

AVIVA INVESTORS SELECT FUNDS ICVC

Annual Report and Financial Statements

For the year ended 28 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
S Ebenston
D Skinner (resigned 16 July 2019)
J Leadsom (resigned 27 September 2019)
D Clayton
M Craston
G Miller (resigned 31 December 2019)
M White (appointed 10 October 2019)
A Coates (appointed 7 November 2019)
K McClellan (appointed 23 April 2020)

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

River Road Asset Management LLC
462 South Fourth Street
Louisville KY 40202 USA

The ultimate parent company of River Road Asset Management LLC is Affiliated Managers Group.

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

PricewaterhouseCoopers LLP have been reappointed as auditors of the Company.

REPORT OF THE AUTHORISED CORPORATE DIRECTOR

THE COMPANY

Aviva Investors Select Funds ICVC ("the Company") is an Open-Ended Investment Company (OEIC) with variable capital incorporated in England and Wales since 18 August 2004. The property of the Company is entrusted to J.P. Morgan Europe Limited ("the Depository"). 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, deposits, units in collective investment schemes, derivative instruments and forward transactions, in accordance with the FCA Rules applicable to the Company and each Fund according to the type of authorisation of the Company as stated in the Instrument of Incorporation with the aim of spreading investment risk and giving its shareholders the benefit of the results of the management of the property.

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

REMUNERATION POLICY

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

Aviva Investors' remuneration framework is based on a total reward approach and is designed to reflect the success or failure against a range of personal and company performance objectives. There are four components of pay: base salary; annual bonus (including deferred bonus); long term incentive 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 includes the following comparisons:-
 - Actual results vs. prior period results
 - Actual results vs. agreed plans
 - Actual results relative to competitors
 - Actual results vs., and progress towards, our long-term target ambition.
- The non-financial considerations include risk, conduct, culture, customer and employee engagement metrics, with Aviva values clearly underpinning all our decisions. In certain roles, adherence to Responsible Investment and ESG principles will also be a consideration.
- The Performance assessment does not encourage risk taking outside the Aviva Investors stated risk appetite, and includes mechanisms by which performance against risk and conduct related measures has a significant impact on the availability and size of business and individual variable awards.

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

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

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

REPORT OF THE AUTHORISED CORPORATE DIRECTOR (CONTINUED)

AUTHORISED STATUS

From 18 August 2004 the Company was authorised as an Open-Ended Investment Company under Regulation 9 of the Open-Ended Investment Companies Regulations 1996 (superseded by Regulation 12 of the Open-Ended Investment Companies Regulations 2001) ("Regulations").

The Company is authorised to operate as a "UCITS Scheme" for the purposes of the COLL sourcebook and as an "umbrella" company for the purposes of the OEIC Regulations.

THE FINANCIAL STATEMENTS

We are pleased to present the annual financial statements of the Company for the year ended 28 February 2020. As required by the Regulations, information for each of the Funds has been included in these financial statements. On the following pages we review the performance of each of those Funds during the year. We hope that you find our review useful and informative.

ANNUAL GENERAL MEETINGS

The Company will not be holding 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'). The following funds are out of scope of the policy and may continue to invest in and hold Aviva Securities:

- Aviva Investors US Equity Income Fund and Aviva Investors US Equity Income Fund II, where the investment manager is River Road Asset Management LLC.

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)

SIGNIFICANT INFORMATION (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 US Equity Income Fund
- Aviva Investors US Equity Income Fund II

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.

STATEMENT OF CROSS HOLDINGS

There are no cross holdings as at 28 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 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.

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

b Share classes

The Funds have four types of share classes; Retail shares (class 1), Institutional shares (class 2 and class 5) and shares held by Associated undertakings of Aviva Plc (class 3). 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. Some shares classes are priced in currencies other than Sterling.

c Recognition of revenue

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

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 midday on the last working day of the accounting period.

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.

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.

g Exchange rates

Assets and liabilities held in foreign currencies are translated at the rate ruling at midday on the last working day of the accounting period. 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 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.

POLICIES AND RISKS (CONTINUED)

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 stock dividends

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

c Treatment of management expenses

All expenses, except ACD's periodic charge/Fund Management Fee and 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.

For the purposes of the distribution, the ACD's periodic charge of the Aviva Investors US Equity Income Fund and the Aviva Investors US Equity Income Fund II is deducted from capital.

To take account of the relief obtained in respect of charging the ACD periodic charge to capital, a notional tax charge is deducted from the revenue account, and a corresponding notional tax credit is added to the capital account.

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.

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. Open-Ended Investment Companies are not permitted by the Regulations to enter into a transaction in derivatives if its purpose could reasonably be regarded as speculative. The Company's use of financial instruments satisfies these requirements and no trading in financial instruments is undertaken.

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

a Foreign Currency Risk

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

b Interest Rate Risk

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

c Market Risk

The Funds' investment portfolios are exposed to market price fluctuations which are monitored by the Manager in pursuance of the investment objectives and policies of the Funds. Adherence to investment and borrowing powers set out in the Instrument of Incorporation and in COLL, 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.

f Counterparty Risk

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

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

AVIVA INVESTORS US EQUITY INCOME FUND

INVESTMENT OBJECTIVE

The Fund aims to grow your investment by providing combined income and capital growth greater than that of the Russell® 3000 Value Index over any given 5 year period, by investing in shares of companies listed on North American stock exchanges.

Within this combined aim, the Fund seeks to deliver an income of at least 125% of the income of the Russell® 3000 Value Index over any given 12-month period.

Both the income and combined return aims are measured before the deduction of Fund charges and tax.

INVESTMENT POLICY

Core investment

Typically, at least 80% of the Fund will be invested in shares of companies listed on North American stock exchanges.

Other investments

The Fund may also invest in other shares, other funds, cash and deposits.

Strategy

The Fund is actively managed, and the Investment Manager will look to identify quality companies, which engage strongly with their shareholders, and which the Investment Manager believes will pay a high and growing dividend.

The process for making these decisions will entail careful analysis of each company's business model, balance sheet, dividend prospects and valuation, with a view to discovering undervalued companies that demonstrate characteristics which would allow them to generate sustainable future growth. The investment philosophy, known as "Absolute Value[®]", supports high conviction investment, typically in companies with a minimum market capitalisation (total market value of a company's outstanding shares) of \$300m at the time of investment.

Performance & Risk Measurement

The Fund's combined growth and income targets are measured against the Russell® 3000 Value Index (the "Index").

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

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

The Index is a subset of the Russell® 3000 Index, which contains a range of U.S. companies with an average market capitalisation value of around \$1.5 billion. The companies included in the "value" index are selected based on a "probability" of each company's value increasing in the future.

The Index has been selected as a benchmark for the performance targets and risk measurement as the Fund's portfolio will be constructed by investing in companies which demonstrate similar value characteristics, and it is therefore an appropriate basis for the Fund's income and capital performance aims.

* The following mark is owned, and federally registered in the United States, by River Road Asset Management, LLC: ABSOLUTE VALUER (U.S. Registration No. 4,753,652).

FUND MANAGER'S REPORT

Performance

Over the twelve months ended 28 February 2020 the Fund (share class 1, net of fees) delivered a return of +1.82% compared with an average return of +3.97% for the Russell® 3000 Value benchmark.

Review

The market melt up capped a strong quarter, year, and decade for U.S. equity markets. While 2018 ended with a resounding 'thud' for U.S. equity markets, the tone of 2019 was the exact opposite, as markets moved steadily higher in Q4. The heightened risk awareness that characterized Q3 seemed to evaporate even as elections delivered a pro-Brexit majority to the U.K. Parliament and the House of Representatives voted to impeach the President of the United States. Investors appeared to surmount the proverbial wall of worry by focusing on the reported progress in U.S. China trade talks, further support from the Federal Reserve, the strong holiday season for the U.S. consumer, and steady improvements in various economic indicators including the Atlanta Fed's GDPNow estimate which increased to +2.3% for Q4. In the end, the S&P 500's strong quarter (+9.07%) capped an excellent year (+31.49%) and a stellar decade (+13.56% annualised).

Growth stocks capped off a decade of dominance with yet another strong quarter and a great year. In Q4, the Russell 3000 Growth advanced +10.67%, +319 bps ahead of the Russell 3000 Value. This late surge pushed the Russell 3000 Growth return to +35.85% for the year, making it the best year of the decade for growth investors. In the end, the Russell 3000 Value trailed its growth counterpart by -959 bps in 2019 and by an annualised -335 bps for the decade. From a market cap perspective, small caps lagged large caps for the third consecutive year, with the Russell 1000 returning +31.43% versus +25.52% for the Russell 2000. It was a challenging year for value managers, as Bank of America Merrill Lynch reported 41% of large cap value mutual funds outperformed the Russell 1000 Value in 2019 and only 33% of small cap value funds outperformed.

While equity markets in the U.S. ended the decade on a high note, an injection of uncertainty has come in 2020 from a largely unexpected source, the coronavirus (COVID-19), and the markets reversed in February. The Russell 3000 Growth and Russell 3000 Value declined -6.84% and -9.69%, respectively, in the month. The coronavirus outbreak in China adds an additional source of uncertainty, especially if containment efforts fail and significant outbreaks occur in developed markets. As we have long noted, we believe companies with secure, growing dividends are inherently attractive, but never more so than when investors fear that the tide is receding.

Seven of 11 sectors in the Russell 3000 Value posted positive returns in the period, with Information Technology (+13.3%), Utilities (+10.5%), and Communication Services (+5.5%) providing the highest returns. The worst performing sectors were Energy (-28.0%), Materials (-8.3%), and Consumer Discretionary (-3.0%).

Looking at what worked during the period, the most significant positive impacts on relative performance were from stock selection in the Industrials and Energy sectors. Three of the top five contributors during the period, Aircastle Ltd. (AYR, +65.9%), IAA Inc. (IAA, +63.6%), and Thomson Reuters Corp. (TRI, +47.9%), were held in Industrials. Five of the seven Energy holdings outperformed the broader sector return.

AVIVA INVESTORS US EQUITY INCOME FUND (CONTINUED)

FUND MANAGER'S REPORT (CONTINUED)

Review (continued)

The five holdings with the highest contribution to Portfolio return during the period were Target Corp. (TGT, +46.0%), Aircastle Ltd., QUALCOMM Inc. (QCOM, +52.0%), IAA Inc., and Thomson Reuters Corp.

Speaking to what did not work, overall stock selection and sector allocation were negative, driven by negative stock selection in the Information Technology and Communication Services sectors. Two of the five bottom contributors during the period, Cisco Systems Inc. (CSCO, -20.8%) and Corning Inc. (GLW, -29.5%), were in the Information Technology sector. Of the six Communication Services holdings, five underperformed the broader sector return.

The five holdings with the lowest contribution to Portfolio return during the period were Corning Inc., Williams Companies Inc. (WMB, -31.5%), Extended Stay America Inc. (STAY, -36.3%), Marathon Petroleum Corp. (MPC, -20.6%), and Cisco Systems Inc.

As of February 28, the Portfolio held a total of 49 positions. During the period, we established 9 positions and eliminated 19. We also received shares of a new company, IAA Inc., in a spin-off from KAR Auction Services Inc. (KAR, -26.4%). The five largest positions established (based on average weight) were Fidelity National Financial Inc. – FNF Group (FNF, +3.9%), Williams Companies Inc., AES Corp. (AES, -1.3%), Six Flags Entertainment Corp. (SIX, -34.9%), and AbbVie Inc. (ABBV, +33.3%). The five largest positions eliminated (based on average weight) were Cinemark Holdings Inc. (CNK, -27.2%), Aircastle, Ltd., MSC Industrial Direct Co. Inc. (CI A) (MSM, -18.7%), Thomson Reuters Corp., and Six Flags Entertainment Corp. We eliminated the positions in CNK and MSM due to accumulated unrealised losses, the position in SIX due to accumulated unrealised losses and a dividend cut, the position in TRI as it was trading at a significant premium to its assessed valuation and the yield was below 2%, and the position in AYR following an acquisition announcement of the firm.

