

AVIVA INVESTORS SELECT FUNDS ICVC

Annual Report and Financial Statements

For the year ended 28 February 2021

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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 (resigned 31 March 2021)
D Clayton (resigned 31 August 2020)
M Craston
M White
A Coates
K McClellan (appointed 23 April 2020)
Mark Versey (appointed 30 September 2020 –
resigned 30 April 2021)
Donald Macmillan (appointed 17 November 2020)

REGISTRAR AND ADMINISTRATOR

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

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

FUND ACCOUNTING AND PRICING AGENT

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

INVESTMENT MANAGER

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.

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 2021. 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 31 March 2020, the Registrar and Administrator changed their name from 'DST Financial Services Europe Ltd' to 'SS&C Technologies, Inc'.

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") updated 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 has been updated to reflect these prohibitions and was 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.

Subject to Financial Conduct Authority approval, the investment objectives and policies of Aviva Investors US Equity Income Fund and Aviva Investors US Equity Income Fund II were amended as described from 30 April 2020. For all other funds it was already clear within each of the investment objectives and policies that the Fund is subject to the exclusions within the Policy.

From 30 April 2020 all fund Prospectuses have been updated to reflect the amended Policy.

Changes made to the TIPS

On 13 August 2020, we made some changes to the Typical Investor Profile and Target Market Description for each Fund. Please see the prospectus for more details.

STATEMENT OF CROSS HOLDINGS

There are no cross holdings as at 28 February 2021.

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.

Special dividends are treated as either revenue or capital depending on the facts of each particular case.

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 close of business bid value on the last working day of the accounting period.

The ACD is comfortable that there is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

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

Collective investment schemes operated by the ACD are valued at their cancellation price for dual priced funds and their single price for single priced funds. Other collective investment schemes are valued at their bid price for dual priced funds and their single price for single priced funds.

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 Fund Management Fee 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.

g Operational Risk

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

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. In addition, the Fund has limited exclusions based on Aviva Investors' UK Responsible Investment policy. Further information on the Aviva Investors UK Responsible Investment policy is available on our website and in the Prospectus.

Performance & Risk Measurement

The Fund's 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 2021 the Fund (share class 1, net of fees) delivered a return of 8.84% compared with an average return of 12.69% for the Russell® 3000 Value benchmark. The tracking error at the year end was 5.47%.

Review

It is fair to say that one would need to go back nearly 80 years, to the attack on Pearl Harbor, to find an event that could compare with the sudden, intense shift in economic behavior that we experienced in Q1 due to COVID-19. Whereas there was a resurgence of economic activity in 1942 as the country geared up for war, this battle required the exact opposite approach. Policymakers across the globe commanded that whole swathes of economic activity be halted in order to reduce the spread of this disease. As if a global pandemic was not bad enough, the breakdown of OPEC negotiations led to a surge in oil supply which only compounded the challenge posed by declining demand – leading to a truly historic plunge in oil prices and crippling one of America's growth industries.

The market rally that started in the final week of Q1 continued for much of Q2, led by 'deep value' stocks – the cheapest, lowest quality, highest risk, and highest beta companies in the index. At first, investors were clinging to hopes that increased testing and unprecedented amounts of stimulus could bridge the economic chasm that grew ever deeper as the duration of the quarantine went well past the original estimates. By May, select states had started to reopen and it looked like the worst might be behind us, fueling further optimism. However, by mid-June the first test of this bear market rally was precipitated by valuation concerns, an exhaustion in appetite for overbought low quality/high beta stocks, and, more visibly, fear as a 'second wave' of COVID-19 began to materialize. Over a span of a few weeks, equity markets retreated, led by small cap and value indices.

It should be little surprise a year as chaotic as 2020 would go out with a bang. The 'blue wave' election result pundits projected did not play out, but the Democratic party made enough headway to capture the White House and Congress by the thinnest of margins. However, in early November, the election results (which were then still uncertain) were quickly eclipsed by the announcement of positive trial results for the Pfizer/BioNTech COVID-19 vaccine. With little doubt the FDA would quickly approve the compound, U.S. equity markets surged. After dominating throughout the first three quarters of the year, large/ mega cap and growth stocks, including the FANG+ stocks, lagged behind small cap and low quality value stocks.

U.S. equity markets surged in February as lockdowns eased once again amid a steady ramp in vaccine administration. Again, small cap stocks led by a wide margin over large cap, extending the strong reversal that started in Q4. Driven by sharp rallies in the Energy and Financials sectors, value indices significantly outperformed growth in the period. FactSet is reporting that earnings for S&P 500 companies in Q4 were up +3.9% year over year as the vast majority reported positive surprises. S&P 500 earnings are now expected to fully recover from the pandemic induced recession in 2021 and are projected to come in about 7% above 2019 levels.

In the period, small cap stocks significantly outperformed mid and large caps, as the Russell 2000 returned +51.00% versus +36.12% and +34.28% for the Russell Midcap and Russell 1000, respectively. Growth stocks drastically outperformed their value peers during the period, by a minimum of +1,782 bps, which was among small caps. Among large caps, the Russell 1000 Growth outperformed the Russell 1000 Value by +2,204 bps!

AVIVA INVESTORS US EQUITY INCOME FUND (CONTINUED)

FUND MANAGER'S REPORT (CONTINUED)

Review (continued)

The most significant positive impacts on relative performance were from stock selection in Utilities (+280 bps) and Industrials (+105 bps). Five of the six Utilities holdings significantly outperformed the broader sector return including top performer AES Corp. (AES, +62.2%). The Industrials sector benefited from its holding of United Parcel Service Inc. (CI B) (UPS, +78.9%), the second-highest contributor to Portfolio return during the period.

The top five contributors to Portfolio return included Target Corp. (TGT, +80.3%), United Parcel Service Inc. (CI B), Corning Inc. (GLW, +65.1%), AES Corp., and QUALCOMM Inc. (QCOM, +78.2%).

Overall sector allocation and stock selection detracted from performance relative to the index. The most significant negative impacts on relative performance were from stock selection in Financials (-148 bps) and Consumer Staples (-136 bps). Seven of the 11 Financials holdings underperformed the broader sector, as did all four of the Consumer Staples holdings.

The five largest detractors to Portfolio return during the period were Ventas Inc. (VTR, -31.4%), Delta Air Lines Inc. (DAL, -50.8%), Kinder Morgan Inc. (CI P) (KMI, -17.1%), Ryman Hospitality Properties Inc. (RHP, -49.8%), and Omnicom Group Inc. (OMC, -26.5%).

As of February 28, the Portfolio held a total of 49 positions. During the period, we established 19 new positions, eliminated 19, and one position was spunoff and ultimately eliminated.

Outlook

We continue to expect that the recovery process will be a protracted event, and that market volatility will be elevated until a vaccine is widely available, but after a year, it does finally appear there is a light at the end of the tunnel. We anticipate there will be significant long-term implications of this period, both culturally and economically, as new behaviors will emerge, labor markets will exhibit significantly less friction, and businesses will be forced to adjust to capitalize on a more direct connection with their customers. Despite dire predictions, the impact of COVID-19 on U.S. dividends was quite modest as Ned Davis Research reports the real cash dividends paid by S&P 500 companies declined by only -5.5% in 2020. We expect a more supportive economic environment and improved earnings will fuel a positive shift in broader dividend growth in 2021, absent any adverse changes in tax policy. Combined with increased wariness regarding apparent excesses amid the more growth-oriented areas of the U.S. equity market, we believe this creates a very positive outlook for the future of dividend stocks broadly, and the U.S. Equity Income Fund specifically.

April 2021

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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 11 to 13 are based on the net asset value per the published accounts and may be different due to post year end accounting adjustments.

Any opinions expressed are those of the Fund manager. They should not be viewed as a guarantee of a return from an investment in the Funds. The content of the commentary should not be viewed as a recommendation to invest nor 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)
31.12.15 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
31.12.18 to 31.12.19	19.20	19.50	23.60
31.12.19 to 31.12.20	-3.40	-3.20	-0.20

Performance History – Income Shares

Calendar year	Share Class 5	Benchmark
	%	Performance*
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
31.12.18 to 31.12.19	19.60	21.40
31.12.19 to 31.12.20	-3.10	2.90

* Benchmark – Russell® 3000 Value Index

Performance History – Accumulation Shares

Calendar year	Share Class 1	Share Class 2	Share Class 3
	%	(GBP)	%
31.12.15 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
31.12.18 to 31.12.19	19.20	19.50	19.90
31.12.19 to 31.12.20	-3.40	-3.20	-2.90

Performance History – Accumulation Shares

Calendar year	Share Class 5	Benchmark
	%	Performance*
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
31.12.18 to 31.12.19	18.70	21.40
31.12.19 to 31.12.20	-3.10	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 2020. The figures do not include the effect of the Entry Charge and any Exit Charge.

COMPARATIVE TABLES

Class 1 Income	2021 p per share	2020 p per share	2019 p per share
Change in net assets per share			
Opening net asset value per share	182.75	185.46	176.40
Return before operating charges [†]	14.49	5.63	16.57
Operating charges	(2.02)	(2.26)	(2.33)
Return after operating charges [†]	12.47	3.37	14.24
Distributions	(5.75)	(6.08)	(5.18)
Closing net asset value per share	189.47	182.75	185.46
[†] after direct transaction costs of	(0.11)	(0.08)	(0.07)
Performance			
Return after operating charges	6.82%	1.82%	8.07%
Other information			
Closing net asset value (£000)	500	564	701
Closing number of shares	264,109	308,686	377,906
Operating charges (%) [†]	1.13%	1.13%	1.27%
Direct transaction costs (%) [#]	0.06%	0.04%	0.04%
Prices[≈]			
Highest share price	199.04	210.02	201.27
Lowest share price	146.28	184.31	163.66

Class 1 Accumulation	2021 p per share	2020 p per share	2019 p per share
Change in net assets per share			
Opening net asset value per share	231.38	227.62	210.70
Return before operating charges [†]	18.75	6.56	19.77
Operating charges	(2.59)	(2.80)	(2.85)
Return after operating charges [†]	16.16	3.76	16.92
Distributions	(7.36)	(7.55)	(6.26)
Retained distributions on accumulation shares	7.36	7.55	6.26
Closing net asset value per share	247.54	231.38	227.62
[†] after direct transaction costs of	(0.14)	(0.10)	(0.09)
Performance			
Return after operating charges	6.98%	1.65%	8.03%
Other information			
Closing net asset value (£000)	587	660	820
Closing number of shares	237,299	284,974	360,198
Operating charges (%) [†]	1.13%	1.13%	1.27%
Direct transaction costs (%) [#]	0.06%	0.04%	0.04%
Prices[≈]			
Highest share price	258.18	260.37	242.59
Lowest share price	185.21	226.33	195.49

