0.8094	2.8301
Share Class 2	Group 1	1.6752	–	1.6752	5.1980
	Group 2	0.0000	1.6752	1.6752	5.1980
Share Class 3	Group 1	2.7881	–	2.7881	7.8787
	Group 2	0.2680	2.5201	2.7881	7.8787

Group 1 shares are those shares purchased at or before 12:00 noon on 31 January 2020.

Group 2 shares are those shares purchased after 12:00 noon on 31 January 2020.

Interim distribution paid in pence per share for the six months ended 31 January 2020

Accumulation shares		Net revenue	Equalisation	Interim distribution paid 31 March 2020	Interim distribution paid 31 March 2019
Share Class 1	Group 1	2.5977	–	2.5977	1.9836
	Group 2	0.4842	2.1135	2.5977	1.9836
Share Class 2	Group 1	4.8100	–	4.8100	3.7597
	Group 2	0.3876	4.4224	4.8100	3.7597
Share Class 3	Group 1	7.3433	–	7.3433	5.8491
	Group 2	2.1297	5.2136	7.3433	5.8491

Group 1 shares are those shares purchased at or before 12:00 noon on 31 July 2019.

Group 2 shares are those shares purchased after 12:00 noon on 31 July 2019.

Equalisation

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

AVIVA INVESTORS UK LISTED EQUITY MOM 1 FUND

The name of the Fund was changed from the Aviva Investors UK Equity MoM 1 Fund on 7 August 2019.

The Fund closed on the 2 November 2020 and will be terminated in due course.

The Fund's investors were consulted and their units transferred across to a new Non-UCITS Retail Scheme (NURS) version of the Fund called the Aviva Investors UK Equity Fund.

INVESTMENT OBJECTIVE

The Fund aims to grow your investment over the long term (5 years or more) by investing in shares of UK companies.

INVESTMENT POLICY

Core investment

At least 80% of the Fund will be invested in shares of UK companies (incorporated or domiciled in the UK), or non-UK companies which are listed in the UK or have significant trading activities in the UK.

Other investments

The Fund may also invest in other shares, other funds (including funds managed by Aviva Investors companies), cash and deposits.

Strategy

The Fund is actively managed, and the Investment Manager aims to achieve the Fund's objective by constructing a concentrated portfolio of no more than 30 "exceptional" companies, with a focus on those companies which the Investment Manager believes have truly sustainable business models and/or established brands, which demonstrate the ability to deliver profit and income over the long term. In addition, the Fund has limited exclusions based on Aviva Investors' UK Responsible Investment policy. Further information on the Aviva Investors UK Responsible Investment policy is available on our website and in the Prospectus.

Performance & Risk Measurement

The Fund's performance is compared against the FTSE® All-Share Index (the "Index").

The Fund does not base its investment process upon the Index, so will not hold every company in the Index and may also hold companies that do not form part of it.

The Fund uses a "tracking error" to measure the consistency of the Fund's returns and the returns of the Index. In general, the lower the tracking error, the more consistent the Fund's returns are relative to the Index, and vice-versa. The Fund is expected to have an average yearly tracking error of between 2.5% and 7.5% when compared to the Index. In certain conditions the Fund may be outside of this range.

The Index represents the performance of all eligible companies listed on the London Stock Exchange, and 98% of the UK's market capitalisation (total market value of a company's outstanding shares)

The Index has been selected as a benchmark for performance and risk measurement because it is representative of the type of companies in which the Fund is likely to invest, and it is therefore an appropriate comparator for the Fund's performance.

FUND MANAGER'S REPORT

Performance

Over the twelve months ended 31 July 2020 the Fund* returned (8.6)% (net of fees). The Funds benchmark, the FTSE® All-Share Index, returned of (17.8)% over the same period.

Review

Lindsell Train Limited's investment approach is based on the identification of what we believe to be excellent companies. That approach has certainly helped our relative performance over the period and in particular during the crisis that has ensued as a result of the COVID pandemic which has dominated performance during 2020.

We are hopeful that the portfolio in aggregate really does comprise the sorts of company that will get through to the other side of all this. For us it is the start point in our investment process. Is this business even still going to be around in 10 or 20 years' time?

Often our so-called "defensive" holdings hold up during periods of market stress – enabling the portfolio to do relatively well in difficult times. Yet we own enough "growth" companies and stock market proxies – like the asset managers in the portfolio – to give us a chance of performing competitively during stronger stock markets too. The portfolio is not deliberately constructed to behave in this way – it is fortuitous – and will perhaps not do so in the future.

Three of our companies stand out as having bucked the trend over the period. All three companies are globally significant data and/or tech companies (LSE, PayPal and Nintendo) where the crisis has accelerated business trends that advantage them. LSE has benefited from being able to charge their customers at regular intervals for continuing services that by and large those customers need to stay in business. PayPal, has recently reported new active users rising at 4x the normal quarterly rate implying a further acceleration in revenue growth; Nintendo, reporting significantly better than expected profits and dividends as sales of its Switch console and high margin downloaded software boom.

Fever-Tree owner of a premium mixer brand is, correctly we believe, perceived to be having a good crisis, as consumers continue drinking more high quality booze at home, particularly spirits. The share price was up c.64% over the period.

Halma, owner of a collection of essential health and safety technologies e.g. gas detection devices and security sensors, has also done well over the period – its share price is up over 10%. This is due to the 'non-discretionary' nature of most of its products, which are integral parts of its customers' safety and compliance processes even during tough times. The company has enjoyed 17 consecutive years of revenue and profit growth and is well placed to continue expanding via increased applications of its products and M&A to develop further capabilities.

It is clear that businesses that rely on face-to-face human interaction continue to have a tough time, still unable to predict the bottom for their operations. In particular the companies we hold that derive some of their earnings from exhibitions have had a tough time in share price terms – notably RELX. The two pub companies also fall into this category, despite the longed-for reopening of their estates in July.

The biggest detractor over the period, was Burberry. Burberry has performed worse than several of its global luxury peers, in part because of its acknowledged reliance on China, but also because it is in the middle of a strategy shift which may be more difficult to execute during a pandemic. This too is a company that relies on tourism, buzzing cities and consumer confidence. All in short supply – at least for now.

AVIVA INVESTORS UK LISTED EQUITY MOM 1 FUND (CONTINUED)

FUND MANAGER'S REPORT (CONTINUED)

Outlook

We are optimistic about all the companies in the portfolio, including Burberry and Youngs – perhaps especially Burberry, where consumer response to its new product lines had been very favourable, before the crisis hit. We are also conscious that after a strong period of relative performance for our overall portfolio it is possible that a period of recovery for cyclical and so-called value stocks might cause us to lag for a period. However, we remain strongly of the view that successful equity investing over the next few years is going to require exposure to companies either with unique, premium brands, or those with a credible strategy to succeed in an increasingly digital 21st century.

Over the reporting period there were 44 inadvertent breaches of the UCITS concentration regulations (COLL 5.2.11 R (4) and COLL 5.2.11 R (5)) (16 during the previous period). These have occurred as a consequence of our concentrated portfolio. The breaches are caused by the price gains of shares in which we are invested, particularly gains in excess of the market average. At the heart of our approach is the conviction that one way to investment success is to invest solely in what we analyse to be great businesses and then to hold shares in those great businesses for very long periods. We manage relatively concentrated portfolios with less than thirty holdings. This is in part because “great” businesses are rare, but also because we believe our clients pay us to back our best investment ideas. As a result of these breaches the Board made the decision to launch a new Non-UCITS Retail Scheme (NURS) version of the Fund with the existing Investment Manager, which has concentration rules that better align to this high conviction philosophy and should result in fewer breaches. This new fund (known as the Aviva Investors UK Equity Fund) was launched on 2 November 2020, and Investors in the Fund were consulted on this change and their units transferred across to the new fund. The Aviva Investors UK Listed Equity MoM 1 Fund is now in the process of being terminated and is no longer available for investment.

September 2020

* 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 Lindell Train Limited.

As noted above, the performance figures in this commentary have been sourced from an external party and are based on published prices. The performance figures quoted in the comparative table on page 29 are based on the net asset value per the published accounts and may be different due to post year end accounting adjustments.

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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
Fevertree Drinks	London Stock Exchange Group
Burberry Group	PayPal Holdings
Nintendo	Mondelez International 'A'
Diageo	Diageo
Heineken Holding	RELX
PZ Cussons	Sage Group
RELX	Euromoney Institutional Investor
Manchester United 'A'	Burberry Group
Sage Group	Schroders
Schroders	Heineken Holding

Synthetic Risk and Reward Indicator



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

- This indicator is based on historical data, calculated using European Union rules, and may not be a reliable indication of the future risk profile of the Fund.
- The risk and reward category shown is not guaranteed to remain unchanged and may change over time. The lowest category does not mean ‘risk free’.
- Further information on the risks applicable to the Fund is detailed in the Fund’s Key Investor Information Document, and a full description is set out in the Prospectus, both of which are available on the internet at www.avivainvestors.com or from the ACD on request.

COMPARATIVE TABLE

Class 2 Income	2020 p per share	2019 p per share	2018 p per share
Change in net assets per share			
Opening net asset value per share	457.07	394.05	346.50
Return before operating charges [‡]	(32.59)	71.48	55.68
Operating charges	(4.34)	(4.08)	(3.74)
Return after operating charges [‡]	(36.93)	67.40	51.94
Distributions	(3.88)	(4.38)	(4.39)
Closing net asset value per share	416.26	457.07	394.05
[‡] after direct transaction costs of	(0.13)	(0.16)	(0.11)
Performance			
Return after charges	(8.08)%	17.10%	14.99%
Other information			
Closing net asset value (£000)	340,715	402,803	402,691
Closing number of shares	81,852,403	88,126,169	102,192,951
Operating charges (%) [‡]	1.02%	1.02%	1.02%
Direct transaction costs (%) [#]	0.03%	0.04%	0.03%
Prices[≈]			
Highest share price	463.25	464.91	406.19
Lowest share price	326.90	361.32	340.53

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

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

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

[≈] The high and low prices disclosed are the high and low prices for the accounting period and not the calendar year and are based on published prices. The net asset value per share price is based on the net asset value in the published accounts and may be different due to post year end accounting adjustments.

Ongoing Charges Figure*

Share class	31.07.20	31.07.19
Class 2	1.02%	1.02%

* The Ongoing Charges Figure (OCF) is calculated as the ratio of the total ongoing charges to the average net asset value of the Fund over the year. The OCF is made up of the Fund Management Fee and, where a fund invests a substantial portion of its assets in other funds, an amount for the pro-rated charges of those other funds (referred to as "synthetic charges" or the "synthetic" part of the ongoing charge). The figure for ongoing charges excludes performance fees and portfolio transaction costs, except in the case of an entry/exit charge paid by the Fund when buying or selling shares/units in another collective investment scheme.

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

PORTFOLIO STATEMENT

As at 31 July 2020

Investment	Currency	Holding	Market Value £000	% of Net Assets
Equities 100.14% (98.63%)				
Communication Services 14.78% (16.51%)				
Entertainment 8.01% (6.99%)				
Celtic#	GBP	144,467	159	0.05
Manchester United 'A'	USD	472,000	5,189	1.52
Nintendo	JPY	34,722	11,649	3.42
Walt Disney	USD	117,000	10,288	3.02
			<u>27,285</u>	<u>8.01</u>
Media 6.77% (9.52%)				
Daily Mail & General Trust 'A'	GBP	1,264,151	7,952	2.33
Euromoney Institutional Investor	GBP	930,628	7,445	2.18
Pearson	GBP	1,431,008	7,687	2.26
			<u>23,084</u>	<u>6.77</u>
Communication Services total			50,369	14.78
Consumer Discretionary 5.55% (7.36%)				
Hotels, Restaurants & Leisure 1.16% (1.80%)				
Fuller Smith & Turner 'A'	GBP	179,423	1,041	0.30
Young & Co's Brewery#	GBP	18,895	125	0.04
Young & Co's Brewery 'A'#	GBP	303,211	2,783	0.82
			<u>3,949</u>	<u>1.16</u>
Textiles, Apparel & Luxury Goods 4.39% (5.56%)				
Burberry Group	GBP	1,174,500	14,951	4.39
			<u>14,951</u>	<u>4.39</u>
Consumer Discretionary total			18,900	5.55
Consumer Staples 27.90% (24.65%)				
Beverages 17.72% (15.06%)				
AG Barr	GBP	1,144,463	4,990	1.47
Diageo	GBP	1,125,500	31,919	9.37
Fevertree Drinks#	GBP	468,449	10,231	3.00
Heineken Holding	EUR	194,500	13,223	3.88
			<u>60,363</u>	<u>17.72</u>
Food Products 4.48% (4.74%)				
Mondelez International 'A'	USD	360,500	15,282	4.48
			<u>15,282</u>	<u>4.48</u>
Household Products 0.59% (0.08%)				
PZ Cussons	GBP	1,055,000	1,996	0.59
			<u>1,996</u>	<u>0.59</u>
Personal Products 5.11% (4.77%)				
Unilever	GBP	377,680	17,403	5.11
			<u>17,403</u>	<u>5.11</u>
Consumer Staples total			95,044	27.90
Financials 24.67% (24.71%)				
Capital Markets 24.67% (24.71%)				
Hargreaves Lansdown	GBP	1,457,721	25,590	7.51
London Stock Exchange Group	GBP	386,000	33,188	9.74
Rathbone Brothers	GBP	550,324	9,114	2.67
Schroders	GBP	484,240	14,498	4.26
Schroders, (Non-Voting)	GBP	80,406	1,669	0.49
			<u>84,059</u>	<u>24.67</u>
Financials total			84,059	24.67

PORTFOLIO STATEMENT (CONTINUED)

As at 31 July 2020

Investment	Currency	Holding	Market Value £000	% of Net Assets
Industrials 8.09% (8.65%)				
Professional Services 8.09% (8.65%)				
RELX	GBP	1,702,287	27,560	8.09
			27,560	8.09
Industrials total			27,560	8.09
Information Technology 14.78% (12.58%)				
Electronic Equipment, Instruments & Components 4.69% (3.73%)				
Halma	GBP	727,000	15,965	4.69
			15,965	4.69
IT Services 5.26% (4.48%)				
PayPal Holdings	USD	122,500	17,930	5.26
			17,930	5.26
Software 4.83% (4.37%)				
Sage Group	GBP	2,274,000	16,473	4.83
			16,473	4.83
Information Technology total			50,368	14.78
Investment Funds 4.37% (4.17%)				
Investment Companies 4.37% (4.17%)				
Finsbury Growth & Income Trust	GBP	1,791,827	14,890	4.37
			14,890	4.37
Investment Funds total			14,890	4.37
Equities total			341,190	100.14
Investment assets			341,190	100.14
Net other liabilities			(475)	(0.14)
Net assets			340,715	100.00

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

The comparative percentage figures in brackets are as at 31 July 2019.

Security traded on another regulated market.

STATEMENT OF TOTAL RETURN

For the year ended 31 July 2020

	Notes	£000	Year ended 31.07.20 £000	£000	Year ended 31.07.19 £000
Income					
Net capital (losses)/gains	2		(35,155)		60,078
Revenue	3	6,978		8,594	
Expenses	4	(3,615)		(4,016)	
Net revenue before taxation		3,363		4,578	
Taxation	5	(90)		(153)	
Net revenue after taxation			3,273		4,425
Total return before distributions			(31,882)		64,503
Distributions	6		(3,273)		(4,425)
Change in net assets attributable to shareholders from investment activities			(35,155)		60,078

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 31 July 2020

	£000	Year ended 31.07.20 £000	£000	Year ended 31.07.19 £000
Opening net assets attributable to shareholders		402,803		402,691
Amounts transferred via in-specie transactions		–		(57,207)
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	698		2,390	
Amounts payable on cancellation of shares	(27,631)		(5,149)	
		(26,933)		(2,759)
Change in net assets attributable to shareholders from investment activities (see above)		(35,155)		60,078
Closing net assets attributable to shareholders		340,715		402,803

BALANCE SHEET

As at 31 July 2020

	Notes	As at 31.07.20 £000	As at 31.07.19 £000
Assets:			
Investments	7	–	397,269
Current assets:			
Investments	7	341,190	–
Debtors	8	239	498
Cash and bank balances	9	1,625	7,878
Total assets		343,054	405,645
Liabilities:			
Creditors:			
Distribution payable		(2,045)	(2,480)
Other creditors	10	(294)	(362)
Total liabilities		(2,339)	(2,842)
Net assets attributable to shareholders		340,715	402,803

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting basis and policies

Please see pages 7 to 9 for accounting basis and policies.

2 Net capital (losses)/gains

	Year ended 31.07.20 £000	Year ended 31.07.19 £000
Net capital (losses)/gains on investment during the year comprise:		
Compensation items	–	26
Currency (losses)/gains	(22)	7
Non-derivative securities (losses)/gains	(35,133)	60,045
Net capital (losses)/gains	(35,155)	60,078

3 Revenue

	Year ended 31.07.20 £000	Year ended 31.07.19 £000
Bank and deposit interest	20	22
Overseas dividends	837	1,218
UK dividends	6,121	7,354
Total revenue	6,978	8,594

4 Expenses

	Year ended 31.07.20 £000	Year ended 31.07.19 £000
Payable to the Authorised Corporate Director ("ACD"), associates of the ACD or agents of either of them:		
Fund Management Fee	3,615	4,016
Total expenses	3,615	4,016

The audit fee was £8,904 (2019: £8,733) net of VAT.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Taxation**a Analysis of tax charge**

	Year ended 31.07.20 £000	Year ended 31.07.19 £000
Overseas tax suffered	90	153
Total current tax for the year (see note 5b)	90	153

b Factors affecting current tax charge

The tax assessed for the year is lower (2019: lower) than the standard rate of corporation tax in the UK for an Authorised Investment Fund (20%) (2019: 20%).

The differences are explained below:

	Year ended 31.07.20 £000	Year ended 31.07.19 £000
Net revenue before taxation	3,363	4,578
Corporation tax at 20%	673	916
Effects of:		
Movement in excess management expenses	719	799
Overseas dividends not subject to corporation tax	(167)	(244)
Overseas tax suffered	90	153
UK dividends not subject to corporation tax	(1,225)	(1,471)
	(583)	(763)
Current tax charge (see note 5a)	90	153

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

c Deferred tax

There was no provision for deferred tax at the year end (2019: £nil).