Outlook

In recent weeks, the confluence of COVID-19's arrival in Europe and the unexpected oil price war brought the bull market expansion to its knees and threatened to plunge the developed market into recession right in the middle of a presidential election season in the U.S. While we cannot forecast the short- or long-term impact of these events, our consensus opinion is the impact on global markets and economy will be significant, will last longer than many believe, and will push what was an otherwise healthy U.S. economy into recession, officially ending both the record expansion and bull market for stocks. We believe small caps are closer to a bottom than large caps and our team is focused on companies with solid balance sheets and strong business fundamentals.

March 2020

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As noted above, the performance figures in this commentary have been sourced from Lipper and are based on published prices. The performance figures quoted in the comparative tables on pages 12 to 14 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 to buy or sell stocks. Past performance is not a guide to future performance. The value of an investment in the Fund and any income from it may go down as well as up, and the investor may not get back the original amount invested.

Performance History – Income Shares

Calendar year	Share Class 1	Share Class 2	Share Class 2
	%	(GBP)	(USD)
31.12.13 to 31.12.14	16.88	17.76	11.23
31.12.14 to 31.12.15	0.06	0.82	-4.28
31.12.15 to 31.12.16	41.90	42.98	18.71
31.12.16 to 31.12.17	-0.97	-0.20	9.59
31.12.17 to 31.12.18	-2.50	-2.10	-7.40

Performance History – Income Shares

Calendar year	Share Class 5	Benchmark
	%	Performance*
31.12.13 to 31.12.14	N/A	19.70
31.12.14 to 31.12.15	N/A	1.40
31.12.15 to 31.12.16	N/A	41.20
31.12.16 to 31.12.17	N/A	3.40
31.12.17 to 31.12.18	-1.90	-2.90

* Benchmark – Russell® 3000 Value Index

Performance History – Accumulation Shares

Calendar year	Share Class 1	Share Class 2	Share Class 3
	%	(GBP)	%
31.12.13 to 31.12.14	16.88	17.76	18.15
31.12.14 to 31.12.15	0.06	0.82	1.17
31.12.15 to 31.12.16	41.94	43.00	43.50
31.12.16 to 31.12.17	-0.95	-0.20	0.14
31.12.17 to 31.12.18	-2.50	-2.10	-1.70

Performance History – Accumulation Shares

Calendar year	Share Class 5	Benchmark
	%	Performance*
31.12.13 to 31.12.14	N/A	19.70
31.12.14 to 31.12.15	N/A	1.40
31.12.15 to 31.12.16	N/A	41.20
31.12.16 to 31.12.17	N/A	3.40
31.12.17 to 31.12.18	-1.90	-2.90

* Benchmark – Russell® 3000 Value Index.

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.

AVIVA INVESTORS US EQUITY INCOME FUND (CONTINUED)

Yield History

Calendar year	Yield %	Benchmark Yield %*	Performance relative to target %
31.12.13 to 31.12.14	3.40	2.25	151
31.12.14 to 31.12.15	3.22	2.62	123
31.12.15 to 31.12.16	3.24	2.46	132
31.12.16 to 31.12.17	3.04	2.37	128
31.12.17 to 31.12.18	2.99	2.80	107

* Benchmark – Russell® 3000 Value Index.

Basis: Based on index provider data where applicable as at Close of Business (GMT). For all Funds' the data is calculated based on the gross income accrued by the by the Fund for the respective calendar year, dividend by the average NAV for the same period.

Material Portfolio Changes

Purchases	Sales
Williams	Aircastle
AES	Walmart
Fidelity National Financial	Starbucks
Pfizer	Linde
Dominion Energy	Fastenal
AbbVie	Target
Delta Air Lines	MSC Industrial Direct 'A'
Six Flags Entertainment	Thomson Reuters
Atlantica Yield	Cinemark Holdings
Bristol-Myers Squibb	IAA

Synthetic Risk and Reward Indicator



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

- This indicator is based on historical data, calculated using European Union rules, and may not be a reliable indication of the future risk profile of the Fund.
- Investment may be restricted to a limited number of holdings, industries, or Countries. The Fund share price may be more exposed to specific events and as a result may experience large daily price changes.
- The risk and reward category shown is not guaranteed to remain unchanged and may change over time. The lowest category does not mean 'risk free'.
- Further information on the risks applicable to the Fund is detailed in the Fund's Key Investor Information Document, and a full description is set out in the Prospectus, both of which are available on the internet at www.avivainvestors.com or from the ACD on request.

COMPARATIVE TABLES

	2020	2019	2018
Class 1 Income	p per share	p per share	p per share
Change in net assets per share			
Opening net asset value per share	185.46	176.40	194.80
Return before operating charges [†]	5.63	16.57	(10.92)
Operating charges	(2.26)	(2.33)	(3.06)
Return after operating charges [†]	3.37	14.24	(13.98)
Distributions	(6.08)	(5.18)	(4.42)
Closing net asset value per share	182.75	185.46	176.40
[†] after direct transaction costs of	(0.08)	(0.07)	(0.07)
Performance			
Return after operating charges	1.82%	8.07%	(7.18)%
Other information			
Closing net asset value (£000)	564	701	742
Closing number of shares	308,686	377,906	420,776
Operating charges (%) [†]	1.13%	1.27%	1.64%
Direct transaction costs (%) [#]	0.04%	0.04%	0.04%
Prices[≈]			
Highest share price	210.02	201.27	198.36
Lowest share price	184.31	163.66	171.23

	2020	2019	2018
Class 1 Accumulation	p per share	p per share	p per share
Change in net assets per share			
Opening net asset value per share	227.62	210.70	227.00
Return before operating charges [†]	6.56	19.77	(12.76)
Operating charges	(2.80)	(2.85)	(3.54)
Return after operating charges [†]	3.76	16.92	(16.30)
Distributions	(7.55)	(6.26)	(5.20)
Retained distributions on accumulation shares	7.55	6.26	5.20
Closing net asset value per share	231.38	227.62	210.70
[†] after direct transaction costs of	(0.10)	(0.09)	(0.09)
Performance			
Return after operating charges	1.65%	8.03%	(7.18)%
Other information			
Closing net asset value (£000)	660	820	797
Closing number of shares	284,974	360,198	378,106
Operating charges (%) [†]	1.13%	1.27%	1.64%
Direct transaction costs (%) [#]	0.04%	0.04%	0.04%
Prices[≈]			
Highest share price	260.37	242.59	231.14
Lowest share price	226.33	195.49	203.38

	2020	2019	2018
Class 2 Income	p per share	p per share	p per share
Change in net assets per share			
Opening net asset value per share	195.87	185.60	203.37
Return before operating charges [†]	5.91	17.46	(11.43)
Operating charges	(1.86)	(1.72)	(1.71)
Return after operating charges [†]	4.05	15.74	(13.14)
Distributions	(6.43)	(5.47)	(4.63)
Closing net asset value per share	193.49	195.87	185.60
[†] after direct transaction costs of	(0.08)	(0.08)	(0.08)
Performance			
Return after operating charges	2.07%	8.48%	(6.46)%
Other information			
Closing net asset value (£000)	98,744	146,031	185,074
Closing number of shares	51,034,074	74,555,952	99,717,514
Operating charges (%) [†]	0.88%	0.88%	0.89%
Direct transaction costs (%) [#]	0.04%	0.04%	0.04%
Prices[≈]			
Highest share price	222.04	212.28	207.09
Lowest share price	194.80	172.29	180.08

	2020	2019	2018
Class 2 Accumulation	p per share	p per share	p per share
Change in net assets per share			
Opening net asset value per share	240.06	221.40	236.73
Return before operating charges [†]	6.88	20.73	(13.32)
Operating charges	(2.30)	(2.07)	(2.01)
Return after operating charges [†]	4.58	18.66	(15.33)
Distributions	(7.97)	(6.59)	(5.44)
Retained distributions on accumulation shares	7.97	6.59	5.44
Closing net asset value per share	244.64	240.06	221.40
[†] after direct transaction costs of	(0.10)	(0.09)	(0.09)
Performance			
Return after operating charges	1.91%	8.43%	(6.48)%
Other information			
Closing net asset value (£000)	2,917	4,167	7,376
Closing number of shares	1,192,512	1,735,724	3,331,778
Operating charges (%) [†]	0.88%	0.88%	0.89%
Direct transaction costs (%) [#]	0.04%	0.04%	0.04%
Prices[≈]			
Highest share price	275.16	255.54	241.06
Lowest share price	238.74	205.52	213.62

COMPARATIVE TABLES (CONTINUED)

Class 2 Income (USD)	2020 c per share	2019 c per share	2018 c per share
Change in net assets per share			
Opening net asset value per share	162.69	160.42	157.98
Return before operating charges [†]	(0.49)	8.15	7.65
Operating charges	(1.48)	(1.42)	(1.40)
Return after operating charges [†]	(1.97)	6.73	6.25
Distributions	(5.09)	(4.46)	(3.81)
Closing net asset value per share	155.63	162.69	160.42
[†] after direct transaction costs of	(0.07)	(0.06)	(0.06)
Performance			
Return after operating charges	(1.21)%	4.20%	3.96%
Other information			
Closing net asset value (£000)	10,162	11,664	12,145
Closing number of shares	8,412,488	9,538,187	10,481,675
Operating charges (%) [†]	0.88%	0.88%	0.89%
Direct transaction costs (%) [#]	0.04%	0.04%	0.04%
Prices[®]			
Highest share price	178.03	171.00	172.61
Lowest share price	155.65	145.12	150.72

Class 3 Accumulation	2020 p per share	2019 p per share	2018 p per share
Change in net assets per share			
Opening net asset value per share	246.58	226.62	241.46
Return before operating charges [†]	7.01	21.25	(13.60)
Operating charges	(1.43)	(1.29)	(1.24)
Return after operating charges [†]	5.58	19.96	(14.84)
Distributions	(8.20)	(6.80)	(5.74)
Retained distributions on accumulation shares	8.20	6.80	5.74
Closing net asset value per share	252.16	246.58	226.62
[†] after direct transaction costs of	(0.11)	(0.10)	(0.09)
Performance			
Return after operating charges	2.26%	8.81%	(6.15)%
Other information			
Closing net asset value (£000)	97	95	88
Closing number of shares	38,583	38,583	38,583
Operating charges (%) [†]	0.53%	0.53%	0.54%
Direct transaction costs (%) [#]	0.04%	0.04%	0.04%
Prices[®]			
Highest share price	283.45	262.03	245.88
Lowest share price	245.29	210.42	218.61

Class 5 Income	2020 p per share	2019 p per share	2018 ^{**} p per share
Change in net assets per share			
Opening net asset value per share	196.79	186.22	193.14
Return before operating charges [†]	6.01	17.55	(2.92)
Operating charges	(1.72)	(1.45)	(0.93)
Return after operating charges [†]	4.29	16.10	(3.85)
Distributions	(6.47)	(5.53)	(3.07)
Closing net asset value per share	194.61	196.79	186.22
[†] after direct transaction costs of	(0.09)	(0.08)	(0.08)
Performance			
Return after operating charges	2.18%	8.65%	(1.99)%
Other information			
Closing net asset value (£000)	24,933	1	1
Closing number of shares	12,811,596	505	534
Operating charges (%) [†]	0.80%	0.74%	0.81%
Direct transaction costs (%) [#]	0.04%	0.04%	0.04%
Prices[®]			
Highest share price	223.21	213.11	198.54
Lowest share price	195.75	172.88	180.71

COMPARATIVE TABLES (CONTINUED)

	2020	2019	2018 ^{††}
Class 5 Accumulation	p per share	p per share	p per share
Change in net assets per share			
Opening net asset value per share	240.72	221.66	226.20
Return before operating charges [‡]	6.99	20.80	(3.47)
Operating charges	(2.13)	(1.74)	(1.07)
Return after operating charges [‡]	4.86	19.06	(4.54)
Distributions	(8.01)	(6.65)	(3.61)
Retained distributions on accumulation shares	8.01	6.65	3.61
Closing net asset value per share	245.58	240.72	221.66
[†] after direct transaction costs of	(0.11)	(0.09)	(0.09)
Performance			
Return after operating charges	2.02%	8.60%	(2.01)%
Other information			
Closing net asset value (£000)	693	1	1
Closing number of shares	282,125	415	451
Operating charges (%) [‡]	0.80%	0.74%	0.81%
Direct transaction costs (%) [#]	0.04%	0.04%	0.04%
Prices[≈]			
Highest share price	276.18	256.04	234.96
Lowest share price	239.43	205.79	213.86

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

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

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

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

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

^{††} Class 5 (GBP) and Class 5 (Acc) (GBP) were launched on 23 June 2017.