Class 2 Income	2021 p per share	2020 p per share	2019 p per share
Change in net assets per share			
Opening net asset value per share	193.49	195.87	185.60
Return before operating charges [†]	15.35	5.91	17.46
Operating charges	(1.65)	(1.86)	(1.72)
Return after operating charges [†]	13.70	4.05	15.74
Distributions	(6.09)	(6.43)	(5.47)
Closing net asset value per share	201.10	193.49	195.87
[†] after direct transaction costs of	(0.11)	(0.08)	(0.08)
Performance			
Return after operating charges	7.08%	2.07%	8.48%
Other information			
Closing net asset value (£000)	43,356	98,744	146,031
Closing number of shares	21,559,132	51,034,074	74,555,952
Operating charges (%) [†]	0.88%	0.88%	0.88%
Direct transaction costs (%) [#]	0.06%	0.04%	0.04%
Prices[≈]			
Highest share price	211.19	222.04	212.28
Lowest share price	154.90	194.80	172.29

Class 2 Accumulation	2021 p per share	2020 p per share	2019 p per share
Change in net assets per share			
Opening net asset value per share	244.64	240.06	221.40
Return before operating charges [†]	19.85	6.88	20.73
Operating charges	(2.11)	(2.30)	(2.07)
Return after operating charges [†]	17.74	4.58	18.66
Distributions	(7.79)	(7.97)	(6.59)
Retained distributions on accumulation shares	7.79	7.97	6.59
Closing net asset value per share	262.38	244.64	240.06
[†] after direct transaction costs of	(0.14)	(0.10)	(0.09)
Performance			
Return after operating charges	7.25%	1.91%	8.43%
Other information			
Closing net asset value (£000)	1,467	2,917	4,167
Closing number of shares	558,923	1,192,512	1,735,724
Operating charges (%) [†]	0.88%	0.88%	0.88%
Direct transaction costs (%) [#]	0.06%	0.04%	0.04%
Prices[≈]			
Highest share price	273.57	275.16	255.54
Lowest share price	195.85	238.74	205.52

COMPARATIVE TABLES (CONTINUED)

Class 2 Income (USD)	2021 c per share	2020 c per share	2019 c per share
Change in net assets per share			
Opening net asset value per share	155.63	162.69	160.42
Return before operating charges [†]	25.60	(0.49)	8.15
Operating charges	(1.35)	(1.48)	(1.42)
Return after operating charges [†]	24.25	(1.97)	6.73
Distributions	(5.01)	(5.09)	(4.46)
Closing net asset value per share	174.87	155.63	162.69
[†] after direct transaction costs of	(0.09)	(0.07)	(0.06)
Performance			
Return after operating charges	15.58%	(1.21)%	4.20%
Other information			
Closing net asset value (£000)	8,048	10,162	11,664
Closing number of shares	6,409,955	8,412,488	9,538,187
Operating charges (%) [†]	0.88%	0.88%	0.88%
Direct transaction costs (%) [#]	0.06%	0.04%	0.04%
Prices[°]			
Highest share price	182.52	178.03	171.00
Lowest share price	111.37	155.65	145.12

Class 3 Accumulation	2021 p per share	2020 p per share	2019 p per share
Change in net assets per share			
Opening net asset value per share	252.16	246.58	226.62
Return before operating charges [†]	20.56	7.01	21.25
Operating charges	(1.33)	(1.43)	(1.29)
Return after operating charges [†]	19.23	5.58	19.96
Distributions	(8.05)	(8.20)	(6.80)
Retained distributions on accumulation shares	8.05	8.20	6.80
Closing net asset value per share	271.39	252.16	246.58
[†] after direct transaction costs of	(0.15)	(0.11)	(0.10)
Performance			
Return after operating charges	7.63%	2.26%	8.81%
Other information			
Closing net asset value (£000)	105	97	95
Closing number of shares	38,583	38,583	38,583
Operating charges (%) [†]	0.53%	0.53%	0.53%
Direct transaction costs (%) [#]	0.06%	0.04%	0.04%
Prices[°]			
Highest share price	282.86	283.45	262.03
Lowest share price	201.92	245.29	210.42

Class 5 Income	2021 p per share	2020 p per share	2019 p per share
Change in net assets per share			
Opening net asset value per share	194.61	196.79	186.22
Return before operating charges [†]	15.48	6.01	17.55
Operating charges	(1.53)	(1.72)	(1.45)
Return after operating charges [†]	13.95	4.29	16.10
Distributions	(6.13)	(6.47)	(5.53)
Closing net asset value per share	202.43	194.61	196.79
[†] after direct transaction costs of	(0.11)	(0.09)	(0.08)
Performance			
Return after operating charges	7.17%	2.18%	8.65%
Other information			
Closing net asset value (£000)	20,149	24,933	1
Closing number of shares	9,953,551	12,811,596	505
Operating charges (%) [†]	0.80%	0.80%	0.74%
Direct transaction costs (%) [#]	0.06%	0.04%	0.04%
Prices[°]			
Highest share price	212.57	223.21	213.11
Lowest share price	155.81	195.75	172.88

COMPARATIVE TABLES (CONTINUED)

	2021	2020	2019
Class 5 Accumulation	p per share	p per share	p per share
Change in net assets per share			
Opening net asset value per share	245.58	240.72	221.66
Return before operating charges [‡]	19.97	6.99	20.80
Operating charges	(1.95)	(2.13)	(1.74)
Return after operating charges [‡]	18.02	4.86	19.06
Distributions	(7.83)	(8.01)	(6.65)
Retained distributions on accumulation shares	7.83	8.01	6.65
Closing net asset value per share	263.60	245.58	240.72
[†] after direct transaction costs of	(0.15)	(0.11)	(0.09)
Performance			
Return after operating charges	7.34%	2.02%	8.60%
Other information			
Closing net asset value (£000)	670	693	1
Closing number of shares	254,043	282,125	415
Operating charges (%) [‡]	0.80%	0.80%	0.74%
Direct transaction costs (%) [#]	0.06%	0.04%	0.04%
Prices[≈]			
Highest share price	274.82	276.18	256.04
Lowest share price	196.62	239.43	205.79

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

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

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

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

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

Ongoing Charges Figure*

Share class	28.02.21	28.02.20
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 2021

Investment	Currency	Holding	Market Value £000	% of Net Assets
Equities 95.75% (97.17%)				
Communication Services 8.58% (10.28%)				
Diversified Telecommunication Services 3.13% (3.27%)				
Verizon Communications	USD	59,375	2,348	3.13
			<u>2,348</u>	<u>3.13</u>
Media 5.45% (7.01%)				
Comcast 'A'	USD	75,941	2,860	3.82
Interpublic Group	USD	65,267	1,219	1.63
			<u>4,079</u>	<u>5.45</u>
Communication Services total			6,427	8.58
Consumer Discretionary 8.91% (4.26%)				
Auto Components 1.93% (0.00%)				
Magna International	USD	24,005	1,446	1.93
			<u>1,446</u>	<u>1.93</u>
Distributors 2.13% (0.00%)				
Genuine Parts	USD	21,176	1,596	2.13
			<u>1,596</u>	<u>2.13</u>
Hotels, Restaurants & Leisure 0.00% (1.25%)				
Multiline Retail 3.75% (3.01%)				
Target	USD	21,403	2,807	3.75
			<u>2,807</u>	<u>3.75</u>
Specialty Retail 1.10% (0.00%)				
Home Depot	USD	4,472	826	1.10
			<u>826</u>	<u>1.10</u>
Consumer Discretionary total			6,675	8.91
Consumer Staples 7.74% (8.85%)				
Beverages 1.92% (2.27%)				
PepsiCo	USD	15,584	1,439	1.92
			<u>1,439</u>	<u>1.92</u>
Food & Staples Retailing 0.90% (0.97%)				
Walgreens Boots Alliance	USD	19,610	672	0.90
			<u>672</u>	<u>0.90</u>
Household Products 2.37% (3.04%)				
Kimberly-Clark	USD	19,375	1,778	2.37
			<u>1,778</u>	<u>2.37</u>
Personal Products 2.55% (2.57%)				
Unilever, ADR	USD	51,221	1,907	2.55
			<u>1,907</u>	<u>2.55</u>
Consumer Staples total			5,796	7.74
Energy 5.80% (9.58%)				
Oil, Gas & Consumable Fuels 5.80% (9.58%)				
Kinder Morgan	USD	172,753	1,815	2.42
Marathon Petroleum	USD	29,872	1,167	1.56
Williams	USD	83,500	1,363	1.82
			<u>4,345</u>	<u>5.80</u>
Energy total			4,345	5.80

PORTFOLIO STATEMENT (CONTINUED)

As at 28 February 2021

Investment	Currency	Holding	Market Value £000	% of Net Assets
Financials 18.35% (19.43%)				
Banks 10.09% (12.19%)				
PNC Financial Services Group	USD	15,825	1,905	2.54
Stock Yards Bancorp	USD	18,024	636	0.85
Truist Financial	USD	69,115	2,815	3.76
US Bancorp	USD	61,472	2,199	2.94
			7,555	10.09
Capital Markets 0.83% (1.45%)				
Lazard 'A'	USD	22,390	620	0.83
			620	0.83
Insurance 7.43% (5.79%)				
Axis Capital Holdings	USD	29,475	1,065	1.42
Chubb	USD	13,844	1,610	2.15
CNA Financial	USD	41,520	1,262	1.69
Fidelity National Financial	USD	59,424	1,627	2.17
			5,564	7.43
Financials total			13,739	18.35
Health Care 14.60% (9.64%)				
Biotechnology 4.58% (4.16%)				
AbbVie	USD	23,841	1,837	2.45
Amgen	USD	9,925	1,595	2.13
			3,432	4.58
Health Care Equipment & Supplies 1.30% (0.00%)				
Medtronic	USD	11,612	971	1.30
			971	1.30
Health Care Providers & Services 2.41% (0.00%)				
Premier 'A'	USD	43,653	1,056	1.41
Quest Diagnostics	USD	9,049	748	1.00
			1,804	2.41
Pharmaceuticals 6.31% (5.48%)				
Bristol-Myers Squibb	USD	53,383	2,341	3.13
Merck	USD	19,482	1,012	1.35
Pfizer	USD	57,278	1,372	1.83
			4,725	6.31
Health Care total			10,932	14.60
Industrials 6.36% (9.48%)				
Air Freight & Logistics 3.77% (2.21%)				
United Parcel Service 'B'	USD	25,008	2,822	3.77
			2,822	3.77
Airlines 0.00% (1.37%)				
Commercial Services & Supplies 0.00% (0.70%)				
Industrial Conglomerates 1.76% (0.52%)				
3M	USD	10,513	1,316	1.76
			1,316	1.76
Machinery 0.00% (1.85%)				
Professional Services 0.83% (0.00%)				
Insperty	USD	9,817	623	0.83
			623	0.83
Trading Companies & Distributors 0.00% (2.83%)				
Industrials total			4,761	6.36

