

AVIVA INVESTORS SELECT FUNDS ICVC

Annual Report and Financial Statements

For the year ended 28 February 2022

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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 (resigned 13 May 2022)
M Craston
M White
A Coates
K McClellan
D Macmillan (resigned 31 March 2022)
M Versey (resigned 30 April 2021)
S Ebenston (resigned 31 March 2021)
B Fowler (appointed 6 September 2021)
S Winstanley (appointed 20 October 2021)
J Adamson (appointed 9 May 2022)
M Bell (appointed 10 May 2022)

REGISTRAR AND ADMINISTRATOR

SS&C Financial Services Europe Limited
SS&C House
St Nicholas Lane
Basildon
Essex, SS15 5FS

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
141 Bothwell Street
Glasgow, G2 7EQ

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 Depositary"). The shareholders are not liable for any debts of the Company.

The object of the Company is to invest the scheme property in transferable securities, money-market instruments, 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 2022. 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

Changes to the prospectus and instrument of incorporation

On 1 April 2021, the prospectus of the AI Select Funds ICVC was updated to reflect changes required as a result of the UK leaving the EU.

On 20 July 2021, the instrument of incorporation of the AI Select Funds ICVC was updated to reflect changes required as a result of the UK leaving the EU.

Reduction of the FMF

On 2 August 2021, the ACD reduced the FMF of share classes 1, 2 and 5 of the Aviva Investors US Equity Income Fund and the Aviva Investors US Equity Income Fund II. This was implemented following the value assessment exercise that it undertook for the financial year ending 28th February 2021. In addition, the ACD also removed entry charges in respect of the Aviva Investors US Equity Income Fund.

STATEMENT OF CROSS HOLDINGS

There are no cross holdings as at 28 February 2022.

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.

FUND MANAGER'S REPORT

Performance

Over the twelve months ended 28 February 2022 the Fund (share class 1, net of fees) returned of 18.08%. The Funds benchmark, the Russell® 3000 Value Index, returned 19.22% over the same period.

The tracking error at the period end was 4.48%.

Review

The Biden administration hit the ground running in Q1 2021, both delivering another round of stimulus to sustain and fuel the positive economic momentum that built up in late 2020 and ensuring that the COVID-19 vaccination program proceeds rapidly. Economic activity continued to surge as individuals and businesses across the country worked to recover from the single worst economic event since the Great Depression. The Atlanta Fed's GDPNow, a real-time estimate for the annualized change in economic activity in Q1 2021, pointed toward a +4.7% expansion in the period, and according to Bloomberg, the consensus expectation for 2021 was +6.0% growth. As estimates of economic growth rebounded sharply, so did earnings expectations. According to FactSet, S&P 500 earnings were projected to be up +23.3% year over year in Q1, and earnings for 2021 were expected to top 2019 by 7%.

The economy continued to surge in Q2 2021 as lockdowns eased across the country and the business community continued to rebound from the single worst economic event since the Great Depression. In fact, this dramatic surge in demand strained the global supply chain sufficiently to generate significant inflation pressures which in turn drove concerns the Federal Reserve would be forced to abandon its aggressively easy monetary policy stance. The Atlanta Fed's GDPNow pointed toward an +7.8% expansion in Q2 2021 which would be a healthy acceleration from the +6.4% growth rate reported in Q1. According to FactSet, S&P 500 earnings were projected to snap back +64% versus the lockdown-impaired Q2 2020 – the largest year-over-year increase in earnings since Q4 2009. Based on current projections at the time, calendar 2021 earnings were expected to top 2019 by a healthy +17%.

Q3 proved quite volatile for equity markets as pressure on global supply chains and the U.S. labor market ramped over the summer, leaving companies across the country struggling to meet growing demand amid shortages and rapidly rising costs. In August, the Department of Labor reported there were 10 million job openings, but only 8.6 million unemployed to fill them. Against this backdrop, it is little surprise the Bureau of Labor Statistics reported a +5.3% inflation rate over the past 12 months, the highest reading in more than a decade. In the latter part of the quarter, the Atlanta Fed's GDPNow, a real-time estimate for the annualized change in economic activity, all but collapsed to an estimate of +1.3% growth in Q3, and equity markets followed this estimate lower. Importantly, this moderation in expected economic growth and the continued surge in numerous input costs had not yet worked their way into earnings estimates at the time. In fact, according to FactSet, the projection for aggregate earnings growth for the S&P 500 companies in Q3 has actually accelerated from +24.2% to +27.6% over the last three months. Based on current projections, calendar 2021 earnings were expected to top 2019 by nearly +23%.

AVIVA INVESTORS US EQUITY INCOME FUND (CONTINUED)

FUND MANAGER'S REPORT (CONTINUED)

Review (continued)

According to the U.S. Bureau of Labor Statistics, the Consumer Price Index rose +7.0% in the 12 months ending in December 2021, the largest annual increase in nearly four decades. This surge was largely fueled by the lockdown-induced supply chain disruptions around the globe and increased commodity prices, particularly in Energy where both gasoline and fuel oil prices were up over +40% in the period. While this inflationary impulse was broadly discounted as 'transitory' in its early stages, in Q4 conditions continued to develop in a manner that could fuel a sustained period of elevated price increases. On the demand side of the equation, the Atlanta Fed's GDPNow, a real-time estimate for the annualized change in economic activity, consistently pointed toward robust, +7% to +8%, nominal economic growth in Q4. On the supply side, one of the key elements that underpins strong economic growth – the labor market – tightened substantially. By the end of the quarter, continuing jobless claims had fallen to pre-lockdown levels, average layoff announcements were at an all-time low, average initial unemployment claims were the lowest in more than 50 years, and the labor force participation rate remained largely unchanged for the year. With demand for labor high and supply tight, one would expect the unit price of labor (i.e., wages) to increase, an outcome that was confirmed by both the flood of reports of staffing difficulties and wage increases across the economy and the sharp acceleration in the Average Hourly Earnings and Employment Cost indices.

U.S. equity markets continued to struggle in February as the Russian invasion of Ukraine prompted economic sanctions, disrupted global commodity markets, and sent oil soaring above \$100. The increased inflationary impetus certainly adds weight to the Fed's push to raise interest rates in the near term, but so does the conflict, and the resulting spike in input prices increases the risk of recession, or worse yet – stagflation.

In the period, large cap stocks sharply outperformed mid and small cap, as the Russell® 1000 returned +13.72% versus +7.07% and -6.01% for the Russell® Midcap and Russell® 2000, respectively. After lagging in the immediate wake of the COVID-19 vaccine release, value stocks have generally outperformed their growth peers. Among small caps, the Russell® 2000 Value outperformed the Russell® 2000 Growth by +2,404 bps. Among large caps, the Russell® 1000 Value outperformed the Russell® 1000 Growth by +244 bps.

The largest positive drivers of relative return were stock selection in Information Technology (+307 bps) and Health Care (+147 bps). The Portfolio holdings in the Information Technology sector tend to be more mature and infrastructure-related and have benefited from the increased spending in the sector without getting caught up in the recent euphoria. This led to broadly strong absolute results for holdings in the sector, despite the negative return for the benchmark sector. The Health Care sector benefited from its holdings in AbbVie Inc. (ABBV, +44%) and Pfizer Inc. (PFE, +45%) both of which were among the highest contributors to active return during the period. In addition, shortly after it was purchased, Cerner Corp. (CERN, +29%) announced it had agreed to be acquired by Oracle Corp. at an attractive premium.

The holdings with the highest contribution to active return in the Portfolio were United Parcel Service Inc. (CI B) (UPS, +36%), AbbVie Inc. (ABBV, +44%), and Marathon Petroleum Corp. (MPC, +48%).

The largest negative drivers of relative return were stock selection in Utilities (-173 bps) and Energy (-94 bps). The underperformance in Utilities was largely driven by the large position in AES Corp. (AES, -18%), which was the largest negative contributor to active return in the period. As an independent power producer, AES can be much more aggressive in its decarbonization efforts than regulated peers, and we are excited about the future of the firm. In 2021, the company announced concrete plans to fully exit coal generation by 2025, built upon its significant backlog of renewable projects in the U.S. and announced partnerships with large tech companies to help the company meet its own net zero goals. While stock selection in the Energy sector was negative, with a +40% return, the sector was the best performing in the Portfolio on an absolute level. Given the Portfolio's dividend focus, holdings tend to come from the more stable areas of the sector, including transportation and processing, where financial results are much more dependent on volume demanded rather than volatile oil or natural gas prices. Thus, as was the case in the period, we expect the Portfolio sector will tend to be influenced by the benchmark sector but will not swing so wildly.

The holdings with the lowest contribution to active return were AES Corp. (AES, -18%), Comcast Corp. (CI A) (CMCSA, -10%), and Magna International Inc. (MGA, -10%).

As of February 28, the Portfolio held a total of 47 positions. During the period, we established 9 new positions, eliminated 12.

Outlook

With the prospects of further stimulus all but eliminated, investors face the prospects of both fiscal and monetary tightening in 1H 2022, further inflationary pressure resulting from widening trade disruption, and concerns that this will all weigh on economic growth in the months ahead. Absent a significant uptick in the labor force participation rate in the United States, labor markets will likely remain tight and wage pressure will likely remain elevated. Fortunately, corporate earnings appear to have ended the year strong and could expand in 2022 as companies have generally been successful at passing along these higher costs to date. However, there is a limit to the market's ability to bear higher prices and demand will ultimately suffer. All this near-term uncertainty, coupled with monetary tightening, sets up well for cheaper, higher quality, defensive sectors in the months ahead. Given the recovery in earnings and general strength in balance sheets, we expect that dividend growth will remain robust in 1H 2022 and could even accelerate in the second half of the year if margins remain healthy. With dividends poised to accelerate, value ascendant, and higher quality stocks set to lead, we remain positive about the near-term relative outlook for the Fund.

March 2022

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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 10 to 12 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.

AVIVA INVESTORS US EQUITY INCOME FUND (CONTINUED)

Performance History – Income Shares

Calendar year	Share Class 1 %	Share Class 2 (GBP) %	Share Class 2 (USD) %	Share Class 5 %	Benchmark* %
31.12.16 to 31.12.17	-0.97	-0.20	9.59	N/A	3.40
31.12.17 to 31.12.18	-2.50	-2.10	-7.40	-1.90	-2.90
31.12.18 to 31.12.19	19.20	19.50	23.60	19.60	21.40
31.12.19 to 31.12.20	-3.40	-3.20	-0.20	-3.10	2.90
31.12.20 to 31.12.21	22.90	23.20	21.60	23.30	26.53

* Benchmark – Russell® 3000 Value Index.

