

# AVIVA INVESTORS PORTFOLIO FUNDS ICVC

## Annual Report and Financial Statements

For the year ended 29 February 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  
M Craston  
D Clayton  
S Ebenston  
J Leadsom (resigned 16 July 2019)  
D Skinner (resigned 27 September 2019)  
G Miller (resigned 31 December 2019)  
M White (appointed 10 October 2019)  
A Coates (appointed 7 November 2019)  
K McClellan (appointed 23 April 2020)

### REGISTRAR AND ADMINISTRATOR

SS&C Technologies, Inc  
SS&C House  
St Nicholas Lane  
Basildon  
Essex, SS15 5FS

On 31 March 2020, the Registrar and Administrator changed their name from 'DST Financial Services Europe Ltd' to 'SS&C Technologies, Inc'.

### FUND ACCOUNTING AND PRICING AGENT

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

### INVESTMENT MANAGER

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

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

### DEPOSITARY

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

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

### INDEPENDENT AUDITORS

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

## REPORT OF THE AUTHORISED CORPORATE DIRECTOR

### THE COMPANY

Aviva Investors Portfolio Funds ICVC ("the Company") is an Open-Ended Investment Company (OEIC) with variable capital incorporated in England and Wales on 5 March 2007. 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, cash and near cash, units in collective investment schemes, deposits, derivatives and forward transactions, immovable property and gold in accordance with the COLL Sourcebook (which may include stock lending, borrowing, cash holdings, hedging and using other investment techniques permitted in the COLL Sourcebook) with the aim of spreading investment risk and giving its Shareholders the benefit of the results of the management of that property.

The Company has an umbrella structure which means that it contains many sub-funds ("Funds"), each with a different investment objective. In the financial statements you will find an investment review for each Fund which includes details of the investment objectives. There are currently eight Funds in the Aviva Investors Portfolio Funds ICVC.

### AUTHORISED STATUS

From 5 March 2007 the Company was authorised as an Open-Ended Investment Company under Regulation 12 of the Open-Ended Investment Companies Regulations 2001 ("Regulations").

The Company is authorised to operate as a "Non-UCITS Retail Scheme" for the purposes of the COLL Sourcebook and as an Alternative Investment Fund ("AIF") for the purposes of the FUND Sourcebook. These sourcebooks form part of the regulatory handbook issued by the Financial Conduct Authority ("FCA").

### THE FINANCIAL STATEMENTS

We are pleased to present the annual financial statements of the Company for the year ended 29 February 2020. 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 any Annual General Meetings.

### SIGNIFICANT INFORMATION

On 7 August 2019, the ACD made a number of changes to the investment objective and policy of the Funds 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/>

#### Exclusions Policy

The Authorised Corporate Director 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').

#### 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.

## REPORT OF THE AUTHORISED CORPORATE DIRECTOR (CONTINUED)

### 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 Multi-Manager 20-60% Shares Fund
- Aviva Investors Multi-Manager 40-85% Shares Fund
- Aviva Investors Multi-Manager Flexible Fund

Subject to Financial Conduct Authority approval, the investment objective and policy of each of the above funds will be amended as described from 30 April 2020. For all other funds it is already clear within each of the investment objectives and policies that the Fund is subject to the exclusions within the Policy.

### Remuneration

In line with the requirements of the Alternative Investment Fund Managers Directive ("AIFMD"), Aviva Investors UK Fund Services Limited ("AIUKFSL") is subject to a remuneration policy which is reviewed annually and is consistent with the principles outlined in the European Securities and Markets Authority guidelines on sound remuneration policies under AIFMD.

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 awards; 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 include 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 Alternative Investment Funds ("AIF's") 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 AIFM) 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

## STATEMENT OF CROSS HOLDINGS

There are no cross holdings as at 29 February 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 (now the '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. Both of which became effective for the accounting periods commencing 1 January 2015.

The financial statements of all the Funds 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 (classes 3 and 9). Each class bears different charges and consequently the level of revenue allocated to each share class will differ. Some share classes consist of either accumulation or income shares, whilst others consist of both accumulation and income shares.

For the five Multi-Asset Funds, for all share classes excluding share class 9, the total Fund Management Fee, borne by each share class is currently capped at 0.25%. For share class 9 of the five Multi-Asset Funds, the total of all charges (direct and synthetic) is capped at the Fund Management Fee (0.35%).

#### c Recognition of revenue

Revenue received and accumulated from Collective Investment Schemes (CIS) is recognised when the CIS is quoted ex-dividend. Revenue received from offshore CIS is recognised when the CIS is quoted ex-dividend. Any excess reportable income notified after the accounting year end date of the offshore CIS is recognised when the notification is received.

Management fee rebates from CIS are accrued daily and are recognised as revenue or capital according to the treatment of the expense in the underlying CIS.

Interest on debt securities and bank deposits is recognised on an accruals basis. In the case of debt securities, any difference between acquisition cost and maturity value is recognised as revenue over the life of the maturity using the effective yield basis of calculating amortisation.

Revenue received from investing in Aviva Investors Tax Transparent Funds (TTFs) is accounted for daily on a look-through basis and is recognised as per the same classification as in the underlying TTF.

#### d Treatment of derivatives

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

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

#### e Dilution Levy Policy

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

#### f Basis of valuation of investments

##### Quoted investments

The quoted investments of the Company have been valued at bid value at 9am on the last working day of the accounting period for the three Multi-Manager Funds and at 2pm for the five Multi-Asset Funds.

##### 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 by the Investment Manager using available information to arrive at an estimated fair value.

##### 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.

##### Over the counter (OTC) derivatives

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

##### Exchange traded derivatives (ETDs)

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

##### CIS investments

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

##### Investments into Tax Transparent Funds (TTF)

Where a fund invests into Tax Transparent Funds (TTF), for example multi-asset funds the valuation will be on a look through basis or a mirror set of Unit Class accounts to provide the transparency to the ultimate Investor Beneficial Owner (UBO), the Fund. The Fund Accounting book of record is the Golden source of the data – this reflects the Fund's externally audited financial book of record and for the Investors the Price the Fund can buy or sell units as well as the source for their share of the Fund's net assets and Taxable income and expenses.

The investment valuation used for the value of its shares in the Transparent Vehicle is based on its share of the valuation of the underlying investments in the Transparent fund and not the daily Net Asset Value as publicly reported.



## POLICIES AND RISKS (CONTINUED)

### ACCOUNTING POLICIES (CONTINUED)

#### g Exchange rates

Assets and liabilities held in foreign currencies are translated at the rate ruling at 9am on the last working day of the accounting period for the three Multi-Manager Funds and at 2pm for the five Multi-Asset Funds. Revenue and expenditure items are translated at the rate ruling at the date of transaction.

#### h 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.

#### i Cash equivalents

In accordance with the AIFMD requirements, the Fund has treated some investments in the Portfolio Statement as Cash equivalents for the purposes of the Balance Sheet disclosure. Investments are regarded as Cash equivalents if they meet all of the following criteria:

- highly liquid investments held in sterling that are readily convertible to a known amount of cash;
- are subject to an insignificant risk of change in value; and
- provide a return no greater than the rate of a three month high quality government bond.

#### k Unclaimed distributions

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

### DISTRIBUTION POLICIES

#### a Distribution policy

Where appropriate the Company will pay any surplus revenue as a revenue distribution or accumulation to capital. None of the Funds were more than 60% invested in qualifying investments and so have proposed dividend distributions. Full details are set out in the distribution tables.

#### b Treatment of management expenses

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

#### c Treatment of equalisation from underlying CIS

Equalisation received as part of the revenue from CIS is deducted from the cost of the investment.

### 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 issue of shares and payable for cancellation of shares, and debtors for accrued revenue.

Whilst certain Funds of the Company have the investment powers to invest in derivatives for investment, efficient portfolio management and hedging purposes, currently all Funds only use derivatives for hedging and efficient portfolio management. The Company enters into derivative transactions in the form of forward foreign currency contracts and stock index futures. Forward foreign currency contracts are used to manage currency risk arising from holdings of overseas securities. Stock index futures are used to manage market risk arising from the time lag between funds being receivable or payable by the Company and investment or disinvestment in underlying securities.

In accordance with requirements set out in the Collective Investment Schemes Sourcebook (COLL) of the Financial Conduct Authority, such scheme transactions must be economically appropriate, any exposure must be fully covered and the transactions must be entered into with the aim of reducing risk and/or costs and/or generating additional capital or revenue for the scheme with no, or an acceptably low level of risk. The derivatives transactions the Company enters into are not permitted if their purpose could reasonably be regarded as speculative. The Company's use of financial instruments satisfies these requirements and no trading for investment purposes in derivatives is undertaken.

There have been no changes to the Risk Management systems during the period. There have been no breaches to the relevant risk.

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. Where significant, numerical disclosures can be found in the notes to the financial statements for each Fund.

## POLICIES AND RISKS (CONTINUED)

### FINANCIAL INSTRUMENTS (CONTINUED)

#### b Interest rate risk

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

#### c Market risk

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

#### d Credit risk

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

#### e Liquidity risk

This is the risk that there is insufficient liquidity which restricts a Fund's investment opportunities or ability to pay liabilities at short notice. This risk is managed by ensuring that overdrafts are monitored and maintained within investment limits and exposure to unquoted or illiquid securities is limited. The majority of each Fund's liabilities relate to liabilities to shareholders and, as such, liquidity risk is not considered significant.

#### 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.

There is a risk that due to the impact of COVID-19, processes, people or systems (including those of third party suppliers) become inadequate or fail. This is managed through strict adherence to standard operating procedures, rigorous oversight and internal governance standards, systems and reporting which have been enhanced during the current crisis.

The Funds' current and potential risks are assessed through a quantitative and qualitative process known as IMMMR (Identify Measure Monitor and Report). This process incorporates the following measures: Tracking Error, Volatility, VaR, leverage (Gross/Netted), Geographic Concentration, Covenant Scores (Cove Lite), Duration, Spread Duration, Number of Days to Liquidate (Aviva Proprietary Model), Monthly Trading as % of NAV, % NAV Cash, Curve Positions (Steepener/Flattener/Butterfly).

The Policy covers all the measurements which are available to monitor the risks to the Funds

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

## AVIVA INVESTORS MULTI-MANAGER FLEXIBLE FUND

### INVESTMENT OBJECTIVE

The Fund aims to grow your investment over the long term (5 years or more) through a combination of income and capital returns by investing in other funds (including funds managed by Aviva Investors companies).

### INVESTMENT POLICY

#### Core investment

At least 80% of the Fund will be invested in other funds, which in turn invest in a range of global asset classes (including emerging markets). The Fund's asset class exposures will be made up of the combined holdings of the other funds, with at least 75% of the combined holdings being invested in the shares of companies, and a maximum of 25% in bonds and cash.

#### Other Investment

The Fund may also invest indirectly in property.

Derivatives may be used to gain exposure to an asset class which may otherwise be difficult or costly to achieve, or to manage the Fund's cash flows in a cost-effective manner. Derivatives may also be used to reduce risk, such as foreign currency risk within the Fund. This type of derivative usage is called "efficient portfolio management".

#### Strategy

The Fund is actively managed to blend asset classes for diversification, different asset allocations can be selected depending on market conditions and opportunities.

The Investment Manager relies on an assessment of seven criteria (Parent, Product, Philosophy, Process, People, Performance, Position) to determine which funds are suitable for investment, with the intention of creating an optimum risk and reward profile within the limits of the Investment Association (the "IA") Flexible Investment Sector (the "Sector"). The Sector is made up of other funds managed within these limits.

#### Environmental, Social & Governance (ESG) factors

ESG factors are also integrated into the criteria used in the selection of funds for investment, based upon the underlying manager's ability to demonstrate an appropriate ESG framework, and their consideration of ESG factors in the investment process, but this does not mean that these funds are required to have ESG outcomes, and the Investment Manager retains discretion over which investments are selected for the Fund.

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 & Risk Measurement

The Fund's performance is compared against the Investment Association Flexible Investment Sector (the "Sector").

The Fund uses a "tracking error" to measure the consistency between the Fund's returns and the returns of the Sector. In general, the lower the tracking error, the more consistent the Fund's returns are relative to the Sector, and vice-versa. The Fund is expected to have an average yearly tracking error of between 2% and 6% when compared to the Sector. In certain conditions the Fund may be outside of this range.

The Sector is an industry benchmark, which consists of all UK funds which have elected to become constituents of the Sector, and meet the criteria of the Sector, as detailed by the IA's Sector Committee.

The Fund does not base its investment process on the Sector and, depending on market conditions, the Fund's returns could be similar to or very different from the Sector.

### FUND MANAGER'S REPORT

#### Performance

Over the twelve months ended 29 February 2020, the Fund returned 6.96% (share class 1, net of fees). The Fund's Investment Association Flexible Investments Sector returned 4.13% over the same period.

#### Review

Returns from growth assets were mixed, but positive overall. US equities fared relatively well, supported by buoyant corporate profitability and a more resilient economic growth outlook than elsewhere. This was beneficial for performance, as the US remained the Fund's most favoured equity region throughout the year. Investments in emerging market debt and high yield bonds also added value. These asset classes were perceived to be beneficiaries of the lower interest rate environment. Closer to home, returns from the UK share market were hampered by persistent Brexit-related uncertainties and deteriorating economic indicators.

By the end of February, sentiment towards all equity markets worldwide was being adversely affected by the coronavirus outbreak. Associated disruptions, closures and delays are expected to act as a drag on growth and are clouding the outlook for corporate profitability.

The Fund maintained a very small allocation to government bond markets throughout the year. Fixed income securities typically provide regular income, but also have the potential to generate meaningful capital appreciation. This was the case during the past 12 months, when falling yields resulted in favourable returns from bonds. Yield movements primarily reflected interest rate reductions in key regions, most notably in the US where official cash rates were lowered three times. Investors' realisation that borrowing costs are likely to remain low for longer than was previously anticipated saw bond yields fall to record lows in many markets.

Uncorrelated assets including absolute return strategies, which serve to diversify the portfolio's risk profile, were also positive over the year.

## AVIVA INVESTORS MULTI-MANAGER FLEXIBLE FUND (CONTINUED)

## FUND MANAGER'S REPORT (CONTINUED)

## Outlook

Coronavirus-related disruptions potentially jeopardise the prospect of a rebound in economic growth, or at least delay it. With that in mind, risk has been reduced in the portfolio until more clarity emerges on the likely extent and length of the disruptions. The situation is evolving rapidly; consequently, we are monitoring developments closely, ready to respond by amending portfolio positioning if and when opportunities present themselves.

## March 2020

\* Fund performance figures – source Lipper, a Thomson Reuters company, net of fees, net income reinvested.

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 11 are based on the net asset value per the published accounts and may be different due to post year end accounting adjustments.

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

## Performance History – Income Shares

Calendar year	Benchmark	
	Share Class 3	Performance*
	%	%
31.12.13 to 31.12.14	8.78	4.84
31.12.14 to 31.12.15	3.22	2.25
31.12.15 to 31.12.16	18.23	14.50
31.12.16 to 31.12.17	12.24	11.71
31.12.17 to 31.12.18	-8.75	-6.84

\* Benchmark – Investment Association Flexible Investment Sector.

## Performance History – Accumulation Shares

Calendar year	Benchmark		
	Share Class 1	Share Class 2	Performance*
	%	%	%
31.12.13 to 31.12.14	7.70	8.52	4.84
31.12.14 to 31.12.15	2.19	2.97	2.25
31.12.15 to 31.12.16	17.05	17.94	14.50
31.12.16 to 31.12.17	11.13	11.95	11.71
31.12.17 to 31.12.18	-9.39	-8.97	-6.84

\* Benchmark – Investment Association Flexible Investment Sector.

Source for all data: Aviva Investors/Lipper, a Thomson Reuters company, this is based on index provider data where applicable. Fund return data is mid to mid, net income reinvested, net of all ongoing charges and fees in sterling, net of tax payable by the Fund to 31 December 2018. The figures do not include the effect of the Entry Charge and any Exit Charge.

## Material Portfolio Changes

Purchases	Sales
Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP	Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP
T. Rowe Price Emerging Markets Equity Fund Class I	Invesco European Equity Income Fund Accumulation (No Trail) share class
iShares Core S&P 500 UCITS Fund USD (Acc) Share Class	Aviva Investors EM Equity MoM 1 Fund Class 2, Income shares, GBP
Hermes Global High Yield Credit Fund Class M Stg£ Dist. Hedged Shares	Hermes Global High Yield Credit Fund Class F Stg£ Acc. Hedged Shares
J O Hambro Capital Management UK Dynamic Fund Y Accumulating	iShares Core S&P 500 UCITS Fund USD (Acc) Share Class
iShares Pacific Index Fund (IE) Class Institutional Accumulating GBP	iShares Pacific Index Fund (IE) Class Institutional Accumulating EUR
iShares Continental European Equity Index Fund (UK) Class L Accumulating GBP	PineBridge Asia ex Japan Small Cap Equity Fund Unit Class Y2
BlackRock Emerging Markets Local Currency Bond Fund Class A2 USD	BlackRock European Dynamic Fund Class FD Accumulating GBP
BlackRock Emerging Markets Bond Fund Class A2 GBP Hedged	Hermes Global High Yield Credit Fund Class M Stg£ Dist. Hedged Shares
Baillie Gifford Japanese Fund Class B Shares	Man GLG Japan CoreAlpha Fund Professional Accumulation Shares (Class C)

## 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](http://www.avivainvestors.com) or from the ACD on request.

## COMPARATIVE TABLES

	2020	2019	2018
	p per share	p per share	p per share
<b>Class 1 Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	90.31	92.68	86.92
Return before operating charges <sup>†</sup>	7.95	(0.61)	7.78
Operating charges	(1.65)	(1.76)	(2.02)
Return after operating charges <sup>†</sup>	6.30	(2.37)	5.76
Distributions	(0.48)	(0.11)	(0.01)
Retained distributions on accumulation shares	0.48	0.11	0.01
Closing net asset value per share	96.61	90.31	92.68
<sup>†</sup> after direct transaction costs of	(0.02)	(0.01)	–
<b>Performance</b>			
Return after charges	6.98%	(2.56)%	6.63%
<b>Other information</b>			
Closing net asset value (£000)	1,121	2,612	2,707
Closing number of shares	1,160,169	2,891,926	2,920,888
Operating charges (%) <sup>†</sup>	1.71%	1.93%	2.23%
Direct transaction costs (%) <sup>#</sup>	0.02%	0.01%	–
<b>Prices<sup>≈</sup></b>			
Highest share price	104.91	95.87	95.64
Lowest share price	90.20	83.59	85.25

	2020	2019	2018
	p per share	p per share	p per share
<b>Class 2 Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	147.37	150.67	140.25
Return before operating charges <sup>†</sup>	13.01	(0.99)	12.59
Operating charges	(2.33)	(2.31)	(2.17)
Return after operating charges <sup>†</sup>	10.68	(3.30)	10.42
Distributions	(1.27)	(0.74)	(0.58)
Retained distributions on accumulation shares	1.27	0.74	0.58
Closing net asset value per share	158.05	147.37	150.67
<sup>†</sup> after direct transaction costs of	(0.03)	(0.01)	–
<b>Performance</b>			
Return after charges	7.25%	(2.19)%	7.43%
<b>Other information</b>			
Closing net asset value (£000)	12,640	8,069	8,848
Closing number of shares	7,997,649	5,474,826	5,872,712
Operating charges (%) <sup>†</sup>	1.46%	1.56%	1.48%
Direct transaction costs (%) <sup>#</sup>	0.02%	0.01%	–
<b>Prices<sup>≈</sup></b>			
Highest share price	171.60	156.21	155.32
Lowest share price	147.20	136.35	137.69

	2020	2019	2018
	p per share	p per share	p per share
<b>Class 3 Income</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	187.99	193.13	180.31
Return before operating charges <sup>†</sup>	16.57	(1.23)	16.16
Operating charges	(2.45)	(2.49)	(2.31)
Return after operating charges <sup>†</sup>	14.12	(3.72)	13.85
Distributions	(2.07)	(1.42)	(1.03)
Closing net asset value per share	200.04	187.99	193.13
<sup>†</sup> after direct transaction costs of	(0.04)	(0.02)	–
<b>Performance</b>			
Return after charges	7.51%	(1.93)%	7.68%
<b>Other information</b>			
Closing net asset value (£000)	61,791	62,725	67,878
Closing number of shares	30,888,397	33,366,216	35,145,495
Operating charges (%) <sup>†</sup>	1.21%	1.31%	1.23%
Direct transaction costs (%) <sup>#</sup>	0.02%	0.01%	–
<b>Prices<sup>≈</sup></b>			
Highest share price	218.76	200.46	199.09
Lowest share price	187.81	174.45	177.07

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

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

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

<sup>#</sup> 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).

<sup>≈</sup> The high and low prices disclosed are the high and low prices for the accounting period and not the calendar year. The net asset value per share 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	29.02.20	28.02.19
Class 1	1.71%	1.81%**
Class 2	1.46%	1.56%
Class 3	1.21%	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.

The OCF includes a synthetic charge of 0.56% (28.02.19: 0.66%) in respect of underlying investments.

\*\* Following the update to the Prospectus and the change in charging structure of the Fund part way through the period, the ongoing charges figure has been based on the revised fee structure and therefore is not on an ex-post basis.

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 29 February 2020

Investment	Currency	Holding	Market Value £000	% of Net Assets
<b>Collective Investment Schemes 94.29% (98.61%)</b>				
Aviva Investors Multi-Strategy Target Return Fund Class 3, Accumulation shares, GBP†	GBP	1,704,587	1,963	2.60
Baillie Gifford Japanese Fund Class B Shares	GBP	236,072	3,737	4.95
BlackRock Emerging Markets Bond Fund Class A2 GBP Hedged	GBP	407,514	4,898	6.48
BlackRock Emerging Markets Local Currency Bond Fund Class A2 USD	USD	174,424	3,295	4.36
BlackRock European Absolute Alpha Fund Class D Accumulating GBP	GBP	255,717	381	0.51
BlackRock European Dynamic Fund Class FD Accumulating GBP	GBP	2,970,487	5,638	7.46
Hermes Global High Yield Credit Fund Class M Stg£ Dist. Hedged Shares	GBP	3,115,467	3,282	4.34
iShares Continental European Equity Index Fund (UK) Class L Accumulating GBP	GBP	730,222	1,892	2.50
iShares Core S&P 500 UCITS Fund USD (Acc) Share Class	GBP	50,944	11,490	15.21
iShares Pacific Index Fund (IE) Class Institutional Accumulating GBP	GBP	275,568	2,810	3.72
J O Hambro Capital Management UK Dynamic Fund Y Accumulating	GBP	5,493,279	7,866	10.41
JPM Global Corporate Bond Fund C (dist) – GBP (hedged)	GBP	35,134	2,389	3.16
Man GLG Japan CoreAlpha Fund Professional Accumulation Shares (Class C)	GBP	759,421	1,246	1.65
PineBridge Asia ex Japan Small Cap Equity Fund Unit Class Y2	GBP	5,046	639	0.85
T. Rowe Price Emerging Markets Equity Fund Class I	USD	193,260	6,013	7.96
Wellington US Research Equity Fund USD Class S Accumulating Unhedged	USD	167,025	13,696	18.13
<b>Collective Investment Schemes total</b>			<b>71,235</b>	<b>94.29</b>
<b>Equities 1.00% (0.00%)</b>				
<b>Guernsey 1.00% (0.00%)</b>				
TwentyFour Income Fund	GBP	697,966	757	1.00
			757	1.00
<b>Equities total</b>			<b>757</b>	<b>1.00</b>
<b>Forward Currency Contracts (0.14)% (0.24%)</b>				
Buy GBP 1,698,323 sell AUD 3,246,820 dated 22/04/2020			51	0.07
Buy GBP 5,413,028 sell EUR 6,368,833 dated 22/04/2020			(52)	(0.07)
Buy GBP 5,610,535 sell USD 7,370,248 dated 22/04/2020			(104)	(0.14)
Buy USD 1,948,353 sell GBP 1,508,321 dated 22/04/2020			2	–
<b>Forward Currency Contracts total</b>			<b>(103)</b>	<b>(0.14)</b>
<b>Futures (0.49)% (0.23%)</b>				
Australia 10 Year Bond 16/03/2020	AUD	20	40	0.05
Euro-BTP 06/03/2020	EUR	13	36	0.05
Euro-Buxl 30 Year Bond 06/03/2020	EUR	(11)	(151)	(0.20)
EURO STOXX 50 Index 20/03/2020	EUR	13	(28)	(0.04)
Long Gilt 26/06/2020	GBP	9	19	0.03
MSCI Emerging Markets Emini Index 20/03/2020	USD	19	(96)	(0.13)
S&P 500 Emini Index 20/03/2020	USD	13	(182)	(0.24)
TOPIX Index 12/03/2020	JPY	3	(20)	(0.02)
US 2 Year Note 30/06/2020	USD	(24)	(21)	(0.03)
US 10 Year Note 19/06/2020	USD	14	10	0.01
US Ultra Bond 19/06/2020	USD	6	25	0.03
<b>Futures total</b>			<b>(368)</b>	<b>(0.49)</b>
<b>Liquidity Funds 4.90% (0.82%)<sup>1</sup></b>				
Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP†	GBP	3,700,000	3,700	4.90
<b>Liquidity Funds total</b>			<b>3,700</b>	<b>4.90</b>
Investment assets (including investment liabilities) <sup>2</sup>			75,221	99.56
Net other assets			331	0.44
<b>Net assets</b>			<b>75,552</b>	<b>100.00</b>

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

The comparative percentage figures in brackets are as at 28 February 2019.

† A related party to the Fund.

<sup>1</sup> Cash Equivalents.

<sup>2</sup> Includes Cash Equivalents.

## STATEMENT OF TOTAL RETURN

### For the year ended 29 February 2020

	Notes	£000	Year ended 29.02.20 £000	£000	Year ended 28.02.19 £000
Income					
Net capital gains/(losses)	2		4,463		(1,982)
Revenue	3	1,278		1,056	
Expenses	4	(530)		(537)	
Net revenue before taxation		748		519	
Taxation	5	–		–	
Net revenue after taxation			748		519
<b>Total return before distributions</b>			<b>5,211</b>		<b>(1,463)</b>
Distributions	6		(748)		(525)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>4,463</b>		<b>(1,988)</b>

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

### For the year ended 29 February 2020

	£000	Year ended 29.02.20 £000	£000	Year ended 28.02.19 £000
<b>Opening net assets attributable to shareholders</b>		<b>73,406</b>		<b>79,433</b>
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	8,405		4,407	
Amounts payable on cancellation of shares	(10,821)		(8,490)	
		(2,416)		(4,083)
Change in net assets attributable to shareholders from investment activities (see above)		4,463		(1,988)
Retained distribution on accumulation shares		99		44
<b>Closing net assets attributable to shareholders</b>		<b>75,552</b>		<b>73,406</b>

## BALANCE SHEET

As at 29 February 2020

	Notes	As at 29.02.20 £000	As at 28.02.19 £000
<b>Assets:</b>			
Investments	7	72,175	72,905
<b>Current assets:</b>			
Debtors	8	800	144
Cash and bank balances	9	574	262
Cash equivalents		3,700	600
<b>Total assets</b>		<b>77,249</b>	<b>73,911</b>
<b>Liabilities:</b>			
Investment liabilities	7	(654)	(175)
<b>Creditors:</b>			
Distribution payable		(448)	(217)
Other creditors	11	(595)	(113)
<b>Total liabilities</b>		<b>(1,697)</b>	<b>(505)</b>
<b>Net assets attributable to shareholders</b>		<b>75,552</b>	<b>73,406</b>



## NOTES TO THE FINANCIAL STATEMENTS

### 1 Accounting basis and policies

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

### 2 Net capital gains/(losses)

	Year ended 29.02.20 £000	Year ended 28.02.19 £000
<b>Net capital gains/(losses) on investment during the year comprise:</b>		
Currency losses	(33)	–
Derivative contracts gains/(losses)	339	(754)
Expenses relating to the purchase and sale of investments	–	(1)
Forward currency contracts (losses)/gains	(35)	192
Investment manager capital rebates*	–	31
Non-derivative securities gains/(losses)	4,192	(1,450)
<b>Net capital gains/(losses) **</b>	<b>4,463</b>	<b>(1,982)</b>

\* Represents rebates received in respect of expenses incurred in underlying CIS investments.

\*\* Total realised gains for the year were £5,628,355 (2019: £2,701,521) and the movement in unrealised losses was £(1,165,237) (2019: £(4,683,848)). Included in realised gains for the year were unrealised gains recognised in previous years.

### 3 Revenue

	Year ended 29.02.20 £000	Year ended 28.02.19 £000
Bank and deposit interest	2	2
Franked component of dividend distributions	466	546
Interest on debt securities	18	27
Income from derivatives	39	17
Investment manager rebates*	73	122
Overseas dividends	44	–
Revenue from offshore funds	616	314
Unfranked component of dividend distributions	20	28
<b>Total revenue</b>	<b>1,278</b>	<b>1,056</b>

\* Represents rebates received in respect of expenses incurred in underlying CIS investments.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**4 Expenses**

	Year ended 29.02.20 £000	Year ended 28.02.19 £000
<b>Payable to the Authorised Corporate Director ("ACD"), associates of the ACD or agents of either of them:</b>		
Fund Management Fee/ACD's periodic charge*	526	515
Registration fees	–	3
	526	518
<b>Payable to the Depositary, associates of the Depositary or agents of either of them:</b>		
Depositary's fee	–	3
Interest payable	4	11
Safe custody fee	–	2
	4	16
<b>Other expenses:</b>		
Audit fee**	–	3
<b>Total expenses</b>	<b>530</b>	<b>537</b>

\* From 4 June 2018 the Fund changed to a single fixed charge known as the Fund Management Fee (FMF). The FMF covers fees and expenses in relation to the operation and administration of the Company and the Fund.

\*\* The audit fee was £9,797 (2019: £9,608) net of VAT. With effect from 4 June 2018, the audit fee was no longer accrued for separately and now forms part of the FMF.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**5 Taxation****a Analysis of tax charge**

	Year ended 29.02.20 £000	Year ended 28.02.19 £000
Corporation tax	–	–
<b>Total tax for the year (see note 5b)</b>	<b>–</b>	<b>–</b>

**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 29.02.20 £000	Year ended 28.02.19 £000
<b>Net revenue before taxation</b>	<b>748</b>	<b>519</b>
Corporation tax at 20%	150	104
<b>Effects of:</b>		
Movement in excess management expenses	(3)	36
Overseas dividends not subject to corporation tax	(54)	(37)
Tax relief on investment manager fee rebates	–	6
UK dividends not subject to corporation tax	(93)	(109)
<b>Current tax charge (see note 5a)</b>	<b>–</b>	<b>–</b>

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 £1,691,154 (2019: £1,704,475\*) creating a potential deferred tax asset of £338,231 (2019: £340,895\*). 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.

\* Restated figures to agree to final tax computation.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**6 Distributions**

	Year ended 29.02.20 £000	Year ended 28.02.19 £000
<b>The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:</b>		
Interim distribution	214	283
Final distribution	532	238
	746	521
Add: Revenue deducted on cancellation of shares	5	8
Deduct: Revenue received on issue of shares	(3)	(4)
<b>Total distributions</b>	<b>748</b>	<b>525</b>
<b>Reconciliation of distributions for the year to net revenue after taxation</b>		
Distributions for the year	748	525
Tax relief on capitalised ACD's periodic charge	–	(6)
<b>Net revenue after taxation</b>	<b>748</b>	<b>519</b>

Details of the distributions per share are set out in the distribution tables on page 23.

**7 Fair value hierarchy**

Valuation technique	As at 29.02.20		As at 28.02.19	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1: Quoted prices	12,377	(498)	10,494	(175)
Level 2: Observable market data	63,498	(156)	63,011	–
<b>Total</b>	<b>75,875</b>	<b>(654)</b>	<b>73,505</b>	<b>(175)</b>

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 29.02.20 £000	As at 28.02.19 £000
Accrued revenue	2	–
Accrued expense fee rebate	71	49
Amounts receivable on issue of shares	237	84
Corporation tax recoverable	10	11
Sales awaiting settlement	480	–
<b>Total debtors</b>	<b>800</b>	<b>144</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**9 Cash and bank balances**

	As at 29.02.20 £000	As at 28.02.19 £000
Amounts held at futures clearing houses and brokers	549	217
Cash and bank balances	25	45
<b>Total cash and bank balances</b>	<b>574</b>	<b>262</b>

**10 Cash equivalents**

	As at 29.02.20 £000	As at 28.02.19 £000
Aviva Investors Sterling Liquidity Fund	3,700	600
<b>Total cash equivalents</b>	<b>3,700</b>	<b>600</b>

**11 Other creditors**

	As at 29.02.20 £000	As at 28.02.19 £000
Accrued expenses	86	38
Amounts payable for cancellation of shares	294	75
Purchases awaiting settlement	215	–
<b>Total other creditors</b>	<b>595</b>	<b>113</b>

**12 Contingent liabilities and commitments**

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

**13 Related party transactions**

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

Fund Management Fee/ACD periodic charges paid to Aviva Investors UK Fund Services Limited ("the ACD") are shown in note 4 and details of shares issued and cancelled by the ACD are shown in the statement of change in net assets attributable to shareholders. The balance due to the ACD at the year end in respect of Fund Management Fee/ACD periodic charges was £86,344 (2019: £38,297). Any balance due from the ACD in respect of issues is shown in note 8. Any balance due to the ACD in respect of cancellations is shown in note 11.

Distributions payable to the ACD and related parties of the ACD during the year amounted to £678,277 (2019: £495,950). The amount outstanding at the year end was £472,685 (2019: £225,533). 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 £20,924,549 (2019: £22,064,197) and £25,199,330 (2019: £35,541,146) respectively. The income received during the year amounted to £50,097 (2019: £84,722). The rebates from ACD during the year amounted to £4,222 (2019: £51,659).

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

	Holdings at 29.02.20 (shares)	Movement (shares)	Holdings at 28.02.19 (shares)
ACD and related parties (Class 3 Income shares)	30,888,397	(2,477,819)	33,366,216
ACD and related parties (Class 2 Accumulation shares)	2,477,228	(145,483)	2,622,711

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 14 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 Fees are as follows:

Class 1: 1.15%  
Class 2: 0.90%  
Class 3: 0.65%

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 11. The distributions per share class are given in the distribution tables on page 23. All the share classes have the same rights on winding up.

### 15 Shares in issue reconciliation

	Number of shares in issue at 28.02.19	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 29.02.20
Class 3 Income shares	33,366,216	1,678,607	(4,156,426)	–	30,888,397
Class 1 Accumulation shares	2,891,926	–	(80,446)	(1,651,311)	1,160,169
Class 2 Accumulation shares	5,474,826	2,991,144	(1,479,032)	1,010,711	7,997,649

### 16 Derivatives and other financial instruments

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

#### Fair value of financial assets and financial liabilities

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

#### Currency risk

At the year end date, 15.44% (2019: 15.68%) 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 1.54% (2019: 1.57%).

Currency	Net foreign currency assets					
	Monetary exposure £000		Non-monetary exposure £000		Total £000	
	29.02.20	28.02.19	29.02.20	28.02.19	29.02.20	28.02.19
Australian Dollar	6	(73)	(1,607)	(1,487)	(1,601)	(1,560)
Euro	165	115	(5,608)	(84)	(5,443)	31
Japanese Yen	–	(29)	(20)	18	(20)	(11)
US Dollar	197	(186)	18,536	13,237	18,733	13,051

#### Interest rate risk

At the year end date 5.66% (2019: 1.17%) 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 base rate of the Depositary's delegated Custodian.

#### Interest rate exposures

The Aviva Investors Investment Risk Team performs regular stress testing across all portfolios to determine market sensitivities and risk exposures using BlackRock's Aladdin risk model and stress testing methodology. Under this methodology, if 5Y GBP interest rates had increased by 1% as at the balance sheet date, the net asset value of the Fund would have decreased by £525,064 (2019: £597,714).

If interest rates had decreased by 1% as at the balance sheet date, the net asset value of the Fund would have increased by £525,064 (2019: £597,714). These calculations assume the interest rate shock is propagated to all risk factors the Fund is exposed to, based on historical market correlations and volatilities between factors.

#### Market price risk

At the year end date, 95.29% (2019: 98.61%) 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 9.53% (2019: 9.86%).

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**17 Counterparty exposure****Financial derivative exposure**

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

	Forward currency contracts £000	Futures contracts £000	Total £000
<b>29.02.20</b>			
Barclays	(63)	130	67
Goldman Sachs	(12)	–	(12)
Merrill Lynch	(10)	–	(10)
Royal Bank of Scotland	5	–	5
Standard Chartered	2	–	2
UBS	(25)	–	(25)
<b>Total</b>	<b>(103)</b>	<b>130</b>	<b>27</b>

	Forward currency contracts £000	Futures contracts £000	Total £000
<b>28.02.19</b>			
Barclays	23	–	23
Goldman Sachs	32	–	32
J.P. Morgan	22	–	22
Nomura	22	–	22
Royal Bank of Scotland	52	–	52
Société Générale	22	–	22
UBS	–	344	344
<b>Total</b>	<b>173</b>	<b>344</b>	<b>517</b>

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

**Collateral**

At the year end date no collateral was held or pledged by the Fund or on behalf of the counterparties in respect of the above (2019: £nil).

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**18 Direct transaction costs**

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

29.02.20	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
<b>Purchases</b>						
Equities	(804)	–	–	(804)	0.00%	0.00%
Funds	(55,536)	(2)	–	(55,538)	0.00%	0.00%
	(56,340)	(2)	–	(56,342)		
<b>Sales</b>						
Funds	57,995	(1)	(14)	57,980	0.00%	0.02%
	57,995	(1)	(14)	57,980		
<b>Total</b>		(3)	(14)			
<b>Percentage of fund average net assets</b>		0.00%	0.02%			

28.02.19	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
<b>Purchases</b>						
Funds	(45,119)	(1)	–	(45,120)	0.00%	0.00%
	(45,119)	(1)	–	(45,120)		
<b>Sales</b>						
Funds	49,300	(1)	(2)	49,297	0.00%	0.00%
	49,300	(1)	(2)	49,297		
<b>Total</b>		(2)	(2)			
<b>Percentage of fund average net assets</b>		0.01%	0.00%			

**Dealing spread**

As at 29 February 2020, the average portfolio dealing spread was 0.03% (2019: 0.03%). This spread represents the difference between the values determined retrospectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

**19 Post balance sheet events**

As a result of market movements and foreign exchange rates, since the balance sheet date on 29 February 2020, the price of each share class has changed as follows:

	Number of shares in issue at 29.02.20	Number of shares in issue at 24.06.20	% change	Price at 29.02.20 (p)	Price at 24.06.20 (p)	% change
Class 3 Income	30,888,397	30,399,827	-1.58%	200.04	201.57	0.76%
Class 1 Accumulation	1,160,169	1,159,971	-0.02%	96.61	97.20	0.61%
Class 2 Accumulation	7,997,649	8,097,124	1.24%	158.05	159.13	0.68%

A high level of uncertainty remains on the ultimate scenario for COVID-19, or the likelihood of any particular outcome, with a number of varying projections being publicised. During this period of uncertainty, the Funds are exposed to a higher liquidity risk resulting from the Funds liability to shareholders for any cancellation of shares. While the Fund may have experienced higher than average cancellation of shares the liquidity measures within the Fund remain within normal range and there is no immediate or material uncertainty about the viability of the Fund as a going concern.