PORTFOLIO STATEMENT (CONTINUED)

As at 28 February 2021

Investment	Currency	Holding	Market Value £000	% of Net Assets
Information Technology 13.50% (8.20%)				
Communications Equipment 2.69% (2.48%)				
Cisco Systems	USD	62,787	2,014	2.69
			<u>2,014</u>	<u>2.69</u>
Electronic Equipment, Instruments & Components 4.13% (2.90%)				
Corning	USD	113,215	3,096	4.13
			<u>3,096</u>	<u>4.13</u>
IT Services 2.02% (0.00%)				
Cass Information Systems	USD	19,001	585	0.78
CSG Systems International	USD	16,244	535	0.72
Hackett Group	USD	35,137	393	0.52
			<u>1,513</u>	<u>2.02</u>
Semiconductors & Semiconductor Equipment 2.01% (2.82%)				
QUALCOMM	USD	15,417	1,501	2.01
			<u>1,501</u>	<u>2.01</u>
Software 2.65% (0.00%)				
NortonLifeLock	USD	52,374	731	0.98
Oracle	USD	27,182	1,254	1.67
			<u>1,985</u>	<u>2.65</u>
Information Technology total			10,109	13.50
Materials 0.56% (2.19%)				
Chemicals 0.56% (2.19%)				
Sensient Technologies	USD	7,465	416	0.56
			<u>416</u>	<u>0.56</u>
Materials total			416	0.56
Real Estate 1.05% (7.57%)				
Equity Real Estate Investment Trusts (REITs) 1.05% (7.57%)				
Iron Mountain	USD	31,472	782	1.05
			<u>782</u>	<u>1.05</u>
Real Estate total			782	1.05
Utilities 10.30% (7.69%)				
Electric Utilities 1.45% (0.00%)				
IDACORP	USD	17,669	1,089	1.45
			<u>1,089</u>	<u>1.45</u>
Independent Power and Renewable Electricity Producers 7.39% (4.46%)				
AES	USD	156,778	2,977	3.98
Atlantica Sustainable Infrastructure	USD	63,864	1,643	2.19
Vistra	USD	74,103	916	1.22
			<u>5,536</u>	<u>7.39</u>
Multi-Utilities 1.46% (3.23%)				
Black Hills	USD	25,782	1,091	1.46
			<u>1,091</u>	<u>1.46</u>
Utilities total			7,716	10.30
Equities total			71,698	95.75
Investment assets			71,698	95.75
Net other assets			3,184	4.25
Net assets			74,882	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 2020.

STATEMENT OF TOTAL RETURN

For the year ended 28 February 2021

	Notes	£000	Year ended 28.02.21 £000	£000	Year ended 28.02.20 £000
Income					
Net capital gains	2		49		1,264
Revenue	3	3,524		5,815	
Expenses	4	(812)		(1,426)	
Net revenue before taxation		2,712		4,389	
Taxation	5	(388)		(771)	
Net revenue after taxation			2,324		3,618
Total return before distributions			2,373		4,882
Distributions	6		(3,091)		(4,957)
Change in net assets attributable to shareholders from investment activities			(718)		(75)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 28 February 2021

	£000	Year ended 28.02.21 £000	£000	Year ended 28.02.20 £000
Opening net assets attributable to shareholders		138,770		163,480
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	917		1,161	
Amounts payable on cancellation of shares	(64,203)		(25,949)	
		(63,286)		(24,788)
Dilution adjustment		20		–
Change in net assets attributable to shareholders from investment activities (see above)		(718)		(75)
Retained distribution on accumulation shares		95		153
Unclaimed distributions		1		–
Closing net assets attributable to shareholders		74,882		138,770

BALANCE SHEET

As at 28 February 2021

	Notes	As at 28.02.21 £000	As at 28.02.20 £000
Assets:			
Investments	7	71,698	134,848
Current assets:			
Debtors	8	1,102	3,238
Cash and bank balances	9	3,318	4,866
Total assets		76,118	142,952
Liabilities:			
Creditors:			
Distribution payable		(520)	(1,173)
Other creditors	10	(716)	(3,009)
Total liabilities		(1,236)	(4,182)
Net assets attributable to shareholders		74,882	138,770

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting basis and policies

Please see pages 6 and 7 for accounting basis and policies.

2 Net capital gains

	Year ended 28.02.21 £000	Year ended 28.02.20 £000
Net capital gains on investment during the year comprise:		
Compensation items	–	3
Currency gains/(losses)	76	(98)
Forward currency contracts gains	5	1
Non-derivative securities gains	(32)	1,358
Net capital gains	49	1,264

3 Revenue

	Year ended 28.02.21 £000	Year ended 28.02.20 £000
Bank and deposit interest	19	34
Overseas dividends	3,294	5,622
UK dividends	211	159
Total revenue	3,524	5,815

4 Expenses

	Year ended 28.02.21 £000	Year ended 28.02.20 £000
Payable to the Authorised Corporate Director ("ACD"), associates of the ACD or agents of either of them:		
Fund Management Fee	808	1,422
	808	1,422
Payable to the Depositary, associates of the Depositary or agents of either of them:		
Interest payable	3	3
	3	3
Other expenses:		
Dividend collection charges	1	1
	1	1
Total expenses	812	1,426

The audit fee was £10,420 (2020: £10,019) net of VAT. The audit fee forms part of the FMF.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Taxation**a Analysis of tax charge**

	Year ended 28.02.21 £000	Year ended 28.02.20 £000
Overseas tax suffered	388	771
Total current tax (see note 5b)	388	771

b Factors affecting current tax charge

The tax assessed for the year is lower (2020: lower) than the standard rate of corporation tax in the UK for an Authorised Investment Fund (20%) (2020: 20%).

The differences are explained below:

	Year ended 28.02.21 £000	Year ended 28.02.20 £000
Net revenue before taxation	2,712	4,389
Corporation tax at 20%	542	878
Effects of:		
Movement in excess management expenses	121	202
Overseas dividends not subject to corporation tax	(615)	(1,034)
Overseas tax suffered	388	771
Tax relief for overseas tax suffered	(6)	(14)
UK dividends not subject to corporation tax	(42)	(32)
Current tax charge (see note 5a)	388	771

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 (2020: £nil).

After claiming relief against accrued income taxable on receipt, the Fund has unrelieved excess expenses of £11,422,589 (2020: £10,816,029) creating a potential deferred tax asset of £2,284,518 (2020: £2,163,206). 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 28.02.21 £000	Year ended 28.02.20 £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	989	1,143
Net dividend distribution for the three months ended 28 August	722	1,238
Net dividend distribution for the three months ended 28 November	573	1,271
Net dividend distribution for the three months ended 28 February	540	1,211
	2,824	4,863
Add: Revenue deducted on cancellation of shares	269	101
Deduct: Revenue received on issue of shares	(2)	(7)
Total distributions	3,091	4,957

Reconciliations of distributions for the year to net revenue after taxation

Distributions for the year	3,091	4,957
ACD's periodic charge borne by the capital account	(808)	(1,422)
Tax relief on capitalised ACD's periodic charge	41	83
Net revenue after taxation	2,324	3,618

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 28.02.21 £000	Assets at 28.02.20 £000
Level 1: Quoted prices	71,698	134,848
Total value	71,698	134,848

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 28.02.21 £000	As at 28.02.20 £000
Accrued revenue	194	470
Amounts receivable on issue of shares	10	41
Overseas tax recoverable	1	5
Sales awaiting settlement	897	2,722
Total debtors	1,102	3,238

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 Cash and bank balances

	As at 28.02.21 £000	As at 28.02.20 £000
Cash and bank balances	3,318	4,866
Total cash and bank balances	3,318	4,866

10 Other creditors

	As at 28.02.21 £000	As at 28.02.20 £000
Accrued expenses	107	215
Amounts payable for cancellation of shares	609	302
Purchases awaiting settlement	–	2,492
Total creditors	716	3,009

11 Contingent liabilities and commitments

There were no contingent liabilities or commitments at the year end (2020: £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 paid to Aviva Investors UK Fund Services Limited ("the ACD") are shown in note 4 and details of shares issued and cancelled by the ACD are shown in the statement of change in net assets attributable to shareholders. The balance due to the ACD at the year end in respect of Fund Management Fee was £106,774 (2020: £215,484). Any balance due from the ACD in respect of issues is shown in note 8. Any balance due to the ACD in respect of cancellations is shown in note 10.

Distributions payable to the ACD and related parties of the ACD during the year amounted to £6,549 (2020: £7,569). The amount outstanding at the year end was £1,535 (2020: £1,913). 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 28.02.21 (shares)	Movement (shares)	Holdings at 28.02.20 (shares)
ACD and related parties (Class 2 Income shares)	27,842	(10,024)	37,866
ACD and related parties (Class 2 Accumulation shares)	20,286	(107)	20,393
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 11 to 13. 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 28.02.20	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 28.02.21
Class 1 Income shares	308,686	–	(44,577)	–	264,109
Class 2 Income shares	51,034,074	323,402	(29,803,970)	5,626	21,559,132
Class 2 Income (USD) shares	8,412,488	20,499	(2,023,032)	–	6,409,955
Class 5 Income shares	12,811,596	167,109	(3,019,552)	(5,602)	9,953,551
Class 1 Accumulation shares	284,974	–	(47,675)	–	237,299
Class 2 Accumulation shares	1,192,512	–	(633,589)	–	558,923
Class 3 Accumulation shares	38,583	–	–	–	38,583
Class 5 Accumulation shares	282,125	580	(28,662)	–	254,043

15 Derivatives and other financial instruments

The policies applied in the management of financial instruments are set out on page 7.