Performance History – Accumulation Shares

Calendar year	Share Class 1 %	Share Class 2 (GBP) %	Share Class 3 %	Share Class 5 %	Benchmark* %
31.12.16 to 31.12.17	-0.95	-0.20	0.14	N/A	3.40
31.12.17 to 31.12.18	-2.50	-2.10	-1.70	-1.90	-2.90
31.12.18 to 31.12.19	19.20	19.50	19.90	18.70	21.40
31.12.19 to 31.12.20	-3.40	-3.20	-2.90	-3.10	2.90
31.12.20 to 31.12.21	22.90	23.20	23.70	23.30	26.53

* 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 2021. The figures do not include the effect of the Entry Charge and any Exit Charge.

Yield History

Calendar year	Yield %	Benchmark Yield* %	Performance relative to target
			Benchmark Relative to Target 125%
31.12.16 to 31.12.17	3.04	2.28	133
31.12.17 to 31.12.18	2.99	2.78	108
31.12.18 to 31.12.19	3.53	2.41	146
31.12.19 to 31.12.20	3.84	2.24	171
31.12.20 to 31.12.21	2.96	1.80	164

* 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.

Material Portfolio Changes

Purchases	Sales
Progressive	Cerner
Sysco	Target
M&T Bank	3M
Cerner	Genuine Parts
Advance Auto Parts	PNC Financial Services Group
Fidelity National Information Services	Home Depot
Oracle	United Parcel Service 'B'
J M Smucker	Chubb
Willis Towers Watson	Iron Mountain, REIT
Verizon Communications	Quest Diagnostics

Synthetic Risk and Reward Indicator



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

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

COMPARATIVE TABLES

Class 1 Income	2022 p per share	2021 p per share	2020 p per share
Change in net assets per share			
Opening net asset value per share	189.47	182.75	185.46
Return before operating charges [†]	42.14	14.49	5.63
Operating charges	(2.28)	(2.02)	(2.26)
Return after operating charges [†]	39.86	12.47	3.37
Distributions	(5.48)	(5.75)	(6.08)
Closing net asset value per share	223.85	189.47	182.75
[†] after direct transaction costs of	(0.04)	(0.11)	(0.08)
Performance			
Return after operating charges	21.04%	6.82%	1.82%
Other information			
Closing net asset value (£000)	609	500	564
Closing number of shares	271,929	264,109	308,686
Operating charges (%) [†]	1.05%	1.13%	1.13%
Direct transaction costs (%) [#]	0.02%	0.06%	0.04%
Prices[≈]			
Highest share price	230.87	199.04	210.02
Lowest share price	190.11	146.28	184.31

Class 1 Accumulation	2022 p per share	2021 p per share	2020 p per share
Change in net assets per share			
Opening net asset value per share	247.54	231.38	227.62
Return before operating charges [†]	55.34	18.75	6.56
Operating charges	(3.01)	(2.59)	(2.80)
Return after operating charges [†]	52.33	16.16	3.76
Distributions	(7.23)	(7.36)	(7.55)
Retained distributions on accumulation shares	7.23	7.36	7.55
Closing net asset value per share	299.87	247.54	231.38
[†] after direct transaction costs of	(0.06)	(0.14)	(0.10)
Performance			
Return after operating charges	21.14%	6.98%	1.65%
Other information			
Closing net asset value (£000)	663	587	660
Closing number of shares	220,998	237,299	284,974
Operating charges (%) [†]	1.05%	1.13%	1.13%
Direct transaction costs (%) [#]	0.02%	0.06%	0.04%
Prices[≈]			
Highest share price	306.89	258.18	260.37
Lowest share price	248.35	185.21	226.33

Class 2 Income	2022 p per share	2021 p per share	2020 p per share
Change in net assets per share			
Opening net asset value per share	201.10	193.49	195.87
Return before operating charges [†]	44.80	15.35	5.91
Operating charges	(1.88)	(1.65)	(1.86)
Return after operating charges [†]	42.92	13.70	4.05
Distributions	(5.83)	(6.09)	(6.43)
Closing net asset value per share	238.19	201.10	193.49
[†] after direct transaction costs of	(0.05)	(0.11)	(0.08)
Performance			
Return after operating charges	21.34%	7.08%	2.07%
Other information			
Closing net asset value (£000)	16,908	43,356	98,744
Closing number of shares	7,098,526	21,559,132	51,034,074
Operating charges (%) [†]	0.81%	0.88%	0.88%
Direct transaction costs (%) [#]	0.02%	0.06%	0.04%
Prices[≈]			
Highest share price	245.63	211.19	222.04
Lowest share price	201.78	154.90	194.80

Class 2 Accumulation	2022 p per share	2021 p per share	2020 p per share
Change in net assets per share			
Opening net asset value per share	262.38	244.64	240.06
Return before operating charges [†]	58.70	19.85	6.88
Operating charges	(2.44)	(2.11)	(2.30)
Return after operating charges [†]	56.26	17.74	4.58
Distributions	(7.67)	(7.79)	(7.97)
Retained distributions on accumulation shares	7.67	7.79	7.97
Closing net asset value per share	318.64	262.38	244.64
[†] after direct transaction costs of	(0.06)	(0.14)	(0.10)
Performance			
Return after operating charges	21.44%	7.25%	1.91%
Other information			
Closing net asset value (£000)	1,193	1,467	2,917
Closing number of shares	374,287	558,923	1,192,512
Operating charges (%) [†]	0.81%	0.88%	0.88%
Direct transaction costs (%) [#]	0.02%	0.06%	0.04%
Prices[≈]			
Highest share price	326.06	273.57	275.16
Lowest share price	263.24	195.85	238.74

COMPARATIVE TABLES (CONTINUED)

Class 2 Income (USD)	2022 c per share	2021 c per share	2020 c per share
Change in net assets per share			
Opening net asset value per share	174.87	155.63	162.69
Return before operating charges [†]	30.86	25.60	(0.49)
Operating charges	(1.59)	(1.35)	(1.48)
Return after operating charges [†]	29.27	24.25	(1.97)
Distributions	(4.95)	(5.01)	(5.09)
Closing net asset value per share	199.19	174.87	155.63
[†] after direct transaction costs of	(0.04)	(0.09)	(0.07)
Performance			
Return after operating charges	16.74%	15.58%	(1.21)%
Other information			
Closing net asset value (£000)	8,249	8,048	10,162
Closing number of shares	5,546,883	6,409,955	8,412,488
Operating charges (%) [†]	0.80%	0.88%	0.88%
Direct transaction costs (%) [#]	0.02%	0.06%	0.04%
Prices[®]			
Highest share price	209.32	182.52	178.03
Lowest share price	175.61	111.37	155.65

Class 3 Accumulation	2022 p per share	2021 p per share	2020 p per share
Change in net assets per share			
Opening net asset value per share	271.39	252.16	246.58
Return before operating charges [†]	60.96	20.56	7.01
Operating charges	(1.61)	(1.33)	(1.43)
Return after operating charges [†]	59.35	19.23	5.58
Distributions	(7.97)	(8.05)	(8.20)
Retained distributions on accumulation shares	7.97	8.05	8.20
Closing net asset value per share	330.74	271.39	252.16
[†] after direct transaction costs of	(0.06)	(0.15)	(0.11)
Performance			
Return after operating charges	21.87%	7.63%	2.26%
Other information			
Closing net asset value (£000)	1	105	97
Closing number of shares	332	38,583	38,583
Operating charges (%) [†]	0.54%	0.53%	0.53%
Direct transaction costs (%) [#]	0.02%	0.06%	0.04%
Prices[®]			
Highest share price	338.44	282.86	283.45
Lowest share price	272.29	201.92	245.29

Class 5 Income	2022 p per share	2021 p per share	2020 p per share
Change in net assets per share			
Opening net asset value per share	202.43	194.61	196.79
Return before operating charges [†]	45.06	15.48	6.01
Operating charges	(1.49)	(1.53)	(1.72)
Return after operating charges [†]	43.57	13.95	4.29
Distributions	(5.87)	(6.13)	(6.47)
Closing net asset value per share	240.13	202.43	194.61
[†] after direct transaction costs of	(0.05)	(0.11)	(0.09)
Performance			
Return after operating charges	21.52%	7.17%	2.18%
Other information			
Closing net asset value (£000)	40,527	20,149	24,933
Closing number of shares	16,877,378	9,953,551	12,811,596
Operating charges (%) [†]	0.65%	0.80%	0.80%
Direct transaction costs (%) [#]	0.02%	0.06%	0.04%
Prices[®]			
Highest share price	247.60	212.57	223.21
Lowest share price	203.12	155.81	195.75

COMPARATIVE TABLES (CONTINUED)

	2022	2021	2020
Class 5 Accumulation	p per share	p per share	p per share
Change in net assets per share			
Opening net asset value per share	263.60	245.58	240.72
Return before operating charges [‡]	58.97	19.97	6.99
Operating charges	(1.97)	(1.95)	(2.13)
Return after operating charges [‡]	57.00	18.02	4.86
Distributions	(7.71)	(7.83)	(8.01)
Retained distributions on accumulation shares	7.71	7.83	8.01
Closing net asset value per share	320.60	263.60	245.58
[†] after direct transaction costs of	(0.06)	(0.15)	(0.11)
Performance			
Return after operating charges	21.62%	7.34%	2.02%
Other information			
Closing net asset value (£000)	925	670	693
Closing number of shares	288,489	254,043	282,125
Operating charges (%) [‡]	0.65%	0.80%	0.80%
Direct transaction costs (%) [#]	0.02%	0.04%	0.04%
Prices[≈]			
Highest share price	328.04	274.82	276.18
Lowest share price	264.46	196.62	239.43

[‡] 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	28.02.22	28.02.21
Class 1	1.00%	1.13%
Class 2	0.75%	0.88%
Class 2 (USD)	0.75%	0.88%
Class 3	0.53%	0.53%
Class 5	0.55%	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 2022

