

AVIVA INVESTORS SELECT FUNDS ICVC

Annual Report and Financial Statements

For the year ended 28 February 2016

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* These items 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
No. 1 Poultry
London, EC2R 8EJ

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 K Buckle
E E Potter (resigned 19 October 2015)
J Misselbrook
D Dahan (resigned 31 March 2016)
S Ebenston
C Abrahams (resigned 31 December 2015)
A Brown (appointed 2 February 2016)
M Craston (appointed 22 March 2016)

ADMINISTRATOR AND REGISTRAR

International Financial Data Services (UK) Limited
IFDS House
St Nicholas Lane
Basildon
Essex, SS15 5FS

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
7 More London Riverside
London, SE1 2RT

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 many Funds, each with a different investment objective. In the financial statements you will find an investment review for each Fund which includes details of the investment objectives. 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. There are currently also two other Funds of the Aviva Investors Select Funds ICVC which have been terminated on 25 February 2016 and in respect of which an application to revoke the authorisation order will be made to the FCA by 25 June 2016 (being the Aviva Investors Active Protector Fund and the Aviva Investors Defined Returns Fund 10).

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).

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 2016. 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

FUND CLOSURES

As advised in a letter to investors dated 1 May 2015, the Aviva Investors Active Protector Fund was closed on 7 July 2015. It was terminated on 25 February 2016 and an application to revoke the authorisation order of that Fund will be made to the FCA by 25 June 2016.

As advised in a letter to investors dated 10 June 2015, the Aviva Investors Defined Returns Fund 10 matured on 22 July 2015. It was terminated on 25 February 2016 and an application to revoke the authorisation order of that Fund will be made to the FCA by 25 June 2016.

FATCA AND CRS REPORTING

Tax regulations require us to collect information about your tax residency and you will have therefore provided this at the time of making your investment with us. The term tax regulations refers to the International Tax Compliance Regulations 2015 which implements the Foreign Account Tax Compliance Act (FATCA) and the OECD Common Reporting Standard (CRS) for Automatic Exchange of Financial Account Information. As a result, in certain circumstances we will be obliged to share information about your account(s) with Her Majesty's Revenue & Customs (HMRC) who may in turn share this information with any or all jurisdictions that have agreed to exchange information under FATCA and CRS. The information previously provided by you at the time of making your investment will be used by us to report to HMRC regarding your account(s), where so required. This does not apply where you have invested with us solely via an ISA.

REGULAR SAVINGS MANDATES SET UP BEFORE 31 DECEMBER 2012

From 13 April 2016, the ACD has discontinued the initial charge in full on all future investment made in each of the Funds through regular investment mandates set up before 31 December 2012.

STATEMENT OF CROSS HOLDINGS

There are no cross holdings as at 28 February 2016.

POLICIES AND RISKS

ACCOUNTING POLICIES

a Basis of accounting

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice for UK Authorised Funds issued by The Investment Management Association (now the 'The Investment Association') in May 2014 (SORP 2014), which supersedes the Statement of Recommended Practice of Authorised funds issued by the IMA in October 2010 (SORP 2010), 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.

There have been no changes to the financial position or financial performance of the Funds, or any restatement of the comparatives as a result of the above changes.

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

b Share classes

The Funds have three types of share classes; retail shares (class 1), institutional shares (class 2) and shares held by associated undertakings of Aviva Plc (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. Underwriting commission is recognised when the issue underwritten takes place. Where a Fund is required to take up some of the shares underwritten, an appropriate proportion of the commission earned is deducted from the cost of the shares. Deposit interest and other revenues are recognised on an accruals basis.

d Treatment of derivatives

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

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

e Basis of valuation of investments

Quoted investments

The quoted investments of the Company have been valued at bid value at midday on the last working day of the accounting period.

Unquoted and unapproved investments

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

Suspended securities

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

Delisted securities

Delisted securities have been valued by the Investment Manager using available information to arrive at an estimated fair value.

f 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.

g Taxation and deferred taxation

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

DISTRIBUTION POLICIES

a Distribution policy

Where appropriate the Company will pay any surplus revenue as a revenue distribution or accumulation 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 those relating to the purchase and sale of investments and transaction charges are charged to the revenue property of the respective Funds, on an accruals basis.

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

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

POLICIES AND RISKS (CONTINUED)

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 Swap and Derivative Association (ISDA) Master Arrangements 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 reduced.

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 collateral arrangements. This means that the Counterparty delivers government bonds with a minimum credit rating of 'AA' to the value of the derivative into a segregated account with the Depositary. The Fund has full legal rights to this collateral, should the Counterparty become unable to meet its obligations in order to recover most of the value of the Fund at the time of Counterparty default.

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

AVIVA INVESTORS US EQUITY INCOME FUND

INVESTMENT OBJECTIVE

To provide an annualised income yield 1.5% higher than that of the Russell® 3000 Value Index which is paid quarterly, with the potential for capital growth.

INVESTMENT POLICY

The Fund aims to achieve the investment objective by principally investing in equity securities listed on regulated North American exchanges. Limited exposure to other geographic regions may be possible.

The Fund may also invest in other transferable securities, collective investment schemes, money market instruments, deposits, cash or near cash. The Fund may also use derivative instruments for the purposes of efficient portfolio management.

FUND MANAGER'S REPORT

Over the twelve months ended 28 February 2016, the Fund (share class 1) delivered a total return of -4.06%* compared with an average return of -9.07% for the Russell® 3000 Value benchmark, an outperformance of 5.01%.

Over the twelve months ended 28 February 2016, the Fund provided an income yield (before the deduction of charges and tax) of 3.78%, compared to the Russell® 3000 Value Index yield of 3.47%, an outperformance of 0.31% but falling short of its target of providing an annualised income yield 1.5% higher than that of the Index.

After hesitating to raise rates in Q3 2015 amid global uncertainty, in December the Federal Reserve (the Fed) announced a hike in the funds rate for the first time in nearly a decade, thus ending the prolonged experiment with zero interest rates and quantitative easing. The Fed's decision was met with significant criticism, as numerous market observers openly questioned the timing of an increase – perhaps rightly so. Volatility increased in the beginning of 2016 and investors' risk tolerance appeared to decline sharply. As expected, the Portfolio fared quite well amid the increasing volatility as investors focused on cheaper and higher quality stocks.

According to FactSet Research, S&P 500 earnings declined -3.3% in Q4, marking the first time there has been three consecutive quarters of decline since 2009. Revenues declined a similar -3.9%, driven by results in the Energy, Materials, Utilities, and Industrials sectors. Similar to Q3, the strong dollar, low oil prices, and slower global economic growth were widely cited headwinds. Expectations for Q1 2016 earnings growth continued to decline over the month of February, now standing at -7.4% versus the +0.5% projection at the end of the year. At the same time, analyst expectations for 2016 earnings growth declined to a meagre +2.8%, as yet again Wall Street is projecting a second half rebound for corporate earnings.

Broadly surveying the market, the performance differential by market capitalisation over the twelve months ended 28 February 2016 was significant, as small cap stocks returned -14.71% versus -6.51% for large cap stocks. The dispersion between investment styles was considerable as well as small cap growth stocks underperformed value by -294 bps. The dispersion was even greater among large cap stocks, but growth outperformed, returning -4.37% versus -8.70% for value.

Among the top performing sectors in the Russell® 3000 Value for the period were Telecommunication Services (+7.0%), Utilities (+4.9%), and Consumer Staples (-0.9%). The bottom performing sectors were Energy (-26.6%), Materials (-19.5%), and Consumer Discretionary (-13.4%).

The highest yielding stocks in the S&P 500 significantly underperformed over the past twelve months. According to Ned Davis Research, the highest yielding stocks (quartile 1) returned an average of -15.4% in the period versus -4.2% for the lowest yielding stocks (quartile 4).

Looking at what worked during the period, overall stock selection was the primary driver of the relative return, but sector allocation was positive as well. The most significant positive impacts on relative performance were from stock selection in Information Technology and the underweight in Energy. Of the eight holdings in Information Technology, seven outperformed the broader sector including Microsoft Corp. (+20.3%) and Motorola Solutions Inc. (+12.6%), the first and fifth highest contributors to Portfolio return during the period.