After claiming relief against accrued income taxable on receipt, the Fund has unrelieved excess expenses of £28,002,971 (2019: £24,407,933) creating a potential deferred tax asset of £5,600,594 (2019: £4,881,587). It is unlikely that the Fund will generate taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

6 Distributions

	Year ended 31.07.20 £000	Year ended 31.07.19 £000
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:		
Interim distribution	1,133	1,592
Final distribution	2,045	2,480
	3,178	4,072
Add: Revenue deducted on cancellation of shares	97	363
Deduct: Revenue received on issue of shares	(2)	(10)
Total distributions	3,273	4,425

Details of the distributions per share are set out in the distribution tables on page 39.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 Fair value hierarchy

Valuation technique	As at 31.07.20 Assets £000	As at 31.07.19 Assets £000
Level 1: Quoted prices	341,190	397,269
Total value	341,190	397,269

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

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

The disclosure is split into the following categories:

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

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

Level 3: Valuation techniques using unobservable inputs.

8 Debtors

	As at 31.07.20 £000	As at 31.07.19 £000
Accrued revenue	231	466
Overseas tax recoverable	8	32
Total debtors	239	498

9 Cash and bank balances

	As at 31.07.20 £000	As at 31.07.19 £000
Cash and bank balances	1,625	7,878
Total cash and bank balances	1,625	7,878

10 Other creditors

	As at 31.07.20 £000	As at 31.07.19 £000
Accrued expenses	294	362
Total other creditors	294	362

11 Contingent liabilities and commitments

There were no contingent liabilities or commitments at the year end (2019: £nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12 Related party transactions

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

Fund Management Fee paid to Aviva Investors UK Fund Services Limited ("the ACD") are shown in note 4 and details of shares issued and cancelled by the ACD are shown in the statement of change in net assets attributable to shareholders. The balance due to the ACD at the year end in respect of Fund Management Fee was £298,143 (2019: £362,071). Any balance due from the ACD in respect of issues is shown in note 8. Any balance due to the ACD in respect of cancellations is shown in note 10.

Distributions payable to the ACD and related parties of the ACD during the year amounted to £3,177,920 (2019: £4,072,452). The amount outstanding at the year end was £2,044,837 (2019: £2,480,135). Related parties of the ACD are deemed to be all companies under the control of Aviva Plc. This will include companies which hold shares in the Fund on behalf of other external investors.

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

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

	Holdings at 31.07.20 (shares)	Movement (shares)	Holdings at 31.07.19 (shares)
ACD and related parties (Class 2 Income shares)	81,852,403	(6,273,766)	88,126,169

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

13 Shareholder funds

The Fund currently has one share class: Class 2 (Institutional). The Fund Management Fee is as follows:

Class 2: 1.02%

The net asset value of the share class, the net asset value per share and the number of shares in the class are shown on page 29. The distributions per share class are given in the distribution tables on page 39.

14 Shares in issue reconciliation

	Number of shares in issue at 31.07.19	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 31.07.20
Share Class 2 Income	88,126,169	162,049	(6,435,815)	–	81,852,403

15 Derivatives and other financial instruments

The policies applied in the management of financial instruments are set out on pages 7 to 9.

Fair value of financial assets and financial liabilities

There is no significant difference between the carrying values of the financial assets and liabilities and their fair values (2019: £nil).

Currency risk

At the year end date, nil% (2019: 19.91%) of the net assets of the Fund were denominated in currencies other than sterling with the effect that the balance sheet and total return can be significantly affected by currency movements. If currency rates were to change by 10%, the value of the Fund would change by nil% (2019: 1.99%).

Currency	Net foreign currency assets					
	Monetary exposure £000		Non monetary exposure £000		Total £000	
	31.07.20	31.07.19	31.07.20	31.07.19	31.07.20	31.07.19
Euro	8	127	13,233	15,057	13,241	15,184
Japanese Yen	–	–	11,650	7,339	11,650	7,339
US Dollar	–	–	48,689	57,674	48,689	57,674

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

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

At the year end date 0.48% (2019: 1.96%) of the net assets of the Fund were interest bearing and as such the interest rate risk is not considered significant.

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

Market price risk

At the year end date, 100.14% (2019: 98.63%) of the net assets of the Fund were invested in ordinary shares or stock units admitted to an official stock exchange. If the market value were to change by 10%, the value of the Fund would change by 10.01% (2019: 9.86%).

16 Direct transaction costs

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

	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
31.07.20						
Purchases (excluding Inspecie & Corporate Action activity)						
Equities	(27,915)	(11)	(71)	(27,997)	0.04%	0.25%
	(27,915)	(11)	(71)	(27,997)		
Sales (excluding Inspecie & Corporate Action activity)						
Equities	48,963	(19)	–	48,944	0.04%	0.00%
	48,963	(19)	–	48,944		
Total		(30)	(71)			
Percentage of Fund average net assets		0.01%	0.02%			

	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
31.07.19						
Purchases (excluding Inspecie & Corporate Action activity)						
Equities	(34,701)	(15)	(138)	(34,854)	0.04%	0.40%
	(34,701)	(15)	(138)	(34,854)		
Sales (excluding Inspecie & Corporate Action activity)						
Equities	18,204	(7)	–	18,197	0.04%	0.00%
Sales (in-specie activity only)						
Equities	56,566	–	–	56,566	0.00%	0.00%
	74,770	(7)	–	74,763		
Total		(22)	(138)			
Percentage of Fund average net assets		0.01%	0.03%			

Dealing spread

As at 31 July 2020, the average portfolio dealing spread was 0.13% (2019: 0.12%). This spread represents the difference between the values determined retrospectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

17 Post balance sheet events

There are no post balance sheet events which require adjustment or disclosure at the year end (2019: £nil).

DISTRIBUTION TABLES

Final distribution payable in pence per share for the six months ended 31 July 2020

Income shares		Net revenue	Equalisation	Final distribution payable 30 September 2020	Final distribution paid 30 September 2019
Share Class 2	Group 1	2.4982	–	2.4982	2.8143
	Group 2	2.4982	0.0000	2.4982	2.8143

Group 1 shares are those shares purchased at or before 2pm on 31 January 2020.

Group 2 shares are those shares purchased after 2pm on 31 January 2020.

Interim distribution paid in pence per share for the six months ended 31 January 2020

Income shares		Net revenue	Equalisation	Interim distribution paid 31 March 2020	Interim distribution paid 31 March 2019
Share Class 2	Group 1	1.3843	–	1.3843	1.5647
	Group 2	0.0019	1.3824	1.3843	1.5647

Group 1 shares are those shares purchased at or before 2pm on 31 July 2019.

Group 2 shares are those shares purchased after 2pm on 31 July 2019.

Equalisation

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

AVIVA INVESTORS UK EQUITY MOM 2 FUND

The Fund closed on 18 May 2019, and will be terminated in due course.

The Fund's investors provided an instruction to redeem their respective investments in the Fund in full. Following this redemption the Fund was left as a shell fund with no shareholders and no assets requiring management. The ACD therefore proposed to terminate the Fund.

INVESTMENT OBJECTIVE

Long term capital growth by investing primarily in UK equities.

INVESTMENT POLICY

The Fund invested primarily in equity securities listed or traded on Regulated markets in the UK. Limited exposure to other geographic regions may be possible. The Fund might have invested 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

Please note, the Fund was closed on 18 May 2019 and is in the process of being terminated. No fund manager's report has been included within the annual report and financial statements as no investment activity has taken place during the year under review.

Material Portfolio Changes

There were no purchases or sales during the year as the Fund closed on 18 May 2019.

Synthetic Risk and Reward Indicator

Investment risks have been removed as the Fund closed on 18 May 2019.

COMPARATIVE TABLE

Class 2 Income	2020 p per share	2019 [§] p per share	2018 p per share
Change in net assets per share			
Opening net asset value per share	–	110.65	105.22
Return before operating charges [‡]	–	(106.96)	9.60
Operating charges	–	(0.80)	(1.11)
Return after operating charges [‡]	–	(107.76)	8.49
Distributions	–	(2.89)	(3.06)
Closing net asset value per share	–	–	110.65
[†] after direct transaction costs of	–	(0.10)	(0.15)
Performance			
Return after charges	–	–	8.07%
Other information			
Closing net asset value (£000)	–	–	139,105
Closing number of shares	–	–	125,715,552
Operating charges (%) [‡]	–	1.04%	1.03%
Direct transaction costs (%) [#]	–	0.10%	0.14%
Prices[≈]			
Highest share price	–	110.82	114.26
Lowest share price	–	93.80	100.91

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

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

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

[≈] The high and low prices disclosed are the high and low prices for the accounting period and not the calendar year and are based on published prices. The net asset value per share price is based on the net asset value in the published accounts and may be different due to post year end accounting adjustments.

[§] Up to 18 May 2019 (date the Fund closed).

Ongoing Charges Figure*

Share class	31.07.20	31.07.19
Class 2	–	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 year. The OCF is made up of the Fund Management Fee and, where a fund invests a substantial portion of its assets in other funds, an amount for the pro-rated charges of those other funds (referred to as “synthetic charges” or the “synthetic” part of the ongoing charge). The figure for ongoing charges excludes performance fees and portfolio transaction costs, except in the case of an entry/exit charge paid by the Fund when buying or selling shares/units in another collective investment scheme.

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

Portfolio Statement

As the Fund closed on 18 May 2019, there were no investments as at 31 July 2020.

STATEMENT OF TOTAL RETURN

For the year ended 31 July 2020

	Notes	£000	Year ended 31.07.20 £000	£000	Year ended 31.07.19 £000
Income					
Net capital losses	2		–		(8,074)
Revenue	3	–		4,985	
Expenses	4	(9)		(1,045)	
Net (expense)/revenue before taxation		(9)		3,940	
Taxation	5	18		(34)	
Net revenue after taxation			9		3,906
Total return before distributions			9		(4,168)
Distributions	6		–		(3,875)
Change in net assets attributable to shareholders from investment activities			9		(8,043)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 31 July 2020

	£000	Year ended 31.07.20 £000	£000	Year ended 31.07.19 £000
Opening net assets attributable to shareholders		–		139,105
Amounts transferred via in-specie transactions		–		(133,461)
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	–		8,884	
Amounts payable on cancellation of shares	–		(6,505)	
		–		2,379
Dilution adjustment		–		51
Change in net assets attributable to shareholders from investment activities (see above)		9		(8,043)
Fund closure		(9)		(31)
Closing net assets attributable to shareholders		–		–

BALANCE SHEET

As at 31 July 2020

	Notes	As at 31.07.20 £000	As at 31.07.19 £000
Assets:			
Current assets:			
Debtors	7	49	46
Cash and bank balances	8	24	15
Total assets		73	61
Liabilities:			
Creditors:			
Other creditors	9	(73)	(61)
Total liabilities		(73)	(61)
Net assets attributable to shareholders		-	-

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting basis and policies

Please see pages 7 to 9 for accounting basis and policies.

2 Net capital losses

	Year ended 31.07.20 £000	Year ended 31.07.19 £000
Net capital losses on investment during the year comprise:		
Compensation items	–	2
Currency losses	–	(2)
Non-derivative securities losses	–	(8,074)
Net capital losses	–	(8,074)

3 Revenue

	Year ended 31.07.20 £000	Year ended 31.07.19 £000
Bank and deposit interest	–	17
Overseas dividends	–	460
Property income distributions	–	239
UK dividends	–	4,269
Total revenue	–	4,985

4 Expenses

	Year ended 31.07.20 £000	Year ended 31.07.19 £000
Payable to the Authorised Corporate Director ("ACD"), associates of the ACD or agents of either of them:		
Fund Management Fee	9	1,015
Other expenses:		
Closure costs	–	30
Total expenses	9	1,045

The audit fee was £8,562 (2019: £8,733) net of VAT.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Taxation**a Analysis of tax charge**

	Year ended 31.07.20 £000	Year ended 31.07.19 £000
Overseas tax suffered	(18)	34
Total current tax for the year (see note 5b)	(18)	34

b Factors affecting current tax charge

The tax assessed for the year is lower (2019: lower) than the standard rate of corporation tax in the UK for an Authorised Investment Fund (20%) (2019: 20%).

The differences are explained below:

	Year ended 31.07.20 £000	Year ended 31.07.19 £000
Net (expense)/revenue before taxation	(9)	3,940
Corporation tax at 20%	(2)	788
Effects of:		
Movement in excess management expenses	2	158
Overseas dividends not subject to corporation tax	–	(92)
Overseas tax suffered	(18)	34
UK dividends not subject to corporation tax	–	(854)
	(16)	(754)
Current tax charge (see note 5a)	(18)	34

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

c Deferred tax

There was no provision for deferred tax at the year end (2019: £nil).

After claiming relief against accrued income taxable on receipt, the Fund has unrelieved excess expenses of £10,713,529 (2019: £10,704,967) creating a potential deferred tax asset of £2,142,706 (2019: £2,140,993). It is unlikely that the Fund will generate taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

6 Distributions

	Year ended 31.07.20 £000	Year ended 31.07.19 £000
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:		
Interim distribution	–	1,836
Final distribution	–	1,959
	–	3,795
Add: Revenue deducted on cancellation of shares	–	206
Deduct: Revenue received on issue of shares	–	(126)
Total distributions	–	3,875
Reconciliation of distributions for the year to net revenue after taxation		
Distributions for the year	–	3,875
Movement in revenue account	9	31
Net revenue after taxation	9	3,906

Details of the distributions per share are set out in the distribution tables on page 48.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 Debtors

	As at 31.07.20 £000	As at 31.07.19 £000
Overseas tax recoverable	39	46
Prepaid expenses	10	–
Total debtors	49	46

8 Cash and bank balances

	As at 31.07.20 £000	As at 31.07.19 £000
Cash and bank balances	24	15
Total cash and bank balances	24	15

9 Other creditors

	As at 31.07.20 £000	As at 31.07.19 £000
Accrued expenses	34	30
Amounts payable to ACD	39	31
Total creditors	73	61

10 Contingent liabilities and commitments

There were no contingent liabilities or commitments at the year end (2019: £nil).

11 Related party transactions

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

Fund Management Fee paid to Aviva Investors UK Fund Services Limited ("the ACD") are shown in note 4 and details of shares issued and canceled by the ACD are shown in the statement of change in net assets attributable to shareholders. The balance due to the ACD at the year end in respect of Fund Management Fee was £nil (2019: £nil).

Any balance due from the ACD in respect of issues is shown in note 7. Any balance due to the ACD in respect of cancellations is shown in note 9.

Distributions payable to the ACD and related parties of the ACD during the year amounted to £nil (2019: £3,794,897). The amount outstanding at the year end was £nil (2019: £nil). Related parties of the ACD are deemed to be all companies under the control of Aviva Plc. This will include companies which hold shares in the Fund on behalf of other external investors.

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

12 Derivatives and other financial instruments

The policies applied in the management of financial instruments are set out on pages 7 to 9.

Fair value of financial assets and financial liabilities

There is no significant difference between the carrying values of the financial assets and liabilities and their fair values (2019: £nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13 Direct transaction costs

No transaction costs or taxes were incurred during the current year ended 31 July 2020.

31.07.19	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
Purchases (excluding Inspecie & Corporate Action activity)						
Equities	(25,103)	(7)	(110)	(25,220)	0.03%	0.44%
	(25,103)	(7)	(110)	(25,220)		
Sales (excluding Inspecie & Corporate Action activity)						
Equities	26,405	(9)	–	26,396	0.03%	0.00%
Sales (include in-specie activity only)						
Equities	129,306	–	–	129,306	0.00%	0.00%
	155,711	(9)	–	155,702		
Total		(16)	(110)			
Percentage of Fund average net assets		0.01%	0.09%			

14 Post balance sheet events

There are no post balance sheet events which require adjustment or disclosure at the year end (2019: £nil).

DISTRIBUTION TABLES

Final distribution paid in pence per share for the three months ended 30 April 2020

Income shares		Net revenue	Equalisation	Final distribution paid 30 June 2020	Final distribution paid 28 June 2019
Share Class 2	Group 1	0.0000	–	0.0000	1.4942
	Group 2	0.0000	0.0000	0.0000	1.4942

Group 1 shares are those shares purchased at or before 2pm on 31 January 2020.
Group 2 shares are those shares purchased after 2pm on 31 January 2020.

Interim distribution paid in pence per share for the six months ended 31 January 2020

Income shares		Net revenue	Equalisation	Interim distribution paid 31 March 2020	Interim distribution paid 31 March 2019
Share Class 2	Group 1	0.0000	–	0.0000	1.3962
	Group 2	0.0000	0.0000	0.0000	1.3962

Group 1 shares are those shares purchased at or before 2pm on 31 July 2019.
Group 2 shares are those shares purchased after 2pm on 31 July 2019.

Equalisation

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

AVIVA INVESTORS US EQUITY MOM 1 FUND

The Fund closed on 18 May 2019, and will be terminated in due course.

The Fund's investors provided an instruction to redeem their respective investments in the Fund in full. Following this redemption the Fund was left as a shell fund with no shareholders and no assets requiring management. The ACD therefore proposed to terminate the Fund.

INVESTMENT OBJECTIVE

Long term capital growth by investing primarily in US equities.

INVESTMENT POLICY

The Fund invested primarily in equity securities listed or traded on Regulated markets in the US. Limited exposure to other geographic regions may be possible. The Fund might have invested 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

Please note, the Fund was closed on 18 May 2019 and is in the process of being terminated. No fund manager's report has been included within the annual report and financial statements as no investment activity has taken place during the year under review.

Material Portfolio Changes

There were no purchases or sales during the year as the Fund closed on 18 May 2019.

Synthetic Risk and Reward Indicator

Investment risks have been removed as the Fund closed on 18 May 2020.