Investment	Currency	Holding	Market Value £000	% of Net Assets
Equities 95.63% (95.75%)				
Communication Services 8.82% (8.58%)				
Diversified Telecommunication Services 3.59% (3.13%)				
Verizon Communications	USD	61,963	2,477	3.59
			2,477	3.59
Media 5.23% (5.45%)				
Comcast 'A'	USD	66,851	2,329	3.37
Interpublic Group	USD	46,850	1,285	1.86
			3,614	5.23
Communication Services total			6,091	8.82
Consumer Discretionary 6.51% (8.91%)				
Auto Components 1.56% (1.93%)				
Magna International	USD	19,514	1,078	1.56
			1,078	1.56
Distributors 0.94% (2.13%)				
Genuine Parts	USD	7,137	649	0.94
			649	0.94
Multiline Retail 2.41% (3.75%)				
Target	USD	11,201	1,664	2.41
			1,664	2.41
Speciality Retail 1.60% (1.10%)				
Advance Auto Parts	USD	7,245	1,104	1.60
			1,104	1.60
Consumer Discretionary total			4,495	6.51
Consumer Staples 11.22% (7.74%)				
Beverages 1.76% (1.92%)				
PepsiCo	USD	9,970	1,216	1.76
			1,216	1.76
Food & Staples Retailing 3.68% (0.90%)				
Kroger	USD	10,891	380	0.55
Sysco	USD	25,637	1,664	2.41
Walgreens Boots Alliance	USD	14,397	495	0.72
			2,539	3.68
Food Products 1.03% (0.00%)				
J M Smucker	USD	7,068	709	1.03
			709	1.03
Household Products 2.20% (2.37%)				
Kimberly-Clark	USD	15,707	1,523	2.20
			1,523	2.20
Personal Products 2.55% (2.55%)				
Unilever, ADR	USD	46,971	1,759	2.55
			1,759	2.55
Consumer Staples total			7,746	11.22
Energy 7.00% (5.80%)				
Oil, Gas & Consumable Fuels 7.00% (5.80%)				
Kinder Morgan	USD	128,431	1,665	2.41
Marathon Petroleum	USD	25,689	1,491	2.16
Williams	USD	71,987	1,678	2.43
			4,834	7.00
Energy total			4,834	7.00

PORTFOLIO STATEMENT (CONTINUED)

As at 28 February 2022

Investment	Currency	Holding	Market Value £000	% of Net Assets
Financials 20.01% (18.35%)				
Banks 10.19% (10.09%)				
M&T Bank	USD	11,522	1,564	2.26
PNC Financial Services Group	USD	7,258	1,077	1.56
Truist Financial	USD	51,298	2,378	3.44
US Bancorp	USD	48,096	2,026	2.93
			<u>7,045</u>	<u>10.19</u>
Capital Markets 0.00% (0.83%)				
Insurance 9.82% (7.43%)				
Axis Capital Holdings	USD	25,387	1,033	1.50
Chubb	USD	6,597	1,001	1.45
CNA Financial	USD	22,199	756	1.09
Fidelity National Financial	USD	37,855	1,344	1.95
Progressive	USD	24,593	1,940	2.81
Willis Towers Watson	USD	4,237	702	1.02
			<u>6,776</u>	<u>9.82</u>
Financials total			13,821	20.01
Health Care 13.09% (14.60%)				
Biotechnology 4.81% (4.58%)				
AbbVie	USD	18,864	2,077	3.01
Amgen	USD	7,380	1,245	1.80
			<u>3,322</u>	<u>4.81</u>
Health Care Equipment & Supplies 0.42% (1.30%)				
Medtronic	USD	3,734	292	0.42
			<u>292</u>	<u>0.42</u>
Health Care Providers & Services 2.03% (2.41%)				
Premier 'A'	USD	52,333	1,400	2.03
			<u>1,400</u>	<u>2.03</u>
Pharmaceuticals 5.83% (6.31%)				
Bristol-Myers Squibb	USD	39,461	2,019	2.92
Merck	USD	8,983	512	0.74
Pfizer	USD	42,881	1,500	2.17
			<u>4,031</u>	<u>5.83</u>
Health Care total			9,045	13.09
Industrials 3.95% (6.36%)				
Air Freight & Logistics 3.95% (3.77%)				
United Parcel Service 'B'	USD	17,439	2,729	3.95
			<u>2,729</u>	<u>3.95</u>
Industrial Conglomerates 0.00% (1.76%)				
Professional Services 0.00% (0.83%)				
Industrials total			2,729	3.95
Information Technology 15.11% (13.50%)				
Communications Equipment 2.91% (2.69%)				
Cisco Systems	USD	48,283	2,008	2.91
			<u>2,008</u>	<u>2.91</u>
Electronic Equipment, Instruments & Components 3.63% (4.13%)				
Corning	USD	83,289	2,507	3.63
			<u>2,507</u>	<u>3.63</u>

PORTFOLIO STATEMENT (CONTINUED)

As at 28 February 2022

Investment	Currency	Holding	Market Value £000	% of Net Assets
IT Services 2.18% (2.02%)				
CSG Systems International	USD	13,127	603	0.87
Fidelity National Information Services	USD	12,783	907	1.31
			1,510	2.18
Semiconductors & Semiconductor Equipment 2.19% (2.01%)				
QUALCOMM	USD	11,826	1,515	2.19
			1,515	2.19
Software 4.20% (2.65%)				
NortonLifeLock	USD	42,451	917	1.33
Oracle	USD	34,973	1,980	2.87
			2,897	4.20
Information Technology total			10,437	15.11
Materials 0.00% (0.56%)				
Chemicals 0.00% (0.56%)				
Real Estate 0.00% (1.05%)				
Equity Real Estate Investment Trusts (REITs) 0.00% (1.05%)				
Utilities 9.92% (10.30%)				
Electric Utilities 1.61% (1.45%)				
IDACORP	USD	14,350	1,112	1.61
			1,112	1.61
Independent Power and Renewable Electricity Producers 6.77% (7.39%)				
AES	USD	134,105	2,122	3.07
Atlantica Sustainable Infrastructure	USD	50,094	1,260	1.82
Vistra	USD	76,330	1,298	1.88
			4,680	6.77
Multi-Utilities 1.54% (1.46%)				
Black Hills	USD	20,413	1,064	1.54
			1,064	1.54
Utilities total			6,856	9.92
Equities total			66,054	95.63
Investment assets			66,054	95.63
Net other assets			3,021	4.37
Net assets			69,075	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 2021.

STATEMENT OF TOTAL RETURN

For the year ended 28 February 2022

	Notes	£000	Year ended 28.02.22 £000	£000	Year ended 28.02.21 £000
Income					
Net capital gains	2		12,926		49
Revenue	3	2,048		3,524	
Expenses	4	(527)		(812)	
Net revenue before taxation		1,521		2,712	
Taxation	5	(217)		(388)	
Net revenue after taxation			1,304		2,324
Total return before distributions			14,230		2,373
Distributions	6		(1,830)		(3,091)
Change in net assets attributable to shareholders from investment activities			12,400		(718)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 28 February 2022

	£000	Year ended 28.02.22 £000	£000	Year ended 28.02.21 £000
Opening net assets attributable to shareholders		74,882		138,770
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	398		917	
Amounts payable on cancellation of shares	(18,681)		(64,203)	
		(18,283)		(63,286)
Dilution adjustment		4		20
Change in net assets attributable to shareholders from investment activities (see above)		12,400		(718)
Retained distribution on accumulation shares		72		95
Unclaimed distributions		–		1
Closing net assets attributable to shareholders		69,075		74,882

BALANCE SHEET

As at 28 February 2022

	Notes	As at 28.02.22 £000	As at 28.02.21 £000
Assets:			
Investments	7	66,054	71,698
Current assets:			
Debtors	8	170	1,102
Cash and bank balances	9	3,622	3,318
Total assets		69,846	76,118
Liabilities:			
Creditors:			
Distribution payable		(513)	(520)
Other creditors	10	(258)	(716)
Total liabilities		(771)	(1,236)
Net assets attributable to shareholders		69,075	74,882

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting basis and policies

Please see pages 5 and 6 for accounting basis and policies.

2 Net capital gains

	Year ended 28.02.22 £000	Year ended 28.02.21 £000
Net capital gains on investment during the year comprise:		
Currency gains	61	76
Forward currency contracts (losses)/gains	(3)	5
Non-derivative securities gains/(losses)	12,868	(32)
Net capital gains	12,926	49

3 Revenue

	Year ended 28.02.22 £000	Year ended 28.02.21 £000
Bank and deposit interest	–	19
Overseas dividends	1,912	3,294
UK dividends	136	211
Total revenue	2,048	3,524

4 Expenses

	Year ended 28.02.22 £000	Year ended 28.02.21 £000
Payable to the Authorised Corporate Director ("ACD"), associates of the ACD or agents of either of them:		
Fund Management Fee	526	808
	526	808
Payable to the Depositary, associates of the Depositary or agents of either of them:		
Interest payable	–	3
	–	3
Other expenses:		
Dividend collection charges	1	1
	1	1
Total expenses	527	812

The audit fee was £10,785 (2021: £10,420) 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 28.02.22 £000	Year ended 28.02.21 £000
Overseas tax suffered	217	388
Total current tax (see note 5b)	217	388

b Factors affecting current tax charge

The tax assessed for the year is lower (2021: lower) than the standard rate of corporation tax in the UK for an Authorised Investment Fund (20%) (2021: 20%).

The differences are explained below:

	Year ended 28.02.22 £000	Year ended 28.02.21 £000
Net revenue before taxation	1,521	2,712
Corporation tax at 20%	304	542
Effects of:		
Movement in excess management expenses	121	121
Overseas dividends not subject to corporation tax	(396)	(615)
Overseas tax suffered	217	388
Tax relief for overseas tax suffered	(2)	(6)
UK dividends not subject to corporation tax	(27)	(42)
Current tax charge (see note 5a)	217	388

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 (2021: £nil).

After claiming relief against accrued income taxable on receipt, the Fund has unrelieved excess expenses of £12,026,758 (2021: £11,422,590) creating a potential deferred tax asset of £2,405,352 (2021: £2,284,518). 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 28.02.22 £000	Year ended 28.02.21 £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	399	989
Net dividend distribution for the three months ended 28 August	421	722
Net dividend distribution for the three months ended 28 November	432	573
Net dividend distribution for the three months ended 28 February	534	540
	1,786	2,824
Add: Revenue deducted on cancellation of shares	46	269
Deduct: Revenue received on issue of shares	(2)	(2)
Total distributions	1,830	3,091
Reconciliations of distributions for the year to net revenue after taxation		
Distributions for the year	1,830	3,091
ACD's periodic charge borne by the capital account	(526)	(808)
Tax relief on capitalised ACD's periodic charge	–	41
Net revenue after taxation	1,304	2,324

Details of the distributions per share are set out in the distribution tables on pages 25 to 28.