Ongoing Charges Figure*

Share class	28.02.20	28.02.19
Class 1	1.13%	1.13%
Class 2	0.88%	0.88%
Class 2 (USD)	0.88%	0.88%
Class 3	0.53%	0.53%
Class 5	0.80%	0.80%

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

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

PORTFOLIO STATEMENT

As at 28 February 2020

Investment	Currency	Holding	Market Value £000	% of Net Assets
Equities 97.17% (97.49%)				
Communication Services 10.28% (10.86%)				
Diversified Telecommunication Services 3.27% (2.09%)				
Verizon Communications	USD	106,387	4,544	3.27
			4,544	3.27
Entertainment 0.00% (1.95%)				
Media 7.01% (6.82%)				
Comcast 'A'	USD	145,199	4,620	3.33
Interpublic Group	USD	124,683	2,109	1.52
Omnicom Group	USD	55,572	2,998	2.16
			9,727	7.01
Communication Services total			14,271	10.28
Consumer Discretionary 4.26% (7.64%)				
Hotels, Restaurants & Leisure 1.25% (3.71%)				
Extended Stay America	USD	205,028	1,739	1.25
			1,739	1.25
Internet & Direct Marketing Retail 0.00% (0.75%)				
Leisure Products 0.00% (0.66%)				
Multiline Retail 3.01% (2.52%)				
Target	USD	50,875	4,169	3.01
			4,169	3.01
Consumer Discretionary total			5,908	4.26
Consumer Staples 8.85% (8.96%)				
Beverages 2.27% (1.80%)				
PepsiCo	USD	29,740	3,146	2.27
			3,146	2.27
Food & Staples Retailing 0.97% (3.25%)				
Walgreens Boots Alliance	USD	37,548	1,347	0.97
			1,347	0.97
Household Products 3.04% (2.27%)				
Kimberly-Clark	USD	40,640	4,227	3.04
			4,227	3.04
Personal Products 2.57% (1.64%)				
Unilever, ADR	USD	83,829	3,562	2.57
			3,562	2.57
Consumer Staples total			12,282	8.85
Energy 9.58% (10.54%)				
Oil, Gas & Consumable Fuels 9.58% (10.54%)				
Chevron	USD	20,436	1,492	1.08
Exxon Mobil	USD	24,957	965	0.70
Kinder Morgan	USD	329,065	4,983	3.59
Marathon Petroleum	USD	57,241	2,128	1.53
Valero Energy	USD	27,046	1,390	1.00
Williams	USD	158,890	2,331	1.68
			13,289	9.58
Energy total			13,289	9.58

PORTFOLIO STATEMENT (CONTINUED)

As at 28 February 2020

Investment	Currency	Holding	Market Value £000	% of Net Assets
Financials 19.43% (16.47%)				
Banks 12.19% (12.01%)				
PNC Financial Services Group	USD	30,398	3,080	2.22
Stock Yards Bancorp	USD	34,263	959	0.69
Truist Financial	USD	132,609	4,894	3.53
US Bancorp	USD	117,843	4,345	3.13
Wells Fargo	USD	54,077	1,782	1.28
WesBanco	USD	76,082	1,857	1.34
			16,917	12.19
Capital Markets 1.45% (1.39%)				
Lazard 'A'	USD	71,182	2,010	1.45
			2,010	1.45
Insurance 5.79% (3.07%)				
Axis Capital Holdings	USD	56,192	2,595	1.87
CNA Financial	USD	67,475	2,240	1.62
Fidelity National Financial	USD	103,087	3,196	2.30
			8,031	5.79
Financials total			26,958	19.43
Health Care 9.64% (3.57%)				
Biotechnology 4.16% (1.95%)				
AbbVie	USD	42,128	2,789	2.01
Amgen	USD	18,910	2,983	2.15
			5,772	4.16
Pharmaceuticals 5.48% (1.62%)				
Bristol-Myers Squibb	USD	102,020	4,717	3.40
Pfizer	USD	109,270	2,892	2.08
			7,609	5.48
Health Care total			13,381	9.64
Industrials 9.48% (15.71%)				
Air Freight & Logistics 2.21% (1.78%)				
United Parcel Service 'B'	USD	43,846	3,069	2.21
			3,069	2.21
Airlines 1.37% (0.00%)				
Delta Air Lines	USD	50,813	1,900	1.37
			1,900	1.37
Commercial Services & Supplies 0.70% (1.56%)				
KAR Auction Services	USD	64,236	972	0.70
			972	0.70
Electrical Equipment 0.00% (1.27%)				
Industrial Conglomerates 0.52% (0.00%)				
3M	USD	6,165	718	0.52
			718	0.52
Machinery 1.85% (1.70%)				
Illinois Tool Works	USD	19,397	2,561	1.85
			2,561	1.85
Professional Services 0.00% (2.02%)				
Trading Companies & Distributors 2.83% (7.38%)				
Fastenal	USD	144,556	3,930	2.83
			3,930	2.83
Industrials total			13,150	9.48

PORTFOLIO STATEMENT (CONTINUED)

As at 28 February 2020

Investment	Currency	Holding	Market Value £000	% of Net Assets
Information Technology 8.20% (8.12%)				
Communications Equipment 2.48% (2.39%)				
Cisco Systems	USD	111,055	3,449	2.48
			<u>3,449</u>	<u>2.48</u>
Electronic Equipment, Instruments & Components 2.90% (2.86%)				
Corning	USD	216,034	4,026	2.90
			<u>4,026</u>	<u>2.90</u>
IT Services 0.00% (0.74%)				
Semiconductors & Semiconductor Equipment 2.82% (2.13%)				
Intel	USD	37,980	1,645	1.19
QUALCOMM	USD	38,419	2,264	1.63
			<u>3,909</u>	<u>2.82</u>
Information Technology total			11,384	8.20
Materials 2.19% (4.85%)				
Chemicals 2.19% (4.85%)				
LyondellBasell Industries 'A'	USD	40,480	2,226	1.60
RPM International	USD	15,909	815	0.59
			<u>3,041</u>	<u>2.19</u>
Materials total			3,041	2.19
Real Estate 7.57% (8.64%)				
Equity Real Estate Investment Trusts (REITs) 7.57% (8.64%)				
Iron Mountain	USD	145,777	3,530	2.55
Ryman Hospitality Properties	USD	31,312	1,792	1.29
Sabra Health Care REIT	USD	101,431	1,587	1.14
Ventas	USD	84,239	3,598	2.59
			<u>10,507</u>	<u>7.57</u>
Real Estate total			10,507	7.57
Utilities 7.69% (2.13%)				
Gas Utilities 0.00% (1.07%)				
Independent Power and Renewable Electricity Producers 4.46% (0.00%)				
AES	USD	262,023	3,722	2.68
Atlantica Yield	USD	106,404	2,476	1.78
			<u>6,198</u>	<u>4.46</u>
Multi-Utilities 3.23% (1.06%)				
Dominion Energy	USD	71,025	4,479	3.23
			<u>4,479</u>	<u>3.23</u>
Utilities total			10,677	7.69
Equities total			134,848	97.17
Forward Currency Contract 0.00% (0.00%)				
Investment assets			134,848	97.17
Net other assets			3,922	2.83
Net assets			138,770	100.00

All holdings are ordinary shares or stock units and admitted to an official stock exchange unless otherwise stated.
The comparative percentage figures in brackets are as at 28 February 2019.

STATEMENT OF TOTAL RETURN

For the year ended 28 February 2020

	Notes	£000	Year ended 28.02.20 £000	£000	Year ended 28.02.19 £000
Income					
Net capital gains	2		1,264		11,490
Revenue	3	5,815		6,010	
Expenses	4	(1,426)		(1,589)	
Net revenue before taxation		4,389		4,421	
Taxation	5	(771)		(729)	
Net revenue after taxation			3,618		3,692
Total return before distributions			4,882		15,182
Distributions	6		(4,957)		(5,090)
Change in net assets attributable to shareholders from investment activities			(75)		10,092

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 28 February 2020

	£000	Year ended 28.02.20 £000	£000	Year ended 28.02.19 £000
Opening net assets attributable to shareholders		163,480		206,224
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	1,161		2,227	
Amounts payable on cancellation of shares	(25,949)		(55,266)	
		(24,788)		(53,039)
Dilution adjustment		–		5
Change in net assets attributable to shareholders from investment activities (see above)		(75)		10,092
Retained distribution on accumulation shares		153		198
Closing net assets attributable to shareholders		138,770		163,480

BALANCE SHEET

As at 28 February 2020

	Notes	As at 28.02.20 £000	As at 28.02.19 £000
Assets:			
Investments	7	134,848	159,384
Current assets:			
Debtors	8	3,238	557
Cash and bank balances	9	4,866	5,213
Total assets		142,952	165,154
Liabilities:			
Creditors:			
Distribution payable		(1,173)	(1,045)
Other creditors	10	(3,009)	(629)
Total liabilities		(4,182)	(1,674)
Net assets attributable to shareholders		138,770	163,480

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting basis and policies

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

2 Net capital gains

	Year ended 28.02.20 £000	Year ended 28.02.19 £000
Net capital gains on investment during the year comprise:		
Compensation items	3	–
Currency (losses)/gains	(98)	278
Expenses relating to the purchase and sale of investments	–	(4)
Forward currency contracts gains	1	–
Non-derivative securities gains	1,358	11,216
Net capital gains	1,264	11,490

3 Revenue

	Year ended 28.02.20 £000	Year ended 28.02.19 £000
Bank and deposit interest	34	31
Overseas dividends	5,622	5,766
UK dividends	159	213
Total revenue	5,815	6,010

4 Expenses

	Year ended 28.02.20 £000	Year ended 28.02.19 £000
Payable to the Authorised Corporate Director ("ACD"), associates of the ACD or agents of either of them:		
Fund Management Fee/ACD's periodic charge*	1,422	1,543
Registration fees	–	48
	1,422	1,591
Payable to the Depositary, associates of the Depositary or agents of either of them:		
Depositary's fee	–	5
Interest payable	3	1
Safe custody fee	–	(2)
	3	4
Other expenses:		
Audit fee**	–	3
Dividend collection charges	1	2
Printing & postage expenses	–	(13)
Statement fees	–	2
	1	(6)
Total expenses	1,426	1,589

* 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 £10,019 (2019: £9,827) 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 28.02.20 £000	Year ended 28.02.19 £000
Overseas tax suffered	771	729
Total current tax (see note 5b)	771	729

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 28.02.20 £000	Year ended 28.02.19 £000
Net revenue before taxation	4,389	4,421
Corporation tax at 20%	878	884
Effects of:		
Movement in excess management expenses	202	185
Overseas dividends not subject to corporation tax	(1,034)	(1,004)
Overseas tax suffered	771	729
Tax relief for overseas tax suffered	(14)	(22)
UK dividends not subject to corporation tax	(32)	(43)
Current tax charge (see note 5a)	771	729

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

c Deferred tax

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

After claiming relief against accrued income taxable on receipt, the Fund has unrelieved excess expenses of £10,816,029 (2019: £9,808,525) creating a potential deferred tax asset of £2,163,206 (2019: £1,961,705). 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 28.02.20 £000	Year ended 28.02.19 £000
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:		
Net dividend distribution for the three months ended 28 May	1,143	1,207
Net dividend distribution for the three months ended 28 August	1,238	1,389
Net dividend distribution for the three months ended 28 November	1,271	1,241
Net dividend distribution for the three months ended 28 February	1,211	1,078
	4,863	4,915
Add: Revenue deducted on cancellation of shares	101	184
Deduct: Revenue received on issue of shares	(7)	(9)
Total distributions	4,957	5,090

Reconciliations of distributions for the year to net revenue after taxation

Distributions for the year	4,957	5,090
ACD's periodic charge borne by the capital account	(1,422)	(1,543)
Tax relief on capitalised ACD's periodic charge	83	145
Net revenue after taxation	3,618	3,692

Details of the distributions per share are set out in the distribution tables on pages 26 to 29.