COMPARATIVE TABLE

Class 2 Income	2020 p per share	2019 [§] p per share	2018 p per share
Change in net assets per share			
Opening net asset value per share	–	358.14	318.68
Return before operating charges [‡]	–	(354.81)	44.27
Operating charges	–	(2.76)	(3.45)
Return after operating charges [‡]	–	(357.57)	40.82
Distributions	–	(0.57)	(1.36)
Closing net asset value per share	–	–	358.14
[†] after direct transaction costs of	–	(0.11)	(0.17)
Performance			
Return after charges	–	–	12.81%
Other information			
Closing net asset value (£000)	–	–	225,566
Closing number of shares	–	–	62,982,827
Operating charges (%) [‡]	–	1.04%	1.03%
Direct transaction costs (%) [#]	–	0.03%	0.05%
Prices[≈]			
Highest share price	–	380.30	367.41
Lowest share price	–	309.65	311.63

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

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

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

[≈] The high and low prices disclosed are the high and low prices for the accounting period and not the calendar year and are based on published prices. The net asset value per share price is based on the net asset value in the published accounts and may be different due to post year end accounting adjustments.

[§] Up to 18 May 2019 (date the Fund closed).

Ongoing Charges Figure*

Share class	31.07.20	31.07.19
Class 2	–	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 year. The OCF is made up of the Fund Management Fee and, where a fund invests a substantial portion of its assets in other funds, an amount for the pro-rated charges of those other funds (referred to as “synthetic charges” or the “synthetic” part of the ongoing charge). The figure for ongoing charges excludes performance fees and portfolio transaction costs, except in the case of an entry/exit charge paid by the Fund when buying or selling shares/units in another collective investment scheme.

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

Portfolio Statement

As the Fund closed on 18 May 2019, there were no investments as at 31 July 2019.

STATEMENT OF TOTAL RETURN

For the year ended 31 July 2020

	Notes	£000	Year ended 31.07.20 £000	£000	Year ended 31.07.19 £000
Income					
Net capital gains	2		16		3,425
Revenue	3	16		2,527	
Expenses	4	(9)		(1,642)	
Net revenue before taxation		7		885	
Taxation	5	(194)		(565)	
Net (expense)/revenue after taxation			(187)		320
Total return before distributions			(171)		3,745
Distributions	6		-		(363)
Change in net assets attributable to shareholders from investment activities			(171)		3,382

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 31 July 2020

	£000	Year ended 31.07.20 £000	£000	Year ended 31.07.19 £000
Opening net assets attributable to shareholders		-		225,566
Amounts transferred via in-specie transactions		-		(190,659)
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	-		7,583	
Amounts payable on cancellation of shares	-		(45,873)	
			-	(38,290)
Dilution adjustment		-		21
Change in net assets attributable to shareholders from investment activities (see above)		(171)		3,382
Fund closure		171		(20)
Closing net assets attributable to shareholders			-	-

BALANCE SHEET

As at 31 July 2020

	Notes	As at 31.07.20 £000	As at 31.07.19 £000
Assets:			
Current assets:			
Debtors	7	152	188
Cash and bank balances	8	22	14
Total assets		174	202
Liabilities:			
Creditors:			
Other creditors	9	(174)	(202)
Total liabilities		(174)	(202)
Net assets attributable to shareholders		-	-

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting basis and policies

Please see pages 7 to 9 for accounting basis and policies.

2 Net capital gains

	Year ended 31.07.20 £000	Year ended 31.07.19 £000
Net capital gains on investments during the year comprise:		
Compensation items	–	4
Currency gains	6	147
Non-derivative securities gains	10	3,274
Net capital gains	16	3,425

3 Revenue

	Year ended 31.07.20 £000	Year ended 31.07.19 £000
Bank and deposit interest	–	15
Overseas dividends	16	2,506
UK dividends	–	6
Total revenue	16	2,527

4 Expenses

	Year ended 31.07.20 £000	Year ended 31.07.19 £000
Payable to the Authorised Corporate Director ("ACD"), associates of the ACD or agents of either of them:		
Fund Management Fee	9	1,612
Other expenses:		
Closure costs	–	30
Total expenses	9	1,642

The audit fee was £8,562 (2019: £8,733) net of VAT.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Taxation**a Analysis of tax charge**

	Year ended 31.07.20 £000	Year ended 31.07.19 £000
Overseas tax suffered	194	565
Total current tax for the year (see note 5b)	194	565

b Factors affecting current tax charge

The tax assessed for the year is higher (2019: higher) than the standard rate of corporation tax in the UK for an Authorised Investment Fund (20%) (2019: 20%).

The differences are explained below:

	Year ended 31.07.20 £000	Year ended 31.07.19 £000
Net revenue before taxation	7	885
Corporation tax at 20%	1	177
Effects of:		
Movement in excess management expenses	1	321
Overseas dividends not subject to corporation tax	(2)	(496)
Overseas tax suffered	194	565
Tax relief for overseas tax suffered	–	(1)
UK dividends not subject to corporation tax	–	(1)
	193	388
Current tax charge (see note 5a)	194	565

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

c Deferred tax

There was no provision for deferred tax at the year end (2019: £nil).

After claiming relief against accrued income taxable on receipt, the Fund has unrelieved excess expenses of £15,043,838 (2019: £15,039,610) creating a potential deferred tax asset of £3,008,768 (2019: £3,007,922). It is unlikely that the Fund will generate taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

6 Distributions

	Year ended 31.07.20 £000	Year ended 31.07.19 £000
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:		
Interim distribution	–	306
Add: Revenue deducted on cancellation of shares	–	60
Deduct: Revenue received on issue of shares	–	(3)
Total distributions	–	363
Reconciliation of distributions for the year to net (expense)/revenue after taxation		
Distributions for the year	–	363
Revenue deficit transferred to capital	(187)	(43)
Net (expense)/revenue after taxation	(187)	320

Details of the distributions per share are set out in the distribution tables on page 57.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 Debtors

	As at 31.07.20 £000	As at 31.07.19 £000
Overseas tax recoverable	–	188
Amounts receivable from ACD	152	–
Total debtors	152	188

8 Cash and bank balances

	As at 31.07.20 £000	As at 31.07.19 £000
Cash and bank balances	22	14
Total cash and bank balances	22	14

9 Other creditors

	As at 31.07.20 £000	As at 31.07.19 £000
Accrued expenses	174	182
Amounts payable to ACD	–	20
Total other creditors	174	202

10 Contingent liabilities and commitments

There were no contingent liabilities or commitments at the year end (2019: £nil).

11 Related party transactions

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

Fund Management Fee paid to Aviva Investors UK Fund Services Limited ("the ACD") are shown in note 4 and details of shares issued and cancelled by the ACD are shown in the statement of change in net assets attributable to shareholders. The balance due to the ACD at the year end in respect of Fund Management Fee was £140,036 (2019: £152,608). Any balance due from the ACD in respect of issues is shown in note 7. Any balance due to the ACD in respect of cancellations is shown in note 9.

Distributions payable to the ACD and related parties of the ACD during the year amounted to £nil (2019: £305,726). The amount outstanding at the year end was £nil (2019: £nil). Related parties of the ACD are deemed to be all companies under the control of Aviva Plc. This will include companies which hold shares in the Fund on behalf of other external investors.

12 Derivatives and other financial instruments

The policies applied in the management of financial instruments are set out on pages 7 to 9.

Fair value of financial assets and financial liabilities

There is no significant difference between the carrying values of the financial assets and liabilities and their fair values (2019: £nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13 Direct transaction costs

No transaction costs or taxes were incurred during the current year ended 31 July 2020.

31.07.19	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
Purchases (excluding Inspecie & Corporate Action activity)						
Equities	(102,220)	(25)	–	(102,245)	0.02%	0.00%
	(102,220)	(25)	–	(102,245)		
Sales (excluding Inspecie & Corporate Action activity)						
Equities	142,764	(31)	(2)	142,731	0.02%	0.00%
Sales (in-specie activity only)						
Equities	186,194	–	–	186,194	0.00%	0.00%
	328,958	(31)	(2)	328,925		
Total		(56)	(2)			
Percentage of Fund average net assets		0.03%	0.00%			

14 Post balance sheet events

There are no post balance sheet events which require adjustment or disclosure at the year end (2019: £nil).

DISTRIBUTION TABLES

Final distribution paid in pence per share for the three months ended 30 April 2020

Income shares		Net revenue	Equalisation	Final distribution paid 30 June 2020	Final distribution paid 28 June 2019
Share Class 2	Group 1	0.0000	–	0.0000	0.0000
	Group 2	0.0000	0.0000	0.0000	0.0000

Group 1 shares are those shares purchased at or before 2pm on 31 January 2020.

Group 2 shares are those shares purchased after 2pm on 31 January 2020.

Interim distribution paid in pence per share for the six months ended 31 January 2020

Income shares		Net revenue	Equalisation	Interim distribution paid 31 March 2020	Interim distribution paid 31 March 2019
Share Class 2	Group 1	0.0000	–	0.0000	0.5654
	Group 2	0.0000	0.0000	0.0000	0.5654

Group 1 shares are those shares purchased at or before 2pm on 31 July 2019.

Group 2 shares are those shares purchased after 2pm on 31 July 2019.

Equalisation

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

AVIVA INVESTORS EURO EQUITY MOM 1 FUND

The Fund closed on 18 May 2019, and will be terminated in due course.

The Fund's investors provided an instruction to redeem their respective investments in the Fund in full. Following this redemption the Fund was left as a shell fund with no shareholders and no assets requiring management. The ACD therefore proposed to terminate the Fund.

INVESTMENT OBJECTIVE

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

INVESTMENT POLICY

The Fund invested 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 might have invested 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

Please note, the Fund was closed on 18 May 2019 and is in the process of being terminated. No fund manager's report has been included within the annual report and financial statements as no investment activity has taken place during the year under review.

Material Portfolio Changes

There were no purchases or sales during the year as the Fund closed on 18 May 2019.

Synthetic Risk and Reward Indicator

Investment risks have been removed as the Fund closed on 18 May 2019.

COMPARATIVE TABLE

Class 2 Income	2020 p per share	2019 [§] p per share	2018 p per share
Change in net assets per share			
Opening net asset value per share	–	242.19	237.05
Return before operating charges [‡]	–	(239.64)	10.86
Operating charges	–	(1.87)	(2.54)
Return after operating charges [‡]	–	(241.51)	8.32
Distributions	–	(0.68)	(3.18)
Closing net asset value per share	–	–	242.19
[†] after direct transaction costs of	–	(0.29)	(0.46)
Performance			
Return after charges	–	–	3.51%
Other information			
Closing net asset value (£000)	–	–	167,490
Closing number of shares	–	–	69,157,059
Operating charges (%) [‡]	–	1.07%	1.05%
Direct transaction costs (%) [#]	–	0.13%	0.19%
Prices[≈]			
Highest share price	–	243.83	252.18
Lowest share price	–	202.82	226.23

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

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

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

[≈] The high and low prices disclosed are the high and low prices for the accounting period and not the calendar year and are based on published prices. The net asset value per share price is based on the net asset value in the published accounts and may be different due to post year end accounting adjustments.

[§] Up to 18 May 2019 (date the Fund closed).

Ongoing Charges Figure*

Share class	31.07.20	31.07.19
Class 2	–	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 year. The OCF is made up of the Fund Management Fee and, where a fund invests a substantial portion of its assets in other funds, an amount for the pro-rated charges of those other funds (referred to as “synthetic charges” or the “synthetic” part of the ongoing charge). The figure for ongoing charges excludes performance fees and portfolio transaction costs, except in the case of an entry/exit charge paid by the Fund when buying or selling shares/units in another collective investment scheme.

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

Portfolio Statement

As the Fund closed on 18 May 2019, there were no investments as at 31 July 2020.

STATEMENT OF TOTAL RETURN

For the year ended 31 July 2020

	Notes	£000	Year ended 31.07.20 £000	£000	Year ended 31.07.19 £000
Income					
Net capital losses	2		–		(10,825)
Revenue	3	2		2,418	
Expenses					
	4	(9)		(1,228)	
Net (expense)/revenue before taxation		(7)		1,190	
Taxation	5	113		(145)	
Net revenue after taxation			106		1,045
Total return before distributions			106		(9,780)
Distributions	6		–		(829)
Change in net assets attributable to shareholders from investment activities			106		(10,609)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 31 July 2020

	£000	Year ended 31.07.20 £000	£000	Year ended 31.07.19 £000
Opening net assets attributable to shareholders		–		167,490
Movement due to issue and cancellation of shares:				
Amounts payable on cancellation of shares	–		(156,784)	
				(156,784)
Dilution adjustment		–		120
Change in net assets attributable to shareholders from investment activities (see above)		106		(10,609)
Fund closure		(106)		(217)
Closing net assets attributable to shareholders		–		–

BALANCE SHEET

As at 31 July 2020

	Notes	As at 31.07.20 £000	As at 31.07.19 £000
Assets:			
Current assets:			
Debtors	7	200	270
Cash and bank balances	8	187	7
Total assets		387	277
Liabilities:			
Creditors:			
Other creditors	9	(387)	(277)
Total liabilities		(387)	(277)
Net assets attributable to shareholders		-	-

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting basis and policies

Please see pages 7 to 9 for accounting basis and policies.

2 Net capital losses

	Year ended 31.07.20 £000	Year ended 31.07.19 £000
Net capital losses on investment during the year comprise:		
Compensation items	–	3
Currency losses	–	(319)
Non-derivative securities losses	–	(10,509)
Net capital losses	–	(10,825)

3 Revenue

	Year ended 31.07.20 £000	Year ended 31.07.19 £000
Bank and deposit interest	2	21
Overseas dividends	–	2,360
UK dividends	–	37
Total revenue	2	2,418

4 Expenses

	Year ended 31.07.20 £000	Year ended 31.07.19 £000
Payable to the Authorised Corporate Director ("ACD"), associates of the ACD or agents of either of them:		
Fund Management Fee	9	1,197
	9	1,197
Payable to the Depositary, associates of the Depositary or agents of either of them:		
Interest payable	–	1
	–	1
Other expenses:		
Closure costs	–	30
	–	30
Total expenses	9	1,228

The audit fee was £8,562 (2019: £8,733) net of VAT.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Taxation**a Analysis of tax charge**

	Year ended 31.07.20 £000	Year ended 31.07.19 £000
Overseas tax suffered	(113)	145
Total current tax for the year (see note 5b)	(113)	145

b Factors affecting current tax charge

The tax assessed for the year is lower (2019: lower) than the standard rate of corporation tax in the UK for an Authorised Investment Fund (20%) (2019: 20%).

The differences are explained below:

	Year ended 31.07.20 £000	Year ended 31.07.19 £000
Net (expense)/revenue before taxation	(7)	1,190
Corporation tax at 20%	(1)	238
Effects of:		
Movement in excess management expenses	1	226
Overseas dividends not subject to corporation tax	–	(454)
Overseas tax suffered	(113)	145
Tax relief for overseas tax suffered	–	(3)
UK dividends not subject to corporation tax	–	(7)
	(112)	(93)
Current tax charge (see note 5a)	(113)	145

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

c Deferred tax

There was no provision for deferred tax at the year end (2019: £nil).

After claiming relief against accrued income taxable on receipt, the Fund has unrelieved excess expenses of £9,879,642 (2019: £9,873,502) creating a potential deferred tax asset of £1,975,928 (2019: £1,974,700). It is unlikely that the Fund will generate taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

6 Distributions

	Year ended 31.07.20 £000	Year ended 31.07.19 £000
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:		
Interim distribution	–	–
Final distribution	–	414
	–	414
Add: Revenue deducted on cancellation of shares	–	415
Deduct: Revenue received on issue of shares	–	–
Total distributions	–	829
Reconciliation of distributions for the year to net revenue after taxation		
Distributions for the year	–	829
Movement in revenue account	106	216
Net revenue after taxation	106	1,045

Details of the distributions per share are set out in the distribution tables on page 66.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 Debtors

	As at 31.07.20 £000	As at 31.07.19 £000
Overseas tax recoverable	190	270
Prepaid expenses	10	–
Total debtors	200	270

8 Cash and bank balances

	As at 31.07.20 £000	As at 31.07.19 £000
Cash and bank balances	187	7
Total cash and bank balances	187	7

9 Other creditors

	As at 31.07.20 £000	As at 31.07.19 £000
Accrued expenses	34	30
Amounts payable to ACD	353	247
Total other creditors	387	277

10 Contingent liabilities and commitments

There were no contingent liabilities or commitments at the year end (2019: £nil).

11 Related party transactions

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

Fund Management Fee paid to Aviva Investors UK Fund Services Limited ("the ACD") are shown in note 4 and details of shares issued and canceled by the ACD are shown in the statement of change in net assets attributable to shareholders. The balance due to the ACD at the year end in respect of Fund Management Fee was £nil (2019: £nil).

Any balance due from the ACD in respect of issues is shown in note 7. Any balance due to the ACD in respect of cancellations is shown in note 9.

Distributions payable to the ACD and related parties of the ACD during the year amounted to £nil (2019: £414,447). The amount outstanding at the year end was £nil (2019: £nil). Related parties of the ACD are deemed to be all companies under the control of Aviva Plc. This will include companies which hold shares in the Fund on behalf of other external investors.

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

12 Derivatives and other financial instruments

The policies applied in the management of financial instruments are set out on pages 7 to 9.

Fair value of financial assets and financial liabilities

There is no significant difference between the carrying values of the financial assets and liabilities and their fair values (2019: £nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13 Direct transaction costs

No transaction costs or taxes were incurred during the current year ended 31 July 2020.

31.07.19	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
Purchases (excluding Inspecie & Corporate Action activity)						
Equities	(62,645)	(29)	(67)	(62,741)	0.05%	0.11%
Purchases (include Corporate Action activity only)						
Equities	(257)	–	–	(257)	0.00%	0.00%
	(62,902)	(29)	(67)	(62,998)		
Sales (excluding Inspecie & Corporate Action activity)						
Equities	217,292	(85)	–	217,207	0.04%	0.00%
	217,292	(85)	–	217,207		
Total		(114)	(67)			
Percentage of Fund average net assets		0.08%	0.05%			

14 Post balance sheet events

There are no post balance sheet events which require adjustment or disclosure at the year end (2019: £nil).

DISTRIBUTION TABLES

Final distribution paid in pence per share for the three months ended 30 April 2020

Income shares		Net revenue	Equalisation	Final distribution paid 30 June 2020	Final distribution paid 28 June 2019
Share Class 2	Group 1	0.0000	–	0.0000	0.6768
	Group 2	0.0000	0.0000	0.0000	0.6768

Group 1 shares are those shares purchased at or before 2pm on 31 January 2020.