7 Fair value hierarchy

	Assets at 28.02.22 £000	Assets at 28.02.21 £000
Valuation technique		
Level 1: Quoted prices	66,054	71,698
Total value	66,054	71,698

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.

As at the balance sheet date, the Fund held no level 2 or level 3 investments.

8 Debtors

	As at 28.02.22 £000	As at 28.02.21 £000
Accrued revenue	170	194
Amounts receivable on issue of shares	–	10
Overseas tax recoverable	–	1
Sales awaiting settlement	–	897
Total debtors	170	1,102

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 Cash and bank balances

	As at 28.02.22 £000	As at 28.02.21 £000
Cash and bank balances	3,622	3,318
Total cash and bank balances	3,622	3,318

10 Other creditors

	As at 28.02.22 £000	As at 28.02.21 £000
Accrued expenses	72	107
Amounts payable for cancellation of shares	186	609
Total other creditors	258	716

11 Contingent liabilities and commitments

There were no contingent liabilities or commitments at the year end (2021: £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 £72,306 (2021: £106,774). Any balance due from the ACD in respect of issues is shown in note 8. Any balance due to the ACD in respect of cancellations is shown in note 10.

Distributions payable to the ACD and related parties of the ACD during the year amounted to £3,193 (2021: £6,549). The amount outstanding at the year end was £1,013 (2021: £1,535). 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 28.02.22 (shares)	Movement (shares)	Holdings at 28.02.21 (shares)
ACD and related parties (Class 2 Income shares)	27,688	(154)	27,842
ACD and related parties (Class 2 Accumulation shares)	20,194	(92)	20,286
ACD and related parties (Class 3 Accumulation shares)	332	(38,251)	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: 1.00%

Class 2: 0.75%

Class 3: 0.53%

Class 5: 0.55%

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 10 to 12. The distributions per share class are given in the distribution tables on pages 25 to 28. 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 28.02.21	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 28.02.22
Class 1 Income shares	264,109	48,559	(45,340)	4,601	271,929
Class 2 Income shares	21,559,132	48,630	(3,834,217)	(10,675,019)	7,098,526
Class 2 Income (USD) shares	6,409,955	–	(863,072)	–	5,546,883
Class 5 Income shares	9,953,551	25,679	(3,700,779)	10,598,927	16,877,378
Class 1 Accumulation shares	237,299	32,998	(49,299)	–	220,998
Class 2 Accumulation shares	558,923	3,481	(107,923)	(80,194)	374,287
Class 3 Accumulation shares	38,583	–	(38,251)	–	332
Class 5 Accumulation shares	254,043	3,088	(48,452)	79,810	288,489

15 Derivatives and other financial instruments

The policies applied in the management of financial instruments are set out on page 6.

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 (2021: £nil).

Currency risk

At the year end date, 96.51% (2021: 97.47%) 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 9.65% (2021: 9.75%).

Currency	Net foreign currency assets					
	Monetary exposure £000		Non monetary exposure £000		Total £000	
	28.02.22	28.02.21	28.02.22	28.02.21	28.02.22	28.02.21
US Dollar	612	1,255	66,054	71,698	66,666	72,953

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 5.25% (2021: 4.43%) 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, 95.63% (2021: 95.75%) 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 9.56% (2021: 9.58%).

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.

28.02.22	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	(13,436)	(4)	–	(13,440)	0.03%	0.00%
	(13,436)	(4)	–	(13,440)		
Sales (excluding in-specie transfers and corporate actions)						
Equities	32,005	(9)	–	31,996	0.03%	0.00%
	32,005	(9)	–	31,996		
Total		(13)	–			
Percentage of Fund average net assets		0.02%	0.00%			

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%			

Dealing spread

As at 28 February 2022, the average portfolio dealing spread was 0.03% (2021: 0.27%). 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 2022, the price of each share class has changed as follows:

Share Class	Share Price in class currency 28.02.22	Share Price in class currency 27.06.22	Increase/(Decrease) %
Class 1 Income	223.68	229.58	2.64
Class 1 Accumulation	297.33	309.47	4.08
Class 2 Income	238.00	244.50	2.73
Class 2 Accumulation	315.94	329.12	4.17
Class 3 Accumulation	327.94	341.71	4.20
Class 5 Income	239.94	246.65	2.80
Class 5 Accumulation	317.89	331.36	4.24
Class 2 Income (USD)	199.03	187.41	(5.84)

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

Share Class	Net Asset Value (£) 28.02.22	Net Subscription/ (Redemption) (£)	Market Movements (£)	Net Asset Value (£) 27.06.22
Class 1 Income	608,723	(40,943)	11,658	579,438
Class 1 Accumulation	662,698	(202,836)	16,808	476,670
Class 2 Income	16,908,146	(413,324)	450,835	16,945,657
Class 2 Accumulation	1,192,633	(117,837)	41,314	1,116,110
Class 3 Accumulation	1,097	–	37	1,134
Class 5 Income	40,527,316	(2,406,772)	1,117,326	39,237,870
Class 5 Accumulation	924,899	(36,850)	30,454	918,503
Class 2 Income (USD)	8,249,151	271,816	222,504	8,743,471
Total	69,074,663	(2,946,746)	1,890,936	68,018,853

DISTRIBUTION TABLES

Final distribution payable in pence per share for the three months ended 28 February 2022

Income shares		Net revenue	Equalisation	Final distribution payable 28 April 2022	Final distribution paid 28 April 2021
Class 1	Group 1	1.7334	–	1.7334	1.3678
	Group 2	0.5441	1.1893	1.7334	1.3678
Class 2	Group 1	1.8438	–	1.8438	1.4513
	Group 2	0.4399	1.4039	1.8438	1.4513
Class 5	Group 1	1.8584	–	1.8584	1.4608
	Group 2	0.7401	1.1183	1.8584	1.4608

Accumulation shares		Net revenue	Equalisation	Final distribution payable 28 April 2022	Final distribution paid 28 April 2021
Class 1	Group 1	2.3040	–	2.3040	1.7737
	Group 2	1.3707	0.9333	2.3040	1.7737
Class 2	Group 1	2.4475	–	2.4475	1.8795
	Group 2	0.9968	1.4507	2.4475	1.8795
Class 3	Group 1	2.5409	–	2.5409	1.9433
	Group 2	2.5409	0.0000	2.5409	1.9433
Class 5	Group 1	2.4619	–	2.4619	1.8880
	Group 2	0.7693	1.6926	2.4619	1.8880

Final distribution payable in cents per share for the three months ended 28 February 2022

Income shares		Net revenue	Equalisation	Final distribution payable 28 April 2022	Final distribution paid 28 April 2021
Class 2 (USD)	Group 1	1.5419	–	1.5419	1.2621
	Group 2	1.5419	0.0000	1.5419	1.2621

Final Distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 28 November 2021.

Group 2 shares are those shares purchased after 12:00 noon on 28 November 2021.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the three months ended 28 November 2021

Income shares		Net revenue	Equalisation	Interim distribution paid 28 January 2022	Interim distribution paid 28 January 2021
Class 1	Group 1	1.3484	–	1.3484	1.3229
	Group 2	0.6490	0.6994	1.3484	1.3229
Class 2	Group 1	1.4333	–	1.4333	1.4029
	Group 2	0.4667	0.9666	1.4333	1.4029
Class 5	Group 1	1.4439	–	1.4439	1.4117
	Group 2	0.6578	0.7861	1.4439	1.4117

Accumulation shares		Net revenue	Equalisation	Interim distribution paid 28 January 2022	Interim distribution paid 28 January 2021
Class 1	Group 1	1.7810	–	1.7810	1.7040
	Group 2	0.7519	1.0291	1.7810	1.7040
Class 2	Group 1	1.8906	–	1.8906	1.8045
	Group 2	1.1212	0.7694	1.8906	1.8045
Class 3	Group 1	1.9773	–	1.9773	1.8642
	Group 2	1.9773	0.0000	1.9773	1.8642
Class 5	Group 1	1.9008	–	1.9008	1.8124
	Group 2	1.9008	0.0000	1.9008	1.8124

Interim distribution paid in cents per share for the three months ended 28 November 2021

Income shares		Net revenue	Equalisation	Interim distribution paid 28 January 2022	Interim distribution paid 28 January 2021
Class 2 (USD)	Group 1	1.1929	–	1.1929	1.1666
	Group 2	1.1929	0.0000	1.1929	1.1666

Interim Distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 28 August 2021.

Group 2 shares are those shares purchased after 12:00 noon on 28 August 2021.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the three months ended 28 August 2021

Income shares		Net revenue	Equalisation	Interim distribution paid 28 October 2021	Interim distribution paid 28 October 2020
Class 1	Group 1	1.2523	–	1.2523	1.5166
	Group 2	0.5770	0.6753	1.2523	1.5166
Class 2	Group 1	1.3304	–	1.3304	1.6072
	Group 2	0.0664	1.2640	1.3304	1.6072
Class 5	Group 1	1.3396	–	1.3396	1.6169
	Group 2	0.9827	0.3569	1.3396	1.6169

Accumulation shares		Net revenue	Equalisation	Interim distribution paid 28 October 2021	Interim distribution paid 28 October 2020
Class 1	Group 1	1.6448	–	1.6448	1.9368
	Group 2	0.6564	0.9884	1.6448	1.9368
Class 2	Group 1	1.7450	–	1.7450	2.0496
	Group 2	1.0365	0.7085	1.7450	2.0496
Class 3	Group 1	1.8085	–	1.8085	2.1154
	Group 2	1.8085	0.0000	1.8085	2.1154
Class 5	Group 1	1.7536	–	1.7536	2.0581
	Group 2	1.7536	0.0000	1.7536	2.0581

Interim distribution paid in cents per share for the three months ended 28 August 2021

Income shares		Net revenue	Equalisation	Interim distribution paid 28 October 2021	Interim distribution paid 28 October 2020
Class 2 (USD)	Group 1	1.1384	–	1.1384	1.3349
	Group 2	1.1384	0.0000	1.1384	1.3349

Interim Distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 28 May 2021.