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 (2020: £nil).

Currency risk

At the year end date, 97.47% (2020: 97.81%) 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 9.75% (2020: 9.78%).

Currency	Net foreign currency assets					
	Monetary exposure £000		Non monetary exposure £000		Total £000	
	28.02.21	28.02.20	28.02.21	28.02.20	28.02.21	28.02.20
US Dollar	1,255	885	71,698	134,848	72,953	135,733

Interest rate risk

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

At the year end date 4.43% (2020: 3.51%) 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, 95.75% (2020: 97.17%) 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 9.58% (2020: 9.72%).

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.

28.02.21	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	(28,422)	(13)	–	(28,435)	0.05%	0.00%
	(28,422)	(13)	–	(28,435)		
Sales (excluding in-specie transfers and corporate actions)						
Equities	91,542	(40)	(2)	91,500	0.04%	0.00%
	91,542	(40)	(2)	91,500		
Total		(53)	(2)			
Percentage of Fund average net assets		0.06%	0.00%			

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%			

Dealing spread

As at 28 February 2021, the average portfolio dealing spread was 0.27% (2020: 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18 Post balance sheet events

As a result of market movements and foreign exchange rates, since the balance sheet date on 28 February 2021, the price of each unit class has changed as follows:

Share Class	Share Price in class currency 28.02.21	Share Price in class currency 28.06.21	Increase/(Decrease) %
Class 1 Income	194.12	212.17	9.30
Class 1 Accumulation	251.80	278.70	10.68
Class 2 Income	206.04	225.38	9.39
Class 2 Accumulation	266.89	295.65	10.78
Class 3 Accumulation	276.06	306.51	11.03
Class 5 Income	207.40	226.93	9.42
Class 5 Accumulation	268.13	297.10	10.80
Class 2 Income (USD)	179.16	195.76	9.27

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

Share Class	Net Asset Value (£) 28.02.21	Net Subscription/ (Redemption) (£)	Market Movements (£)	Net Asset Value (£) 28.06.21
Class 1 Income	500,415	(95,420)	59,160	464,155
Class 1 Accumulation	587,417	(68,990)	72,893	591,320
Class 2 Income	43,356,232	(30,699,012)	4,472,508	17,129,728
Class 2 Accumulation	1,466,514	(363,153)	179,863	1,283,224
Class 3 Accumulation	104,712	(112,462)	8,767	1,017
Class 5 Income	20,149,037	21,779,645	2,694,914	44,623,596
Class 5 Accumulation	669,655	236,066	89,045	994,766
Class 2 Income (USD)	8,048,226	(838,806)	916,811	8,126,231
Total	74,882,208	(10,162,132)	8,493,961	73,214,037

DISTRIBUTION TABLES

Final distribution payable in pence per share for the three months ended 28 February 2021

Income shares		Net revenue	Equalisation	Final distribution payable 28 April 2021	Final distribution paid 28 April 2020
Class 1	Group 1	1.3678	–	1.3678	1.5956
	Group 2	0.6964	0.6714	1.3678	1.5956
Class 2	Group 1	1.4513	–	1.4513	1.6889
	Group 2	0.6598	0.7915	1.4513	1.6889
Class 5	Group 1	1.4608	–	1.4608	1.6986
	Group 2	0.8663	0.5945	1.4608	1.6986

Accumulation shares		Net revenue	Equalisation	Final distribution payable 28 April 2021	Final distribution paid 28 April 2020
Class 1	Group 1	1.7737	–	1.7737	2.0027
	Group 2	0.9831	0.7906	1.7737	2.0027
Class 2	Group 1	1.8795	–	1.8795	2.1170
	Group 2	1.0926	0.7869	1.8795	2.1170
Class 3	Group 1	1.9433	–	1.9433	2.1811
	Group 2	1.9433	0.0000	1.9433	2.1811
Class 5	Group 1	1.8880	–	1.8880	2.1248
	Group 2	1.8880	0.0000	1.8880	2.1248

Final distribution payable in cents per share for the three months ended 28 February 2021

Income shares		Net revenue	Equalisation	Final distribution payable 28 April 2021	Final distribution paid 28 April 2020
Class 2 (USD)	Group 1	1.2621	–	1.2621	1.3584
	Group 2	1.2621	0.0000	1.2621	1.3584

Final Distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 28 November 2020.

Group 2 shares are those shares purchased after 12:00 noon on 28 November 2020.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the three months ended 28 November 2020

Income shares		Net revenue	Equalisation	Interim distribution paid 28 January 2021	Interim distribution paid 28 January 2020
Class 1	Group 1	1.3229	–	1.3229	1.6147
	Group 2	0.6432	0.6797	1.3229	1.6147
Class 2	Group 1	1.4029	–	1.4029	1.7078
	Group 2	0.5288	0.8741	1.4029	1.7078
Class 5	Group 1	1.4117	–	1.4117	1.7171
	Group 2	0.5362	0.8755	1.4117	1.7171

Accumulation shares		Net revenue	Equalisation	Interim distribution paid 28 January 2021	Interim distribution paid 28 January 2020
Class 1	Group 1	1.7040	–	1.7040	2.0107
	Group 2	0.9424	0.7616	1.7040	2.0107
Class 2	Group 1	1.8045	–	1.8045	2.1238
	Group 2	0.0383	1.7662	1.8045	2.1238
Class 3	Group 1	1.8642	–	1.8642	2.1859
	Group 2	1.8642	0.0000	1.8642	2.1859
Class 5	Group 1	1.8124	–	1.8124	2.1313
	Group 2	1.8124	0.0000	1.8124	2.1313

Interim distribution paid in cents per share for the three months ended 28 November 2020

Income shares		Net revenue	Equalisation	Interim distribution paid 28 January 2021	Interim distribution paid 28 January 2020
Class 2 (USD)	Group 1	1.1666	–	1.1666	1.3771
	Group 2	1.1666	0.0000	1.1666	1.3771

Interim Distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 28 August 2020.

Group 2 shares are those shares purchased after 12:00 noon on 28 August 2020.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the three months ended 28 August 2020

Income shares		Net revenue	Equalisation	Interim distribution paid 28 October 2020	Interim distribution paid 28 October 2019
Class 1	Group 1	1.5166	–	1.5166	1.5181
	Group 2	0.6710	0.8456	1.5166	1.5181
Class 2	Group 1	1.6072	–	1.6072	1.6048
	Group 2	0.5889	1.0183	1.6072	1.6048
Class 5	Group 1	1.6169	–	1.6169	1.6106
	Group 2	0.8536	0.7633	1.6169	1.6106

Accumulation shares		Net revenue	Equalisation	Interim distribution paid 28 October 2020	Interim distribution paid 28 October 2019
Class 1	Group 1	1.9368	–	1.9368	1.8765
	Group 2	1.0059	0.9309	1.9368	1.8765
Class 2	Group 1	2.0496	–	2.0496	1.9808
	Group 2	0.3271	1.7225	2.0496	1.9808
Class 3	Group 1	2.1154	–	2.1154	2.0370
	Group 2	2.1154	0.0000	2.1154	2.0370
Class 5	Group 1	2.0581	–	2.0581	1.9842
	Group 2	2.0581	0.0000	2.0581	1.9842

Interim distribution paid in cents per share for the three months ended 28 August 2020

Income shares		Net revenue	Equalisation	Interim distribution paid 28 October 2020	Interim distribution paid 28 October 2019
Class 2 (USD)	Group 1	1.3349	–	1.3349	1.2233
	Group 2	1.3349	0.0000	1.3349	1.2233

Interim Distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 28 May 2020.

Group 2 shares are those shares purchased after 12:00 noon on 28 May 2020.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the three months ended 28 May 2020

Income shares		Net revenue	Equalisation	Interim distribution paid 28 July 2020	Interim distribution paid 28 July 2019
Class 1	Group 1	1.5382	–	1.5382	1.3538
	Group 2	0.6475	0.8907	1.5382	1.3538
Class 2	Group 1	1.6290	–	1.6290	1.4301
	Group 2	1.3698	0.2592	1.6290	1.4301
Class 5	Group 1	1.6386	–	1.6386	1.4464
	Group 2	0.6157	1.0229	1.6386	1.4464

Accumulation shares		Net revenue	Equalisation	Interim distribution paid 28 July 2020	Interim distribution paid 28 July 2019
Class 1	Group 1	1.9468	–	1.9468	1.6607
	Group 2	1.0595	0.8873	1.9468	1.6607
Class 2	Group 1	2.0589	–	2.0589	1.7520
	Group 2	0.4628	1.5961	2.0589	1.7520
Class 3	Group 1	2.1232	–	2.1232	1.8001
	Group 2	2.1232	0.0000	2.1232	1.8001
Class 5	Group 1	2.0671	–	2.0671	1.7691
	Group 2	2.0671	0.0000	2.0671	1.7691

Interim distribution paid in cents per share for the three months ended 28 May 2020

Income shares		Net revenue	Equalisation	Interim distribution paid 28 July 2020	Interim distribution paid 28 July 2019
Class 2 (USD)	Group 1	1.2447	–	1.2447	1.1318
	Group 2	1.2447	0.0000	1.2447	1.1318

Interim Distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 28 February 2020.

Group 2 shares are those shares purchased after 12:00 noon on 28 February 2020.

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. In addition, the Fund has limited exclusions based on Aviva Investors' UK Responsible Investment policy. Further information on the Aviva Investors UK Responsible Investment policy is available on our website and in the Prospectus.

Performance & Risk Measurement

The Fund's 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 2021 the Fund (share class 1, net of fees) delivered a return of 9.05% compared with an average return of 24.19% for the Russell® 3000 Value benchmark. The tracking error at the year end was 5.61%.

Review

It is fair to say that one would need to go back nearly 80 years, to the attack on Pearl Harbor, to find an event that could compare with the sudden, intense shift in economic behavior that we experienced in Q1 due to COVID-19. Whereas there was a resurgence of economic activity in 1942 as the country geared up for war, this battle required the exact opposite approach. Policymakers across the globe commanded that whole swathes of economic activity be halted in order to reduce the spread of this disease. As if a global pandemic was not bad enough, the breakdown of OPEC negotiations led to a surge in oil supply which only compounded the challenge posed by declining demand – leading to a truly historic plunge in oil prices and crippling one of America's growth industries.