## DISTRIBUTION TABLES

## Final distribution payable in pence per share for the six months ended 29 February 2020

Income Shares		Net revenue	Equalisation	Final distribution payable 30 April 2020	Final distribution paid 30 April 2019
Class 3	Group 1	1.4516	–	1.4516	0.6500
	Group 2	1.4084	0.0432	1.4516	0.6500

Accumulation Shares		Net revenue	Equalisation	Final distribution payable 30 April 2020	Final distribution paid 30 April 2019
Class 1	Group 1	0.4156	–	0.4156	0.0900
	Group 2	0.4130	0.0026	0.4156	0.0900
Class 2	Group 1	0.9813	–	0.9813	0.3299
	Group 2	0.8986	0.0827	0.9813	0.3299

**Final distribution**

Group 1 shares are those shares purchased at or before 9am on 31 August 2019.

Group 2 shares are those shares purchased after 9am on 31 August 2019.

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

Income Shares		Net revenue	Equalisation	Interim distribution paid 31 October 2019	Interim distribution paid 31 October 2018
Class 3	Group 1	0.6232	–	0.6232	0.7706
	Group 2	0.5521	0.0711	0.6232	0.7706

Accumulation Shares		Net revenue	Equalisation	Interim distribution paid 31 October 2019	Interim distribution paid 31 October 2018
Class 1	Group 1	0.0601	–	0.0601	0.0245
	Group 2	0.0601	0.0000	0.0601	0.0245
Class 2	Group 1	0.2891	–	0.2891	0.4089
	Group 2	0.2754	0.0137	0.2891	0.4089

**Interim distribution**

Group 1 shares are those shares purchased at or before 9am on 28 February 2019.

Group 2 shares are those shares purchased after 9am on 28 February 2019.

**Equalisation**

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

## AVIVA INVESTORS MULTI-MANAGER 40-85% SHARES FUND

### INVESTMENT OBJECTIVE

The Fund aims to grow your investment over the long term (5 years or more) through a combination of income and capital returns by investing in other funds (including funds managed by Aviva Investors companies).

### INVESTMENT POLICY

#### Core investment

At least 80% of the Fund will be invested in other funds, which in turn invest in a range of global asset classes (including emerging markets). The Fund's asset class exposures will be made up of the combined holdings of the other funds, of which at between 40% and 85% of the combined holdings will be invested in the shares of companies. The other funds may also invest in bonds and cash. At least 50% of the Fund's underlying assets will be held in US Dollars, Sterling or Euros, with a minimum of 25% in Sterling.

#### Other Investment

The Fund may also invest indirectly in property.

Derivatives may be used to gain exposure to an asset class which may otherwise be difficult or costly to achieve, or to manage the Fund's cash flows in a cost-effective manner. Derivatives may also be used to reduce risk, such as foreign currency risk within the Fund. This type of derivative usage is called "efficient portfolio management."

#### Strategy

The Fund is actively managed to blend asset classes for diversification, different asset allocations can be selected depending on market conditions and opportunities.

The Investment Manager relies on an assessment of seven criteria (Parent, Product, Philosophy, Process, People, Performance, Position) to determine which funds are suitable for investment, with the intention of creating an optimum risk and reward profile within the limits of the Investment Association (the "IA") Mixed Investment 40-85% Shares Sector (the "Sector"). The Sector is made up of other funds managed within these limits.

#### Environmental, Social & Governance (ESG) factors

ESG factors are also integrated into the criteria used in the selection of funds for investment, based upon the underlying manager's ability to demonstrate an appropriate ESG framework, and their consideration of ESG factors in the investment process, but this does not mean that these funds are required to have ESG outcomes, and the Investment Manager retains discretion over which investments are selected for the Fund. 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 & Risk Measurement

The Fund's performance is compared against the Investment Association Mixed Investment 40-85% Shares Sector (the "Sector").

The Fund uses a "tracking error" to measure the consistency between the Fund's returns and the returns of the Sector. In general, the lower the tracking error, the more consistent the Fund's returns are relative to the Sector, and vice-versa. The Fund is expected to have an average yearly tracking error of between 2% and 6% when compared to the Sector. In certain conditions the Fund may be outside of this range.

The Sector is an industry benchmark, which consists of all UK funds which have elected to become constituents of the Sector, and meet the criteria of the Sector, as detailed by the IA's Sector Committee.

The Sector has been selected as a benchmark for performance and risk measurement because the Fund will be managed in line with the criteria of the Sector, and it is therefore an appropriate comparator for the Fund's performance.

### FUND MANAGER'S REPORT

#### Performance

Over the twelve months ended 29 February 2020, the Fund returned 6.80% (share class 1, net of fees). The Fund's Investment Association Mixed Investment 40-85% Share Sector returned 5.06% over the same period.

#### Review

Returns from growth assets were mixed, but positive overall. US equities fared relatively well, supported by buoyant corporate profitability and a more resilient economic growth outlook than elsewhere. This was beneficial for performance, as the US remained the Fund's most favoured equity region throughout the year. Investments in emerging market debt and high yield bonds also added value. These asset classes were perceived to be beneficiaries of the lower interest rate environment. Closer to home, returns from the UK share market were hampered by persistent Brexit-related uncertainties and deteriorating economic indicators.

By the end of February, sentiment towards all equity markets worldwide was being adversely affected by the coronavirus outbreak. Associated disruptions, closures and delays are expected to act as a drag on growth and are clouding the outlook for corporate profitability.

The Fund maintained an allocation to bond markets throughout the year. Fixed income securities typically provide regular income, but also have the potential to generate meaningful capital appreciation. This was the case during the past 12 months, when falling yields resulted in favourable returns from bonds.

Yield movements primarily reflected interest rate reductions in key regions, most notably in the US where official cash rates were lowered three times. Amid signs of decelerating growth, central banks eased policy settings to try and support economic activity levels. Further, consensus forecasts suggested interest rates will be lowered even further as authorities try and stimulate demand. Investors' realisation that borrowing costs are likely to remain low for longer than was previously anticipated saw bond yields fall to record lows in many markets.

Uncorrelated assets including absolute return strategies, which serve to diversify the portfolio's risk profile, were also positive over the year.

## AVIVA INVESTORS MULTI-MANAGER 40-85% SHARES FUND (CONTINUED)

## FUND MANAGER'S REPORT (CONTINUED)

## Outlook

Coronavirus-related disruptions potentially jeopardise the prospect of a rebound in economic growth, or at least delay it. With that in mind, risk has been reduced in the portfolio until more clarity emerges on the likely extent and length of the disruptions. The situation is evolving rapidly; consequently, we are monitoring developments closely, ready to respond by amending portfolio positioning if and when opportunities present themselves.

## March 2020

\* Fund performance figures – source Lipper, a Thomson Reuters company, net of fees, net income reinvested.

As noted above, the performance figures in this commentary have been sourced from an external party and are based on published prices. The performance figures quoted in the comparative tables on pages 26 and 27 are based on the net asset value per the published accounts and may be different due to post year end accounting adjustments.

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

## Performance History – Income Shares

Calendar year	Share Class			Benchmark	
	Share Class 1 %	Share Class 2 %	Share Class 3 %	Share Class 2 %	Performance* %
31.12.13 to 31.12.14	5.48	6.29	6.54	6.28	4.80
31.12.14 to 31.12.15	2.48	3.25	3.52	3.26	2.48
31.12.15 to 31.12.16	14.49	15.36	15.64	15.36	13.33
31.12.16 to 31.12.17	8.83	9.56	9.79	9.56	10.18
31.12.17 to 31.12.18	-8.45	-8.11	-7.94	-8.11	-6.25

\* Benchmark – Investment Association Mixed Investment 40-85% Shares Sector.

## Performance History – Accumulation Shares

Calendar year	Share Class 2		Benchmark	
	Share Class 2 %	Share Class 2 %	Share Class 2 %	Performance* %
31.12.13 to 31.12.14			6.28	4.80
31.12.14 to 31.12.15			3.26	2.48
31.12.15 to 31.12.16			15.36	13.33
31.12.16 to 31.12.17			9.56	10.18
31.12.17 to 31.12.18			-8.11	-6.25

\* Benchmark – Investment Association Mixed Investment 40-85% Shares Sector.

Source for all data: Aviva Investors/Lipper, a Thomson Reuters company, this is based on index provider data where applicable. Fund return data is mid to mid, net income reinvested, net of all ongoing charges and fees in sterling, net of tax payable by the Fund to 31 December 2018. The figures do not include the effect of the Entry Charge and any Exit Charge.

## Material Portfolio Changes

Purchases	Sales
Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP	Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP
T. Rowe Price Emerging Markets Equity Fund Class I	Invesco European Equity Income Fund Accumulation (No Trail) share class
iShares Core S&P 500 UCITS Fund USD (Acc) Share Class	Aviva Investors EM Equity MoM 1 Fund Class 2, Income shares, GBP
Hermes Global High Yield Credit Fund Class M Stg£ Dist. Hedged Shares	Hermes Global High Yield Credit Fund Class F Stg£ Acc. Hedged Shares
J O Hambro Capital Management UK Dynamic Fund Y Accumulating	iShares Core S&P 500 UCITS Fund USD (Acc) Share Class
iShares Pacific Index Fund (IE) Class Institutional Accumulating GBP	Aviva Investors Multi-Strategy Target Return Fund Class 3, Accumulation shares, GBP
BlackRock Emerging Markets Local Currency Bond Fund Class A2 USD	iShares Pacific Index Fund (IE) Class Institutional Accumulating EUR
iShares Continental European Equity Index Fund (UK) Class L Accumulating GBP	iShares \$ TIPS UCITS Fund USD (Acc) Share Class
BlackRock Emerging Markets Bond Fund Class A2 GBP Hedged	Hermes Global High Yield Credit Fund Class M Stg£ Dist. Hedged Shares
Baillie Gifford Japanese Fund Class B Shares	PineBridge Asia ex Japan Small Cap Equity Fund Unit Class Y2

## 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](http://www.avivainvestors.com) or from the ACD on request.

## COMPARATIVE TABLES

Class 1 Income	2020 p per share	2019 p per share	2018 p per share
<b>Change in net assets per share</b>			
Opening net asset value per share	83.69	85.61	81.68
Return before operating charges <sup>†</sup>	7.60	(0.14)	6.19
Operating charges	(1.50)	(1.58)	(1.82)
Return after operating charges <sup>†</sup>	6.10	(1.72)	4.37
Distributions	(1.23)	(0.20)	(0.44)
Closing net asset value per share	88.56	83.69	85.61
<sup>†</sup> after direct transaction costs of	(0.02)	(0.01)	(0.01)
<b>Performance</b>			
Return after charges	7.29%	(2.01)%	5.35%
<b>Other information</b>			
Closing net asset value (£000)	3,016	3,022	3,240
Closing number of shares	3,405,612	3,610,882	3,784,654
Operating charges (%) <sup>†</sup>	1.67%	1.88%	2.16%
Direct transaction costs (%) <sup>#</sup>	0.02%	0.01%	0.01%
<b>Prices<sup>°</sup></b>			
Highest share price	95.66	87.95	88.15
Lowest share price	83.57	78.22	80.63

Class 2 Income	2020 p per share	2019 p per share	2018 p per share
<b>Change in net assets per share</b>			
Opening net asset value per share	154.13	157.65	149.36
Return before operating charges <sup>†</sup>	13.30	(0.25)	11.17
Operating charges	(2.35)	(2.33)	(2.18)
Return after operating charges <sup>†</sup>	10.95	(2.58)	8.99
Distributions	(2.00)	(0.94)	(0.70)
Closing net asset value per share	163.08	154.13	157.65
<sup>†</sup> after direct transaction costs of	(0.03)	(0.02)	(0.02)
<b>Performance</b>			
Return after charges	7.10%	(1.64)%	6.02%
<b>Other information</b>			
Closing net asset value (£000)	14,010	14,974	15,763
Closing number of shares	8,591,064	9,715,472	9,998,719
Operating charges (%) <sup>†</sup>	1.42%	1.50%	1.41%
Direct transaction costs (%) <sup>#</sup>	0.02%	0.01%	0.01%
<b>Prices<sup>°</sup></b>			
Highest share price	176.34	162.35	162.21
Lowest share price	153.92	144.15	147.59

Class 2 Accumulation	2020 p per share	2019 p per share	2018 p per share
<b>Change in net assets per share</b>			
Opening net asset value per share	138.40	140.72	132.71
Return before operating charges <sup>†</sup>	11.93	(0.24)	9.95
Operating charges	(2.11)	(2.08)	(1.94)
Return after operating charges <sup>†</sup>	9.82	(2.32)	8.01
Distributions	(1.80)	(0.84)	(0.63)
Retained distributions on accumulation shares	1.80	0.84	0.63
Closing net asset value per share	148.22	138.40	140.72
<sup>†</sup> after direct transaction costs of	(0.03)	(0.01)	(0.01)
<b>Performance</b>			
Return after charges	7.10%	(1.65)%	6.04%
<b>Other information</b>			
Closing net asset value (£000)	23,437	24,211	25,620
Closing number of shares	15,811,790	17,494,107	18,206,968
Operating charges (%) <sup>†</sup>	1.42%	1.50%	1.41%
Direct transaction costs (%) <sup>#</sup>	0.02%	0.01%	0.01%
<b>Prices<sup>°</sup></b>			
Highest share price	158.78	144.91	144.79
Lowest share price	138.14	129.00	131.14

## COMPARATIVE TABLES (CONTINUED)

	2020	2019	2018
Class 3 Income	p per share	p per share	p per share
<b>Change in net assets per share</b>			
Opening net asset value per share	170.88	174.79	165.58
Return before operating charges <sup>†</sup>	14.24	(0.29)	12.32
Operating charges	(2.15)	(2.16)	(1.99)
Return after operating charges <sup>†</sup>	12.09	(2.45)	10.33
Distributions	(2.16)	(1.46)	(1.12)
Closing net asset value per share	180.81	170.88	174.79
<sup>†</sup> after direct transaction costs of	(0.04)	(0.02)	(0.02)
<b>Performance</b>			
Return after charges	7.08%	(1.40)%	6.24%
<b>Other information</b>			
Closing net asset value (£000)	143,542	140,394	152,343
Closing number of shares	79,390,233	82,157,194	87,159,606
Operating charges (%) <sup>†</sup>	1.17%	1.25%	1.16%
Direct transaction costs (%) <sup>‡</sup>	0.02%	0.01%	0.01%
<b>Prices<sup>≈</sup></b>			
Highest share price	195.69	180.20	180.00
Lowest share price	170.66	159.92	163.68

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

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

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

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

≈ The high and low prices disclosed are the high and low prices for the accounting period and not the calendar year. The net asset value per share 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	29.02.20	28.02.19
Class 1	1.67%	1.75% **
Class 2	1.42%	1.50%
Class 3	1.17%	1.25%

\* 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.

The OCF includes a synthetic charge of 0.53% (2019: 0.61%) in respect of underlying investments.

\*\* Following the update to the Prospectus and the change in charging structure of the Fund part way through the period, the ongoing charges figure has been based on the revised fee structure and therefore is not on an ex-post basis.

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 29 February 2020

Investment	Currency	Holding	Market Value £000	% of Net Assets
<b>Collective Investment Schemes 88.76% (93.71%)</b>				
Aviva Investors Multi-Strategy Target Return Fund Class 3, Accumulation shares, GBP†	GBP	7,772,635	8,950	4.86
Baillie Gifford Japanese Fund Class B Shares	GBP	478,954	7,582	4.12
BlackRock Emerging Markets Bond Fund Class A2 GBP Hedged	GBP	900,788	10,828	5.89
BlackRock Emerging Markets Local Currency Bond Fund Class A2 USD	USD	395,758	7,476	4.06
BlackRock European Absolute Alpha Fund Class D Accumulating GBP	GBP	965,660	1,438	0.78
BlackRock European Dynamic Fund Class FD Accumulating GBP	GBP	6,420,904	12,187	6.62
Hermes Global High Yield Credit Fund Class M Stg£ Dist. Hedged Shares	GBP	6,458,840	6,805	3.70
iShares \$ TIPS UCITS Fund USD (Acc) Share Class	GBP	13,527	2,385	1.30
iShares Continental European Equity Index Fund (UK) Class L Accumulating GBP	GBP	1,515,666	3,927	2.14
iShares Core S&P 500 UCITS Fund USD (Acc) Share Class	GBP	107,270	24,195	13.15
iShares Pacific Index Fund (IE) Class Institutional Accumulating GBP	GBP	556,686	5,676	3.08
J O Hambro Capital Management UK Dynamic Fund Y Accumulating	GBP	10,774,788	15,430	8.39
JPM Global Corporate Bond Fund C (dist) – GBP (hedged)	GBP	196,432	13,355	7.26
Man GLG Japan CoreAlpha Fund Professional Accumulation Shares (Class C)	GBP	1,501,399	2,462	1.34
PineBridge Asia ex Japan Small Cap Equity Fund Unit Class Y2	GBP	11,079	1,402	0.76
T. Rowe Price Emerging Markets Equity Fund Class I	USD	379,328	11,802	6.41
Wellington US Research Equity Fund USD Class S Accumulating Unhedged	USD	334,358	27,417	14.90
<b>Collective Investment Schemes total</b>			<b>163,317</b>	<b>88.76</b>
<b>Equities 0.99% (0.00%)</b>				
<b>Guernsey 0.99% (0.00%)</b>				
TwentyFour Income Fund	GBP	1,680,693	1,823	0.99
			1,823	0.99
<b>Equities total</b>			<b>1,823</b>	<b>0.99</b>
<b>Forward Currency Contracts (0.14)% (0.37%)</b>				
Buy GBP 3,537,634 sell AUD 6,765,842 dated 22/04/2020			106	0.06
Buy GBP 11,538,518 sell EUR 13,564,264 dated 22/04/2020			(101)	(0.05)
Buy GBP 17,902,196 sell USD 23,517,785 dated 22/04/2020			(334)	(0.18)
Buy USD 10,007,224 sell GBP 7,696,330 dated 22/04/2020			63	0.03
<b>Forward Currency Contracts total</b>			<b>(266)</b>	<b>(0.14)</b>
<b>Futures (0.46)% (0.30%)</b>				
Australia 10 Year Bond 16/03/2020	AUD	50	100	0.05
Euro-BTP 06/03/2020	EUR	32	89	0.05
Euro-Buxl 30 Year Bond 06/03/2020	EUR	(24)	(339)	(0.18)
EURO STOXX 50 Index 20/03/2020	EUR	32	(69)	(0.04)
Long Gilt 26/06/2020	GBP	22	46	0.03
MSCI Emerging Markets Emini Index 20/03/2020	USD	52	(246)	(0.13)
S&P 500 Emini Index 20/03/2020	USD	31	(451)	(0.25)
TOPIX Index 12/03/2020	JPY	8	(55)	(0.03)
US 2 Year Note 30/06/2020	USD	(18)	(21)	(0.01)
US 10 Year Note 19/06/2020	USD	62	45	0.02
US Ultra Bond 19/06/2020	USD	14	59	0.03
<b>Futures total</b>			<b>(842)</b>	<b>(0.46)</b>
<b>Liquidity Funds 10.43% (5.86%)<sup>1</sup></b>				
Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP†	GBP	19,200,836	19,201	10.43
<b>Liquidity Funds total</b>			<b>19,201</b>	<b>10.43</b>
Investment assets (including investment liabilities) <sup>2</sup>			183,233	99.58
Net other assets			772	0.42
<b>Net assets</b>			<b>184,005</b>	<b>100.00</b>

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

The comparative percentage figures in brackets are as at 28 February 2019.

† A related party to the Fund.

1 Cash Equivalents.

2 Includes Cash Equivalents.

## STATEMENT OF TOTAL RETURN

### For the year ended 29 February 2020

	Notes	£000	Year ended 29.02.20 £000	£000	Year ended 28.02.19 £000
Income					
Net capital gains/(losses)	2		10,768		(4,837)
Revenue	3	3,606		2,700	
Expenses	4	(1,348)		(1,363)	
Net revenue before taxation		2,258		1,337	
Taxation	5	(26)		643	
Net revenue after taxation			2,232		1,980
<b>Total return before distributions</b>			<b>13,000</b>		<b>(2,857)</b>
Distributions	6		(2,232)		(1,488)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>10,768</b>		<b>(4,345)</b>

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

### For the year ended 29 February 2020

	£000	Year ended 29.02.20 £000	£000	Year ended 28.02.19 £000
<b>Opening net assets attributable to shareholders</b>		<b>182,601</b>		<b>196,966</b>
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	14,089		10,611	
Amounts payable on cancellation of shares	(23,742)		(20,782)	
		(9,653)		(10,171)
Change in net assets attributable to shareholders from investment activities (see above)		10,768		(4,345)
Retained distribution on accumulation shares		289		151
<b>Closing net assets attributable to shareholders</b>		<b>184,005</b>		<b>182,601</b>

## BALANCE SHEET

As at 29 February 2020

	Notes	As at 29.02.20 £000	As at 28.02.19 £000
<b>Assets:</b>			
Investments		165,648	172,770
<b>Current assets:</b>			
Debtors	8	1,742	485
Cash and bank balances	9	1,388	558
Cash equivalents	10	19,201	10,700
<b>Total assets</b>		<b>187,979</b>	<b>184,513</b>
<b>Liabilities:</b>			
Investment liabilities		(1,616)	(437)
<b>Creditors:</b>			
Distribution payable		(1,377)	(713)
Other creditors	11	(981)	(762)
<b>Total liabilities</b>		<b>(3,974)</b>	<b>(1,912)</b>
<b>Net assets attributable to shareholders</b>		<b>184,005</b>	<b>182,601</b>



## NOTES TO THE FINANCIAL STATEMENTS

### 1 Accounting basis and policies

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

### 2 Net capital gains/(losses)

	Year ended 29.02.20 £000	Year ended 28.02.19 £000
<b>Net capital gains/(losses) on investment during the year comprise:</b>		
Currency losses	(51)	(5)
Derivative contracts gains/(losses)	919	(1,604)
Expenses relating to the purchase and sale of investments	–	(1)
Forward currency contracts losses	(336)	(226)
Investment manager capital rebates*	(1)	60
Non-derivative securities gains/(losses)	10,237	(3,061)
<b>Net capital gains/(losses)**</b>	<b>10,768</b>	<b>(4,837)</b>

\* Represents rebates received in respect of expenses incurred in underlying CIS investments.

\*\* Total realised gains for the year were £11,869,232 (2019: £3,665,891) and the movement in unrealised losses was £(1,101,192) (2019: £(8,493,030)). Included in realised gains for the year were unrealised losses recognised in previous years.

### 3 Revenue

	Year ended 29.02.20 £000	Year ended 28.02.19 £000
Bank and deposit interest	6	3
Franked component of dividend distributions	1,017	1,134
Interest on debt securities	101	143
Income from derivatives	87	93
Investment manager rebates*	169	258
Overseas dividends	107	–
Revenue from offshore funds	2,028	924
Unfranked component of dividend distributions	91	145
<b>Total revenue</b>	<b>3,606</b>	<b>2,700</b>

\* Represents rebates received in respect of expenses incurred in underlying CIS investments.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**4 Expenses**

	Year ended 29.02.20 £000	Year ended 28.02.19 £000
<b>Payable to the Authorised Corporate Director ("ACD"), associates of the ACD or agents of either of them:</b>		
Fund Management Fee/ACD's periodic charge*	1,340	1,312
Registration fees	–	11
	1,340	1,323
<b>Payable to the Depositary, associates of the Depositary or agents of either of them:</b>		
Depositary's fee	–	7
Interest payable	8	26
Safe custody fee	–	4
	8	37
<b>Other expenses:</b>		
Audit fee**	–	3
Printing and postage expenses	–	(1)
Statement fee	–	1
	–	3
<b>Total expenses</b>	<b>1,348</b>	<b>1,363</b>

\* From 4 June 2018 the Fund changed to a single fixed charge known as the Fund Management Fee (FMF). The FMF covers fees and expenses in relation to the operation and administration of the Company and the Fund.

\*\* The audit fee was £9,463 (2019: £9,280) net of VAT. With effect from 4 June 2018, the audit fee was no longer accrued for separately and now forms part of the FMF.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**5 Taxation****a Analysis of tax charge**

	Year ended 29.02.20 £000	Year ended 28.02.19 £000
Corporation tax	24	–
Adjustments in respect of prior period	2	(314)
Overseas tax suffered	–	(2)
<b>Total current tax (see note 5b)</b>	<b>26</b>	<b>(316)</b>
Deferred tax (see note 5c)	–	(327)
<b>Total tax for the year</b>	<b>26</b>	<b>(643)</b>

**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 29.02.20 £000	Year ended 28.02.19 £000
<b>Net revenue before taxation</b>	<b>2,258</b>	<b>1,337</b>
Corporation tax at 20%	452	267
<b>Effects of:</b>		
Adjustments in respect of prior period	2	(314)
Deferred tax	–	(327)
Movement in excess management expenses	(108)	18
Overseas dividends not subject to corporation tax	(116)	(70)
Overseas tax suffered	–	(2)
UK dividends not subject to corporation tax	(204)	(227)
Tax relief on investment manager fee rebates	–	12
<b>Current tax charge (see note 5a)</b>	<b>26</b>	<b>(643)</b>

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

**c Deferred tax**

	Year ended 29.02.20 £000	Year ended 28.02.19 £000
Provision at the start of the year	–	327
Movement in deferred tax for the year (Note 5(a))	–	(327)
<b>Provision at end of year</b>	<b>–</b>	<b>–</b>

After claiming relief against accrued income taxable on receipt, the Fund has unrelieved excess expenses of £nil (2019: £542,196) creating a potential deferred tax asset of £nil (2019: £108,439). It is unlikely that the Fund will generate taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**6 Distributions**

	Year ended 29.02.20 £000	Year ended 28.02.19 £000
<b>The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:</b>		
Interim distribution	629	676
Final distribution	1,595	794
	2,224	1,470
Add: Revenue deducted on cancellation of shares	20	27
Deduct: Revenue received on issue of shares	(12)	(9)
<b>Total distributions</b>	<b>2,232</b>	<b>1,488</b>
<b>Reconciliation of distributions for the year to net revenue after taxation</b>		
Distributions for the year	2,232	1,488
Tax relief on capitalised ACD's periodic charge	–	(12)
Tax relief on other capital items	–	504
<b>Net revenue after taxation</b>	<b>2,232</b>	<b>1,980</b>

Details of the distributions per share are set out in the distribution tables on page 40.

**7 Fair value hierarchy**

Valuation technique	As at 29.02.20		As at 28.02.19	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1: Quoted prices	28,742	(1,181)	28,164	(437)
Level 2: Observable market data	156,107	(435)	155,306	–
<b>Total value</b>	<b>184,849</b>	<b>(1,616)</b>	<b>183,470</b>	<b>(437)</b>

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 29.02.20 £000	As at 28.02.19 £000
Accrued revenue	11	8
Accrued expense fee rebate	163	100
Amounts receivable on issue of shares	79	15
Corporation tax recoverable	–	310
Income tax recoverable	47	52
Sales awaiting settlement	1,442	–
<b>Total debtors</b>	<b>1,742</b>	<b>485</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**9 Cash and bank balances**

	As at 29.02.20 £000	As at 28.02.19 £000
Amounts held at futures clearing houses and brokers	1,276	476
Cash and bank balances	112	82
<b>Total cash and bank balances</b>	<b>1,388</b>	<b>558</b>

**10 Cash equivalents**

	As at 29.02.20 £000	As at 28.02.19 £000
Aviva Investors Sterling Liquidity Fund	19,201	10,700
<b>Total cash equivalents</b>	<b>19,201</b>	<b>10,700</b>

**11 Other creditors**

	As at 29.02.20 £000	As at 28.02.19 £000
Accrued expenses	217	97
Amounts payable for cancellation of shares	759	665
Corporation tax payable	5	–
<b>Total other creditors</b>	<b>981</b>	<b>762</b>

**12 Contingent liabilities and commitments**

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

**13 Related party transactions**

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

Fund Management Fee/ACD periodic charges paid to Aviva Investors UK Fund Services Limited ("the ACD") are shown in note 4 and details of shares issued and cancelled by the ACD are shown in the statement of change in net assets attributable to shareholders. The balance due to the ACD at the year end in respect of Fund Management Fee/ACD periodic charges was £216,792 (2019: £97,135). Any balance due from the ACD in respect of issues is shown in note 8. Any balance due to the ACD in respect of cancellations is shown in note 11.

Distributions payable to the ACD and related parties of the ACD during the year amounted to £1,979,396 (2019: £1,351,712). The amount outstanding at the year end was £1,406,066 (2019: £730,074). 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 £60,612,008 (2019: £58,380,628) and £70,978,795 (2019: £90,903,390) respectively. The income received during the year amounted to £236,722 (2019: £408,723). The rebates from ACD during the year amounted to £8,833 (2019: £107,011).

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

	Holdings at 29.02.20 (shares)	Movement (shares)	Holdings at 28.02.19 (shares)
ACD and related parties (Class 2 Income shares)	1,577,845	(113,445)	1,691,290
ACD and related parties (Class 3 Income shares)	79,390,233	(2,766,961)	82,157,194
ACD and related parties (Class 2 Accumulation shares)	12,451,005	(1,273,101)	13,724,106

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 14 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 Fees are as follows:

Class 1: 1.14%  
 Class 2: 0.89%  
 Class 3: 0.64%

The net asset value per share class, the net asset value per share and the number of shares in the class are shown on pages 26 and 27. The distributions per share class are given in the distribution tables on page 40. All the share classes have the same rights on winding up.

### 15 Shares in issue reconciliation

	Number of shares in issue at 28.02.19	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 29.02.20
Class 1 Income shares	3,610,882	–	(205,270)	–	3,405,612
Class 2 Income shares	9,715,472	795,947	(1,920,355)	–	8,591,064
Class 3 Income shares	82,157,194	6,009,701	(8,776,662)	–	79,390,233
Class 2 Accumulation shares	17,494,107	1,139,053	(2,821,370)	–	15,811,790

### 16 Derivatives and other financial instruments

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

#### Fair value of financial assets and financial liabilities

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

#### Currency risk

At the year end date, 11.48% (2019: 8.31%) 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 1.15% (2019: 0.83%).

Currency	Net foreign currency assets					
	Monetary exposure £000		Non-monetary exposure £000		Total £000	
	29.02.20	28.02.19	29.02.20	28.02.19	29.02.20	28.02.19
Australian Dollar	(5)	(320)	(3,332)	(2,515)	(3,337)	(2,835)
Euro	285	288	(11,959)	(1,839)	(11,674)	(1,551)
Japanese Yen	–	(73)	(55)	44	(55)	(29)
US Dollar	577	(461)	35,605	20,051	36,182	19,590

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

At the year end date 11.19% (2019: 6.17%) of the net assets of the Fund were interest bearing and as such the interest rate risk is not considered significant.

The interest rate profile of the Fund's financial assets and liabilities at 29 February 2020 was:

Currency 29.02.20	Floating Rate £000	Fixed Rate £000	None £000	Total £000
<b>Financial Assets</b>				
Australian dollar	(5)	–	100	95
Euro	285	–	89	374
Sterling	19,732	–	145,515	165,247
US Dollar	577	–	46,799	47,376
<b>Financial Liabilities</b>				
Australian Dollar	–	–	(3,432)	(3,432)
Euro	–	–	(12,048)	(12,048)
Japanese Yen	–	–	(55)	(55)
Sterling	–	–	(2,358)	(2,358)
US Dollar	–	–	(11,194)	(11,194)
<b>Total</b>	<b>20,589</b>	<b>–</b>	<b>163,416</b>	<b>184,005</b>

The interest rate profile of the Fund's financial assets and liabilities at 28 February 2019 was:

Currency 28.02.19	Floating Rate £000	Fixed Rate £000	None £000	Total £000
<b>Financial Assets</b>				
Australian Dollar	(320)	–	307	(13)
Euro	288	–	5,538	5,826
Japanese Yen	(73)	–	44	(29)
Sterling	11,824	–	157,077	168,901
US Dollar	(461)	–	28,805	28,344
<b>Financial Liabilities</b>				
Australian Dollar	–	–	(2,822)	(2,822)
Euro	–	–	(7,377)	(7,377)
Sterling	–	–	(1,475)	(1,475)
US Dollar	–	–	(8,754)	(8,754)
<b>Total</b>	<b>11,258</b>	<b>–</b>	<b>171,343</b>	<b>182,601</b>

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

The Fund invests in some collective investment schemes (CIS) which predominantly invest in debt securities. The revenue of the Fund and the value of debt securities may be significantly affected by interest rate movements in the future. At the year end date 22.21% (2019: 21.90%) of the assets of the Fund were invested in CIS which predominantly invest in debt securities.

**Interest rate exposures**

The Aviva Investors Investment Risk Team performs regular stress testing across all portfolios to determine market sensitivities and risk exposures using BlackRock's Aladdin risk model and stress testing methodology. Under this methodology, if 5Y GBP interest rates had increased by 1% as at the balance sheet date, the net asset value of the Fund would have decreased by £2,584,474 (2019: £2,912,514).

If interest rates had decreased by 1% as at the balance sheet date, the net asset value of the Fund would have increased by £2,584,474 (2019: £2,912,514). These calculations assume the interest rate shock is propagated to all risk factors the Fund is exposed to, based on historical market correlations and volatilities between factors.

**Market price risk**

At the year end date, 89.75% (2019: 93.71%) of the net assets of the Fund were invested in ordinary shares or stock units or debt securities admitted to an official stock exchange. If the market value were to change by 10%, the value of the Fund would change by 8.88% (2019: 9.37%).

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**17 Counterparty exposure****Financial derivative exposure**

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

	Forward currency contracts £000	Futures contracts £000	Total £000
<b>29.02.20</b>			
Barclays	(199)	339	140
Goldman Sachs	(25)	–	(25)
J.P. Morgan	47	–	47
Merrill Lynch	(23)	–	(23)
Royal Bank of Scotland	(54)	–	(54)
Société Générale	2	–	2
Standard Chartered	6	–	6
UBS	(20)	–	(20)
<b>Total</b>	<b>(266)</b>	<b>339</b>	<b>73</b>

	Forward currency contracts £000	Futures contracts £000	Total £000
<b>28.02.19</b>			
Barclays	55	–	55
Goldman Sachs	354	–	354
J.P. Morgan	56	–	56
Nomura	55	–	55
Royal Bank of Scotland	94	–	94
Société Générale	55	–	55
UBS	–	993	993
<b>Total</b>	<b>669</b>	<b>993</b>	<b>1,662</b>

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

**Collateral**

At the year end date no collateral was held or pledged by the company or on behalf of the counterparties in respect of the above (2019: £nil).



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**18 Direct transaction costs**

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

	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
<b>29.02.20</b>						
<b>Purchases</b>						
Equities	(1,937)	–	–	(1,937)	0.00%	0.00%
Funds	(134,000)	(4)	–	(134,004)	0.00%	0.00%
	(135,937)	(4)	–	(135,941)		
<b>Sales</b>						
Funds	143,990	(5)	(35)	143,950	0.00%	0.02%
	143,990	(5)	(35)	143,950		
<b>Total</b>		(9)	(35)			
<b>Percentage of fund average net assets</b>		0.01%	0.01%			

	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
<b>28.02.19</b>						
<b>Purchases</b>						
Funds	(112,397)	(3)	–	(112,400)	0.00%	0.00%
	(112,397)	(3)	–	(112,400)		
<b>Sales</b>						
Funds	122,091	(3)	(5)	122,083	0.00%	0.00%
	122,091	(3)	(5)	122,083		
<b>Total</b>		(6)	(5)			
<b>Percentage of fund average net assets</b>		0.01%	0.00%			

**Dealing spread**

As at 29 February 2020, the average portfolio dealing spread was 0.03% (2019: 0.03%). This spread represents the difference between the values determined retrospectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

**20 Post balance sheet events**

As a result of market movements and foreign exchange rates, since the balance sheet date on 29 February 2020, the price of each share class has changed as follows:

	Number of shares in issue at 29.02.20	Number of shares in issue at 24.06.20	% change	Price at 29.02.20 (p)	Price at 24.06.20 (p)	% change
Class 1 Income	3,405,612	3,405,612	0.00%	88.56	88.28	-0.31%
Class 2 Accumulation	15,811,790	15,624,013	-1.19%	148.22	147.89	-0.22%
Class 3 Income	79,390,233	79,726,893	0.42%	180.81	180.48	-0.18%
Class 2 Income	8,591,064	6,921,040	-19.44%	163.08	162.70	-0.23%

A high level of uncertainty remains on the ultimate scenario for COVID-19, or the likelihood of any particular outcome, with a number of varying projections being publicised. During this period of uncertainty, the Funds are exposed to a higher liquidity risk resulting from the Funds liability to shareholders for any cancellation of shares. While the Fund may have experienced higher than average cancellation of shares the liquidity measures within the Fund remain within normal range and there is no immediate or material uncertainty about the viability of the Fund as a going concern.

## DISTRIBUTION TABLES

## Final distribution payable in pence per share for the six months ended 29 February 2020

Income shares		Net revenue	Equalisation	Final distribution payable 30 April 2020	Final distribution paid 30 April 2019
Class 1	Group 1	1.0160	–	1.0160	0.1450
	Group 2	0.9667	0.0493	1.0160	0.1450
Class 2	Group 1	1.5348	–	1.5348	0.5168
	Group 2	1.4087	0.1261	1.5348	0.5168
Class 3	Group 1	1.5244	–	1.5244	0.8008
	Group 2	1.3166	0.2078	1.5244	0.8008
Accumulation shares		Net revenue	Equalisation	Final distribution payable 30 April 2020	Final distribution paid 30 April 2019
Class 2	Group 1	1.3784	–	1.3784	0.4621
	Group 2	1.2689	0.1095	1.3784	0.4621

## Final distribution

Group 1 shares are those shares purchased at or before 9am on 31 August 2019.