Group 2 shares are those shares purchased after 12:00 noon on 28 May 2021.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the three months ended 28 May 2021

Income shares		Net revenue	Equalisation	Interim distribution paid 28 July 2021	Interim distribution paid 28 July 2020
Class 1	Group 1	1.1473	–	1.1473	1.5382
	Group 2	0.6558	0.4915	1.1473	1.5382
Class 2	Group 1	1.2181	–	1.2181	1.6290
	Group 2	0.4467	0.7714	1.2181	1.6290
Class 5	Group 1	1.2263	–	1.2263	1.6386
	Group 2	0.6941	0.5322	1.2263	1.6386

Accumulation shares		Net revenue	Equalisation	Interim distribution paid 28 July 2021	Interim distribution paid 28 July 2020
Class 1	Group 1	1.4984	–	1.4984	1.9468
	Group 2	0.9402	0.5582	1.4984	1.9468
Class 2	Group 1	1.5888	–	1.5888	2.0589
	Group 2	0.8750	0.7138	1.5888	2.0589
Class 3	Group 1	1.6397	–	1.6397	2.1232
	Group 2	1.6397	0.0000	1.6397	2.1232
Class 5	Group 1	1.5963	–	1.5963	2.0671
	Group 2	0.5458	1.0505	1.5963	2.0671

Interim distribution paid in cents per share for the three months ended 28 May 2021

Income shares		Net revenue	Equalisation	Interim distribution paid 28 July 2021	Interim distribution paid 28 July 2020
Class 2 (USD)	Group 1	1.0782	–	1.0782	1.2447
	Group 2	1.0782	0.0000	1.0782	1.2447

Interim Distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 28 February 2021.

Group 2 shares are those shares purchased after 12:00 noon on 28 February 2021.

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.

FUND MANAGER'S REPORT

Performance

Over the twelve months ended 28 February 2022 the Fund (share class 1, net of fees) returned of 18.61%. The Funds benchmark, the Russell® 3000 Value Index, returned 19.22% over the same period.

The tracking error at the period end was 4.51%.

Review

The Biden administration hit the ground running in Q1 2021, both delivering another round of stimulus to sustain and fuel the positive economic momentum that built up in late 2020 and ensuring that the COVID-19 vaccination program proceeds rapidly. Economic activity continued to surge as individuals and businesses across the country worked to recover from the single worst economic event since the Great Depression. The Atlanta Fed's GDPNow, a real-time estimate for the annualized change in economic activity in Q1 2021, pointed toward a +4.7% expansion in the period, and according to Bloomberg, the consensus expectation for 2021 was +6.0% growth. As estimates of economic growth rebounded sharply, so did earnings expectations. According to FactSet, S&P 500 earnings were projected to be up +23.3% year over year in Q1, and earnings for 2021 were expected to top 2019 by 7%.

The economy continued to surge in Q2 2021 as lockdowns eased across the country and the business community continued to rebound from the single worst economic event since the Great Depression. In fact, this dramatic surge in demand strained the global supply chain sufficiently to generate significant inflation pressures which in turn drove concerns the Federal Reserve would be forced to abandon its aggressively easy monetary policy stance. The Atlanta Fed's GDPNow pointed toward an +7.8% expansion in Q2 2021 which would be a healthy acceleration from the +6.4% growth rate reported in Q1. According to FactSet, S&P 500 earnings were projected to snap back +64% versus the lockdown-impaired Q2 2020 – the largest year-over-year increase in earnings since Q4 2009. Based on current projections at the time, calendar 2021 earnings were expected to top 2019 by a healthy +17%.

Q3 proved quite volatile for equity markets as pressure on global supply chains and the U.S. labor market ramped over the summer, leaving companies across the country struggling to meet growing demand amid shortages and rapidly rising costs. In August, the Department of Labor reported there were 10 million job openings, but only 8.6 million unemployed to fill them. Against this backdrop, it is little surprise the Bureau of Labor Statistics reported a +5.3% inflation rate over the past 12 months, the highest reading in more than a decade. In the latter part of the quarter, the Atlanta Fed's GDPNow, a real-time estimate for the annualized change in economic activity, all but collapsed to an estimate of +1.3% growth in Q3, and equity markets followed this estimate lower. Importantly, this moderation in expected economic growth and the continued surge in numerous input costs had not yet worked their way into earnings estimates at the time. In fact, according to FactSet, the projection for aggregate earnings growth for the S&P 500 companies in Q3 has actually accelerated from +24.2% to +27.6% over the last three months. Based on current projections, calendar 2021 earnings were expected to top 2019 by nearly +23%.

AVIVA INVESTORS US EQUITY INCOME FUND II (CONTINUED)

FUND MANAGER'S REPORT (CONTINUED)

Review (continued)

According to the U.S. Bureau of Labor Statistics, the Consumer Price Index rose +7.0% in the 12 months ending in December 2021, the largest annual increase in nearly four decades. This surge was largely fueled by the lockdown-induced supply chain disruptions around the globe and increased commodity prices, particularly in Energy where both gasoline and fuel oil prices were up over +40% in the period. While this inflationary impulse was broadly discounted as 'transitory' in its early stages, in Q4 conditions continued to develop in a manner that could fuel a sustained period of elevated price increases. On the demand side of the equation, the Atlanta Fed's GDPNow, a real-time estimate for the annualized change in economic activity, consistently pointed toward robust, +7% to +8%, nominal economic growth in Q4. On the supply side, one of the key elements that underpins strong economic growth – the labor market – tightened substantially. By the end of the quarter, continuing jobless claims had fallen to pre-lockdown levels, average layoff announcements were at an all-time low, average initial unemployment claims were the lowest in more than 50 years, and the labor force participation rate remained largely unchanged for the year. With demand for labor high and supply tight, one would expect the unit price of labor (i.e., wages) to increase, an outcome that was confirmed by both the flood of reports of staffing difficulties and wage increases across the economy and the sharp acceleration in the Average Hourly Earnings and Employment Cost indices.

U.S. equity markets continued to struggle in February as the Russian invasion of Ukraine prompted economic sanctions, disrupted global commodity markets, and sent oil soaring above \$100. The increased inflationary impetus certainly adds weight to the Fed's push to raise interest rates in the near term, but so does the conflict, and the resulting spike in input prices increases the risk of recession, or worse yet – stagflation.

In the period, large cap stocks sharply outperformed mid and small cap, as the Russell® 1000 returned +13.72% versus +7.07% and -6.01% for the Russell® Midcap and Russell® 2000, respectively. After lagging in the immediate wake of the COVID-19 vaccine release, value stocks have generally outperformed their growth peers. Among small caps, the Russell® 2000 Value outperformed the Russell® 2000 Growth by +2,404 bps. Among large caps, the Russell® 1000 Value outperformed the Russell® 1000 Growth by +244 bps.

The largest positive drivers of relative return were stock selection in Information Technology (+300 bps) and Health Care (+145 bps). The Portfolio holdings in the Information Technology sector tend to be more mature and infrastructure-related and have benefited from the increased spending in the sector without getting caught up in the recent euphoria. This led to broadly strong absolute results for holdings in the sector, despite the negative return for the benchmark sector. The Health Care sector benefited from its holdings in AbbVie Inc. (ABBV, +44%) and Pfizer Inc. (PFE, +45%) both of which were among the highest contributors to active return during the period. In addition, shortly after it was purchased, Cerner Corp. (CERN, +29%) announced it had agreed to be acquired by Oracle Corp. at an attractive premium.

The holdings with the highest contribution to active return in the Portfolio were United Parcel Service Inc. (CLB) (UPS, +36%), Marathon Petroleum Corp. (MPC, +48%), and AbbVie Inc. (ABBV, +44%).

The largest negative drivers of relative return were stock selection in Utilities (-180 bps) and Energy (-91 bps). The underperformance in Utilities was largely driven by the large position in AES Corp. (AES, -18%), which was the largest negative contributor to active return in the period. As an independent power producer, AES can be much more aggressive in its decarbonization efforts than regulated peers, and we are excited about the future of the firm. In 2021, the company announced concrete plans to fully exit coal generation by 2025, built upon its significant backlog of renewable projects in the U.S. and announced partnerships with large tech companies to help the company meet its own net zero goals. While stock selection in the Energy sector was negative, with a +40% return, the sector was the best performing in the Portfolio on an absolute level. Given the Portfolio's dividend focus, holdings tend to come from the more stable areas of the sector, including transportation and processing, where financial results are much more dependent on volume demanded rather than volatile oil or natural gas prices. Thus, as was the case in the period, we expect the Portfolio sector will tend to be influenced by the benchmark sector but will not swing so wildly.

The holdings with the lowest contribution to active return were AES Corp. (AES, -18%), Comcast Corp. (CI A) (CMCSA, -10%), and Magna International Inc. (MGA, -10%).

As of February 28, the Portfolio held a total of 47 positions. During the period, we established 9 new positions, eliminated 8.

Outlook

With the prospects of further stimulus all but eliminated, investors face the prospects of both fiscal and monetary tightening in 1H 2022, further inflationary pressure resulting from widening trade disruption, and concerns that this will all weigh on economic growth in the months ahead. Absent a significant uptick in the labor force participation rate in the United States, labor markets will likely remain tight and wage pressure will likely remain elevated. Fortunately, corporate earnings appear to have ended the year strong and could expand in 2022 as companies have generally been successful at passing along these higher costs to date. However, there is a limit to the market's ability to bear higher prices and demand will ultimately suffer. All this near-term uncertainty, coupled with monetary tightening, sets up well for cheaper, higher quality, defensive sectors in the months ahead. Given the recovery in earnings and general strength in balance sheets, we expect that dividend growth will remain robust in 1H 2022 and could even accelerate in the second half of the year if margins remain healthy. With dividends poised to accelerate, value ascendant, and higher quality stocks set to lead, we remain positive about the near-term relative outlook for the Fund.

March 2022

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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 32 and 33 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.

AVIVA INVESTORS US EQUITY INCOME FUND II (CONTINUED)

Performance History – Income Shares

Calendar year	Share Class 1 %	Share Class 2 (GBP) %	Share Class 2 (USD) %	Share Class 5 %	Benchmark* %
31.12.16 to 31.12.17	-0.72	0.02	9.83	N/A	3.40
31.12.17 to 31.12.18	-2.60	-2.20	-7.50	-2.10	-2.90
31.12.18 to 31.12.19	18.10	18.60	22.70	18.70	21.40
31.12.19 to 31.12.20	-3.40	-3.20	-0.20	-3.10	2.90
31.12.20 to 31.12.21	23.20	23.50	21.90	23.60	26.53

* Benchmark – Russell® 3000 Value Index.

Performance History – Accumulation Shares

Calendar year	Share Class 2 (GBP) %	Share Class 3 %	Share Class 5 %	Benchmark* %
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
31.12.20 to 31.12.21	23.50	24.00	23.60	26.53

* 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 2021. The figures do not include the effect of the Entry Charge and any Exit Charge.