The five holdings with the highest contribution to Portfolio return during the period were Microsoft Corp. (+26.1%), Kimberly-Clark Corp. (+23.7%), CyrusOne Inc. (+30.3%), and Motorola Solutions Inc.

Speaking of what did not work, the most significant negative impacts on relative performance were from stock selection in Utilities and the underweight in Health Care. Utilities was negatively impacted by its holding of National Fuel Gas Co. (-27.8%), the third lowest contributor during the period.

The five holdings with the lowest contribution to Portfolio return during the period were Kohl's Corp. (-34.4%), QUALCOMM Inc. (-26.5%), National Fuel Gas Co., GEO Group Inc. (-28.2%), and Macy's Inc. (-39.4%).

As of 26 February 2016, the Portfolio held a total of 61 positions. During the period, we established fourteen positions, received a very small position in California Resources Corp. (+64.0%) when it was spun off from Occidental Petroleum Corp. (-6.7%), added to Cinemark Holdings Inc. (-17.4%), and eliminated eleven positions. The five largest positions established were Fastenal Co. (+10.0%), Ventas Inc. (+0.6%), Exxon Mobil Corp. (+12.8%), Vectren Corp. (+15.6%), and Corning Inc. (+7.4%). The five largest positions eliminated were Hasbro Inc., Bob Evans Farms Inc. (-17.5%), PartnerRe Ltd. (+19.1%), CyrusOne Inc., and Shaw Communications Inc. (-13.5%).

AVIVA INVESTORS US EQUITY INCOME FUND (CONTINUED)

FUND MANAGER'S REPORT (CONTINUED)

As expected, relative performance has improved markedly as volatility has increased and investors retreat to the relative safety of higher quality companies. Despite the rebound in the latter half of February, we still believe U.S. markets will struggle to be positive in 2016 unless we see a reversal in either weak corporate earnings or tightening monetary policy. Our positive relative outlook for the Portfolio in 2016 is unchanged.

In the current environment, stock selection and judicious risk-taking are key. We continue to refine our watchlist, looking for opportunities in firms that have been adversely impacted by the strong dollar or weak energy prices, yet have the balance sheet and market position to weather the storm and flourish as these headwinds abate. However, it remains challenging to identify new investment opportunities with the attractive combination of conviction, discount, and yield required.

March 2016

* Fund performance figures – share class 1, source Lipper, net of fees, net income reinvested in GBP. Unless otherwise indicated, all data has been sourced by River Road Asset Management LLC.

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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 9 and 10 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.

Material Portfolio Changes

Purchases	Sales
Fastenal Co.	Hasbro, Inc.
Ventas, Inc.	PartnerRe Ltd.
Weyerhaeuser Co.	CyrusOne, Inc.
Exxon Mobil Corp.	j2 Global, Inc.
Vectren Corp.	ADT Corp. (The)
Wal-Mart Stores, Inc.	Bob Evans Farms, Inc.
Corning, Inc.	Sysco Corp.
Praxair, Inc.	Rogers Communications, Inc. 'B'
MSC Industrial Direct Co., Inc. 'A'	Molson Coors Brewing Co. 'B'
BB&T Corp.	Microsoft Corp.

Synthetic Risk and Reward Indicator



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

- This indicator is based on historical data, calculated using European Union rules, and may not be a reliable indication of the future risk profile of the Fund.
- The risk and reward category shown is not guaranteed to remain unchanged and may change over time. The lowest category does not mean 'risk free'.
- The value of investments will be affected by changes in exchange rates.
- The level of targeted income is not guaranteed and may not be achieved.
- Full information on the risks applicable to the Fund is detailed in the Prospectus.

COMPARATIVE TABLES

	2016	2015	2014
Class 1 Income	p per share	p per share	p per share
Change in net assets per share			
Opening net asset value per share	143.22	121.31	113.57
Return before operating charges [†]	7.49	27.63	12.72
Operating charges	(2.25)	(2.10)	(2.01)
Return after operating charges [†]	5.24	25.53	10.71
Distributions on income shares	(3.67)	(3.62)	(2.97)
Closing net asset value per share	144.79	143.22	121.31
Retained distributions on accumulation shares	–	–	–
† after direct transaction costs of	(0.05)	(0.05)	(0.07)
Performance			
Return after operating charges	3.66%	21.05%	9.43%
Other information			
Closing net asset value (£000)	7,696	11,127	14,192
Closing number of shares	5,315,532	7,769,405	11,699,708
Operating charges (%) [†]	1.63%	1.63%	1.65%
Direct transaction costs (%) [#]	0.04%	0.04%	0.06%
Prices*			
Highest share price	150.79	146.51	128.20
Lowest share price	121.83	119.51	114.40

	2016	2015	2014
Class 2 Income	p per share	p per share	p per share
Change in net assets per share			
Opening net asset value per share	147.27	123.76	115.00
Return before operating charges [†]	7.78	28.35	12.89
Operating charges	(1.25)	(1.17)	(1.12)
Return after operating charges [†]	6.53	27.18	11.77
Distributions on income shares	(3.79)	(3.67)	(3.01)
Closing net asset value per share	150.01	147.27	123.76
Retained distributions on accumulation shares	–	–	–
† after direct transaction costs of	(0.06)	(0.05)	(0.07)
Performance			
Return after operating charges	4.43%	21.96%	10.23%
Other information			
Closing net asset value (£000)	207,585	247,225	242,673
Closing number of shares	138,378,752	167,877,271	196,078,092
Operating charges (%) [†]	0.88%	0.88%	0.90%
Direct transaction costs (%) [#]	0.04%	0.04%	0.06%
Prices*			
Highest share price	155.19	150.49	150.49
Lowest share price	125.74	122.04	127.76

	2016	2015	2014
Class 1 Accumulation	p per share	p per share	p per share
Change in net assets per share			
Opening net asset value per share	158.62	130.78	119.53
Return before operating charges [†]	8.55	30.12	13.39
Operating charges	(2.51)	(2.28)	(2.14)
Return after operating charges [†]	6.04	27.84	11.25
Distributions on income shares	–	–	–
Closing net asset value per share	164.66	158.62	130.78
Retained distributions on accumulation shares	4.10	3.92	3.14
† after direct transaction costs of	(0.06)	(0.06)	(0.08)
Performance			
Return after operating charges	3.81%	21.29%	9.41%
Other information			
Closing net asset value (£000)	1,504	2,059	2,803
Closing number of shares	913,218	1,298,089	2,143,046
Operating charges (%) [†]	1.63%	1.63%	1.65%
Direct transaction costs (%) [#]	0.04%	0.04%	0.06%
Prices*			
Highest share price	167.00	161.36	135.70
Lowest share price	135.79	128.84	119.60

	2016	2015	2014
Class 2 Accumulation	p per share	p per share	p per share
Change in net assets per share			
Opening net asset value per share	162.95	133.34	120.98
Return before operating charges [†]	8.86	30.88	13.55
Operating charges	(1.39)	(1.27)	(1.19)
Return after operating charges [†]	7.47	29.61	12.36
Distributions on income shares	–	–	–
Closing net asset value per share	170.42	162.95	133.34
Retained distributions on accumulation shares	4.29	4.00	3.20
† after direct transaction costs of	(0.06)	(0.06)	(0.08)
Performance			
Return after operating charges	4.58%	22.21%	10.22%
Other information			
Closing net asset value (£000)	9,040	9,350	8,339
Closing number of shares	5,304,501	5,737,934	6,254,242
Operating charges (%) [†]	0.88%	0.88%	0.90%
Direct transaction costs (%) [#]	0.04%	0.04%	0.06%
Prices*			
Highest share price	171.71	165.64	137.80
Lowest share price	140.01	131.48	121.00

COMPARATIVE TABLES (CONTINUED)

Class 2 Income (USD)	2016 c per share	2015 c per share	2014 c per share
Change in net assets per share			
Opening net asset value per share	141.88	128.91	108.96
Return before operating charges [†]	(6.09)	17.75	24.02
Operating charges	(1.52)	(1.13)	(1.17)
Return after operating charges [†]	(7.61)	16.62	22.85
Distributions on income shares	(3.52)	(3.65)	(2.90)
Closing net asset value per share	130.75	141.88	128.91
Retained distributions on accumulation shares	–	–	–
† after direct transaction costs of	(0.05)	(0.05)	(0.08)
Performance			
Return after operating charges	(5.36)%	12.89%	20.97%
Other information			
Closing net asset value (£000)	12,591	14,536	14,173
Closing number of shares	13,444,062	15,810,361	18,345,937
Operating charges (%) [‡]	0.88%	0.88%	0.90%
Direct transaction costs (%) [#]	0.04%	0.04%	0.06%
Prices[≈]			
Highest share price	143.04	142.87	131.05
Lowest share price	120.64	127.36	108.80