Group 2 shares are those shares purchased after 9am on 31 August 2019.

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

Income shares		Net revenue	Equalisation	Interim distribution paid 31 October 2019	Interim distribution paid 31 October 2018
Class 1	Group 1	0.2183	–	0.2183	0.0573
	Group 2	0.2108	0.0075	0.2183	0.0573
Class 2	Group 1	0.4656	–	0.4656	0.4248
	Group 2	0.4516	0.0140	0.4656	0.4248
Class 3	Group 1	0.6315	–	0.6315	0.6543
	Group 2	0.5456	0.0859	0.6315	0.6543
Accumulation shares		Net revenue	Equalisation	Interim distribution paid 31 October 2019	Interim distribution paid 31 October 2018
Class 2	Group 1	0.4182	–	0.4182	0.3817
	Group 2	0.3719	0.0463	0.4182	0.3817

## Interim distribution

Group 1 shares are those shares purchased at or before 9am on 28 February 2019.

Group 2 shares are those shares purchased after 9am on 28 February 2019.

## Equalisation

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

## AVIVA INVESTORS MULTI-MANAGER 20-60% SHARES FUND

### INVESTMENT OBJECTIVE

The Fund aims to grow your investment over the long term (5 years or more) through a combination of income and capital returns by investing in other funds (including funds managed by Aviva Investors companies).

### INVESTMENT POLICY

#### Core investment

At least 80% of the Fund will be invested in other funds, which in turn invest in a range of global asset classes (including emerging markets). The Fund's asset class exposures will be made up of the combined holdings of the other funds, of which between 20% and 60% of the combined holdings will be invested in the shares of companies, and a minimum of 30% in bonds and cash. At least 60% of the Fund's underlying assets will be held in US Dollars, Sterling or Euros, with a minimum of 30% in Sterling.

#### Other Investment

The Fund may also invest indirectly in property.

Derivatives may be used to gain exposure to an asset class which may otherwise be difficult or costly to achieve, or to manage the Fund's cash flows in a cost-effective manner. Derivatives may also be used to reduce risk, such as foreign currency risk within the Fund. This type of derivative usage is called "efficient portfolio management."

#### Strategy

The Fund is actively managed to blend asset classes for diversification, different asset allocations can be selected depending on market conditions and opportunities.

The Investment Manager relies on an assessment of seven criteria (Parent, Product, Philosophy, Process, People, Performance, Position) to determine which funds are suitable for investment, with the intention of creating an optimum risk and reward profile within the limits of the Investment Association (the "IA") Mixed Investment 20-60% Shares Sector (the "Sector"). The Sector is made up of other funds managed within these limits.

#### Environmental, Social & Governance (ESG) factors

ESG factors are also integrated into the criteria used in the selection of funds for investment, based upon the underlying manager's ability to demonstrate an appropriate ESG framework, and their consideration of ESG factors in the investment process, but this does not mean that these funds are required to have ESG outcomes, and the Investment Manager retains discretion over which investments are selected for the Fund. 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 & Risk Measurement

The Fund's performance is compared against the Investment Association Mixed Investment 20-60% Shares Sector (the "Sector").

The Fund uses a "tracking error" to measure the consistency between the Fund's returns and the returns of the Sector. In general, the lower the tracking error, the more consistent the Fund's returns are relative to the Sector, and vice-versa. The Fund is expected to have an average yearly tracking error of between 2% and 6% when compared to the Sector. In certain conditions the Fund may be outside of this range.

The Sector is an industry benchmark, which consists of all UK funds which have elected to become constituents of the Sector, and meet the criteria of the Sector, as detailed by the IA's Sector Committee.

The Sector has been selected as a benchmark for performance and risk measurement because the Fund will be managed in line with the criteria of the Sector, and it is therefore an appropriate comparator for the Fund's performance.

### FUND MANAGER'S REPORT

#### Performance

Over the twelve months ended 29 February 2020, the Fund returned 7.18%\* (share class 1, net of fees). The Fund's Investment Association Mixed Investment 20-60% Shares Sector returned 4.45% over the same period.

#### Review

Returns from growth assets were mixed, but positive overall. US equities fared relatively well, supported by buoyant corporate profitability and a more resilient economic growth outlook than elsewhere. This was beneficial for performance, as the US remained the Fund's most favoured equity region throughout the year. Investments in emerging market debt and high yield bonds also added value. These asset classes were perceived to be beneficiaries of the lower interest rate environment. Closer to home, returns from the UK share market were hampered by persistent Brexit-related uncertainties and deteriorating economic indicators.

By the end of February, sentiment towards all equity markets worldwide was being adversely affected by the coronavirus outbreak. Associated disruptions, closures and delays are expected to act as a drag on growth and are clouding the outlook for corporate profitability.

The Fund maintained a reasonable allocation to bond markets throughout the year. Fixed income securities typically provide regular income, but also have the potential to generate meaningful capital appreciation. This was the case during the past 12 months, when falling yields resulted in favourable returns from bonds.

Yield movements primarily reflected interest rate reductions in key regions, most notably in the US where official cash rates were lowered three times. Amid signs of decelerating growth, central banks eased policy settings to try and support economic activity levels. Further, consensus forecasts suggested interest rates will be lowered even further as authorities try and stimulate demand. Investors' realisation that borrowing costs are likely to remain low for longer than was previously anticipated saw bond yields fall to record lows in many markets.

Uncorrelated assets including absolute return strategies, which serve to diversify the portfolio's risk profile, were also positive over the year.

## AVIVA INVESTORS MULTI-MANAGER 20-60% SHARES FUND (CONTINUED)

## FUND MANAGER'S REPORT (CONTINUED)

## Outlook

Coronavirus-related disruptions potentially jeopardise the prospect of a rebound in economic growth, or at least delay it. With that in mind, risk has been reduced in the portfolio until more clarity emerges on the likely extent and length of the disruptions. The situation is evolving rapidly; consequently, we are monitoring developments closely, ready to respond by amending portfolio positioning if and when opportunities present themselves.

## March 2020

\* Fund performance figures – source Lipper, a Thomson Reuters company, net of fees, net income reinvested.

As noted above, the performance figures in this commentary have been sourced from an external party and are based on published prices. The performance figures quoted in the comparative tables on pages 43 and 44 are based on the net asset value per the published accounts and may be different due to post year end accounting adjustments.

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

## Performance History – Income Shares

Calendar year	Share Class 1 %	Share Class 2 %	Share Class 3 %	Benchmark	
				Share Class 3 %	Performance* %
31.12.13 to 31.12.14	5.73	6.07	6.28	6.28	4.78
31.12.14 to 31.12.15	1.83	2.45	2.65	2.65	1.27
31.12.15 to 31.12.16	10.48	11.14	11.36	11.36	10.63
31.12.16 to 31.12.17	5.83	6.47	6.69	6.69	7.19
31.12.17 to 31.12.18	-7.20	-6.87	-6.68	-6.68	-5.16

\* Benchmark – Investment Association Mixed Investment 20-60% Shares Sector.

## Performance History – Accumulation Shares

Calendar year	Share Class 2 %	Benchmark	
		Share Class 2 %	Performance* %
31.12.13 to 31.12.14		6.09	4.78
31.12.14 to 31.12.15		2.45	1.27
31.12.15 to 31.12.16		11.14	10.63
31.12.16 to 31.12.17		6.47	7.19
31.12.17 to 31.12.18		-6.86	-5.16

\* Benchmark – Investment Association Mixed Investment 20-60% Shares Sector.

Source for all data: Aviva Investors/Lipper, a Thomson Reuters company, this is based on index provider data where applicable. Fund return data is mid to mid, net income reinvested, net of all ongoing charges and fees in sterling, net of tax payable by the Fund to 31 December 2018. The figures do not include the effect of the Entry Charge and any Exit Charge.

## Material Portfolio Changes

Purchases	Sales
Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP	Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP
Hermes Global High Yield Credit Fund Class M Stg£ Dist. Hedged Shares	Hermes Global High Yield Credit Fund Class F Stg£ Acc. Hedged Shares
JPM Global Corporate Bond Fund C (dist) – GBP (hedged)	Invesco European Equity Income Fund Accumulation (No Trail) share class
T. Rowe Price Emerging Markets Equity Fund Class I	Aviva Investors EM Equity MoM 1 Fund Class 2, Income shares, GBP
iShares Pacific Index Fund (IE) Class Institutional Accumulating GBP	iShares \$ TIPS UCITS Fund USD (Acc) Share Class
J O Hambro Capital Management UK Dynamic Fund Y Accumulating	Aviva Investors Multi-Strategy Target Return Fund Class 3, Accumulation shares, GBP
BlackRock Emerging Markets Local Currency Bond Fund Class A2 USD	Hermes Global High Yield Credit Fund Class M Stg£ Dist. Hedged Shares
iShares Core S&P 500 UCITS Fund USD (Acc) Share Class	iShares Core S&P 500 UCITS Fund USD (Acc) Share Class
BlackRock European Absolute Alpha Fund Class D Accumulating GBP	BlackRock European Dynamic Fund Class FD Accumulating GBP
BlackRock European Absolute Alpha Fund Class X Accumulating GBP	iShares Pacific Index Fund (IE) Class Institutional Accumulating EUR

## 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](http://www.avivainvestors.com) or from the ACD on request.

## COMPARATIVE TABLES

Class 1 Income	2020 p per share	2019 p per share	2018 p per share
<b>Change in net assets per share</b>			
Opening net asset value per share	79.43	81.13	78.86
Return before operating charges <sup>†</sup>	6.78	0.23	4.31
Operating charges	(1.33)	(1.42)	(1.68)
Return after operating charges <sup>†</sup>	5.45	(1.19)	2.63
Distributions	(0.70)	(0.51)	(0.36)
Closing net asset value per share	84.18	79.43	81.13
<sup>†</sup> after direct transaction costs of	(0.01)	–	–
<b>Performance</b>			
Return after charges	6.86%	(1.47)%	3.34%
<b>Other information</b>			
Closing net asset value (£000)	3,133	3,074	3,546
Closing number of shares	3,721,234	3,869,115	4,371,298
Operating charges (%) <sup>†</sup>	1.58%	1.78%	2.08%
Direct transaction costs (%) <sup>#</sup>	0.01%	–	–
<b>Prices<sup>°</sup></b>			
Highest share price	88.69	82.36	83.18
Lowest share price	79.31	75.37	78.32

Class 2 Income	2020 p per share	2019 p per share	2018 p per share
<b>Change in net assets per share</b>			
Opening net asset value per share	134.85	137.73	133.61
Return before operating charges <sup>†</sup>	11.45	0.29	7.11
Operating charges	(1.91)	(1.90)	(1.82)
Return after operating charges <sup>†</sup>	9.54	(1.61)	5.29
Distributions	(1.48)	(1.27)	(1.17)
Closing net asset value per share	142.91	134.85	137.73
<sup>†</sup> after direct transaction costs of	(0.01)	–	–
<b>Performance</b>			
Return after charges	7.07%	(1.17)%	3.96%
<b>Other information</b>			
Closing net asset value (£000)	6,549	6,839	7,019
Closing number of shares	4,582,702	5,071,352	5,095,781
Operating charges (%) <sup>†</sup>	1.33%	1.40%	1.33%
Direct transaction costs (%) <sup>#</sup>	0.01%	–	–
<b>Prices<sup>°</sup></b>			
Highest share price	150.71	140.08	141.24
Lowest share price	134.64	128.03	132.81

Class 2 Accumulation	2020 p per share	2019 p per share	2018 p per share
<b>Change in net assets per share</b>			
Opening net asset value per share	134.16	135.76	130.59
Return before operating charges <sup>†</sup>	11.39	0.27	6.96
Operating charges	(1.90)	(1.87)	(1.79)
Return after operating charges <sup>†</sup>	9.49	(1.60)	5.17
Distributions	(1.49)	(1.25)	(1.14)
Retained distributions on accumulation shares	1.49	1.25	1.14
Closing net asset value per share	143.65	134.16	135.76
<sup>†</sup> after direct transaction costs of	(0.01)	–	–
<b>Performance</b>			
Return after charges	7.07%	(1.18)%	3.96%
<b>Other information</b>			
Closing net asset value (£000)	16,768	16,589	17,154
Closing number of shares	11,672,976	12,365,341	12,636,128
Operating charges (%) <sup>†</sup>	1.33%	1.40%	1.33%
Direct transaction costs (%) <sup>#</sup>	0.01%	–	–
<b>Prices<sup>°</sup></b>			
Highest share price	150.23	138.07	139.06
Lowest share price	133.57	126.53	129.80

## COMPARATIVE TABLES (CONTINUED)

	2020	2019	2018
Class 3 Income	p per share	p per share	p per share
<b>Change in net assets per share</b>			
Opening net asset value per share	159.25	162.65	157.78
Return before operating charges <sup>†</sup>	13.44	0.26	8.32
Operating charges	(1.83)	(1.84)	(1.75)
Return after operating charges <sup>†</sup>	11.61	(1.58)	6.57
Distributions	(2.10)	(1.82)	(1.70)
Closing net asset value per share	168.76	159.25	162.65
† after direct transaction costs of	(0.02)	–	–
<b>Performance</b>			
Return after charges	7.29%	(0.97)%	4.16%
<b>Other information</b>			
Closing net asset value (£000)	132,104	135,554	149,049
Closing number of shares	78,277,704	85,119,307	91,637,605
Operating charges (%) <sup>‡</sup>	1.08%	1.15%	1.08%
Direct transaction costs (%) <sup>#</sup>	0.01%	–	–
<b>Prices<sup>≈</sup></b>			
Highest share price	178.15	165.57	166.92
Lowest share price	159.02	151.29	156.87

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

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

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

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

≈ The high and low prices disclosed are the high and low prices for the accounting period and not the calendar year. The net asset value per share 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	29.02.20	28.02.19
Class 1	1.58%	1.65%**
Class 2	1.33%	1.40%
Class 3	1.08%	1.15%

\* 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.

The OCF includes a synthetic charge of 0.44% (2019: 0.51%) in respect of underlying investments.

\*\* Following the update to the Prospectus and the change in charging structure of the Fund part way through the period, the ongoing charges figure has been based on the revised fee structure and therefore is not on an ex-post basis.

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 29 February 2020

Investment	Currency	Holding	Market Value £000	% of Net Assets
<b>Collective Investment Schemes 74.94% (82.63%)</b>				
Aviva Investors Multi-Strategy Fixed Income Fund Class Zyh, Accumulation shares, GBP <sup>†</sup>	GBP	6,592	6,829	4.31
Aviva Investors Multi-Strategy Target Return Fund Class 3, Accumulation shares, GBP <sup>†</sup>	GBP	5,284,147	6,085	3.84
Baillie Gifford Japanese Fund Class B Shares	GBP	244,122	3,865	2.44
BlackRock Emerging Markets Bond Fund Class A2 GBP Hedged	GBP	585,981	7,043	4.44
BlackRock Emerging Markets Local Currency Bond Fund Class A2 USD	USD	272,856	5,155	3.25
BlackRock European Absolute Alpha Fund Class D Accumulating GBP	GBP	1,689,388	2,516	1.59
BlackRock European Dynamic Fund Class FD Accumulating GBP	GBP	3,338,788	6,337	4.00
Hermes Global High Yield Credit Fund Class M Stg£ Dist. Hedged Shares	GBP	3,488,460	3,675	2.32
iShares \$ TIPS UCITS Fund USD (Acc) Share Class	GBP	22,612	3,987	2.51
iShares Continental European Equity Index Fund (UK) Class L Accumulating GBP	GBP	807,097	2,091	1.32
iShares Core S&P 500 UCITS Fund USD (Acc) Share Class	GBP	52,409	11,821	7.46
iShares Pacific Index Fund (IE) Class Institutional Accumulating GBP	GBP	311,786	3,179	2.00
J O Hambro Capital Management UK Dynamic Fund Y Accumulating	GBP	5,653,501	8,096	5.10
JPM Global Corporate Bond Fund C (dist) – GBP (hedged)	GBP	342,337	23,275	14.68
Man GLG Japan CoreAlpha Fund Professional Accumulation Shares (Class C)	GBP	815,367	1,337	0.84
PineBridge Asia ex Japan Small Cap Equity Fund Unit Class Y2	GBP	5,846	740	0.47
T. Rowe Price Emerging Markets Equity Fund Class I	USD	198,092	6,163	3.89
Wellington US Research Equity Fund USD Class S Accumulating Unhedged	USD	202,750	16,625	10.48
<b>Collective Investment Schemes total</b>			<b>118,819</b>	<b>74.94</b>
<b>Equities 1.01% (0.00%)</b>				
<b>Guernsey 1.01% (0.00%)</b>				
TwentyFour Income Fund	GBP	1,479,774	1,605	1.01
			1,605	1.01
<b>Equities total</b>			<b>1,605</b>	<b>1.01</b>
<b>Forward Currency Contracts (0.12)% (0.46%)</b>				
Buy GBP 1,894,173 sell AUD 3,618,355 dated 22/04/2020			59	0.04
Buy GBP 5,975,631 sell EUR 7,021,709 dated 22/04/2020			(50)	(0.03)
Buy GBP 14,225,352 sell USD 18,687,583 dated 22/04/2020			(265)	(0.17)
Buy USD 9,562,804 sell GBP 7,347,687 dated 22/04/2020			67	0.04
<b>Forward Currency Contracts total</b>			<b>(189)</b>	<b>(0.12)</b>
<b>Futures (0.33)% (0.37%)</b>				
Australia 10 Year Bond 16/03/2020	AUD	96	192	0.12
Euro-BTP 06/03/2020	EUR	27	75	0.05
Euro-Buxl 30 Year Bond 06/03/2020	EUR	(21)	(298)	(0.19)
EURO STOXX 50 Index 20/03/2020	EUR	28	(60)	(0.04)
Long Gilt 26/06/2020	GBP	19	39	0.03
MSCI Emerging Markets Emini Index 20/03/2020	USD	44	(208)	(0.13)
S&P 500 Emini Index 20/03/2020	USD	26	(379)	(0.24)
TOPIX Index 12/03/2020	JPY	7	(48)	(0.03)
US 10 Year Note 19/06/2020	USD	142	104	0.07
US Ultra Bond 19/06/2020	USD	12	50	0.03
<b>Futures total</b>			<b>(533)</b>	<b>(0.33)</b>
<b>Liquidity Funds 25.04% (16.54%)<sup>1</sup></b>				
Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP <sup>†</sup>	GBP	39,701,543	39,702	25.04
<b>Liquidity Funds total</b>			<b>39,702</b>	<b>25.04</b>
Investment assets (including investment liabilities) <sup>2</sup>			159,404	100.54
Net other liabilities			(850)	(0.54)
<b>Net assets</b>			<b>158,554</b>	<b>100.00</b>

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

The comparative percentage figures in brackets are as at 28 February 2019.

<sup>†</sup> A related party to the Fund.<sup>1</sup> Cash Equivalents.<sup>2</sup> Includes Cash Equivalents.

## STATEMENT OF TOTAL RETURN

For the year ended 29 February 2020

	Notes	£000	Year ended 29.02.20 £000	£000	Year ended 28.02.19 £000
Income					
Net capital gains/(losses)	2		9,615		(3,897)
Revenue	3	3,406		2,513	
Expenses					
Net revenue before taxation	4	(1,143)		(1,181)	
Taxation	5	(312)		708	
Net revenue after taxation			1,951		2,040
<b>Total return before distributions</b>			<b>11,566</b>		<b>(1,857)</b>
Distributions	6		(1,951)		(1,833)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>9,615</b>		<b>(3,690)</b>

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 29 February 2020

	£000	Year ended 29.02.20 £000	£000	Year ended 28.02.19 £000
<b>Opening net assets attributable to shareholders</b>		<b>162,056</b>		<b>176,768</b>
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	10,650		8,770	
Amounts payable on cancellation of shares	(23,941)		(19,949)	
		(13,291)		(11,179)
Change in net assets attributable to shareholders from investment activities (see above)		9,615		(3,690)
Retained distribution on accumulation shares		174		157
<b>Closing net assets attributable to shareholders</b>		<b>158,554</b>		<b>162,056</b>



## BALANCE SHEET

### As at 29 February 2020

	Notes	As at 29.02.20 £000	As at 28.02.19 £000
<b>Assets:</b>			
Investments		121,010	135,661
<b>Current assets:</b>			
Debtors	8	265	892
Cash and bank balances	9	1,149	429
Cash equivalents	10	39,702	26,800
<b>Total assets</b>		<b>162,126</b>	<b>163,782</b>
<b>Liabilities:</b>			
Investment liabilities		(1,308)	(400)
<b>Creditors:</b>			
Distribution payable		(1,327)	(1,093)
Other creditors	11	(937)	(233)
<b>Total liabilities</b>		<b>(3,572)</b>	<b>(1,726)</b>
<b>Net assets attributable to shareholders</b>		<b>158,554</b>	<b>162,056</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 1 Accounting basis and policies

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

### 2 Net capital gains/(losses)

	Year ended 29.02.20 £000	Year ended 28.02.19 £000
<b>Net capital gains/(losses) on investment during the year comprise:</b>		
Currency (losses)/gains	(50)	23
Derivative contracts gains/(losses)	2,350	(1,041)
Expenses relating to the purchase and sale of investments	–	(1)
Forward currency contracts losses	(461)	(606)
Investment manager capital rebates*	–	31
Non-derivative securities gains/(losses)	7,776	(2,303)
<b>Net capital gains/(losses) **</b>	<b>9,615</b>	<b>(3,897)</b>

\* Represents rebates received in respect of expenses incurred in underlying CIS investments.

\*\* Total realised gains for the year were £10,232,528 (2019: £1,080,692) and the movement in unrealised losses were £(617,488) (2019: £(4,978,076)). Included in realised gains for the year were unrealised gains recognised in previous years.

### 3 Revenue

	Year ended 29.02.20 £000	Year ended 28.02.19 £000
Bank and deposit interest	8	3
Franked component of dividend distributions	537	753
Interest on debt securities	248	231
Income from derivatives	42	154
Investment manager rebates*	105	160
Overseas dividends	95	–
Revenue from offshore funds	2,309	988
Unfranked component of dividend distributions	62	224
<b>Total revenue</b>	<b>3,406</b>	<b>2,513</b>

\* Represents rebates received in respect of expenses incurred in underlying CIS investments.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**4 Expenses**

	Year ended 29.02.20 £000	Year ended 28.02.19 £000
<b>Payable to the Authorised Corporate Director ("ACD"), associates of the ACD or agents of either of them:</b>		
Fund Management Fee/ACD's periodic charge*	1,131	1,138
Registration fees	–	7
	1,131	1,145
<b>Payable to the Depositary, associates of the Depositary or agents of either of them:</b>		
Depositary's fee	–	6
Interest payable	12	23
Safe custody fee	–	4
	12	33
<b>Other expenses:</b>		
Audit fee**	–	3
Printing & postage expenses	–	(1)
Statement fees	–	1
	–	3
<b>Total expenses</b>	<b>1,143</b>	<b>1,181</b>

\* From 4 June 2018 the Fund changed to a single fixed charge known as the Fund Management Fee (FMF). The FMF covers fees and expenses in relation to the operation and administration of the Company and the Fund.

\*\* The audit fee was £9,463 (2019: £9,280) net of VAT. With effect from 4 June 2018, the audit fee was no longer accrued for separately and now forms part of the FMF.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**5 Taxation****a Analysis of tax charge**

	Year ended 29.02.20 £000	Year ended 28.02.19 £000
Adjustments in respect of prior period	26	(574)
Corporation tax	286	83
Overseas tax suffered	–	(3)
<b>Total current tax (see note 5b)</b>	<b>312</b>	<b>(494)</b>
Deferred tax (see note 5c)	–	(214)
<b>Total tax for the year</b>	<b>312</b>	<b>(708)</b>

**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 29.02.20 £000	Year ended 28.02.19 £000
<b>Net revenue before taxation</b>	<b>2,263</b>	<b>1,332</b>
Corporation tax at 20%	453	266
<b>Effects of:</b>		
Adjustments in respect of prior period	26	(574)
Deferred tax	–	(214)
Overseas dividends not subject to corporation tax	(60)	(39)
Overseas tax suffered	–	(3)
Tax relief on investment manager fee rebates	–	7
UK dividends not subject to corporation tax	(107)	(151)
<b>Current tax charge (see note 5a)</b>	<b>312</b>	<b>(708)</b>

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).

	Year ended 29.02.20 £000	Year ended 28.02.19 £000
Provision at the start of the year	–	214
Movement in deferred tax for the year (Note 5(a))	–	(214)
<b>Provision at the end of the year</b>	<b>–</b>	<b>–</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**6 Distributions**

	Year ended 29.02.20 £000	Year ended 28.02.19 £000
<b>The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:</b>		
Interim distribution	465	609
Final distribution	1,468	1,202
	1,933	1,811
Add: Revenue deducted on cancellation of shares	40	37
Deduct: Revenue received on issue of shares	(22)	(15)
<b>Total distributions</b>	<b>1,951</b>	<b>1,833</b>
<b>Reconciliation of distributions for the year to net revenue after taxation</b>		
Distributions for the year	1,951	1,833
Tax relief on capitalised ACD's periodic charge	–	(7)
Tax relief on other capital items	–	214
<b>Net revenue after taxation</b>	<b>1,951</b>	<b>2,040</b>

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

**7 Fair value hierarchy**

Valuation technique	As at 29.02.20		As at 28.02.19	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1: Quoted prices	17,873	(993)	23,833	(400)
Level 2: Observable market data	142,839	(315)	138,628	–
<b>Total value</b>	<b>160,712</b>	<b>(1,308)</b>	<b>162,461</b>	<b>(400)</b>

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

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

The disclosure is split into the following categories:

**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 29.02.20 £000	As at 28.02.19 £000
Accrued revenue	21	16
Accrued expense fee rebate	108	67
Amounts receivable on issue of shares	71	188
Corporation tax recoverable	–	476
Income tax recoverable	65	145
<b>Total debtors</b>	<b>265</b>	<b>892</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**9 Cash and bank balances**

	As at 29.02.20 £000	As at 28.02.19 £000
Amounts held at futures clearing houses and brokers	1,095	366
Cash and bank balances	54	63
<b>Total cash and bank balances</b>	<b>1,149</b>	<b>429</b>

**10 Cash equivalents**

	As at 29.02.20 £000	As at 28.02.19 £000
Aviva Investors Sterling Liquidity Fund	39,702	26,800
<b>Total cash equivalents</b>	<b>39,702</b>	<b>26,800</b>

**11 Other creditors**

	As at 29.02.20 £000	As at 28.02.19 £000
Accrued expenses	178	84
Amounts payable for cancellation of shares	442	149
Corporation tax payable	317	–
<b>Total other creditors</b>	<b>937</b>	<b>233</b>

**12 Contingent liabilities and commitments**

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**13 Related party transactions**

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

Fund Management Fee/ACD periodic charges paid to Aviva Investors UK Fund Services Limited ("the ACD") are shown in note 4 and details of shares issued and cancelled by the ACD are shown in the statement of change in net assets attributable to shareholders. The balance due to the ACD at the year end in respect of Fund Management Fee/ACD periodic charges was £178,437 (2019: £83,694). Any balance due from the ACD in respect of issues is shown in note 8. Any balance due to the ACD in respect of cancellations is shown in note 11.

Distributions payable to the ACD and related parties of the ACD during the year amounted to £1,813,384 (2019: £1,702,634). The amount outstanding at the year end was £1,368,714 (2019: £1,123,657). 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 £50,636,773 (2019: £74,654,211) and £58,012,941 (2019: £83,260,844) respectively. The income received during the year amounted to £499,321 (2019: £620,200). The rebates from ACD during the year amounted to £5,227 (2019: £64,626).

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

	Holdings at 29.02.20 (shares)	Movement (shares)	Holdings at 28.02.19 (shares)
ACD and related parties (Class 1 Income shares)	62,956	62,956	–
ACD and related parties (Class 2 Income shares)	1,669,466	96,736	1,572,730
ACD and related parties (Class 3 Income shares)	78,277,704	(6,841,603)	85,119,307
ACD and related parties (Class 2 Accumulation shares)	8,262,852	(703,525)	8,966,377

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

**14 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 Fees are as follows:

Class 1: 1.14%  
Class 2: 0.89%  
Class 3: 0.64%

The net asset value per share class, the net asset value per share and the number of shares in the class are shown on pages 43 and 44. The distributions per share class are given in the distribution tables on page 57. All the share classes have the same rights on winding up.

**15 Shares in issue reconciliation**

	Number of shares in issue at 28.02.19	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 29.02.20
Class 1 Income shares	3,869,115	228,681	(376,562)	–	3,721,234
Class 2 Income shares	5,071,352	493,670	(982,320)	–	4,582,702
Class 3 Income shares	85,119,307	4,626,591	(11,468,194)	–	78,277,704
Class 2 Accumulation shares	12,365,341	1,348,901	(2,041,266)	–	11,672,976

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**16 Derivatives and other financial instruments**

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

**Fair value of financial assets and financial liabilities**

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

**Currency risk**

At the year end date, 8.34% (2019: (0.04)%) of the net assets of the Fund were denominated in currencies other than sterling and as such the currency risk is not considered significant.

**Interest rate risk**

At the year end date 25.76% (2019: 16.80%) of the net assets of the Fund were interest bearing.

The interest rate profile of the Fund's financial assets and liabilities at 29 February 2020 was:

Currency 29.02.20	Floating Rate £000	Fixed Rate £000	None £000	Total £000
<b>Financial Assets</b>				
Australian dollar	29	–	192	221
Euro	252	–	75	327
Sterling	40,063	–	107,533	147,596
US dollar	507	–	28,097	28,604
<b>Financial Liabilities</b>				
Australian dollar	–	–	(1,835)	(1,835)
Euro	–	–	(6,384)	(6,384)
Japanese yen	–	–	(48)	(48)
Sterling	–	–	(2,264)	(2,264)
US dollar	–	–	(7,663)	(7,663)
<b>Total</b>	<b>40,851</b>	<b>–</b>	<b>117,703</b>	<b>158,554</b>

The interest rate profile of the Fund's financial assets and liabilities at 28 February 2019 was:

Currency 28.02.19	Floating Rate £000	Fixed Rate £000	None £000	Total £000
<b>Financial Assets</b>				
Australian dollar	(420)	–	402	(18)
Euro	257	–	3,096	3,353
Japanese yen	(66)	–	40	(26)
Sterling	27,854	–	135,598	163,452
US dollar	(396)	–	17,316	16,920
<b>Financial Liabilities</b>				
Australian dollar	–	–	(1,557)	(1,557)
Euro	–	–	(6,575)	(6,575)
Sterling	–	–	(1,326)	(1,326)
US dollar	–	–	(12,167)	(12,167)
<b>Total</b>	<b>27,229</b>	<b>–</b>	<b>134,827</b>	<b>162,056</b>

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

The Fund invests in some collective investment schemes (CIS) which predominantly invest in debt securities. The revenue of the Fund and the value of debt securities may be significantly affected by interest rate movements in the future. At the year end date 36.46% (2019: 30.79%) of the assets of the Fund were invested in CIS which predominantly invest in debt securities.



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**16 Derivatives and other financial instruments (continued)****Interest rate exposures**

The Aviva Investors Investment Risk Team performs regular stress testing across all portfolios to determine market sensitivities and risk exposures using BlackRock's Aladdin risk model and stress testing methodology. Under this methodology, if 5Y GBP interest rates had increased by 1% as at the balance sheet date, the net asset value of the Fund would have decreased by £4,225,826 (2019: £4,078,329). If interest rates had decreased by 1% as at the balance sheet date, the net asset value of the Fund would have increased by £4,225,826 (2019: £4,078,329). These calculations assume the interest rate shock is propagated to all risk factors the Fund is exposed to, based on historical market correlations and volatilities between factors.

**Market price risk**

At the year end date, 75.95% (2019: 82.63%) 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 7.60% (2019: 8.26%).

**17 Counterparty exposure****Financial derivative exposure**

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

	Forward currency contracts £000	Futures contracts £000	Total £000
<b>29.02.20</b>			
Barclays	(152)	460	308
Goldman Sachs	(14)	–	(14)
J.P. Morgan	62	–	62
Merrill Lynch	(12)	–	(12)
Royal Bank of Scotland	(67)	–	(67)
Standard Chartered	5	–	5
UBS	(11)	–	(11)
<b>Total</b>	<b>(189)</b>	<b>460</b>	<b>271</b>

	Forward currency contracts £000	Futures contracts £000	Total £000
<b>28.02.19</b>			
Barclays	49	–	49
Goldman Sachs	492	–	492
J.P. Morgan	50	–	50
Nomura	49	–	49
Royal Bank of Scotland	52	–	52
Société Générale	49	–	49
UBS	–	1,007	1,007
<b>Total</b>	<b>741</b>	<b>1,007</b>	<b>1,748</b>

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

**Collateral**

At the year end date no collateral was held or pledged by the company or on behalf of the counterparties in respect of the above (2019: £nil).

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**18 Direct transaction costs**

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

	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
<b>29.02.20</b>						
<b>Purchases</b>						
Equities	(1,705)	–	–	(1,705)	0.00%	0.00%
Funds	(100,299)	(1)	–	(100,300)	0.00%	0.00%
	(102,004)	(1)	–	(102,005)		
<b>Sales</b>						
Funds	110,565	(4)	(19)	110,542	0.00%	0.02%
	110,565	(4)	(19)	110,542		
<b>Total</b>		(5)	(19)			
<b>Percentage of fund average net assets</b>		0.00%	0.01%			

	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
<b>28.02.19</b>						
<b>Purchases</b>						
Funds	(116,373)	(2)	–	(116,375)	0.00%	0.00%
	(116,373)	(2)	–	(116,375)		
<b>Sales</b>						
Funds	110,833	(3)	(3)	110,827	0.00%	0.00%
	110,833	(3)	(3)	110,827		
<b>Total</b>		(5)	(3)			
<b>Percentage of fund average net assets</b>		0.00%	0.00%			

**Dealing spread**

As at 29 February 2020, the average portfolio dealing spread was 0.03% (2019: 0.02%). This spread represents the difference between the values determined retrospectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

**20 Post balance sheet events**

As a result of market movements and foreign exchange rates, since the balance sheet date on 29 February 2020, the price of each share class has changed as follows:

	Number of shares in issue at 29.02.20	Number of shares in issue at 24.06.20	% change	Price at 29.02.20 (p)	Price at 24.06.20 (p)	% change
Class 1 Income	3,721,234	3,649,273	-1.93%	84.18	84.03	-0.17%
Class 2 Accumulation	11,672,976	11,522,045	-1.29%	143.65	143.50	-0.11%
Class 3 Income	78,277,704	76,677,201	-2.04%	168.76	168.69	-0.04%
Class 2 Income	4,582,702	4,667,307	1.85%	142.91	142.76	-0.11%

A high level of uncertainty remains on the ultimate scenario for COVID-19, or the likelihood of any particular outcome, with a number of varying projections being publicised. During this period of uncertainty, the Funds are exposed to a higher liquidity risk resulting from the Funds liability to shareholders for any cancellation of shares. While the Fund may have experienced higher than average cancellation of shares the liquidity measures within the Fund remain within normal range and there is no immediate or material uncertainty about the viability of the Fund as a going concern.

## DISTRIBUTION TABLES

## Final distribution payable in pence per share for the six months ended 29 February 2020

Income shares		Net revenue	Equalisation	Final distribution payable 30 April 2020	Final distribution paid 30 April 2019
Class 1	Group 1	0.6234	–	0.6234	0.4479
	Group 2	0.5388	0.0846	0.6234	0.4479
Class 2	Group 1	1.2046	–	1.2046	0.8918
	Group 2	0.8298	0.3748	1.2046	0.8918
Class 3	Group 1	1.5956	–	1.5956	1.2107
	Group 2	1.0649	0.5307	1.5956	1.2107
Accumulation shares		Net revenue	Equalisation	Final distribution payable 30 April 2020	Final distribution paid 30 April 2019
Class 2	Group 1	1.2007	–	1.2007	0.8821
	Group 2	0.7760	0.4247	1.2007	0.8821

## Final distribution

Group 1 shares are those shares purchased at or before 9am on 31 August 2019.

Group 2 shares are those shares purchased after 9am on 31 August 2019.

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

Income shares		Net revenue	Equalisation	Interim distribution paid 31 October 2019	Interim distribution paid 31 October 2018
Class 1	Group 1	0.0789	–	0.0789	0.0579
	Group 2	0.0777	0.0012	0.0789	0.0579
Class 2	Group 1	0.2769	–	0.2769	0.3746
	Group 2	0.2684	0.0085	0.2769	0.3746
Class 3	Group 1	0.5093	–	0.5093	0.6083
	Group 2	0.3328	0.1765	0.5093	0.6083
Accumulation shares		Net revenue	Equalisation	Interim distribution paid 31 October 2019	Interim distribution paid 31 October 2018
Class 2	Group 1	0.2847	–	0.2847	0.3694
	Group 2	0.2619	0.0228	0.2847	0.3694

## Interim distribution

Group 1 shares are those shares purchased at or before 9am on 28 February 2019.

Group 2 shares are those shares purchased after 9am on 28 February 2019.

## Equalisation

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

## AVIVA INVESTORS MULTI-ASSET FUND I

### INVESTMENT OBJECTIVE

The Fund aims to grow your investment over the long term (5 years or more) through a combination of income and capital returns.

It is managed to a “defensive” risk profile, which we define as aiming for an average volatility of 20% of the volatility of “Global Equities” (where the volatility of Global Equities equals 100%).

### INVESTMENT POLICY

#### Core investment

The Fund invests in a broad range of global asset classes (including emerging markets) that may include shares, bonds, cash, property, and commodities, and will gain this exposure by investing in other funds (including funds managed by Aviva Investors companies), directly in these assets, or through the use of derivatives.

Derivatives may be used for investment purposes to generate additional returns for the Fund but will not materially alter the risk profile. They are also used to gain exposure to asset classes which may otherwise be difficult or costly to achieve, or to manage the Fund’s cash flows in a cost-effective manner. Derivatives may also be used to reduce risk, such as foreign currency risk within the Fund.

#### Strategy

The Fund is actively managed, and the Investment Manager does not base investment decisions upon a benchmark. Instead the asset allocation of the Fund is designed to be consistent with its “defensive” risk profile.

The portfolio blends these asset classes for diversification, allowing more defensive or aggressive asset allocations to be selected in line with the expected risk profile depending on market conditions and opportunities.