Yield History

Calendar year	Yield %	Benchmark Yield* %	Performance relative to target
			Benchmark Relative to Target 125%
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
31.12.20 to 31.12.21	2.96	1.80	164

* 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.

Material Portfolio Changes

Purchases	Sales
Progressive	Cerner
Sysco	Target
M&T Bank	3M
Cerner	Genuine Parts
Advance Auto Parts	Home Depot
Fidelity National Information Services	PNC Financial Services Group
Oracle	Chubb
J M Smucker	Iron Mountain, REIT
Willis Towers Watson	Quest Diagnostics
Verizon Communications	United Parcel Service 'B'

Synthetic Risk and Reward Indicator



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

- This indicator is based on historical data, calculated using European Union rules, and may not be a reliable indication of the future risk profile of the Fund.
- The risk and reward category shown is not guaranteed to remain unchanged and may change over time. The lowest category does not mean 'risk free'.
- The value of investments and the income from them will change over time.
- The Fund price may fall as well as rise and as a result you may not get back the original amount you invested.
- Further information on the risks applicable to the Fund is detailed in the Fund's Key Investor Information Document, and a full description is set out in the Prospectus, both of which are available on the internet at www.avivainvestors.com or from the ACD on request.

COMPARATIVE TABLES

Class 1 Income	2022 p per share	2021 p per share	2020 p per share
Change in net assets per share			
Opening net asset value per share	155.93	150.63	153.98
Return before operating charges [†]	35.68	11.77	3.29
Operating charges	(1.86)	(1.64)	(1.92)
Return after operating charges [†]	33.82	10.13	1.37
Distributions	(4.68)	(4.83)	(4.72)
Closing net asset value per share	185.07	155.93	150.63
[†] after direct transaction costs of	(0.04)	(0.09)	(0.05)
Performance			
Return after operating charges	21.69%	6.73%	0.89%
Other information			
Closing net asset value (£000)	377	219	218
Closing number of shares	203,559	140,590	144,647
Operating charges (%) [†]	1.04%	1.13%	1.13%
Direct transaction costs (%) [#]	0.02%	0.06%	0.03%
Prices[°]			
Highest share price	191.11	164.64	175.13
Lowest share price	156.47	120.29	151.94

Class 2 Income	2022 p per share	2021 p per share	2020 p per share
Change in net assets per share			
Opening net asset value per share	162.95	157.02	159.92
Return before operating charges [†]	37.32	12.31	3.53
Operating charges	(1.52)	(1.34)	(1.52)
Return after operating charges [†]	35.80	10.97	2.01
Distributions	(4.90)	(5.04)	(4.91)
Closing net asset value per share	193.85	162.95	157.02
[†] after direct transaction costs of	(0.04)	(0.09)	(0.05)
Performance			
Return after operating charges	21.97%	6.99%	1.26%
Other information			
Closing net asset value (£000)	59,781	82,474	209,295
Closing number of shares	30,838,111	50,614,803	133,294,863
Operating charges (%) [†]	0.80%	0.88%	0.88%
Direct transaction costs (%) [#]	0.02%	0.06%	0.03%
Prices[°]			
Highest share price	200.15	171.96	182.12
Lowest share price	163.51	125.42	158.39

Class 2 Accumulation	2022 p per share	2021 p per share	2020 p per share
Change in net assets per share			
Opening net asset value per share	198.10	184.88	182.90
Return before operating charges [†]	45.60	14.83	3.72
Operating charges	(1.85)	(1.61)	(1.74)
Return after operating charges [†]	43.75	13.22	1.98
Distributions	(6.02)	(6.01)	(5.68)
Retained distributions on accumulation shares	6.02	6.01	5.68
Closing net asset value per share	241.85	198.10	184.88
[†] after direct transaction costs of	(0.05)	(0.11)	(0.06)
Performance			
Return after operating charges	22.08%	7.15%	1.08%
Other information			
Closing net asset value (£000)	11,116	9,504	11,430
Closing number of shares	4,596,066	4,797,224	6,182,146
Operating charges (%) [†]	0.80%	0.88%	0.88%
Direct transaction costs (%) [#]	0.02%	0.06%	0.03%
Prices[°]			
Highest share price	247.76	207.53	209.41
Lowest share price	198.78	147.68	182.38

Class 2 Income (USD)	2022 c per share	2021 c per share	2020 c per share
Change in net assets per share			
Opening net asset value per share	144.79	129.07	135.74
Return before operating charges [†]	26.46	21.09	(1.46)
Operating charges	(1.32)	(1.13)	(1.24)
Return after operating charges [†]	25.14	19.96	(2.70)
Distributions	(4.26)	(4.24)	(3.97)
Closing net asset value per share	165.67	144.79	129.07
[†] after direct transaction costs of	(0.03)	(0.08)	(0.04)
Performance			
Return after operating charges	17.36%	15.46%	(1.99)%
Other information			
Closing net asset value (£000)	1,977	1,648	1,606
Closing number of shares	1,598,482	1,585,411	1,603,612
Operating charges (%) [†]	0.80%	0.88%	0.88%
Direct transaction costs (%) [#]	0.02%	0.06%	0.03%
Prices[°]			
Highest share price	174.35	151.32	148.17
Lowest share price	145.33	92.15	130.20

COMPARATIVE TABLES (CONTINUED)

	2022	2021	2020
Class 3 Accumulation	p per share	p per share	p per share
Change in net assets per share			
Opening net asset value per share	264.09	245.61	242.12
Return before operating charges [†]	61.05	19.78	4.89
Operating charges	(1.56)	(1.30)	(1.40)
Return after operating charges [†]	59.49	18.48	3.49
Distributions	(8.05)	(8.00)	(7.53)
Retained distributions on accumulation shares	8.05	8.00	7.53
Closing net asset value per share	323.58	264.09	245.61
[†] after direct transaction costs of	(0.06)	(0.15)	(0.08)
Performance			
Return after operating charges	22.53%	7.52%	1.44%
Other information			
Closing net asset value (£000)	1	103	96
Closing number of shares	340	38,976	38,976
Operating charges (%) [†]	0.54%	0.53%	0.53%
Direct transaction costs (%) [#]	0.02%	0.06%	0.03%
Prices[≈]			
Highest share price	331.45	276.54	277.74
Lowest share price	264.99	196.23	241.49

	2022	2021	2020
Class 5 Income	p per share	p per share	p per share
Change in net assets per share			
Opening net asset value per share	163.98	157.89	160.63
Return before operating charges [†]	37.57	12.40	3.59
Operating charges	(1.22)	(1.24)	(1.40)
Return after operating charges [†]	36.35	11.16	2.19
Distributions	(4.94)	(5.07)	(4.93)
Closing net asset value per share	195.39	163.98	157.89
[†] after direct transaction costs of	(0.04)	(0.09)	(0.05)
Performance			
Return after operating charges	22.17%	7.07%	1.36%
Other information			
Closing net asset value (£000)	90,335	64,609	62,486
Closing number of shares	46,234,690	39,399,682	39,576,222
Operating charges (%) [†]	0.64%	0.80%	0.80%
Direct transaction costs (%) [#]	0.02%	0.06%	0.03%
Prices[≈]			
Highest share price	201.71	173.04	183.04
Lowest share price	164.56	126.12	159.27

	2022	2021	2020
Class 5 Accumulation	p per share	p per share	p per share
Change in net assets per share			
Opening net asset value per share	198.94	185.52	183.34
Return before operating charges [†]	45.84	14.90	3.80
Operating charges	(1.54)	(1.48)	(1.62)
Return after operating charges [†]	44.30	13.42	2.18
Distributions	(6.05)	(6.03)	(5.69)
Retained distributions on accumulation shares	6.05	6.03	5.69
Closing net asset value per share	243.24	198.94	185.52
[†] after direct transaction costs of	(0.05)	(0.11)	(0.06)
Performance			
Return after operating charges	22.27%	7.23%	1.19%
Other information			
Closing net asset value (£000)	11,876	13,239	17,880
Closing number of shares	4,882,270	6,654,580	9,637,910
Operating charges (%) [†]	0.64%	0.80%	0.80%
Direct transaction costs (%) [#]	0.02%	0.06%	0.03%
Prices[≈]			
Highest share price	249.16	208.39	210.05
Lowest share price	199.62	148.19	182.84

[†] 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	28.02.22	28.02.21
Class 1	1.00%	1.13%
Class 2	0.75%	0.88%
Class 2 (USD)	0.75%	0.88%
Class 3	0.53%	0.53%
Class 5	0.55%	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 2022

Investment	Currency	Holding	Market Value £000	% of Net Assets
Equities 99.17% (100.13%)				
Communication Services 9.14% (9.01%)				
Diversified Telecommunication Services 3.74% (3.32%)				
Verizon Communications	USD	164,083	6,560	3.74
			6,560	3.74
Media 5.40% (5.69%)				
Comcast 'A'	USD	176,976	6,165	3.51
Interpublic Group	USD	120,798	3,312	1.89
			9,477	5.40
Communication Services total			16,037	9.14
Consumer Discretionary 6.75% (9.72%)				
Auto Components 1.61% (2.12%)				
Magna International	USD	51,163	2,827	1.61
			2,827	1.61
Distributors 0.97% (2.33%)				
Genuine Parts	USD	18,741	1,705	0.97
			1,705	0.97
Multiline Retail 2.50% (4.10%)				
Target	USD	29,535	4,388	2.50
			4,388	2.50
Speciality Retail 1.67% (1.17%)				
Advance Auto Parts	USD	19,287	2,939	1.67
			2,939	1.67
Consumer Discretionary total			11,859	6.75
Consumer Staples 11.80% (8.43%)				
Beverages 1.93% (1.97%)				
PepsiCo	USD	27,735	3,383	1.93
			3,383	1.93
Food & Staples Retailing 3.83% (0.95%)				
Kroger	USD	29,369	1,024	0.58
Sysco	USD	67,768	4,398	2.51
Walgreens Boots Alliance	USD	37,841	1,300	0.74
			6,722	3.83
Food Products 1.06% (0.00%)				
J M Smucker	USD	18,588	1,865	1.06
			1,865	1.06
Household Products 2.33% (2.67%)				
Kimberly-Clark	USD	42,243	4,097	2.33
			4,097	2.33
Personal Products 2.65% (2.84%)				
Unilever, ADR	USD	123,895	4,641	2.65
			4,641	2.65
Consumer Staples total			20,708	11.80
Energy 7.07% (6.10%)				
Oil, Gas & Consumable Fuels 7.23% (6.10%)				
Kinder Morgan	USD	334,588	4,336	2.47
Marathon Petroleum	USD	68,148	3,955	2.25
Williams	USD	189,230	4,410	2.51
			12,701	7.23
Energy total			12,701	7.23