7 Fair value hierarchy

Valuation technique	Assets at 28.02.20 £000	Assets at 28.02.19 £000
Level 1: Quoted prices	134,848	159,384
Total value	134,848	159,384

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 28.02.20 £000	As at 28.02.19 £000
Accrued revenue	470	539
Amounts receivable on issue of shares	41	–
Overseas tax recoverable	5	18
Sales awaiting settlement	2,722	–
Total debtors	3,238	557

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 Cash and bank balances

	As at 28.02.20 £000	As at 28.02.19 £000
Cash and bank balances	4,866	5,213
Total cash and bank balances	4,866	5,213

10 Other creditors

	As at 28.02.20 £000	As at 28.02.19 £000
Accrued expenses	215	112
Amounts payable for cancellation of shares	302	517
Purchases awaiting settlement	2,492	–
Total creditors	3,009	629

11 Contingent liabilities and commitments

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

12 Related party transactions

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

Fund Management Fee/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 £215,484 (2019: £112,232). 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 £7,569 (2019: £6,034). The amount outstanding at the year end was £1,913 (2019: £1,465). Related parties of the ACD are deemed to be all companies under the control of Aviva Plc. This will include companies which hold shares in the Fund on behalf of other external investors.

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

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

	Holdings at 28.02.20 (shares)	Movement (shares)	Holdings at 28.02.19 (shares)
ACD and related parties (Class 2 Income shares)	37,866	8,540	29,326
ACD and related parties (Class 2 Accumulation shares)	20,393	(9,013)	29,406
ACD and related parties (Class 3 Accumulation shares)	38,583	–	38,583

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

13 Shareholder funds

The Fund currently has four share classes: Class 1 (Retail), Class 2 and Class 5 (Institutional) and Class 3 (Associated undertakings of Aviva Plc). The Fund Management Fees are as follows:

Class 1:	1.13%
Class 2:	0.88%
Class 3:	0.53%
Class 5:	0.80%

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 12 to 14. The distributions per share class are given in the distribution tables on pages 26 to 29. All the share classes have the same rights on winding up.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14 Shares in issue reconciliation

	Number of shares in issue at 28.02.19	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 28.02.20
Class 1 Income shares	377,906	–	(59,973)	(9,247)	308,686
Class 2 Income shares	74,555,952	326,769	(10,682,440)	(13,166,207)	51,034,074
Class 2 Income (USD) shares	9,538,187	127	(1,125,826)	–	8,412,488
Class 5 Income shares	505	189,472	(483,525)	13,105,144	12,811,596
Class 1 Accumulation shares	360,198	–	(73,394)	(1,830)	284,974
Class 2 Accumulation shares	1,735,724	27,222	(283,417)	(287,017)	1,192,512
Class 3 Accumulation shares	38,583	–	–	–	38,583
Class 5 Accumulation shares	415	315	(6,384)	287,779	282,125

15 Derivatives and other financial instruments

The policies applied in the management of financial instruments are set out on page 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, 97.81% (2019: 99.10%) of the net assets of the Fund were denominated in currencies other than sterling with the effect that the balance sheet and total return can be significantly affected by currency movements. If currency rates were to change by 10.00%, the value of the Fund would change by 9.78% (2019: 9.91%).

Currency	Net foreign currency assets					
	Monetary exposure £000		Non monetary exposure £000		Total £000	
	28.02.20	28.02.19	28.02.20	28.02.19	28.02.20	28.02.19
US Dollar	885	2,627	134,848	159,377	135,733	162,004

Interest rate risk

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

At the year end date 3.51% (2019: 3.19%) 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.

Market price risk

At the year end date, 97.17% (2019: 97.49%) 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 9.72% (2019: 9.75%).

16 Stock lending

The Fund has not entered into stock lending arrangements in either the current or prior year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17 Direct transaction costs

In the case of shares, broker commissions, transfer taxes and 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. Dealing spreads vary considerably depending on the transaction value and market sentiment.

28.02.20	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
Purchases (excluding in-specie transfers and corporate actions)						
Equities	(45,456)	(27)	–	(45,483)	0.06%	0.00%
	(45,456)	(27)	–	(45,483)		
Sales (excluding in-specie transfers and corporate actions)						
Equities	71,405	(32)	(1)	71,372	0.04%	0.00%
	71,405	(32)	(1)	71,372		
Total		(59)	(1)			
Percentage of Fund average net assets		0.04%	0.00%			

28.02.19	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
Purchases (excluding in-specie transfers and corporate actions)						
Equities	(42,004)	(25)	–	(42,029)	0.06%	0.00%
	(42,004)	(25)	–	(42,029)		
Sales (excluding in-specie transfers and corporate actions)						
Equities	97,727	(41)	(2)	97,684	0.04%	0.00%
	97,727	(41)	(2)	97,684		
Total		(66)	(2)			
Percentage of Fund average net assets		0.04%	0.00%			

Dealing spread

As at 28 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.

18 Post balance sheet events

As a result of market movements and foreign exchange rates, since the balance sheet date on 28 February 2020, the price of each share class has changed as follows:

	Number of shares in issue at 28.02.20	Number of shares in issue at 22.06.20	% change	Price at 28.02.20 (p)	Price at 22.06.20 (p)	% change
Class 1 Income	308,686	308,686	0.00%	182.75	179.37	-1.85%
Class 1 Accumulation	284,974	258,687	-9.22%	231.38	229.11	-0.98%
Class 2 Income	51,034,074	34,703,928	-32.00%	193.49	190.05	-1.78%
Class 2 Accumulation	1,192,512	833,317	-30.12%	244.64	242.43	-0.90%
Class 3 Accumulation	38,583	38,583	0.00%	252.16	250.16	-0.79%
Class 5 Income	12,811,596	10,845,058	-15.35%	194.61	191.20	-1.75%
Class 5 Accumulation	282,125	282,127	0.00%	245.58	243.42	-0.88%
Class 2 Income (USD)	8,412,488	8,089,363	-3.84%	155.63	147.69	-5.10%

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 three months ended 28 February 2020

Income shares		Net revenue	Equalisation	Final distribution payable 28 April 2020	Final distribution paid 28 April 2019
Class 1	Group 1	1.5956	–	1.5956	1.2242
	Group 2	0.8911	0.7045	1.5956	1.2242
Class 2	Group 1	1.6889	–	1.6889	1.2924
	Group 2	0.8386	0.8503	1.6889	1.2924
Class 5	Group 1	1.6986	–	1.6986	1.2896
	Group 2	0.7921	0.9065	1.6986	1.2896

Accumulation shares		Net revenue	Equalisation	Final distribution payable 28 April 2020	Final distribution paid 28 April 2019
Class 1	Group 1	2.0027	–	2.0027	1.4926
	Group 2	1.2555	0.7472	2.0027	1.4926
Class 2	Group 1	2.1170	–	2.1170	1.5739
	Group 2	1.1644	0.9526	2.1170	1.5739
Class 3	Group 1	2.1811	–	2.1811	1.6161
	Group 2	2.1811	0.0000	2.1811	1.6161
Class 5	Group 1	2.1248	–	2.1248	1.5672
	Group 2	2.1248	0.0000	2.1248	1.5672

Final distribution payable in cents per share for the three months ended 28 February 2020

Income shares		Net revenue	Equalisation	Final distribution payable 28 April 2020	Final distribution paid 28 April 2019
Class 2 (USD)	Group 1	1.3584	–	1.3584	1.0736
	Group 2	1.3584	0.0000	1.3584	1.0736

Final Distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 28 November 2019.

Group 2 shares are those shares purchased after 12:00 noon on 28 November 2019.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the three months ended 28 November 2019

Income shares		Net revenue	Equalisation	Interim distribution paid 28 January 2020	Interim distribution paid 28 January 2019
Class 1	Group 1	1.6147	–	1.6147	1.3612
	Group 2	0.7400	0.8747	1.6147	1.3612
Class 2	Group 1	1.7078	–	1.7078	1.4361
	Group 2	0.9905	0.7173	1.7078	1.4361
Class 5	Group 1	1.7171	–	1.7171	1.4475
	Group 2	0.8102	0.9069	1.7171	1.4475

Accumulation shares		Net revenue	Equalisation	Interim distribution paid 28 January 2020	Interim distribution paid 28 January 2019
Class 1	Group 1	2.0107	–	2.0107	1.6480
	Group 2	1.0929	0.9178	2.0107	1.6480
Class 2	Group 1	2.1238	–	2.1238	1.7364
	Group 2	1.0769	1.0469	2.1238	1.7364
Class 3	Group 1	2.1859	–	2.1859	1.7813
	Group 2	2.1859	0.0000	2.1859	1.7813
Class 5	Group 1	2.1313	–	2.1313	1.7443
	Group 2	2.1313	0.0000	2.1313	1.7443

Interim distribution paid in cents per share for the three months ended 28 November 2019

Income shares		Net revenue	Equalisation	Interim distribution paid 28 January 2020	Interim distribution paid 28 January 2019
Class 2 (USD)	Group 1	1.3771	–	1.3771	1.1476
	Group 2	1.3771	0.0000	1.3771	1.1476

Interim Distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 28 August 2019.

Group 2 shares are those shares purchased after 12:00 noon on 28 August 2019.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the three months ended 28 August 2019

Income shares		Net revenue	Equalisation	Interim distribution paid 28 October 2019	Interim distribution paid 28 October 2018
Class 1	Group 1	1.5181	–	1.5181	1.4404
	Group 2	0.6739	0.8442	1.5181	1.4404
Class 2	Group 1	1.6048	–	1.6048	1.5188
	Group 2	0.2957	1.3091	1.6048	1.5188
Class 5	Group 1	1.6106	–	1.6106	1.5264
	Group 2	0.0720	1.5386	1.6106	1.5264

Accumulation shares		Net revenue	Equalisation	Interim distribution paid 28 October 2019	Interim distribution paid 28 October 2018
Class 1	Group 1	1.8765	–	1.8765	1.7315
	Group 2	0.9357	0.9408	1.8765	1.7315
Class 2	Group 1	1.9808	–	1.9808	1.8232
	Group 2	0.4709	1.5099	1.9808	1.8232
Class 3	Group 1	2.0370	–	2.0370	1.8718
	Group 2	2.0370	0.0000	2.0370	1.8718
Class 5	Group 1	1.9842	–	1.9842	1.8289
	Group 2	1.9842	0.0000	1.9842	1.8289

Interim distribution paid in cents per share for the three months ended 28 August 2019

Income shares		Net revenue	Equalisation	Interim distribution paid 28 October 2019	Interim distribution paid 28 October 2018
Class 2 (USD)	Group 1	1.2233	–	1.2233	1.2228
	Group 2	1.2233	0.0000	1.2233	1.2228

Interim Distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 28 May 2019.