The Fund is part of a range of five multi asset funds, each with their own risk profile, ranging from I (the lowest) to V (the highest). This Fund is number I in the range. For more information on these funds please refer to the prospectus.

#### Environmental, Social & Governance (ESG)

ESG factors are integrated into the investment process and are 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 & Risk Measurement

The Fund aims to remain within a defined risk range consistent with its “defensive” risk profile – measured against the volatility of Global Equities. Volatility measures how much the returns of the Fund fluctuate, and it is an indicator of the level of risk taken by the Investment Manager.

The Fund is expected to operate within a range of 12% to 28% of the volatility of Global Equities, with an average volatility of 20%. There may be times when it operates outside of this range.

The index we use to represent Global Equities is the MSCI® All Countries World Index GBP (the “Index”). The Fund’s volatility is compared against the Index’s monthly volatility, annualised, over 3-year rolling periods.

The Index comprises large and medium sized companies, as determined by their market capitalisation (total market value of a company’s outstanding shares), from both developed and emerging markets, and the index is designed to provide a broad measure of global equity market performance.

The Index has been selected as a benchmark due to the broad range of companies that it represents, and it is therefore an appropriate measure of the volatility of Global Equities.

### FUND MANAGER’S REPORT

#### Performance

Over the twelve months ended 29 February 2020, the Fund returned 6.62% (share class 1, net of fees).

#### Review

The Fund remained heavily exposed to bond markets throughout the year. Fixed income securities typically provide regular income, but also have the potential to generate meaningful capital appreciation. This was the case during the past 12 months, when falling yields resulted in favourable returns from bonds.

Yield movements primarily reflected interest rate reductions in key regions, most notably in the US where official cash rates were lowered three times. Amid signs of decelerating growth, central banks eased policy settings to try and support economic activity levels. Further, consensus forecasts suggested interest rates will be lowered even further as authorities try and stimulate demand. Investors’ realisation that borrowing costs are likely to remain low for longer than was previously anticipated saw bond yields fall to record lows in many markets.

Returns from growth assets were mixed, but positive overall. US equities fared relatively well, supported by buoyant corporate profitability and a more resilient economic growth outlook than elsewhere. This was beneficial for performance, as the US remained the Fund’s most favoured equity region throughout the year. Investments in emerging market debt and high yield bonds also added value. These asset classes were perceived to be beneficiaries of the lower interest rate environment. Closer to home, returns from the UK share market were hampered by persistent Brexit-related uncertainties and deteriorating economic indicators.

Uncorrelated assets, such as absolute return strategies and asset-backed securities, which serve to diversify the portfolio’s risk profile, were also positive over the year.

By the end of February, sentiment towards all equity markets worldwide was being adversely affected by the coronavirus outbreak. Associated disruptions, closures and delays are expected to act as a drag on growth and are clouding the outlook for corporate profitability.

## AVIVA INVESTORS MULTI-ASSET FUND I (CONTINUED)

## FUND MANAGER'S REPORT (CONTINUED)

**Outlook**

Coronavirus-related disruptions potentially jeopardise the prospect of a rebound in economic growth, or at least delay it. With that in mind, risk has been reduced in the portfolio until more clarity emerges on the likely extent and length of the disruptions. The situation is evolving rapidly; consequently, we are monitoring developments closely, ready to respond by amending portfolio positioning if and when opportunities present themselves.

**March 2020**

\* Fund performance figures – source Lipper, a Thomson Reuters company, net of fees, net income reinvested.

As noted above, the performance figures in this commentary have been sourced from an external party and are based on published prices. The performance figures quoted in the comparative tables on pages 60 and 61 are based on the net asset value per the published accounts and may be different due to post year end accounting adjustments.

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

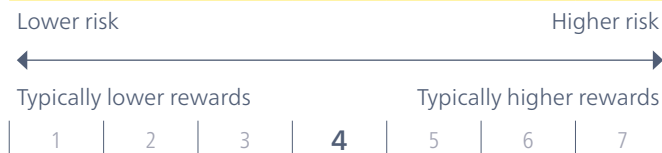
**Performance History – Accumulation Shares**

Calendar year	Share Class 1		Share Class 2		Share Class 3		Share Class 9	
	%	%	%	%	%	%	%	
31.12.13 to 31.12.14	6.48	7.04	7.15	N/A				
31.12.14 to 31.12.15	0.86	1.47	1.46	N/A				
31.12.15 to 31.12.16	5.41	6.05	6.01	6.37				
31.12.16 to 31.12.17	1.91	2.52	2.47	2.78				
31.12.17 to 31.12.18	-3.89	-3.49	-3.54	-3.30				

Source for all data: Aviva Investors/Lipper, a Thomson Reuters company, this is based on index provider data where applicable. Fund return data is mid to mid, net income reinvested, net of all ongoing charges and fees in sterling, net of tax payable by the Fund to 31 December 2018. The figures do not include the effect of the Entry Charge and any Exit Charge.

**Material Portfolio Changes**

Purchases	Sales
Aviva Investors Sterling Liquidity Fund Class 9, Income shares, GBP	US Treasury Inflation Indexed 0.88% 15/01/2029
Aviva Investors Global Investment Grade Corporate Bond Fund Class Zyh, Accumulation shares, GBP	Aviva Investors Sterling Liquidity Fund Class 9, Income shares, GBP
US Treasury Inflation Indexed 0.13% 15/01/2030	Aviva Investors Global High Yield Bond Fund Class Zh, Accumulation shares, GBP
US Treasury Inflation Indexed 0.88% 15/01/2029	Australia Government Bond 1.25% 21/02/2022
Aviva Investors Global High Yield Bond Fund Class Zyh, Accumulation shares, GBP	Aviva Investors Global High Yield Bond Fund Class Zyh, Accumulation shares, GBP
Aviva Investors Emerging Markets Local Currency Bond Fund Class Zy, Accumulation shares, GBP	Aviva Investors Multi-Strategy Fixed Income Fund Class Zyh, Accumulation shares, GBP
Aviva Investors Multi-Strategy Fixed Income Fund Class Zyh, Accumulation shares, GBP	Aviva Investors Multi-Strategy Target Return Fund Class 3, Accumulation shares, GBP
iShares Europe ex-UK Index Fund (IE) Class Institutional Accumulating EUR	Aviva Investors European Equity Income Fund Class Zy, Accumulation shares, GBP
AI North American Equity Index Fund, UK Fund of Fund Accumulation Units	BlackRock European Absolute Alpha Fund Class X Accumulating GBP
BlackRock European Absolute Alpha Fund Class D Accumulating GBP	iShares Europe ex-UK Index Fund (IE) Class Flexible Accumulating EUR

**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](http://www.avivainvestors.com) or from the ACD on request.

## COMPARATIVE TABLES

Class 1 Accumulation	2020 p per share	2019 p per share	2018 p per share
<b>Change in net assets per share</b>			
Opening net asset value per share	120.55	121.28	120.84
Return before operating charges <sup>†</sup>	8.72	0.28	2.06
Operating charges	(1.01)	(1.01)	(1.62)
Return after operating charges <sup>†</sup>	7.71	(0.73)	0.44
Distributions	(0.63)	(0.90)	(0.21)
Retained distributions on accumulation shares	0.63	0.90	0.21
Closing net asset value per share	128.26	120.55	121.28
<sup>†</sup> after direct transaction costs of	–	–	–
<b>Performance</b>			
Return after charges	6.40%	(0.60)%	0.36%
<b>Other information</b>			
Closing net asset value (£000)	11,103	10,852	1,881
Closing number of shares	8,656,583	9,002,533	1,551,065
Operating charges (%) <sup>†</sup>	0.81%	0.85%	1.33%
Direct transaction costs (%) <sup>†</sup>	–	–	–
<b>Prices<sup>≈</sup></b>			
Highest share price	129.44	121.31	123.02
Lowest share price	120.27	116.92	120.31

Class 2 Accumulation	2020 p per share	2019 p per share	2018 p per share
<b>Change in net assets per share</b>			
Opening net asset value per share	123.51	123.86	122.63
Return before operating charges <sup>†</sup>	8.88	0.32	1.93
Operating charges	(0.71)	(0.67)	(0.70)
Return after operating charges <sup>†</sup>	8.17	(0.35)	1.23
Distributions	(0.91)	(1.27)	(0.92)
Retained distributions on accumulation shares	0.91	1.27	0.92
Closing net asset value per share	131.68	123.51	123.86
<sup>†</sup> after direct transaction costs of	–	–	–
<b>Performance</b>			
Return after charges	6.61%	(0.28)%	1.00%
<b>Other information</b>			
Closing net asset value (£000)	56,905	53,477	58,075
Closing number of shares	43,212,870	43,297,169	46,889,733
Operating charges (%) <sup>†</sup>	0.55%	0.55%	0.58%
Direct transaction costs (%) <sup>†</sup>	–	–	–
<b>Prices<sup>≈</sup></b>			
Highest share price	132.90	123.94	125.51
Lowest share price	123.24	119.75	122.36

Class 3 Accumulation	2020 p per share	2019 p per share	2018 p per share
<b>Change in net assets per share</b>			
Opening net asset value per share	125.75	126.16	124.98
Return before operating charges <sup>†</sup>	9.05	0.36	1.97
Operating charges	(0.80)	(0.77)	(0.79)
Return after operating charges <sup>†</sup>	8.25	(0.41)	1.18
Distributions	(0.87)	(1.22)	(0.87)
Retained distributions on accumulation shares	0.87	1.22	0.87
Closing net asset value per share	134.00	125.75	126.16
<sup>†</sup> after direct transaction costs of	–	–	–
<b>Performance</b>			
Return after charges	6.56%	(0.32)%	0.94%
<b>Other information</b>			
Closing net asset value (£000)	70,480	59,300	66,692
Closing number of shares	52,595,615	47,157,847	52,862,401
Operating charges (%) <sup>†</sup>	0.61%	0.62%	0.63%
Direct transaction costs (%) <sup>†</sup>	–	–	–
<b>Prices<sup>≈</sup></b>			
Highest share price	135.24	126.22	127.85
Lowest share price	125.46	121.93	124.70

Class 4 Accumulation	2019 p per share	2018 p per share
<b>Change in net assets per share</b>		
Opening net asset value per share	124.31	123.35
Return before operating charges <sup>†</sup>	(123.99)	1.99
Operating charges	(0.32)	(1.03)
Return after operating charges <sup>†</sup>	(124.31)	0.96
Distributions	–	(0.65)
Retained distributions on accumulation shares	–	0.65
Closing net asset value per share	–	124.31
<sup>†</sup> after direct transaction costs of	–	–
<b>Performance</b>		
Return after charges	–	0.78%
<b>Other information</b>		
Closing net asset value (£000)	–	9,670
Closing number of shares	–	7,778,697
Operating charges (%) <sup>†</sup>	0.78%	0.83%
Direct transaction costs (%) <sup>†</sup>	–	–
<b>Prices<sup>≈</sup></b>		
Highest share price	124.34	126.02
Lowest share price	122.86	123.08

## COMPARATIVE TABLES (CONTINUED)

	2020	2019	2018
Class 9 Accumulation	p per share	p per share	p per share
<b>Change in net assets per share</b>			
Opening net asset value per share	108.86	108.95	107.63
Return before operating charges <sup>‡</sup>	7.78	0.25	1.66
Operating charges	(0.34)	(0.34)	(0.34)
Return after operating charges <sup>‡</sup>	7.44	(0.09)	1.32
Distributions	(1.03)	(1.32)	(1.04)
Retained distributions on accumulation shares	1.03	1.32	1.04
Closing net asset value per share	116.30	108.86	108.95
† after direct transaction costs of	–	–	–
<b>Performance</b>			
Return after charges	6.83%	(0.08)%	1.23%
<b>Other information</b>			
Closing net asset value (£000)	165,768	46,207	16,408
Closing number of shares	142,535,839	42,445,979	15,060,037
Operating charges (%) <sup>‡</sup>	0.30%	0.32%	0.35%
Direct transaction costs (%) <sup>‡</sup>	–	–	–
<b>Prices<sup>≈</sup></b>			
Highest share price	117.37	109.11	110.37
Lowest share price	108.62	105.51	107.41

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

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

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

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

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

**Ongoing Charges Figure\***

Share class	29.02.20	28.02.19
Class 1	0.81%	0.82%**
Class 2	0.55%	0.55%
Class 3	0.61%	0.62%
Class 9	0.30%	0.31%

\* 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. The OCF on share class 2 is capped at 0.60%, though the actual figure may be lower. The OCF on share class 9 is capped at 0.35%, though the actual figure may be lower.

The OCF includes a synthetic charge of 0.06% (28.02.19: 0.07%) in respect of underlying investments.

\*\* Following the update to the Prospectus and the change in charging structure of the Fund part way through the period, the ongoing charges figure has been based on the revised fee structure and therefore is not on an ex-post basis.

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 29 February 2020

Investment	Currency	Holding	Market Value £000	% of Net Assets
<b>Collective Investment Schemes 44.73% (54.06%)</b>				
AI Japanese Equity Index Fund, UK Fund of Fund Accumulation Units <sup>†</sup>	GBP	2,172,088	2,235	0.73
AI North American Equity Index Fund, UK Fund of Fund Accumulation Units <sup>†</sup>	GBP	9,652,406	11,282	3.71
Aviva Investors Emerging Markets Bond Fund Class Zyh, Accumulation shares, GBP <sup>†</sup>	GBP	5,514	7,292	2.40
Aviva Investors Emerging Markets Corporate Bond Fund Class Zyh, Accumulation shares, GBP <sup>†</sup>	GBP	593	640	0.21
Aviva Investors Emerging Markets Equity Small Cap Fund Class Zy, Accumulation shares, GBP <sup>†</sup>	GBP	304	313	0.10
Aviva Investors Emerging Markets Local Currency Bond Fund Class Zy, Accumulation shares, GBP <sup>†</sup>	GBP	4,424	6,754	2.22
Aviva Investors Global Emerging Markets Index Fund Class Zy, Accumulation shares, GBP <sup>†</sup>	GBP	2,579	2,604	0.86
Aviva Investors Global High Yield Bond Fund Class Zyh, Accumulation shares, GBP <sup>†</sup>	GBP	1,337	1,355	0.44
Aviva Investors Global Investment Grade Corporate Bond Fund Class Zyh, Accumulation shares, GBP <sup>†</sup>	GBP	49,368	61,072	20.07
Aviva Investors Multi-Strategy Fixed Income Fund Class Zyh, Accumulation shares, GBP <sup>†</sup>	GBP	21,259	21,864	7.19
Aviva Investors Multi-Strategy Target Return Fund Class 3, Accumulation shares, GBP <sup>†</sup>	GBP	8,714,218	9,912	3.26
Aviva Investors UK Index Tracking Fund Class 3, Accumulation shares, GBP <sup>†</sup>	GBP	1,332,837	3,283	1.08
BlackRock European Absolute Alpha Fund Class D Accumulating GBP	GBP	2,047,806	3,050	1.00
iShares Europe ex-UK Index Fund (IE) Class Institutional Accumulating EUR	EUR	255,782	3,435	1.13
iShares Pacific Index Fund (IE) Class Institutional Accumulating GBP	GBP	96,510	987	0.33
<b>Collective Investment Schemes total</b>			<b>136,078</b>	<b>44.73</b>
<b>Equities 0.65% (0.00%)</b>				
<b>Guernsey 0.65% (0.00%)</b>				
TwentyFour Income Fund	GBP	1,826,596	1,982	0.65
			1,982	0.65
<b>Equities total</b>			<b>1,982</b>	<b>0.65</b>
<b>Government Bonds 3.82% (13.76%)</b>				
<b>Australia 0.00% (3.87%)</b>				
<b>United States of America 3.82% (9.89%)</b>				
US Treasury Inflation Indexed 0.13% 15/01/2030	USD	14,400,000	11,631	3.82
			11,631	3.82
<b>Government Bonds total</b>			<b>11,631</b>	<b>3.82</b>
<b>Forward Currency Contracts (0.10)% (0.69%)</b>				
Buy GBP 595,331 sell AUD 1,137,234 dated 22/04/2020			20	0.01
Buy GBP 2,597,216 sell EUR 3,058,508 dated 22/04/2020			(21)	(0.01)
Buy GBP 27,064,899 sell USD 35,555,153 dated 22/04/2020			(559)	(0.18)
Buy USD 25,614,717 sell GBP 19,657,396 dated 22/04/2020			243	0.08
<b>Forward Currency Contracts total</b>			<b>(317)</b>	<b>(0.10)</b>
<b>Futures (0.25)% (0.44%)</b>				
Australia 10 Year Bond 16/03/2020	AUD	178	361	0.12
Euro-Buxl 30 Year Bond 06/03/2020	EUR	(36)	(514)	(0.17)
EURO STOXX 50 Index 20/03/2020	EUR	51	(111)	(0.04)
Long Gilt 26/06/2020	GBP	33	67	0.02
MSCI Emerging Markets Emini Index 20/03/2020	USD	76	(342)	(0.11)
S&P 500 Emini Index 20/03/2020	USD	51	(748)	(0.25)
Short-Term Euro-BTP 06/03/2020	EUR	95	27	0.01
TOPIX Index 12/03/2020	JPY	13	(90)	(0.03)
US 2 Year Note 30/06/2020	USD	28	24	0.01
US 5 Year Note 30/06/2020	USD	389	339	0.11
US 10 Year Note 19/06/2020	USD	207	151	0.05
US Ultra Bond 19/06/2020	USD	21	82	0.03
<b>Futures total</b>			<b>(754)</b>	<b>(0.25)</b>



## PORTFOLIO STATEMENT (CONTINUED)

As at 29 February 2020

Investment	Currency	Holding	Market Value £000	% of Net Assets
<b>Liquidity Funds 34.31% (31.03%)<sup>1</sup></b>				
Aviva Investors Sterling Liquidity Fund Class 9, Income shares, GBP <sup>†</sup>	GBP	104,402,754	104,403	34.31
<b>Liquidity Funds total</b>			<b>104,403</b>	<b>34.31</b>
Investment assets (including investment liabilities) <sup>2</sup>			253,023	83.16
Net other assets			51,233	16.84
<b>Net assets</b>			<b>304,256</b>	<b>100.00</b>

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

The comparative percentage figures in brackets are as at 28 February 2019.

<sup>†</sup> A related party to the Fund.

<sup>1</sup> Cash Equivalents.

<sup>2</sup> Includes Cash Equivalents.

## STATEMENT OF TOTAL RETURN

### For the year ended 29 February 2020

	Notes	£000	Year ended 29.02.20 £000	£000	Year ended 28.02.19 £000
Income					
Net capital gains/(losses)	2		12,055		(1,722)
Revenue	3	3,278		2,581	
Expenses					
	4	(978)		(758)	
Net revenue before taxation		2,300		1,823	
Taxation	5	(381)		(275)	
Net revenue after taxation			1,919		1,548
<b>Total return before distributions</b>			<b>13,974</b>		<b>(174)</b>
Distributions	6		(1,922)		(1,528)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>12,052</b>		<b>(1,702)</b>

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

### For the year ended 29 February 2020

	£000	Year ended 29.02.20 £000	£000	Year ended 28.02.19 £000
<b>Opening net assets attributable to shareholders</b>		<b>169,836</b>		<b>152,726</b>
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	132,744		47,153	
Amounts payable on cancellation of shares	(12,623)		(29,923)	
		120,121		17,230
Change in net assets attributable to shareholders from investment activities (see above)		12,052		(1,702)
Retained distribution on accumulation shares		2,247		1,582
<b>Closing net assets attributable to shareholders</b>		<b>304,256</b>		<b>169,836</b>

## BALANCE SHEET

As at 29 February 2020

	Notes	As at 29.02.20 £000	As at 28.02.19 £000
<b>Assets:</b>			
Investments		151,005	117,538
<b>Current assets:</b>			
Debtors	8	2,554	2,663
Cash and bank balances	9	49,672	239
Cash equivalents	10	104,403	52,700
<b>Total assets</b>		<b>307,634</b>	<b>173,140</b>
<b>Liabilities:</b>			
Investment liabilities		(2,385)	(442)
<b>Creditors:</b>			
Other creditors	11	(993)	(2,862)
<b>Total liabilities</b>		<b>(3,378)</b>	<b>(3,304)</b>
<b>Net assets attributable to shareholders</b>		<b>304,256</b>	<b>169,836</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 1 Accounting basis and policies

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

### 2 Net capital gains/(losses)

	Year ended 29.02.20 £000	Year ended 28.02.19 £000
<b>Net capital gains/(losses) on investment during the year comprise:</b>		
Compensation items	–	1
Currency (losses)/gains	(44)	108
Derivative contracts gains	4,075	122
Expenses relating to the purchase and sale of investments	–	(1)
Forward currency contracts losses	(669)	(806)
Non-derivative securities gains/(losses)	8,693	(1,146)
<b>Net capital gains/(losses)*</b>	<b>12,055</b>	<b>(1,722)</b>

\*\* Total realised gains for the year were £7,797,039 (2019: £768,071) and the movement in unrealised gains/(losses) was £4,258,177 (2019: £(2,489,664)). Included in realised gains for the year were unrealised losses recognised in previous years.

### 3 Revenue

	Year ended 29.02.20 £000	Year ended 28.02.19 £000
Bank and deposit interest	84	7
Franked component of dividend distributions	117	183
Interest on debt securities	512	694
Income from derivatives	(48)	225
Investment manager rebates*	4	9
Overseas dividends	351	61
Revenue from offshore funds	2,173	1,302
UK dividends	2	–
Unfranked component of dividend distributions	83	100
<b>Total revenue</b>	<b>3,278</b>	<b>2,581</b>

\* Represents rebates received in respect of expenses incurred in underlying CIS investments.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**4 Expenses**

	Year ended 29.02.20 £000	Year ended 28.02.19 £000
<b>Payable to the Authorised Corporate Director ("ACD"), associates of the ACD or agents of either of them:</b>		
Fund Management Fee/ACD's periodic charge*	964	732
Registration fees	–	17
	964	749
<b>Payable to the Depositary, associates of the Depositary or agents of either of them:</b>		
Depositary's fee	–	5
Interest payable	14	7
Safe custody fee	–	3
	14	15
<b>Other expenses:</b>		
Audit fee**	–	3
Statement fees	–	1
	–	4
<b>Total expenses</b>	<b>978</b>	<b>768</b>
Less those expenses rebated by the ACD	–	(10)
<b>Net expenses</b>	<b>978</b>	<b>758</b>

\* From 4 June 2018 the Fund changed to a single fixed charge known as the Fund Management Fee (FMF). The FMF covers fees and expenses in relation to the operation and administration of the Company and the Fund.

\*\* The audit fee was £9,797 (2019: £11,608) net of VAT. With effect from 4 June 2018, the audit fee was no longer accrued for separately and now forms part of the FMF.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**5 Taxation****a Analysis of tax charge**

	Year ended 29.02.20 £000	Year ended 28.02.19 £000
Corporation tax	340	259
Adjustments in respect of prior period	9	28
Overseas tax suffered	32	3
<b>Total current tax (see note 5b)</b>	<b>381</b>	<b>290</b>
Deferred tax (see note 5c)	–	(15)
<b>Total tax for the year</b>	<b>381</b>	<b>275</b>

**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 29.02.20 £000	Year ended 28.02.19 £000
<b>Net revenue before taxation</b>	<b>2,300</b>	<b>1,823</b>
Corporation tax at 20%	460	365
<b>Effects of:</b>		
Adjustments in respect of prior period	9	28
Deferred tax	–	(15)
Overseas dividends not subject to corporation tax	(96)	(69)
Overseas tax suffered	32	3
UK dividends not subject to corporation tax	(24)	(37)
<b>Current tax charge (see note 5a)</b>	<b>381</b>	<b>275</b>

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

**c Deferred tax**

	Year ended 29.02.20 £000	Year ended 28.02.19 £000
Provision at the start of the year	–	15
Movement in deferred tax for the year (Note 5(a))	–	(15)
<b>Provision at the end of the year</b>	<b>–</b>	<b>–</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 6 Distributions

	Year ended 29.02.20 £000	Year ended 28.02.19 £000
<b>The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:</b>		
Interim distribution	334	1,131
Final distribution	1,914	451
	2,248	1,582
Add: Revenue deducted on cancellation of shares	25	57
Deduct: Revenue received on issue of shares	(351)	(111)
<b>Total distributions</b>	<b>1,922</b>	<b>1,528</b>
<b>Reconciliation of distributions for the year to net revenue after taxation</b>		
Distributions for the year	1,922	1,528
ACD's periodic charge borne by the capital account	(4)	(1)
Equalisation on conversions	–	5
Tax relief on capitalised ACD's periodic charge	1	–
Prior year adjustment	–	15
Undistributed revenue brought forward	(1)	–
Undistributed revenue carried forward	1	1
<b>Net revenue after taxation</b>	<b>1,919</b>	<b>1,548</b>

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

## 7 Fair value hierarchy

Valuation technique	As at 29.02.20		As at 28.02.19	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1: Quoted prices	14,315	(1,805)	3,398	(442)
Level 2: Observable market data	241,093	(580)	166,840	–
<b>Total value</b>	<b>255,408</b>	<b>(2,385)</b>	<b>170,238</b>	<b>(442)</b>

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 29.02.20 £000	As at 28.02.19 £000
Accrued revenue	173	85
Accrued expense fee rebate	15	14
Amounts receivable on issue of shares	2,349	1,849
Income tax recoverable	17	65
Sales awaiting settlement	–	650
<b>Total debtors</b>	<b>2,554</b>	<b>2,663</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**9 Cash and bank balances**

	As at 29.02.20 £000	As at 28.02.19 £000
Amounts held at futures clearing houses and brokers	2,116	214
Cash and bank balances	47,556	25
<b>Total cash and bank balances</b>	<b>49,672</b>	<b>239</b>

**10 Cash equivalents**

	As at 29.02.20 £000	As at 28.02.19 £000
Aviva Investors Sterling Liquidity Fund	104,403	52,700
<b>Total cash equivalents</b>	<b>104,403</b>	<b>52,700</b>

**11 Other creditors**

	As at 29.02.20 £000	As at 28.02.19 £000
Accrued expenses	176	59
Amounts payable for cancellation of shares	117	493
Corporation tax payable	187	322
Purchases awaiting settlement	500	1,978
Overseas tax provision	13	10
<b>Total creditors</b>	<b>993</b>	<b>2,862</b>

**12 Contingent liabilities and commitments**

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



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**13 Related party transactions**

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

Fund Management Fee/ACD periodic charges paid to Aviva Investors UK Fund Services Limited ("the ACD") are shown in note 4 and details of shares issued and cancelled by the ACD are shown in the statement of change in net assets attributable to shareholders. The balance due to the ACD at the year end in respect of Fund Management Fee/ACD periodic charges was £173,514 (2019: £57,680). Any balance due from the ACD in respect of issues is shown in note 8. Any balance due to the ACD in respect of cancellations is shown in note 11.

Distributions payable to the ACD and related parties of the ACD during the year amounted to £1,978,807 (2019: £1,197,145). The amount outstanding at the year end was £1,680,383 (2019: £361,134). 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 £128,932,629 (2019: £83,950,617) and £46,161,351 (2019: £50,153,485) respectively. The income received during the year amounted to £2,614,878 (2019: £1,543,484). The rebates from ACD during the year amounted to £3,781 (2019: £1,504).

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

	Holdings at 29.02.20 (shares)	Movement (shares)	Holdings at 28.02.19 (shares)
ACD and related parties (Class 1 Accumulation shares)	25,744	(85,120)	110,864
ACD and related parties (Class 2 Accumulation shares)	19,847,622	101,390	19,746,232
ACD and related parties (Class 3 Accumulation shares)	52,595,615	5,437,768	47,157,847
ACD and related parties (Class 9 Accumulation shares)	142,534,120	100,088,141	42,445,979

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

The revenue earned from the Aviva Tax Transparent Funds holdings of AI Japanese Equity Index Fund and AI North American Equity Index Fund was £245,670 for the year (2019: £60,505) included under Revenue Note 3. Amounts receivable at the balance sheet date of £98,426 (2019: £65,797) are included under Debtors in the Notes to the Accounts.

**14 Shareholder funds**

The Fund currently has four share classes: Class 1 (Retail), Class 2 (Institutional) and Class 3 and Class 9 (Associated undertakings of Aviva Plc). The Fund Management Fees are as follows:

Class 1:	0.75%
Class 2:	0.49%
Class 3:	0.55%
Class 9:	0.24%

The net asset value per share class, the net asset value per share and the number of shares in the class are shown on pages 60 and 61. The distributions per share class are given in the distribution tables on page 75. All the share classes have the same rights on winding up.

**15 Shares in issue reconciliation**

	Number of shares in issue at 28.02.19	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 29.02.20
Class 1 Accumulation shares	9,002,533	379,694	(725,644)	–	8,656,583
Class 2 Accumulation shares	43,297,169	5,377,065	(5,461,364)	–	43,212,870
Class 3 Accumulation shares	47,157,847	8,840,264	(3,402,496)	–	52,595,615
Class 9 Accumulation shares	42,445,979	100,338,078	(248,218)	–	142,535,839

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**16 Derivatives and other financial instruments**

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

**Fair value of financial assets and financial liabilities**

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

**Currency risk**

At the year end date, 1.62% (2019: (5.19)%) of the net assets of the Fund were denominated in currencies other than sterling and as such the currency risk is not considered significant.

**Interest rate risk**

At the year end date 54.46% (2019: 44.93%) of the net assets of the Fund were interest bearing.

The interest rate profile of the Fund's financial assets and liabilities at 29 February 2020 was:

Currency 29.02.20	Floating Rate £000	Fixed Rate £000	None £000	Total £000
<b>Financial Assets</b>				
Australian dollar	47	–	361	408
Euro	557	–	3,462	4,019
Japanese yen	4	–	(90)	(86)
Sterling	152,471	–	147,844	300,315
US dollar	996	11,631	598	13,225
<b>Financial Liabilities</b>				
Australian dollar	–	–	(575)	(575)
Euro	–	–	(3,243)	(3,243)
Sterling	–	–	(993)	(993)
US dollar	–	–	(8,814)	(8,814)
<b>Total</b>	<b>154,075</b>	<b>11,631</b>	<b>138,550</b>	<b>304,256</b>

The interest rate profile of the Fund's financial assets and liabilities at 28 February 2019 was:

Currency 28.02.19	Floating Rate £000	Fixed Rate £000	None £000	Total £000
<b>Financial Assets</b>				
Australian dollar	(105)	6,563	547	7,005
Euro	129	–	1,846	1,975
Japanese yen	(42)	–	29	(13)
Sterling	53,312	–	126,805	180,117
US dollar	(355)	16,802	355	16,802
<b>Financial Liabilities</b>				
Australian dollar	–	–	(7,055)	(7,055)
Euro	–	–	(7,711)	(7,711)
Sterling	–	–	(1,473)	(1,473)
US dollar	–	–	(19,811)	(19,811)
<b>Total</b>	<b>52,939</b>	<b>23,365</b>	<b>93,532</b>	<b>169,836</b>

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

The Fund invests in some collective investment schemes (CIS) which predominantly invest in debt securities. The revenue of the Fund and the value of debt securities may be affected by interest rate movements in the future. At the year end date 32.53% (2019: 35.67%) of the assets of the Fund were invested in CIS which predominantly invest in debt securities.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**16 Derivatives and other financial instruments (continued)****Interest rate exposures**

The Aviva Investors Investment Risk Team performs regular stress testing across all portfolios to determine market sensitivities and risk exposures using BlackRock's Aladdin risk model and stress testing methodology. Under this methodology, if 5Y GBP interest rates had increased by 1% as at the balance sheet date, the net asset value of the Fund would have decreased by £11,698,918 (2019: £7,292,896). If interest rates had decreased by 1% as at the balance sheet date, the net asset value of the Fund would have increased by £11,698,918 (2019: £7,292,896). These calculations assume the interest rate shock is propagated to all risk factors the Fund is exposed to, based on historical market correlations and volatilities between factors.

**Market price risk**

At the year end date, 49.20% (2019: 67.82%) 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 4.92% (2019: 6.78%).

**17 Counterparty exposure****Financial derivative exposure**

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

	Forward currency contracts £000	Futures contracts £000	Total £000
<b>29.02.20</b>			
Barclays	(285)	1,051	766
Goldman Sachs	(12)	–	(12)
J.P. Morgan	(22)	–	(22)
Merrill Lynch	(3)	–	(3)
Royal Bank of Scotland	(235)	–	(235)
Standard Chartered	21	–	21
UBS	219	–	219
<b>Total</b>	<b>(317)</b>	<b>1,051</b>	<b>734</b>

	Forward currency contracts £000	Futures contracts £000	Total £000
<b>28.02.19</b>			
Barclays	57	–	57
Goldman Sachs	746	–	746
J.P. Morgan	49	–	49
Nomura	48	–	48
Royal Bank of Scotland	214	–	214
Société Générale	48	–	48
UBS	–	1,196	1,196
<b>Total</b>	<b>1,162</b>	<b>1,196</b>	<b>2,358</b>

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

**Collateral**

At the year end date no collateral was held or pledged by the company or on behalf of the counterparties in respect of the above (2019: £nil).

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**18 Direct transaction costs**

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

	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
<b>29.02.20</b>						
<b>Purchases</b>						
Bonds	(19,245)	–	–	(19,245)	0.00%	0.00%
Equities	(2,100)	–	–	(2,100)	0.00%	0.00%
Funds	(142,170)	–	–	(142,170)	0.00%	0.00%
	<u>(163,515)</u>	<u>–</u>	<u>–</u>	<u>(163,515)</u>		
<b>Sales</b>						
Bonds	33,247	–	–	33,247	0.00%	0.00%
Funds	53,289	–	–	53,289	0.00%	0.00%
	<u>86,536</u>	<u>–</u>	<u>–</u>	<u>86,536</u>		
<b>Total</b>		<u>–</u>	<u>–</u>			
<b>Percentage of fund average net assets</b>		<u>0.00%</u>	<u>0.00%</u>			

	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
<b>28.02.19</b>						
<b>Purchases</b>						
Bonds	(26,229)	–	–	(26,229)	0.00%	0.00%
Funds	(90,479)	(1)	–	(90,480)	0.00%	0.00%
	<u>(116,708)</u>	<u>(1)</u>	<u>–</u>	<u>(116,709)</u>		
<b>Sales</b>						
Bonds	27,255	–	–	27,255	0.00%	0.00%
Funds	63,409	(1)	–	63,408	0.00%	0.00%
	<u>90,664</u>	<u>(1)</u>	<u>–</u>	<u>90,663</u>		
<b>Total</b>		<u>(2)</u>	<u>–</u>			
<b>Percentage of fund average net assets</b>		<u>0.00%</u>	<u>0.00%</u>			

**Dealing spread**

As at 29 February 2020, the average portfolio dealing spread was 0.01% (2019: 0.01%). This spread represents the difference between the values determined retrospectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

**19 Post balance sheet events**

As a result of market movements and foreign exchange rates, since the balance sheet date on 29 February 2020, the price of each share class has changed as follows:

	Number of shares in issue at 29.02.20	Number of shares in issue at 24.06.20	% change	Price at 29.02.20 (p)	Price at 24.06.20 (p)	% change
Class 1 Accumulation	8,656,583	8,439,661	-2.51%	128.26	127.90	-0.28%
Class 2 Accumulation	43,212,870	44,602,662	3.22%	131.68	131.43	-0.19%
Class 3 Accumulation	52,595,615	53,917,182	2.51%	134.00	133.72	-0.21%
Class 9 Accumulation	142,535,839	158,422,782	11.15%	116.30	116.16	-0.12%

A high level of uncertainty remains on the ultimate scenario for COVID-19, or the likelihood of any particular outcome, with a number of varying projections being publicised. During this period of uncertainty, the Funds are exposed to a higher liquidity risk resulting from the Funds liability to shareholders for any cancellation of shares. While the Fund may have experienced higher than average cancellation of shares the liquidity measures within the Fund remain within normal range and there is no immediate or material uncertainty about the viability of the Fund as a going concern.

## DISTRIBUTION TABLES

## Final distribution payable in pence per share for the six months ended 29 February 2020

Accumulation shares		Net revenue	Equalisation	Final distribution payable 30 April 2020	Final distribution paid 30 April 2019
Class 1	Group 1	0.6179	–	0.6179	0.1832
	Group 2	0.3355	0.2824	0.6179	0.1832
Class 2	Group 1	0.7697	–	0.7697	0.3132
	Group 2	0.3095	0.4602	0.7697	0.3132
Class 3	Group 1	0.7516	–	0.7516	0.2894
	Group 2	0.3641	0.3875	0.7516	0.2894
Class 9	Group 1	0.7943	–	0.7943	0.3831
	Group 2	0.3057	0.4886	0.7943	0.3831

**Final distribution**

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

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

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

Accumulation shares		Net revenue	Equalisation	Interim distribution paid 31 October 2019	Interim distribution paid 31 October 2018
Class 1	Group 1	0.0105	–	0.0105	0.7202
	Group 2	0.0000	0.0105	0.0105	0.7202
Class 2	Group 1	0.1426	–	0.1426	0.9537
	Group 2	0.0517	0.0909	0.1426	0.9537
Class 3	Group 1	0.1140	–	0.1140	0.9354
	Group 2	0.0292	0.0848	0.1140	0.9354
Class 9	Group 1	0.2361	–	0.2361	0.9366
	Group 2	0.1005	0.1356	0.2361	0.9366

**Interim distribution**

Group 1 shares are those shares purchased at or before 2pm on 28 February 2019.

Group 2 shares are those shares purchased after 2pm on 28 February 2019.

**Equalisation**

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

## AVIVA INVESTORS MULTI-ASSET FUND II

### INVESTMENT OBJECTIVE

The Fund aims to grow your investment over the long term (5 years or more) through a combination of income and capital returns.

It is managed to a “cautious” risk profile, which we define as aiming for an average volatility of 45% of the volatility of “Global Equities” (where the volatility of Global Equities equals 100%).

### INVESTMENT POLICY

#### Core investment

The Fund invests in a broad range of global asset classes (including emerging markets) that may include shares, bonds, cash, property, and commodities, and will gain this exposure by investing in other funds (including funds managed by Aviva Investors companies), directly in these assets, or through the use of derivatives.

Derivatives may be used for investment purposes to generate additional returns for the Fund but will not materially alter the risk profile. They are also used to gain exposure to asset classes which may otherwise be difficult or costly to achieve, or to manage the Fund’s cash flows in a cost-effective manner. Derivatives may also be used to reduce risk, such as foreign currency risk within the Fund.