Class 2 Accumulation (USD)	2016 c per share	2015 c per share	2014 [§] c per share
Change in net assets per share			
Opening net asset value per share	–	–	112.51
Return before operating charges [†]	–	–	19.76
Operating charges	–	–	(0.21)
Return after operating charges [†]	–	–	19.55
Distributions on income shares	–	–	–
Closing net asset value per share	–	–	132.06
Retained distributions on accumulation shares	–	–	1.36
† after direct transaction costs of	–	–	(0.08)
Performance			
Return after operating charges	–	–	17.37%
Other information			
Closing net asset value (£000)	–	–	44
Closing number of shares	–	–	60,000
Operating charges (%) [‡]	–	–	0.16%
Direct transaction costs (%) [#]	–	–	0.06%
Prices[≈]			
Highest share price	–	–	138.94
Lowest share price	–	–	124.52

Class 3 Accumulation	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	165.06	134.60	121.70
Return before operating charges [†]	9.01	31.24	13.63
Operating charges	(0.85)	(0.78)	(0.73)
Return after operating charges [†]	8.16	30.46	12.90
Distributions on income shares	–	–	–
Closing net asset value per share	173.22	165.06	134.60
Retained distributions on accumulation shares	4.43	4.13	3.34
† after direct transaction costs of	(0.06)	(0.06)	(0.08)
Performance			
Return after operating charges	4.94%	22.63%	10.60%
Other information			
Closing net asset value (£000)	67	46,572	37,977
Closing number of shares	38,583	28,214,550	28,214,550
Operating charges (%) [‡]	0.53%	0.53%	0.55%
Direct transaction costs (%) [#]	0.04%	0.04%	0.06%
Prices[≈]			
Highest share price	174.01	167.73	138.80
Lowest share price	142.07	132.80	121.70

‡ 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.

§ Class 2 Accumulation (USD) closed on 5 November 2013.

Ongoing Charges Figure*

Share class	28.02.16	28.02.15
Class 1	1.63%	1.63%
Class 2	0.88%	0.88%
Class 2 (USD)	0.88%	0.88%
Class 3	0.53%	0.53%

* 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 Annual Management Charge (if any) and other operating costs deducted from the assets of the Fund during the year, except for those payments that are explicitly excluded (performance fees).

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 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Equities 98.01% (98.19%)				
Consumer Discretionary 11.67% (17.12%)				
Automobiles 0.63% (1.07%)				
Ford Motor Co.	USD	170,544	1,514	0.63
			<u>1,514</u>	<u>0.63</u>
Hotels, Restaurants & Leisure 0.00% (1.71%)				
Leisure Products 0.00% (2.37%)				
Media 7.66% (7.79%)				
Cinemark Holdings, Inc.	USD	125,915	2,841	1.19
National CineMedia, Inc.	USD	188,156	2,088	0.87
Omnicom Group, Inc.	USD	118,659	6,604	2.77
Thomson Reuters Corp.	USD	156,929	4,144	1.74
Time Warner, Inc.	USD	54,465	2,601	1.09
			<u>18,278</u>	<u>7.66</u>
Multiline Retail 3.38% (4.18%)				
Kohl's Corp.	USD	91,621	3,062	1.29
Target Corp.	USD	88,558	4,987	2.09
			<u>8,049</u>	<u>3.38</u>
Consumer Discretionary total			27,841	11.67
Consumer Staples 10.94% (10.68%)				
Beverages 2.95% (3.31%)				
Molson Coors Brewing Co. 'B'	USD	59,221	3,674	1.54
PepsiCo, Inc.	USD	46,402	3,346	1.41
			<u>7,020</u>	<u>2.95</u>
Food & Staples Retailing 4.30% (3.23%)				
Sysco Corp.	USD	162,136	5,059	2.12
Wal-Mart Stores, Inc.	USD	106,423	5,187	2.18
			<u>10,246</u>	<u>4.30</u>
Household Products 2.01% (1.79%)				
Kimberly-Clark Corp.	USD	50,203	4,801	2.01
			<u>4,801</u>	<u>2.01</u>
Personal Products 1.68% (2.35%)				
Unilever plc, ADR	USD	128,415	4,014	1.68
			<u>4,014</u>	<u>1.68</u>
Consumer Staples total			26,081	10.94
Energy 5.39% (4.44%)				
Oil, Gas & Consumable Fuels 5.39% (4.44%)				
California Resources Corp.	USD	11,146	3	–
Chevron Corp.	USD	44,224	2,702	1.13
Exxon Mobil Corp.	USD	72,028	4,232	1.78
Occidental Petroleum Corp.	USD	118,577	5,916	2.48
			<u>12,853</u>	<u>5.39</u>
Energy total			12,853	5.39

PORTFOLIO STATEMENT (CONTINUED)

As at 28 February 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Financials 22.18% (20.66%)				
Banks 10.76% (8.15%)				
BB&T Corp.	USD	150,900	3,512	1.47
PNC Financial Services Group, Inc. (The)	USD	121,132	7,195	3.02
Stock Yards Bancorp, Inc. 'R'	USD	57,779	1,553	0.65
US Bancorp	USD	225,783	6,327	2.65
Washington Trust Bancorp, Inc.	USD	28,594	768	0.32
Wells Fargo & Co.	USD	184,702	6,316	2.65
			25,671	10.76
Diversified Financial Services 2.10% (2.32%)				
CME Group, Inc.	USD	57,480	3,836	1.61
Compass Diversified Holdings 'R'	USD	110,659	1,161	0.49
			4,997	2.10
Insurance 0.63% (2.37%)				
CNA Financial Corp.	USD	70,846	1,501	0.63
			1,501	0.63
Real Estate Investment Trusts (REITs) 8.69% (7.82%)				
Communications Sales & Leasing, Inc.	USD	73,758	923	0.38
GEO Group, Inc. (The)	USD	199,439	4,056	1.70
Iron Mountain, Inc.	USD	310,276	6,650	2.79
Sabra Health Care REIT, Inc.	USD	126,100	1,764	0.74
Ventas, Inc.	USD	106,958	4,220	1.77
Weyerhaeuser Co.	USD	171,823	3,118	1.31
			20,731	8.69
Financials total			52,900	22.18
Health Care 3.96% (4.59%)				
Health Care Equipment & Supplies 0.00% (0.54%)				
Health Care Providers & Services 3.96% (4.05%)				
Owens & Minor, Inc.	USD	139,687	3,953	1.66
Quest Diagnostics, Inc.	USD	114,991	5,496	2.30
			9,449	3.96
Health Care total			9,449	3.96
Industrials 14.94% (12.19%)				
Air Freight & Logistics 2.10% (2.01%)				
United Parcel Service, Inc. 'B'	USD	71,571	5,008	2.10
			5,008	2.10
Commercial Services & Supplies 3.69% (5.18%)				
ADT Corp. (The)	USD	166,994	4,820	2.02
Republic Services, Inc.	USD	120,332	3,983	1.67
			8,803	3.69
Electrical Equipment 1.42% (1.87%)				
Emerson Electric Co.	USD	97,421	3,393	1.42
			3,393	1.42
Machinery 1.22% (1.61%)				
Parker-Hannifin Corp.	USD	39,980	2,910	1.22
			2,910	1.22
Road & Rail 1.13% (0.00%)				
Union Pacific Corp.	USD	47,470	2,697	1.13
			2,697	1.13

PORTFOLIO STATEMENT (CONTINUED)