Group 2 shares are those shares purchased after 12:00 noon on 28 May 2019.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the three months ended 28 May 2019

Income shares		Net revenue	Equalisation	Interim distribution paid 28 July 2019	Interim distribution paid 28 July 2018
Class 1	Group 1	1.3538	–	1.3538	1.1591
	Group 2	0.6761	0.6777	1.3538	1.1591
Class 2	Group 1	1.4301	–	1.4301	1.2204
	Group 2	1.0076	0.4225	1.4301	1.2204
Class 5	Group 1	1.4464	–	1.4464	1.2673
	Group 2	1.4464	0.0000	1.4464	1.2673

Accumulation shares		Net revenue	Equalisation	Interim distribution paid 28 July 2019	Interim distribution paid 28 July 2018
Class 1	Group 1	1.6607	–	1.6607	1.3844
	Group 2	0.8982	0.7625	1.6607	1.3844
Class 2	Group 1	1.7520	–	1.7520	1.4555
	Group 2	0.5644	1.1876	1.7520	1.4555
Class 3	Group 1	1.8001	–	1.8001	1.5327
	Group 2	1.8001	0.0000	1.8001	1.5327
Class 5	Group 1	1.7691	–	1.7691	1.5085
	Group 2	1.7691	0.0000	1.7691	1.5085

Interim distribution paid in cents per share for the three months ended 28 May 2019

Income shares		Net revenue	Equalisation	Interim distribution paid 28 July 2019	Interim distribution paid 28 July 2018
Class 2 (USD)	Group 1	1.1318	–	1.1318	1.0164
	Group 2	0.4633	0.6685	1.1318	1.0164

Interim Distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 28 February 2019.

Group 2 shares are those shares purchased after 12:00 noon 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 US EQUITY INCOME FUND II

INVESTMENT OBJECTIVE

The Fund aims to grow your investment by providing combined income and capital growth greater than that of the Russell® 3000 Value Index over any given 5 year period, by investing in shares of companies listed on North American stock exchanges.

Within this combined aim, the Fund seeks to deliver an income of at least 125% of the income of the Russell® 3000 Value Index over any given 12-month period.

Both the income and combined return aims are measured before the deduction of Fund charges and tax.

INVESTMENT POLICY

Core investment

Typically, at least 80% of the Fund will be invested in shares of companies listed on North American stock exchanges.

Other investments

The Fund may also invest in other shares, other funds, cash and deposits.

Strategy

The Fund is actively managed, and the Investment Manager will look to identify quality companies, which engage strongly with their shareholders, and which the Investment Manager believes will pay a high and growing dividend.

The process for making these decisions will entail careful analysis of each company's business model, balance sheet, dividend prospects and valuation, with a view to discovering undervalued companies that demonstrate characteristics which would allow them to generate sustainable future growth. The investment philosophy, known as "Absolute Value[®]", supports high conviction investment, typically in companies with a minimum market capitalisation (total market value of a company's outstanding shares) of \$1 billion at the time of investment.

Performance & Risk Measurement

The Fund's combined growth and income targets are measured against the Russell® 3000 Value Index (the "Index").

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

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

The Index is a subset of the Russell® 3000 Index, which contains a range of U.S. companies with an average market capitalisation value of \$1.5 billion. The companies included in the "value" index are selected based on a "probability" of each company's value increasing in the future.

The Index has been selected as a benchmark for the performance targets and risk measurement as the Fund's portfolio will be constructed by investing in companies which demonstrate similar value characteristics, and it is therefore an appropriate basis for the Fund's income and capital performance aims.

* The following mark is owned, and federally registered in the United States, by River Road Asset Management, LLC: ABSOLUTE VALUE® (U.S. Registration No. 4,753,652).

FUND MANAGER'S REPORT

Performance

Over the twelve months ended 28 February 2019 the Fund (share class 1, net of fees) delivered a return of +0.89% compared with an average return of +3.97% for the Russell® 3000 Value benchmark.

Review

The market melt up capped a strong quarter, year, and decade for U.S. equity markets. While 2018 ended with a resounding 'thud' for U.S. equity markets, the tone of 2019 was the exact opposite, as markets moved steadily higher in Q4. The heightened risk awareness that characterized Q3 seemed to evaporate even as elections delivered a pro-Brexit majority to the U.K. Parliament and the House of Representatives voted to impeach the President of the United States. Investors appeared to surmount the proverbial wall of worry by focusing on the reported progress in U.S.China trade talks, further support from the Federal Reserve, the strong holiday season for the U.S. consumer, and steady improvements in various economic indicators including the Atlanta Fed's GDPNow estimate which increased to +2.3% for Q4. In the end, the S&P 500's strong quarter (+9.07%) capped an excellent year (+31.49%) and a stellar decade (+13.56% annualised).

Growth stocks capped off a decade of dominance with yet another strong quarter and a great year. In Q4, the Russell 3000 Growth advanced +10.67%, +319 bps ahead of the Russell 3000 Value. This late surge pushed the Russell 3000 Growth return to +35.85% for the year, making it the best year of the decade for growth investors. In the end, the Russell 3000 Value trailed its growth counterpart by -959 bps in 2019 and by an annualised -335 bps for the decade. From a market cap perspective, small caps lagged large caps for the third consecutive year, with the Russell 1000 returning +31.43% versus +25.52% for the Russell 2000. It was a challenging year for value managers, as Bank of America Merrill Lynch reported 41% of large cap value mutual funds outperformed the Russell 1000 Value in 2019 and only 33% of small cap value funds outperformed.

While equity markets in the U.S. ended the decade on a high note, an injection of uncertainty has come in 2020 from a largely unexpected source, the coronavirus (COVID-19), and the markets reversed in February. The Russell 3000 Growth and Russell 3000 Value declined -6.84% and -9.69%, respectively, in the month. The coronavirus outbreak in China adds an additional source of uncertainty, especially if containment efforts fail and significant outbreaks occur in developed markets. As we have long noted, we believe companies with secure, growing dividends are inherently attractive, but never more so than when investors fear that the tide is receding.

Seven of 11 sectors in the Russell 3000 Value posted positive returns in the period, with Information Technology (+13.3%), Utilities (+10.5%), and Communication Services (+5.5%) providing the highest returns. The worst performing sectors were Energy (-28.0%), Materials (-8.3%), and Consumer Discretionary (-3.0%).

Looking at what worked during the period, the most significant positive impacts on relative performance were from stock selection in the Energy and Health Care sectors. Five of the seven Energy holdings and three of the four Health Care holdings outperformed the broader sector return.

AVIVA INVESTORS US EQUITY INCOME FUND II (CONTINUED)

FUND MANAGER'S REPORT (CONTINUED)

Review (continued)

The five holdings with the highest contribution to Portfolio return during the period were Target Corp. (TGT, +46.0%), QUALCOMM Inc. (QCOM, +52.1%), IAA Inc. (IAA, +60.0%), Thomson Reuters Corp. (TRI, +47.9%), and Fastenal Co. (FAST, +11.3%).

Speaking to what did not work, overall stock selection and sector allocation were negative, driven by negative stock selection in the Information Technology and Communication Services sectors. Two of the five bottom contributors during the period, Cisco Systems Inc. (CSCO, -20.8%) and Corning Inc. (GLW, -29.5%), were in the Information Technology sector. Of the six Communication Services holdings, five underperformed the broader sector return.

The five holdings with the lowest contribution to Portfolio return during the period were Corning Inc., Williams Companies Inc. (WMB, -31.6%), Marathon Petroleum Corp. (MPC, -20.5%), Extended Stay America Inc. (STAY, -36.3%), and Cisco Systems Inc.

As of February 28, the Portfolio held a total of 47 positions. During the period, we established 9 positions and eliminated 18. We also received shares of a new company, IAA Inc., in a spin-off from KAR Auction Services Inc. (KAR, -25.1%). The five largest positions established (based on average weight) were Fidelity National Financial Inc. – FNF Group (FNF, +3.8%), Williams Companies Inc., AES Corp. (AES, -1.2%), Six Flags Entertainment Corp. (SIX, -34.9%), and AbbVie Inc. (ABBV, +33.2%). The five largest positions eliminated (based on average weight) were Cinemark Holdings Inc. (CNK, -27.2%), MSC Industrial Direct Co. Inc. (CIA) (MSM, -18.7%), Six Flags Entertainment Corp., Thomson Reuters Corp., and Walmart Inc. (WMT, +22.3%). We eliminated the positions in CNK and MSM due to accumulated unrealised losses, the position in SIX due to accumulated unrealised losses and a dividend cut, and the positions in TRI and WMT as they were trading at significant premiums to their assessed valuations and their yields were below 2%.

Outlook

In recent weeks, the confluence of COVID-19's arrival in Europe and the unexpected oil price war brought the bull market expansion to its knees and threatened to plunge the developed market into recession right in the middle of a presidential election season in the U.S. While we cannot forecast the short- or long-term impact of these events, our consensus opinion is the impact on global markets and economy will be significant, will last longer than many believe, and will push what was an otherwise healthy U.S. economy into recession, officially ending both the record expansion and bull market for stocks. We believe small caps are closer to a bottom than large caps, and our team is focused on companies with solid balance sheets and strong business fundamentals.

March 2020

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As noted above, the performance figures in this commentary have been sourced from Lipper and are based on published prices. The performance figures quoted in the comparative tables on pages 33 and 34 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 to buy or sell stocks. Past performance is not a guide to future performance. The value of an investment in the Fund and any income from it may go down as well as up, and the investor may not get back the original amount invested.

Performance History – Income Shares

Calendar year	Share Class 1	Share Class 2	Share Class 2
	%	(GBP)	(USD)
31.12.13 to 31.12.14	16.04	16.92	10.43
31.12.14 to 31.12.15	-0.23	0.51	-4.57
31.12.15 to 31.12.16	40.81	41.87	17.79
31.12.16 to 31.12.17	-0.72	0.02	9.83
31.12.17 to 31.12.18	-2.60	-2.20	-7.50

Performance History – Income Shares

Calendar year	Share Class 5	Benchmark
	%	Performance*
31.12.13 to 31.12.14	N/A	19.70
31.12.14 to 31.12.15	N/A	1.40
31.12.15 to 31.12.16	N/A	41.20
31.12.16 to 31.12.17	N/A	3.40
31.12.17 to 31.12.18	-2.10	-2.90

* Benchmark – Russell® 3000 Value Index.

Performance History – Accumulation Shares

Calendar year	Share Class 2	Share Class 3	Share Class 5	Benchmark
	(GBP)	%	%	Performance*
31.12.13 to 31.12.14	16.92	17.30	N/A	19.70
31.12.14 to 31.12.15	0.52	0.90	N/A	1.40
31.12.15 to 31.12.16	41.89	42.40	N/A	41.20
31.12.16 to 31.12.17	0.01	0.36	N/A	3.40
31.12.17 to 31.12.18	-2.20	-1.80	-2.10	-2.90

* Benchmark – Russell® 3000 Value Index.

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.

Yield History

Calendar year	Yield	Benchmark	Performance
	%	Yield	relative
31.12.13 to 31.12.14	3.35	2.25	151
31.12.14 to 31.12.15	3.08	2.62	123
31.12.15 to 31.12.16	3.18	2.46	132
31.12.16 to 31.12.17	3.03	2.37	128
31.12.17 to 31.12.18	3.05	2.80	107

* Benchmark – Russell® 3000 Value Index.

Basis: Based on index provider data where applicable as at Close of Business (GMT). For all Funds' the data is calculated based on the gross income accrued by the by the Fund for the respective calendar year, divided by the average NAV for the same period.