#### Strategy

The Fund is actively managed, and the Investment Manager does not base investment decisions upon a benchmark. Instead the asset allocation of the Fund is designed to be consistent with its “cautious” risk profile.

The portfolio blends these asset classes for diversification, allowing more defensive or aggressive asset allocations to be selected in line with the expected risk profile depending on market conditions and opportunities.

The Fund is part of a range of five multi asset funds, each with their own risk profile, ranging from I (the lowest) to V (the highest). This Fund is number II in the range. For more information on these funds please refer to the prospectus.

#### Environmental, Social & Governance (ESG)

ESG factors are integrated into the investment process and are 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 & Risk Measurement

The Fund aims to remain within a defined risk range consistent with its “cautious” risk profile – measured against the volatility of Global Equities. Volatility measures how much the returns of the Fund fluctuate, and it is an indicator of the level of risk taken by the Investment Manager.

The Fund is expected to operate within a range of 37% to 53% of the volatility of Global Equities, with an average volatility of 45%. There may be times when it operates outside of this range.

The index we use to represent Global Equities is the MSCI® All Countries World Index GBP (the “Index”). The Fund’s volatility is compared against the Index’s monthly volatility, annualised, over 3-year rolling periods.

The Index comprises large and medium sized companies, as determined by their market capitalisation (total market value of a company’s outstanding shares), from both developed and emerging markets, and the index is designed to provide a broad measure of global equity market performance.

The Index has been selected as a benchmark due to the broad range of companies that it represents, and it is therefore an appropriate measure of the volatility of Global Equities.

### FUND MANAGER’S REPORT

#### Performance

Over the twelve months ended 29 February 2020, the Fund returned 8.26% (share class 1, net of fees).

#### Review

Returns from growth assets were mixed, but positive overall. US equities fared relatively well, supported by buoyant corporate profitability and a more resilient economic growth outlook than elsewhere. This was beneficial for performance, as the US remained the Fund’s most favoured equity region throughout the year. Investments in emerging market debt and high yield bonds also added value. These asset classes were perceived to be beneficiaries of the lower interest rate environment. Closer to home, returns from the UK share market were hampered by persistent Brexit-related uncertainties and deteriorating economic indicators.

By the end of February, sentiment towards all equity markets worldwide was being adversely affected by the coronavirus outbreak. Associated disruptions, closures and delays are expected to act as a drag on growth and are clouding the outlook for corporate profitability.

The Fund maintained a reasonable allocation to bond markets throughout the year. Fixed income securities typically provide regular income, but also have the potential to generate meaningful capital appreciation. This was the case during the past 12 months, when falling yields resulted in favourable returns from bonds.

Yield movements primarily reflected interest rate reductions in key regions, most notably in the US where official cash rates were lowered three times. Amid signs of decelerating growth, central banks eased policy settings to try and support economic activity levels. Further, consensus forecasts suggested interest rates will be lowered even further as authorities try and stimulate demand. Investors’ realisation that borrowing costs are likely to remain low for longer than was previously anticipated saw bond yields fall to record lows in many markets.

Uncorrelated assets, such as absolute return strategies and asset-backed securities, which serve to diversify the portfolio’s risk profile, were also positive over the year.

## AVIVA INVESTORS MULTI-ASSET FUND II (CONTINUED)

## FUND MANAGER'S REPORT (CONTINUED)

**Outlook**

Coronavirus-related disruptions potentially jeopardise the prospect of a rebound in economic growth, or at least delay it. With that in mind, risk has been reduced in the portfolio until more clarity emerges on the likely extent and length of the disruptions. The situation is evolving rapidly; consequently, we are monitoring developments closely, ready to respond by amending portfolio positioning if and when opportunities present themselves.

**March 2020**

\* Fund performance figures – source Lipper, a Thomson Reuters company, net of fees, net income reinvested.

As noted above, the performance figures in this commentary have been sourced from an external party and are based on published prices. The performance figures quoted in the comparative tables on pages 78 and 79 are based on the net asset value per the published accounts and may be different due to post year end accounting adjustments.

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

**Performance History – Accumulation Shares**

Calendar year	Share Class 1		Share Class 2		Share Class 3		Share Class 9	
	%	%	%	%	%	%	%	
31.12.13 to 31.12.14	7.77	8.55	8.65	N/A				
31.12.14 to 31.12.15	1.40	2.15	2.14	N/A				
31.12.15 to 31.12.16	9.78	9.98	9.93	10.27				
31.12.16 to 31.12.17	5.44	5.93	5.89	6.16				
31.12.17 to 31.12.18	-5.86	-5.51	-5.55	-5.34				

Source for all data: Aviva Investors/Lipper, a Thomson Reuters company, this is based on index provider data where applicable. Fund return data is mid to mid, net income reinvested, net of all ongoing charges and fees in sterling, net of tax payable by the Fund to 31 December 2018. The figures do not include the effect of the Entry Charge and any Exit Charge.

**Material Portfolio Changes**

Purchases	Sales
Aviva Investors Sterling Liquidity Fund Class 9, Income shares, GBP	Aviva Investors Sterling Liquidity Fund Class 9, Income shares, GBP
iShares Europe ex-UK Index Fund (IE) Class Institutional Accumulating EUR	Aviva Investors European Equity Income Fund Class Zy, Accumulation shares, GBP
iShares Europe ex-UK Index Fund (IE) Class Flexible Accumulating GBP	iShares Europe ex-UK Index Fund (IE) Class Flexible Accumulating GBP
Aviva Investors Global High Yield Bond Fund Class Zyh, Accumulation shares, GBP	Aviva Investors Global High Yield Bond Fund Class Zh, Accumulation shares, GBP
Aviva Investors Global Investment Grade Corporate Bond Fund Class Zyh, Accumulation shares, GBP	US Treasury Inflation Indexed 0.88% 15/01/2029
Aviva Investors UK Index Tracking Fund Class 3, Accumulation shares, GBP	iShares Europe ex-UK Index Fund (IE) Class Flexible Accumulating EUR
iShares Pacific Index Fund (IE) Class Institutional Accumulating GBP	Australia Government Bond 1.25% 21/02/2022
US Treasury Inflation Indexed 0.13% 15/01/2030	Aviva Investors Multi-Strategy Fixed Income Fund Class Zyh, Accumulation shares, GBP
Aviva Investors Emerging Markets Local Currency Bond Fund Class Zy, Accumulation shares, GBP	Aviva Investors Global High Yield Bond Fund Class Zyh, Accumulation shares, GBP
iShares Europe ex-UK Index Fund (IE) Class Flexible Accumulating EUR	Aviva Investors Multi-Strategy Target Return Fund Class 3, Accumulation shares, GBP

**Synthetic Risk and Reward Indicator**

The Fund has been allocated a risk number based on the higher of the historic volatility of its share price, the historic volatility of its current asset classes or its intended maximum risk levels.

- This indicator is based on historical data, calculated using European Union rules, and may not be a reliable indication of the future risk profile of the Fund.
- The risk and reward category shown is not guaranteed to remain unchanged and may change over time. The lowest category does not mean 'risk free'.
- The value of investments and the income from them will change over time.
- The Fund price may fall as well as rise and as a result you may not get back the original amount you invested.
- 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](http://www.avivainvestors.com) or from the ACD on request.

## COMPARATIVE TABLES

Class 1 Accumulation	2020 p per share	2019 p per share	2018 p per share
<b>Change in net assets per share</b>			
Opening net asset value per share	145.16	147.21	142.57
Return before operating charges <sup>†</sup>	12.80	(0.71)	6.56
Operating charges	(1.25)	(1.34)	(1.92)
Return after operating charges <sup>†</sup>	11.55	(2.05)	4.64
Distributions	(1.96)	(1.52)	(0.28)
Retained distributions on accumulation shares	1.96	1.52	0.28
Closing net asset value per share	156.71	145.16	147.21
<sup>†</sup> after direct transaction costs of	(0.03)	(0.01)	–
<b>Performance</b>			
Return after charges	7.96%	(1.39)%	3.25%
<b>Other information</b>			
Closing net asset value (£000)	38,618	37,522	40,284
Closing number of shares	24,643,251	25,848,956	27,364,363
Operating charges (%) <sup>†</sup>	0.81%	0.93%	1.32%
Direct transaction costs (%) <sup>†</sup>	0.02%	0.01%	–
<b>Prices<sup>≈</sup></b>			
Highest share price	162.50	149.02	150.00
Lowest share price	144.53	138.14	141.62

Class 2 Accumulation	2020 p per share	2019 p per share	2018 p per share
<b>Change in net assets per share</b>			
Opening net asset value per share	141.76	143.33	137.97
Return before operating charges <sup>†</sup>	12.43	(0.79)	6.16
Operating charges	(0.87)	(0.78)	(0.80)
Return after operating charges <sup>†</sup>	11.56	(1.57)	5.36
Distributions	(2.20)	(1.91)	(0.99)
Retained distributions on accumulation shares	2.20	1.91	0.99
Closing net asset value per share	153.32	141.76	143.33
<sup>†</sup> after direct transaction costs of	(0.03)	(0.01)	–
<b>Performance</b>			
Return after charges	8.15%	(1.10)%	3.88%
<b>Other information</b>			
Closing net asset value (£000)	333,046	314,647	293,792
Closing number of shares	217,220,394	221,954,942	204,977,433
Operating charges (%) <sup>†</sup>	0.58%	0.55%	0.57%
Direct transaction costs (%) <sup>†</sup>	0.02%	0.01%	–
<b>Prices<sup>≈</sup></b>			
Highest share price	158.99	145.42	145.96
Lowest share price	141.15	134.86	137.17

Class 3 Accumulation	2020 p per share	2019 p per share	2018 p per share
<b>Change in net assets per share</b>			
Opening net asset value per share	153.25	155.01	149.28
Return before operating charges <sup>†</sup>	13.45	(0.84)	6.67
Operating charges	(0.99)	(0.92)	(0.94)
Return after operating charges <sup>†</sup>	12.46	(1.76)	5.73
Distributions	(2.33)	(2.01)	(1.00)
Retained distributions on accumulation shares	2.33	2.01	1.00
Closing net asset value per share	165.71	153.25	155.01
<sup>†</sup> after direct transaction costs of	(0.03)	(0.02)	–
<b>Performance</b>			
Return after charges	8.13%	(1.14)%	3.84%
<b>Other information</b>			
Closing net asset value (£000)	294,464	269,022	276,762
Closing number of shares	177,700,022	175,543,731	178,544,912
Operating charges (%) <sup>†</sup>	0.61%	0.60%	0.62%
Direct transaction costs (%) <sup>†</sup>	0.02%	0.01%	–
<b>Prices<sup>≈</sup></b>			
Highest share price	171.83	157.23	157.86
Lowest share price	152.59	145.79	148.40

Class 4 Accumulation	2019 p per share	2018 p per share
<b>Change in net assets per share</b>		
Opening net asset value per share	154.94	149.45
Return before operating charges <sup>†</sup>	(154.55)	6.74
Operating charges	(0.39)	(1.25)
Return after operating charges <sup>†</sup>	(154.94)	5.49
Distributions	–	(0.76)
Retained distributions on accumulation shares	–	0.76
Closing net asset value per share	–	154.94
<sup>†</sup> after direct transaction costs of	–	–
<b>Performance</b>		
Return after charges	–	3.67%
<b>Other information</b>		
Closing net asset value (£000)	–	966
Closing number of shares	–	623,361
Operating charges (%) <sup>†</sup>	0.78%	0.82%
Direct transaction costs (%) <sup>†</sup>	–	–
<b>Prices<sup>≈</sup></b>		
Highest share price	155.44	157.82
Lowest share price	150.33	148.54



## COMPARATIVE TABLES (CONTINUED)

	2020	2019	2018
Class 9 Accumulation	p per share	p per share	p per share
<b>Change in net assets per share</b>			
Opening net asset value per share (at launch)	116.34	117.42	112.81
Return before operating charges <sup>‡</sup>	10.16	(0.70)	4.88
Operating charges	(0.41)	(0.38)	(0.27)
Return after operating charges <sup>‡</sup>	9.75	(1.08)	4.61
Distributions	(2.05)	(1.78)	(1.03)
Retained distributions on accumulation shares	2.05	1.78	1.03
Closing net asset value per share	126.09	116.34	117.42
<sup>†</sup> after direct transaction costs of	(0.02)	(0.01)	–
<b>Performance</b>			
Return after charges	8.38%	(0.92)%	4.09%
<b>Other information</b>			
Closing net asset value (£000)	153,285	104,744	82,935
Closing number of shares	121,571,700	90,029,076	70,632,530
Operating charges (%) <sup>‡</sup>	0.33%	0.33%	0.35%
Direct transaction costs (%) <sup>#</sup>	0.02%	0.01%	–
<b>Prices<sup>≈</sup></b>			
Highest share price	130.74	119.22	119.55
Lowest share price	115.85	110.64	112.19

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

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

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

<sup>#</sup> 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).

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

**Ongoing Charges Figure\***

Share class	29.02.20	28.02.19
Class 1	0.81%	0.80%**
Class 2	0.58%	0.57%
Class 3	0.61%	0.60%
Class 9	0.33%	0.32%

\* 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.

The OCF on share class 2 is capped at 0.60%, though the actual figure may be lower. The OCF on share class 9 is capped at 0.35%, though the actual figure may be lower. The OCF includes a synthetic charge of 0.08% (2019: 0.07%) in respect of underlying investments.

\*\* Following the update to the Prospectus and the change in charging structure of the Fund part way through the period, the ongoing charges figure has been based on the revised fee structure and therefore is not on an ex-post basis.

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 29 February 2020

Investment	Currency	Holding	Market Value £000	% of Net Assets
<b>Collective Investment Schemes 70.39% (75.62%)</b>				
AI Japanese Equity Index Fund, UK Fund of Fund Accumulation Units <sup>†</sup>		26,137,378	26,889	3.28
AI North American Equity Index Fund, UK Fund of Fund Accumulation Units <sup>†</sup>		119,788,953	140,015	17.09
Aviva Investors Emerging Markets Bond Fund Class Zyh, Accumulation shares, GBP <sup>†</sup>		19,643	25,977	3.17
Aviva Investors Emerging Markets Corporate Bond Fund Class Zyh, Accumulation shares, GBP <sup>†</sup>		8,095	8,743	1.07
Aviva Investors Emerging Markets Equity Small Cap Fund Class Zy, Accumulation shares, GBP <sup>†</sup>		3,242	3,343	0.41
Aviva Investors Emerging Markets Local Currency Bond Fund Class Zy, Accumulation shares, GBP <sup>†</sup>		16,297	24,880	3.04
Aviva Investors Global Emerging Markets Index Fund Class Zy, Accumulation shares, GBP <sup>†</sup>		33,959	34,285	4.18
Aviva Investors Global High Yield Bond Fund Class Zyh, Accumulation shares, GBP <sup>†</sup>		18,284	18,538	2.26
Aviva Investors Global Investment Grade Corporate Bond Fund Class Zyh, Accumulation shares, GBP <sup>†</sup>		95,020	117,548	14.34
Aviva Investors Multi-Strategy Fixed Income Fund Class Zyh, Accumulation shares, GBP <sup>†</sup>		37,104	38,161	4.66
Aviva Investors Multi-Strategy Target Return Fund Class 3, Accumulation shares, GBP <sup>†</sup>		18,054,232	20,535	2.50
Aviva Investors UK Index Tracking Fund Class 3, Accumulation shares, GBP <sup>†</sup>		17,357,584	42,753	5.22
BlackRock European Absolute Alpha Fund Class D Accumulating GBP		5,108,143	7,609	0.93
iShares Core S&P 500 UCITS Fund USD (Acc) Share Class		47,364	10,639	1.30
iShares Europe ex-UK Index Fund (IE) Class Institutional Accumulating EUR		3,086,212	41,452	5.06
iShares Pacific Index Fund (IE) Class Institutional Accumulating GBP		1,506,753	15,405	1.88
<b>Collective Investment Schemes total</b>			<b>576,772</b>	<b>70.39</b>
<b>Equities 0.92% (0.00%)</b>				
<b>Guernsey 0.92% (0.00%)</b>				
TwentyFour Income Fund		6,937,489	7,527	0.92
			7,527	0.92
<b>Equities total</b>			<b>7,527</b>	<b>0.92</b>
<b>Government Bonds 2.45% (8.78%)</b>				
<b>Australia 0.00% (3.88%)</b>				
<b>United States of America 2.45% (4.90%)</b>				
US Treasury Inflation Indexed 0.13% 15/01/2030		\$24,900,000	20,113	2.45
			20,113	2.45
<b>Government Bonds total</b>			<b>20,113</b>	<b>2.45</b>
<b>Forward Currency Contracts (0.11)% (0.50%)</b>				
Buy GBP 9,294,835 sell AUD 17,755,515 dated 22/04/2020			315	0.04
Buy GBP 28,619,124 sell EUR 33,629,113 dated 22/04/2020			(173)	(0.02)
Buy GBP 68,784,773 sell USD 90,350,513 dated 22/04/2020			(1,410)	(0.17)
Buy USD 46,124,498 sell GBP 35,458,541 dated 22/04/2020			376	0.04
<b>Forward Currency Contracts total</b>			<b>(892)</b>	<b>(0.11)</b>
<b>Futures (0.32)% (0.43%)</b>				
Australia 10 Year Bond 16/03/2020		492	1,014	0.12
Euro-BTP 06/03/2020		136	384	0.05
Euro-Buxl 30 Year Bond 06/03/2020		(112)	(1,599)	(0.19)
EURO STOXX 50 Index 20/03/2020		140	(304)	(0.04)
Long Gilt 26/06/2020		94	192	0.02
MSCI Emerging Markets Emini Index 20/03/2020		216	(947)	(0.11)
S&P 500 Emini Index 20/03/2020		133	(2,020)	(0.25)
TOPIX Index 12/03/2020		36	(247)	(0.03)
US 10 Year Note 19/06/2020		870	652	0.08
US Ultra Bond 19/06/2020		60	235	0.03
<b>Futures total</b>			<b>(2,640)</b>	<b>(0.32)</b>

## PORTFOLIO STATEMENT (CONTINUED)

As at 29 February 2020

Investment	Currency	Holding	Market Value £000	% of Net Assets
<b>Liquidity Funds 26.25% (14.64%)<sup>1</sup></b>				
Aviva Investors Sterling Liquidity Fund Class 9, Income shares, GBP <sup>†</sup>		215,111,781	215,112	26.25
<b>Liquidity Funds total</b>			<b>215,112</b>	<b>26.25</b>
Investment assets (including investment liabilities) <sup>2</sup>			815,992	99.58
Net other assets			3,421	0.42
<b>Net assets</b>			<b>819,413</b>	<b>100.00</b>

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

The comparative percentage figures in brackets are as at 28 February 2019.

<sup>†</sup> A related party to the Fund.

<sup>1</sup> Cash Equivalents.

<sup>2</sup> Includes Cash Equivalents.

## STATEMENT OF TOTAL RETURN

### For the year ended 29 February 2020

	Notes	£000	Year ended 29.02.20 £000	£000	Year ended 28.02.19 £000
Income					
Net capital gains/(losses)	2		47,606		(17,867)
Revenue	3	16,737		14,143	
Expenses					
Net revenue before taxation	4	(3,850)		(3,584)	
Taxation	5	(1,313)		(698)	
Net revenue after taxation			11,574		9,861
<b>Total return before distributions</b>			<b>59,180</b>		<b>(8,006)</b>
Distributions	6		(11,614)		(9,819)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>47,566</b>		<b>(17,825)</b>

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

### For the year ended 29 February 2020

	£000	Year ended 29.02.20 £000	£000	Year ended 28.02.19 £000
<b>Opening net assets attributable to shareholders</b>		<b>725,935</b>		<b>694,739</b>
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	92,021		92,554	
Amounts payable on cancellation of shares	(57,932)		(53,350)	
		34,089		39,204
Change in net assets attributable to shareholders from investment activities (see above)		47,566		(17,825)
Retained distribution on accumulation shares		11,823		9,817
<b>Closing net assets attributable to shareholders</b>		<b>819,413</b>		<b>725,935</b>

## BALANCE SHEET

As at 29 February 2020

	Notes	As at 29.02.20 £000	As at 28.02.19 £000
<b>Assets:</b>			
Investments	7	607,580	621,434
<b>Current assets:</b>			
Debtors	8	2,657	12,673
Cash and bank balances	9	5,503	748
Cash equivalents		215,112	106,301
<b>Total assets</b>		<b>830,852</b>	<b>741,156</b>
<b>Liabilities:</b>			
Investment liabilities	7	(6,700)	(2,043)
<b>Creditors:</b>			
Other creditors	10	(4,739)	(13,178)
<b>Total liabilities</b>		<b>(11,439)</b>	<b>(15,221)</b>
<b>Net assets attributable to shareholders</b>		<b>819,413</b>	<b>725,935</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 1 Accounting basis and policies

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

### 2 Net capital gains/(losses)

	Year ended 29.02.20 £000	Year ended 28.02.19 £000
<b>Net capital gains/(losses) on investment during the year comprise:</b>		
Compensation items	–	2
Currency (losses)/gains	(81)	291
Derivative contracts gains/(losses)	11,158	(4,542)
Expenses relating to the purchase and sale of investments	–	(2)
Forward currency contracts losses	(1,881)	(624)
Non-derivative securities gains/(losses)	38,410	(12,992)
<b>Net capital gains/(losses)*</b>	<b>47,606</b>	<b>(17,867)</b>

\* Total realised gains for the year were £27,727,104 (2019: £30,750,274) and the movement in unrealised gains/(losses) was £19,878,592 (2019: £(48,617,900)). Included in realised gains for the year were unrealised losses recognised in previous years.

### 3 Revenue

	Year ended 29.02.20 £000	Year ended 28.02.19 £000
Bank and deposit interest	20	18
Franked component of dividend distributions	1,199	2,515
Interest on debt securities	1,080	2,013
Income from derivatives	204	594
Investment manager rebates*	55	170
Overseas dividends	3,830	1,010
Revenue from offshore funds	10,107	7,488
Stock lending commission	5	–
UK dividends	22	(4)
Unfranked component of dividend distributions	215	339
<b>Total revenue</b>	<b>16,737</b>	<b>14,143</b>

\* Represents rebates received in respect of expenses incurred in underlying CIS investments.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**4 Expenses**

	Year ended 29.02.20 £000	Year ended 28.02.19 £000
<b>Payable to the Authorised Corporate Director ("ACD"), associates of the ACD or agents of either of them:</b>		
Fund Management Fee/ACD's periodic charges*	3,807	3,494
Registration fees	–	86
	3,807	3,580
<b>Payable to the Depositary, associates of the Depositary or agents of either of them:</b>		
Depositary's fee	–	17
Interest payable	43	35
Safe custody fee	–	13
	43	65
<b>Other expenses:</b>		
Audit fee**	–	3
Printing and postage expenses	–	1
Statement fee	–	2
	–	6
<b>Total expenses</b>	<b>3,850</b>	<b>3,651</b>
Less those expenses rebated by the ACD	–	(67)
<b>Net expenses</b>	<b>3,850</b>	<b>3,584</b>

\* From 4 June 2018 the Fund changed to a single fixed charge known as the Fund Management Fee (FMF). The FMF covers fees and expenses in relation to the operation and administration of the Company and the Fund.

\*\* The audit fee was £9,797 (2019: £11,608) net of VAT. With effect from 4 June 2018, the audit fee was no longer accrued for separately and now forms part of the FMF.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**5 Taxation****a Analysis of tax charge**

	Year ended 29.02.20 £000	Year ended 28.02.19 £000
Corporation tax	831	564
Adjustments in respect of prior period	30	60
Overseas tax suffered	452	128
<b>Total current tax (see note 5b)</b>	<b>1,313</b>	<b>752</b>
Deferred tax (see note 5c)	–	(54)
<b>Total tax for the year</b>	<b>1,313</b>	<b>698</b>

**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 29.02.20 £000	Year ended 28.02.19 £000
<b>Net revenue before taxation</b>	<b>12,887</b>	<b>10,559</b>
Corporation tax at 20%	2,577	2,112
<b>Effects of:</b>		
Adjustments in respect of prior period	30	60
Deferred tax	–	(54)
Overseas dividends not subject to corporation tax	(1,502)	(1,046)
Overseas tax suffered	452	128
UK dividends not subject to corporation tax	(244)	(502)
<b>Current tax charge (see note 5a)</b>	<b>1,313</b>	<b>698</b>

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

**c Deferred tax**

	Year ended 29.02.20 £000	Year ended 28.02.19 £000
Movement in deferred tax for the year (Note (a))	–	(54)
Provision at the start of the year	–	54
<b>Provision at the end of the year</b>	<b>–</b>	<b>–</b>



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 6 Distributions

	Year ended 29.02.20 £000	Year ended 28.02.19 £000
<b>The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:</b>		
Interim distribution	1,526	6,678
Final distribution	10,297	3,139
	11,823	9,817
Add: Revenue deducted on cancellation of shares	250	141
Deduct: Revenue received on issue of shares	(459)	(139)
<b>Total distributions</b>	<b>11,614</b>	<b>9,819</b>
<b>Reconciliation of distributions for the year to net revenue after taxation</b>		
Distributions for the year	11,614	9,819
Fund management fee/ACD charge borne by the capital account	(49)	(16)
Equalisation on conversions	(1)	–
Tax relief on capitalised ACD's periodic charge	10	3
Tax relief on other capital items	–	54
Undistributed revenue brought forward	(1)	–
Undistributed revenue carried forward	1	1
<b>Net revenue after taxation</b>	<b>11,574</b>	<b>9,861</b>

Details of the distributions per share are set out in the distribution tables on page 93.

## 7 Fair value hierarchy

Valuation technique	As at 29.02.20		As at 28.02.19	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1: Quoted prices	160,658	(5,117)	37,800	(2,043)
Level 2: Observable market data	662,034	(1,583)	689,935	–
<b>Total</b>	<b>822,692</b>	<b>(6,700)</b>	<b>727,735</b>	<b>(2,043)</b>

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 29.02.20 £000	As at 28.02.19 £000
Accrued revenue	1,374	1,040
Accrued management fee rebates	217	211
Amounts receivable on issue of shares	1,023	217
Income tax recoverable	43	205
Sales awaiting settlement	–	11,000
<b>Total debtors</b>	<b>2,657</b>	<b>12,673</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**9 Cash and bank balances**

	As at 29.02.20 £000	As at 28.02.19 £000
Amounts held at futures clearing houses and brokers	5,482	683
Cash and bank balances	21	65
<b>Total cash and bank balances</b>	<b>5,503</b>	<b>748</b>

**10 Cash equivalents**

	As at 29.02.20 £000	As at 28.02.19 £000
Aviva Investors Sterling Liquidity Fund	215,112	106,301
<b>Total cash equivalents</b>	<b>215,112</b>	<b>106,301</b>

**11 Other creditors**

	As at 29.02.20 £000	As at 28.02.19 £000
Accrued expenses	650	283
Amounts payable for cancellation of shares	3,474	1,349
Corporation tax payable	447	419
Derivative income payable	168	–
Purchases awaiting settlement	–	10,988
Overseas tax provision	–	139
<b>Total other creditors</b>	<b>4,739</b>	<b>13,178</b>

**12 Contingent liabilities and commitments**

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 13 Related party transactions

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

ACD periodic charges/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 ACD periodic charges/Fund Management Fee was £628,024 (2019: £266,643). 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 £8,722,807 (2019: £7,072,762). The amount outstanding at the year end was £7,566,899 (2019: £2,267,337). 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 £388,494,634 (2019: £573,540,959) and £337,092,527 (2019: £401,085,199) respectively. The income received during the year amounted to £14,704,588 (2019: £8,790,248). The rebates from ACD during the year amounted to £54,854 (2019: £66,991).

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

	Holdings at 29.02.20 (shares)	Movement (shares)	Holdings at 28.02.19 (shares)
ACD and related parties (Class 2 Accumulation shares)	97,910,922	(992,054)	98,902,976
ACD and related parties (Class 3 Accumulation shares)	177,700,022	2,156,291	175,543,731
ACD and related parties (Class 9 Accumulation shares)	121,570,114	31,541,038	90,029,076

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

The revenue earned from the Aviva Tax Transparent Funds holdings of AI Japanese Equity Index Fund and AI North American Equity Index Fund was £3,492,026 for the year (2019: £997,117) included under Revenue Note 3. Amounts receivable at the balance sheet date of £1,220,229 (2019: £995,492) are included under in Debtors in the Notes to the Accounts.

### 14 Shareholder funds

The Fund currently has four share classes: Class 1 (Retail), Class 2 (Institutional) and Class 3 and Class 9 (Associated undertakings of Aviva Plc). The Fund Management Fees are as follows:

Class 1: 0.73%  
 Class 2: 0.50%  
 Class 3: 0.53%  
 Class 9: 0.25%

The net asset value per share class, the net asset value per share and the number of shares in the class are shown on pages 78 and 79. The distributions per share class are given in the distribution tables on page 93. All the share classes have the same rights on winding up.

### 15 Shares in issue reconciliation

	Number of shares in issue at 28.02.19	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 29.02.20
Class 1 Accumulation shares	25,848,956	1,511,324	(2,665,215)	(51,814)	24,643,251
Class 2 Accumulation shares	221,954,942	12,776,233	(17,563,763)	52,982	217,220,394
Class 3 Accumulation shares	175,543,731	16,901,704	(14,745,413)	–	177,700,022
Class 9 Accumulation shares	90,029,076	34,593,069	(3,050,445)	–	121,571,700

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 16 Derivatives and other financial instruments

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

#### Fair value of financial assets and financial liabilities

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

#### Currency risk

At the year end date, (1.16)% (2019: (2.08)%) of the net assets of the Fund were denominated in currencies other than sterling and as such, the currency risk is not considered significant.

#### Interest rate risk

At the year end date 29.38% (2019: 23.52%) of the net assets of the Fund were interest bearing.

The interest rate profile of the Fund's financial assets and liabilities at 29 February 2020 was:

Currency 29.02.20	Floating Rate £000	Fixed Rate £000	None £000	Total £000
<b>Financial Assets</b>				
Australian dollar	114	–	1,014	1,128
Euro	1,355	–	41,836	43,191
Sterling	216,692	–	616,933	833,625
US dollar	2,454	20,113	890	23,457
<b>Financial Liabilities</b>				
Australian dollar	–	–	(8,980)	(8,980)
Euro	–	–	(30,695)	(30,695)
Japanese yen	–	–	(247)	(247)
Sterling	–	–	(4,739)	(4,739)
US dollar	–	–	(37,327)	(37,327)
<b>Total</b>	<b>220,615</b>	<b>20,113</b>	<b>578,685</b>	<b>819,413</b>

The interest rate profile of the Fund's financial assets and liabilities at 28 February 2019 was:

Currency 28.02.19	Floating Rate £000	Fixed Rate £000	None £000	Total £000
<b>Financial Assets</b>				
Australian dollar	(1,360)	28,162	1,442	28,244
Euro	645	–	35,886	36,531
Japanese yen	(289)	–	173	(116)
Sterling	109,931	–	633,321	743,252
US dollar	(1,878)	35,558	1,836	35,516
<b>Financial Liabilities</b>				
Australian dollar	–	–	(35,172)	(35,172)
Euro	–	–	(41,041)	(41,041)
Sterling	–	–	(2,190)	(2,190)
US dollar	–	–	(39,089)	(39,089)
<b>Total</b>	<b>107,049</b>	<b>63,720</b>	<b>555,166</b>	<b>725,935</b>

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

The Fund invests in some collective investment schemes (CIS) which predominantly invest in debt securities. The revenue of the Fund and the value of debt securities may be significantly affected by interest rate movements in the future. At the year end date 28.54% (2019: 29.23%) of the assets of the Fund were invested in CIS which predominantly invest in debt securities.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**16 Derivatives and other financial instruments (continued)****Interest rate exposures**

The Aviva Investors Investment Risk Team performs regular stress testing across all portfolios to determine market sensitivities and risk exposures using BlackRock's Aladdin risk model and stress testing methodology. Under this methodology, if 5Y GBP interest rates had increased by 1% as at the balance sheet date, the net asset value of the Fund would have decreased by £24,764,549 (2019: £19,574,699). If interest rates had decreased by 1% as at the balance sheet date, the net asset value of the Fund would have increased by £24,764,549 (2019: £19,574,699). These calculations assume the interest rate shock is propagated to all risk factors the Fund is exposed to, based on historical market correlations and volatilities between factors.

**Market price risk**

At the year end date, 73.76% (2019: 84.40%) of the net assets of the Fund were invested in CIS (which primarily invest in stocks admitted to an official stock exchange) and debt securities. If the market value were to change by 10%, the value of the Fund would change by 7.04% (2019: 8.44%).

**17 Counterparty exposure****Financial derivative exposure**

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

	Forward currency contracts £000	Futures contracts £000	Total £000
<b>29.02.20</b>			
Barclays	(750)	2,477	1,727
Goldman Sachs	(49)	–	(49)
Merrill Lynch	(110)	–	(110)
Royal Bank of Scotland	(324)	–	(324)
Standard Chartered	56	–	56
UBS	285	–	285
<b>Total</b>	<b>(892)</b>	<b>2,477</b>	<b>1,585</b>

	Forward currency contracts £000	Futures contracts £000	Total £000
<b>28.02.19</b>			
Barclays	214	–	214
Goldman Sachs	1,519	–	1,519
J.P. Morgan	216	–	216
Nomura	212	–	212
Royal Bank of Scotland	1,219	–	1,219
Société Générale	213	–	213
UBS	–	5,182	5,182
<b>Total</b>	<b>3,593</b>	<b>5,182</b>	<b>8,775</b>

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

**Collateral**

At the year end date no collateral was held or pledged by the company or on behalf of the counterparties in respect of the above (2019: £nil).

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**18 Direct transaction costs**

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

29.02.20	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
<b>Purchases</b>						
Bonds	(19,344)	–	–	(19,344)	0.00%	0.00%
Equities	(7,985)	(3)	–	(7,988)	0.04%	0.00%
Funds	(528,099)	–	(123)	(528,222)	0.00%	0.02%
	(555,428)	(3)	(123)	(555,554)		
<b>Sales</b>						
Bonds	68,217	–	–	68,217	0.00%	0.00%
Funds	429,063	–	–	429,063	0.00%	0.00%
	497,280	–	–	497,280		
<b>Total</b>		(3)	(123)			
<b>Percentage of fund average net assets</b>		0.00%	0.02%			

28.02.19	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
<b>Purchases</b>						
Bonds	(68,049)	–	–	(68,049)	0.00%	0.00%
Funds	(644,008)	(4)	(78)	(644,090)	0.00%	0.01%
	(712,057)	(4)	(78)	(712,139)		
<b>Sales</b>						
Bonds	68,917	–	–	68,917	0.00%	0.00%
Funds	588,060	(4)	–	588,056	0.00%	0.00%
	656,977	(4)	–	656,973		
<b>Total</b>		(8)	(78)			
<b>Percentage of fund average net assets</b>		0.00%	0.01%			

**Dealing spread**

As at 29 February 2020, the average portfolio dealing spread was 0.01% (2019: 0.01%). This spread represents the difference between the values determined retrospectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

**19 Post balance sheet events**

As a result of market movements and foreign exchange rates, since the balance sheet date on 29 February 2020, the price of each share class has changed as follows:

	Number of shares in issue at 29.02.20	Number of shares in issue at 24.06.20	% change	Price at 29.02.20 (p)	Price at 24.06.20 (p)	% change
Class 1 Accumulation	24,643,251	24,668,138	0.10%	156.71	156.27	-0.28%
Class 2 Accumulation	217,220,394	221,163,767	1.82%	153.32	153.01	-0.20%
Class 3 Accumulation	177,700,022	175,286,063	-1.36%	165.71	165.35	-0.22%
Class 9 Accumulation	121,571,700	126,322,677	3.91%	126.09	125.93	-0.13%

A high level of uncertainty remains on the ultimate scenario for COVID-19, or the likelihood of any particular outcome, with a number of varying projections being publicised. During this period of uncertainty, the Funds are exposed to a higher liquidity risk resulting from the Funds liability to shareholders for any cancellation of shares. While the Fund may have experienced higher than average cancellation of shares the liquidity measures within the Fund remain within normal range and there is no immediate or material uncertainty about the viability of the Fund as a going concern.

## DISTRIBUTION TABLES

## Final distribution payable in pence per share for the six months ended 29 February 2020

Accumulation shares		Net revenue	Equalisation	Final distribution payable 30 April 2020	Final distribution paid 30 April 2019
Class 1	Group 1	1.8313	–	1.8313	0.4875
	Group 2	0.5924	1.2389	1.8313	0.4875
Class 2	Group 1	1.9101	–	1.9101	0.6060
	Group 2	0.8651	1.0450	1.9101	0.6060
Class 3	Group 1	2.0477	–	2.0477	0.6358
	Group 2	0.8043	1.2434	2.0477	0.6358
Class 9	Group 1	1.6928	–	1.6928	0.6130
	Group 2	0.6344	1.0584	1.6928	0.6130

**Final distribution**

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

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

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

Accumulation shares		Net revenue	Equalisation	Interim distribution paid 31 October 2019	Interim distribution paid 31 October 2018
Class 1	Group 1	0.1309	–	0.1309	1.0372
	Group 2	0.0678	0.0631	0.1309	1.0372
Class 2	Group 1	0.2854	–	0.2854	1.3084
	Group 2	0.1432	0.1422	0.2854	1.3084
Class 3	Group 1	0.2863	–	0.2863	1.3719
	Group 2	0.1350	0.1513	0.2863	1.3719
Class 9	Group 1	0.3590	–	0.3590	1.1668
	Group 2	0.1735	0.1855	0.3590	1.1668

**Interim distribution**

Group 1 shares are those shares purchased at or before 2pm on 28 February 2019.

Group 2 shares are those shares purchased after 2pm on 28 February 2019.

**Equalisation**

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

## AVIVA INVESTORS MULTI-ASSET FUND III

### INVESTMENT OBJECTIVE

The Fund aims to grow your investment over the long term (5 years or more) through a combination of income and capital returns.

It is managed to a “moderately cautious” risk profile, which we define as aiming for an average volatility of 60% of the volatility of “Global Equities” (where the volatility of Global Equities equals 100%).

### INVESTMENT POLICY

#### Core investment

The Fund invests in a broad range of global asset classes (including emerging markets) that may include shares, bonds, cash, property, and commodities, and will gain this exposure by investing in other funds (including funds managed by Aviva Investors companies), directly in these assets, or through the use of derivatives.