As at 28 February 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Trading Companies & Distributors 5.38% (1.52%)				
Aircastle Ltd.	USD	238,126	3,329	1.40
Fastenal Co.	USD	199,267	6,432	2.70
MSC Industrial Direct Co., Inc. 'A'	USD	61,538	3,063	1.28
			12,824	5.38
Industrials total			35,635	14.94
Information Technology 16.15% (15.58%)				
Communications Equipment 4.04% (4.79%)				
Motorola Solutions, Inc.	USD	129,641	6,875	2.88
QUALCOMM, Inc.	USD	74,952	2,772	1.16
			9,647	4.04
Electronic Equipment, Instruments & Components 1.62% (0.00%)				
Corning, Inc.	USD	298,635	3,876	1.62
			3,876	1.62
Internet Software & Services 0.72% (1.85%)				
j2 Global, Inc.	USD	33,140	1,712	0.72
			1,712	0.72
IT Services 2.98% (2.68%)				
CSG Systems International, Inc.	USD	74,901	2,102	0.88
Western Union Co. (The)	USD	380,281	4,998	2.10
			7,100	2.98
Semiconductors & Semiconductor Equipment 2.56% (2.97%)				
Intel Corp.	USD	287,298	6,094	2.56
			6,094	2.56
Software 4.23% (3.29%)				
Microsoft Corp.	USD	270,129	10,079	4.23
			10,079	4.23
Information Technology total			38,508	16.15
Materials 4.95% (4.75%)				
Chemicals 1.38% (0.73%)				
Praxair, Inc.	USD	44,899	3,300	1.38
			3,300	1.38
Containers & Packaging 1.07% (1.76%)				
Bemis Co., Inc.	USD	73,048	2,552	1.07
			2,552	1.07
Metals & Mining 2.50% (2.26%)				
Compass Minerals International, Inc.	USD	81,346	3,947	1.66
Nucor Corp.	USD	70,767	2,015	0.84
			5,962	2.50
Materials total			11,814	4.95
Telecommunication Services 4.40% (5.36%)				
Diversified Telecommunication Services 3.57% (3.48%)				
Atlantic Tele-Network, Inc.	USD	20,857	1,090	0.46
Verizon Communications, Inc.	USD	202,872	7,426	3.11
			8,516	3.57
Wireless Telecommunication Services 0.83% (1.88%)				
Rogers Communications, Inc. 'B'	USD	74,202	1,968	0.83
			1,968	0.83
Telecommunication Services total			10,484	4.40

PORTFOLIO STATEMENT (CONTINUED)
As at 28 February 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Utilities 3.43% (2.82%)				
Gas Utilities 1.66% (2.82%)				
National Fuel Gas Co.	USD	122,402	3,969	1.66
			<u>3,969</u>	<u>1.66</u>
Multi-Utilities 1.77% (0.00%)				
Vectren Corp.	USD	126,379	4,211	1.77
			<u>4,211</u>	<u>1.77</u>
Utilities total			8,180	3.43
Equities total			233,745	98.01
Investment assets			233,745	98.01
Net other assets			4,738	1.99
Net assets			238,483	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 2015.

STATEMENT OF TOTAL RETURN

For the year ended 28 February 2016

	Notes	£000	Year ended 28.02.16 £000	£000	Year ended 28.02.15 £000
Income					
Net capital gains	2		324		58,721
Revenue	3	9,497		11,003	
Expenses					
Net revenue before taxation	4	(2,454)		(2,816)	
Taxation	5	(1,343)		(1,412)	
Net revenue after taxation			5,700		6,775
Total return before distributions			6,024		65,496
Distributions	6		(7,632)		(8,989)
Change in net assets attributable to shareholders from investment activities			(1,608)		56,507

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 28 February 2016

	£000	Year ended 28.02.16 £000	£000	Year ended 28.02.15 £000
Opening net assets attributable to shareholders		330,869		320,157
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	1,222		3,598	
Amounts payable on cancellation of shares	(93,273)		(50,863)	
		(92,051)		(47,265)
Dilution adjustment		95		-
Change in net assets attributable to shareholders from investment activities (see above)		(1,608)		56,507
Retained distribution on accumulation shares		1,178		1,470
Closing net assets attributable to shareholders		238,483		330,869

BALANCE SHEET

As at 28 February 2016

	Notes	As at 28.02.16 £000	As at 28.02.15 £000
Assets:			
Investments		233,745	324,883
Current assets:			
Debtors	8	1,673	584
Cash and bank balances	9	6,190	7,855
Total assets		241,608	333,322
Liabilities:			
Creditors:			
Distributions payable		(1,583)	(1,463)
Other creditors	10	(1,542)	(990)
Total liabilities		(3,125)	(2,453)
Net assets attributable to shareholders		238,483	330,869

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting basis and policies

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

There has been no changes to the financial position or financial performance of the Fund as a result of preparing these statements in accordance with SORP 2014 rather than SORP 2010.

2 Net capital gains

	Year ended 28.02.16 £000	Year ended 28.02.15 £000
Net capital gains on investments during the year comprise:		
Currency gains	1,069	315
Expenses relating to the purchase and sale of investments	(13)	(6)
Forward currency contracts gains	3	12
Non-derivative securities (losses)/gains	(735)	58,400
Net capital gains	324	58,721

3 Revenue

	Year ended 28.02.16 £000	Year ended 28.02.15 £000
Bank and deposit interest	4	3
Overseas dividends	9,352	9,993
Stock dividends	–	657
UK dividends	141	350
Total revenue	9,497	11,003

4 Expenses

	Year ended 28.02.16 £000	Year ended 28.02.15 £000
Payable to the Authorised Corporate Director ("ACD"), associates of the ACD or agents of either of them:		
ACD's periodic charge	2,123	2,438
Registration fees	249	283
	2,372	2,721
Payable to the Depositary, associates of the Depositary or agents of either of them:		
Depositary's fee	37	41
Dividend collection charges	1	–
Interest payable	1	–
Safe custody fee	20	22
	59	63
Other expenses:		
Audit fee*	10	13
Printing & postage expenses	–	3
Statement fees	13	16
	23	32
Total expenses	2,454	2,816

* The audit fee was £8,668 (2015: £8,713) net of VAT.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Taxation**a Analysis of tax charge**

	Year ended 28.02.16 £000	Year ended 28.02.15 £000
Overseas tax suffered	1,343	1,412
Total current tax (see note 5b)	1,343	1,412

b Factors affecting current tax charge

The tax assessed for the year is lower (2015: lower) than the standard rate of corporation tax in the UK for an Authorised Investment Fund (20%) (2015: 20%).

The differences are explained below:

	Year ended 28.02.16 £000	Year ended 28.02.15 £000
Net revenue before taxation	7,043	8,187
Corporation tax at 20%	1,409	1,637
Effects of:		
Movement in excess expenses	233	195
Overseas dividends not subject to corporation tax	(1,607)	(1,720)
Overseas tax suffered	1,343	1,412
Revenue taxable in different periods	(7)	–
Tax relief for overseas tax suffered	–	(42)
UK dividends not subject to corporation tax	(28)	(70)
	(66)	(225)
Current tax charge (see note 5a)	1,343	1,412

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

c Deferred tax

After claiming relief against accrued income taxable on receipt, the Fund has unrelieved excess expenses of £6,176,000 (2015: £5,007,000) creating a potential deferred tax asset of £1,235,000 (2015: £1,002,000). 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 28.02.16 £000	Year ended 28.02.15 £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 distributions for the three months ended 28 May	2,017	1,991
Net dividend distributions for the three months ended 28 August	1,975	2,079
Net dividend distribution for the three months ended 28 November	1,765	2,953
Net dividend distribution for the three months ended 28 February	1,659	1,777
	7,416	8,800
Add: Revenue deducted on cancellation of shares	220	198
Deduct: Revenue received on issue of shares	(4)	(9)
Total distributions	7,632	8,989
Reconciliations of distributions for the year to net revenue after taxation		
Distributions for the year	7,632	8,989
ACD's periodic charge borne by the capital account	(2,123)	(2,438)
Tax relief on capitalised ACD's periodic charge	191	224
Net revenue after taxation	5,700	6,775

Details of the distributions per share are set out in the distribution tables on pages 23 to 26.

7 Fair value hierarchy

	As at 28.02.16 £000	As at 28.02.15 £000
Quoted prices for identical instruments in active markets	233,745	324,883
Total value	233,745	324,883

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

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

The disclosure is split into the following categories:

Quoted prices for identical instruments in active markets – Quoted in an active market in this context means quoted prices are readily and regularly available and those prices represent actual and regularly occurring market transactions for the same financial instrument on an arm's length basis. For this purpose a quoted price is a price at which the party performing the fair value measurement can enter into a transaction. Therefore the price must be binding on the party providing the quote.