PORTFOLIO STATEMENT (CONTINUED)

As at 28 February 2022

Investment	Currency	Holding	Market Value £000	% of Net Assets
Financials 20.67% (18.04%)				
Banks 10.38% (9.42%)				
M&T Bank	USD	30,355	4,121	2.35
PNC Financial Services Group	USD	19,414	2,881	1.64
Truist Financial	USD	126,084	5,846	3.33
US Bancorp	USD	127,518	5,372	3.06
			18,220	10.38
Capital Markets 0.00% (0.86%)				
Insurance 10.29% (7.76%)				
Axis Capital Holdings	USD	67,094	2,730	1.56
Chubb	USD	17,588	2,669	1.52
CNA Financial	USD	58,802	2,002	1.14
Fidelity National Financial	USD	101,610	3,608	2.06
Progressive	USD	66,033	5,208	2.97
Willis Towers Watson	USD	11,058	1,832	1.04
			18,049	10.29
Financials total			36,269	20.67
Health Care 13.53% (15.61%)				
Biotechnology 4.95% (4.93%)				
AbbVie	USD	49,512	5,452	3.11
Amgen	USD	19,117	3,225	1.84
			8,677	4.95
Health Care Equipment & Supplies 0.45% (1.35%)				
Medtronic	USD	10,009	783	0.45
			783	0.45
Health Care Providers & Services 2.13% (2.61%)				
Premier 'A'	USD	140,021	3,746	2.13
			3,746	2.13
Pharmaceuticals 6.00% (6.72%)				
Bristol-Myers Squibb	USD	103,039	5,271	3.00
Merck	USD	23,698	1,352	0.77
Pfizer	USD	111,943	3,915	2.23
			10,538	6.00
Health Care total			23,744	13.53
Industrials 4.10% (6.83%)				
Air Freight & Logistics 4.10% (4.07%)				
United Parcel Service 'B'	USD	45,967	7,192	4.10
			7,192	4.10
Industrial Conglomerates 0.00% (1.86%)				
Professional Services 0.00% (0.90%)				
Industrials total			7,192	4.10
Information Technology 15.57% (13.12%)				
Communications Equipment 2.97% (2.86%)				
Cisco Systems	USD	125,099	5,203	2.97
			5,203	2.97
Electronic Equipment, Instruments & Components 3.77% (4.52%)				
Corning	USD	219,669	6,613	3.77
			6,613	3.77

PORTFOLIO STATEMENT (CONTINUED)

As at 28 February 2022

Investment	Currency	Holding	Market Value £000	% of Net Assets
IT Services 2.25% (0.79%)				
CSG Systems International	USD	33,286	1,528	0.87
Fidelity National Information Services	USD	34,054	2,417	1.38
			<u>3,945</u>	<u>2.25</u>
Semiconductors & Semiconductor Equipment 2.25% (2.13%)				
QUALCOMM	USD	30,877	3,956	2.25
			<u>3,956</u>	<u>2.25</u>
Software 4.33% (2.82%)				
NortonLifeLock	USD	109,398	2,363	1.35
Oracle	USD	92,289	5,225	2.98
			<u>7,588</u>	<u>4.33</u>
Information Technology total			27,305	15.57
Materials 0.00% (0.73%)				
Chemicals 0.00% (0.73%)				
Real Estate 0.00% (1.15%)				
Equity Real Estate Investment Trusts (REITs) 0.00% (1.15%)				
Utilities 10.38% (11.39%)				
Electric Utilities 1.69% (1.67%)				
IDACORP	USD	38,376	2,973	1.69
			<u>2,973</u>	<u>1.69</u>
Independent Power and Renewable Electricity Producers 7.09% (8.11%)				
AES	USD	359,872	5,694	3.25
Atlantica Sustainable Infrastructure	USD	132,296	3,328	1.90
Vistra	USD	199,706	3,396	1.94
			<u>12,418</u>	<u>7.09</u>
Multi-Utilities 1.60% (1.61%)				
Black Hills	USD	53,827	2,805	1.60
			<u>2,805</u>	<u>1.60</u>
Utilities total			18,196	10.38
Equities total			174,011	99.17
Investment assets			174,011	99.17
Net other assets			1,452	0.83
Net assets			175,463	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 2021.

STATEMENT OF TOTAL RETURN

For the year ended 28 February 2022

	Notes	£000	Year ended 28.02.22 £000	£000	Year ended 28.02.21 £000
Income					
Net capital gains	2		32,728		1,979
Revenue	3	5,311		8,181	
Expenses	4	(1,317)		(1,837)	
Net revenue before taxation		3,994		6,344	
Taxation	5	(573)		(927)	
Net revenue after taxation			3,421		5,417
Total return before distributions			36,149		7,396
Distributions	6		(4,734)		(7,158)
Change in net assets attributable to shareholders from investment activities			31,415		238

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 28 February 2022

	£000	Year ended 28.02.22 £000	£000	Year ended 28.02.21 £000
Opening net assets attributable to shareholders		171,796		303,011
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	42,453		62,887	
Amounts payable on cancellation of shares	(70,822)		(195,117)	
		(28,369)		(132,230)
Dilution adjustment		8		61
Change in net assets attributable to shareholders from investment activities (see above)		31,415		238
Retained distribution on accumulation shares		613		716
Closing net assets attributable to shareholders		175,463		171,796

BALANCE SHEET

As at 28 February 2022

	Notes	As at 28.02.22 £000	As at 28.02.21 £000
Assets:			
Investments	7	174,011	172,016
Current assets:			
Debtors	8	1,319	953
Cash and bank balances	9	1,828	1,536
Total assets		177,158	174,505
Liabilities:			
Creditors:			
Distribution payable		(1,202)	(1,103)
Other creditors	10	(493)	(1,606)
Total liabilities		(1,695)	(2,709)
Net assets attributable to shareholders		175,463	171,796

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting basis and policies

Please see pages 5 and 6 for accounting basis and policies.

2 Net capital gains

	Year ended 28.02.22 £000	Year ended 28.02.21 £000
Net capital gains on investment during the year comprise:		
Currency gains/(losses)	127	(385)
Forward currency contracts gains/(losses)	1	(3)
Non-derivative securities gains	32,600	2,367
Net capital gains	32,728	1,979

3 Revenue

	Year ended 28.02.22 £000	Year ended 28.02.21 £000
Bank and deposit interest	–	18
Overseas dividends	4,951	7,654
UK dividends	360	509
Total revenue	5,311	8,181

4 Expenses

	Year ended 28.02.22 £000	Year ended 28.02.21 £000
Payable to the Authorised Corporate Director ("ACD"), associates of the ACD or agents of either of them:		
Fund Management Fee	1,313	1,830
	1,313	1,830
Payable to the Depositary, associates of the Depositary or agents of either of them:		
Interest payable	2	5
	2	5
Other expenses:		
Dividend collection charges	2	2
	2	2
Total expenses	1,317	1,837

The audit fee was £10,785 (2021: £10,420) 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 28.02.22 £000	Year ended 28.02.21 £000
Overseas tax suffered	573	927
Total current tax (see note 5b)	573	927

b Factors affecting current tax charge

The tax assessed for the year is lower (2021: lower) than the standard rate of corporation tax in the UK for an Authorised Investment Fund (20%) (2021: 20%).

The differences are explained below:

	Year ended 28.02.22 £000	Year ended 28.02.21 £000
Net revenue before taxation	3,994	6,344
Corporation tax at 20%	799	1,269
Effects of:		
Movement in excess management expenses	293	277
Overseas dividends not subject to corporation tax	(1,020)	(1,429)
Overseas tax suffered	573	927
Tax relief for overseas tax suffered	–	(15)
UK dividends not subject to corporation tax	(72)	(102)
Current tax charge (see note 5a)	573	927

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 (2021: £nil).

After claiming relief against accrued income taxable on receipt, the Fund has unrelieved excess expenses of £10,862,955 (2021: £9,396,425) creating a potential deferred tax asset of £2,172,591 (2021: £1,879,285). 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 28.02.22 £000	Year ended 28.02.21 £000
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:		
Net dividend distribution for the three months ended 28 May	1,060	2,220
Net dividend distribution for the three months ended 28 August	1,073	1,697
Net dividend distribution for the three months ended 28 November	1,115	1,357
Net dividend distribution for the three months ended 28 February	1,382	1,271
	4,630	6,545
Add: Revenue deducted on cancellation of shares	218	847
Deduct: Revenue received on issue of shares	(114)	(234)
Total distributions	4,734	7,158
Reconciliations of distributions for the year to net revenue after taxation		
Distributions for the year	4,734	7,158
ACD's periodic charge borne by the capital account	(1,313)	(1,830)
Tax relief on capitalised ACD's periodic charge	–	89
Net revenue after taxation	3,421	5,417

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

7 Fair value hierarchy

Valuation technique	Assets at 28.02.22 £000	Liabilities at 28.02.22 £000	Assets at 28.02.21 £000	Liabilities at 28.02.21 £000
Level 1: Quoted prices	174,011	–	172,016	–
Total value	174,011	–	172,016	–

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.

As at the balance sheet date, the Fund held no level 2 or level 3 investments.