The market rally that started in the final week of Q1 continued for much of Q2, led by 'deep value' stocks – the cheapest, lowest quality, highest risk, and highest beta companies in the index. At first, investors were clinging to hopes that increased testing and unprecedented amounts of stimulus could bridge the economic chasm that grew ever deeper as the duration of the quarantine went well past the original estimates. By May, select states had started to reopen and it looked like the worst might be behind us, fueling further optimism. However, by mid-June the first test of this bear market rally was precipitated by valuation concerns, an exhaustion in appetite for overbought low quality/high beta stocks, and, more visibly, fear as a 'second wave' of COVID-19 began to materialize. Over a span of a few weeks, equity markets retreated, led by small cap and value indices.

It should be little surprise a year as chaotic as 2020 would go out with a bang. The 'blue wave' election result pundits projected did not play out, but the Democratic party made enough headway to capture the White House and Congress by the thinnest of margins. However, in early November, the election results (which were then still uncertain) were quickly eclipsed by the announcement of positive trial results for the Pfizer/BioNTech COVID-19 vaccine. With little doubt the FDA would quickly approve the compound, U.S. equity markets surged. After dominating throughout the first three quarters of the year, large/ mega cap and growth stocks, including the FANG+ stocks, lagged behind small cap and low quality value stocks.

U.S. equity markets surged in February as lockdowns eased once again amid a steady ramp in vaccine administration. Again, small cap stocks led by a wide margin over large cap, extending the strong reversal that started in Q4. Driven by sharp rallies in the Energy and Financials sectors, value indices significantly outperformed growth in the period. FactSet is reporting that earnings for S&P 500 companies in Q4 were up +3.9% year over year as the vast majority reported positive surprises. S&P 500 earnings are now expected to fully recover from the pandemic induced recession in 2021 and are projected to come in about 7% above 2019 levels.

In the period, small cap stocks significantly outperformed mid and large caps, as the Russell 2000 returned +51.00% versus +36.12% and +34.28% for the Russell Midcap and Russell 1000, respectively. Growth stocks drastically outperformed their value peers during the period, by a minimum of +1,782 bps, which was among small caps. Among large caps, the Russell 1000 Growth outperformed the Russell 1000 Value by +2,204 bps!

AVIVA INVESTORS US EQUITY INCOME FUND II (CONTINUED)

FUND MANAGER'S REPORT (CONTINUED)

Review (continued)

The most significant positive impacts on relative performance were from stock selection in Utilities (+287 bps) and Industrials (+102 bps). Five of the six Utilities holdings significantly outperformed the broader sector return including top performer AES Corp. (AES, +61.7%). The Industrials sector benefited from its holding of United Parcel Service Inc. (CI B) (UPS, +77.9%), the second-highest contributor to Portfolio return during the period.

The top five contributors to Portfolio return included Target Corp. (TGT, +79.9%), United Parcel Service Inc. (CI B), Corning Inc. (GLW, +64.6%), AES Corp., and QUALCOMM Inc. (QCOM, +77.6%).

Overall sector allocation and stock selection detracted from performance relative to the index. The most significant negative impacts on relative performance were from stock selection in Financials (-158 bps) and Consumer Staples (-142 bps). Six of the nine Financials holdings underperformed the broader sector, as did all four of the Consumer Staples holdings.

The five largest detractors to Portfolio return during the period were Ventas Inc. (VTR, -31.6%), Delta Air Lines Inc. (DAL, -50.8%), Kinder Morgan Inc. (CI P) (KMI, -17.5%), Ryman Hospitality Properties Inc. (RHP, -49.8%), and Omnicom Group Inc. (OMC, -26.7%).

As of February 28, the Portfolio held a total of 46 positions. During the period, we established 17 new positions, eliminated 18, and one position was spunoff and ultimately eliminated.

Outlook

We continue to expect that the recovery process will be a protracted event, and that market volatility will be elevated until a vaccine is widely available, but after a year, it does finally appear there is a light at the end of the tunnel. We anticipate there will be significant long-term implications of this period, both culturally and economically, as new behaviors will emerge, labor markets will exhibit significantly less friction, and businesses will be forced to adjust to capitalize on a more direct connection with their customers. Despite dire predictions, the impact of COVID-19 on U.S. dividends was quite modest as Ned Davis Research reports the real cash dividends paid by S&P 500 companies declined by only -5.5% in 2020. We expect a more supportive economic environment and improved earnings will fuel a positive shift in broader dividend growth in 2021, absent any adverse changes in tax policy. Combined with increased wariness regarding apparent excesses amid the more growth-oriented areas of the U.S. equity market, we believe this creates a very positive outlook for the future of dividend stocks broadly, and the U.S. Equity Income Fund II specifically.

April 2021

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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)
31.12.15 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
31.12.18 to 31.12.19	18.10	18.60	22.70
31.12.19 to 31.12.20	-3.40	-3.20	-0.20

Performance History – Income Shares

Calendar year	Share Class 5	Benchmark
	%	Performance*
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
31.12.18 to 31.12.19	18.70	21.40
31.12.19 to 31.12.20	-3.10	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*
31.12.15 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
31.12.18 to 31.12.19	18.60	19.00	17.80	21.40
31.12.19 to 31.12.20	-3.20	-2.80	-3.10	-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 2020. The figures do not include the effect of the Entry Charge and any Exit Charge.

Yield History

Calendar year	Yield	Benchmark	Performance
	%	Yield*	relative to target
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
31.12.18 to 31.12.19	3.50	2.41	145
31.12.19 to 31.12.20	3.86	2.24	172

* 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
Genuine Parts	Dominion Energy
Chubb	Fastenal
Oracle	Target
Merck	Illinois Tool Works
Black Hills	Kimberly-Clark
IDACORP	Iron Mountain
3M	LyondellBasell Industries 'A'
Premier 'A'	Omnicom Group
Medtronic	Ventas
Vistra	Verizon Communications

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.
- During the year ended 28 February 2021, the indicator changed from category 5 to category 6.
- 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

Class 1 Income	2021 p per share	2020 p per share	2019 p per share
Change in net assets per share			
Opening net asset value per share	150.63	153.98	146.77
Return before operating charges [†]	11.77	3.29	13.31
Operating charges	(1.64)	(1.92)	(1.85)
Return after operating charges [†]	10.13	1.37	11.46
Distributions	(4.83)	(4.72)	(4.25)
Closing net asset value per share	155.93	150.63	153.98
[†] after direct transaction costs of	(0.09)	(0.05)	(0.05)
Performance			
Return after operating charges	6.73%	0.89%	7.81%
Other information			
Closing net asset value (£000)	219	218	193
Closing number of shares	140,590	144,647	125,519
Operating charges (%) [†]	1.13%	1.13%	1.18%
Direct transaction costs (%) [#]	0.06%	0.03%	0.03%
Prices[°]			
Highest share price	164.64	175.13	167.04
Lowest share price	120.29	151.94	135.96

Class 2 Income	2021 p per share	2020 p per share	2019 p per share
Change in net assets per share			
Opening net asset value per share	157.02	159.92	151.82
Return before operating charges [†]	12.31	3.53	13.92
Operating charges	(1.34)	(1.52)	(1.41)
Return after operating charges [†]	10.97	2.01	12.51
Distributions	(5.04)	(4.91)	(4.41)
Closing net asset value per share	162.95	157.02	159.92
[†] after direct transaction costs of	(0.09)	(0.05)	(0.05)
Performance			
Return after operating charges	6.99%	1.26%	8.24%
Other information			
Closing net asset value (£000)	82,474	209,295	295,573
Closing number of shares	50,614,803	133,294,863	184,828,499
Operating charges (%) [†]	0.88%	0.88%	0.88%
Direct transaction costs (%) [#]	0.06%	0.03%	0.03%
Prices[°]			
Highest share price	171.96	182.12	173.21
Lowest share price	125.42	158.39	140.72

Class 2 Accumulation	2021 p per share	2020 p per share	2019 p per share
Change in net assets per share			
Opening net asset value per share	184.88	182.90	169.06
Return before operating charges [†]	14.83	3.72	15.43
Operating charges	(1.61)	(1.74)	(1.59)
Return after operating charges [†]	13.22	1.98	13.84
Distributions	(6.01)	(5.68)	(4.97)
Retained distributions on accumulation shares	6.01	5.68	4.97
Closing net asset value per share	198.10	184.88	182.90
[†] after direct transaction costs of	(0.11)	(0.06)	(0.05)
Performance			
Return after operating charges	7.15%	1.08%	8.19%
Other information			
Closing net asset value (£000)	9,504	11,430	29,903
Closing number of shares	4,797,224	6,182,146	16,349,041
Operating charges (%) [†]	0.88%	0.88%	0.88%
Direct transaction costs (%) [#]	0.06%	0.03%	0.03%
Prices[°]			
Highest share price	207.53	209.41	194.70
Lowest share price	147.68	182.38	156.70

Class 2 Income (USD)	2021 c per share	2020 c per share	2019 c per share
Change in net assets per share			
Opening net asset value per share	129.07	135.74	134.12
Return before operating charges [†]	21.09	(1.46)	6.48
Operating charges	(1.13)	(1.24)	(1.18)
Return after operating charges [†]	19.96	(2.70)	5.30
Distributions	(4.24)	(3.97)	(3.68)
Closing net asset value per share	144.79	129.07	135.74
[†] after direct transaction costs of	(0.08)	(0.04)	(0.04)
Performance			
Return after operating charges	15.46%	(1.99)%	3.95%
Other information			
Closing net asset value (£000)	1,648	1,606	1,890
Closing number of shares	1,585,411	1,603,612	1,852,649
Operating charges (%) [†]	0.88%	0.88%	0.88%
Direct transaction costs (%) [#]	0.06%	0.03%	0.03%
Prices[°]			
Highest share price	151.32	148.17	142.80
Lowest share price	92.15	130.20	121.36

COMPARATIVE TABLES (CONTINUED)