Prices of recent transactions for identical instruments – When quoted prices are unavailable, the price of a recent transaction for an identical instrument provides evidence of fair value as long as the transaction is orderly and there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place.

Valuation techniques using observable market data – Valuation techniques should maximise the use of observable market data, such as publicly available information about actual events or transactions, and minimise the use of non-observable data. Observable data should be observable for substantially the full term of the instrument.

Valuation techniques using non-observable data – Non-observable entity specific data should be used only where relevant observable market data is not available.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8 Debtors

	As at 28.02.16 £000	As at 28.02.15 £000
Accrued revenue	768	584
Sales awaiting settlement	905	–
Total debtors	1,673	584

9 Cash and bank balances

	As at 28.02.16 £000	As at 28.02.15 £000
Cash and bank balances	6,190	7,855
Total cash and bank balances	6,190	7,855

10 Other creditors

	As at 28.02.16 £000	As at 28.02.15 £000
Accrued expenses	376	289
Amounts payable for cancellation of shares	569	654
Purchases awaiting settlement	597	47
Total creditors	1,542	990

11 Contingent liabilities and commitments

There were no contingent liabilities or commitments at the year end (2015: £nil).

12 Related party transactions

ACD periodic charges paid to Aviva Investors UK Fund Services Limited ("the ACD") are shown in note 4 and details of shares issued and cancelled by the ACD are shown in the statement of change in net assets attributable to shareholders. The balance due to the ACD at the year end in respect of ACD periodic charges was £274,000 (2015: £191,000). 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 £915,000 (2015: £1,175,000). The amount outstanding at the year end was £2,000 (2015: £254,000). 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 28.02.16 (shares)	Movement (shares)	Holdings at 28.02.15 (shares)
ACD and related parties (share class 1 Income)	102	(21,399)	21,501
ACD and related parties (share class 1 Accumulation)	133,678	(6,486)	140,164
ACD and related parties (share class 2 Income)	11,300	(4,638)	15,938
ACD and related parties (share class 2 Accumulation)	21,490	(20,845)	42,335
ACD and related parties (share class 3 Accumulation)	38,583	(28,175,967)	28,214,550

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13 Shareholder funds

The Fund currently has three share classes: Class 1 (Retail), Class 2 (Institutional) and Class 3 (Associated undertakings of Aviva Plc). The annual management charges are as follows:

Class 1 : 1.50%

Class 2 : 0.75%

Class 3 : 0.50%

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 9 and 10. The distributions per share class are given in the distribution tables on pages 23 to 26. All the share classes have the same rights on winding up.

14 Shares in issue reconciliation

	Number of shares in issue at 28.02.15	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 28.02.16
Share Class 1 Income	7,769,405	–	(1,650,515)	(803,358)	5,315,532
Share Class 1 Accumulation	1,298,089	–	(257,225)	(127,646)	913,218
Share Class 2 Income	167,877,271	778,578	(31,034,975)	757,878	138,378,752
Share Class 2 Accumulation	5,737,934	84,857	(659,920)	141,630	5,304,501
Share Class 2 Income (USD)	15,810,361	512	(2,366,811)	–	13,444,062
Share Class 3 Accumulation	28,214,550	9,262,551	(37,438,518)	–	38,583

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 (2015: £nil).

Foreign currency risk

At the year end date, 99.29% (2015: 100.22%) 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 the USD to GBP exchange rate changes by 10.00%, the value of the Fund will change by 9.93%.

Currency	Net foreign currency assets					
	Monetary exposure £000		Non monetary exposure £000		Total £000	
	28.02.16	28.02.15	28.02.16	28.02.15	28.02.16	28.02.15
US Dollar	3,034	6,722	233,745	324,883	236,779	331,605

Interest rate risk profile of financial assets and financial liabilities

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 2.60% (2015: 2.37%) of the net assets of the Fund were interest bearing and as such the interest rate risk is not considered significant.

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

Market price risk

At the year end date, 98.01% (2015: 98.19%) of the net assets of the Fund were invested in ordinary shares or stock units and admitted to an official stock exchange. If the market were the change by 10%, the value of the Fund will change by 9.80%.

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, 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.

The direct transaction costs suffered during the year were as follows:

	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
28.02.16						
Purchases (excluding in-specie transfers and corporate actions)						
Equities	(68,230)	(42)	–	(68,272)	0.06%	0.00%
	(68,230)	(42)	–	(68,272)		
Sales (excluding in-specie transfers and corporate actions)						
Equities	158,750	(72)	(3)	158,675	0.05%	0.00%
	158,750	(72)	(3)	158,675		
Total		(114)	(3)			
Percentage of Fund average net assets		0.04%	0.00%			

	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
28.02.15						
Purchases (excluding in-specie transfers and corporate actions)						
Equities	(98,540)	(57)	–	(98,597)	0.06%	0.00%
	(98,540)	(57)	–	(98,597)		
Sales (excluding in-specie transfers and corporate actions)						
Equities	143,144	(73)	(3)	143,068	0.05%	0.00%
	143,144	(73)	(3)	143,068		
Total		(130)	(3)			
Percentage of Fund average net assets		0.04%	0.00%			

Dealing spread

As at 28 February 2016, the average portfolio dealing spread was 0.03% (2015: 0.03%). This spread represents the difference between the values determined retrospectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

17 Post balance sheet events

There are no post balance sheet events which require adjustment or disclosure at the year end (2015: nil).

18 Remuneration policy

UCITS V came into effect on 18 March 2016 and the ACD has been subject to the UCITS Remuneration Code from that date. Up to date details of its remuneration policy, including but not limited to (i) a description of how remuneration and benefits are calculated and (ii) the identities of persons responsible for awarding remuneration and benefits, including the composition of the Aviva Investors Remuneration Committee, are available from the ACD's website at <https://uk.avivainvestors.com/gb/en/individual/about-us/for-todays-investor.html>. A paper copy of the information available from the ACD's website in relation to remuneration is also available free of charge on request from the ACD.

The ACD is also required to disclose a range of information in relation to UCITS remuneration paid in respect of each full performance period after the implementation of UCITS V. As the first full performance period for the ACD will be the period from 1 January 2017 to 31 December 2017, that information is therefore not available to the ACD for this annual accounting period and as such no remuneration disclosures have been included in these financial statements. A full remuneration disclosure setting out the information required by COLL 4.5.7R(7) will be included in the annual financial statements from the year ended 28 February 2018 onwards.

DISTRIBUTION TABLES

Final distribution payable in pence per share for the three months ended 28 February 2016

Income shares		Net revenue	Equalisation	Final distribution payable 28 April 2016	Final distribution paid 28 April 2015
Share Class 1	Group 1	1.0106	–	1.0106	0.8104
	Group 2	0.5713	0.4393	1.0106	0.8104
Share Class 2	Group 1	1.0417	–	1.0417	0.7892
	Group 2	0.5052	0.5365	1.0417	0.7892

Accumulation shares		Net revenue	Equalisation	Final distribution payable 28 April 2016	Final distribution paid 28 April 2015
Share Class 1	Group 1	1.1374	–	1.1374	0.8685
	Group 2	0.6694	0.4680	1.1374	0.8685
Share Class 2	Group 1	1.2296	–	1.2296	0.8764
	Group 2	0.3737	0.8559	1.2296	0.8764
Share Class 3	Group 1	1.2390	–	1.2390	0.8938
	Group 2	1.2390	0.0000	1.2390	0.8938

Final distribution payable in cents per share for the three months ended 28 February 2016

Income shares		Net revenue	Equalisation	Final distribution payable 28 April 2016	Final distribution paid 28 April 2015
Share Class 2 (USD)	Group 1	0.9091	–	0.9091	0.7316
	Group 2	0.4302	0.4789	0.9091	0.7316

Final Distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 28 November 2015.