Derivatives may be used for investment purposes to generate additional returns for the Fund but will not materially alter the risk profile. They are also used to gain exposure to asset classes which may otherwise be difficult or costly to achieve, or to manage the Fund’s cash flows in a cost-effective manner. Derivatives may also be used to reduce risk, such as foreign currency risk within the Fund.

#### Strategy

The Fund is actively managed, and the Investment Manager does not base investment decisions upon a benchmark. Instead the asset allocation of the Fund is designed to be consistent with its “moderately cautious” risk profile.

The portfolio blends these asset classes for diversification, allowing more defensive or aggressive asset allocations to be selected in line with the expected risk profile depending on market conditions and opportunities.

The Fund is part of a range of five multi asset funds, each with their own risk profile, ranging from I (the lowest) to V (the highest). This Fund is number III in the range. For more information on these funds please refer to the prospectus.

#### Environmental, Social & Governance (ESG)

ESG factors are integrated into the investment process and are 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 & Risk Measurement

The Fund aims to remain within a defined risk range consistent with its “moderately cautious” risk profile – measured against the volatility of Global Equities. Volatility measures how much the returns of the Fund fluctuate, and it is an indicator of the level of risk taken by the Investment Manager.

The Fund is expected to operate within a range of 52% to 68% of the volatility of Global Equities, with an average volatility of 60%. There may be times when it operates outside of this range.

The index we use to represent Global Equities is the MSCI® All Countries World Index GBP (the “Index”). The Fund’s volatility is compared against the Index’s monthly volatility, annualised, over 3-year rolling periods.

The Index comprises large and medium sized companies, as determined by their market capitalisation (total market value of a company’s outstanding shares), from both developed and emerging markets, and the index is designed to provide a broad measure of global equity market performance.

The Index has been selected as a benchmark due to the broad range of companies that it represents, and it is therefore an appropriate measure of the volatility of Global Equities.

### FUND MANAGER’S REPORT

#### Performance

Over the twelve months ended 29 February 2020, the Fund returned 8.43% (share class 1, net of fees).

#### Review

Returns from growth assets were mixed, but positive overall. US equities fared relatively well, supported by buoyant corporate profitability and a more resilient economic growth outlook than elsewhere. This was beneficial for performance, as the US remained the Fund’s most favoured equity region throughout the year. Investments in emerging market debt and high yield bonds also added value. These asset classes were perceived to be beneficiaries of the lower interest rate environment. Closer to home, returns from the UK share market were hampered by persistent Brexit-related uncertainties and deteriorating economic indicators.

By the end of February, sentiment towards all equity markets worldwide was being adversely affected by the coronavirus outbreak. Associated disruptions, closures and delays are expected to act as a drag on growth and are clouding the outlook for corporate profitability.

The Fund maintained an allocation to bond markets throughout the year. Fixed income securities typically provide regular income, but also have the potential to generate meaningful capital appreciation. This was the case during the past 12 months, when falling yields resulted in favourable returns from bonds.

Yield movements primarily reflected interest rate reductions in key regions, most notably in the US where official cash rates were lowered three times. Amid signs of decelerating growth, central banks eased policy settings to try and support economic activity levels. Further, consensus forecasts suggested interest rates will be lowered even further as authorities try and stimulate demand. Investors’ realisation that borrowing costs are likely to remain low for longer than was previously anticipated saw bond yields fall to record lows in many markets.

Uncorrelated assets, such as absolute return strategies and asset-backed securities, which serve to diversify the portfolio’s risk profile, were also positive over the year.



## AVIVA INVESTORS MULTI-ASSET FUND III (CONTINUED)

## FUND MANAGER'S REPORT (CONTINUED)

**Outlook**

Coronavirus-related disruptions potentially jeopardise the prospect of a rebound in economic growth, or at least delay it. With that in mind, risk has been reduced in the portfolio until more clarity emerges on the likely extent and length of the disruptions. The situation is evolving rapidly; consequently, we are monitoring developments closely, ready to respond by amending portfolio positioning if and when opportunities present themselves.

**March 2020**

\* Fund performance figures – source Lipper, a Thomson Reuters company, net of fees, net income reinvested.

As noted above, the performance figures in this commentary have been sourced from an external party and are based on published prices. The performance figures quoted in the comparative tables on pages 96 and 97 are based on the net asset value per the published accounts and may be different due to post year end accounting adjustments.

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

**Performance History – Accumulation Shares**

Calendar year	Share Class 1 %	Share Class 2 %	Share Class 3 %	Share Class 9 %
31.12.13 to 31.12.14	8.51	9.33	9.43	N/A
31.12.14 to 31.12.15	1.38	2.14	2.12	N/A
31.12.15 to 31.12.16	13.83	14.64	14.59	14.89
31.12.16 to 31.12.17	7.53	7.82	7.79	8.06
31.12.17 to 31.12.18	-6.58	-6.25	-6.27	-6.07

Source for all data: Aviva Investors/Lipper, a Thomson Reuters company, this is based on index provider data where applicable. Fund return data is mid to mid, net income reinvested, net of all ongoing charges and fees in sterling, net of tax payable by the Fund to 31 December 2018. The figures do not include the effect of the Entry Charge and any Exit Charge.

**Material Portfolio Changes**

Purchases	Sales
Aviva Investors Sterling Liquidity Fund Class 9, Income shares, GBP	Aviva Investors Sterling Liquidity Fund Class 9, Income shares, GBP
iShares Europe ex-UK Index Fund (IE) Class Institutional Accumulating EUR	Aviva Investors European Equity Income Fund Class Zy, Accumulation shares, GBP
iShares Europe ex-UK Index Fund (IE) Class Flexible Accumulating GBP	iShares Europe ex-UK Index Fund (IE) Class Flexible Accumulating GBP
Aviva Investors Global High Yield Bond Fund Class Zyh, Accumulation shares, GBP	Aviva Investors Global High Yield Bond Fund Class Zh, Accumulation shares, GBP
Aviva Investors UK Index Tracking Fund Class 3, Accumulation shares, GBP	iShares Europe ex-UK Index Fund (IE) Class Flexible Accumulating EUR
iShares Pacific Index Fund (IE) Class Institutional Accumulating GBP	US Treasury Inflation Indexed 0.88% 15/01/2029
iShares Core S&P 500 UCITS Fund USD (Acc) Share Class	Australia Government Bond 1.25% 21/02/2022
Aviva Investors Emerging Markets Local Currency Bond Fund Class Zy, Accumulation shares, GBP	Aviva Investors Multi-Strategy Fixed Income Fund Class Zyh, Accumulation shares, GBP
Aviva Investors Global Investment Grade Corporate Bond Fund Class Zyh, Accumulation shares, GBP	Aviva Investors Global High Yield Bond Fund Class Zyh, Accumulation shares, GBP
iShares Europe ex-UK Index Fund (IE) Class Flexible Accumulating EUR	iShares Pacific Index Fund (IE) Class Institutional Accumulating EUR

**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](http://www.avivainvestors.com) or from the ACD on request.

## COMPARATIVE TABLES

Class 1 Accumulation	2020 p per share	2019 p per share	2018 p per share
<b>Change in net assets per share</b>			
Opening net asset value per share	152.40	155.07	148.71
Return before operating charges <sup>†</sup>	13.73	(1.34)	8.37
Operating charges	(1.33)	(1.33)	(2.01)
Return after operating charges <sup>†</sup>	12.40	(2.67)	6.36
Distributions	(2.47)	(1.70)	(0.28)
Retained distributions on accumulation shares	2.47	1.70	0.28
Closing net asset value per share	164.80	152.40	155.07
<sup>†</sup> after direct transaction costs of	(0.03)	(0.02)	–
<b>Performance</b>			
Return after charges	8.14%	(1.72)%	4.28%
<b>Other information</b>			
Closing net asset value (£000)	24,311	23,024	11,074
Closing number of shares	14,751,447	15,107,204	7,141,384
Operating charges (%) <sup>†</sup>	0.82%	0.87%	1.31%
Direct transaction costs (%) <sup>†</sup>	0.02%	0.01%	–
<b>Prices<sup>≈</sup></b>			
Highest share price	173.45	158.03	158.39
Lowest share price	151.66	144.12	147.08

Class 2 Accumulation	2020 p per share	2019 p per share	2018 p per share
<b>Change in net assets per share</b>			
Opening net asset value per share	157.21	159.32	151.63
Return before operating charges <sup>†</sup>	13.98	(1.23)	8.57
Operating charges	(0.99)	(0.88)	(0.88)
Return after operating charges <sup>†</sup>	12.99	(2.11)	7.69
Distributions	(2.75)	(2.24)	(1.09)
Retained distributions on accumulation shares	2.75	2.24	1.09
Closing net asset value per share	170.20	157.21	159.32
<sup>†</sup> after direct transaction costs of	(0.03)	(0.02)	–
<b>Performance</b>			
Return after charges	8.26%	(1.32)%	5.07%
<b>Other information</b>			
Closing net asset value (£000)	498,807	451,294	410,948
Closing number of shares	293,063,592	287,064,325	257,934,588
Operating charges (%) <sup>†</sup>	0.59%	0.56%	0.56%
Direct transaction costs (%) <sup>†</sup>	0.02%	0.01%	–
<b>Prices<sup>≈</sup></b>			
Highest share price	178.98	162.75	162.57
Lowest share price	156.40	148.40	150.04

Class 3 Accumulation	2020 p per share	2019 p per share	2018 p per share
<b>Change in net assets per share</b>			
Opening net asset value per share	159.47	161.68	153.96
Return before operating charges <sup>†</sup>	14.20	(1.25)	8.69
Operating charges	(1.05)	(0.96)	(0.97)
Return after operating charges <sup>†</sup>	13.15	(2.21)	7.72
Distributions	(2.75)	(2.21)	(1.01)
Retained distributions on accumulation shares	2.75	2.21	1.01
Closing net asset value per share	172.62	159.47	161.68
<sup>†</sup> after direct transaction costs of	(0.03)	(0.02)	–
<b>Performance</b>			
Return after charges	8.25%	(1.37)%	5.01%
<b>Other information</b>			
Closing net asset value (£000)	533,271	489,968	472,614
Closing number of shares	308,928,294	307,246,465	292,321,711
Operating charges (%) <sup>†</sup>	0.62%	0.60%	0.61%
Direct transaction costs (%) <sup>†</sup>	0.02%	0.01%	–
<b>Prices<sup>≈</sup></b>			
Highest share price	181.53	165.12	164.99
Lowest share price	158.65	150.57	152.35

Class 4 Accumulation	2019 <sup>s</sup> p per share	2018 p per share
<b>Change in net assets per share</b>		
Opening net asset value per share	159.28	151.99
Return before operating charges <sup>†</sup>	(158.88)	8.56
Operating charges	(0.40)	(1.27)
Return after operating charges <sup>†</sup>	(159.28)	7.29
Distributions	–	(0.68)
Retained distributions on accumulation shares	–	0.68
Closing net asset value per share	–	159.28
<sup>†</sup> after direct transaction costs of	–	–
<b>Performance</b>		
Return after charges	–	4.80%
<b>Other information</b>		
Closing net asset value (£000)	–	11,180
Closing number of shares	–	7,018,537
Operating charges (%) <sup>†</sup>	0.78%	0.81%
Direct transaction costs (%) <sup>†</sup>	–	–
<b>Prices<sup>≈</sup></b>		
Highest share price	160.24	162.59
Lowest share price	153.35	150.37

## COMPARATIVE TABLES (CONTINUED)

	2020	2019	2018
Class 9 Accumulation	p per share	p per share	p per share
<b>Change in net assets per share</b>			
Opening net asset value per share	122.97	124.39	118.12
Return before operating charges <sup>‡</sup>	10.87	(1.02)	6.67
Operating charges	(0.44)	(0.40)	(0.40)
Return after operating charges <sup>‡</sup>	10.43	(1.42)	6.27
Distributions	(2.42)	(1.98)	(1.12)
Retained distributions on accumulation shares	2.42	1.98	1.12
Closing net asset value per share	133.40	122.97	124.39
<sup>†</sup> after direct transaction costs of	(0.03)	(0.01)	–
<b>Performance</b>			
Return after charges	8.48%	(1.14)%	5.31%
<b>Other information</b>			
Closing net asset value (£000)	3,112	2,781	2,614
Closing number of shares	2,333,066	2,261,190	2,101,546
Operating charges (%) <sup>‡</sup>	0.34%	0.33%	0.35%
Direct transaction costs (%) <sup>‡</sup>	0.02%	0.01%	–
<b>Prices<sup>≈</sup></b>			
Highest share price	140.27	127.19	126.89
Lowest share price	122.35	116.04	116.92

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

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

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

<sup>#</sup> 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).

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

<sup>§</sup> Share class closed on 4 June 2018.

## Ongoing Charges Figure\*

Share class	29.02.20	28.02.19
Class 1	0.82%	0.80%**
Class 2	0.59%	0.57%
Class 3	0.62%	0.60%
Class 9	0.34%	0.32%

\* 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.

The OCF on share class 2 is capped at 0.60%, though the actual figure may be lower. The OCF on share class 9 is capped at 0.35%, though the actual figure may be lower. The OCF includes a synthetic charge of 0.09% (28.02.19: 0.07%) in respect of the underlying investments.

\*\* Following the update to the Prospectus and the change in charging structure of the Fund part way through the period, the ongoing charges figure has been based on the revised fee structure and therefore is not on an ex-post basis.

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 29 February 2020

Investment	Currency	Holding	Market Value £000	% of Net Assets
<b>Collective Investment Schemes 82.37% (84.12%)</b>				
AI Japanese Equity Index Fund, UK Fund of Fund Accumulation Units <sup>†</sup>	GBP	48,300,985	49,689	4.69
AI North American Equity Index Fund, UK Fund of Fund Accumulation Units <sup>†</sup>	GBP	204,800,917	239,382	22.59
Aviva Investors Emerging Markets Bond Fund Class Zyh, Accumulation shares, GBP <sup>†</sup>	GBP	29,503	39,016	3.68
Aviva Investors Emerging Markets Corporate Bond Fund Class Zyh, Accumulation shares, GBP <sup>†</sup>	GBP	15,602	16,850	1.59
Aviva Investors Emerging Markets Equity Small Cap Fund Class Zy, Accumulation shares, GBP <sup>†</sup>	GBP	6,079	6,268	0.59
Aviva Investors Emerging Markets Local Currency Bond Fund Class Zy, Accumulation shares, GBP <sup>†</sup>	GBP	25,250	38,548	3.64
Aviva Investors Global Emerging Markets Index Fund Class Zy, Accumulation shares, GBP <sup>†</sup>	GBP	61,522	62,111	5.86
Aviva Investors Global High Yield Bond Fund Class Zyh, Accumulation shares, GBP <sup>†</sup>	GBP	32,401	32,852	3.10
Aviva Investors Global Investment Grade Corporate Bond Fund Class Zyh, Accumulation shares, GBP <sup>†</sup>	GBP	88,957	110,047	10.39
Aviva Investors Multi-Strategy Fixed Income Fund Class Zyh, Accumulation shares, GBP <sup>†</sup>	GBP	34,760	35,749	3.37
Aviva Investors Multi-Strategy Target Return Fund Class 3, Accumulation shares, GBP <sup>†</sup>	GBP	20,566,678	23,393	2.21
Aviva Investors UK Index Tracking Fund Class 3, Accumulation shares, GBP <sup>†</sup>	GBP	30,629,886	75,444	7.12
BlackRock European Absolute Alpha Fund Class D Accumulating GBP	GBP	5,080,572	7,568	0.72
iShares Core S&P 500 UCITS Fund USD (Acc) Share Class	GBP	150,470	33,800	3.19
iShares Europe ex-UK Index Fund (IE) Class Institutional Accumulating EUR	EUR	5,465,692	73,412	6.93
iShares Pacific Index Fund (IE) Class Institutional Accumulating GBP	GBP	2,798,476	28,611	2.70
<b>Collective Investment Schemes total</b>			<b>872,740</b>	<b>82.37</b>
<b>Equities 0.93% (0.00%)</b>				
<b>Guernsey 0.93% (0.00%)</b>				
TwentyFour Income Fund	GBP	9,079,612	9,851	0.93
			9,851	0.93
<b>Equities total</b>			<b>9,851</b>	<b>0.93</b>
<b>Government Bonds 1.64% (7.78%)</b>				
<b>Australia 0.00% (3.86%)</b>				
<b>United States of America 1.64% (3.92%)</b>				
US Treasury Inflation Indexed 0.13% 15/01/2030	USD	21,500,000	17,366	1.64
			17,366	1.64
<b>Government Bonds total</b>			<b>17,366</b>	<b>1.64</b>
<b>Forward Currency Contracts (0.11)% (0.45%)</b>				
Buy GBP 17,040,935 sell AUD 32,552,548 dated 22/04/2020			577	0.05
Buy GBP 52,000,991 sell EUR 61,104,147 dated 22/04/2020			(314)	(0.03)
Buy GBP 89,655,067 sell USD 117,778,211 dated 22/04/2020			(1,849)	(0.17)
Buy USD 50,290,143 sell GBP 38,674,334 dated 22/04/2020			397	0.04
<b>Forward Currency Contracts total</b>			<b>(1,189)</b>	<b>(0.11)</b>
<b>Futures (0.42)% (0.39%)</b>				
Australia 10 Year Bond 16/03/2020	AUD	276	551	0.05
Euro-BTP 06/03/2020	EUR	180	508	0.05
Euro-Buxl 30 Year Bond 06/03/2020	EUR	(147)	(2,098)	(0.20)
EURO STOXX 50 Index 20/03/2020	EUR	182	(395)	(0.04)
Long Gilt 26/06/2020	GBP	123	251	0.02
MSCI Emerging Markets Emini Index 20/03/2020	USD	284	(1,170)	(0.11)
S&P 500 Emini Index 20/03/2020	USD	174	(2,645)	(0.25)
TOPIX Index 12/03/2020	JPY	47	(323)	(0.03)
US 10 Year Note 19/06/2020	USD	788	591	0.06
US Ultra Bond 19/06/2020	USD	79	309	0.03
<b>Futures total</b>			<b>(4,421)</b>	<b>(0.42)</b>

## PORTFOLIO STATEMENT (CONTINUED)

As at 29 February 2020

Investment	Currency	Holding	Market Value £000	% of Net Assets
<b>Liquidity Funds 14.90% (7.03%)<sup>1</sup></b>				
Aviva Investors Sterling Liquidity Fund Class 9, Income shares, GBP <sup>†</sup>	GBP	157,806,912	157,807	14.90
<b>Liquidity Funds total</b>			<b>157,807</b>	<b>14.90</b>
Investment assets (including investment liabilities) <sup>2</sup>			1,052,154	99.31
Net other assets			7,347	0.69
<b>Net assets</b>			<b>1,059,501</b>	<b>100.00</b>

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

The comparative percentage figures in brackets are as at 28 February 2019.

<sup>†</sup> A related party to the Fund.

<sup>1</sup> Cash Equivalents.

<sup>2</sup> Includes Cash Equivalents.

## STATEMENT OF TOTAL RETURN

### For the year ended 29 February 2020

	Notes	£000	Year ended 29.02.20 £000	£000	Year ended 28.02.19 £000
Income					
Net capital gains/(losses)	2		62,512		(26,361)
Revenue	3	23,688		18,797	
Expenses	4	(5,513)		(5,005)	
Net revenue before taxation		18,175		13,792	
Taxation	5	(1,361)		(230)	
Net revenue after taxation			16,814		13,562
<b>Total return before distributions</b>			<b>79,326</b>		<b>(12,799)</b>
Distributions	6		(16,877)		(13,587)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>62,449</b>		<b>(26,386)</b>

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

### For the year ended 29 February 2020

	£000	Year ended 29.02.20 £000	£000	Year ended 28.02.19 £000
<b>Opening net assets attributable to shareholders</b>		<b>967,067</b>		<b>908,430</b>
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	69,373		110,861	
Amounts payable on cancellation of shares	(56,352)		(39,438)	
		13,021		71,423
Change in net assets attributable to shareholders from investment activities (see above)		62,449		(26,386)
Retained distribution on accumulation shares		16,964		13,600
<b>Closing net assets attributable to shareholders</b>		<b>1,059,501</b>		<b>967,067</b>

## BALANCE SHEET

### As at 29 February 2020

	Notes	As at 29.02.20 £000	As at 28.02.19 £000
<b>Assets:</b>			
Investments		903,141	899,423
<b>Current assets:</b>			
Debtors	8	3,481	22,726
Cash and bank balances	9	7,108	1,036
Cash equivalents	10	157,807	68,001
<b>Total assets</b>		<b>1,071,537</b>	<b>991,186</b>
<b>Liabilities:</b>			
Investment liabilities		(8,794)	(2,572)
<b>Creditors:</b>			
Other creditors	11	(3,242)	(21,547)
<b>Total liabilities</b>		<b>(12,036)</b>	<b>(24,119)</b>
<b>Net assets attributable to shareholders</b>		<b>1,059,501</b>	<b>967,067</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 1 Accounting basis and policies

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

### 2 Net capital gains/(losses)

	Year ended 29.02.20 £000	Year ended 28.02.19 £000
<b>Net capital gains/(losses) on investment during the year comprise:</b>		
Compensation items	–	2
Currency gains	6	270
Derivative contracts gains/(losses)	8,427	(8,095)
Expenses relating to the purchase and sale of investments	–	(2)
Forward currency contracts (losses)/gains	(1,727)	565
Non-derivative securities gains/(losses)	55,806	(19,101)
<b>Net capital gains/(losses) *</b>	<b>62,512</b>	<b>(26,361)</b>

\* Total realised gains for the year were £34,887,545 (2019: £65,293,150) and the movement in unrealised gains/(losses) was £27,624,538 (2019: £(91,654,404)). Included in realised gains for the year were unrealised gains recognised in previous years.

### 3 Revenue

	Year ended 29.02.20 £000	Year ended 28.02.19 £000
Bank and deposit interest	26	34
Franked component of dividend distributions	2,241	4,384
Interest on debt securities	399	543
Income from derivatives	364	493
Investment manager rebates*	102	306
Overseas dividends	6,482	1,731
Revenue from offshore funds	13,784	10,981
Stock lending commission	8	–
UK dividends	41	(7)
Unfranked component of dividend distributions	241	332
<b>Total revenue</b>	<b>23,688</b>	<b>18,797</b>

\* Represents rebates received in respect of expenses incurred in underlying CIS investments.



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 4 Expenses

	Year ended 29.02.20 £000	Year ended 28.02.19 £000
<b>Payable to the Authorised Corporate Director ("ACD"), associates of the ACD or agents of either of them:</b>		
Fund Management Fee/ACD's periodic charge*	5,470	4,820
Registration fees	–	112
	5,470	4,932
<b>Payable to the Depositary, associates of the Depositary or agents of either of them:</b>		
Depositary's fee	–	19
Interest payable	43	51
Safe custody fee	–	18
	43	88
<b>Other expenses:</b>		
Audit fee**	–	3
Statement fee	–	3
	–	6
<b>Total expenses</b>	<b>5,513</b>	<b>5,026</b>
Less those expenses rebated by the ACD	–	(21)
<b>Net expenses</b>	<b>5,513</b>	<b>5,005</b>

\* From 4 June 2018 the Fund changed to a single fixed charge known as the Fund Management Fee (FMF). The FMF covers fees and expenses in relation to the operation and administration of the Company and the Fund.

\*\* The audit fee was £9,797 (2019: £11,608) net of VAT. With effect 4 June 2018, the audit fee was no longer accrued for separately and now forms part of the FMF.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**5 Taxation****a Analysis of tax charge**

	Year ended 29.02.20 £000	Year ended 28.02.19 £000
Adjustments in respect of prior period	99	–
Corporation tax	478	–
Overseas tax suffered	784	230
<b>Total current tax (see note 5b)</b>	<b>1,361</b>	<b>230</b>

**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 29.02.20 £000	Year ended 28.02.19 £000
<b>Net revenue before taxation</b>	<b>18,175</b>	<b>13,792</b>
Corporation tax at 20%	3,635	2,758
<b>Effects of:</b>		
Adjustments in respect of prior period	99	–
Movement in excess management expenses	(50)	(55)
Overseas dividends not subject to corporation tax	(2,651)	(1,829)
Overseas tax suffered	784	230
UK dividends not subject to corporation tax	(456)	(874)
<b>Current tax charge (see note 5a)</b>	<b>1,361</b>	<b>230</b>

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 £nil (2019: £247,559\*) creating a potential deferred tax asset of £nil (2019: £49,512\*). 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.

\* Restated figures to agree to final tax computation.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**6 Distributions**

	Year ended 29.02.20 £000	Year ended 28.02.19 £000
<b>The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:</b>		
Interim distribution	1,649	9,345
Final distribution	15,315	4,255
	16,964	13,600
Add: Revenue deducted on cancellation of shares	235	99
Deduct: Revenue received on issue of shares	(322)	(112)
<b>Total distributions</b>	<b>16,877</b>	<b>13,587</b>
<b>Reconciliation of distributions for the year to net revenue after taxation</b>		
Distributions for the year	16,877	13,587
ACD's periodic charge borne by the capital account	(86)	(28)
Equalisation on conversions	–	3
Tax relief on capitalised ACD's periodic charge	23	–
<b>Net revenue after taxation</b>	<b>16,814</b>	<b>13,562</b>

Details of the distributions per share are set out in the distribution tables on page 111.

**7 Fair value hierarchy**

Valuation technique	As at 29.02.20		As at 28.02.19	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1: Quoted prices	285,243	(6,631)	63,495	(2,572)
Level 2: Observable market data	775,705	(2,163)	903,929	–
<b>Total</b>	<b>1,060,948</b>	<b>(8,794)</b>	<b>967,424</b>	<b>(2,572)</b>

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 29.02.20 £000	As at 28.02.19 £000
Accrued revenue	2,206	1,774
Accrued management fee rebate	432	392
Amounts receivable on issue of shares	723	1,341
Corporation tax recoverable	–	17
Income tax recoverable	120	202
Sales awaiting settlement	–	19,000
<b>Total debtors</b>	<b>3,481</b>	<b>22,726</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**9 Cash and bank balances**

	As at 29.02.20 £000	As at 28.02.19 £000
Amounts held at futures clearing houses and brokers	7,090	988
Cash and bank balances	18	48
<b>Total cash and bank balances</b>	<b>7,108</b>	<b>1,036</b>

**10 Cash equivalents**

	As at 29.02.20 £000	As at 28.02.19 £000
Aviva Investors Sterling Liquidity Fund	157,807	68,001
<b>Total cash equivalents</b>	<b>157,807</b>	<b>68,001</b>

**11 Other creditors**

	As at 29.02.20 £000	As at 28.02.19 £000
Accrued expenses	943	408
Amounts payable for cancellation of shares	1,533	920
Income tax payable	478	–
Purchases awaiting settlement	–	19,977
Overseas tax provision	288	242
<b>Total other creditors</b>	<b>3,242</b>	<b>21,547</b>

**12 Contingent liabilities and commitments**

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

**13 Related party transactions**

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

Fund Management Fee/ACD periodic charges paid to Aviva Investors UK Fund Services Limited ("the ACD") are shown in note 4 and details of shares issued and cancelled by the ACD are shown in the statement of change in net assets attributable to shareholders. The balance due to the ACD at the year end in respect of Fund Management Fee/ACD periodic charges was £904,608 (2019: £379,623). Any balance due from the ACD in respect of issues is shown in note 8. Any balance due to the ACD in respect of cancellations is shown in note 11.

Distributions payable to the ACD and related parties of the ACD during the year amounted to £11,763,189 (2019: £9,427,524). The amount outstanding at the year end was £10,617,298 (2019: £2,927,946). 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 £479,279,489 (2019: £817,769,073) and £460,310,148 (2019: £550,319,210) respectively. The income received during the year amounted to £21,710,775 (2019: £12,945,874). The rebates from ACD during the year amounted to £101,562 (2018: £38,762).

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**13 Related party transactions (continued)**

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

	Holdings at 29.02.20 (shares)	Movement (shares)	Holdings at 28.02.19 (shares)
ACD and related parties (Class 1 Accumulation shares)	505,321	(359,896)	865,217
ACD and related parties (Class 2 Accumulation shares)	116,143,996	4,847,619	111,296,377
ACD and related parties (Class 3 Accumulation shares)	308,928,294	1,681,829	307,246,465
ACD and related parties (Class 9 Accumulation shares)	2,331,567	70,377	2,261,190

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

The revenue earned from the Aviva Tax Transparent Funds holdings of AI Japanese Equity Index Fund and AI North American Equity Index Fund was £6,079,853 for the year (2019: £1,709,053) included under Revenue Note 3. Amounts receivable at the balance sheet date of £2,091,756 (2019: £1,725,256) are included under in Debtors in the Notes to the Accounts.

**14 Shareholder funds**

The Fund currently has four share classes: Class 1 (Retail), Class 2 (Institutional) and Class 3 and Class 9 (Associated undertakings of Aviva Plc). The Fund Management Fees are as follows:

Class 1: 0.73%

Class 2: 0.50%

Class 3: 0.53%

Class 9: 0.25%

The net asset value per share class, the net asset value per share and the number of shares in the class are shown on pages 96 and 97. The distributions per share class are given in the distribution tables on page 111. All the share classes have the same rights on winding up.

**15 Shares in issue reconciliation**

	Number of shares in issue at 28.02.19	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 29.02.20
Class 1 Accumulation shares	15,107,204	1,028,014	(1,358,279)	(25,492)	14,751,447
Class 2 Accumulation shares	287,064,325	19,038,447	(13,063,895)	24,715	293,063,592
Class 3 Accumulation shares	307,246,465	20,114,488	(18,432,659)	–	308,928,294
Class 9 Accumulation shares	2,261,190	1,142,704	(1,070,828)	–	2,333,066

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**16 Derivatives and other financial instruments**

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

**Fair value of financial assets and financial liabilities**

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

**Currency risk**

At the year end date, (2.80%) (2019: 6.21%) of the net assets of the Fund were denominated in currencies other than sterling and as such, the currency risk is not considered significant.

**Interest rate risk**

At the year end date 17.20% (2019: 14.91%) of the net assets of the Fund were interest bearing.

The interest rate profile of the Fund's financial assets and liabilities at 29 February 2020 was:

Currency 29.02.20	Floating Rate £000	Fixed Rate £000	None £000	Total £000
<b>Financial Assets</b>				
Australian dollar	82	–	551	633
Euro	2,377	–	73,920	76,297
Sterling	159,507	–	932,932	1,092,439
US dollar	2,949	17,366	902	21,217
<b>Financial Liabilities</b>				
Australian dollar	–	–	(16,464)	(16,464)
Euro	–	–	(54,809)	(54,809)
Japanese yen	–	–	(323)	(323)
Sterling	–	–	(3,243)	(3,243)
US dollar	–	–	(56,246)	(56,246)
<b>Total</b>	<b>164,915</b>	<b>17,366</b>	<b>877,220</b>	<b>1,059,501</b>

The interest rate profile of the Fund's financial assets and liabilities at 28 February 2019 was:

Currency 28.02.19	Floating Rate £000	Fixed Rate £000	None £000	Total £000
<b>Financial Assets</b>				
Australian dollar	(1,178)	37,325	1,311	37,458
Euro	815	–	64,830	65,645
Japanese yen	(385)	–	230	(155)
Sterling	4,269	–	904,279	908,548
US dollar	65,516	37,876	2,454	105,846
<b>Financial Liabilities</b>				
Australian dollar	–	–	(49,873)	(49,873)
Euro	–	–	(59,726)	(59,726)
Sterling	–	–	(1,570)	(1,570)
US dollar	–	–	(39,106)	(39,106)
<b>Total</b>	<b>69,037</b>	<b>75,201</b>	<b>822,829</b>	<b>967,067</b>

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

The Fund invests in some collective investment schemes (CIS) which predominantly invest in debt securities. The revenue of the Fund and the value of debt securities may be affected by interest rate movements in the future. At the year end date 25.77% (2019: 25.85%) of the assets of the Fund were invested in CIS which predominantly invest in debt securities.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**16 Derivatives and other financial instruments (continued)****Interest rate exposures**

The Aviva Investors Investment Risk Team performs regular stress testing across all portfolios to determine market sensitivities and risk exposures using BlackRock's Aladdin risk model and stress testing methodology. Under this methodology, if 5Y GBP interest rates had increased by 1% as at the balance sheet date, the net asset value of the Fund would have decreased by £24,617,985 (2019: £19,513,273). If interest rates had decreased by 1% as at the balance sheet date, the net asset value of the Fund would have increased by £24,617,985 (2019: £19,513,273). These calculations assume the interest rate shock is propagated to all risk factors the Fund is exposed to, based on historical market correlations and volatilities between factors.

**Market price risk**

At the year end date, 84.94% (2019: 91.90%) of the net assets of the Fund were invested in CIS (which primarily invest in stocks admitted to an official stock exchange) and debt securities. If the market value were to change by 10%, the value of the Fund would change by 8.49%. (2019: 9.19%).

**17 Counterparty exposure****Financial derivative exposure**

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

	Forward currency contracts £000	Futures contracts £000	Total £000
<b>29.02.20</b>			
Barclays	(1,052)	2,210	1,158
Goldman Sachs	(89)	–	(89)
Merrill Lynch	(78)	–	(78)
Royal Bank of Scotland	(303)	–	(303)
Standard Chartered	65	–	65
UBS	268	–	268
<b>Total</b>	<b>(1,189)</b>	<b>2,210</b>	<b>1,021</b>

	Forward currency contracts £000	Futures contracts £000	Total £000
<b>28.02.19</b>			
Barclays	283	–	283
Goldman Sachs	1,521	–	1,521
J.P. Morgan	286	–	286
Nomura	281	–	281
Royal Bank of Scotland	1,729	–	1,729
Société Générale	281	–	281
UBS	–	6,302	6,302
<b>Total</b>	<b>4,381</b>	<b>6,302</b>	<b>10,683</b>

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

**Collateral**

At the year end date no collateral was held or pledged by the company or on behalf of the counterparties in respect of the above (2019: £nil).

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**18 Direct transaction costs**

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

29.02.20	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
<b>Purchases</b>						
Bonds	(16,703)	–	–	(16,703)	0.00%	0.00%
Equities	(10,458)	–	–	(10,458)	0.00%	0.00%
Funds	(731,712)	(10)	(225)	(731,947)	0.00%	0.03%
	(758,873)	(10)	(225)	(759,108)		
<b>Sales</b>						
Bonds	79,912	–	–	79,912	0.00%	0.00%
Funds	639,363	–	–	639,363	0.00%	0.00%
	719,275	–	–	719,275		
<b>Total</b>		(10)	(225)			
<b>Percentage of fund average net assets</b>		0.00%	0.02%			

28.02.19	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
<b>Purchases</b>						
Bonds	(80,080)	–	–	(80,080)	0.00%	0.00%
Funds	(941,159)	(5)	(103)	(941,267)	0.00%	0.01%
	(1,021,239)	(5)	(103)	(1,021,347)		
<b>Sales</b>						
Bonds	70,431	–	–	70,431	0.00%	0.00%
Funds	863,492	(6)	–	863,486	0.00%	0.00%
	933,923	(6)	–	933,917		
<b>Total</b>		(11)	(103)			
<b>Percentage of fund average net assets</b>		0.00%	0.01%			

**Dealing spread**

As at 29 February 2020, the average portfolio dealing spread was 0.01% (2019: 0.01%). This spread represents the difference between the values determined retrospectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

**19 Post balance sheet events**

As a result of market movements and foreign exchange rates, since the balance sheet date on 29 February 2020, the price of each share class has changed as follows:

	Number of shares in issue at 29.02.20	Number of shares in issue at 24.06.20	% change	Price at 29.02.20 (p)	Price at 24.06.20 (p)	% change
Class 1 Accumulation	14,751,447	14,576,503	-1.19%	164.80	164.30	-0.30%
Class 2 Accumulation	293,063,592	295,237,591	0.74%	170.20	169.76	-0.26%
Class 3 Accumulation	308,928,294	304,280,881	-1.50%	172.62	172.15	-0.27%
Class 9 Accumulation	2,333,066	2,107,536	-9.67%	133.40	133.16	-0.18%

A high level of uncertainty remains on the ultimate scenario for COVID-19, or the likelihood of any particular outcome, with a number of varying projections being publicised. During this period of uncertainty, the Funds are exposed to a higher liquidity risk resulting from the Funds liability to shareholders for any cancellation of shares. While the Fund may have experienced higher than average cancellation of shares the liquidity measures within the Fund remain within normal range and there is no immediate or material uncertainty about the viability of the Fund as a going concern.



## DISTRIBUTION TABLES

## Final distribution payable in pence per share for the six months ended 29 February 2020

Accumulation shares		Net revenue	Equalisation	Final distribution payable 30 April 2020	Final distribution paid 30 April 2019
Class 1	Group 1	2.3824	–	2.3824	0.3963
	Group 2	1.0142	1.3682	2.3824	0.3963
Class 2	Group 1	2.4632	–	2.4632	0.7229
	Group 2	1.0670	1.3962	2.4632	0.7229
Class 3	Group 1	2.4915	–	2.4915	0.6849
	Group 2	0.9908	1.5007	2.4915	0.6849
Class 9	Group 1	2.0352	–	2.0352	0.6910
	Group 2	0.4334	1.6018	2.0352	0.6910

**Final distribution**

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

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

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

Accumulation shares		Net revenue	Equalisation	Interim distribution paid 31 October 2019	Interim distribution paid 31 October 2018
Class 1	Group 1	0.0923	–	0.0923	1.3080
	Group 2	0.0549	0.0374	0.0923	1.3080
Class 2	Group 1	0.2841	–	0.2841	1.5207
	Group 2	0.1666	0.1175	0.2841	1.5207
Class 3	Group 1	0.2631	–	0.2631	1.5284
	Group 2	0.1438	0.1193	0.2631	1.5284
Class 9	Group 1	0.3812	–	0.3812	1.2875
	Group 2	0.1876	0.1936	0.3812	1.2875

**Interim distribution**

Group 1 shares are those shares purchased at or before 2pm on 28 February 2019.

Group 2 shares are those shares purchased after 2pm on 28 February 2019.

**Equalisation**

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

## AVIVA INVESTORS MULTI-ASSET FUND IV

### INVESTMENT OBJECTIVE

The Fund aims to grow your investment over the long term (5 years or more).

It is managed to a “balanced” risk profile, which we define as aiming for an average volatility of 75% of the volatility of “Global Equities” (where the volatility of Global Equities equals 100%).

### INVESTMENT POLICY

#### Core investment

The Fund invests in a broad range of global asset classes (including emerging markets) that may include shares, bonds, cash, property, and commodities, and will gain this exposure by investing in other funds (including funds managed by Aviva Investors companies), directly in these assets, or through the use of derivatives.