AVIVA INVESTORS US EQUITY INCOME FUND II (CONTINUED)

Material Portfolio Changes

Purchases	Sales
Williams	Walmart
AES	Starbucks
Fidelity National Financial	Fastenal
Pfizer	Linde
Dominion Energy	Target
Delta Air Lines	MSC Industrial Direct 'A'
AbbVie	Thomson Reuters
Atlantica Yield	IAA
Six Flags Entertainment	Cinemark Holdings
Kinder Morgan	Marathon Petroleum

Synthetic Risk and Reward Indicator

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

- This indicator is based on historical data, calculated using European Union rules, and may not be a reliable indication of the future risk profile of the Fund.
- The risk and reward category shown is not guaranteed to remain unchanged and may change over time. The lowest category does not mean 'risk free'.
- The value of investments 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 or from the ACD on request.

COMPARATIVE TABLES

	2020	2019	2018
Class 1 Income	p per share	p per share	p per share
Change in net assets per share			
Opening net asset value per share	153.98	146.77	162.00
Return before operating charges [†]	3.29	13.31	(9.12)
Operating charges	(1.92)	(1.85)	(2.49)
Return after operating charges [†]	1.37	11.46	(11.61)
Distributions	(4.72)	(4.25)	(3.62)
Closing net asset value per share	150.63	153.98	146.77
[†] after direct transaction costs of	(0.05)	(0.05)	(0.06)
Performance			
Return after operating charges	0.89%	7.81%	(7.17)%
Other information			
Closing net asset value (£000)	218	193	154
Closing number of shares	144,647	125,519	105,139
Operating charges (%) [†]	1.13%	1.18%	1.63%
Direct transaction costs (%) [#]	0.03%	0.03%	0.04%
Prices[°]			
Highest share price	175.13	167.04	164.82
Lowest share price	151.94	135.96	142.35

	2020	2019	2018
Class 2 Income	p per share	p per share	p per share
Change in net assets per share			
Opening net asset value per share	159.92	151.82	166.32
Return before operating charges [†]	3.53	13.92	(9.39)
Operating charges	(1.52)	(1.41)	(1.38)
Return after operating charges [†]	2.01	12.51	(10.77)
Distributions	(4.91)	(4.41)	(3.73)
Closing net asset value per share	157.02	159.92	151.82
[†] after direct transaction costs of	(0.05)	(0.05)	(0.06)
Performance			
Return after operating charges	1.26%	8.24%	(6.48)%
Other information			
Closing net asset value (£000)	209,295	295,573	310,565
Closing number of shares	133,294,863	184,828,499	204,558,500
Operating charges (%) [†]	0.88%	0.88%	0.88%
Direct transaction costs (%) [#]	0.03%	0.03%	0.04%
Prices[°]			
Highest share price	182.12	173.21	169.22
Lowest share price	158.39	140.72	147.19

	2020	2019	2018
Class 2 Accumulation	p per share	p per share	p per share
Change in net assets per share			
Opening net asset value per share	182.90	169.06	180.81
Return before operating charges [†]	3.72	15.43	(10.23)
Operating charges	(1.74)	(1.59)	(1.52)
Return after operating charges [†]	1.98	13.84	(11.75)
Distributions	(5.68)	(4.97)	(4.09)
Retained distributions on accumulation shares	5.68	4.97	4.09
Closing net asset value per share	184.88	182.90	169.06
[†] after direct transaction costs of	(0.06)	(0.05)	(0.07)
Performance			
Return after operating charges	1.08%	8.19%	(6.50)%
Other information			
Closing net asset value (£000)	11,430	29,903	21,566
Closing number of shares	6,182,146	16,349,041	12,756,372
Operating charges (%) [†]	0.88%	0.88%	0.88%
Direct transaction costs (%) [#]	0.03%	0.03%	0.04%
Prices[°]			
Highest share price	209.41	194.70	183.96
Lowest share price	182.38	156.70	162.98

	2020	2019	2018
Class 2 Income (USD)	c per share	c per share	c per share
Change in net assets per share			
Opening net asset value per share	135.74	134.12	132.02
Return before operating charges [†]	(1.46)	6.48	6.40
Operating charges	(1.24)	(1.18)	(1.16)
Return after operating charges [†]	(2.70)	5.30	5.24
Distributions	(3.97)	(3.68)	(3.14)
Closing net asset value per share	129.07	135.74	134.12
[†] after direct transaction costs of	(0.04)	(0.04)	(0.05)
Performance			
Return after operating charges	(1.99)%	3.95%	3.97%
Other information			
Closing net asset value (£000)	1,606	1,890	1,805
Closing number of shares	1,603,612	1,852,649	1,862,880
Operating charges (%) [†]	0.88%	0.88%	0.88%
Direct transaction costs (%) [#]	0.03%	0.03%	0.04%
Prices[°]			
Highest share price	148.17	142.80	144.63
Lowest share price	130.20	121.36	126.46

COMPARATIVE TABLES (CONTINUED)

Class 3 Accumulation	2020 p per share	2019 p per share	2018 p per share
Change in net assets per share			
Opening net asset value per share	242.12	223.02	237.69
Return before operating charges [†]	4.89	20.36	(13.46)
Operating charges	(1.40)	(1.26)	(1.21)
Return after operating charges [†]	3.49	19.10	(14.67)
Distributions	(7.53)	(6.60)	(5.56)
Retained distributions on accumulation shares	7.53	6.60	5.56
Closing net asset value per share	245.61	242.12	223.02
[†] after direct transaction costs of	(0.08)	(0.07)	(0.09)
Performance			
Return after operating charges	1.44%	8.56%	(6.17)%
Other information			
Closing net asset value (£000)	96	94	87
Closing number of shares	38,976	38,976	38,976
Operating charges (%) [†]	0.53%	0.53%	0.53%
Direct transaction costs (%) [‡]	0.03%	0.03%	0.04%
Prices[≈]			
Highest share price	277.74	257.30	241.84
Lowest share price	241.49	206.77	214.96

Class 5 Income	2020 p per share	2019 p per share	2018 ^{††} p per share
Change in net assets per share			
Opening net asset value per share	160.63	152.31	158.61
Return before operating charges [†]	3.59	13.94	(3.02)
Operating charges	(1.40)	(1.18)	(0.76)
Return after operating charges [†]	2.19	12.76	(3.78)
Distributions	(4.93)	(4.44)	(2.52)
Closing net asset value per share	157.89	160.63	152.31
[†] after direct transaction costs of	(0.05)	(0.05)	(0.06)
Performance			
Return after operating charges	1.36%	8.38%	(2.38)%
Other information			
Closing net asset value (£000)	62,486	1	1
Closing number of shares	39,576,222	619	653
Operating charges (%) [†]	0.80%	0.74%	0.80%
Direct transaction costs (%) [‡]	0.03%	0.03%	0.04%
Prices[≈]			
Highest share price	183.04	173.85	162.60
Lowest share price	159.27	141.18	147.69

Class 5 Accumulation	2020 p per share	2019 p per share	2018 ^{††} p per share
Change in net assets per share			
Opening net asset value per share	183.34	169.25	173.42
Return before operating charges [†]	3.80	15.42	(3.34)
Operating charges	(1.62)	(1.33)	(0.83)
Return after operating charges [†]	2.18	14.09	(4.17)
Distributions	(5.69)	(4.99)	(2.77)
Retained distributions on accumulation shares	5.69	4.99	2.77
Closing net asset value per share	185.52	183.34	169.25
[†] after direct transaction costs of	(0.06)	(0.05)	(0.07)
Performance			
Return after operating charges	1.19%	8.32%	(2.40)%
Other information			
Closing net asset value (£000)	17,880	1	1
Closing number of shares	9,637,910	545	591
Operating charges (%) [†]	0.80%	0.74%	0.80%
Direct transaction costs (%) [‡]	0.03%	0.03%	0.04%
Prices[≈]			
Highest share price	210.05	195.04	179.63
Lowest share price	182.84	156.89	163.15

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

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

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

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

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

^{††} Class 5 (GBP) and Class 5 (Acc) (GBP) were launched on 23 June 2017.

Ongoing Charges Figure*

Share class	28.02.20	28.02.19
Class 1	1.13%	1.13%
Class 2	0.88%	0.88%
Class 2 (USD)	0.88%	0.88%
Class 3	0.53%	0.53%
Class 5	0.80%	0.80%

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

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

PORTFOLIO STATEMENT

As at 28 February 2020

Investment	Currency	Holding	Market Value £000	% of Net Assets
Equities 99.58% (96.92%)				
Communication Services 10.84% (11.39%)				
Diversified Telecommunication Services 3.46% (2.20%)				
Verizon Communications	USD	245,293	10,477	3.46
			<u>10,477</u>	<u>3.46</u>
Entertainment 0.00% (2.05%)				
Media 7.38% (7.14%)				
Comcast 'A'	USD	332,793	10,588	3.49
Interpublic Group	USD	281,299	4,758	1.57
Omnicom Group	USD	130,189	7,024	2.32
			<u>22,370</u>	<u>7.38</u>
Communication Services total			32,847	10.84
Consumer Discretionary 4.48% (7.18%)				
Hotels, Restaurants & Leisure 1.32% (3.90%)				
Extended Stay America	USD	473,006	4,013	1.32
			<u>4,013</u>	<u>1.32</u>
Leisure Products 0.00% (0.68%)				
Multiline Retail 3.16% (2.60%)				
Target	USD	116,839	9,573	3.16
			<u>9,573</u>	<u>3.16</u>
Consumer Discretionary total			13,586	4.48
Consumer Staples 9.50% (9.44%)				
Beverages 2.32% (1.87%)				
PepsiCo	USD	66,450	7,030	2.32
			<u>7,030</u>	<u>2.32</u>
Food & Staples Retailing 1.03% (3.42%)				
Walgreens Boots Alliance	USD	86,588	3,107	1.03
			<u>3,107</u>	<u>1.03</u>
Household Products 3.37% (2.45%)				
Kimberly-Clark	USD	98,255	10,219	3.37
			<u>10,219</u>	<u>3.37</u>
Personal Products 2.78% (1.70%)				
Unilever, ADR	USD	198,524	8,435	2.78
			<u>8,435</u>	<u>2.78</u>
Consumer Staples total			28,791	9.50
Energy 9.98% (10.85%)				
Oil, Gas & Consumable Fuels 9.98% (10.85%)				
Chevron	USD	42,436	3,099	1.02
Exxon Mobil	USD	56,887	2,200	0.73
Kinder Morgan	USD	756,059	11,449	3.78
Marathon Petroleum	USD	131,895	4,904	1.62
Valero Energy	USD	61,034	3,135	1.03
Williams	USD	371,577	5,451	1.80
			<u>30,238</u>	<u>9.98</u>
Energy total			30,238	9.98

PORTFOLIO STATEMENT (CONTINUED)

As at 28 February 2020

Investment	Currency	Holding	Market Value £000	% of Net Assets
Financials 17.42% (14.46%)				
Banks 10.22% (10.23%)				
PNC Financial Services Group	USD	69,174	7,009	2.31
Truist Financial	USD	292,638	10,801	3.56
US Bancorp	USD	250,168	9,225	3.05
Wells Fargo	USD	119,121	3,925	1.30
			<u>30,960</u>	<u>10.22</u>
Capital Markets 1.59% (1.52%)				
Lazard 'A'	USD	170,646	4,818	1.59
			<u>4,818</u>	<u>1.59</u>
Insurance 5.61% (2.71%)				
Axis Capital Holdings	USD	130,718	6,037	1.99
CNA Financial	USD	96,385	3,200	1.05
Fidelity National Financial	USD	250,963	7,780	2.57
			<u>17,017</u>	<u>5.61</u>
Financials total			52,795	17.42
Health Care 10.13% (3.73%)				
Biotechnology 4.37% (2.04%)				
AbbVie	USD	95,772	6,341	2.09
Amgen	USD	43,692	6,892	2.28
			<u>13,233</u>	<u>4.37</u>
Pharmaceuticals 5.76% (1.69%)				
Bristol-Myers Squibb	USD	229,957	10,631	3.51
Pfizer	USD	257,483	6,815	2.25
			<u>17,446</u>	<u>5.76</u>
Health Care total			30,679	10.13
Industrials 9.98% (14.92%)				
Air Freight & Logistics 2.31% (1.89%)				
United Parcel Service 'B'	USD	99,834	6,988	2.31
			<u>6,988</u>	<u>2.31</u>
Airlines 1.44% (0.00%)				
Delta Air Lines	USD	116,671	4,363	1.44
			<u>4,363</u>	<u>1.44</u>
Commercial Services & Supplies 0.74% (1.65%)				
KAR Auction Services	USD	148,764	2,252	0.74
			<u>2,252</u>	<u>0.74</u>
Electrical Equipment 0.00% (1.34%)				
Industrial Conglomerates 0.54% (0.00%)				
3M	USD	14,075	1,640	0.54
			<u>1,640</u>	<u>0.54</u>
Machinery 1.94% (1.72%)				
Illinois Tool Works	USD	44,520	5,877	1.94
			<u>5,877</u>	<u>1.94</u>
Professional Services 0.00% (2.08%)				
Trading Companies & Distributors 3.01% (6.24%)				
Fastenal	USD	335,230	9,112	3.01
			<u>9,112</u>	<u>3.01</u>
Industrials total			30,232	9.98