Group 2 shares are those shares purchased after 2pm on 31 January 2020.

Interim distribution paid in pence per share for the six months ended 31 January 2020

Income shares		Net revenue	Equalisation	Interim distribution paid 31 March 2020	Interim distribution paid 31 March 2019
Share Class 2	Group 1	0.0000	–	0.0000	0.0000
	Group 2	0.0000	0.0000	0.0000	0.0000

Group 1 shares are those shares purchased at or before 2pm on 31 July 2019.

Group 2 shares are those shares purchased after 2pm on 31 July 2019.

Equalisation

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

AVIVA INVESTORS EURO EQUITY MOM 2 FUND

The Fund closed on 18 May 2019, and will be terminated in due course.

The Fund's investors provided an instruction to redeem their respective investments in the Fund in full. Following this redemption the Fund was left as a shell fund with no shareholders and no assets requiring management. The ACD therefore proposed to terminate the Fund.

INVESTMENT OBJECTIVE

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

INVESTMENT POLICY

The Fund invested 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 might have invested 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

Please note, the Fund was closed on 18 May 2019 and is in the process of being terminated. No fund manager's report has been included within the annual report and financial statements as no investment activity has taken place during the year under review.

Material Portfolio Changes

There were no purchases or sales during the year as the Fund closed on 18 May 2019.

Synthetic Risk and Reward Indicator

Investment risks have been removed as the Fund closed on 18 May 2019.

COMPARATIVE TABLE

Class 2 Income	2020 p per share	2019 [§] p per share	2018 p per share
Change in net assets per share			
Opening net asset value per share	–	257.38	244.30
Return before operating charges [‡]	–	(254.71)	20.11
Operating charges	–	(1.89)	(2.63)
Return after operating charges [‡]	–	(256.60)	17.48
Distributions	–	(0.78)	(4.40)
Closing net asset value per share	–	–	257.38
[†] after direct transaction costs of	–	(0.09)	(0.12)
Performance			
Return after charges	–	–	7.16%
Other information			
Closing net asset value (£000)	–	–	54,825
Closing number of shares	–	–	21,300,985
Operating charges (%) [‡]	–	1.05%	1.06%
Direct transaction costs (%) [#]	–	0.04%	0.05%
Prices[≈]			
Highest share price	–	264.07	264.60
Lowest share price	–	203.84	235.33

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

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

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

[≈] The high and low prices disclosed are the high and low prices for the accounting period and not the calendar year and are based on published prices. The net asset value per share price is based on the net asset value in the published accounts and may be different due to post year end accounting adjustments.

[§] Up to 18 May 2019 (date the Fund closed).

Ongoing Charges Figure*

Share class	31.07.20	31.07.19
Class 2	–	1.05%

* The Ongoing Charges Figure (OCF) is calculated as the ratio of the total ongoing charges to the average net asset value of the Fund over the year. The OCF is made up of the Fund Management Fee and, where a fund invests a substantial portion of its assets in other funds, an amount for the pro-rated charges of those other funds (referred to as “synthetic charges” or the “synthetic” part of the ongoing charge). The figure for ongoing charges excludes performance fees and portfolio transaction costs, except in the case of an entry/exit charge paid by the Fund when buying or selling shares/units in another collective investment scheme.

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

Portfolio Statement

As the Fund closed on 18 May 2019, there were no investments as at 31 July 2020.

STATEMENT OF TOTAL RETURN

For the year ended 31 July 2020

	Notes	£000	Year ended 31.07.20 £000	£000	Year ended 31.07.19 £000
Income					
Net capital losses	2		–		(5,789)
Revenue	3	4		787	
Expenses	4	(9)		(424)	
Net (expense)/revenue before taxation		(5)		363	
Taxation	5	177		(83)	
Net revenue after taxation			172		280
Total return before distributions			172		(5,509)
Distributions	6		–		(206)
Change in net assets attributable to shareholders from investment activities			172		(5,715)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 31 July 2020

	£000	Year ended 31.07.20 £000	£000	Year ended 31.07.19 £000
Opening net assets attributable to shareholders		–		54,825
Movement due to issue and cancellation of shares:				
Amounts payable on cancellation of shares	–		(49,077)	
				(49,077)
Dilution adjustment		–		45
Change in net assets attributable to shareholders from investment activities (see above)		172		(5,715)
Fund closure		(172)		(78)
Closing net assets attributable to shareholders		–		–

BALANCE SHEET

As at 31 July 2020

	Notes	As at 31.07.20 £000	As at 31.07.19 £000
Assets:			
Current assets:			
Debtors	7	100	108
Cash and bank balances	8	187	–
Total assets		287	108
Liabilities:			
Creditors:			
Other creditors	9	(287)	(108)
Total liabilities		(287)	(108)
Net assets attributable to shareholders		–	–

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting basis and policies

Please see pages 7 to 9 for accounting basis and policies.

2 Net capital losses

	Year ended 31.07.20 £000	Year ended 31.07.19 £000
Net capital losses on investment during the year comprise:		
Compensation items	–	2
Currency losses	–	(132)
Non-derivative securities losses	–	(5,659)
Net capital losses	–	(5,789)

3 Revenue

	Year ended 31.07.20 £000	Year ended 31.07.19 £000
Bank and deposit interest	4	6
Overseas dividends	–	781
Total revenue	4	787

4 Expenses

	Year ended 31.07.20 £000	Year ended 31.07.19 £000
Payable to the Authorised Corporate Director ("ACD"), associates of the ACD or agents of either of them:		
Fund Management Fee	9	393
	9	393
Payable to the Depositary, associates of the Depositary or agents of either of them:		
Interest payable	–	1
	–	1
Other expenses:		
Closure costs	–	30
	–	30
Total expenses	9	424

The audit fee was £8,562 (2019: £8,733) net of VAT.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Taxation**a Analysis of tax charge**

	Year ended 31.07.20 £000	Year ended 31.07.19 £000
Overseas tax suffered	(177)	83
Total current tax for the year (see note 5b)	(177)	83

b Factors affecting current tax charge

The tax assessed for the year is lower (2019: higher) than the standard rate of corporation tax in the UK for an Authorised Investment Fund (20%) (2019: 20%).

The differences are explained below:

	Year ended 31.07.20 £000	Year ended 31.07.19 £000
Net (expense)/revenue before taxation	(5)	363
Corporation tax at 20%	(1)	73
Effects of:		
Movement in excess management expenses	1	84
Overseas dividends not subject to corporation tax	–	(157)
Overseas tax suffered	(177)	83
	(176)	10
Current tax charge (see note 5a)	(177)	83

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

c Deferred tax

There was no provision for deferred tax at the year end (2019: £nil).

After claiming relief against accrued income taxable on receipt, the Fund has unrelieved excess expenses of £4,655,070 (2019: £4,650,213) creating a potential deferred tax asset of £931,014 (2019: £930,043). It is unlikely that the Fund will generate taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

6 Distributions

	Year ended 31.07.20 £000	Year ended 31.07.19 £000
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:		
Final distribution	–	152
	–	152
Add: Revenue deducted on cancellation of shares	–	54
Total distributions	–	206
Reconciliation of distributions for the year to net revenue after taxation		
Distributions for the year	–	206
Movement in revenue account	172	74
Net revenue after taxation	172	280

Details of the distributions per share are set out in the distribution tables on page 75.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 Debtors

	As at 31.07.20 £000	As at 31.07.19 £000
Overseas tax recoverable	100	108
Total debtors	100	108

8 Cash and bank balances

	As at 31.07.20 £000	As at 31.07.19 £000
Cash and bank balances	187	–
Total cash and bank balances	187	–

9 Other creditors

	As at 31.07.20 £000	As at 31.07.19 £000
Accrued expenses	37	30
Amounts payable to ACD	250	78
Total other creditors	287	108

10 Contingent liabilities and commitments

There were no contingent liabilities or commitments at the year end (2019: £nil).

11 Related party transactions

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

Fund Management Fee paid to Aviva Investors UK Fund Services Limited ("the ACD") are shown in note 4 and details of shares issued and canceled by the ACD are shown in the statement of change in net assets attributable to shareholders. The balance due to the ACD at the year end in respect of Fund Management Fee was £nil (2019: £nil).

Any balance due from the ACD in respect of issues is shown in note 7. Any balance due to the ACD in respect of cancellations is shown in note 9.

Distributions payable to the ACD and related parties of the ACD during the year amounted to £nil (2019: £151,943). The amount outstanding at the year end was £nil (2019: £nil). Related parties of the ACD are deemed to be all companies under the control of Aviva Plc. This will include companies which hold shares in the Fund on behalf of other external investors.

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

12 Derivatives and other financial instruments

The policies applied in the management of financial instruments are set out on pages 7 to 9.

Fair value of financial assets and financial liabilities

There is no significant difference between the carrying values of the financial assets and liabilities and their fair values (2019: £nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13 Direct transaction costs

No transaction costs or taxes were incurred during the current year ended 31 July 2020.

31.07.19	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
Purchases (excluding Inspecie & Corporate Action activity)						
Equities	(12,691)	(5)	(5)	(12,701)	0.04%	0.04%
	(12,691)	(5)	(5)	(12,701)		
Sales (excluding Inspecie & Corporate Action activity)						
Equities	61,299	(8)	–	61,291	0.01%	0.00%
	61,299	(8)	–	61,291		
Total		(13)	(5)			
Percentage of Fund average net assets		0.03%	0.01%			

14 Post balance sheet events

There are no post balance sheet events which require adjustment or disclosure at the year end (2019: £nil).

DISTRIBUTION TABLES

Final distribution paid in pence per share for the three months ended 30 April 2020

Income shares		Net revenue	Equalisation	Final distribution paid 30 June 2020	Final distribution paid 28 June 2019
Share Class 2	Group 1	0.0000	–	0.0000	0.7831
	Group 2	0.0000	0.0000	0.0000	0.7831

Group 1 shares are those shares purchased at or before 2pm on 31 January 2020.

Group 2 shares are those shares purchased after 2pm on 31 January 2020.

Interim distribution paid in pence per share for the six months ended 31 January 2020

Income shares		Net revenue	Equalisation	Interim distribution paid 31 March 2020	Interim distribution paid 31 March 2019
Share Class 2	Group 1	0.0000	–	0.0000	0.0000
	Group 2	0.0000	0.0000	0.0000	0.0000

Group 1 shares are those shares purchased at or before 2pm on 31 July 2019.

Group 2 shares are those shares purchased after 2pm on 31 July 2019.

Equalisation

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

AVIVA INVESTORS APAC EQUITY MOM 1 FUND

The Fund closed on 18 May 2019, and will be terminated in due course.

The Fund's investors provided an instruction to redeem their respective investments in the Fund in full. Following this redemption the Fund was left as a shell fund with no shareholders and no assets requiring management. The ACD therefore proposed to terminate the Fund.

INVESTMENT OBJECTIVE

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

INVESTMENT POLICY

The Fund invested 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 might have invested 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

Please note, the Fund was closed on 18 May 2019 and is in the process of being terminated. No fund manager's report has been included within the annual report and financial statements as no investment activity has taken place during the year under review.

Material Portfolio Changes

There were no purchases or sales during the year as the Fund closed on 18 May 2019.

Synthetic Risk and Reward Indicator

Investment risks have been removed as the Fund closed on 18 May 2019.

COMPARATIVE TABLE

Class 2 Income	2020 p per share	2019 [§] p per share	2018 p per share
Change in net assets per share			
Opening net asset value per share	–	277.79	265.20
Return before operating charges [‡]	–	(273.82)	19.99
Operating charges	–	(2.75)	(3.69)
Return after operating charges [‡]	–	(276.57)	16.30
Distributions	–	(1.22)	(3.71)
Closing net asset value per share	–	–	277.79
[†] after direct transaction costs of	–	(0.43)	(0.19)
Performance			
Return after charges	–	–	6.15%
Other information			
Closing net asset value (£000)	–	–	67,003
Closing number of shares	–	–	24,120,133
Operating charges (%) [‡]	–	1.36%	1.34%
Direct transaction costs (%) [#]	–	0.16%	0.07%
Prices[≈]			
Highest share price	–	294.73	287.45
Lowest share price	–	244.65	261.57

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

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

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

[≈] The high and low prices disclosed are the high and low prices for the accounting period and not the calendar year and are based on published prices. The net asset value per share price is based on the net asset value in the published accounts and may be different due to post year end accounting adjustments.

[§] Up to 18 May 2019 (date the Fund closed).

Ongoing Charges Figure*

Share class	31.07.20	31.07.19
Class 2	–	1.36%

* The Ongoing Charges Figure (OCF) is calculated as the ratio of the total ongoing charges to the average net asset value of the Fund over the year. The OCF is made up of the Fund Management Fee and, where a fund invests a substantial portion of its assets in other funds, an amount for the pro-rated charges of those other funds (referred to as “synthetic charges” or the “synthetic” part of the ongoing charge). The figure for ongoing charges excludes performance fees and portfolio transaction costs, except in the case of an entry/exit charge paid by the Fund when buying or selling shares/units in another collective investment scheme.

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

Portfolio Statement

As the Fund closed on 18 May 2019, there were no investments as at 31 July 2020.

STATEMENT OF TOTAL RETURN

For the year ended 31 July 2020

	Notes	£000	Year ended 31.07.20 £000	£000	Year ended 31.07.19 £000
Income					
Net capital (losses)/gains	2		(90)		488
Revenue	3	90		1,046	
Expenses					
	4	(10)		(681)	
Net revenue before taxation		80		365	
Taxation	5	137		(75)	
Net revenue after taxation			217		290
Total return before distributions			127		778
Distributions	6		–		(294)
Change in net assets attributable to shareholders from investment activities			127		484

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 31 July 2020

	£000	Year ended 31.07.20 £000	£000	Year ended 31.07.19 £000
Opening net assets attributable to shareholders		–		67,003
Movement due to issue and cancellation of shares:				
Amounts payable on cancellation of shares	–		(67,652)	
		–		(67,652)
Dilution adjustment		–		175
Change in net assets attributable to shareholders from investment activities (see above)		127		484
Fund closure		(127)		(10)
Closing net assets attributable to shareholders		–		–

BALANCE SHEET

As at 31 July 2020

	Notes	As at 31.07.20 £000	As at 31.07.19 £000
Assets:			
Current assets:			
Debtors	7	14	3
Cash and bank balances	8	157	37
Total assets		171	40
Liabilities:			
Creditors:			
Other creditors	9	(171)	(40)
Total liabilities		(171)	(40)
Net assets attributable to shareholders		-	-

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting basis and policies

Please see pages 7 to 9 for accounting basis and policies.

2 Net capital (losses)/gains

	Year ended 31.07.20 £000	Year ended 31.07.19 £000
Net capital (losses)/gains on investment during the year comprise:		
Compensation items	–	2
Currency losses	–	(106)
Non-derivative securities (losses)/gains	(90)	592
Net capital (losses)/gains	(90)	488

3 Revenue

	Year ended 31.07.20 £000	Year ended 31.07.19 £000
Bank and deposit interest	–	6
Overseas dividends	–	999
Revenue from offshore funds	90	–
Stock dividends	–	15
UK dividends	–	26
Total revenue	90	1,046

4 Expenses

	Year ended 31.07.20 £000	Year ended 31.07.19 £000
Payable to the Authorised Corporate Director ("ACD"), associates of the ACD or agents of either of them:		
Fund Management Fee	9	651
	9	651
Payable to the Depositary, associates of the Depositary or agents of either of them:		
Interest payable	1	–
	1	–
Other expenses:		
Closure costs	–	30
	–	30
Total expenses	10	681

The audit fee was £8,562 (2019: £8,733) net of VAT.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Taxation**a Analysis of tax charge**

	Year ended 31.07.20 £000	Year ended 31.07.19 £000
Overseas tax suffered	(137)	75
Total current tax for the year (see note 5b)	(137)	75

b Factors affecting current tax charge

The tax assessed for the year is lower (2019: higher) than the standard rate of corporation tax in the UK for an Authorised Investment Fund (20%) (2019: 20%).

The differences are explained below:

	Year ended 31.07.20 £000	Year ended 31.07.19 £000
Net revenue before taxation	80	365
Corporation tax at 20%	16	73
Effects of:		
Movement in excess management expenses	2	135
Overseas dividends not subject to corporation tax	(18)	(200)
Overseas tax suffered	(137)	75
Stock dividends not subject to corporation tax	–	(3)
UK dividends not subject to corporation tax	–	(5)
	(153)	2
Current tax charge (see note 5a)	(137)	75

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

c Deferred tax

There was no provision for deferred tax at the year end (2019: £nil).

After claiming relief against accrued income taxable on receipt, the Fund has unrelieved excess expenses of £8,162,931 (2019: £8,154,369) creating a potential deferred tax asset of £1,632,586 (2019: £1,630,874). It is unlikely that the Fund will generate taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

6 Distributions

	Year ended 31.07.20 £000	Year ended 31.07.19 £000
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:		
Interim distribution	–	269
Final distribution	–	18
	–	287
Add: Revenue deducted on cancellation of shares	–	7
Total distributions	–	294
Reconciliation of distributions for the year to net revenue after taxation		
Distributions for the year	–	294
Movement in revenue account	217	(4)
Net revenue after taxation	217	290

Details of the distributions per share are set out in the distribution tables on page 84.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 Debtors

	As at 31.07.20 £000	As at 31.07.19 £000
Overseas tax recoverable	3	3
Prepaid expenses	11	–
Total debtors	14	3

8 Cash and bank balances

	As at 31.07.20 £000	As at 31.07.19 £000
Cash and bank balances	157	37
Total cash and bank balances	157	37

9 Other creditors

	As at 31.07.20 £000	As at 31.07.19 £000
Accrued expenses	34	30
Amounts payable to ACD	137	10
Total other creditors	171	40

10 Contingent liabilities and commitments

There were no contingent liabilities or commitments at the year end (2019: £nil).

11 Related party transactions

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

Fund Management Fee paid to Aviva Investors UK Fund Services Limited ("the ACD") are shown in note 4 and details of shares issued and canceled by the ACD are shown in the statement of change in net assets attributable to shareholders. The balance due to the ACD at the year end in respect of Fund Management Fee was £nil (2019: £nil).