Group 2 shares are those shares purchased after 12:00 noon on 28 November 2015.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the three months ended 28 November 2015

Income shares		Net revenue	Equalisation	Interim distribution paid 28 January 2016	Interim distribution paid 28 January 2015
Share Class 1	Group 1	0.8550	–	0.8550	1.2368
	Group 2	0.4523	0.4027	0.8550	1.2368
Share Class 2	Group 1	0.8834	–	0.8834	1.2679
	Group 2	0.4090	0.4744	0.8834	1.2679

Accumulation shares		Net revenue	Equalisation	Interim distribution paid 28 January 2015	Interim distribution paid 28 January 2014
Share Class 1	Group 1	0.9595	–	0.9595	1.3502
	Group 2	0.5413	0.4182	0.9595	1.3502
Share Class 2	Group 1	0.9904	–	0.9904	1.3831
	Group 2	0.5440	0.4464	0.9904	1.3831
Share Class 3	Group 1	1.0364	–	1.0364	1.4200
	Group 2	1.0364	0.0000	1.0364	1.4200

Interim distribution paid in cents per share for the three months ended 28 November 2015

Income shares		Net revenue	Equalisation	Interim distribution paid 28 January 2015	Interim distribution paid 28 January 2014
Share Class 2 (USD)	Group 1	0.8298	–	0.8298	1.2430
	Group 2	0.3501	0.4797	0.8298	1.2430

Interim Distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 28 August 2015.

Group 2 shares are those shares purchased after 12:00 noon on 28 August 2015.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the three months ended 28 August 2015

Income shares		Net revenue	Equalisation	Interim distribution paid 28 October 2015	Interim distribution paid 28 October 2014
Share Class 1	Group 1	0.9047	–	0.9047	0.8138
	Group 2	0.4611	0.4436	0.9047	0.8138
Share Class 2	Group 1	0.9329	–	0.9329	0.8325
	Group 2	0.3418	0.5911	0.9329	0.8325

Accumulation shares		Net revenue	Equalisation	Interim distribution paid 28 October 2015	Interim distribution paid 28 October 2014
Share Class 1	Group 1	1.0082	–	1.0082	0.8827
	Group 2	0.5401	0.4681	1.0082	0.8827
Share Class 2	Group 1	1.0387	–	1.0387	0.9026
	Group 2	0.5065	0.5322	1.0387	0.9026
Share Class 3	Group 1	1.0854	–	1.0854	0.9365
	Group 2	1.0854	0.0000	1.0854	0.9365

Interim distribution paid in cents per share for the three months ended 28 August 2015

Income shares		Net revenue	Equalisation	Interim distribution paid 28 October 2015	Interim distribution paid 28 October 2014
Share Class 2 (USD)	Group 1	0.8962	–	0.8962	0.8617
	Group 2	0.3735	0.5227	0.8962	0.8617

Interim Distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 28 May 2015.

Group 2 shares are those shares purchased after 12:00 noon on 28 May 2015.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the three months ended 28 May 2015

Income shares		Net revenue	Equalisation	Interim distribution paid 28 July 2015	Interim distribution paid 28 July 2014
Share Class 1	Group 1	0.9016	–	0.9016	0.7626
	Group 2	0.4338	0.4678	0.9016	0.7626
Share Class 2	Group 1	0.9278	–	0.9278	0.7796
	Group 2	0.4898	0.4380	0.9278	0.7796

Accumulation shares		Net revenue	Equalisation	Interim distribution paid 28 July 2015	Interim distribution paid 28 July 2014
Share Class 1	Group 1	0.9985	–	0.9985	0.8222
	Group 2	0.4742	0.5243	0.9985	0.8222
Share Class 2	Group 1	1.0266	–	1.0266	0.8390
	Group 2	0.5590	0.4676	1.0266	0.8390
Share Class 3	Group 1	1.0734	–	1.0734	0.8802
	Group 2	1.0734	0.0000	1.0734	0.8802

Interim distribution paid in cents per share for the three months ended 28 May 2015

Income shares		Net revenue	Equalisation	Interim distribution paid 28 July 2015	Interim distribution paid 28 July 2014
Share Class 2 (USD)	Group 1	0.8858	–	0.8858	0.8166
	Group 2	0.3274	0.5584	0.8858	0.8166

Interim Distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 28 February 2015.

Group 2 shares are those shares purchased after 12:00 noon on 28 February 2015.

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

To provide an annualised income yield 1.5% higher than the annual income yield obtainable on the Russell® 3000 Value index*, with the potential for capital growth.

* Income on the Fund will be paid quarterly. The income aim is a 12 month rolling target and is before the deduction of charges and tax. For the purposes of measuring the income aim the annual income yield of the Index will also be calculated on a 12 month rolling basis.

INVESTMENT POLICY

The Fund aims to achieve the investment objective by principally investing in equity securities with a minimum market capitalisation of \$1bn which are listed on regulated North American exchanges. Limited exposure to other geographic regions may be possible.

The Fund may also invest in other transferable securities, collective investment schemes, money market instruments, deposits, cash or near cash. The Fund may also use derivative instruments for the purposes of efficient portfolio management.

FUND MANAGER'S REPORT

Over the twelve months ended 28 February 2016, the Fund (share class 1) delivered a total return of -3.94%* compared with an average return of -9.07% for the Russell® 3000 Value benchmark, an outperformance of 5.13%.

Over the twelve months ended 28 February 2016, the Fund provided an income yield (before the deduction of charges and tax) of 3.70%, compared to the Russell® 3000 Value Index yield of 3.47%, an outperformance of 0.23% but falling short of its target of providing an annualised income yield 1.5% higher than that of the Index.

After hesitating to raise rates in Q3 2015 amid global uncertainty, in December the Federal Reserve (the Fed) announced a hike in the funds rate for the first time in nearly a decade, thus ending the prolonged experiment with zero interest rates and quantitative easing. The Fed's decision was met with significant criticism, as numerous market observers openly questioned the timing of an increase – perhaps rightly so. Volatility increased in the beginning of 2016 and investors' risk tolerance appeared to decline sharply. As expected, the Portfolio fared quite well amid the increasing volatility as investors focused on cheaper and higher quality stocks.

According to FactSet Research, S&P 500 earnings declined -3.3% in Q4, marking the first time there has been three consecutive quarters of decline since 2009. Revenues declined a similar -3.9%, driven by results in the Energy, Materials, Utilities, and Industrials sectors. Similar to Q3, the strong dollar, low oil prices, and slower global economic growth were widely cited headwinds. Expectations for Q1 2016 earnings growth continued to decline over the month of February, now standing at -7.4% versus the +0.5% projection at the end of the year. At the same time, analyst expectations for 2016 earnings growth declined to a meagre +2.8%, as yet again Wall Street is projecting a second half rebound for corporate earnings.

Broadly surveying the market, the performance differential by market capitalisation over the twelve months ended 28 February 2016 was significant, as small cap stocks returned -14.71% versus -6.51% for large cap stocks. The dispersion between investment styles was considerable as well as small cap growth stocks underperformed value by -294 bps. The dispersion was even greater among large cap stocks, but growth outperformed, returning -4.37% versus -8.70% for value.

Among the top performing sectors in the Russell® 3000 Value for the period were Telecommunication Services (+7.0%), Utilities (+4.9%), and Consumer Staples (-0.9%). The bottom performing sectors were Energy (-26.6%), Materials (-19.5%), and Consumer Discretionary (-13.4%).

The highest yielding stocks in the S&P 500 significantly underperformed over the past twelve months. According to Ned Davis Research, the highest yielding stocks (quartile 1) returned an average of -15.4% in the period versus -4.2% for the lowest yielding stocks (quartile 4).

Looking at what worked during the period, overall stock selection was the primary driver of the relative return, but sector allocation was positive as well. The most significant positive impacts on relative performance were from stock selection in Information Technology and the underweight in Energy. Of the seven holdings in Information Technology, six outperformed the broader sector including Microsoft Corp. (+20.4%) and Motorola Solutions Inc. (+12.6%), the first and fifth highest contributors to Portfolio return during the period.

AVIVA INVESTORS US EQUITY INCOME FUND II (CONTINUED)

FUND MANAGER'S REPORT (CONTINUED)

The five holdings with the highest contribution to Portfolio return during the period were Microsoft Corp., Hasbro Inc. (+26.2%), Kimberly-Clark Corp. (+23.6%), Sysco Corp. (+14.4%), and Motorola Solutions Inc.