PORTFOLIO STATEMENT (CONTINUED)

As at 28 February 2020

Investment	Currency	Holding	Market Value £000	% of Net Assets
Information Technology 8.64% (8.60%)				
Communications Equipment 2.63% (2.52%)				
Cisco Systems	USD	256,168	7,955	2.63
			<u>7,955</u>	<u>2.63</u>
Electronic Equipment, Instruments & Components 3.05% (3.11%)				
Corning	USD	496,141	9,246	3.05
			<u>9,246</u>	<u>3.05</u>
IT Services 0.00% (0.75%)				
Semiconductors & Semiconductor Equipment 2.96% (2.22%)				
Intel	USD	85,029	3,684	1.21
QUALCOMM	USD	89,882	5,297	1.75
			<u>8,981</u>	<u>2.96</u>
Information Technology total			26,182	8.64
Materials 2.47% (5.03%)				
Chemicals 2.47% (5.03%)				
LyondellBasell Industries 'A'	USD	100,408	5,522	1.82
RPM International	USD	38,189	1,957	0.65
			<u>7,479</u>	<u>2.47</u>
Materials total			7,479	2.47
Real Estate 8.01% (9.07%)				
Equity Real Estate Investment Trusts (REITs) 8.01% (9.07%)				
Iron Mountain	USD	335,608	8,127	2.68
Ryman Hospitality Properties	USD	73,160	4,186	1.38
Sabra Health Care REIT	USD	238,722	3,736	1.23
Ventas	USD	192,772	8,233	2.72
			<u>24,282</u>	<u>8.01</u>
Real Estate total			24,282	8.01
Utilities 8.13% (2.25%)				
Gas Utilities 0.00% (1.13%)				
Independent Power and Renewable Electricity Producers 4.71% (0.00%)				
AES	USD	589,402	8,372	2.76
Atlantica Yield	USD	253,340	5,895	1.95
			<u>14,267</u>	<u>4.71</u>
Multi-Utilities 3.42% (1.12%)				
Dominion Energy	USD	164,300	10,362	3.42
			<u>10,362</u>	<u>3.42</u>
Utilities total			24,629	8.13
Equities total			301,740	99.58
Forward Currency Contract 0.00% (0.00%)				
Investment assets			301,740	99.58
Net other assets			1,271	0.42
Net assets			303,011	100.00

All holdings are ordinary shares or stock units and admitted to an official stock exchange unless otherwise stated.
The comparative percentage figures in brackets are as at 28 February 2019.

STATEMENT OF TOTAL RETURN

For the year ended 28 February 2020

	Notes	£000	Year ended 28.02.20 £000	£000	Year ended 28.02.19 £000
Income					
Net capital (losses)/gains	2		(153)		19,975
Revenue	3	12,581		10,811	
Expenses					
Net revenue before taxation	4	(3,072)		(2,888)	
Taxation	5	9,509		7,923	
Net revenue after taxation		(2,362)		(1,355)	
			7,147		6,568
Total return before distributions			6,994		26,543
Distributions	6		(10,011)		(9,081)
Change in net assets attributable to shareholders from investment activities			(3,017)		17,462

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 28 February 2020

	£000	Year ended 28.02.20 £000	£000	Year ended 28.02.19 £000
Opening net assets attributable to shareholders		327,655		334,179
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	89,586		46,938	
Amounts payable on cancellation of shares	(112,130)		(71,673)	
		(22,544)		(24,735)
Change in net assets attributable to shareholders from investment activities (see above)		(3,017)		17,462
Retained distribution on accumulation shares		917		749
Closing net assets attributable to shareholders		303,011		327,655

BALANCE SHEET

As at 28 February 2020

	Notes	As at 28.02.20 £000	As at 28.02.19 £000
Assets:			
Investments	7	301,740	317,556
Current assets:			
Debtors	8	10,500	1,972
Cash and bank balances	9	4,250	10,447
Total assets		316,490	329,975
Liabilities:			
Investment liabilities	7	–	(1)
Creditors:			
Distribution payable		(2,381)	(1,831)
Other creditors	10	(11,098)	(488)
Total liabilities		(13,479)	(2,320)
Net assets attributable to shareholders		303,011	327,655

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting basis and policies

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

2 Net capital (losses)/gains

	Year ended 28.02.20 £000	Year ended 28.02.19 £000
Net capital (losses)/gains on investment during the year comprise:		
Compensation items	7	–
Currency gains/(losses)	346	(221)
Expenses relating to the purchase and sale of investments	–	(3)
Forward currency contracts gains/(losses)	6	(2)
Non-derivative securities (losses)/gains	(512)	20,201
Net capital (losses)/gains	(153)	19,975

3 Revenue

	Year ended 28.02.20 £000	Year ended 28.02.19 £000
Bank and deposit interest	134	52
Overseas dividends	12,091	10,366
UK dividends	356	393
Total revenue	12,581	10,811

4 Expenses

	Year ended 28.02.20 £000	Year ended 28.02.19 £000
Payable to the Authorised Corporate Director ("ACD"), associates of the ACD or agents of either of them:		
Fund Management Fee/ACD's periodic charge*	3,068	2,789
Registration fees	–	80
	3,068	2,869
Payable to the Depositary, associates of the Depositary or agents of either of them:		
Depositary's fee	–	8
Interest payable	2	1
Safe custody fee	–	6
	2	15
Other expenses:		
Audit fee**	–	3
Dividend collection charges	2	2
Statement fee	–	(1)
	2	4
Total expenses	3,072	2,888

* 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 £10,019 (2019: £9,827) 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 28.02.20 £000	Year ended 28.02.19 £000
Overseas tax suffered	2,362	1,355
Total current tax (see note 5b)	2,362	1,355

b Factors affecting current tax charge

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

The differences are explained below:

	Year ended 28.02.20 £000	Year ended 28.02.19 £000
Net revenue before taxation	9,509	7,923
Corporation tax at 20%	1,902	1,585
Effects of:		
Movement in excess management expenses	413	327
Overseas dividends not subject to corporation tax	(2,213)	(1,790)
Overseas tax suffered	2,362	1,355
Tax relief for overseas tax suffered	(31)	(43)
UK dividends not subject to corporation tax	(71)	(79)
Current tax charge (see note 5a)	2,362	1,355

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

c Deferred tax

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

After claiming relief against accrued income taxable on receipt, the Fund has unrelieved excess expenses of £8,010,241 (2019: £5,945,707) creating a potential deferred tax asset of £1,602,048 (2019: £1,189,141). 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 28.02.20 £000	Year ended 28.02.19 £000
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:		
Net dividend distribution for the three months ended 28 May	1,745	2,126
Net dividend distribution for the three months ended 28 August	2,671	2,499
Net dividend distribution for the three months ended 28 November	2,845	2,346
Net dividend distribution for the three months ended 28 February	2,634	2,015
	9,895	8,986
Add: Revenue deducted on cancellation of shares	459	222
Deduct: Revenue received on issue of shares	(343)	(127)
Total distributions	10,011	9,081

Reconciliations of distributions for the year to net revenue after taxation

Distributions for the year	10,011	9,081
ACD's periodic charge borne by the capital account	(3,068)	(2,789)
Equalisation on conversions	3	–
Tax relief on capitalised ACD's periodic charge	201	276
Net revenue after taxation	7,147	6,568

Details of the distributions per share are set out in the distribution tables on pages 46 to 49.

7 Fair value hierarchy

Valuation technique	Assets at 28.02.20 £000	Liabilities at 28.02.20 £000	Assets at 28.02.19 £000	Liabilities at 28.02.19 £000
	Level 1: Quoted prices	301,740	–	317,556
Level 2: Observable market data	–	–	–	(1)
Total value	301,740	–	317,556	(1)

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 28.02.20 £000	As at 28.02.19 £000
Accrued revenue	992	966
Amounts receivable on issue of shares	449	283
Overseas tax recoverable	7	723
Sales awaiting settlement	9,052	–
Total debtors	10,500	1,972

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 Cash and bank balances

	As at 28.02.20 £000	As at 28.02.19 £000
Cash and bank balances	4,250	10,447
Total cash and bank balances	4,250	10,447

10 Other creditors

	As at 28.02.20 £000	As at 28.02.19 £000
Accrued expenses	480	223
Amounts payable for cancellation of shares	4,846	265
Purchases awaiting settlement	5,772	–
Total other creditors	11,098	488

11 Contingent liabilities and commitments

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

12 Related party transactions

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

Fund Management Fee/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 £479,915 (2019: £222,746). 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 £122,959 (2019: £95,519). The amount outstanding at the year end was £32,156 (2019: £21,094). Related parties of the ACD are deemed to be all companies under the control of Aviva Plc. This will include companies which hold shares in the Fund on behalf of other external investors.

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

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

	Holdings at 28.02.20 (shares)	Movement (shares)	Holdings at 28.02.19 (shares)
ACD and related parties (Class 2 Income shares)	962,927	193,138	769,789
ACD and related parties (Class 2 Accumulation shares)	1,139,569	(12,005)	1,151,574
ACD and related parties (Class 3 Accumulation shares)	38,976	–	38,976

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

13 Shareholder funds

The Fund currently has four share classes: Class 1 (Retail), Class 2 and Class 5 (Institutional) and Class 3 (Associated undertakings of Aviva plc). The Fund Management Fees are as follows:

Class 1: 1.13%
Class 2: 0.88%
Class 3: 0.53%
Class 5: 0.80%

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 33 and 34. The distributions per share class are given in the distribution tables on pages 46 to 49. All the share classes have the same rights on winding up.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14 Shares in issue reconciliation

	Number of shares in issue at 28.02.19	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 28.02.20
Class 1 Income	125,519	28,469,061	(28,449,933)	–	144,647
Class 2 Income	184,828,499	13,306,710	(25,787,395)	(39,052,951)	133,294,863
Class 2 Income (USD)	1,852,649	397,025	(646,062)	–	1,603,612
Class 2 Accumulation	16,349,041	5,610,346	(6,312,953)	(9,464,288)	6,182,146
Class 3 Accumulation	38,976	–	–	–	38,976
Class 5 Income	619	3,478,408	(2,770,529)	38,867,724	39,576,222
Class 5 Accumulation	545	938,919	(726,716)	9,425,162	9,637,910

15 Derivatives and other financial instruments

The policies applied in the management of financial instruments are set out on page 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, 103.52% (2019: 99.91%) of the net assets of the Fund were denominated in currencies other than sterling with the effect that the balance sheet and total return can be significantly affected by currency movements. If currency rates were to change by 10.00%, the value of the Fund would change by 10.35% (2019: 9.99%).

Currency	Net foreign currency assets					
	Monetary exposure £000		Non monetary exposure £000		Total £000	
	28.02.20	28.02.19	28.02.20	28.02.19	28.02.20	28.02.19
US Dollar	11,931	9,738	301,740	317,613	313,671	327,351

Interest rate risk

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

At the year end date 1.40% (2019: 3.19%) 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.