8 Debtors

	As at 28.02.22 £000	As at 28.02.21 £000
Accrued revenue	444	469
Amounts receivable on issue of shares	875	484
Total debtors	1,319	953

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 Cash and bank balances

	As at 28.02.22 £000	As at 28.02.21 £000
Cash and bank balances	1,828	1,536
Total cash and bank balances	1,828	1,536

10 Other creditors

	As at 28.02.22 £000	As at 28.02.21 £000
Accrued expenses	184	249
Amounts payable for cancellation of shares	309	1,357
Total other creditors	493	1,606

11 Contingent liabilities and commitments

There were no contingent liabilities or commitments at the year end (2021: £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 £183,454 (2021: £249,014). 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 £91,261 (2021: £116,666). The amount outstanding at the year end was £27,340 (2021: £26,327). 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 28.02.22 (shares)	Movement (shares)	Holdings at 28.02.21 (shares)
ACD and related parties (Class 2 Income shares)	692,366	(159,311)	851,677
ACD and related parties (Class 2 Accumulation shares)	884,994	(165,383)	1,050,377
ACD and related parties (Class 3 Accumulation shares)	340	(38,636)	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: 1.00%

Class 2: 0.75%

Class 3: 0.53%

Class 5: 0.55%

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14 Shares in issue reconciliation

	Number of shares in issue at 28.02.21	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 28.02.22
Class 1 Income shares	140,590	8,899,397	(8,836,428)	–	203,559
Class 2 Income shares	50,614,803	5,903,731	(16,540,095)	(9,140,328)	30,838,111
Class 2 Income (USD) shares	1,585,411	258,736	(245,665)	–	1,598,482
Class 5 Income shares	39,399,682	3,956,370	(6,195,626)	9,074,264	46,234,690
Class 2 Accumulation shares	4,797,224	2,894,331	(3,056,142)	(39,347)	4,596,066
Class 3 Accumulation shares	38,976	–	(38,636)	–	340
Class 5 Accumulation shares	6,654,580	874,683	(2,691,207)	44,214	4,882,270

15 Derivatives and other financial instruments

The policies applied in the management of financial instruments are set out on page 6.

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 (2021: £nil).

Currency risk

At the year end date, 99.99% (2021: 100.80%) 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 10.00% (2021: 10.08%).

Currency	Net foreign currency assets					
	Monetary exposure £000		Non monetary exposure £000		Total £000	
	28.02.22	28.02.21	28.02.22	28.02.21	28.02.22	28.02.21
US Dollar	1,426	1,162	174,011	172,016	175,437	173,178

Interest rate risk

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

At the year end date 1.04% (2021: 0.89%) of the net assets of the Fund were interest bearing and as such the interest rate risk is not considered significant.

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

Market price risk

At the year end date, 99.17% (2021: 100.13%) 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 9.92% (2021: 10.01%).

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.

28.02.22	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	(37,856)	(12)	–	(37,868)	0.03%	0.00%
	(37,856)	(12)	–	(37,868)		
Sales (excluding in-specie transfers and corporate actions)						
Equities	68,604	(17)	–	68,587	0.02%	0.00%
	68,604	(17)	–	68,587		
Total		(29)	–			
Percentage of Fund average net assets		0.02%	0.00%			

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%			

Dealing spread

As at 28 February 2022, the average portfolio dealing spread was 0.03% (2021: 0.25%). 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 2022, the price of each share class has changed as follows:

Share Class	Share Price in class currency 28.02.22	Share Price in class currency 27.06.22	Increase/(Decrease) %
Class 1 Income	184.89	190.31	2.93
Class 2 Accumulation	239.72	250.59	4.53
Class 2 Income	193.66	199.56	3.05
Class 3 Accumulation	320.73	335.40	4.57
Class 2 Income (USD)	165.50	156.32	(5.55)
Class 5 Income	195.19	201.27	3.11
Class 5 Accumulation	241.10	252.20	4.60

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

Share Class	Net Asset Value (£) 28.02.22	Net Subscription/ (Redemption) (£)	Market Movements (£)	Net Asset Value (£) 27.06.22
Class 1 Income	376,735	(107,653)	37,669	306,751
Class 2 Accumulation	11,115,801	(708,892)	397,610	10,804,519
Class 2 Income	59,781,006	(2,873,872)	1,751,275	58,658,409
Class 2 Income (USD)	1,977,094	(77,235)	56,780	1,956,639
Class 3 Accumulation	1,099	–	40	1,139
Class 5 Income	90,335,688	(2,434,637)	2,710,614	90,611,665
Class 5 Accumulation	11,875,832	676,742	432,808	12,985,382
Total	175,463,255	(5,525,547)	5,386,796	175,324,504

DISTRIBUTION TABLES

Final distribution payable in pence per share for the three months ended 28 February 2022

Income shares		Net revenue	Equalisation	Final distribution payable 28 April 2022	Final distribution paid 28 April 2021
Class 1	Group 1	1.4601	–	1.4601	1.1553
	Group 2	1.3346	0.1255	1.4601	1.1553
Class 2	Group 1	1.5287	–	1.5287	1.2068
	Group 2	0.7753	0.7534	1.5287	1.2068
Class 5	Group 1	1.5404	–	1.5404	1.2144
	Group 2	0.5514	0.9890	1.5404	1.2144

Accumulation shares		Net revenue	Equalisation	Interim distribution payable 28 April 2022	Interim distribution paid 28 April 2021
Class 2	Group 1	1.8923	–	1.8923	1.4559
	Group 2	0.4549	1.4374	1.8923	1.4559
Class 3	Group 1	2.5526	–	2.5526	1.9401
	Group 2	2.5526	0.0000	2.5526	1.9401
Class 5	Group 1	1.9028	–	1.9028	1.4620
	Group 2	0.6347	1.2681	1.9028	1.4620

Final distribution payable in cents per share for the three months ended 28 February 2022

Income shares		Net revenue	Equalisation	Final distribution payable 28 April 2022	Final distribution paid 28 April 2021
Class 2 (USD)	Group 1	1.3064	–	1.3064	1.0718
	Group 2	0.5862	0.7202	1.3064	1.0718

Final Distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 28 November 2021.

Group 2 shares are those shares purchased after 12:00 noon on 28 November 2021.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the three months ended 28 November 2021

Income shares		Net revenue	Equalisation	Interim distribution paid 28 January 2022	Interim distribution paid 28 January 2021
Class 1	Group 1	1.1633	–	1.1633	1.1052
	Group 2	0.7990	0.3643	1.1633	1.1052
Class 2	Group 1	1.2175	–	1.2175	1.1538
	Group 2	0.5763	0.6412	1.2175	1.1538
Class 5	Group 1	1.2262	–	1.2262	1.1607
	Group 2	0.6543	0.5719	1.2262	1.1607

Accumulation shares		Net revenue	Equalisation	Interim distribution paid 28 January 2022	Interim distribution paid 28 January 2021
Class 2	Group 1	1.4971	–	1.4971	1.3826
	Group 2	0.9797	0.5174	1.4971	1.3826
Class 3	Group 1	1.9991	–	1.9991	1.8407
	Group 2	1.9991	0.0000	1.9991	1.8407
Class 5	Group 1	1.5045	–	1.5045	1.3880
	Group 2	0.6385	0.8660	1.5045	1.3880

Interim distribution paid in cents per share for the three months ended 28 November 2021

Income shares		Net revenue	Equalisation	Interim distribution paid 28 January 2022	Interim distribution paid 28 January 2022
Class 2 (USD)	Group 1	1.0356	–	1.0356	0.9806
	Group 2	0.6806	0.3550	1.0356	0.9806

Interim Distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 28 August 2021.

Group 2 shares are those shares purchased after 12:00 noon on 28 August 2021.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the three months ended 28 August 2021

Income shares		Net revenue	Equalisation	Interim distribution paid 28 October 2021	Interim distribution paid 28 October 2020
Class 1	Group 1	1.0581	–	1.0581	1.2870
	Group 2	0.4895	0.5686	1.0581	1.2870
Class 2	Group 1	1.1067	–	1.1067	1.3424
	Group 2	0.8217	0.2850	1.1067	1.3424
Class 5	Group 1	1.1140	–	1.1140	1.3503
	Group 2	0.5741	0.5399	1.1140	1.3503

Accumulation shares		Net revenue	Equalisation	Interim distribution paid 28 October 2021	Interim distribution paid 28 October 2020
Class 2	Group 1	1.3530	–	1.3530	1.5944
	Group 2	0.3926	0.9604	1.3530	1.5944
Class 3	Group 1	1.7989	–	1.7989	2.1207
	Group 2	1.7989	0.0000	1.7989	2.1207
Class 5	Group 1	1.3591	–	1.3591	1.6004
	Group 2	0.5324	0.8267	1.3591	1.6004

Interim distribution paid in cents per share for the three months ended 28 August 2021

Income shares		Net revenue	Equalisation	Interim distribution paid 28 October 2021	Interim distribution paid 28 October 2020
Class 2 (USD)	Group 1	0.9678	–	0.9678	1.1395
	Group 2	0.6187	0.3491	0.9678	1.1395

Interim Distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 28 May 2021.

Group 2 shares are those shares purchased after 12:00 noon on 28 May 2021.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the three months ended 28 May 2021

Income shares		Net revenue	Equalisation	Interim distribution paid 28 July 2021	Interim distribution paid 28 July 2020
Class 1	Group 1	1.0018	–	1.0018	1.2839
	Group 2	0.9679	0.0339	1.0018	1.2839
Class 2	Group 1	1.0495	–	1.0495	1.3389
	Group 2	0.4216	0.6279	1.0495	1.3389
Class 5	Group 1	1.0564	–	1.0564	1.3465
	Group 2	0.5918	0.4646	1.0564	1.3465

Accumulation shares		Net revenue	Equalisation	Interim distribution paid 28 July 2021	Interim distribution paid 28 July 2020
Class 2	Group 1	1.2754	–	1.2754	1.5759
	Group 2	0.5452	0.7302	1.2754	1.5759
Class 3	Group 1	1.6958	–	1.6958	2.0944
	Group 2	1.6958	0.0000	1.6958	2.0944
Class 5	Group 1	1.2812	–	1.2812	1.5814
	Group 2	0.7624	0.5188	1.2812	1.5814

Interim distribution paid in cents per share for the three months ended 28 May 2021

Income shares		Net revenue	Equalisation	Interim distribution paid 28 July 2021	Interim distribution paid 28 July 2020
Class 2 (USD)	Group 1	0.9493	–	0.9493	1.0454
	Group 2	0.6253	0.3240	0.9493	1.0454

Interim Distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 28 February 2021.

Group 2 shares are those shares purchased after 12:00 noon on 28 February 2021.

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 2022 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.

Martin Bell

M Bell
Director
30 June 2022

STATEMENT OF THE DEPOSITARY'S RESPONSIBILITIES

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

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

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

The Depositary must ensure that:

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

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

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the regulations and the Scheme documents of the Company; and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company in accordance with the regulations and the Scheme documents of the Company.

J.P. Morgan Europe Limited
London
30 June 2022

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 2022 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 2022; 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.

Based on our work undertaken in the course of the audit, Collective Investment Schemes sourcebook requires us also to report certain opinions as described below.

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.

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

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.

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

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Glasgow
30 June 2022

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 2021, 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:	£1.3m	£1.1m
Of which, Fixed Remuneration:	33%	38%
Variable Remuneration:	63%	56%
Pension/Benefits:	4%	6%
Number of Code staff:	20	26