Speaking of what did not work, the most significant negative impacts on relative performance were from stock selection in Utilities and the underweight in Health Care. Utilities was negatively impacted by its holding of National Fuel Gas Co. (-27.8%), the second lowest contributor during the period.

The five holdings with the lowest contribution to Portfolio return during the period were Kohl's Corp. (KSS, -34.5%), National Fuel Gas Co., QUALCOMM Inc. (-26.5%), GEO Group Inc. (-28.2%), and Macy's Inc. (-39.5%).

As of 26 February 2016, the Portfolio held a total of 54 positions. During the period, we established thirteen positions, received a very small position in California Resources Corp. (+64.0%) when it was spun off from Occidental Petroleum Corp. (-6.7%), added to Cinemark Holdings Inc. (-17.6%), and eliminated ten positions. The five largest positions established were Fastenal Co. (+9.9%), Ventas Inc. (+0.6%), Exxon Mobil Corp. (+12.8%), Vectren Corp. (+15.7%), and Corning Inc. (+7.4%). The five largest positions eliminated were Hasbro Inc., Bob Evans Farms Inc. (-17.5%), PartnerRe Ltd. (+19.1%), Shaw Communications Inc. (-13.6%), and Edgewell Personal Care Co. (+1.7%).

As expected, relative performance has improved markedly as volatility has increased and investors retreat to the relative safety of higher quality companies. Despite the rebound in the latter half of February, we still believe U.S. markets will struggle to be positive in 2016 unless we see a reversal in either weak corporate earnings or tightening monetary policy. Our positive relative outlook for the Portfolio in 2016 is unchanged.

In the current environment, stock selection and judicious risk-taking are key. We continue to refine our watchlist, looking for opportunities in firms that have been adversely impacted by the strong dollar or weak energy prices, yet have the balance sheet and market position to weather the storm and flourish as these headwinds abate. However, it remains challenging to identify new investment opportunities with the attractive combination of conviction, discount, and yield required.

March 2016

* Fund performance figures – share class 1, source Lipper, net of fees, net income reinvested in GBP. Unless otherwise indicated, all data has been sourced by River Road Asset Management LLC.

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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 page 29 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.

Material Portfolio Changes

Purchases	Sales
Fastenal Co.	Hasbro, Inc.
Ventas, Inc.	PartnerRe Ltd.
Wal-Mart Stores, Inc.	ADT Corp. (The)
Weyerhaeuser Co.	j2 Global, Inc.
Corning, Inc.	Bob Evans Farms, Inc.
Exxon Mobil Corp.	Sysco Corp.
Vectren Corp.	Rogers Communications, Inc. 'B'
Praxair, Inc.	Molson Coors Brewing Co. 'B'
MSC Industrial Direct Co., Inc. 'A'	CyrusOne, Inc., REIT
BB&T Corp.	Shaw Communications, Inc. '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 will be affected by changes in exchange rates.
- The level of targeted income is not guaranteed and may not be achieved.
- Full information on the risks applicable to the Fund is detailed in the Prospectus.

COMPARATIVE TABLES

Class 1 Income	2016 p per share	2015 p per share	2014 ^s p per share
Change in net assets per share			
Opening net asset value per share (at launch)	119.39	101.34	100.00
Return before operating charges [†]	6.56	22.65	3.23
Operating charges	(1.86)	(1.80)	(0.83)
Return after operating charges [†]	4.70	20.85	2.40
Distributions on income shares	(2.95)	(2.80)	(1.06)
Closing net asset value per share	121.14	119.39	101.34
Retained distributions on accumulation shares	–	–	–
† after direct transaction costs of	(0.05)	(0.12)	(0.04)
Performance			
Return after operating charges	3.94%	20.57%	2.40%
Other information			
Closing net asset value (£000)	146	144	61
Closing number of shares	120,729	120,729	60,000
Operating charges (%) [†]	1.63%	1.64%	0.81%
Direct transaction costs (%) [#]	0.04%	0.11%	0.04%
Prices^{**}			
Highest share price	125.62	122.42	106.77
Lowest share price	101.73	100.03	98.99

Class 2 Accumulation	2016 p per share	2015 p per share	2014 ^s p per share
Change in net assets per share			
Opening net asset value per share (at launch)	125.04	102.75	100.00
Return before operating charges [†]	7.14	23.31	3.21
Operating charges	(1.06)	(1.02)	(0.46)
Return after operating charges [†]	6.08	22.29	2.75
Distributions on income shares	–	–	–
Closing net asset value per share	131.12	125.04	102.75
Retained distributions on accumulation shares	3.12	2.87	1.06
† after direct transaction costs of	(0.05)	(0.13)	(0.04)
Performance			
Return after operating charges	4.86%	21.69%	2.75%
Other information			
Closing net asset value (£000)	11,219	5,550	1,373
Closing number of shares	8,556,231	4,438,713	1,336,261
Operating charges (%) [†]	0.88%	0.89%	0.45%
Direct transaction costs (%) [#]	0.04%	0.11%	0.04%
Prices^{**}			
Highest share price	131.68	127.51	106.91
Lowest share price	107.55	101.52	99.05

Class 2 Income	2016 p per share	2015 p per share	2014 ^s p per share
Change in net assets per share			
Opening net asset value per share (at launch)	120.74	101.71	100.00
Return before operating charges [†]	6.71	22.84	3.23
Operating charges	(1.02)	(0.99)	(0.46)
Return after operating charges [†]	5.69	21.85	2.77
Distributions on income shares	(2.99)	(2.82)	(1.06)
Closing net asset value per share	123.44	120.74	101.71
Retained distributions on accumulation shares	–	–	–
† after direct transaction costs of	(0.05)	(0.12)	(0.04)
Performance			
Return after operating charges	4.71%	21.48%	2.77%
Other information			
Closing net asset value (£000)	171,704	142,541	46,805
Closing number of shares	139,098,828	118,051,498	46,016,755
Operating charges (%) [†]	0.88%	0.89%	0.45%
Direct transaction costs (%) [#]	0.04%	0.11%	0.04%
Prices^{**}			
Highest share price	127.16	123.72	106.93
Lowest share price	103.26	100.50	99.06

Class 2 Income (USD)	2016 c per share	2015 c per share	2014 ^s c per share
Change in net assets per share			
Opening net asset value per share (at launch)	118.90	108.30	100.00
Return before operating charges [†]	(4.59)	14.47	9.89
Operating charges	(1.51)	(0.99)	(0.44)
Return after operating charges [†]	(6.10)	13.48	9.45
Distributions on income shares	(2.85)	(2.88)	(1.15)
Closing net asset value per share	109.95	118.90	108.30
Retained distributions on accumulation shares	–	–	–
† after direct transaction costs of	(0.04)	(0.12)	(0.04)
Performance			
Return after operating charges	(5.13)%	12.45%	9.45%
Other information			
Closing net asset value (£000)	1,143	2,364	485
Closing number of shares	1,451,673	3,068,282	746,593
Operating charges (%) [†]	0.89%	0.89%	0.41%
Direct transaction costs (%) [#]	0.04%	0.11%	0.04%
Prices^{**}			
Highest share price	119.75	119.80	110.90
Lowest share price	101.19	107.22	100.00

COMPARATIVE TABLES (CONTINUED)

	2016	2015	2014 [§]
Class 3 Accumulation	p per share	p per share	p per share
Change in net assets per share			
Opening net asset value per share (at launch)	163.25	133.68	129.90
Return before operating charges [†]	9.35	30.36	4.17
Operating charges	(0.84)	(0.79)	(0.39)
Return after operating charges [†]	8.51	29.57	3.78
Distributions on income shares	–	–	–
Closing net asset value per share	171.76	163.25	133.68
Retained distributions on accumulation shares	4.22	3.87	1.45
† after direct transaction costs of	(0.06)	(0.16)	(0.05)
Performance			
Return after operating charges	5.21%	22.12%	2.91%
Other information			
Closing net asset value (£000)	67	47,934	41,226
Closing number of shares	38,976	29,362,248	30,839,107
Operating charges (%) [‡]	0.53%	0.54%	0.29%
Direct transaction costs (%) [#]	0.04%	0.11%	0.04%
Prices[≈]			
Highest share price	171.99	166.42	138.96
Lowest share price	140.66	132.15	128.70

§ The Fund launched on 9 September 2013.

‡ 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.