Any balance due from the ACD in respect of issues is shown in note 7. Any balance due to the ACD in respect of cancellations is shown in note 9.

Distributions payable to the ACD and related parties of the ACD during the year amounted to £nil (2019: £286,598). The amount outstanding at the year end was £nil (2019: £nil). Related parties of the ACD are deemed to be all companies under the control of Aviva Plc. This will include companies which hold shares in the Fund on behalf of other external investors.

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

12 Derivatives and other financial instruments

The policies applied in the management of financial instruments are set out on pages 7 to 9.

Fair value of financial assets and financial liabilities

There is no significant difference between the carrying values of the financial assets and liabilities and their fair values (2019: £nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13 Direct transaction costs

No transaction costs or taxes were incurred during the current year ended 31 July 2020.

31.07.19	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
Purchases (excluding Inspecie & Corporate Action activity)						
Equities	(1,309)	–	(1)	(1,310)	0.00%	0.08%
	(1,309)	–	(1)	(1,310)		
Sales (excluding Inspecie & Corporate Action activity)						
Equities	62,963	(26)	(74)	62,863	0.04%	0.12%
Funds	6,098	–	–	6,098	0.00%	0.00%
	69,061	(26)	(74)	68,961		
Total		(26)	(75)			
Percentage of Fund average net assets		0.04%	0.12%			

14 Post balance sheet events

There are no post balance sheet events which require adjustment or disclosure at the year end (2019: £nil).

DISTRIBUTION TABLES

Final distribution paid in pence per share for the three months ended 30 April 2020

Income shares		Net revenue	Equalisation	Final distribution paid 30 June 2020	Final distribution paid 28 June 2019
Share Class 2	Group 1	0.0000	–	0.0000	0.0764
	Group 2	0.0000	0.0000	0.0000	0.0764

Group 1 shares are those shares purchased at or before 2pm on 31 January 2020.

Group 2 shares are those shares purchased after 2pm on 31 January 2020.

Interim distribution paid in pence per share for the six months ended 31 January 2020

Income shares		Net revenue	Equalisation	Interim distribution paid 31 March 2020	Interim distribution paid 31 March 2019
Share Class 2	Group 1	0.0000	–	0.0000	1.1449
	Group 2	0.0000	0.0000	0.0000	1.1449

Group 1 shares are those shares purchased at or before 2pm on 31 July 2019.

Group 2 shares are those shares purchased after 2pm on 31 July 2019.

Equalisation

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

AVIVA INVESTORS JAPAN EQUITY MOM 1 FUND

INVESTMENT OBJECTIVE

The Fund aims to grow your investment over the long term (5 years or more) by investing in shares of Japanese companies.

INVESTMENT POLICY

Core investment

At least 80% of the Fund will be invested in shares of companies which are domiciled or listed in Japan or which have significant trading activities in Japan.

Other investments

The Fund may also invest in other funds and up to 5% in deposits and cash.

Strategy

The Fund is actively managed and will invest in shares that are deemed to offer opportunities for growth.

The process for making these decisions follows detailed analysis based on a wide range of financial metrics and research. The Investment Manager looks to identify companies and sectors which the market has not accurately priced. This strategy aims to grow the Fund over the long term (5 years or more) by benefitting from the price corrections of the chosen shares as they move towards their true value as determined by the manager. In addition, the Fund has limited exclusions based on Aviva Investors' UK Responsible Investment policy. Further information on the Aviva Investors UK Responsible Investment policy is available on our website and in the Prospectus.

Performance & Risk Measurement

The Fund's performance is compared against the FTSE® World Japan Index (the "Index")*.

The Fund does not aim to track the Index, so may not hold every company in the Index and may also hold companies that do not form part of it. The Fund can hold larger positions in companies than they represent within the Index, but any overweight position is capped at 5% of the Fund's value over and above the index weight of that company.

The Fund uses a "tracking error" to measure the consistency between the Fund's returns and the returns of the Index. In general, the lower the tracking error, the more consistent the Fund's returns are relative to the Index, and vice-versa. The Fund is expected to have an average yearly tracking error of between 3% and 9% per annum compared to the Index. In certain conditions the Fund may be outside of this range.

FUND MANAGER'S REPORT

Performance

Over the twelve months ended 31 July 2020 the Fund* returned -4.46% (net of fees). The Fund's benchmark, the FTSE® World Japan Index, returned -5.31% over the same period.

Review

For the twelve month review period ending July 2020, the FT Japan Index declined by 5.31% in GBP terms. The Japan equity market faced a substantial sell-off during the January-March quarter and this weighed on the overall return for the review period. As the number of confirmed COVID-19 coronavirus cases spread beyond China, investors turned their attention to the global economic impact of the pandemic. Cyclical stocks suffered quite rapid and massive sell-offs amid the collapse in market sentiment. Global markets including Japan's equity market rebounded from April, supported by expectations of a recovery in both domestic and global economic conditions. The rapid market turnaround was triggered by substantial market liquidity provided by monetary authorities as well as fiscal stimulus policies on an unprecedented scale. Support also came from the slowing rate of new COVID-19 cases in many countries, while news of potential pharmaceutical treatments or vaccine developments have helped market participants to look beyond the near-term weakness. Nevertheless, the upward momentum of equity markets waned toward the end of the quarter amid concerns over a second wave of the coronavirus pandemic.

Sector allocation had a negative effect (-34bp) on the relative performance during the period. Our overweight position in Commodities had a negative impact on the performance, while the underweight position in the Medical sector also detracted from the relative return.

Amid the volatile market conditions, stock selection during the review period made a positive contribution of 263bp. The substantial drag resulting from stock selection effects in the January-March period was reversed through the rebound in the following quarter from those stocks that had initially suffered most. Nevertheless, portfolio stocks that have gained most appeared to benefit from the rising trend caused by the pandemic in certain business sectors.

Network integrator stocks including Net One Systems and NEC Network and System Integration soared. Demand for their products accelerated along with the sudden increase in the number of office staff working from home, which supported favourable earnings results and drove the strong performance among these stocks. Nitori Holdings, the largest furniture and household goods chain operator in Japan, also rallied along with robust sales that seem to have benefited from the shift to telecommuting and home working. Among the cyclical manufacturing stocks, Daifuku outperformed and contributed to the relative performance. This company is the world's leading equipment supplier for logistic systems. On the back of growing demand from electronics and e-commerce businesses worldwide, the company's steady revenue and earnings growth seemed to stand out clearly amid the weakened global economic conditions. On the other hand, real estate stocks suffered as the prospects for commercial and business properties plunged and our exposure to real estate developers including Mitsui Fudosan and Tokyu Fudosan Holdings detracted from the relative return. Our favoured bank holding, Sumitomo Mitsui Trust Holdings also declined as it has a relatively large exposure to real estate business compared to the other major banks.

AVIVA INVESTORS JAPAN EQUITY MOM 1 FUND (CONTINUED)

FUND MANAGER'S REPORT (CONTINUED)

Outlook

Despite a historic deterioration in real GDP growth in Japan for 2Q 2020 reflecting the severe damage inflicted by the coronavirus pandemic, the 7.8% (qoq) contraction in GDP did not seem too far from investors' own consensus expectations. Taking into account the sharp rebound in industrial production in July (+8.0%, mom) after a gradual normalisation of corporate and economic activity, we should be able to expect a moderate improvement both in GDP growth and corporate earnings from the July-September period onwards. However, different companies and sectors will experience widely varied and diverse trajectories towards recovery, and it could take much longer to achieve a return to pre-pandemic business conditions for some industries. For example, it is difficult to expect a substantial near-term recovery in heavy industries like automobiles. Moreover, in service and travel-related industries, such as airlines and hotels, there is little chance of a full recovery until a fundamental medical solution to the coronavirus materialises, such as widespread use of vaccines or reliable and available treatments. On the other hand, demand for IT infrastructure is expected to continue expanding at a relatively solid pace given the proliferation of e-commerce, digital entertainment and working from home.

The TOPIX index already appears to have factored in expectations of a future earnings recovery to some extent, with the 12-month forward P/E ratio rising to nearly 18, the highest in a decade. Thus, some investors seem to be increasingly wary of short-term overheating, as the economic fundamentals have lagged behind the market recovery. On the other hand, it is also unlikely that the major central banks will change their current policy stance in the near future. The Fed is widely expected to keep its highly accommodative monetary policy in place for the time being as it prioritises the job recovery in the US, even at the expense of allowing inflation to overshoot in the short term; as announced by Federal Reserve Chair Jerome Powell at the Jackson Hole Economic Symposium. Consequently, excessive liquidity conditions under a close to zero-interest-rate environment could continue to supply abundant liquidity into the equity market, which could further boost equity market valuation levels.

Prime Minister Abe's abrupt resignation due to a chronic health condition surprised the market at the end of August. Japan's longest serving prime minister brought a sense of political stability that investors feared could give way to a period of unwelcome near-term political uncertainty. However, we have assumed that the resignation and succession of a new prime minister from the ruling LDP is unlikely to have a major impact on Japan's equity market. Whoever takes over his position may have to deal with a continuing economic downturn in the wake of the coronavirus pandemic. Therefore, expansionary fiscal policies can be expected to continue, while the Bank of Japan's monetary policy is also likely to accord with the government with little change to its massive monetary easing framework.

Both foreign exchange markets and the Tokyo stock market, which fluctuated immediately after the resignation was reported, have quickly stabilised.

September 2020

* 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.

As noted above, the performance figures in this commentary have been sourced from an external party and are based on published prices. The performance figures quoted in the comparative table on page 87 are based on the net asset value per the published accounts and may be different due to post year end accounting adjustments.

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FTSE® World Japan Index is comprised of approximately 500 large and medium sized Japanese companies, as determined by their market capitalisation (total market value of a company's outstanding shares).

The benchmark index has been selected for performance and risk measurement because it is representative of the type of companies in which the Fund is likely to invest, and it is therefore an appropriate comparator for the Fund's performance.

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
Mitsui Fudosan	Hitachi
Fast Retailing	Daiwa House Industry
Shin-Etsu Chemical	Isuzu Motors
SUMCO	Honda Motor
Nitori Holdings	Mitsui Chemicals
Daifuku	Kao
Mitsui Chemicals	FUJIFILM Holdings
Kobe Steel	Daido Steel
Yamaha Motor	Shimano
Astellas Pharma	Shiseido

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

COMPARATIVE TABLE

Class 2 Income	2020 p per share	2019 p per share	2018 p per share
Change in net assets per share			
Opening net asset value per share	203.37	207.42	197.85
Return before operating charges [‡]	(6.47)	0.63	13.82
Operating charges	(2.61)	(2.56)	(2.69)
Return after operating charges [‡]	(9.08)	(1.93)	11.13
Distributions	(1.38)	(2.12)	(1.56)
Closing net asset value per share	192.91	203.37	207.42
[‡] after direct transaction costs of	(0.12)	(0.14)	(0.12)
Performance			
Return after charges	(4.46)%	(0.93)%	5.63%
Other information			
Closing net asset value (£000)	168,908	203,798	305,012
Closing number of shares	87,558,176	100,211,424	147,048,857
Operating charges (%) [‡]	1.31%	1.31%	1.30%
Direct transaction costs (%) [#]	0.06%	0.07%	0.06%
Prices[≈]			
Highest share price	213.37	213.05	223.49
Lowest share price	151.39	181.41	193.45

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

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

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

[≈] The high and low prices disclosed are the high and low prices for the accounting period and not the calendar year and are based on published prices. The net asset value per share price is based on the net asset value in the published accounts and may be different due to post year end accounting adjustments.

Ongoing Charges Figure*

Share class	31.07.20	31.07.19
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 year. The OCF is made up of the Fund Management Fee and, where a fund invests a substantial portion of its assets in other funds, an amount for the pro-rated charges of those other funds (referred to as "synthetic charges" or the "synthetic" part of the ongoing charge). The figure for ongoing charges excludes performance fees and portfolio transaction costs, except in the case of an entry/exit charge paid by the Fund when buying or selling shares/units in another collective investment scheme.

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

PORTFOLIO STATEMENT

As at 31 July 2020

Investment	Currency	Holding	Market Value £000	% of Net Assets
Equities 99.34% (99.29%)				
Communication Services 9.75% (7.26%)				
Diversified Telecommunication Services 4.08% (4.43%)				
Internet Initiative Japan	JPY	9,100	247	0.15
Nippon Telegraph & Telephone	JPY	376,200	6,640	3.93
			<u>6,887</u>	<u>4.08</u>
Entertainment 0.00% (0.15%)				
Media 0.92% (0.00%)				
Kadokawa	JPY	99,700	1,554	0.92
			<u>1,554</u>	<u>0.92</u>
Wireless Telecommunication Services 4.75% (2.68%)				
Softbank	JPY	219,000	2,237	1.32
SoftBank Group	JPY	121,500	5,788	3.43
			<u>8,025</u>	<u>4.75</u>
Communication Services total			16,466	9.75
Consumer Discretionary 18.74% (19.09%)				
Auto Components 4.18% (5.27%)				
Exedy	JPY	56,100	522	0.31
Keihin	JPY	57,800	1,054	0.63
NGK Spark Plug	JPY	153,100	1,560	0.92
Toyota Industries	JPY	101,900	3,920	2.32
			<u>7,056</u>	<u>4.18</u>
Automobiles 2.47% (6.28%)				
Honda Motor	JPY	142,700	2,603	1.54
Yamaha Motor	JPY	140,800	1,561	0.93
			<u>4,164</u>	<u>2.47</u>
Hotels, Restaurants & Leisure 0.15% (0.66%)				
Saizeriya	JPY	21,700	257	0.15
			<u>257</u>	<u>0.15</u>
Household Durables 4.06% (2.80%)				
Fujitsu General	JPY	130,500	2,423	1.44
Sony	JPY	75,900	4,427	2.62
			<u>6,850</u>	<u>4.06</u>
Leisure Products 1.00% (2.79%)				
Shimano	JPY	7,600	1,262	0.75
Tomy	JPY	76,000	433	0.25
			<u>1,695</u>	<u>1.00</u>
Specialty Retail 6.88% (1.29%)				
Fast Retailing	JPY	15,600	6,319	3.74
Nitori Holdings	JPY	31,700	5,308	3.14
			<u>11,627</u>	<u>6.88</u>
Consumer Discretionary total			31,649	18.74

PORTFOLIO STATEMENT (CONTINUED)

As at 31 July 2020

Investment	Currency	Holding	Market Value £000	% of Net Assets
Consumer Staples 3.17% (6.79%)				
Food & Staples Retailing 0.54% (1.48%)				
Mitsubishi Shokuhin	JPY	48,200	912	0.54
			912	0.54
Food Products 1.58% (0.00%)				
Toyo Suisan Kaisha	JPY	57,800	2,671	1.58
			2,671	1.58
Personal Products 1.05% (4.28%)				
Kao	JPY	32,100	1,772	1.05
			1,772	1.05
Tobacco 0.00% (1.03%)				
Consumer Staples total			5,355	3.17
Energy 0.00% (1.50%)				
Energy Equipment & Services 0.00% (0.92%)				
Oil, Gas & Consumable Fuels 0.00% (0.58%)				
Financials 7.08% (9.05%)				
Banks 3.12% (4.49%)				
Mitsubishi UFJ Financial Group	JPY	109,040	310	0.18
Sumitomo Mitsui Financial Group	JPY	74,700	1,512	0.90
Sumitomo Mitsui Trust Holdings	JPY	175,900	3,442	2.04
			5,264	3.12
Capital Markets 0.88% (0.00%)				
M&A Capital Partners	JPY	53,800	1,492	0.88
			1,492	0.88
Consumer Finance 1.46% (1.26%)				
Hitachi Capital	JPY	105,500	1,925	1.14
Jaccs	JPY	46,700	541	0.32
			2,466	1.46
Diversified Financial Services 1.24% (2.17%)				
ORIX	JPY	254,500	2,090	1.24
			2,090	1.24
Insurance 0.38% (1.13%)				
MS&AD Insurance Group Holdings	JPY	33,900	646	0.38
			646	0.38
Financials total			11,958	7.08
Health Care 10.46% (7.90%)				
Health Care Equipment & Supplies 1.57% (1.35%)				
Hoya	JPY	10,300	775	0.46
Systemex	JPY	32,000	1,879	1.11
			2,654	1.57
Health Care Providers & Services 0.00% (0.84%)				
Pharmaceuticals 8.89% (5.71%)				
Astellas Pharma	JPY	192,000	2,288	1.36
Daiichi Sankyo	JPY	109,300	7,310	4.33
JCR Pharmaceuticals	JPY	20,700	1,545	0.91
Shionogi	JPY	85,600	3,872	2.29
			15,015	8.89
Health Care total			17,669	10.46

PORTFOLIO STATEMENT (CONTINUED)

As at 31 July 2020

Investment	Currency	Holding	Market Value £000	% of Net Assets
Industrials 15.41% (17.32%)				
Air Freight & Logistics 0.93% (0.39%)				
Kintetsu World Express	JPY	120,000	1,559	0.93
			<u>1,559</u>	<u>0.93</u>
Airlines 0.00% (0.68%)				
Building Products 1.99% (0.82%)				
LIXIL Group	JPY	133,500	1,355	0.80
Nichiha	JPY	82,300	1,274	0.76
Sanwa Holdings	JPY	111,900	730	0.43
			<u>3,359</u>	<u>1.99</u>
Construction & Engineering 1.87% (3.09%)				
JGC Holdings	JPY	156,100	1,200	0.71
Shimizu	JPY	359,200	1,961	1.16
			<u>3,161</u>	<u>1.87</u>
Electrical Equipment 0.00% (1.30%)				
Machinery 9.26% (6.45%)				
Aida Engineering	JPY	223,900	1,065	0.63
Daifuku	JPY	81,700	5,601	3.32
Ebara	JPY	16,100	289	0.17
Furukawa	JPY	95,200	700	0.41
Hino Motors	JPY	438,900	1,923	1.14
SMC	JPY	11,300	4,493	2.66
THK	JPY	88,500	1,569	0.93
			<u>15,640</u>	<u>9.26</u>
Marine 0.00% (0.90%)				
Professional Services 1.01% (0.88%)				
Recruit Holdings	JPY	72,400	1,709	1.01
			<u>1,709</u>	<u>1.01</u>
Trading Companies & Distributors 0.35% (2.81%)				
Marubeni	JPY	169,600	595	0.35
			<u>595</u>	<u>0.35</u>
Industrials total			26,023	15.41
Information Technology 19.91% (15.26%)				
Electronic Equipment, Instruments & Components 5.22% (5.96%)				
Murata Manufacturing	JPY	137,900	6,588	3.90
Nippon Chemi-Con	JPY	185,100	2,225	1.32
			<u>8,813</u>	<u>5.22</u>
IT Services 6.78% (2.06%)				
NEC	JPY	104,900	4,460	2.64
NEC Networks & System Integration	JPY	146,500	2,359	1.40
NET One Systems	JPY	156,600	4,631	2.74
			<u>11,450</u>	<u>6.78</u>
Semiconductors & Semiconductor Equipment 7.08% (3.47%)				
Advantest	JPY	93,500	3,854	2.28
Disco	JPY	25,000	4,548	2.69
SUMCO	JPY	304,500	3,554	2.11
			<u>11,956</u>	<u>7.08</u>
Technology Hardware, Storage & Peripherals 0.83% (3.77%)				
Eizo	JPY	49,700	1,405	0.83
			<u>1,405</u>	<u>0.83</u>
Information Technology total			33,624	19.91