Market price risk

At the year end date, 99.58% (2019: 96.92%) 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 9.96% (2019: 9.69%).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16 Direct transaction costs

In the case of shares, broker commissions, transfer taxes and 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, instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
28.02.20						
Purchases (excluding in-specie transfers and corporate actions)						
Equities	(109,385)	(62)	–	(109,447)	0.06%	0.00%
	(109,385)	(62)	–	(109,447)		
Sales (excluding in-specie transfers and corporate actions)						
Equities	124,798	(55)	(2)	124,741	0.04%	0.00%
	124,798	(55)	(2)	124,741		
Total		(117)	(2)			
Percentage of Fund average net assets		0.03%	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						
Purchases (excluding in-specie transfers and corporate actions)						
Equities	(84,103)	(45)	–	(84,148)	0.05%	0.00%
	(84,103)	(45)	–	(84,148)		
Sales (excluding in-specie transfers and corporate actions)						
Equities	113,273	(55)	(2)	113,216	0.05%	0.00%
	113,273	(55)	(2)	113,216		
Total		(100)	(2)			
Percentage of Fund average net assets		0.03%	0.00%			

Dealing spread

As at 28 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.

17 Post balance sheet events

As a result of market movements and foreign exchange rates, since the balance sheet date on 28 February 2020, the price of each share class has changed as follows:

	Number of shares in issue at 28.02.20	Number of shares in issue at 22.06.20	% change	Price at 28.02.20 (p)	Price at 22.06.20 (p)	% change
Class 1 Income	144,647	5,033,483	3379.84%	150.63	147.85	-1.84%
Class 2 Accumulation	6,182,146	5,886,043	-4.79%	184.88	183.22	-0.90%
Class 2 Income	133,294,863	93,413,365	-29.92%	157.02	154.22	-1.78%
Class 3 Accumulation	38,976	38,976	0.00%	245.61	243.66	-0.79%
Class 2 Income (USD)	1,603,612	1,439,961	-10.21%	129.07	122.47	-5.11%
Class 5 Income	39,576,222	39,223,329	-0.89%	157.89	155.12	-1.76%
Class 5 Accumulation	9,637,910	6,356,690	-34.04%	185.52	183.89	-0.88%

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 three months ended 28 February 2020

Income shares		Net revenue	Equalisation	Final distribution payable 28 April 2020	Final distribution paid 28 April 2019
Class 1	Group 1	1.3111	–	1.3111	0.9480
	Group 2	0.6554	0.6557	1.3111	0.9480
Class 2	Group 1	1.3662	–	1.3662	0.9837
	Group 2	0.7404	0.6258	1.3662	0.9837
Class 5	Group 1	1.3737	–	1.3737	0.9827
	Group 2	0.8172	0.5565	1.3737	0.9827

Accumulation shares		Net revenue	Equalisation	Interim distribution payable 28 April 2020	Interim distribution paid 28 April 2019
Class 2	Group 1	1.5949	–	1.5949	1.1241
	Group 2	1.1283	0.4666	1.5949	1.1241
Class 3	Group 1	2.1177	–	2.1177	1.4804
	Group 2	2.1177	0.0000	2.1177	1.4804
Class 5	Group 1	1.6002	–	1.6002	1.1166
	Group 2	1.0743	0.5259	1.6002	1.1166

Final distribution payable in cents per share for the three months ended 28 February 2020

Income shares		Net revenue	Equalisation	Final distribution payable 28 April 2020	Final distribution paid 28 April 2019
Class 2 (USD)	Group 1	1.1231	–	1.1231	0.8354
	Group 2	0.6345	0.4886	1.1231	0.8354

Final Distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 28 November 2019.

Group 2 shares are those shares purchased after 12:00 noon on 28 November 2019.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the three months ended 28 November 2019

Income shares		Net revenue	Equalisation	Interim distribution paid 28 January 2020	Interim distribution paid 28 January 2019
Class 1	Group 1	1.3530	–	1.3530	1.1351
	Group 2	0.5927	0.7603	1.3530	1.1351
Class 2	Group 1	1.4084	–	1.4084	1.1775
	Group 2	0.8253	0.5831	1.4084	1.1775
Class 5	Group 1	1.4158	–	1.4158	1.1852
	Group 2	0.6325	0.7833	1.4158	1.1852

Accumulation shares		Net revenue	Equalisation	Interim distribution paid 28 January 2020	Interim distribution paid 28 January 2019
Class 2	Group 1	1.6311	–	1.6311	1.3292
	Group 2	0.8406	0.7905	1.6311	1.3292
Class 3	Group 1	2.1640	–	2.1640	1.7575
	Group 2	2.1640	0.0000	2.1640	1.7575
Class 5	Group 1	1.6362	–	1.6362	1.3334
	Group 2	0.6392	0.9970	1.6362	1.3334

Interim distribution paid in cents per share for the three months ended 28 November 2019

Income shares		Net revenue	Equalisation	Interim distribution paid 28 January 2020	Interim distribution paid 28 January 2019
Class 2 (USD)	Group 1	1.1606	–	1.1606	0.9616
	Group 2	0.6762	0.4844	1.1606	0.9616

Interim Distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 28 August 2019.

Group 2 shares are those shares purchased after 12:00 noon on 28 August 2019.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the three months ended 28 August 2019

Income shares		Net revenue	Equalisation	Interim distribution paid 28 October 2019	Interim distribution paid 28 October 2018
Class 1	Group 1	1.2512	–	1.2512	1.1876
	Group 2	0.4195	0.8317	1.2512	1.1876
Class 2	Group 1	1.3009	–	1.3009	1.2312
	Group 2	0.6559	0.6450	1.3009	1.2312
Class 5	Group 1	1.3019	–	1.3019	1.2296
	Group 2	0.3692	0.9327	1.3019	1.2296

Accumulation shares		Net revenue	Equalisation	Interim distribution paid 28 October 2019	Interim distribution paid 28 October 2018
Class 2	Group 1	1.4953	–	1.4953	1.3799
	Group 2	0.8774	0.6179	1.4953	1.3799
Class 3	Group 1	1.9820	–	1.9820	1.8258
	Group 2	1.9820	0.0000	1.9820	1.8258
Class 5	Group 1	1.4934	–	1.4934	1.3755
	Group 2	0.4295	1.0639	1.4934	1.3755

Interim distribution paid in cents per share for the three months ended 28 August 2019

Income shares		Net revenue	Equalisation	Interim distribution paid 28 October 2019	Interim distribution paid 28 October 2018
Class 2 (USD)	Group 1	1.0134	–	1.0134	1.0131
	Group 2	0.4599	0.5535	1.0134	1.0131

Interim Distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 28 May 2019.

Group 2 shares are those shares purchased after 12:00 noon on 28 May 2019.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the three months ended 28 May 2019

Income shares		Net revenue	Equalisation	Interim distribution paid 28 July 2019	Interim distribution paid 28 July 2018
Class 1	Group 1	0.8052	–	0.8052	0.9823
	Group 2	0.4260	0.3792	0.8052	0.9823
Class 2	Group 1	0.8364	–	0.8364	1.0170
	Group 2	0.4104	0.4260	0.8364	1.0170
Class 5	Group 1	0.8410	–	0.8410	1.0454
	Group 2	0.8410	0.0000	0.8410	1.0454

Accumulation shares		Net revenue	Equalisation	Interim distribution paid 28 July 2019	Interim distribution paid 28 July 2018
Class 2	Group 1	0.9561	–	0.9561	1.1323
	Group 2	0.3289	0.6272	0.9561	1.1323
Class 3	Group 1	1.2663	–	1.2663	1.5357
	Group 2	1.2663	0.0000	1.2663	1.5357
Class 5	Group 1	0.9618	–	0.9618	1.1617
	Group 2	0.9618	0.0000	0.9618	1.1617

Interim distribution paid in cents per share for the three months ended 28 May 2019

Income shares		Net revenue	Equalisation	Interim distribution paid 28 July 2019	Interim distribution paid 28 July 2018
Class 2 (USD)	Group 1	0.6763	–	0.6763	0.8654
	Group 2	0.0836	0.5927	0.6763	0.8654

Interim Distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 28 February 2019.

Group 2 shares are those shares purchased after 12:00 noon 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 Select Funds ICVC for the year ended 28 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 revenue in accordance with the COLL Sourcebook, 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 SELECT FUNDS ICVC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

In our opinion, the financial statements of Aviva Investors Select 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 28 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 Select Funds ICVC is an Open Ended Investment Company ("OEIC") with 2 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 28 February 2020; the statements of total return, the statements of change in net assets attributable to shareholders for the year then ended; the distribution tables; the accounting policies (within the Policies and Risks section); and the notes to the financial statements.

BASIS FOR OPINION

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

Independence

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

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' ability to continue as a going concern.

REPORTING ON OTHER INFORMATION

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

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

Authorised Corporate Director's Report

In our opinion, the information given in the 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 SELECT 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 50, the Authorised Corporate Director is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Authorised Corporate Director is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of this report

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

OTHER REQUIRED REPORTING

OPINION ON MATTER REQUIRED BY THE COLLECTIVE INVESTMENT SCHEMES SOURCEBOOK

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

COLLECTIVE INVESTMENT SCHEMES SOURCEBOOK EXCEPTION REPORTING

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

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

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
30 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 Select Funds ICVC are intended to be medium to long term investments and should not be considered as a short term investment.

Past performance is not a guide to the future.

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

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

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

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

The information contained within this document should not be construed as a recommendation to purchase or sell stocks.

Publication of Prices

Information on the prices of Shares will be available by calling 0800 051 2003 or on the internet at www.avivainvestors.com. Calls to this number may be recorded for training or monitoring purposes. Calls are free from landlines and mobiles.

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 US EQUITY INCOME 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 aims to provide combined income and capital growth greater than that of the Russell® 3000 Value Index over any given 5 year period, by investing in shares of companies listed on North American stock exchanges. Within this combined aim, the Fund seeks to deliver an income of at least 125% of the income of the Russell® 3000 Value Index over any given 12-month period. The Fund has consistently achieved the income target in each of the last 5 years and the total return on a gross annualised basis over the same period was positive and broadly in line with the benchmark. The US stock market has seen unprecedented growth over the last decade which can be unfavourable compared with value strategies such as those followed by the Fund, and this has made delivering total return outperformance challenging, especially when combined with successfully delivering the income objective consistently.

The Board therefore believes that the Fund's overall performance relative to its investment objectives, policy and strategy was within the range of expected outcomes for an actively managed fund over the periods considered by the review. Furthermore, it recognises that investment performance should be judged over the long term and therefore believes the Investment Manager's continued management of this Fund is in the long-term interests of investors.

A detailed explanation of the last 12 months performance is included in the Fund Manager's Report within the 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 US EQUITY INCOME 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 aims to provide combined income and capital growth greater than that of the Russell® 3000 Value Index over any given 5 year period, by investing in shares of companies listed on North American stock exchanges. Within this combined aim, the Fund seeks to deliver an income of at least 125% of the income of the Russell® 3000 Value Index over any given 12-month period. The Fund has consistently achieved the income target in each of the last 5 years and the total return on a gross annualised basis over the same period was positive and broadly in line with the benchmark. The US stock market has seen unprecedented growth over the last decade which can be unfavourable compared with value strategies such as those followed by the Fund, and this has made delivering total return outperformance challenging, especially when combined with successfully delivering the income objective consistently.

The Board therefore believes that the Fund's overall performance relative to its investment objectives, policy and strategy was within the range of expected outcomes for an actively managed fund over the periods considered by the review. Furthermore, it recognises that investment performance should be judged over the long term and therefore believes the Investment Manager's continued management of this Fund is in the long-term interests of investors.

A detailed explanation of the last 12 months performance is included in the Fund Manager's Report within the 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.