Class 3 Accumulation	2021 p per share	2020 p per share	2019 p per share
Change in net assets per share			
Opening net asset value per share	245.61	242.12	223.02
Return before operating charges [†]	19.78	4.89	20.36
Operating charges	(1.30)	(1.40)	(1.26)
Return after operating charges [†]	18.48	3.49	19.10
Distributions	(8.00)	(7.53)	(6.60)
Retained distributions on accumulation shares	8.00	7.53	6.60
Closing net asset value per share	264.09	245.61	242.12
[†] after direct transaction costs of	(0.15)	(0.08)	(0.07)
Performance			
Return after operating charges	7.52%	1.44%	8.56%
Other information			
Closing net asset value (£000)	103	96	94
Closing number of shares	38,976	38,976	38,976
Operating charges (%) [†]	0.53%	0.53%	0.53%
Direct transaction costs (%) [‡]	0.06%	0.03%	0.03%
Prices[≈]			
Highest share price	276.54	277.74	257.30
Lowest share price	196.23	241.49	206.77

Class 5 Income	2021 p per share	2020 p per share	2019 p per share
Change in net assets per share			
Opening net asset value per share	157.89	160.63	152.31
Return before operating charges [†]	12.40	3.59	13.94
Operating charges	(1.24)	(1.40)	(1.18)
Return after operating charges [†]	11.16	2.19	12.76
Distributions	(5.07)	(4.93)	(4.44)
Closing net asset value per share	163.98	157.89	160.63
[†] after direct transaction costs of	(0.09)	(0.05)	(0.05)
Performance			
Return after operating charges	7.07%	1.36%	8.38%
Other information			
Closing net asset value (£000)	64,609	62,486	1
Closing number of shares	39,399,682	39,576,222	619
Operating charges (%) [†]	0.80%	0.80%	0.74%
Direct transaction costs (%) [‡]	0.06%	0.03%	0.03%
Prices[≈]			
Highest share price	173.04	183.04	173.85
Lowest share price	126.12	159.27	141.18

Class 5 Accumulation	2021 p per share	2020 p per share	2019 p per share
Change in net assets per share			
Opening net asset value per share	185.52	183.34	169.25
Return before operating charges [†]	14.90	3.80	15.42
Operating charges	(1.48)	(1.62)	(1.33)
Return after operating charges [†]	13.42	2.18	14.09
Distributions	(6.03)	(5.69)	(4.99)
Retained distributions on accumulation shares	6.03	5.69	4.99
Closing net asset value per share	198.94	185.52	183.34
[†] after direct transaction costs of	(0.11)	(0.06)	(0.05)
Performance			
Return after operating charges	7.23%	1.19%	8.32%
Other information			
Closing net asset value (£000)	13,239	17,880	1
Closing number of shares	6,654,580	9,637,910	545
Operating charges (%) [†]	0.80%	0.80%	0.74%
Direct transaction costs (%) [‡]	0.06%	0.03%	0.03%
Prices[≈]			
Highest share price	208.39	210.05	195.04
Lowest share price	148.19	182.84	156.89

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

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

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

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

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

Ongoing Charges Figure*

Share class	28.02.21	28.02.20
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 2021

Investment	Currency	Holding	Market Value £000	% of Net Assets
Equities 100.13% (99.58%)				
Communication Services 9.01% (10.84%)				
Diversified Telecommunication Services 3.32% (3.46%)				
Verizon Communications	USD	144,164	5,701	3.32
			<u>5,701</u>	<u>3.32</u>
Media 5.69% (7.38%)				
Comcast 'A'	USD	183,287	6,903	4.02
Interpublic Group	USD	154,214	2,881	1.67
			<u>9,784</u>	<u>5.69</u>
Communication Services total			15,485	9.01
Consumer Discretionary 9.72% (4.48%)				
Auto Components 2.12% (0.00%)				
Magna International	USD	60,518	3,645	2.12
			<u>3,645</u>	<u>2.12</u>
Distributors 2.33% (0.00%)				
Genuine Parts	USD	53,057	3,998	2.33
			<u>3,998</u>	<u>2.33</u>
Hotels, Restaurants & Leisure 0.00% (1.32%)				
Multiline Retail 4.10% (3.16%)				
Target	USD	53,711	7,045	4.10
			<u>7,045</u>	<u>4.10</u>
Specialty Retail 1.17% (0.00%)				
Home Depot	USD	10,902	2,014	1.17
			<u>2,014</u>	<u>1.17</u>
Consumer Discretionary total			16,702	9.72
Consumer Staples 8.43% (9.50%)				
Beverages 1.97% (2.32%)				
PepsiCo	USD	36,621	3,382	1.97
			<u>3,382</u>	<u>1.97</u>
Food & Staples Retailing 0.95% (1.03%)				
Walgreens Boots Alliance	USD	47,648	1,633	0.95
			<u>1,633</u>	<u>0.95</u>
Household Products 2.67% (3.37%)				
Kimberly-Clark	USD	49,912	4,581	2.67
			<u>4,581</u>	<u>2.67</u>
Personal Products 2.84% (2.78%)				
Unilever, ADR	USD	131,272	4,887	2.84
			<u>4,887</u>	<u>2.84</u>
Consumer Staples total			14,483	8.43
Energy 6.10% (9.98%)				
Oil, Gas & Consumable Fuels 6.10% (9.98%)				
Kinder Morgan	USD	413,637	4,346	2.53
Marathon Petroleum	USD	72,077	2,815	1.64
Williams	USD	203,642	3,324	1.93
			<u>10,485</u>	<u>6.10</u>
Energy total			10,485	6.10

PORTFOLIO STATEMENT (CONTINUED)

As at 28 February 2021

Investment	Currency	Holding	Market Value £000	% of Net Assets
Financials 18.04% (17.42%)				
Banks 9.42% (10.22%)				
PNC Financial Services Group	USD	39,205	4,720	2.75
Truist Financial	USD	160,746	6,548	3.81
US Bancorp	USD	137,540	4,919	2.86
			16,187	9.42
Capital Markets 0.86% (1.59%)				
Lazard 'A'	USD	53,367	1,476	0.86
			1,476	0.86
Insurance 7.76% (5.61%)				
Axis Capital Holdings	USD	71,872	2,597	1.51
Chubb	USD	35,274	4,102	2.39
CNA Financial	USD	82,424	2,506	1.46
Fidelity National Financial	USD	150,665	4,125	2.40
			13,330	7.76
Financials total			30,993	18.04
Health Care 15.61% (10.13%)				
Biotechnology 4.93% (4.37%)				
AbbVie	USD	59,776	4,606	2.68
Amgen	USD	24,016	3,860	2.25
			8,466	4.93
Health Care Equipment & Supplies 1.35% (0.00%)				
Medtronic	USD	27,852	2,330	1.35
			2,330	1.35
Health Care Providers & Services 2.61% (0.00%)				
Premier 'A'	USD	108,390	2,621	1.53
Quest Diagnostics	USD	22,488	1,859	1.08
			4,480	2.61
Pharmaceuticals 6.72% (5.76%)				
Bristol-Myers Squibb	USD	126,372	5,542	3.23
Merck	USD	50,193	2,607	1.52
Pfizer	USD	141,711	3,393	1.97
			11,542	6.72
Health Care total			26,818	15.61
Industrials 6.83% (9.98%)				
Air Freight & Logistics 4.07% (2.31%)				
United Parcel Service 'B'	USD	61,849	6,980	4.07
			6,980	4.07
Airlines 0.00% (1.44%)				
Commercial Services & Supplies 0.00% (0.74%)				
Industrial Conglomerates 1.86% (0.54%)				
3M	USD	25,551	3,199	1.86
			3,199	1.86
Machinery 0.00% (1.94%)				
Professional Services 0.90% (0.00%)				
Insperty	USD	24,395	1,548	0.90
			1,548	0.90
Trading Companies & Distributors 0.00% (3.01%)				
Industrials total			11,727	6.83

PORTFOLIO STATEMENT (CONTINUED)

As at 28 February 2021

Investment	Currency	Holding	Market Value £000	% of Net Assets
Information Technology 13.12% (8.64%)				
Communications Equipment 2.86% (2.63%)				
Cisco Systems	USD	153,386	4,922	2.86
			4,922	2.86
Electronic Equipment, Instruments & Components 4.52% (3.05%)				
Corning	USD	284,055	7,767	4.52
			7,767	4.52
IT Services 0.79% (0.00%)				
CSG Systems International	USD	41,067	1,352	0.79
			1,352	0.79
Semiconductors & Semiconductor Equipment 2.13% (2.96%)				
QUALCOMM	USD	37,571	3,657	2.13
			3,657	2.13
Software 2.82% (0.00%)				
NortonLifeLock	USD	129,344	1,805	1.05
Oracle	USD	65,761	3,034	1.77
			4,839	2.82
Information Technology total			22,537	13.12
Materials 0.73% (2.47%)				
Chemicals 0.73% (2.47%)				
Sensient Technologies	USD	22,425	1,249	0.73
			1,249	0.73
Materials total			1,249	0.73
Real Estate 1.15% (8.01%)				
Equity Real Estate Investment Trusts (REITs) 1.15% (8.01%)				
Iron Mountain	USD	79,119	1,967	1.15
			1,967	1.15
Real Estate total			1,967	1.15
Utilities 11.39% (8.13%)				
Electric Utilities 1.67% (0.00%)				
IDACORP	USD	46,489	2,866	1.67
			2,866	1.67
Independent Power and Renewable Electricity Producers 8.11% (4.71%)				
AES	USD	393,764	7,477	4.35
Atlantica Sustainable Infrastructure	USD	159,483	4,103	2.39
Vistra	USD	190,915	2,360	1.37
			13,940	8.11
Multi-Utilities 1.61% (3.42%)				
Black Hills	USD	65,334	2,764	1.61
			2,764	1.61
Utilities total			19,570	11.39
Equities total			172,016	100.13
Investment assets			172,016	100.13
Net other liabilities			(220)	(0.13)
Net assets			171,796	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 2020.