Derivatives may be used for investment purposes to generate additional returns for the Fund but will not materially alter the risk profile. They are also used to gain exposure to asset classes which may otherwise be difficult or costly to achieve, or to manage the Fund’s cash flows in a cost-effective manner. Derivatives may also be used to reduce risk, such as foreign currency risk within the Fund.

#### Strategy

The Fund is actively managed, and the Investment Manager does not base investment decisions upon a benchmark. Instead the asset allocation of the Fund is designed to be consistent with its “balanced” risk profile.

The portfolio blends these asset classes for diversification, allowing more defensive or aggressive asset allocations to be selected in line with the expected risk profile depending on market conditions and opportunities.

The Fund is part of a range of five multi asset funds, each with their own risk profile, ranging from I (the lowest) to V (the highest). This Fund is number IV in the range. For more information on these funds please refer to the prospectus.

#### Environmental, Social & Governance (ESG)

ESG factors are integrated into the investment process and are 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 & Risk Measurement

The Fund aims to remain within a defined risk range consistent with its “balanced” risk profile – measured against the volatility of Global Equities. Volatility measures how much the returns of the Fund fluctuate, and it is an indicator of the level of risk taken by the Investment Manager.

The Fund is expected to operate within a range of 67% to 83% of the volatility of Global Equities, with an average volatility of 75%. There may be times when it operates outside of this range.

The index we use to represent Global Equities is the MSCI® All Countries World Index GBP (the “Index”). The Fund’s volatility is compared against the Index’s monthly volatility, annualised, over 3-year rolling periods.

The Index comprises large and medium sized companies, as determined by their market capitalisation (total market value of a company’s outstanding shares), from both developed and emerging markets, and the index is designed to provide a broad measure of global equity market performance.

The Index has been selected as a benchmark due to the broad range of companies that it represents, and it is therefore an appropriate measure of the volatility of Global Equities.

### FUND MANAGER’S REPORT

#### Performance

Over the twelve months ended 29 February 2020, the Fund returned 8.18% (share class 1, net of fees).

#### Review

Returns from growth assets were mixed, but positive overall. US equities fared relatively well, supported by buoyant corporate profitability and a more resilient economic growth outlook than elsewhere. This was beneficial for performance, as the US remained the Fund’s most favoured equity region throughout the year. Investments in emerging market debt and high yield bonds also added value. These asset classes were perceived to be beneficiaries of the lower interest rate environment. Closer to home, returns from the UK share market were hampered by persistent Brexit-related uncertainties and deteriorating economic indicators.

By the end of February, sentiment towards all equity markets worldwide was being adversely affected by the coronavirus outbreak. Associated disruptions, closures and delays are expected to act as a drag on growth and are clouding the outlook for corporate profitability.

The Fund maintained a small allocation to bond markets throughout the year. Fixed income securities typically provide regular income, but also have the potential to generate meaningful capital appreciation. This was the case during the past 12 months, when falling yields resulted in favourable returns from bonds.

Yield movements primarily reflected interest rate reductions in key regions, most notably in the US where official cash rates were lowered three times. Amid signs of decelerating growth, central banks eased policy settings to try and support economic activity levels. Further, consensus forecasts suggested interest rates will be lowered even further as authorities try and stimulate demand. Investors’ realisation that borrowing costs are likely to remain low for longer than was previously anticipated saw bond yields fall to record lows in many markets.

Uncorrelated assets, such as absolute return strategies and asset-backed securities, which serve to diversify the portfolio’s risk profile, were also positive over the year.

## AVIVA INVESTORS MULTI-ASSET FUND IV (CONTINUED)

## FUND MANAGER'S REPORT (CONTINUED)

## Outlook

Coronavirus-related disruptions potentially jeopardise the prospect of a rebound in economic growth, or at least delay it. With that in mind, risk has been reduced in the portfolio until more clarity emerges on the likely extent and length of the disruptions. The situation is evolving rapidly; consequently, we are monitoring developments closely, ready to respond by amending portfolio positioning if and when opportunities present themselves.

## March 2020

\* Fund performance figures – source Lipper, a Thomson Reuters company, net of fees, net income reinvested.

As noted above, the performance figures in this commentary have been sourced from an external party and are based on published prices. The performance figures quoted in the comparative tables on pages 114 and 115 are based on the net asset value per the published accounts and may be different due to post year end accounting adjustments.

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

## Performance History – Accumulation Shares

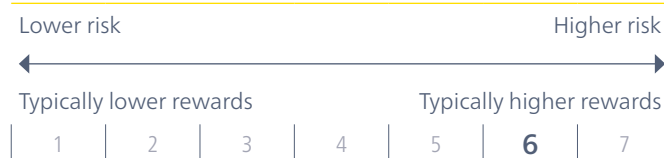
Calendar year	Share Class 1 %	Share Class 2 %	Share Class 3 %	Share Class 9 %
31.12.13 to 31.12.14	9.82	10.64	10.75	N/A
31.12.14 to 31.12.15	0.93	1.69	1.68	N/A
31.12.15 to 31.12.16	16.29	17.16	17.10	17.41
31.12.16 to 31.12.17	8.72	9.36	9.34	9.59
31.12.17 to 31.12.18	-7.17	-6.87	-6.92	-6.73

Source for all data: Aviva Investors/Lipper, a Thomson Reuters company, this is based on index provider data where applicable. Fund return data is mid to mid, net income reinvested, net of all ongoing charges and fees in sterling, net of tax payable by the Fund to 31 December 2018. The figures do not include the effect of the Entry Charge and any Exit Charge.

## Material Portfolio Changes

Purchases	Sales
Aviva Investors Sterling Liquidity Fund Class 9, Income shares, GBP	Aviva Investors Sterling Liquidity Fund Class 9, Income shares, GBP
iShares Europe ex-UK Index Fund (IE) Class Institutional Accumulating EUR	iShares Europe ex-UK Index Fund (IE) Class Flexible Accumulating GBP
iShares Europe ex-UK Index Fund (IE) Class Flexible Accumulating GBP	Aviva Investors European Equity Income Fund class Zy GBP
Aviva Investors Global High Yield Bond Fund Class Zyh, Accumulation shares, GBP	iShares Europe ex-UK Index Fund (IE) Class Flexible Accumulating EUR
Aviva Investors UK Index Tracking Fund Class 3, Accumulation shares, GBP	Aviva Investors Global High Yield Bond Fund Class Zh, Accumulation shares, GBP
iShares Core S&P 500 UCITS Fund USD (Acc) Share Class	Australia Government Bond 1.25% 21/02/2022
iShares Pacific Index Fund (IE) Class Institutional Accumulating GBP	iShares Pacific Index Fund (IE) Class Institutional Acc EUR
Aviva Investors Emerging Markets Local Currency Bond Fund Class Zy, Accumulation shares, GBP	US Treasury Inflation Indexed 0.88% 15/01/2029
iShares Europe ex-UK Index Fund (IE) Class Flexible Accumulating EUR	Aviva Investors Global High Yield Bond Fund Class Zyh, Accumulation shares, GBP
Aviva Investors Emerging Markets Corporate Bond Fund Class Zyh, Accumulation shares, GBP	Aviva Investors Multi-Strategy Fixed Income Fund Class Zyh, Accumulation shares, GBP

## 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](http://www.avivainvestors.com) or from the ACD on request.

## COMPARATIVE TABLES

Class 1 Accumulation	2020 p per share	2019 p per share	2018 p per share
<b>Change in net assets per share</b>			
Opening net asset value per share	169.50	172.63	163.93
Return before operating charges <sup>†</sup>	15.34	(1.56)	10.91
Operating charges	(1.50)	(1.57)	(2.21)
Return after operating charges <sup>†</sup>	13.84	(3.13)	8.70
Distributions	(3.66)	(2.74)	(0.34)
Retained distributions on accumulation shares	3.66	2.74	0.34
Closing net asset value per share	183.34	169.50	172.63
<sup>†</sup> after direct transaction costs of	(0.05)	(0.02)	–
<b>Performance</b>			
Return after charges	8.17%	(1.81)%	5.31%
<b>Other information</b>			
Closing net asset value (£000)	47,161	44,448	46,148
Closing number of shares	25,723,176	26,223,173	26,731,435
Operating charges (%) <sup>†</sup>	0.82%	0.92%	1.31%
Direct transaction costs (%) <sup>†</sup>	0.03%	0.01%	–
<b>Prices<sup>≈</sup></b>			
Highest share price	195.61	177.20	176.70
Lowest share price	168.52	159.13	161.61

Class 2 Accumulation	2020 p per share	2019 p per share	2018 p per share
<b>Change in net assets per share</b>			
Opening net asset value per share	168.46	171.09	161.26
Return before operating charges <sup>†</sup>	14.52	(1.70)	10.78
Operating charges	(1.09)	(0.93)	(0.95)
Return after operating charges <sup>†</sup>	13.43	(2.63)	9.83
Distributions	(3.32)	(3.19)	(1.24)
Retained distributions on accumulation shares	3.32	3.19	1.24
Closing net asset value per share	181.89	168.46	171.09
<sup>†</sup> after direct transaction costs of	(0.05)	(0.02)	–
<b>Performance</b>			
Return after charges	7.97%	(1.54)%	6.10%
<b>Other information</b>			
Closing net asset value (£000)	221,142	196,454	231,065
Closing number of shares	121,580,408	116,619,464	135,054,988
Operating charges (%) <sup>†</sup>	0.60%	0.55%	0.56%
Direct transaction costs (%) <sup>†</sup>	0.03%	0.01%	–
<b>Prices<sup>≈</sup></b>			
Highest share price	194.05	176.05	174.94
Lowest share price	167.50	158.00	159.14

Class 3 Accumulation	2020 p per share	2019 p per share	2018 p per share
<b>Change in net assets per share</b>			
Opening net asset value per share	179.63	182.52	172.12
Return before operating charges <sup>†</sup>	15.51	(1.81)	11.48
Operating charges	(1.20)	(1.08)	(1.08)
Return after operating charges <sup>†</sup>	14.31	(2.89)	10.40
Distributions	(3.53)	(3.32)	(1.23)
Retained distributions on accumulation shares	3.53	3.32	1.23
Closing net asset value per share	193.94	179.63	182.52
<sup>†</sup> after direct transaction costs of	(0.06)	(0.02)	–
<b>Performance</b>			
Return after charges	7.97%	(1.58)%	6.04%
<b>Other information</b>			
Closing net asset value (£000)	252,389	229,455	221,478
Closing number of shares	130,135,703	127,735,857	121,345,795
Operating charges (%) <sup>†</sup>	0.62%	0.60%	0.61%
Direct transaction costs (%) <sup>†</sup>	0.03%	0.01%	–
<b>Prices<sup>≈</sup></b>			
Highest share price	206.91	187.75	186.64
Lowest share price	178.61	168.49	169.84

## COMPARATIVE TABLES (CONTINUED)

	2020	2019	2018
Class 9 Accumulation	p per share	p per share	p per share
<b>Change in net assets per share</b>			
Opening net asset value per share	126.50	128.27	120.63
Return before operating charges <sup>‡</sup>	10.84	(1.35)	8.08
Operating charges	(0.48)	(0.42)	(0.44)
Return after operating charges <sup>‡</sup>	10.36	(1.77)	7.64
Distributions	(2.77)	(2.59)	(1.20)
Retained distributions on accumulation shares	2.77	2.59	1.20
Closing net asset value per share	136.86	126.50	128.27
<sup>†</sup> after direct transaction costs of	(0.04)	(0.01)	–
<b>Performance</b>			
Return after charges	8.19%	(1.38)%	6.33%
<b>Other information</b>			
Closing net asset value (£000)	133,629	96,415	71,208
Closing number of shares	97,639,865	76,217,546	55,514,403
Operating charges (%) <sup>‡</sup>	0.35%	0.34%	0.35%
Direct transaction costs (%) <sup>#</sup>	0.03%	0.01%	–
<b>Prices<sup>≈</sup></b>			
Highest share price	146.00	132.10	131.12
Lowest share price	125.79	118.59	119.08

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

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

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

<sup>#</sup> 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).

<sup>≈</sup> The high and low prices disclosed are the high and low prices for the accounting period and not the calendar year. The net asset value per share 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	29.02.20	28.02.19
Class 1	0.82%	0.80%**
Class 2	0.60%	0.58%
Class 3	0.62%	0.60%
Class 9	0.35%	0.33%

\* The Ongoing Charges Figure (OCF) is calculated as the ratio of the total ongoing charges to the average net asset value of the Fund over the year. The OCF is made up of the 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.

The OCF on share class 2 is capped at 0.60%, though the actual figure may be lower. The OCF on share class 9 is capped at 0.35%, though the actual figure may be lower. The OCF includes a synthetic charge of 0.09% (2019: 0.07%) in respect of underlying investments.

\*\* Following the update to the Prospectus and the change in charging structure of the Fund part way through the period, the ongoing charges figure has been based on the revised fee structure and therefore is not on an ex-post basis.

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 29 February 2020

Investment	Currency	Holding	Market Value £000	% of Net Assets
<b>Collective Investment Schemes 90.89% (91.13%)</b>				
AI Japanese Equity Index Fund, UK Fund of Fund Accumulation Units <sup>†</sup>	GBP	38,000,889	39,093	5.97
AI North American Equity Index Fund, UK Fund of Fund Accumulation Units <sup>†</sup>	GBP	153,353,355	179,247	27.39
Aviva Investors Emerging Markets Bond Fund Class Zyh, Accumulation shares, GBP <sup>†</sup>	GBP	20,674	27,341	4.18
Aviva Investors Emerging Markets Corporate Bond Fund Class Zyh, Accumulation shares, GBP <sup>†</sup>	GBP	11,693	12,629	1.93
Aviva Investors Emerging Markets Equity Small Cap Fund Class Zy, Accumulation shares, GBP <sup>†</sup>	GBP	4,874	5,026	0.77
Aviva Investors Emerging Markets Local Currency Bond Fund Class Zy, Accumulation shares, GBP <sup>†</sup>	GBP	17,281	26,382	4.03
Aviva Investors Global Emerging Markets Index Fund Class Zy, Accumulation shares, GBP <sup>†</sup>	GBP	48,679	49,145	7.51
Aviva Investors Global High Yield Bond Fund Class Zyh, Accumulation shares, GBP <sup>†</sup>	GBP	25,704	26,061	3.98
Aviva Investors Global Investment Grade Corporate Bond Fund Class Zyh, Accumulation shares, GBP <sup>†</sup>	GBP	20,823	25,760	3.94
Aviva Investors Multi-Strategy Fixed Income Fund Class Zyh, Accumulation shares, GBP <sup>†</sup>	GBP	11,927	12,266	1.88
Aviva Investors Multi-Strategy Target Return Fund Class 3, Accumulation shares, GBP <sup>†</sup>	GBP	8,149,408	9,269	1.42
Aviva Investors UK Index Tracking Fund Class 3, Accumulation shares, GBP <sup>†</sup>	GBP	24,983,662	61,537	9.41
BlackRock European Absolute Alpha Fund Class D Accumulating GBP	GBP	2,034,021	3,030	0.46
iShares Core S&P 500 UCITS Fund USD (Acc) Share Class	GBP	154,305	34,661	5.30
iShares Europe ex-UK Index Fund (IE) Class Institutional Accumulating EUR	EUR	4,486,881	60,265	9.21
iShares Pacific Index Fund (IE) Class Institutional Accumulating GBP	GBP	2,249,702	23,001	3.51
<b>Collective Investment Schemes total</b>			<b>594,713</b>	<b>90.89</b>
<b>Equities 0.93% (0.00%)</b>				
<b>Guernsey 0.93% (0.00%)</b>				
TwentyFour Income Fund	GBP	5,583,993	6,059	0.93
			6,059	0.93
<b>Equities total</b>			<b>6,059</b>	<b>0.93</b>
<b>Government Bonds 0.88% (6.80%)</b>				
<b>Australia 0.00% (3.70%)</b>				
<b>United States of America 0.88% (3.10%)</b>				
US Treasury Inflation Indexed 0.13% 15/01/2030	USD	\$7,100,000	5,735	0.88
			5,735	0.88
<b>Government Bonds total</b>			<b>5,735</b>	<b>0.88</b>
<b>Forward Currency Contracts (0.13)% (0.43%)</b>				
Buy GBP 13,746,924 sell AUD 26,258,451 dated 22/04/2020			466	0.07
Buy GBP 41,938,089 sell EUR 49,299,354 dated 22/04/2020			(270)	(0.04)
Buy GBP 63,128,057 sell USD 82,936,665 dated 22/04/2020			(1,307)	(0.20)
Buy USD 35,294,473 sell GBP 27,149,576 dated 22/04/2020			271	0.04
<b>Forward Currency Contracts total</b>			<b>(840)</b>	<b>(0.13)</b>
<b>Futures (0.50)% (0.33%)</b>				
Australia 10 Year Bond 16/03/2020	AUD	85	170	0.03
Euro-BTP 06/03/2020	EUR	111	312	0.05
Euro-Buxl 30 Year Bond 06/03/2020	EUR	(89)	(1,270)	(0.20)
EURO STOXX 50 Index 20/03/2020	EUR	112	(243)	(0.04)
Long Gilt 26/06/2020	GBP	77	157	0.02
MSCI Emerging Markets Emini Index 20/03/2020	USD	176	(736)	(0.11)
S&P 500 Emini Index 20/03/2020	USD	107	(1,627)	(0.25)
TOPIX Index 12/03/2020	JPY	29	(200)	(0.03)
US 2 Year Note 30/06/2020	USD	(20)	(16)	-
US 10 Year Note 19/06/2020	USD	13	9	-
US Ultra Bond 19/06/2020	USD	49	192	0.03
<b>Futures total</b>			<b>(3,252)</b>	<b>(0.50)</b>

## PORTFOLIO STATEMENT (CONTINUED)

As at 29 February 2020

Investment	Currency	Holding	Market Value £000	% of Net Assets
<b>Liquidity Funds 7.01% (1.20%)<sup>1</sup></b>				
Aviva Investors Sterling Liquidity Fund Class 9, Income shares, GBP <sup>†</sup>	GBP	45,900,000	45,900	7.01
<b>Liquidity Funds total</b>			<b>45,900</b>	<b>7.01</b>
Investment assets <sup>2</sup>			648,315	99.08
Net other assets			6,006	0.92
<b>Net assets</b>			<b>654,321</b>	<b>100.00</b>

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

The comparative percentage figures in brackets are as at 28 February 2019.

<sup>†</sup> A related party to the Fund.

<sup>1</sup> Cash Equivalents.

<sup>2</sup> Includes Cash Equivalents.

## STATEMENT OF TOTAL RETURN

### For the year ended 29 February 2020

	Notes	£000	Year ended 29.02.20 £000	£000	Year ended 28.02.19 £000
Income					
Net capital gains/(losses)	2		33,628		(18,021)
Revenue	3	15,573		13,583	
Expenses					
Net revenue before taxation	4	(3,145)		(2,903)	
Taxation	5	(577)		(167)	
Net revenue after taxation			11,851		10,513
<b>Total return before distributions</b>			<b>45,479</b>		<b>(7,508)</b>
Distributions	6		(11,899)		(10,530)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>33,580</b>		<b>(18,038)</b>

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

### For the year ended 29 February 2020

	£000	Year ended 29.02.20 £000	£000	Year ended 28.02.19 £000
<b>Opening net assets attributable to shareholders</b>		<b>566,772</b>		<b>572,458</b>
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	77,067		86,700	
Amounts payable on cancellation of shares	(35,291)		(84,880)	
		41,776		1,820
Dilution adjustment		–		11
Change in net assets attributable to shareholders from investment activities (see above)		33,580		(18,038)
Retained distribution on accumulation shares		12,193		10,521
<b>Closing net assets attributable to shareholders</b>		<b>654,321</b>		<b>566,772</b>



## BALANCE SHEET

As at 29 February 2020

	Notes	As at 29.02.20 £000	As at 28.02.19 £000
<b>Assets:</b>			
Investments		608,084	560,867
<b>Current assets:</b>			
Debtors	8	2,688	15,678
Cash and bank balances	9	4,559	940
Cash equivalents	10	45,900	6,800
<b>Total assets</b>		<b>661,231</b>	<b>584,285</b>
<b>Liabilities:</b>			
Investment liabilities		(5,669)	(1,505)
<b>Creditors:</b>			
Other creditors	11	(1,241)	(16,008)
<b>Total liabilities</b>		<b>(6,910)</b>	<b>(17,513)</b>
<b>Net assets attributable to shareholders</b>		<b>654,321</b>	<b>566,772</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 1 Accounting basis and policies

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

### 2 Net capital gains/(losses)

	Year ended 29.02.20 £000	Year ended 28.02.19 £000
<b>Net capital gains/(losses) on investment during the year comprise:</b>		
Compensation items	–	1
Currency gains	116	96
Derivative contracts gains/(losses)	1,157	(5,571)
Expenses relating to the purchase and sale of investments	–	(2)
Forward currency contracts (losses)/gains	(778)	744
Non-derivative securities gains/(losses)	33,133	(13,289)
<b>Net capital gains/(losses) *</b>	<b>33,628</b>	<b>(18,021)</b>

\* Total realised gains for the year were £16,756,448 (2019: £50,524,703) and the movement in unrealised gains/ losses was £16,871,929 (2019: £(68,547,155)). Included in realised gains for the year were unrealised losses recognised in previous years.

### 3 Revenue

	Year ended 29.02.20 £000	Year ended 28.02.19 £000
Bank and deposit interest	15	16
Franked component of dividend distributions	1,705	3,218
Interest on debt securities	558	1,100
Income from derivatives	309	156
Investment manager rebates*	79	231
Overseas dividends	4,701	1,221
Revenue from offshore funds	8,074	7,524
Stock lending commission	6	–
UK dividends	30	(5)
Unfranked component of dividend distributions	96	122
<b>Total revenue</b>	<b>15,573</b>	<b>13,583</b>

\* Represents rebates received in respect of expenses incurred in underlying CIS investments.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**4 Expenses**

	Year ended 29.02.20 £000	Year ended 28.02.19 £000
<b>Payable to the Authorised Corporate Director ("ACD"), associates of the ACD or agents of either of them:</b>		
Fund Management Fee/ACD's periodic charge*	3,122	2,833
Registration fees	–	71
	3,122	2,904
<b>Payable to the Depositary, associates of the Depositary or agents of either of them:</b>		
Depositary's fee	–	16
Interest payable	23	23
Safe custody fee	–	11
	23	50
<b>Other expenses:</b>		
Audit fee**	–	3
Printing and postage expenses	–	1
Statement fee	–	2
	–	6
<b>Total expenses</b>	<b>3,145</b>	<b>2,960</b>
Less those expenses rebated by the ACD	–	(57)
<b>Net expenses</b>	<b>3,145</b>	<b>2,903</b>

\* From 4 June 2018 the Fund changed to a single fixed charge known as the Fund Management Fee (FMF). The FMF covers fees and expenses in relation to the operation and administration of the Company and the Fund.

\*\* The audit fee was £9,797 (2019: £11,608) net of VAT. With effect from 4 June 2018, the audit fee was no longer accrued for separately and now forms part of the FMF.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**5 Taxation****a Analysis of tax charge**

	Year ended 29.02.20 £000	Year ended 28.02.19 £000
Overseas tax suffered	577	167
<b>Total tax for the year (see note 5b)</b>	<b>577</b>	<b>167</b>

**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 29.02.20 £000	Year ended 28.02.19 £000
<b>Net revenue before taxation</b>	<b>12,428</b>	<b>10,680</b>
Corporation tax at 20%	2,486	2,136
<b>Effects of:</b>		
Movement in excess management expenses	(195)	(98)
Overseas dividends not subject to corporation tax	(1,944)	(1,395)
Overseas tax suffered	577	167
UK dividends not subject to corporation tax	(347)	(643)
<b>Current tax charge (see note 5a)</b>	<b>577</b>	<b>167</b>

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 £1,434,902 (2019: £2,407,485) creating a potential deferred tax asset of £286,980 (2019: £481,497). 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 29.02.20 £000	Year ended 28.02.19 £000
<b>The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:</b>		
Interim distribution	1,659	7,047
Final distribution	10,534	3,474
	12,193	10,521
Add: Revenue deducted on cancellation of shares	142	181
Deduct: Revenue received on issue of shares	(436)	(172)
<b>Total distributions</b>	<b>11,899</b>	<b>10,530</b>
<b>Reconciliation of distributions for the year to net revenue after taxation</b>		
Distributions for the year	11,899	10,530
ACD's periodic charge borne by the capital account	(63)	(20)
Equalisation on conversions	–	2
Tax relief on capitalised ACD's periodic charge	15	–
Undistributed revenue brought forward	(1)	–
Undistributed revenue carried forward	1	1
<b>Net revenue after taxation</b>	<b>11,851</b>	<b>10,513</b>

Details of the distributions per share are set out in the distribution tables on page 128.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 7 Fair value hierarchy

Valuation technique	As at 29.02.20		As at 28.02.19	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1: Quoted prices	220,807	(4,092)	43,728	(1,505)
Level 2: Observable market data	433,177	(1,577)	523,939	–
<b>Total</b>	<b>653,984</b>	<b>(5,669)</b>	<b>567,667</b>	<b>(1,505)</b>

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 29.02.20 £000	As at 28.02.19 £000
Accrued revenue	1,603	1,256
Accrued expense fee rebate	295	286
Amounts receivable on issue of shares	745	563
Income tax recoverable	45	73
Sales awaiting settlement	–	13,500
<b>Total debtors</b>	<b>2,688</b>	<b>15,678</b>

## 9 Cash and bank balances

	As at 29.02.20 £000	As at 28.02.19 £000
Amounts held at futures clearing houses and brokers	4,501	842
Cash and bank balances	58	98
<b>Total cash and bank balances</b>	<b>4,559</b>	<b>940</b>

## 10 Cash equivalents

	As at 29.02.20 £000	As at 28.02.19 £000
Aviva Investors Sterling Liquidity Fund	45,900	6,800
<b>Total cash equivalents</b>	<b>45,900</b>	<b>6,800</b>

## 11 Other creditors

	As at 29.02.20 £000	As at 28.02.19 £000
Accrued expenses	547	230
Amounts payable for cancellation of shares	478	622
Overseas tax provision	216	173
Purchases awaiting settlement	–	14,983
<b>Total other creditors</b>	<b>1,241</b>	<b>16,008</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 12 Contingent liabilities and commitments

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

### 13 Related party transactions

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

Fund Management Fee/ACD periodic charges paid to Aviva Investors UK Fund Services Limited ("the ACD") are shown in note 4 and details of shares issued and cancelled by the ACD are shown in the statement of change in net assets attributable to shareholders. The balance due to the ACD at the year end in respect of Fund Management Fee/ACD periodic charges was £518,753 (2019: £209,652). Any balance due from the ACD in respect of issues is shown in note 8. Any balance due to the ACD in respect of cancellations is shown in note 11.

Distributions payable to the ACD and related parties of the ACD during the year amounted to £8,982,143 (2019: £7,665,889). The amount outstanding at the year end was £7,700,903 (2019: £2,563,319). 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 £294,623,999 (2019: £533,800,205) and £281,420,383 (2019: £82,316,343) respectively. The income received during the year amounted to £32,070,071 (2019: £8,696,776). The rebates from ACD during the year amounted to £78,495 (2019: £31,049).

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

	Holdings at 29.02.20 (shares)	Movement (shares)	Holdings at 28.02.19 (shares)
ACD and related parties (Class 1 Accumulation shares)	427,019	(88,578)	515,597
ACD and related parties (Class 2 Accumulation shares)	52,503,032	4,286,249	48,216,783
ACD and related parties (Class 3 Accumulation shares)	130,135,703	2,399,846	127,735,857
ACD and related parties (Class 9 Accumulation shares)	97,639,865	21,422,319	76,217,546

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

The revenue earned from the Aviva Tax Transparent Funds holdings of AI Japanese Equity Index Fund and AI North American Equity Index Fund was £4,476,816 for the year (2019: £1,204,833) included under Revenue Note 3. Amounts receivable at the balance sheet date of £1,569,108 (2019: £1,232,814) are included under Debtors in the Notes to the Accounts.

### 14 Shareholder funds

The Fund currently has four share classes: Class 1 (Retail), Class 2 (Institutional) and Class 3 and Class 9 (Associated undertakings of Aviva Plc). The Fund Management Fees are as follows:

Class 1: 0.73%  
 Class 2: 0.51%  
 Class 3: 0.53%  
 Class 9: 0.26%

The net asset value per share class, the net asset value per share and the number of shares in the class are shown on pages 114 and 115. The distributions per share class are given in the distribution tables on page 128. All the share classes have the same rights on winding up.

### 15 Shares in issue reconciliation

	Number of shares in issue at 28.02.19	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 29.02.20
Class 1 Accumulation shares	26,223,173	1,479,394	(1,964,325)	(15,066)	25,723,176
Class 2 Accumulation shares	116,619,464	12,378,008	(7,432,248)	15,184	121,580,408
Class 3 Accumulation shares	127,735,857	10,515,830	(8,115,984)	–	130,135,703
Class 9 Accumulation shares	76,217,546	23,618,400	(2,196,081)	–	97,639,865

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 16 Derivatives and other financial instruments

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

#### Fair value of financial assets and financial liabilities

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

#### Currency risk

At the year end date, (4.13)% (2019: 0.01%) of the net assets of the Fund were denominated in currencies other than sterling and as such, the currency risk is not considered significant.

#### Interest rate risk

At the year end date 8.59% (2019: 8.17%) of the net assets of the Fund were interest bearing and as such the interest rate risk is not considered significant.

The Fund invests in some collective investment schemes (CIS) which predominantly invest in debt securities. The revenue of the Fund and the value of debt securities may be affected by interest rate movements in the future. At the year end date 19.94% (2019: 21.60%) of the assets of the Fund were invested in CIS which predominantly invest in debt securities.

#### Interest rate exposures

The Aviva Investors Investment Risk Team performs regular stress testing across all portfolios to determine market sensitivities and risk exposures using BlackRock's Aladdin risk model and stress testing methodology. Under this methodology, if 5Y GBP interest rates had increased by 1% as at the balance sheet date, the net asset value of the Fund would have decreased by £8,609,413 (2019: £8,559,474).

If interest rates had decreased by 1% as at the balance sheet date, the net asset value of the Fund would have increased by £8,609,413 (2019: £8,559,474). These calculations assume the interest rate shock is propagated to all risk factors the Fund is exposed to, based on historical market correlations and volatilities between factors.

#### Market price risk

At the year end date, 92.70% (2019: 97.93%) 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 9.27% (2019: 9.79%).

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**17 Counterparty exposure****Financial derivative exposure**

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

	Forward currency contracts £000	Futures contracts £000	Total £000
<b>29.02.20</b>			
Barclays	(717)	840	123
Goldman Sachs	(95)	–	(95)
J.P. Morgan	(63)	–	(63)
Merrill Lynch	(60)	–	(60)
Royal Bank of Scotland	(125)	–	(125)
Standard Chartered	47	–	47
UBS	173	–	173
<b>Total</b>	<b>(840)</b>	<b>840</b>	<b>–</b>

	Forward currency contracts £000	Futures contracts £000	Total £000
<b>28.02.19</b>			
Barclays	164	–	164
Goldman Sachs	682	–	682
J.P. Morgan	166	–	166
Nomura	163	–	163
Royal Bank of Scotland	1,087	–	1,087
Société Générale	164	–	164
UBS	–	3,386	3,386
<b>Total</b>	<b>2,426</b>	<b>3,386</b>	<b>5,812</b>

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

**Collateral**

At the year end date no collateral was held or pledged by the company or on behalf of the counterparties in respect of the above (2019: £nil).



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**18 Direct transaction costs**

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

	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
<b>29.02.20</b>						
<b>Purchases</b>						
Bonds	(5,516)	–	–	(5,516)	0.00%	0.00%
Equities	(6,427)	–	–	(6,427)	0.00%	0.00%
Funds	(495,448)	(11)	(173)	(495,632)	0.00%	0.03%
	(507,391)	(11)	(173)	(507,575)		
<b>Sales</b>						
Bonds	413,449	–	–	413,449	0.00%	0.00%
Funds	40,905	–	–	40,905	0.00%	0.00%
	454,354	–	–	454,354		
<b>Total</b>		(11)	(173)			
<b>Percentage of fund average net assets</b>		0.00%	0.03%			

	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
<b>28.02.19</b>						
<b>Purchases</b>						
Bonds	(43,893)	–	–	(43,893)	0.00%	0.00%
Funds	(623,898)	(4)	(67)	(623,969)	0.00%	0.01%
	(667,791)	(4)	(67)	(667,862)		
<b>Sales</b>						
Bonds	35,932	–	–	35,932	0.00%	0.00%
Funds	621,194	(4)	–	621,190	0.00%	0.00%
	657,126	(4)	–	657,122		
<b>Total</b>		(8)	(67)			
<b>Percentage of fund average net assets</b>		0.00%	0.01%			

**Dealing spread**

As at 29 February 2020, the average portfolio dealing spread was 0.02% (2019: 0.01%). This spread represents the difference between the values determined retrospectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

**19 Post balance sheet events**

As a result of market movements and foreign exchange rates, since the balance sheet date on 29 February 2020, the price of each share class has changed as follows:

	Number of shares in issue at 29.02.20	Number of shares in issue at 24.06.20	% change	Price at 29.02.20 (p)	Price at 24.06.20 (p)	% change
Class 1 Accumulation	25,723,176	25,728,887	0.02%	183.34	182.24	-0.60%
Class 2 Accumulation	121,580,408	123,526,386	1.60%	181.89	180.93	-0.53%
Class 3 Accumulation	130,135,703	130,201,963	0.05%	193.94	192.90	-0.53%
Class 9 Accumulation	97,639,865	103,379,720	5.88%	136.86	136.24	-0.45%

A high level of uncertainty remains on the ultimate scenario for COVID-19, or the likelihood of any particular outcome, with a number of varying projections being publicised. During this period of uncertainty, the Funds are exposed to a higher liquidity risk resulting from the Funds liability to shareholders for any cancellation of shares. While the Fund may have experienced higher than average cancellation of shares the liquidity measures within the Fund remain within normal range and there is no immediate or material uncertainty about the viability of the Fund as a going concern.

## DISTRIBUTION TABLES

## Final distribution payable in pence per share for the six months ended 29 February 2020

Accumulation shares		Net revenue	Equalisation	Final distribution payable 30 April 2020	Final distribution paid 30 April 2019
Class 1	Group 1	3.3903	–	3.3903	0.7962
	Group 2	0.9169	2.4734	3.3903	0.7962
Class 2	Group 1	2.8603	–	2.8603	1.0316
	Group 2	1.2200	1.6403	2.8603	1.0316
Class 3	Group 1	3.0566	–	3.0566	1.0712
	Group 2	0.9267	2.1299	3.0566	1.0712
Class 9	Group 1	2.2603	–	2.2603	0.9099
	Group 2	0.8105	1.4498	2.2603	0.9099

**Final distribution**

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

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

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

Accumulation shares		Net revenue	Equalisation	Interim distribution paid 31 October 2019	Interim distribution paid 31 October 2018
Class 1	Group 1	0.2708	–	0.2708	1.9435
	Group 2	0.1704	0.1004	0.2708	1.9435
Class 2	Group 1	0.4583	–	0.4583	2.1564
	Group 2	0.2690	0.1893	0.4583	2.1564
Class 3	Group 1	0.4703	–	0.4703	2.2527
	Group 2	0.2547	0.2156	0.4703	2.2527
Class 9	Group 1	0.5051	–	0.5051	1.6850
	Group 2	0.2914	0.2137	0.5051	1.6850

**Interim distribution**

Group 1 shares are those shares purchased at or before 2pm on 28 February 2019.

Group 2 shares are those shares purchased after 2pm on 28 February 2019.

**Equalisation**

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

## AVIVA INVESTORS MULTI-ASSET FUND V

### INVESTMENT OBJECTIVE

The Fund aims to grow your investment over the long term (5 years or more).

It is managed to a “adventurous” risk profile, which we define as aiming for an average volatility of 100% of the volatility of “Global Equities” (where the volatility of Global Equities equals 100%).

### INVESTMENT POLICY

#### Core investment

The Fund invests in a broad range of global asset classes (including emerging markets) that may include shares, bonds, cash, property, and commodities, and will gain this exposure by investing in other funds (including funds managed by Aviva Investors companies), directly in these assets, or through the use of derivatives.

Derivatives may be used for investment purposes to generate additional returns for the Fund but will not materially alter the risk profile. They are also used to gain exposure to asset classes which may otherwise be difficult or costly to achieve, or to manage the Fund’s cash flows in a cost-effective manner. Derivatives may also be used to reduce risk, such as foreign currency risk within the Fund.

#### Strategy

The Fund is actively managed, and the Investment Manager does not base investment decisions upon a benchmark. Instead the asset allocation of the Fund is designed to be consistent with its “adventurous” risk profile.

The portfolio blends these asset classes for diversification, allowing more defensive or aggressive asset allocations to be selected in line with the expected risk profile depending on market conditions and opportunities.

The Fund is part of a range of five multi asset funds, each with their own risk profile, ranging from I (the lowest) to V (the highest). This Fund is number V in the range. For more information on these funds please refer to the prospectus.

#### Environmental, Social & Governance (ESG)

ESG factors are integrated into the investment process and are 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.

The Fund aims to remain within a defined risk range consistent with its “adventurous” risk profile – measured against the volatility of Global Equities. Volatility measures how much the returns of the Fund fluctuate, and it is an indicator of the level of risk taken by the Investment Manager.

### Performance & Risk Measurement

The Fund is expected to operate within a range of 92% to 108% of the volatility of Global Equities, with an average volatility of 100%. There may be times when it operates outside of this range.

The index we use to represent Global Equities is the MSCI® All Countries World Index GBP (the “Index”). The Fund’s volatility is compared against the Index’s monthly volatility, annualised, over 3-year rolling periods.

The Index comprises large and medium sized companies, as determined by their market capitalisation (total market value of a company’s outstanding shares), from both developed and emerging markets, and the index is designed to provide a broad measure of global equity market performance.

The Index has been selected as a benchmark due to the broad range of companies that it represents, and it is therefore an appropriate measure of the volatility of Global Equities.

### FUND MANAGER’S REPORT

#### Performance

Over the twelve months ended 29 February 2020, the Fund returned 7.86% (share class 1, net of fees).

#### Review

The Fund remained fully invested in growth assets throughout the year. Returns from these investments were mixed, but positive overall.