PORTFOLIO STATEMENT (CONTINUED)

As at 31 July 2020

Investment	Currency	Holding	Market Value £000	% of Net Assets
Materials 10.09% (8.67%)				
Chemicals 7.83% (6.27%)				
Asahi Kasei	JPY	351,700	1,911	1.13
JSR	JPY	13,600	223	0.13
Mitsui Chemicals	JPY	42,500	616	0.36
Nippon Soda	JPY	81,000	1,581	0.94
Shin-Etsu Chemical	JPY	56,600	5,022	2.97
Takasago International	JPY	24,200	351	0.21
Toyo Ink SC Holdings	JPY	102,700	1,411	0.83
Zeon	JPY	290,800	2,122	1.26
			<hr/>	
			13,237	7.83
Metals & Mining 2.26% (1.84%)				
Kobe Steel	JPY	817,100	1,997	1.18
Nippon Denko	JPY	1,013,700	1,041	0.62
Topy Industries	JPY	99,000	775	0.46
			<hr/>	
			3,813	2.26
Paper & Forest Products 0.00% (0.56%)				
Materials total			17,050	10.09
Real Estate 4.48% (4.95%)				
Real Estate Management & Development 4.48% (4.95%)				
Aeon Mall	JPY	96,100	873	0.52
Mitsubishi Estate	JPY	129,600	1,423	0.84
Mitsui Fudosan	JPY	300,500	3,579	2.12
Tokyu Fudosan Holdings	JPY	580,600	1,687	1.00
			<hr/>	
			7,562	4.48
Real Estate total			7,562	4.48
Utilities 0.25% (1.50%)				
Electric Utilities 0.00% (0.77%)				
Independent Power and Renewable Electricity Producers 0.25% (0.73%)				
Electric Power Development	JPY	41,600	431	0.25
			<hr/>	
			431	0.25
Utilities total			431	0.25
Equities total			167,787	99.34
Investment assets			167,787	99.34
Net other assets			1,121	0.66
Net assets			168,908	100.00

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

The comparative percentage figures in brackets are as at 31 July 2019.

STATEMENT OF TOTAL RETURN

For the year ended 31 July 2020

	Notes	£000	Year ended 31.07.20 £000	£000	Year ended 31.07.19 £000
Income					
Net capital losses	2		(12,773)		(12,741)
Revenue	3	4,367		6,949	
Expenses					
	4	(2,501)		(3,305)	
Net revenue before taxation		1,866		3,644	
Taxation	5	(436)		(692)	
Net revenue after taxation			1,430		2,952
Total return before distributions			(11,343)		(9,789)
Distributions	6		(1,430)		(2,952)
Change in net assets attributable to shareholders from investment activities			(12,773)		(12,741)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 31 July 2020

	£000	Year ended 31.07.20 £000	£000	Year ended 31.07.19 £000
Opening net assets attributable to shareholders		203,798		305,012
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	7,960		6,668	
Amounts payable on cancellation of shares	(30,142)		(95,284)	
		(22,182)		(88,616)
Dilution adjustment		65		143
Change in net assets attributable to shareholders from investment activities (see above)		(12,773)		(12,741)
Closing net assets attributable to shareholders		168,908		203,798

BALANCE SHEET

As at 31 July 2020

	Notes	As at 31.07.20 £000	As at 31.07.19 £000
Assets:			
Investments	7	167,787	202,352
Current assets:			
Debtors	8	88	282
Cash and bank balances	9	1,798	2,697
Total assets		169,673	205,331
Liabilities:			
Creditors:			
Distribution payable		(572)	(1,305)
Other creditors	10	(193)	(228)
Total liabilities		(765)	(1,533)
Net assets attributable to shareholders		168,908	203,798

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting basis and policies

Please see pages 7 to 9 for accounting basis and policies.

2 Net capital losses

	Year ended 31.07.20 £000	Year ended 31.07.19 £000
Net capital losses on investment during the year comprise:		
Compensation items	–	5
Currency losses	(45)	(141)
Non-derivative securities losses	(12,728)	(12,605)
Net capital losses	(12,773)	(12,741)

3 Revenue

	Year ended 31.07.20 £000	Year ended 31.07.19 £000
Bank and deposit interest	3	6
Overseas dividends	4,364	6,943
Total revenue	4,367	6,949

4 Expenses

	Year ended 31.07.20 £000	Year ended 31.07.19 £000
Payable to the Authorised Corporate Director ("ACD"), associates of the ACD or agents of either of them:		
Fund Management Fee	2,500	3,302
	2,500	3,302
Payable to the Depositary, associates of the Depositary or agents of either of them:		
Interest payable	1	3
	1	3
Total expenses	2,501	3,305

The audit fee was £8,904 (2019: £8,733) net of VAT.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Taxation**a Analysis of tax charge**

	Year ended 31.07.20 £000	Year ended 31.07.19 £000
Overseas tax suffered	436	692
Total current tax for the year (see note 5b)	436	692

b Factors affecting current tax charge

The tax assessed for the year is higher (2019: lower) than the standard rate of corporation tax in the UK for an Authorised Investment Fund (20%) (2019: 20%).

The differences are explained below:

	Year ended 31.07.20 £000	Year ended 31.07.19 £000
Net revenue before taxation	1,866	3,644
Corporation tax at 20%	373	729
Effects of:		
Movement in excess management expenses	500	660
Overseas dividends not subject to corporation tax	(873)	(1,389)
Overseas tax suffered	436	692
	63	(37)
Current tax charge (see note 5a)	436	692

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

c Deferred tax

There was no provision for deferred tax at the year end (2019: £nil).

After claiming relief against accrued income taxable on receipt, the Fund has unrelieved excess expenses of £20,087,537 (2019: £17,589,583) creating a potential deferred tax asset of £4,017,507 (2019: £3,517,917). It is unlikely that the Fund will generate taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

6 Distributions

	Year ended 31.07.20 £000	Year ended 31.07.19 £000
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:		
Interim distribution	728	1,115
Final distribution	572	1,305
	1,300	2,420
Add: Revenue deducted on cancellation of shares	158	544
Deduct: Revenue received on issue of shares	(28)	(12)
Total distributions	1,430	2,952

Details of the distributions per share are set out in the distribution tables on page 99.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 Fair value hierarchy

Valuation technique	As at 31.07.20 Assets £000	As at 31.07.19 Assets £000
Level 1: Quoted prices	167,787	202,352
Total value	167,787	202,352

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

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

The disclosure is split into the following categories:

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

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

Level 3: Valuation techniques using unobservable inputs.

8 Debtors

	As at 31.07.20 £000	As at 31.07.19 £000
Accrued revenue	88	282
Total debtors	88	282

9 Cash and bank balances

	As at 31.07.20 £000	As at 31.07.19 £000
Cash and bank balances	1,798	2,697
Total cash and bank balances	1,798	2,697

10 Other creditors

	As at 31.07.20 £000	As at 31.07.19 £000
Accrued expenses	193	228
Total other creditors	193	228

11 Contingent liabilities and commitments

There were no contingent liabilities or commitments at the year end (2019: £nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12 Related party transactions

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

Fund Management Fee paid to Aviva Investors UK Fund Services Limited ("the ACD") are shown in note 4 and details of shares issued and cancelled by the ACD are shown in the statement of change in net assets attributable to shareholders. The balance due to the ACD at the year end in respect of Fund Management Fee was £192,721 (2019: £228,248). Any balance due from the ACD in respect of issues is shown in note 8. Any balance due to the ACD in respect of cancellations is shown in note 10.

Distributions payable to the ACD and related parties of the ACD during the year amounted to £1,299,799 (2019: £2,420,262). The amount outstanding at the year end was £572,280 (2019: £1,304,953). Related parties of the ACD are deemed to be all companies under the control of Aviva Plc. This will include companies which hold shares in the Fund on behalf of other external investors.

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

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

	Holdings at 31.07.20 (shares)	Movement (shares)	Holdings at 31.07.19 (shares)
ACD and related parties	87,558,176	(12,653,248)	100,211,424

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

13 Shareholder funds

The Fund currently has one share class: Class 2 (Institutional). The Fund Management Fee is as follows:

Class 2: 1.31%

The net asset value of the share class, the net asset value per share and the number of shares in the class are shown on page 87. The distributions per share class are given in the distribution tables on page 99.

14 Shares in issue reconciliation

	Number of shares in issue at 31.07.19	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 31.07.20
Share Class 2 Income	100,211,424	3,838,886	(16,492,134)	–	87,558,176

15 Derivatives and other financial instruments

The policies applied in the management of financial instruments are set out on pages 7 to 9.

Fair value of financial assets and financial liabilities

There is no significant difference between the carrying values of the financial assets and liabilities and their fair values (2019: £nil).

Currency risk

At the year end date, 99.68% (2019: 99.44%) of the net assets of the Fund were denominated in currencies other than sterling with the effect that the balance sheet and total return can be significantly affected by currency movements. If currency rates were to change by 10.00%, the value of the Fund would change by 9.97% (2019: 9.94%).

Currency	Net foreign currency assets					
	Monetary exposure £000		Non monetary exposure £000		Total £000	
	31.07.20	31.07.19	31.07.20	31.07.19	31.07.20	31.07.19
Japanese Yen	586	295	167,787	202,352	168,373	202,647

Interest rate risk

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

At the year end date 1.06% (2019: 1.32%) of the net assets of the Fund were interest bearing and as such the interest rate risk is not considered significant.

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

Market price risk

At the year end date, 99.34% (2019: 99.29%) of the net assets of the Fund were invested in ordinary shares or stock units or debt securities admitted to an official stock exchange. If the market value were to change by 10%, the value of the Fund would change by 9.93% (2019: 9.93%).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16 Direct transaction costs

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

	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
31.07.20						
Purchases (excluding Inspecie & Corporate Action activity)						
Equities	(110,925)	(57)	–	(110,982)	0.05%	0.00%
	(110,925)	(57)	–	(110,982)		
Sales (excluding Inspecie & Corporate Action activity)						
Equities	132,876	(57)	–	132,819	0.04%	0.00%
	132,876	(57)	–	132,819		
Total		(114)	–			
Percentage of Fund average net assets		0.06%	0.00%			

	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
31.07.19						
Purchases (excluding Inspecie & Corporate Action activity)						
Equities	(216,109)	(87)	–	(216,196)	0.04%	0.00%
	(216,109)	(87)	–	(216,196)		
Sales (excluding Inspecie & Corporate Action activity)						
Equities	305,436	(87)	–	305,349	0.03%	0.00%
	305,436	(87)	–	305,349		
Total		(174)	–			
Percentage of Fund average net assets		0.07%	0.00%			

Dealing spread

As at 31 July 2020, the average portfolio dealing spread was 0.29% (2019: 0.24%). This spread represents the difference between the values determined retrospectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

17 Post balance sheet events

During the period from the balance sheet date to the date that the Financial Statements were approved, the coronavirus (Covid-19) outbreak has caused extensive disruptions to businesses and economic activities globally. The uncertainties over the emergence and spread of Covid-19 have caused market volatility on a global scale. The quantum of the effect on the price of each unit has been disclosed below. The Authorised Corporate Director is monitoring the situation and considering the effect it may have on the valuation of any impacted underlying investment holdings in the future. In accordance with the requirements of FRS 102 and the IA SORP, the fair valuations at balance sheet date reflect the economic conditions in existence at that date.

Share Class	Share Price in class currency 31.07.20	Share Price in class currency 26.11.20	Increase/(Decrease) %
Class 2 Income	199.95	232.73	16.39

The impact on the net asset value of the Fund is also shown below:

Share Class	Net Asset Value (£) 31.07.20	Net Redemption (£)	Market Movements (£)	Net Asset Value (£) 26.11.20
Class 2 Income	168,907,726	(11,870,000)	37,390,612	194,428,338

DISTRIBUTION TABLES

Final distribution payable in pence per share for the six months ended 31 July 2020

Income shares		Net revenue	Equalisation	Final distribution payable 30 September 2020	Final distribution paid 30 September 2019
Share Class 2	Group 1	0.6536	–	0.6536	1.3022
	Group 2	0.6536	0.0000	0.6536	1.3022

Group 1 shares are those shares purchased at or before 2pm on 31 January 2020.

Group 2 shares are those shares purchased after 2pm on 31 January 2020.

Interim distribution paid in pence per share for the six months ended 31 January 2019

Income shares		Net revenue	Equalisation	Interim distribution paid 31 March 2020	Interim distribution paid 31 March 2019
Share Class 2	Group 1	0.7236	–	0.7236	0.8213
	Group 2	0.0000	0.7236	0.7236	0.8213

Group 1 shares are those shares purchased at or before 2pm on 31 July 2019.

Group 2 shares are those shares purchased after 2pm on 31 July 2019.

Equalisation

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

AVIVA INVESTORS EM EQUITY MOM 1 FUND

The Fund closed on 18 May 2019, and will be terminated in due course.

The Fund's investors provided an instruction to redeem their respective investments in the Fund in full. Following this redemption the Fund was left as a shell fund with no shareholders and no assets requiring management. The ACD therefore proposed to terminate the Fund.

INVESTMENT OBJECTIVE

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

INVESTMENT POLICY

The Fund invested primarily in equity securities listed or traded in emerging markets. Limited exposure to other geographic regions may be possible. The Fund might have invested 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

Please note, the Fund closed on 18 May 2019 and is in the process of being terminated. No Fund Manager's report has been included within the annual report and financial statements as no investment activity has taken place during the year under review.

Material Portfolio Changes

There were no purchases or sales during the year as the Fund closed on 18 May 2019.

Synthetic Risk and Reward Indicator

Investment risks have been removed as the Fund closed on 18 May 2019.

COMPARATIVE TABLE

Class 2 Income	2020 p per share	2019 [§] p per share	2018 p per share
Change in net assets per share			
Opening net asset value per share	–	511.78	472.88
Return before operating charges [‡]	–	(505.83)	47.70
Operating charges	–	(5.69)	(7.01)
Return after operating charges [‡]	–	(511.52)	40.69
Distributions	–	(0.26)	(1.79)
Closing net asset value per share	–	–	511.78
[†] after direct transaction costs of	–	(1.07)	(0.66)
Performance			
Return after charges	–	–	8.60%
Other information			
Closing net asset value (£000)	–	–	78,646
Closing number of shares	–	–	15,367,112
Operating charges (%) [‡]	–	1.46%	1.38%
Direct transaction costs (%) [#]	–	0.22%	0.13%
Prices[≈]			
Highest share price	–	576.59	535.49
Lowest share price	–	439.53	470.44

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

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

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

[≈] The high and low prices disclosed are the high and low prices for the accounting period and not the calendar year and are based on published prices. The net asset value per share price is based on the net asset value in the published accounts and may be different due to post year end accounting adjustments.

[§] Up to 18 May 2019 (date the Fund closed).

Ongoing Charges Figure*

Share class	31.07.20	31.07.19
Class 2	–	1.46%

* The Ongoing Charges Figure (OCF) is calculated as the ratio of the total ongoing charges to the average net asset value of the Fund over the year. The OCF is made up of the Fund Management Fee and, where a fund invests a substantial portion of its assets in other funds, an amount for the pro-rated charges of those other funds (referred to as “synthetic charges” or the “synthetic” part of the ongoing charge). The figure for ongoing charges excludes performance fees and portfolio transaction costs, except in the case of an entry/exit charge paid by the Fund when buying or selling shares/units in another collective investment scheme.

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

Portfolio Statement

As the Fund closed on 18 May 2019, there were no investments as at 31 July 2020.

STATEMENT OF TOTAL RETURN

For the year ended 31 July 2020

	Notes	£000	Year ended 31.07.20 £000	£000	Year ended 31.07.19 £000
Income					
Net capital gains	2		19		274
Revenue	3	(1)		1,004	
Expenses					
	4	(10)		(836)	
Net (expense)/revenue before taxation		(11)		168	
Taxation	5	141		(126)	
Net revenue after taxation			130		42
Total return before distributions			149		316
Distributions	6		–		(35)
Change in net assets attributable to shareholders from investment activities			149		281

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 31 July 2020

	£000	Year ended 31.07.20 £000	£000	Year ended 31.07.19 £000
Opening net assets attributable to shareholders		–		78,646
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	–		2,147	
Amounts payable on cancellation of shares	–		(81,270)	
				(79,123)
Dilution adjustment		–		208
Change in net assets attributable to shareholders from investment activities (see above)		149		281
Fund closure		(149)		(12)
Closing net assets attributable to shareholders		–		–

BALANCE SHEET

As at 31 July 2020

	Notes	As at 31.07.20 £000	As at 31.07.19 £000
Assets:			
Current assets:			
Debtors	7	15	8
Cash and bank balances	8	181	34
Total assets		196	42
Liabilities:			
Creditors:			
Other creditors	9	(196)	(42)
Total liabilities		(196)	(42)
Net assets attributable to shareholders		-	-

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting basis and policies

Please see pages 7 to 9 for accounting basis and policies.