STATEMENT OF TOTAL RETURN

For the year ended 28 February 2021

	Notes	£000	Year ended 28.02.21 £000	£000	Year ended 28.02.20 £000
Income					
Net capital gains/(losses)	2		1,979		(153)
Revenue	3	8,181		12,581	
Expenses	4	(1,837)		(3,072)	
Net revenue before taxation		6,344		9,509	
Taxation	5	(927)		(2,362)	
Net revenue after taxation			5,417		7,147
Total return before distributions			7,396		6,994
Distributions	6		(7,158)		(10,011)
Change in net assets attributable to shareholders from investment activities			238		(3,017)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 28 February 2021

	£000	Year ended 28.02.21 £000	£000	Year ended 28.02.20 £000
Opening net assets attributable to shareholders		303,011		327,655
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	62,887		89,586	
Amounts payable on cancellation of shares	(195,117)		(112,130)	
		(132,230)		(22,544)
Dilution adjustment		61		-
Change in net assets attributable to shareholders from investment activities (see above)		238		(3,017)
Retained distribution on accumulation shares		716		917
Closing net assets attributable to shareholders		171,796		303,011

BALANCE SHEET

As at 28 February 2021

	Notes	As at 28.02.21 £000	As at 28.02.20 £000
Assets:			
Investments	7	172,016	301,740
Current assets:			
Debtors	8	953	10,500
Cash and bank balances	9	1,536	4,250
Total assets		174,505	316,490
Liabilities:			
Creditors:			
Distribution payable		(1,103)	(2,381)
Other creditors	10	(1,606)	(11,098)
Total liabilities		(2,709)	(13,479)
Net assets attributable to shareholders		171,796	303,011

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting basis and policies

Please see pages 6 and 7 for accounting basis and policies.

2 Net capital gains/(losses)

	Year ended 28.02.21 £000	Year ended 28.02.20 £000
Net capital gains/(losses) on investment during the year comprise:		
Compensation items	–	7
Currency (losses)/gains	(385)	346
Forward currency contracts (losses)/gains	(3)	6
Non-derivative securities gains/(losses)	2,367	(512)
Net capital gains/(losses)	1,979	(153)

3 Revenue

	Year ended 28.02.21 £000	Year ended 28.02.20 £000
Bank and deposit interest	18	134
Overseas dividends	7,654	12,091
UK dividends	509	356
Total revenue	8,181	12,581

4 Expenses

	Year ended 28.02.21 £000	Year ended 28.02.20 £000
Payable to the Authorised Corporate Director ("ACD"), associates of the ACD or agents of either of them:		
Fund Management Fee	1,830	3,068
	1,830	3,068
Payable to the Depositary, associates of the Depositary or agents of either of them:		
Interest payable	5	2
	5	2
Other expenses:		
Dividend collection charges	2	2
	2	2
Total expenses	1,837	3,072

The audit fee was £10,420 (2020: £10,019) net of VAT. The audit fee forms part of the FMF.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Taxation**a Analysis of tax charge**

	Year ended 28.02.21 £000	Year ended 28.02.20 £000
Overseas tax suffered	927	2,362
Total current tax (see note 5b)	927	2,362

b Factors affecting current tax charge

The tax assessed for the year is lower (2020: higher) than the standard rate of corporation tax in the UK for an Authorised Investment Fund (20%) (2020: 20%).

The differences are explained below:

	Year ended 28.02.21 £000	Year ended 28.02.20 £000
Net revenue before taxation	6,344	9,509
Corporation tax at 20%	1,269	1,902
Effects of:		
Movement in excess management expenses	277	413
Overseas dividends not subject to corporation tax	(1,429)	(2,213)
Overseas tax suffered	927	2,362
Tax relief for overseas tax suffered	(15)	(31)
UK dividends not subject to corporation tax	(102)	(71)
Current tax charge (see note 5a)	927	2,362

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 (2020: £nil).

After claiming relief against accrued income taxable on receipt, the Fund has unrelieved excess expenses of £9,396,425 (2020: £8,010,241) creating a potential deferred tax asset of £1,879,285 (2020: £1,602,048). 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 28.02.21 £000	Year ended 28.02.20 £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	2,220	1,745
Net dividend distribution for the three months ended 28 August	1,697	2,671
Net dividend distribution for the three months ended 28 November	1,357	2,845
Net dividend distribution for the three months ended 28 February	1,271	2,634
	6,545	9,895
Add: Revenue deducted on cancellation of shares	847	459
Deduct: Revenue received on issue of shares	(234)	(343)
Total distributions	7,158	10,011

Reconciliations of distributions for the year to net revenue after taxation

Distributions for the year	7,158	10,011
ACD's periodic charge borne by the capital account	(1,830)	(3,068)
Equalisation on conversions	–	3
Tax relief on capitalised ACD's periodic charge	89	201
Net revenue after taxation	5,417	7,147

Details of the distributions per share are set out in the distribution tables on pages 47 to 50.

7 Fair value hierarchy

Valuation technique	Assets at 28.02.21 £000	Liabilities at 28.02.21 £000	Assets at 28.02.20 £000	Liabilities at 28.02.20 £000
Level 1: Quoted prices	172,016	–	301,740	–
Total value	172,016	–	301,740	–

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 28.02.21 £000	As at 28.02.20 £000
Accrued revenue	469	992
Amounts receivable on issue of shares	484	449
Overseas tax recoverable	–	7
Sales awaiting settlement	–	9,052
Total debtors	953	10,500

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 Cash and bank balances

	As at 28.02.21 £000	As at 28.02.20 £000
Cash and bank balances	1,536	4,250
Total cash and bank balances	1,536	4,250

10 Other creditors

	As at 28.02.21 £000	As at 28.02.20 £000
Accrued expenses	249	480
Amounts payable for cancellation of shares	1,357	4,846
Purchases awaiting settlement	–	5,772
Total other creditors	1,606	11,098

11 Contingent liabilities and commitments

There were no contingent liabilities or commitments at the year end (2020: £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 paid to Aviva Investors UK Fund Services Limited ("the ACD") are shown in note 4 and details of shares issued and cancelled by the ACD are shown in the statement of change in net assets attributable to shareholders. The balance due to the ACD at the year end in respect of Fund Management Fee was £249,014 (2020: £479,915). 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 £116,666 (2020: £122,959). The amount outstanding at the year end was £26,327 (2020: £32,156). 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 28.02.21 (shares)	Movement (shares)	Holdings at 28.02.20 (shares)
ACD and related parties (Class 2 Income shares)	851,677	(111,250)	962,927
ACD and related parties (Class 2 Accumulation shares)	1,050,377	(89,192)	1,139,569
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 47 to 50. 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 28.02.20	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 28.02.21
Class 1 Income shares	144,647	27,219,310	(27,223,367)	–	140,590
Class 2 Income shares	133,294,863	2,965,012	(85,306,963)	(338,109)	50,614,803
Class 2 Income (USD) shares	1,603,612	411,797	(429,998)	–	1,585,411
Class 2 Accumulation shares	6,182,146	2,383,851	(3,773,281)	4,508	4,797,224
Class 3 Accumulation shares	38,976	–	–	–	38,976
Class 5 Income shares	39,576,222	7,634,964	(8,147,549)	336,045	39,399,682
Class 5 Accumulation shares	9,637,910	1,305,008	(4,283,848)	(4,490)	6,654,580

15 Derivatives and other financial instruments

The policies applied in the management of financial instruments are set out on page 7.

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 (2020: £nil).

Currency risk

At the year end date, 100.80% (2020: 103.52%) 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 10.08% (2020: 10.35%).

Currency	Net foreign currency assets					
	Monetary exposure £000		Non monetary exposure £000		Total £000	
	28.02.21	28.02.20	28.02.21	28.02.20	28.02.21	28.02.20
US Dollar	1,162	11,931	172,016	301,740	173,178	313,671

Interest rate risk

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

At the year end date 0.89% (2020: 1.40%) 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, 100.13% (2020: 99.58%) of the net assets of the Fund were invested in ordinary shares or stock units or debt securities admitted to an official stock exchange. If the market value were to change by 10%, the value of the Fund would change by 10.01% (2020: 9.96%).

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.

28.02.21	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	(67,950)	(31)	–	(67,981)	0.05%	0.00%
	(67,950)	(31)	–	(67,981)		
Sales (excluding in-specie transfers and corporate actions)						
Equities	200,139	(88)	(4)	200,047	0.04%	0.00%
	200,139	(88)	(4)	200,047		
Total		(119)	(4)			
Percentage of Fund average net assets		0.06%	0.00%			

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	(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%			

Dealing spread

As at 28 February 2021, the average portfolio dealing spread was 0.25% (2020: 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17 Post balance sheet events

As a result of market movements and foreign exchange rates, since the balance sheet date on 28 February 2021, the price of each unit class has changed as follows:

Share Class	Share Price in class currency 28.02.21	Share Price in class currency 28.06.21	Increase/(Decrease) %
Class 1 Income	159.89	175.47	9.74
Class 2 Accumulation	201.63	224.39	11.29
Class 2 Income	167.08	183.50	9.83
Class 3 Accumulation	268.79	299.78	11.53
Class 2 Income (USD)	148.46	162.88	9.71
Class 5 Income	168.14	184.72	9.86
Class 5 Accumulation	202.49	225.40	11.31

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

Share Class	Net Asset Value (£) 28.02.21	Net Subscription/ (Redemption) (£)	Market Movements (£)	Net Asset Value (£) 28.06.21
Class 1 Income	219,223	(201,515)	175,684	193,392
Class 2 Accumulation	9,503,448	(18,748)	1,207,711	10,692,411
Class 2 Income	82,474,316	(24,089,958)	9,763,056	68,147,414
Class 3 Accumulation	102,931	(111,702)	9,789	1,018
Class 2 Income (USD)	1,648,252	100,484	213,416	1,962,152
Class 5 Income	64,608,909	16,120,472	8,300,747	89,030,128
Class 5 Accumulation	13,238,789	317,319	1,816,669	15,372,777
Total	171,795,868	(7,883,648)	21,487,072	185,399,292

DISTRIBUTION TABLES

Final distribution payable in pence per share for the three months ended 28 February 2021

Income shares		Net revenue	Equalisation	Final distribution payable 28 April 2021	Final distribution paid 28 April 2020
Class 1	Group 1	1.1553	–	1.1553	1.3111
	Group 2	0.7057	0.4496	1.1553	1.3111
Class 2	Group 1	1.2068	–	1.2068	1.3662
	Group 2	0.6977	0.5091	1.2068	1.3662
Class 5	Group 1	1.2144	–	1.2144	1.3737
	Group 2	0.5681	0.6463	1.2144	1.3737

Accumulation shares		Net revenue	Equalisation	Interim distribution payable 28 April 2021	Interim distribution paid 28 April 2020
Class 2	Group 1	1.4559	–	1.4559	1.5949
	Group 2	0.3758	1.0801	1.4559	1.5949
Class 3	Group 1	1.9401	–	1.9401	2.1177
	Group 2	1.9401	0.0000	1.9401	2.1177
Class 5	Group 1	1.4620	–	1.4620	1.6002
	Group 2	0.8807	0.5813	1.4620	1.6002

Final distribution payable in cents per share for the three months ended 28 February 2021

Income shares		Net revenue	Equalisation	Final distribution payable 28 April 2021	Final distribution paid 28 April 2020
Class 2 (USD)	Group 1	1.0718	–	1.0718	1.1231
	Group 2	0.8816	0.1902	1.0718	1.1231

Final Distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 28 November 2020.