US equities fared relatively well, supported by a more resilient economic growth outlook than elsewhere. Unemployment fell to a 50-year low in the US, benefiting spending and supporting corporate profitability. This was beneficial for performance, as the US remained the Fund’s most favoured equity region throughout the year.

Investments in emerging market debt and high yield bonds also added value. These asset classes were perceived to be beneficiaries of the lower interest rate environment.

Closer to home, returns from the UK share market were hampered by persistent Brexit-related uncertainties and deteriorating economic indicators. During February, a slump in the oil price also weighed on the domestic share market due to its significant exposure to the energy sector.

In fact by the end of February, sentiment towards all equity markets worldwide was being adversely affected by the coronavirus outbreak. Associated disruptions, closures and delays are expected to act as a drag on growth and are clouding the outlook for corporate profitability.

## AVIVA INVESTORS MULTI-ASSET FUND V (CONTINUED)

## FUND MANAGER'S REPORT (CONTINUED)

**Outlook**

Coronavirus-related disruptions potentially jeopardise the prospect of a rebound in economic growth, or at least delay it. With that in mind, risk has been reduced in the portfolio until more clarity emerges on the likely extent and length of the disruptions. The situation is evolving rapidly; consequently, we are monitoring developments closely, ready to respond by amending portfolio positioning if and when opportunities present themselves.

**March 2020**

\* Fund performance figures – source Lipper, a Thomson Reuters company, net of fees, net income reinvested.

As noted above, the performance figures in this commentary have been sourced from an external party and are based on published prices. The performance figures quoted in the comparative tables on pages 131 and 132 are based on the net asset value per the published accounts and may be different due to post year end accounting adjustments.

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

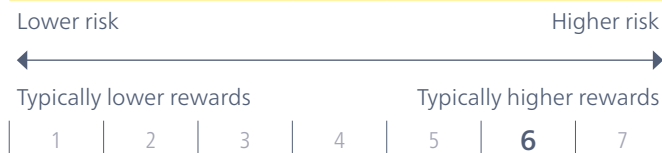
**Performance History – Accumulation Shares**

Calendar year	Share Class 1 %	Share Class 2 %	Share Class 3 %	Share Class 9 %
31.12.13 to 31.12.14	11.35	12.20	12.30	N/A
31.12.14 to 31.12.15	0.77	1.53	1.51	N/A
31.12.15 to 31.12.16	20.25	21.15	21.09	21.41
31.12.16 to 31.12.17	11.43	12.19	12.14	12.39
31.12.17 to 31.12.18	-8.67	-8.27	-8.31	-8.07

Source for all data: Aviva Investors/Lipper, a Thomson Reuters company, this is based on index provider data where applicable. Fund return data is mid to mid, net income reinvested, net of all ongoing charges and fees in sterling, net of tax payable by the Fund to 31 December 2018. The figures do not include the effect of the Entry Charge and any Exit Charge.

**Material Portfolio Changes**

Purchases	Sales
Aviva Investors Sterling Liquidity Fund Class 9, Income shares, GBP	Aviva Investors Sterling Liquidity Fund Class 9, Income shares, GBP
iShares Europe ex-UK Index Fund (IE) Class Institutional Accumulating EUR	iShares Europe ex-UK Index Fund (IE) Class Flexible Accumulating GBP
iShares Europe ex-UK Index Fund (IE) Class Flexible Accumulating GBP	Aviva Investors European Equity Income Fund Class Zy, Accumulation shares, GBP
Aviva Investors Global High Yield Bond Fund Class Zyh, Accumulation shares, GBP	iShares Europe ex-UK Index Fund (IE) Class Flexible Accumulating EUR
iShares Core S&P 500 UCITS Fund USD (Acc) Share Class	Aviva Investors Global High Yield Bond Fund Class Zh, Accumulation shares, GBP
iShares Pacific Index Fund (IE) Class Institutional Accumulating GBP	iShares Pacific Index Fund (IE) Class Institutional Accumulating EUR
iShares Europe ex-UK Index Fund (IE) Class Flexible Accumulating EUR	Aviva Investors Emerging Markets Equity Small Cap Fund Class Zy, Accumulation shares, GBP
AI North American Equity Index Fund, UK Fund of Fund Accumulation Units	AI North American Equity Index Fund, UK Fund of Fund Accumulation Units
Aviva Investors Global Emerging Markets Index Fund Class Zy, Accumulation shares, GBP	Aviva Investors Global High Yield Bond Fund Class Zyh, Accumulation shares, GBP
Aviva Investors Emerging Markets Corporate Bond Fund Class Zyh, Accumulation shares, GBP	Aviva Investors Global Emerging Markets Index Fund Class Zy, Accumulation shares, GBP

**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](http://www.avivainvestors.com) or from the ACD on request.

## COMPARATIVE TABLES

Class 1 Accumulation	2020 p per share	2019 p per share	2018 p per share
<b>Change in net assets per share</b>			
Opening net asset value per share	173.03	177.41	165.26
Return before operating charges <sup>†</sup>	14.33	(2.75)	14.41
Operating charges	(1.54)	(1.63)	(2.26)
Return after operating charges <sup>†</sup>	12.79	(4.38)	12.15
Distributions	(2.74)	(2.59)	(0.18)
Retained distributions on accumulation shares	2.74	2.59	0.18
Closing net asset value per share	185.82	173.03	177.41
† after direct transaction costs of	–	–	–
<b>Performance</b>			
Return after charges	7.39%	(2.47)%	7.35%
<b>Other information</b>			
Closing net asset value (£000)	10,594	10,390	11,324
Closing number of shares	5,701,306	6,004,774	6,382,908
Operating charges (%) <sup>†</sup>	0.82%	0.94%	1.31%
Direct transaction costs (%) <sup>†</sup>	–	–	–
<b>Prices<sup>≈</sup></b>			
Highest share price	202.81	184.14	182.46
Lowest share price	172.02	160.35	162.23

Class 2 Accumulation	2020 p per share	2019 p per share	2018 p per share
<b>Change in net assets per share</b>			
Opening net asset value per share	171.25	174.94	161.72
Return before operating charges <sup>†</sup>	14.15	(2.70)	14.17
Operating charges	(1.12)	(0.99)	(0.95)
Return after operating charges <sup>†</sup>	13.03	(3.69)	13.22
Distributions	(3.10)	(3.20)	(0.85)
Retained distributions on accumulation shares	3.10	3.20	0.85
Closing net asset value per share	184.28	171.25	174.94
† after direct transaction costs of	–	–	–
<b>Performance</b>			
Return after charges	7.61%	(2.11)%	8.17%
<b>Other information</b>			
Closing net asset value (£000)	62,149	56,651	49,213
Closing number of shares	33,725,028	33,080,689	28,131,012
Operating charges (%) <sup>†</sup>	0.60%	0.58%	0.56%
Direct transaction costs (%) <sup>†</sup>	–	–	–
<b>Prices<sup>≈</sup></b>			
Highest share price	201.14	182.00	179.74
Lowest share price	170.26	158.61	158.92

Class 3 Accumulation	2020 p per share	2019 p per share	2018 p per share
<b>Change in net assets per share</b>			
Opening net asset value per share	184.42	188.47	174.33
Return before operating charges <sup>†</sup>	15.25	(2.92)	15.25
Operating charges	(1.25)	(1.13)	(1.11)
Return after operating charges <sup>†</sup>	14.00	(4.05)	14.14
Distributions	(3.30)	(3.38)	(0.82)
Retained distributions on accumulation shares	3.30	3.38	0.82
Closing net asset value per share	198.42	184.42	188.47
† after direct transaction costs of	–	–	–
<b>Performance</b>			
Return after charges	7.59%	(2.15)%	8.11%
<b>Other information</b>			
Closing net asset value (£000)	69,242	58,103	55,080
Closing number of shares	34,897,285	31,505,561	29,225,297
Operating charges (%) <sup>†</sup>	0.62%	0.61%	0.61%
Direct transaction costs (%) <sup>†</sup>	–	–	–
<b>Prices<sup>≈</sup></b>			
Highest share price	216.57	196.03	193.65
Lowest share price	183.35	170.82	171.31

Class 4 Accumulation	2019 <sup>s</sup> p per share	2018 p per share
<b>Change in net assets per share</b>		
Opening net asset value per share	182.10	168.78
Return before operating charges <sup>†</sup>	(181.65)	14.75
Operating charges	(0.45)	(1.43)
Return after operating charges <sup>†</sup>	(182.10)	13.32
Distributions	–	(0.62)
Retained distributions on accumulation shares	–	0.62
Closing net asset value per share	–	182.10
† after direct transaction costs of	–	–
<b>Performance</b>		
Return after charges	–	7.89%
<b>Other information</b>		
Closing net asset value (£000)	–	233
Closing number of shares	–	127,967
Operating charges (%) <sup>†</sup>	–	0.81%
Direct transaction costs (%) <sup>†</sup>	–	–
<b>Prices<sup>≈</sup></b>		
Highest share price	184.53	187.16
Lowest share price	171.97	165.80

## COMPARATIVE TABLES (CONTINUED)

	2020	2019	2018
Class 9 Accumulation	p per share	p per share	p per share
<b>Change in net assets per share</b>			
Opening net asset value per share	133.27	135.83	125.30
Return before operating charges <sup>‡</sup>	11.00	(2.10)	10.91
Operating charges	(0.51)	(0.46)	(0.38)
Return after operating charges <sup>‡</sup>	10.49	(2.56)	10.53
Distributions	(2.76)	(2.79)	(0.93)
Retained distributions on accumulation shares	2.76	2.79	0.93
Closing net asset value per share	143.76	133.27	135.83
† after direct transaction costs of	–	–	–
<b>Performance</b>			
Return after charges	7.87%	(1.88)%	8.40%
<b>Other information</b>			
Closing net asset value (£000)	30,649	23,195	19,466
Closing number of shares	21,320,388	17,404,011	14,331,263
Operating charges (%) <sup>‡</sup>	0.35%	0.34%	0.35%
Direct transaction costs (%) <sup>‡</sup>	–	–	–
<b>Prices<sup>≈</sup></b>			
Highest share price	156.91	141.44	139.52
Lowest share price	132.51	123.37	123.18

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

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

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

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

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

§ The share class was closed on 1 June 2018.

**Ongoing Charges Figure\***

Share class	29.02.20	28.02.19
Class 1	0.82%	0.81%**
Class 2	0.60%	0.59%
Class 3	0.62%	0.61%
Class 9	0.35%	0.34%

\* The Ongoing Charges Figure (OCF) is calculated as the ratio of the total ongoing charges to the average net asset value of the Fund over the year. The OCF is made up of the 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.

The OCF on share class 2 is capped at 0.60%, though the actual figure may be lower. The OCF on share class 9 is capped at 0.35%, though the actual figure may be lower. The OCF includes a synthetic charge of 0.07% (2019: 0.06%) in respect of underlying investments.

\*\* Following the update to the Prospectus and the change in charging structure of the Fund part way through the period, the ongoing charges figure has been based on the revised fee structure and therefore is not on an ex-post basis.

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 29 February 2020

Investment	Currency	Holding	Market Value £000	% of Net Assets
<b>Collective Investment Schemes 94.93% (95.98%)</b>				
AI Japanese Equity Index Fund, UK Fund of Fund Accumulation Units <sup>†</sup>	GBP	13,732,365	14,127	8.18
AI North American Equity Index Fund, UK Fund of Fund Accumulation Units <sup>†</sup>	GBP	50,901,025	59,496	34.47
Aviva Investors Emerging Markets Bond Fund Class Zyh, Accumulation shares, GBP <sup>†</sup>	GBP	3,637	4,809	2.79
Aviva Investors Emerging Markets Corporate Bond Fund Class Zyh, Accumulation shares, GBP <sup>†</sup>	GBP	4,511	4,872	2.82
Aviva Investors Emerging Markets Equity Small Cap Fund Class Zy, Accumulation shares, GBP <sup>†</sup>	GBP	1,814	1,871	1.08
Aviva Investors Emerging Markets Local Currency Bond Fund Class Zy, Accumulation shares, GBP <sup>†</sup>	GBP	3,014	4,601	2.67
Aviva Investors Global Emerging Markets Index Fund Class Zy, Accumulation shares, GBP <sup>†</sup>	GBP	17,273	17,439	10.10
Aviva Investors Global High Yield Bond Fund Class Zyh, Accumulation shares, GBP <sup>†</sup>	GBP	12,319	12,490	7.23
iShares Core S&P 500 UCITS Fund USD (Acc) Share Class	GBP	67,918	15,256	8.84
iShares Europe ex-UK Index Fund (IE) Class Institutional Accumulating EUR	EUR	1,569,066	21,075	12.21
iShares Pacific Index Fund (IE) Class Institutional Accumulating GBP	GBP	767,745	7,849	4.54
<b>Collective Investment Schemes total</b>			<b>163,885</b>	<b>94.93</b>
<b>Forward Currency Contracts (0.13)% (0.18%)</b>				
Buy GBP 4,735,874 sell AUD 9,046,732 dated 22/04/2020			160	0.09
Buy GBP 14,850,281 sell EUR 17,449,932 dated 22/04/2020			(90)	(0.05)
Buy GBP 15,235,529 sell USD 20,012,626 dated 22/04/2020			(312)	(0.18)
Buy USD 4,387,050 sell GBP 3,396,244 dated 22/04/2020			12	0.01
<b>Forward Currency Contracts total</b>			<b>(230)</b>	<b>(0.13)</b>
<b>Futures (2.14)% (0.56%)</b>				
Euro-Buxl 30 Year Bond 06/03/2020	EUR	(24)	(343)	(0.20)
EURO STOXX 50 Index 20/03/2020	EUR	30	(65)	(0.04)
FTSE 100 Index 20/03/2020	GBP	330	(2,635)	(1.53)
Long Gilt 26/06/2020	GBP	21	43	0.03
MSCI Emerging Markets Emini Index 20/03/2020	USD	46	(199)	(0.11)
S&P 500 Emini Index 20/03/2020	USD	29	(440)	(0.25)
TOPIX Index 12/03/2020	JPY	7	(48)	(0.03)
US 2 Year Note 30/06/2020	USD	(28)	(31)	(0.02)
US 10 Year Note 19/06/2020	USD	33	24	0.01
<b>Futures total</b>			<b>(3,694)</b>	<b>(2.14)</b>
<b>Liquidity Funds 4.58% (2.96%)<sup>1</sup></b>				
Aviva Investors Sterling Liquidity Fund Class 9, Income shares, GBP <sup>†</sup>	GBP	7,900,000	7,900	4.58
<b>Liquidity Funds total</b>			<b>7,900</b>	<b>4.58</b>
Investment assets (including investment liabilities) <sup>2</sup>			167,861	97.24
Net other assets			4,773	2.76
<b>Net assets</b>			<b>172,634</b>	<b>100.00</b>

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

The comparative percentage figures in brackets are as at 28 February 2019.

<sup>†</sup> A related party to the Fund.

<sup>1</sup> Cash Equivalents.

<sup>2</sup> Includes Cash Equivalents.

## STATEMENT OF TOTAL RETURN

For the year ended 29 February 2020

	Notes	£000	Year ended 29.02.20 £000	£000	Year ended 28.02.19 £000
Income					
Net capital gains/(losses)	2		8,556		(5,653)
Revenue	3	3,934		3,511	
Expenses					
	4	(891)		(759)	
Net revenue before taxation		3,043		2,752	
Taxation	5	(195)		(56)	
Net revenue after taxation			2,848		2,696
<b>Total return before distributions</b>			<b>11,404</b>		<b>(2,957)</b>
Distributions	6		(2,869)		(2,702)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>8,535</b>		<b>(5,659)</b>

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 29 February 2020

	£000	Year ended 29.02.20 £000	£000	Year ended 28.02.19 £000
<b>Opening net assets attributable to shareholders</b>		<b>148,339</b>		<b>135,316</b>
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	28,993		31,858	
Amounts payable on cancellation of shares	(16,162)		(15,897)	
		12,831		15,961
Change in net assets attributable to shareholders from investment activities (see above)		8,535		(5,659)
Retained distribution on accumulation shares		2,929		2,721
<b>Closing net assets attributable to shareholders</b>		<b>172,634</b>		<b>148,339</b>



## BALANCE SHEET

As at 29 February 2020

	Notes	As at 29.02.20 £000	As at 28.02.19 £000
<b>Assets:</b>			
Investments		164,124	148,238
<b>Current assets:</b>			
Debtors	8	1,107	5,480
Cash and bank balances	9	4,259	296
Cash equivalents	10	7,900	4,400
<b>Total assets</b>		<b>177,390</b>	<b>158,414</b>
<b>Liabilities:</b>			
Investment liabilities		(4,163)	(369)
<b>Creditors:</b>			
Other creditors	11	(593)	(5,306)
<b>Total liabilities</b>		<b>(4,756)</b>	<b>(5,675)</b>
<b>Net assets attributable to shareholders</b>		<b>172,634</b>	<b>152,739</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 1 Accounting basis and policies

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

### 2 Net capital gains/(losses)

	Year ended 29.02.20 £000	Year ended 28.02.19 £000
<b>Net capital gains/(losses) on investment during the year comprise:</b>		
Currency gains/(losses)	57	(1)
Derivative contracts losses	(2,149)	(1,825)
Expenses relating to the purchase and sale of investments	–	(2)
Forward currency contracts gains	188	585
Non-derivative securities gains/(losses)	10,460	(4,410)
<b>Net capital gains/(losses)*</b>	<b>8,556</b>	<b>(5,653)</b>

\* Total realised gains for the year were £5,934,249 (2019: £11,853,347) and the movement in unrealised gains/(losses) was £2,621,939 (2018: £(17,505,857)). Included in realised gains for the year were unrealised losses recognised in previous years.

### 3 Revenue

	Year ended 29.02.20 £000	Year ended 28.02.19 £000
Bank and deposit interest	7	6
Franked component of dividend distributions	–	803
Interest on debt securities	6	–
Income from derivatives	(2)	–
Investment manager rebates*	–	66
Overseas dividends	1,706	398
Revenue from offshore funds	2,205	2,240
Stock lending commission	2	–
UK dividends	10	(2)
<b>Total revenue</b>	<b>3,934</b>	<b>3,511</b>

\* Represents rebates received in respect of expenses incurred in underlying CIS investments.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 4 Expenses

	Year ended 29.02.20 £000	Year ended 28.02.19 £000
<b>Payable to the Authorised Corporate Director ("ACD"), associates of the ACD or agents of either of them:</b>		
Fund Management Fee/ACD periodic charges*	884	735
Registration fees	–	16
	884	751
<b>Payable to the Depositary, associates of the Depositary or agents of either of them:</b>		
Depositary's fee	–	5
Interest payable	7	6
Safe custody fee	–	3
	7	14
<b>Other expenses:</b>		
Audit fee**	–	3
	–	3
<b>Total expenses</b>	<b>891</b>	<b>768</b>
Less those expenses rebated by the ACD	–	(9)
<b>Net expenses</b>	<b>891</b>	<b>759</b>

\* From 4 June 2018 the Fund changed to a single fixed charge known as the Fund Management Fee (FMF). The FMF covers fees and expenses in relation to the operation and administration of the Company and the Fund.

\*\* The audit fee was £9,797 (2019: £11,608) net of VAT. With effect from 4 June 2018, the audit fee was no longer accrue for separately and now forms part of the FMF.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**5 Taxation****a Analysis of tax charge**

	Year ended 29.02.20 £000	Year ended 28.02.19 £000
Overseas tax suffered	195	56
<b>Total tax for the year (see note 5b)</b>	<b>195</b>	<b>56</b>

**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 29.02.20 £000	Year ended 28.02.19 £000
<b>Net revenue before taxation</b>	<b>3,043</b>	<b>2,752</b>
Corporation tax at 20%	609	550
<b>Effects of:</b>		
Movement in excess management expenses	68	46
Overseas dividends not subject to corporation tax	(675)	(436)
Overseas tax suffered	195	56
UK dividends not subject to corporation tax	(2)	(160)
<b>Current tax charge (see note 5a)</b>	<b>195</b>	<b>56</b>

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 £1,799,968 (2019: £1,458,149) creating a potential deferred tax asset of £359,994 (2019: £291,630). 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 29.02.20 £000	Year ended 28.02.19 £000
<b>The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:</b>		
Interim distribution	294	1,940
Final distribution	2,635	780
	2,929	2,720
Add: Revenue deducted on cancellation of shares	105	40
Deduct: Revenue received on issue of shares	(165)	(58)
<b>Total distributions</b>	<b>2,869</b>	<b>2,702</b>
<b>Reconciliation of distributions for the year to net revenue after taxation</b>		
Distributions for the year	2,869	2,702
ACD's periodic charge borne by the capital account	(22)	(6)
Tax relief on capitalised ACD's periodic charge	1	–
<b>Net revenue after taxation</b>	<b>2,848</b>	<b>2,696</b>

Details of the distributions per share are set out in the distribution tables on page 144.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 7 Fair value hierarchy

Valuation technique	As at 29.02.20		As at 28.02.19	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1: Quoted prices	74,819	(3,761)	18,532	(333)
Level 2: Observable market data	97,205	(402)	129,706	(36)
<b>Total</b>	<b>172,024</b>	<b>(4,163)</b>	<b>148,238</b>	<b>(369)</b>

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 29.02.20 £000	As at 28.02.19 £000
Accrued revenue	529	405
Accrued expense fee rebate	85	85
Amounts receivable on issue of shares	493	240
Sales awaiting settlement	–	4,750
<b>Total debtors</b>	<b>1,107</b>	<b>5,480</b>

## 9 Cash and bank balances

	As at 29.02.20 £000	As at 28.02.19 £000
Amounts held at futures clearing houses and brokers	4,168	214
Cash and bank balances	91	82
<b>Total cash and bank balances</b>	<b>4,259</b>	<b>296</b>

## 10 Cash equivalents

	As at 29.02.20 £000	As at 28.02.19 £000
Aviva Investors Sterling Liquidity Fund	7,900	4,400
<b>Total cash equivalents</b>	<b>7,900</b>	<b>4,400</b>

## 11 Other creditors

	As at 29.02.20 £000	As at 28.02.19 £000
Accrued expenses	157	64
Amounts payable for cancellation of shares	364	341
Purchases awaiting settlement	–	4,844
Overseas tax provision	72	57
<b>Total other creditors</b>	<b>593</b>	<b>5,306</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 12 Contingent liabilities and commitments

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

### 13 Related party transactions

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

Fund Management Fee/ACD periodic charges paid to Aviva Investors UK Fund Services Limited ("the ACD") are shown in note 4 and details of shares issued and cancelled by the ACD are shown in the statement of change in net assets attributable to shareholders. The balance due to the ACD at the year end in respect of Fund Management Fee/ACD periodic charges was £146,487 (2019: £56,922). Any balance due from the ACD in respect of issues is shown in note 9. Any balance due to the ACD in respect of cancellations is shown in note 11.

Distributions payable to the ACD and related parties of the ACD during the year amounted to £2,155,204 (2019: £1,927,046). The amount outstanding at the year end was £1,927,728 (2019: £562,523). 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 £75,825,752 (2019: £140,331,502) and £90,174,215 (2019: £80,360,042) respectively. The income received during the year amounted to £3,694,143 (2019: £2,303,459).

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

	Holdings at 29.02.20 (shares)	Movement (shares)	Holdings at 28.02.19 (shares)
ACD and related parties (Class 2 Accumulation shares)	13,781,424	839,397	12,942,027
ACD and related parties (Class 3 Accumulation shares)	34,897,285	3,391,724	31,505,561
ACD and related parties (Class 9 Accumulation shares)	21,320,388	3,916,377	17,404,011

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

The revenue earned from the Aviva Tax Transparent Funds holdings of AI Japanese Equity Index Fund and AI North American Equity Index Fund was £1,516,324 for the year (2019: £392,002) included under Revenue Note 3. Amounts receivable at the balance sheet date of £522,537 (2019: £405,030) are included under Debtors in the Notes to the Accounts.

### 14 Shareholder funds

The Fund currently has four share classes: Class 1 (Retail), Class 2 (Institutional) and Class 3 and Class 9 (Associated undertakings of Aviva Plc). The Fund Management Fees are as follows:

Class 1: 0.75%  
 Class 2: 0.53%  
 Class 3: 0.55%  
 Class 9: 0.28%

The net asset value per share class, the net asset value per share and the number of shares in the class are shown on pages 131 and 132. The distributions per share class are given in the distribution tables on page 144. All the share classes have the same rights on winding up.

### 15 Shares in issue reconciliation

	Number of shares in issue at 28.02.19	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 29.02.20
Class 1 Accumulation shares	6,004,774	189,601	(450,594)	(42,475)	5,701,306
Class 2 Accumulation shares	33,080,689	3,980,382	(3,378,888)	42,845	33,725,028
Class 3 Accumulation shares	31,505,561	5,964,795	(2,573,071)	–	34,897,285
Class 9 Accumulation shares	17,404,011	6,597,792	(2,681,415)	–	21,320,388

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 16 Derivatives and other financial instruments

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

#### Fair value of financial assets and financial liabilities

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

#### Currency risk

At the year end date, (6.24)% (2019: 2.08%) of the net assets of the Fund were denominated in currencies other than sterling and as such, the currency risk is not considered significant.

#### Interest rate risk

At the year end date 7.04% (2019: 3.17%) 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 base rate of the Depositary's delegated Custodian.

The Fund invests in some collective investment schemes (CIS) which predominantly invest in debt securities. The revenue of the Fund and the value of debt securities may be affected by interest rate movements in the future. At the year end date 15.51% (2019: 12.37%) of the assets of the Fund were invested in CIS which predominantly invest in debt securities.

#### Interest rate exposures

The Aviva Investors Investment Risk Team performs regular stress testing across all portfolios to determine market sensitivities and risk exposures using BlackRock's Aladdin risk model and stress testing methodology. Under this methodology, if 5Y GBP interest rates had increased by 1% as at the balance sheet date, the net asset value of the Fund would have decreased by £606,444 (2019: £917,538).

If interest rates had decreased by 1% as at the balance sheet date, the net asset value of the Fund would have increased by £606,444 (2019: £917,538). These calculations assume the interest rate shock is propagated to all risk factors the Fund is exposed to, based on historical market correlations and volatilities between factors.

#### Market price risk

At the year end date, 94.93% (2019: 95.98%) of the net assets of the Fund were invested in CIS (which primarily invest in stocks admitted to an official stock exchange) and debt securities. If the market value were to change by 10%, the value of the Fund would change by 9.49% (2019: 9.60%).

### 17 Counterparty exposure

#### Financial derivative exposure

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

	Forward currency contracts £000	Futures contracts £000	Total £000
<b>29.02.20</b>			
Barclays	(179)	67	(112)
Goldman Sachs	(26)	–	(26)
Merrill Lynch	(22)	–	(22)
Morgan Stanley	(16)	–	(16)
Royal Bank of Scotland	19	–	19
Standard Chartered	12	–	12
UBS	(18)	–	(18)
<b>Total</b>	<b>(230)</b>	<b>67</b>	<b>(163)</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**17 Counterparty exposure (continued)****Financial derivative exposure (continued)**

	Forward currency contracts £000	Futures contracts £000	Total £000
28.02.19			
Barclays	43	–	43
Goldman Sachs	(36)	–	(36)
J.P. Morgan	43	–	43
Nomura	44	–	44
Royal Bank of Scotland	126	–	126
Société Générale	42	–	42
UBS	–	1,167	1,167
<b>Total</b>	<b>262</b>	<b>1,167</b>	<b>1,429</b>

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

**Collateral**

At the year end date no collateral was held or pledged by the company or on behalf of the counterparties in respect of the above (2019 : £nil).

**18 Direct transaction costs**

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

	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
29.02.20						
<b>Purchases</b>						
Funds	(143,657)	(4)	–	(143,661)	0.00%	0.00%
	(143,657)	(4)	–	(143,661)		
<b>Sales</b>						
Funds	130,447	–	–	130,447	0.00%	0.00%
	130,447	–	–	130,447		
<b>Total</b>		(4)	–			
<b>Percentage of fund average net assets</b>		0.00%	0.00%			

	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
28.02.19						
<b>Purchases</b>						
Funds	(169,323)	(2)	–	(169,325)	0.00%	0.00%
	(169,323)	(2)	–	(169,325)		
<b>Sales</b>						
Funds	151,682	(1)	–	151,681	0.00%	0.00%
	151,682	(1)	–	151,681		
<b>Total</b>		(3)	–			
<b>Percentage of fund average net assets</b>		0.00%	0.00%			

**Dealing spread**

As at 29 February 2020, the average portfolio dealing spread was 0.01% (2019: nil%). This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**19 Post balance sheet events**

As a result of market movements and foreign exchange rates, since the balance sheet date on 29 February 2020, the price of each share class has changed as follows:

	Number of shares in issue at 29.02.20	Number of shares in issue at 24.06.20	% change	Price at 29.02.20 (p)	Price at 24.06.20 (p)	% change
Class 1 Accumulation	5,701,306	5,572,361	-2.26%	185.82	185.34	-0.26%
Class 2 Accumulation	33,725,028	34,498,680	2.29%	184.28	183.93	-0.19%
Class 3 Accumulation	34,897,285	34,800,495	-0.28%	198.42	198.03	-0.20%
Class 9 Accumulation	21,320,388	23,879,483	12.00%	143.76	143.60	-0.11%

A high level of uncertainty remains on the ultimate scenario for COVID-19, or the likelihood of any particular outcome, with a number of varying projections being publicised. During this period of uncertainty, the Funds are exposed to a higher liquidity risk resulting from the Funds liability to shareholders for any cancellation of shares. While the Fund may have experienced higher than average cancellation of shares the liquidity measures within the Fund remain within normal range and there is no immediate or material uncertainty about the viability of the Fund as a going concern.

## DISTRIBUTION TABLES

## Final distribution payable in pence per share for the six months ended 29 February 2020

Accumulation shares		Net revenue	Equalisation	Final distribution payable 30 April 2020	Final distribution paid 30 April 2019
Class 1	Group 1	2.6308	–	2.6308	0.6563
	Group 2	0.5990	2.0318	2.6308	0.6563
Class 2	Group 1	2.7942	–	2.7942	0.8865
	Group 2	0.9393	1.8549	2.7942	0.8865
Class 3	Group 1	2.9886	–	2.9886	0.9353
	Group 2	1.0764	1.9122	2.9886	0.9353
Class 9	Group 1	2.3438	–	2.3438	0.8798
	Group 2	0.6349	1.7089	2.3438	0.8798

**Final distribution**

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

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

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

Accumulation shares		Net revenue	Equalisation	Interim distribution paid 31 October 2019	Interim distribution paid 31 October 2018
Class 1	Group 1	0.1085	–	0.1085	1.9382
	Group 2	0.0100	0.0985	0.1085	1.9382
Class 2	Group 1	0.3058	–	0.3058	2.3147
	Group 2	0.1145	0.1913	0.3058	2.3147
Class 3	Group 1	0.3093	–	0.3093	2.4439
	Group 2	0.1099	0.1994	0.3093	2.4439
Class 9	Group 1	0.4134	–	0.4134	1.9125
	Group 2	0.1775	0.2359	0.4134	1.9125

**Interim distribution**

Group 1 shares are those shares purchased at or before 2pm on 28 February 2019.

Group 2 shares are those shares purchased after 2pm on 28 February 2019.

**Equalisation**

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

## STATEMENT OF THE AUTHORISED CORPORATE DIRECTOR'S RESPONSIBILITIES

The Collective Investment Schemes Sourcebook of the Financial Conduct Authority requires the Authorised Corporate Director (ACD) to prepare financial statements for each accounting period which give a true and fair view of the financial position of the Company at the period end and of the net 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 of the Company and the Statement of Recommended Practice for Authorised Funds.

The ACD is required to keep proper accounting records and to manage the Company in accordance with the Regulations and the Instrument of Incorporation.

The ACD is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## AUTHORISED CORPORATE DIRECTOR'S STATEMENT

We hereby approve the Report and Financial Statements of Aviva Investors Portfolio Funds ICVC for the year ended 29 February 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 K Buckle  
Director

S Ebenston  
Director  
30 June 2020

## STATEMENT OF THE DEPOSITARY'S RESPONSIBILITIES

The Depositary is responsible for the safe keeping of all the property of the company (other than tangible moveable property) which is entrusted to it and for the collection of revenue that arises from that property.

It is the duty of the Depositary to take reasonable care to ensure that the Company is managed by the Authorised Corporate Director in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook ("the COLL Sourcebook"), the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) ("the OEIC Regulations") and the Company's Instrument of Incorporation and Prospectus, as appropriate, in relation to the pricing of, and dealings in, shares in the Company; the application of revenue of the Company; and the investment and borrowing powers of the Company.

## DEPOSITARY'S REPORT TO THE SHAREHOLDERS

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

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the COLL Sourcebook, as appropriate, and, where applicable, the OEIC Regulations and the Company's Instrument of Incorporation and Prospectus; and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

J.P. Morgan Europe Limited  
London  
30 June 2020

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AVIVA INVESTORS PORTFOLIO FUNDS ICVC

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### OPINION

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

- give a true and fair view of the financial position of the Company and each of the sub-funds as at 29 February 2020 and of the net revenue and the net capital gains/losses on the scheme property of the Company and each of the sub-funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Instrument of Incorporation.

Aviva Investors Portfolio Funds ICVC is an Open Ended Investment Company ('OEIC') with 8 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 29 February 2020; the statements of total return and the statements of change in net assets attributable to shareholders for the year then ended; the distribution tables; the accounting policies (within Policies and Risks); 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.

#### CONCLUSIONS RELATING TO GOING CONCERN

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' 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.

#### Report of the Authorised Corporate Director

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

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AVIVA INVESTORS PORTFOLIO FUNDS ICVC (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 145, 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](http://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 June 2020

## SECURITIES FINANCING TRANSACTIONS REGULATION DISCLOSURE (UNAUDITED)

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 Portfolio Funds ICVC are intended to be medium to long term investments and should not be considered as a short term investment.

Past performance is not a guide to the future.

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

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

Please refer to the Prospectus (which is available on the internet at [www.avivainvestors.com](http://www.avivainvestors.com) or from the ACD on request) for a full description of the risks involved when investing in the Funds.

Performance figures detailed in each Fund's review have been sourced from Lipper. All other performance figures have been sourced from the Investment Manager.

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

The information contained within this document should not be construed as a recommendation to purchase or sell stocks.

### **Publication of Prices**

Information on the prices of Shares will be available by calling 0800 051 2003 or on the internet at [www.avivainvestors.com](http://www.avivainvestors.com). Calls to this number may be recorded for training and monitoring purposes. Calls are free from 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. AFM Costs & 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 MULTI-ASSET FUND I (THE "FUND")

In line with the requirement to conduct an assessment of value, the following summarises the conclusions reached by the Company's board of directors ('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 Fund Management Fee (FMF) is the single charge paid to the Authorised Fund Manager 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 MULTI-ASSET FUND II (THE "FUND")

In line with the requirement to conduct an assessment of value, the following summarises the conclusions reached by the Company's board of directors ('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 Fund Management Fee (FMF) is the single charge paid to the Authorised Fund Manager 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.

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## VALUE ASSESSMENT REPORT (CONTINUED)

### AVIVA INVESTORS MULTI-ASSET FUND III (THE "FUND")

In line with the requirement to conduct an assessment of value, the following summarises the conclusions reached by the Company's board of directors ('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 Fund Management Fee (FMF) is the single charge paid to the Authorised Fund Manager 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.

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## VALUE ASSESSMENT REPORT (CONTINUED)

### AVIVA INVESTORS MULTI-ASSET FUND IV (THE "FUND")

In line with the requirement to conduct an assessment of value, the following summarises the conclusions reached by the Company's board of directors ('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 Fund Management Fee (FMF) is the single charge paid to the Authorised Fund Manager 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.

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## VALUE ASSESSMENT REPORT (CONTINUED)

### AVIVA INVESTORS MULTI-ASSET FUND V (THE "FUND")

In line with the requirement to conduct an assessment of value, the following summarises the conclusions reached by the Company's board of directors ('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 Fund Management Fee (FMF) is the single charge paid to the Authorised Fund Manager 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.

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## VALUE ASSESSMENT REPORT (CONTINUED)

### AVIVA INVESTORS MULTI-MANAGER 20-60% SHARES FUND (THE "FUND")

In line with the requirement to conduct an assessment of value, the following summarises the conclusions reached by the Company's board of directors ('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 Fund Management Fee (FMF) is the single charge paid to the Authorised Fund Manager 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 Fund uses a style of active investment management often called Fund of Funds. This involves several types of investment management activity, such as strategic asset allocation and investment manager selection being combined to deliver the investment return. This, along with the cost of the underlying funds, can result in higher costs and charges compared with other investment methods but can also result in better outcomes. Given the consistently strong performance of the Fund, the Board believes that the overall level of charges is offering value and reflects the quality of our fund manager research team and the premium that must sometimes be paid to access our choice of actively-managed underlying funds.

#### 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.

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## VALUE ASSESSMENT REPORT (CONTINUED)

### AVIVA INVESTORS MULTI-MANAGER 40-85% SHARES FUND (THE "FUND")

In line with the requirement to conduct an assessment of value, the following summarises the conclusions reached by the Company's board of directors ('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 Fund Management Fee (FMF) is the single charge paid to the Authorised Fund Manager 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 Fund uses a style of active investment management often called Fund of Funds. This involves several types of investment management activity, such as strategic asset allocation and investment manager selection being combined to deliver the investment return. This, along with the cost of the underlying funds, can result in higher costs and charges compared with other investment methods but can also result in better outcomes. Given the consistently strong performance of the Fund, the Board believes that the overall level of charges is offering value and reflects the quality of our fund manager research team and the premium that must sometimes be paid to access our choice of actively-managed underlying funds.

#### 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.

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## VALUE ASSESSMENT REPORT (CONTINUED)

### AVIVA INVESTORS MULTI-MANAGER FLEXIBLE FUND (THE "FUND")

In line with the requirement to conduct an assessment of value, the following summarises the conclusions reached by the Company's board of directors ('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 Fund Management Fee (FMF) is the single charge paid to the Authorised Fund Manager 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 Fund uses a style of active investment management often called Fund of Funds. This involves several types of investment management activity, such as strategic asset allocation and investment manager selection being combined to deliver the investment return. This, along with the cost of the underlying funds, can result in higher costs and charges compared with other investment methods but can also result in better outcomes. Given the consistently strong performance of the Fund, the Board believes that the overall level of charges is offering value and reflects the quality of our fund manager research team and the premium that must sometimes be paid to access our choice of actively-managed underlying funds.

#### 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.

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