2 Net capital gains

	Year ended 31.07.20 £000	Year ended 31.07.19 £000
Net capital gains on investment during the year comprise:		
Compensation items	–	2
Currency losses	(1)	(824)
Non-derivative securities gains	20	1,096
Net capital gains	19	274

3 Revenue

	Year ended 31.07.20 £000	Year ended 31.07.19 £000
Bank and deposit interest	–	30
Overseas dividends	(1)	971
UK dividends	–	3
Total revenue	(1)	1,004

4 Expenses

	Year ended 31.07.20 £000	Year ended 31.07.19 £000
Payable to the Authorised Corporate Director ("ACD"), associates of the ACD or agents of either of them:		
Fund Management Fee	9	798
	9	798
Payable to the Depositary, associates of the Depositary or agents of either of them:		
Dividend collection charges	–	6
Interest payable	1	2
	1	8
Other expenses:		
Closure costs	–	30
	–	30
Total expenses	10	836

The audit fee was £8,562 (2019: £8,733) net of VAT.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Taxation**a Analysis of tax charge**

	Year ended 31.07.20 £000	Year ended 31.07.19 £000
Overseas tax suffered	(141)	126
Total current tax for the year (see note 5b)	(141)	126

b Factors affecting current tax charge

The tax assessed for the year is lower (2019: higher) than the standard rate of corporation tax in the UK for an Authorised Investment Fund (20%) (2019: 20%).

The differences are explained below:

	Year ended 31.07.20 £000	Year ended 31.07.19 £000
Net (expense)/revenue before taxation	(11)	168
Corporation tax at 20%	(2)	34
Effects of:		
Movement in excess management expenses	1	139
Overseas dividends not subject to corporation tax	1	(169)
Overseas tax suffered	(141)	126
UK dividends not subject to corporation tax	–	(1)
Tax relief for overseas tax suffered	–	(3)
	(139)	92
Current tax charge (see note 5a)	(141)	126

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

c Deferred tax

There was no provision for deferred tax at the year end (2019: £nil).

After claiming relief against accrued income taxable on receipt, the Fund has unrelieved excess expenses of £4,362,619 (2019: £4,358,253) creating a potential deferred tax asset of £872,524 (2019: £871,651). It is unlikely that the Fund will generate taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

6 Distributions

	Year ended 31.07.20 £000	Year ended 31.07.19 £000
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:		
Final distribution	–	35
	–	35
Add: Revenue deducted on cancellation of shares	–	3
Deduct: Revenue received on issue of shares	–	(3)
Total distributions	–	35
Reconciliation of distributions for the year to net revenue after taxation		
Distributions for the year	–	35
Revenue deficit transferred to capital	(7)	–
Movement in revenue account	137	7
Net revenue after taxation	130	42

Details of the distributions per share are set out in the distribution tables on page 108.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 Debtors

	As at 31.07.20 £000	As at 31.07.19 £000
Accrued revenue	–	6
Overseas tax recoverable	2	2
Prepaid expenses	13	–
Total debtors	15	8

8 Cash and bank balances

	As at 31.07.20 £000	As at 31.07.19 £000
Cash and bank balances	181	34
Total cash and bank balances	181	34

9 Other creditors

	As at 31.07.20 £000	As at 31.07.19 £000
Accrued expenses	34	30
Amounts payable to ACD	162	12
Total other creditors	196	42

10 Contingent liabilities and commitments

There were no contingent liabilities or commitments at the year end (2019: £nil).

11 Related party transactions

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

Fund Management Fee paid to Aviva Investors UK Fund Services Limited ("the ACD") are shown in note 4 and details of shares issued and canceled by the ACD are shown in the statement of change in net assets attributable to shareholders. The balance due to the ACD at the year end in respect of Fund Management Fee was £nil (2019: £nil).

Any balance due from the ACD in respect of issues is shown in note 7. Any balance due to the ACD in respect of cancellations is shown in note 9.

Distributions payable to the ACD and related parties of the ACD during the year amounted to £nil (2019: £35,169). The amount outstanding at the year end was £nil (2019: £nil). Related parties of the ACD are deemed to be all companies under the control of Aviva Plc. This will include companies which hold shares in the Fund on behalf of other external investors.

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

12 Derivatives and other financial instruments

The policies applied in the management of financial instruments are set out on pages 7 to 9.

Fair value of financial assets and financial liabilities

There is no significant difference between the carrying values of the financial assets and liabilities and their fair values (2019: £nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13 Direct transaction costs

No transaction costs or taxes were incurred during the current year ended 31 July 2020.

31.07.19	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
Purchases (excluding Inspecie & Corporate Action activity)						
Equities	(7,249)	(6)	(4)	(7,259)	0.08%	0.06%
	(7,249)	(6)	(4)	(7,259)		
Sales (excluding Inspecie & Corporate Action activity)						
Equities	84,944	(52)	(91)	84,801	0.06%	0.11%
	84,944	(52)	(91)	84,801		
Total		(58)	(95)			
Percentage of Fund average net assets		0.08%	0.14%			

14 Post balance sheet events

There are no post balance sheet events which require adjustment or disclosure at the year end (2019: £nil).

DISTRIBUTION TABLES

Final distribution paid in pence per share for the three months ended 30 April 2020

Income shares		Net revenue	Equalisation	Final distribution paid 30 June 2020	Final distribution paid 28 June 2019
Share Class 2	Group 1	0.0000	–	0.0000	0.2622
	Group 2	0.0000	0.0000	0.0000	0.2622

Group 1 shares are those shares purchased at or before 2pm on 31 January 2020.

Group 2 shares are those shares purchased after 2pm on 31 January 2020.

Interim distribution paid in pence per share for the six months ended 31 January 2020

Income shares		Net revenue	Equalisation	Interim distribution paid 31 March 2020	Interim distribution paid 31 March 2019
Share Class 2	Group 1	0.0000	–	0.0000	0.0000
	Group 2	0.0000	0.0000	0.0000	0.0000

Group 1 shares are those shares purchased at or before 2pm on 31 July 2019.

Group 2 shares are those shares purchased after 2pm on 31 July 2019.

Equalisation

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

AVIVA INVESTORS STERLING CREDIT MOM 1 FUND

The Fund closed on 6 December 2017, and will be terminated in due course.

The Fund's investors provided an instruction to redeem their respective investments in the Fund in full. Following this redemption the Fund was left as a shell fund with no shareholders and no assets requiring management. The ACD therefore proposed to terminate the Fund.

INVESTMENT OBJECTIVE

The Fund sought to achieve income (with some prospect for long-term capital growth).

INVESTMENT POLICY

The Fund might have invested 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 have been invested in credit which is deemed to be below investment grade. The Fund's exposure would have been in Sterling or currency hedged back to Sterling. The Sterling exposure would have been within a range of 98% to 102%.

FUND MANAGER'S REPORT

Please note, the Fund was closed on 6 December 2017 and is in the process of being terminated. No fund manager's report has been included within the annual report and financial statements as no investment activity has taken place during the year under review.

Material Portfolio Changes

There were no purchases or sales during the period as the Fund closed on 6 December 2017.

Synthetic Risk and Reward Indicator

Investment risks have been removed as the Fund closed on 6 December 2017.

COMPARATIVE TABLE

Class 2 Income	2020 p per share	2019 p per share	2018 [§] p per share
Change in net assets per share			
Opening net asset value per share	–	–	105.19
Return before operating charges [‡]	–	–	(103.71)
Operating charges	–	–	(0.32)
Return after operating charges [‡]	–	–	(104.03)
Distributions	–	–	(1.16)
Closing net asset value per share	–	–	–
† after direct transaction costs of	–	–	–
Performance			
Return after charges	–	–	–
Other information			
Closing net asset value (£000)	–	–	–
Closing number of shares	–	–	–
Operating charges (%) [‡]	–	–	–
Direct transaction costs (%) [#]	–	–	–
Prices[≈]			
Highest share price	–	–	107.31
Lowest share price	–	–	105.36

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

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

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

≈ The high and low prices disclosed are the high and low prices for the accounting period and not the calendar year and are based on published prices. The net asset value per share price is based on the net asset value in the published accounts and may be different due to post year end accounting adjustments.

§ Up to 6 December 2017 (date the Fund closed).

Portfolio Statement

As the Fund closed on 6 December 2017, there were no investments as at 31 July 2020.

STATEMENT OF TOTAL RETURN

For the year ended 31 July 2020

	Notes	£000	Year ended 31.07.20 £000	£000	Year ended 31.07.19 £000
Income					
Net capital gains	2		-		-
Revenue	3	-		-	
Expenses					
Net expense before taxation	4	(9)		-	
Taxation	5	-		-	
Net expense after taxation			(9)		-
Total return before distributions			-		-
Distributions	6		-		-
Change in net assets attributable to shareholders from investment activities			(9)		-

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 31 July 2020

	£000	Year ended 31.07.20 £000	£000	Year ended 31.07.19 £000
Opening net assets attributable to shareholders		-		-
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	-		-	
Amounts payable on cancellation of shares	-		-	
<hr/>				
		-		-
Dilution adjustment		-		-
Change in net assets attributable to shareholders from investment activities (see above)		(9)		-
Fund closure		9		-
<hr/>				
Closing net assets attributable to shareholders		-		-

BALANCE SHEET

As at 31 July 2020

	Notes	As at 31.07.20 £000	As at 31.07.19 £000
Assets:			
Current assets:			
Debtors	7	2	2
Cash and bank balances	8	111	111
Total assets		113	113
Liabilities:			
Creditors:			
Other creditors	9	(113)	(113)
Total liabilities		(113)	(113)
Net assets attributable to shareholders		-	-

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting basis and policies

Please see pages 7 to 9 for accounting basis and policies.

2 Net capital gains

	Year ended 31.07.20 £000	Year ended 31.07.19 £000
Net capital gains	–	–

3 Revenue

	Year ended 31.07.20 £000	Year ended 31.07.19 £000
Total revenue	–	–

4 Expenses

	Year ended 31.07.20 £000	Year ended 31.07.19 £000
Payable to the Authorised Corporate Director (“ACD”), associates of the ACD or agents of either of them:		
Fund Management Fee	9	–
	9	–
Total expenses	9	–

The audit fee was £8,562 (2019: £8,733) net of VAT.

5 Taxation

a Analysis of tax charge

	Year ended 31.07.20 £000	Year ended 31.07.19 £000
Overseas tax suffered	–	–
Total current tax for the year (see note 5b)	–	–

b Factors affecting current tax charge

The tax assessed for the year is lower than (2019: the same as) the standard rate of corporation tax in the UK for an Authorised Investment Fund (20%) (2019: 20%).

The differences are explained below:

	Year ended 31.07.20 £000	Year ended 31.07.19 £000
Net expense before taxation	(9)	–
Corporation tax at 20%	(2)	–
Effects of:		
Movement in excess management expenses	2	–
	2	–
Current tax charge (see note 5a)	–	–

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

c Deferred tax

There was no provision for deferred tax at the year end (2019: £nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 Distributions

	Year ended 31.07.20 £000	Year ended 31.07.19 £000
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:		
Total distributions	–	–
Reconciliation of distributions for the year to net expense after taxation		
Movement in revenue account	(9)	–
Net expense after taxation	(9)	–

Details of the distributions per share are set out in the distribution tables on page 115.

7 Debtors

	As at 31.07.20 £000	As at 31.07.19 £000
Prepaid expenses	2	2
Total debtors	2	2

8 Cash and bank balances

	As at 31.07.20 £000	As at 31.07.19 £000
Cash and bank balances	111	111
Total cash and bank balances	111	111

9 Other creditors

	As at 31.07.20 £000	As at 31.07.19 £000
Accrued expenses	18	9
Amounts payable to ACD	95	104
Total creditors	113	113

10 Contingent liabilities and commitments

There were no contingent liabilities or commitments at the year end (2019: £nil).

11 Related party transactions

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

Distributions payable to the ACD and related parties of the ACD during the year amounted to £nil (2019: £nil). The amount outstanding at the year end was £nil (2019: £nil). Related parties of the ACD are deemed to be all companies under the control of Aviva Plc. This will include companies which hold shares in the Fund on behalf of other external investors.

12 Derivatives and other financial instruments

The policies applied in the management of financial instruments are set out on pages 7 to 9.

Fair value of financial assets and financial liabilities

There is no significant difference between the carrying values of the financial assets and liabilities and their fair values (2019: £nil).

13 Direct transaction costs

No transaction costs or taxes were incurred during the current and prior year.

14 Post balance sheet events

There are no post balance sheet events which require adjustment or disclosure at the year end (2019: £nil).

DISTRIBUTION TABLES

As the Fund was closed on 6 December 2017, there were no distributions paid or payable.

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 (ICVC2) for the year ended 31 July 2020 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
30 November 2020

STATEMENT OF THE DEPOSITARY'S RESPONSIBILITIES AND DEPOSITARY'S REPORT TO THE SHAREHOLDERS

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Open-Ended investment Companies Regulations 2001 (SI 2001/1228), as amended, the Financial Services and Markets Act 2000, as amended, (together 'the regulations'), the Company's Instrument of Incorporation and Prospectus (together 'the Scheme documents') as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Company and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Company in accordance with the regulations.

The Depositary must ensure that:

- the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the regulations;
- the sale, issue, repurchase, redemption and cancellation of shares are carried out in accordance with the regulations;
- the value of shares of the Company are calculated in accordance with the regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's income is applied in accordance with the regulations; and the instructions of the Authorised Corporate Director ('the ACD'), which is the UCITS Management Company, are carried out (unless they conflict with the regulations).

The Depositary also has a duty to take reasonable care to ensure that Company is managed in accordance with the regulations and Scheme documents in relation to the investment and borrowing powers applicable to the Company.

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

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the regulations and the Scheme documents of the Company; and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company. In respect of the Aviva Investors UK Equity MoM 1 Fund there were a number of inadvertent breaches, throughout the year, due to market movement; further details of these breaches are contained throughout the Annual Report.

J.P. Morgan Europe Limited
London
30 November 2020

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AVIVA INVESTORS MANAGER OF MANAGER ICVC (ICVC2)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

In our opinion, the financial statements of Aviva Investors Manager of Manager ICVC (ICVC2) (the "Company"):

- give a true and fair view of the financial position of the Company and each of the sub-funds as at 31 July 2020 and of the net revenue/expenses and the net capital gains/losses on the scheme property of the Company and each of the sub-funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Instrument of Incorporation.

Aviva Investors Manager of Manager ICVC (ICVC2) is an Open Ended Investment Company ("OEIC") with 10 sub-funds. The financial statements of the company comprise the financial statements of each of the sub-funds. We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheets as at 31 July 2020; the statements of total return, the statements of change in net assets attributable to shareholders for the year then ended; the distribution tables; the accounting policies (within the Policies and Risks section); and the notes to the financial statements.

BASIS FOR OPINION

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

Independence

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

EMPHASIS OF MATTER – BASIS OF PREPARATION

In forming our opinion on the financial statements, which is not modified, we draw your attention to accounting policy A (within the Policies and Risks section) which describes the Authorised Corporate Director's reasons why the financial statements of the UK Listed Equity MoM 1 Fund, Aviva Investors UK Equity MoM 2 Fund, Aviva Investors US Equity MoM 1 Fund, Aviva Investors Euro Equity MoM 1 Fund, Aviva Investors Euro Equity MoM 2 Fund, Aviva Investors Apac Equity MoM 1 Fund, Aviva Investors EM Equity MoM 1 Fund and Aviva Investors Sterling Credit MoM 1 Fund have been prepared on a basis other than going concern.

CONCLUSIONS RELATING TO GOING CONCERN

With the exception of the circumstances described in the Emphasis of Matter – Basis of Preparation paragraph above, we have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the Authorised Corporate Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Authorised Corporate Director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's or any of the sub-funds' ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's or any of the sub-funds' ability to continue as a going concern.

REPORTING ON OTHER INFORMATION

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

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

AUTHORISED CORPORATE DIRECTOR'S REPORT

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

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AVIVA INVESTORS MANAGER OF MANAGER ICVC (ICVC2) (CONTINUED)

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Responsibilities of the Authorised Corporate Director for the financial statements

As explained more fully in the Statement of the Authorised Corporate Director's Responsibilities set out on page 116, the Authorised Corporate Director is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Authorised Corporate Director is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of this report

This report, including the opinions, has been prepared for and only for the Company's shareholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook as required by paragraph 67(2) of the Open-Ended Investment Companies Regulations 2001 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

OTHER REQUIRED REPORTING

OPINION ON MATTER REQUIRED BY THE COLLECTIVE INVESTMENT SCHEMES SOURCEBOOK

In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

COLLECTIVE INVESTMENT SCHEMES SOURCEBOOK EXCEPTION REPORTING

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

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

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
30 November 2020

SECURITIES FINANCING TRANSACTIONS REGULATION DISCLOSURE

None of the Funds in the Company currently undertakes securities financing transactions (as defined in Article 3 of Regulation (EU) 2015/2365) or uses total return swaps.

GENERAL INFORMATION

Investments in Aviva Investors Manager of Manager ICVC (ICVC2) are intended to be medium to long term investments and should not be considered as a short term investment.

Past performance is not a guide to the future.

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

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

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

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

The performance figure given for each fund is based on midday values for the Aviva Investors UK Listed Equity High Alpha 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. Calls may be recorded for training or monitoring purposes. Calls are free from UK landlines and mobiles.

VALUE ASSESSMENT APPROACH

AVIVA INVESTORS UK FUND SERVICES LIMITED ("THE COMPANY")

INTRODUCTION

An Authorised Fund Manager ('AFM') must conduct an assessment of value for each share class in each of the Funds that it manages at least annually. The Financial Conduct Authority (FCA) rules prescribe a minimum set of components which need to be considered to determine if 'value' is being provided to investors, and that costs and charges are justified in this context. The following describes how the Company, as AFM of the Funds, approaches the assessment and the range of factors considered by the Company's board of directors ('the Board') for each component.

This annual exercise is performed in addition to and in conjunction with the regular Fund reviews which the Company undertakes in line with its product governance obligations. The Fund reviews include extensive assessments of service and performance for each of the Funds, with appropriate action taken throughout the course of the year. If the result of the value assessment is that charges are not considered to be justified in the context of overall value, appropriate action will be taken by the Company.