Group 2 shares are those shares purchased after 12:00 noon on 28 November 2020.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the three months ended 28 November 2020

Income shares		Net revenue	Equalisation	Interim distribution paid 28 January 2021	Interim distribution paid 28 January 2020
Class 1	Group 1	1.1052	–	1.1052	1.3530
	Group 2	0.7090	0.3962	1.1052	1.3530
Class 2	Group 1	1.1538	–	1.1538	1.4084
	Group 2	0.7327	0.4211	1.1538	1.4084
Class 5	Group 1	1.1607	–	1.1607	1.4158
	Group 2	0.4407	0.7200	1.1607	1.4158

Accumulation shares		Net revenue	Equalisation	Interim distribution paid 28 January 2021	Interim distribution paid 28 January 2020
Class 2	Group 1	1.3826	–	1.3826	1.6311
	Group 2	0.6160	0.7666	1.3826	1.6311
Class 3	Group 1	1.8407	–	1.8407	2.1640
	Group 2	1.8407	0.0000	1.8407	2.1640
Class 5	Group 1	1.3880	–	1.3880	1.6362
	Group 2	0.5798	0.8082	1.3880	1.6362

Interim distribution paid in cents per share for the three months ended 28 November 2020

Income shares		Net revenue	Equalisation	Interim distribution paid 28 January 2021	Interim distribution paid 28 January 2020
Class 2 (USD)	Group 1	0.9806	–	0.9806	1.1606
	Group 2	0.0650	0.9156	0.9806	1.1606

Interim Distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 28 August 2020.

Group 2 shares are those shares purchased after 12:00 noon on 28 August 2020.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the three months ended 28 August 2020

Income shares		Net revenue	Equalisation	Interim distribution paid 28 October 2020	Interim distribution paid 28 October 2019
Class 1	Group 1	1.2870	–	1.2870	1.2512
	Group 2	0.7946	0.4924	1.2870	1.2512
Class 2	Group 1	1.3424	–	1.3424	1.3009
	Group 2	0.8293	0.5131	1.3424	1.3009
Class 5	Group 1	1.3503	–	1.3503	1.3019
	Group 2	0.7037	0.6466	1.3503	1.3019

Accumulation shares		Net revenue	Equalisation	Interim distribution paid 28 October 2020	Interim distribution paid 28 October 2019
Class 2	Group 1	1.5944	–	1.5944	1.4953
	Group 2	0.7323	0.8621	1.5944	1.4953
Class 3	Group 1	2.1207	–	2.1207	1.9820
	Group 2	2.1207	0.0000	2.1207	1.9820
Class 5	Group 1	1.6004	–	1.6004	1.4934
	Group 2	0.7163	0.8841	1.6004	1.4934

Interim distribution paid in cents per share for the three months ended 28 August 2020

Income shares		Net revenue	Equalisation	Interim distribution paid 28 October 2020	Interim distribution paid 28 October 2019
Class 2 (USD)	Group 1	1.1395	–	1.1395	1.0134
	Group 2	0.6401	0.4994	1.1395	1.0134

Interim Distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 28 May 2020.

Group 2 shares are those shares purchased after 12:00 noon on 28 May 2020.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the three months ended 28 May 2020

Income shares		Net revenue	Equalisation	Interim distribution paid 28 July 2020	Interim distribution paid 28 July 2019
Class 1	Group 1	1.2839	–	1.2839	0.8052
	Group 2	0.5923	0.6916	1.2839	0.8052
Class 2	Group 1	1.3389	–	1.3389	0.8364
	Group 2	0.9098	0.4291	1.3389	0.8364
Class 5	Group 1	1.3465	–	1.3465	0.8410
	Group 2	0.5745	0.7720	1.3465	0.8410

Accumulation shares		Net revenue	Equalisation	Interim distribution paid 28 July 2020	Interim distribution paid 28 July 2019
Class 2	Group 1	1.5759	–	1.5759	0.9561
	Group 2	0.9916	0.5843	1.5759	0.9561
Class 3	Group 1	2.0944	–	2.0944	1.2663
	Group 2	2.0944	0.0000	2.0944	1.2663
Class 5	Group 1	1.5814	–	1.5814	0.9618
	Group 2	0.8913	0.6901	1.5814	0.9618

Interim distribution paid in cents per share for the three months ended 28 May 2020

Income shares		Net revenue	Equalisation	Interim distribution paid 28 July 2020	Interim distribution paid 28 July 2019
Class 2 (USD)	Group 1	1.0454	–	1.0454	0.6763
	Group 2	0.6143	0.4311	1.0454	0.6763

Interim Distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 28 February 2020.

Group 2 shares are those shares purchased after 12:00 noon on 28 February 2020.

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 2021 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
30 June 2021

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 2021

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 2021 and of the net revenue and the net capital gains 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 2021; the statements of total return and the statements of change in net assets attributable to shareholders for the year then ended; the distribution tables; the accounting policies (within 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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's or any sub-funds' ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Authorised Corporate Director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the Authorised Corporate Director with respect to going concern are described in the relevant sections of this report.

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.

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, 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.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AVIVA INVESTORS SELECT FUNDS ICVC (CONTINUED)

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Company/industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of the Collective Investment Schemes sourcebook, and we considered the extent to which non-compliance might have a material effect on the financial statements, in particular those parts of the sourcebook which may directly impact on the determination of amounts and disclosures in the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or to increase the net asset value of the Company or the sub-funds. Audit procedures performed included:

- Discussions with the Authorised Corporate Director, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing relevant meeting minutes, including those of the Authorised Corporate Director's board of directors;
- Identifying and testing journal entries, specifically any journals posted as part of the financial year end close process; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 2021

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

Value Assessments for the Aviva Investors Select Funds ICVC can now be found at www.avivainvestors.com/value-assessments.

REMUNERATION POLICY (UNAUDITED)

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

There are four components of pay:

Basic Salary – set within an appropriate market range, which is sufficient to allow the possibility, where performance so warrants, that an employee may receive no variable pay.

Annual bonus – a discretionary short-term incentive plan where individuals may receive a bonus based on business and individual performance against targets. Where bonuses are equal to or greater than £75,000, a 3 year deferral with pro-rata vesting in Aviva funds and/or Aviva Group Plc shares occurs, following this a further holding period applies where regulation requires.

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 a combination of individual, business unit, Aviva Investors and Group performance over an appropriate period.

A rounded assessment of financial performance is made accounting for a range of financial considerations, including, but not limited to operating profit, investment performance and net flows. The assessment of Aviva Investors' financial performance is formed with reference to -:

- 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 remuneration of employees in Control Functions (defined as Risk, Compliance and Audit) is determined independently of the financial results of Aviva Investors in order to reinforce the independence of these functions.

The non-financial considerations include consideration of risk, conduct, culture, customer and employee engagement metrics, with Aviva values clearly underpinning all our decisions.

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.

Through Aviva Investors' Global Reward Framework, all investment employees should support responsible investment and integrate ESG considerations into their investment processes, including the consideration of Sustainability Risk. ESG metrics and research are embedded in the investment process and form part of the investment scorecard and annual risk attestation. The Chief Investment Officers and investment desk heads consider how investment employees demonstrate their commitment to ESG processes as part of the determination of performance and pay outcomes.

Long Term Incentive Awards (LTIA) – discretionary long-term incentive plan to align reward with long-term investment performance, Aviva Group and Shareholders, and with the additional intention to help retain key talent. Part of the long-term incentive plan is in Aviva Investors Funds and part is in Aviva Restricted Share Units (RSUs), for the AI CEO the RSUs have additional performance conditions of Total Shareholder Return and Solvency II Return on Equity. Vesting is after 3 years and awards for Identified Staff will be subject to a pre-vesting assessment of individual performance, behaviours, and alignment with the company values of Aviva Investors throughout the three-year performance period.

Benefits in Kind – standard benefits are provided that are appropriate to the market.

Code Staff are not permitted to undertake personal hedging strategies in respect of any variable remuneration.

Aviva Investors believes in rewarding strong performance and achievement of our business and individual goals; however, the manner in which these goals are achieved is also important. We do not consider it appropriate to reward people who have engaged in inappropriate behaviour or conduct which is not in line with Aviva's values and variable pay awards are subject to the Aviva Group Malus and Clawback Policy. As such, Aviva may decide that a Deferred Award which has not vested will lapse wholly or in part if they consider that:

- the participant or their team has, in the opinion of the Directors, engaged in misconduct which ought to result in the complete or partial forfeit or repayment of their award;
- there has been, in the opinion of the Directors, a material failure of risk management by reference to Group risk management standards, policies and procedures, taking into account the proximity of the participant to the failure of risk management in question and the level of the participant's responsibility;
- there is, in the opinion of the Directors, a materially adverse misstatement of Aviva's or the participant's relevant business unit's financial statements for which the participant has some responsibility;
- the participant participated in or was responsible for conduct which resulted in significant, or potentially significant, loss(es) to their relevant business unit, Aviva or any member of the Aviva Group;
- the participant failed to meet appropriate standards of fitness and propriety;
- there is evidence of misconduct or material error that would justify, or would have justified, had the participant still been employed, summary termination of their contract of employment; or
- any other circumstances required by local regulatory obligations to which any member of the Group or business unit is subject.

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.

REMUNERATION POLICY (UNAUDITED)

AIUKFSL has no employees but is a wholly owned subsidiary of Aviva Investors Holdings Limited. For the year to 31 December 2020, apportioned remuneration based on the time assessed to be spent on AIUKFSL UCITS activity paid by Aviva Plc, the ultimate parent of AIUKFSL, to its senior management team, and staff whose actions have a material impact on the risk profile of AIUKFSL ("Code staff"), is as follows:

	Senior Management	Other Code Staff
Total Remuneration:	£1.4m	£1.3m
Of which, Fixed Remuneration:	31%	37%
Variable Remuneration:	63%	58%
Pension/Benefits:	6%	5%
Number of Code staff:	21	25