THE COMPONENTS OF THE VALUE ASSESSMENT

1. Quality of Service

Consideration is given to the range, nature, extent and quality of the services provided directly to investors or those services undertaken on their behalf, and whether investors have benefited appropriately from the services. This covers the services performed by the Company and its suppliers, as well as their reputation, expertise, resources and relative capabilities. This includes:

- The quality of the Investment Manager, including their processes (trading, risk management, compliance, technology, research and operational capabilities) and any Environmental, Social & Governance (ESG) factors which are integrated into the investment process.
- The quality of the administrative and investor services provided to the Fund, using appropriate investor satisfaction surveys, complaints and data relating to operational accuracy to assess the positioning of the Company and its products and services over time, and relative to other similar firms.
- The timely delivery of clear communications, and the appropriateness of information provided to investors to assist them in making informed decisions regarding their investments.

2. Performance

Consideration is given to whether Fund performance, before and after deduction of expenses, is within a reasonable range of outcomes relative to its objective, policy and strategy when measured over appropriate time periods. The time periods assessed will be any specific time period expressed in the investment objective or policy of the Fund, and performance over 1, 3, 5 and 7 years, or since inception if there is not a full seven year's performance data. Performance is also considered in the context of the relevant peer group and whether the Fund operated in accordance with its respective risk limits and investment restrictions.

Performance as measured against the respective Fund's objectives is assessed in the regularly scheduled Fund review, and this will be taken into account in reaching the Fund performance conclusions for the value assessment.

If the performance is not considered to be satisfactory then the following may be taken into account where relevant:

- Explanations for any underperformance provided by the Investment Manager as part of the Company's fund performance governance model; and
- Any appropriate steps (such as consideration of changing the investment objective, policy, strategy or investment personnel) that have been taken or are intended to be made and aim to improve Fund performance.

The Company could consider changing the Investment Manager or closing the Fund where no other viable options are available.

Further information on the specific performance of individual Funds is included in the Fund Manager Report section of the Report and Accounts covering the period relevant to that report. More topical information is available in the regular fund fact sheets and fund updates available on our website.

3. Authorised Fund Manager Costs and Charges

Consideration is given to whether charges are reasonable taking into account the underlying costs for the services provided and the performance objectives set for the Fund.

The Company undertook a thorough review of charges across the fund range in 2018 which resulted in the introduction of a single Fund Management Fee ('FMF'). The FMF is the only direct charge deducted from the Funds and is a simpler charging basis for investors. The review resulted in a number of charges being lowered.

The underlying fees, costs and expenses covered by the FMF are expressly listed in the Prospectus of the relevant Fund, but in summary cover the following payments:

- the fees and expenses of the Company as AFM;
- the fees and expenses of the Investment Manager;
- the fees and expenses of the Depositary;
- the fees and expenses of the Custodian;
- the fees and expenses of the Auditor;
- the permitted costs in connection with periodic statements and accounts; and
- FCA fees.

To assist with the value assessment, a costs and charges model is used which enables the Company to assess the costs attributable to each Fund. The model is refreshed semi-annually and enables a comparison of the FMF for each respective Fund against all elements of cost which must be paid out of the proceeds of the FMF. This enables the Company to determine whether the FMF is a fair reflection of the costs of the services provided for the relevant share class of each Fund, with an appropriate allowance for the level of income earned for the Company from these activities.

VALUE ASSESSMENT APPROACH (CONTINUED)

4. Economies of Scale

Consideration is given to whether investors have participated appropriately in any savings or benefits derived from the size of the Fund. Consideration is also given to whether investors have benefited from the scale of the Aviva Group and the ability to negotiate favourable pricing with service providers due to the wide range of other products and services offered across the Group along with the scale and range of other funds and assets managed by the Company.

The Board considers whether economies of scale have been realised in relation to the costs and operating expenses of each share class and the extent to which investors in the Funds might also reasonably benefit from any financial savings that result. For example, whether the FMF fairly reflects the fees charged in respect of the third party supplied services – which should be competitive due to the scale of Aviva and the potential breadth of other Aviva product ranges which the third-party supplier also provides services for.

The assessment of the underlying service costs of running the Fund, and the appropriate level of FMF, takes place on an annual basis. Any changes to the underlying costs will therefore be reflected in this analysis, and may result in a change to the FMF.

In looking at whether investors have benefited appropriately, either directly or indirectly, in any savings or benefits in relation to the management of the Fund, the Board acknowledges the wider, albeit intangible benefits to investors, such as the reputation, brand, and financial strength of the Aviva Group.

The Board may also deem it appropriate to reinvest scale-driven cost savings directly into the Company in order to finance product development or retain savings from a commercial perspective. Consideration will be given to the drivers of the scale generated in determining whether benefits should be shared or reinvested.

5. Comparable Market Rates

Consideration is given to whether the fees paid for each service provided to the Funds by the Company or on its behalf are reasonable compared to fees for similar services in the market.

An independent consultant is engaged to carry out a periodic survey of the main expenses of the Funds and those of a large number of other fund management groups. The survey provides benchmarks for each of the main expense items associated with running a Fund to help the Board determine whether the Funds are paying a reasonable price for each of the services to which the expenses relate.

The expenses that comprise the survey include the following:

- Transfer agency fees
- Fund accounting fees
- Investment management fees
- Custodian fees
- Depositary fees
- Audit fees

Direct comparisons may be difficult because comparative information is not generally publicly available and is affected by numerous factors. Where specific expenses are highlighted to be outliers in the report, the reasons for this will be considered to determine the extent to which they are appropriate.

The review will also consider the overall costs of comparable products, by benchmarking each Fund against a suitable peer group which will be made up of funds with broadly similar characteristics to the Fund. Where the aggregate charges as calculated by the Ongoing Charges Figure are greater than the average cost of equivalent peer group funds, consideration will be given to whether it would be appropriate to adjust the FMF.

6. Comparable Services

The Board considers whether the fees charged by the Company for the services it performs for the Fund are consistent with those fees charged by the Company and other companies within the wider Aviva Group. This gives consideration to other similar funds or services operated by the Aviva Group that are available in the UK, are of a comparable size, and are managed to similar objectives and policies to the Fund.

As stated in section 3 above, the Company undertook a thorough review of its charging mechanism across the Fund range in 2018 which resulted in the introduction of a single FMF. Part of this exercise was to ensure the fees charged by the Company were appropriate across its UK range of regulated Funds considering their relative nature, investment objectives and the services provided.

7. Classes of Units

The Board assesses whether investors hold shares in the most appropriate share class for their investment, in terms of the fees applied.

As part of the review of its charging mechanism in 2018, the Company undertook an exercise to ensure that investors were invested in the most appropriate share class. The review prompted the closure or merger of a number of share classes, along with the amendment of some minimum investment limits and share class eligibility criteria, and the removal of trail commission to advisers. This resulted in some investors being moved into alternative share classes that either had fees of an equivalent level, or lower than they had been paying previously where an appropriate share class was available.

In addition, the Company operates a process to identify any investors who would be eligible for a share class with lower fees. If any such investors are identified, steps are taken to move them into that share class if possible.

Other factors may be considered by the Company in determining the conclusion of the value assessment, as deemed appropriate by the Board. If such other factors are considered, details will be provided in the value assessment report for the relevant Fund.

VALUE ASSESSMENT REPORT

AVIVA INVESTORS JAPAN EQUITY MOM 1 FUND (THE "FUND")

In line with the requirement to conduct an assessment of value, the following summarises the conclusions reached by the Board having considered the range of factors as set out in the 'Value Assessment Approach' (see the preceding pages of this Report) which describes how we carry out the value assessment. This applies to all share classes in the Fund unless we have specifically noted share class exceptions.

1. Quality of Service

The range, nature, extent and quality of the services provided to investors has been assessed and the Fund's operating model was considered to be working effectively over the period. Investors received clear communications and relevant information at appropriate times to enable them to make informed decisions regarding their investment, and the service delivered has been timely and of an appropriate quality.

2. Performance

The Fund's overall performance after charges, relative to its investment objectives, policy and strategy was deemed to be within a reasonable range of outcomes based on the various time periods reviewed and the information considered in the assessment. A detailed explanation of the last 12 months performance forms part of the Manager's Report included in this Report and Accounts.

3. Authorised Fund Manager Costs

The FMF is the single charge paid to the AFM and is considered to be reasonable when taking into account the underlying costs for the services provided and the performance objectives set for the Fund.

4. Economies of Scale

The specific benefits derived from economies of scale are returned to investors in various ways including through the FMF review process as referred to in the Value Assessment Approach. The Board concluded that all investors participated appropriately in the general economies of scale derived from investing with the Company based on a range of benefits and services provided and the overall fees charged. There has not been a material change in the size of the Fund during the previous 12 months, and as such no additional savings have been identified.

5. Comparable Market Rates

The fees paid for each of the services provided to the Fund (internally or externally) were considered to be competitive relative to those charged by similar competitor funds within the UK regulated funds market.

6. Comparable Services

On the basis of the available information and the comparable services considered, the fees were deemed to be reasonable compared to the fees charged by associated companies within the Aviva Group for any comparable products available in the UK of an equivalent size and with a similar investment objective and policy to the Fund.

7. Classes of Units

The pricing of each Share Class of the Fund is considered to be reasonable based on the different Share Class eligibility criteria and target investor for each Share Class. All investors are invested appropriately in the Share Class they are eligible to hold in the Fund at the date of the assessment.

Overall Assessment Conclusion

In conclusion, the Board confirms all components of the assessment have been considered and the charges for each of the Share Classes are justified in the context of overall value being delivered to investors.

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

VALUE ASSESSMENT REPORT (CONTINUED)

AVIVA INVESTORS UK LISTED EQUITY MOM 1 FUND (THE "FUND")

In line with the requirement to conduct an assessment of value, the following summarises the conclusions reached by the Board having considered the range of factors as set out in the 'Value Assessment Approach' (see the preceding pages of this Report) which describes how we carry out the value assessment. This applies to all share classes in the Fund unless we have specifically noted share class exceptions.

1. Quality of Service

The range, nature, extent and quality of the services provided to investors has been assessed and the Fund's operating model was considered to be working effectively over the period. Investors received clear communications and relevant information at appropriate times to enable them to make informed decisions regarding their investment, and the service delivered has been timely and of an appropriate quality.

2. Performance

The Board has been concerned by the historic level of passive breaches on the Fund, caused in the main by the concentrated range of equities held in the Fund. Whilst this high conviction Investment Philosophy has added to the performance of the Fund, the Board made the decision to launch a new Non-UCITS Retail Scheme (NURS) version of the Fund with the existing Investment Manager, which has concentration rules that better align to this high conviction philosophy and should result in fewer breaches. This new fund (known as the Aviva Investors UK Equity Fund) was launched on 2 November 2020, and Investors in the Fund were consulted on this change and their units transferred across to the new fund. The Fund is now in the process of being terminated and is no longer available for investment.

Nevertheless, the Fund's overall performance after charges, relative to its investment objectives, policy and strategy was deemed to be within a reasonable range of outcomes based on the various time periods reviewed and the information considered in the assessment.

A detailed explanation of the last 12 months performance forms part of the Manager's Report included in this Report and Accounts.

3. Authorised Fund Manager Costs

The FMF is the single charge paid to the AFM and is considered to be reasonable when taking into account the underlying costs for the services provided and the performance objectives set for the Fund.

4. Economies of Scale

The specific benefits derived from economies of scale are returned to investors in various ways including through the FMF review process as referred to in the Value Assessment Approach. The Board concluded that all investors participated appropriately in the general economies of scale derived from investing with the Company based on a range of benefits and services provided and the overall fees charged. There has not been a material change in the size of the Fund during the previous 12 months, and as such no additional savings have been identified.

5. Comparable Market Rates

The fees paid for each of the services provided to the Fund (internally or externally) were considered to be competitive relative to those charged by similar competitor funds within the UK regulated funds market.

6. Comparable Services

On the basis of the available information and the comparable services considered, the fees were deemed to be reasonable compared to the fees charged by associated companies within the Aviva Group for any comparable products available in the UK of an equivalent size and with a similar investment objective and policy to the Fund.

7. Classes of Units

The pricing of each Share Class of the Fund is considered to be reasonable based on the different Share Class eligibility criteria and target investor for each Share Class. All investors are invested appropriately in the Share Class they are eligible to hold in the Fund at the date of the assessment.

Overall Assessment Conclusion

In conclusion, the Board confirms all components of the assessment have been considered and the charges for each of the Share Classes are justified in the context of overall value being delivered to investors.

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

VALUE ASSESSMENT REPORT (CONTINUED)

AVIVA INVESTORS UK LISTED EQUITY HIGH ALPHA FUND (THE "FUND")

In line with the requirement to conduct an assessment of value, the following summarises the conclusions reached by the Board having considered the range of factors as set out in the 'Value Assessment Approach' (see the preceding pages of this Report) which describes how we carry out the value assessment. This applies to all share classes in the Fund unless we have specifically noted share class exceptions.

1. Quality of Service

The range, nature, extent and quality of the services provided to investors has been assessed and the Fund's operating model was considered to be working effectively over the period. Investors received clear communications and relevant information at appropriate times to enable them to make informed decisions regarding their investment, and the service delivered has been timely and of an appropriate quality.

2. Performance

The Fund's overall performance relative to its investment objectives, policy and strategy, was below the range of expected outcomes over the time periods considered by the review.

The Fund aims to grow your investment and generate a higher return than the FTSE All-Share Index over the long term. In 2018 a new Equity Chief Investment Officer was appointed, and prior to this the performance of the Fund had been mixed. Following this appointment, there was a significant investment in the resources and processes dedicated to the investment management and research capabilities of the Fund. A new, clearly defined, investment philosophy was implemented with the aim of improving the relative performance of the Fund.

During the second half of 2019, concerns around Brexit and the US-China trade dispute meant that the Investment Manager continued to identify investment opportunities in favour of domestically-focused companies, cyclical stocks and financials. In contrast, there was much less emphasis on defensive sectors of the UK equity market such as consumer goods, healthcare, utilities and telecoms, due to the Investment Manager's view that many stocks within these sectors were overvalued. This positioning resulted in improved performance in the second half of 2019 and had begun to justify the earlier changes, with the Fund returning 10.31% in the six months to the end of 2019 compared to the benchmark return of 5.48%.

At the start of 2020, the Fund was positioned for a Brexit recovery and improving economic growth, as the Investment Manager believed the UK economy was starting to pick up after the general election had brought some much-needed clarity to the immediate political landscape. However, the impact of the extreme market conditions triggered by the Covid-19 pandemic and the UK lockdown caused significant harm to the performance of the Fund during the first quarter of 2020, as the cyclical and financial stocks in which the Fund was invested fell by a much larger margin than the overall market, with an even more pronounced differential versus defensive sectors which the Fund owned less of relative to the benchmark FTSE All Share index. This resulted in the Fund returning -39.74% compared to the benchmark return of -25.13% in the 3 months to the end of March.

Over the medium term, the Investment Manager expects to see modest progress in equity markets aided by monetary and fiscal policy support, a view which is reinforced by contact had with companies. The not unexpected emergence of a second wave of Covid-19 has reversed some of the late summer recovery in economic growth; however, the Fund remains tilted towards financials and economically-sensitive stocks where the Investment Manager believes prices do not reflect their true value, which over the longer term should result in improved relative performance of the Fund. It is worth noting that in the 3 months since the date of this report (end of July to end of October) the Fund has outperformed its benchmark by approximately 2.5%.

With this backdrop the Board supports the Investment Manager's view that the Fund is positioned to deliver value over the medium term and considers that the Investment Manager's continued management should still benefit the Fund and its investors.

Whilst the Board are of the view that the level of underperformance by the Fund over the recent short term is not unexpected for a Fund that invests in a contrarian manner (against market trends), and which may therefore experience higher risk or price volatility when aiming to generate a higher return than the Index, the Board have noted that the Fund has been operating outside of the stated Tracking Error range of between 3% and 8%, on both a forward-looking and backward-looking basis. Whilst the Fund is allowed to operate outside of this guideline range in certain conditions, it should be noted that the historic Tracking Error on the Fund is likely to be outside this range for some time because of the recent underperformance.

Therefore, in line with the normal governance practice, the Fund will continue to be subject to enhanced performance oversight to ensure performance is appropriately monitored, and the Tracking Error returns within the expected range.

A detailed explanation of the last 12 months performance is included in the Fund Manager's Report included in this Report and Accounts.

3. Authorised Fund Manager Costs

The FMF is the single charge paid to the AFM and although it is considered to be reasonable when taking into account the underlying costs for the services provided and the performance objectives set for the Fund, the Board approved making changes to the FMF as detailed in the Overall Assessment Conclusion below.

4. Economies of Scale

The specific benefits derived from economies of scale are returned to investors in various ways including through the FMF review process as referred to in the Value Assessment Approach. The Board concluded that all investors participated appropriately in the general economies of scale derived from investing with the Company based on a range of benefits and services provided and the overall fees charged. There has not been a material change in the size of the Fund during the previous 12 months, and as such no additional savings have been identified.

5. Comparable Market Rates

The fees paid for each of the services provided to the Fund (internally or externally) were considered to be competitive relative to those charged by similar competitor funds within the UK regulated funds market.

VALUE ASSESSMENT REPORT (CONTINUED)

6. Comparable Services

On the basis of the available information and the comparable services considered, the fees were deemed to be reasonable compared to the fees charged by associated companies within the Aviva Group for any comparable products available in the UK of an equivalent size and with a similar investment objective and policy to the Fund, however a decision has been taken to lower the fees charged in order to align the Retail share class with that of other Funds within the range. Further details can be found in the Overall Assessment Conclusion below.

7. Classes of Units

The pricing of each Share Class of the Fund is considered to be reasonable based on the different Share Class eligibility criteria and target investor for each Share Class. All investors are invested appropriately in the Share Class they are eligible to hold in the Fund at the date of the assessment.

Overall Assessment Conclusion

In conclusion, the Board confirms all components of the assessment have been considered and the charges for each of the Share Classes are justified in the context of overall value being delivered to investors. This conclusion has taken into account the decision, due to the Comparable Services review which has been undertaken, to lower the FMF for Share Class 1 from 1 February 2021 from 1.03% to 1.00%.

Past performance figures quoted based on share class 2, net of fees, net income reinvested.
Source Morningstar.

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