Ongoing Charges Figure*

Share class	28.02.16	28.02.15
Class 1	1.63%	1.64%
Class 2	0.88%	0.89%
Class 2 (USD)	0.88%	0.89%
Class 3	0.53%	0.54%

* 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 Annual Management Charge (if any) and other operating costs deducted from the assets of the Fund during the year, except for those payments that are explicitly excluded (performance fees).

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 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Equities 96.52% (92.84%)				
Consumer Discretionary 11.36% (16.71%)				
Automobiles 0.66% (1.09%)				
Ford Motor Co.	USD	136,688	1,213	0.66
			1,213	0.66
Hotels, Restaurants & Leisure 0.00% (1.79%)				
Leisure Products 0.00% (2.37%)				
Media 7.18% (7.17%)				
Cinemark Holdings, Inc.	USD	104,771	2,364	1.28
Omnicom Group, Inc.	USD	94,531	5,262	2.86
Thomson Reuters Corp.	USD	131,892	3,483	1.89
Time Warner, Inc.	USD	44,460	2,123	1.15
			13,232	7.18
Multiline Retail 3.52% (4.29%)				
Kohl's Corp.	USD	73,877	2,469	1.34
Target Corp.	USD	71,544	4,029	2.18
			6,498	3.52
Consumer Discretionary total			20,943	11.36
Consumer Staples 11.37% (10.67%)				
Beverages 2.93% (3.24%)				
Molson Coors Brewing Co. 'B'	USD	48,350	2,999	1.63
PepsiCo, Inc.	USD	33,263	2,399	1.30
			5,398	2.93
Food & Staples Retailing 4.57% (3.17%)				
Sysco Corp.	USD	132,959	4,149	2.25
Wal-Mart Stores, Inc.	USD	87,638	4,271	2.32
			8,420	4.57
Household Products 2.11% (1.83%)				
Kimberly-Clark Corp.	USD	40,656	3,888	2.11
			3,888	2.11
Personal Products 1.76% (2.43%)				
Unilever plc, ADR	USD	103,796	3,245	1.76
			3,245	1.76
Consumer Staples total			20,951	11.37
Energy 5.65% (4.54%)				
Oil, Gas & Consumable Fuels 5.65% (4.54%)				
California Resources Corp.	USD	9,072	2	–
Chevron Corp.	USD	35,183	2,150	1.17
Exxon Mobil Corp.	USD	58,499	3,437	1.87
Occidental Petroleum Corp.	USD	96,512	4,815	2.61
			10,404	5.65
Energy total			10,404	5.65
Financials 20.45% (18.04%)				
Banks 10.18% (8.32%)				
BB&T Corp.	USD	123,215	2,868	1.56
PNC Financial Services Group, Inc. (The)	USD	97,977	5,820	3.16
US Bancorp	USD	179,912	5,041	2.73
Wells Fargo & Co.	USD	147,216	5,034	2.73
			18,763	10.18

PORTFOLIO STATEMENT (CONTINUED)

As at 28 February 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Diversified Financial Services 1.66% (1.87%)				
CME Group, Inc.	USD	45,720	3,051	1.66
			<u>3,051</u>	<u>1.66</u>
Insurance 0.37% (2.21%)				
CNA Financial Corp.	USD	32,181	682	0.37
			<u>682</u>	<u>0.37</u>
Real Estate Investment Trusts (REITs) 8.24% (5.64%)				
Communications Sales & Leasing, Inc.	USD	59,563	746	0.41
GEO Group, Inc. (The)	USD	145,854	2,966	1.61
Iron Mountain, Inc.	USD	261,579	5,606	3.04
Ventas, Inc.	USD	86,826	3,425	1.86
Weyerhaeuser Co.	USD	134,411	2,439	1.32
			<u>15,182</u>	<u>8.24</u>
Financials total			37,678	20.45
Health Care 4.23% (4.81%)				
Health Care Equipment & Supplies 0.00% (0.56%)				
Health Care Providers & Services 4.23% (4.25%)				
Owens & Minor, Inc.	USD	118,201	3,345	1.81
Quest Diagnostics, Inc.	USD	93,212	4,455	2.42
			<u>7,800</u>	<u>4.23</u>
Health Care total			7,800	4.23
Industrials 14.94% (11.62%)				
Air Freight & Logistics 2.10% (1.99%)				
United Parcel Service, Inc. 'B'	USD	55,288	3,869	2.10
			<u>3,869</u>	<u>2.10</u>
Commercial Services & Supplies 3.89% (5.20%)				
ADT Corp. (The)	USD	135,640	3,914	2.13
Republic Services, Inc.	USD	97,937	3,242	1.76
			<u>7,156</u>	<u>3.89</u>
Electrical Equipment 1.48% (1.93%)				
Emerson Electric Co.	USD	78,387	2,730	1.48
			<u>2,730</u>	<u>1.48</u>
Machinery 1.27% (1.64%)				
Parker-Hannifin Corp.	USD	32,141	2,340	1.27
			<u>2,340</u>	<u>1.27</u>
Road & Rail 1.19% (0.00%)				
Union Pacific Corp.	USD	38,690	2,198	1.19
			<u>2,198</u>	<u>1.19</u>
Trading Companies & Distributors 5.01% (0.86%)				
Aircastle Ltd.	USD	100,644	1,407	0.76
Fastenal Co.	USD	164,033	5,295	2.87
MSC Industrial Direct Co., Inc. 'A'	USD	50,873	2,532	1.38
			<u>9,234</u>	<u>5.01</u>
Industrials total			27,527	14.94
Information Technology 15.77% (14.94%)				
Communications Equipment 4.20% (4.85%)				
Motorola Solutions, Inc.	USD	103,177	5,472	2.97
QUALCOMM, Inc.	USD	61,125	2,261	1.23
			<u>7,733</u>	<u>4.20</u>
Electronic Equipment, Instruments & Components 1.71% (0.00%)				
Corning, Inc.	USD	243,392	3,159	1.71
			<u>3,159</u>	<u>1.71</u>

PORTFOLIO STATEMENT (CONTINUED)

As at 28 February 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Internet Software & Services 0.76% (1.78%)				
j2 Global, Inc.	USD	27,109	1,400	0.76
			1,400	0.76
IT Services 1.97% (1.91%)				
Western Union Co. (The)	USD	276,699	3,637	1.97
			3,637	1.97
Semiconductors & Semiconductor Equipment 2.70% (3.00%)				
Intel Corp.	USD	234,914	4,982	2.70
			4,982	2.70
Software 4.43% (3.40%)				
Microsoft Corp.	USD	218,497	8,153	4.43
			8,153	4.43
Information Technology total			29,064	15.77
Materials 5.03% (3.74%)				
Chemicals 1.47% (0.54%)				
Praxair, Inc.	USD	36,870	2,710	1.47
			2,710	1.47
Containers & Packaging 1.04% (1.00%)				
Bemis Co., Inc.	USD	54,754	1,913	1.04
			1,913	1.04
Metals & Mining 2.52% (2.20%)				
Compass Minerals International, Inc.	USD	66,030	3,204	1.74
Nucor Corp.	USD	50,518	1,438	0.78
			4,642	2.52
Materials total			9,265	5.03
Telecommunication Services 4.15% (4.83%)				
Diversified Telecommunication Services 3.28% (2.87%)				
Verizon Communications, Inc.	USD	165,123	6,044	3.28
			6,044	3.28
Wireless Telecommunication Services 0.87% (1.96%)				
Rogers Communications, Inc. 'B'	USD	60,523	1,605	0.87
			1,605	0.87
Telecommunication Services total			7,649	4.15
Utilities 3.57% (2.94%)				
Gas Utilities 1.74% (2.94%)				
National Fuel Gas Co.	USD	99,201	3,217	1.74
			3,217	1.74
Multi-Utilities 1.83% (0.00%)				
Vectren Corp.	USD	101,050	3,367	1.83
			3,367	1.83
Utilities total			6,584	3.57
Equities total			177,865	96.52
Investment assets			177,865	96.52
Net other assets			6,414	3.48
Net assets			184,279	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 2015.

STATEMENT OF TOTAL RETURN

For the year ended 28 February 2016

	Notes	£000	Year ended 28.02.16 £000	£000	Year ended 28.02.15 £000
Income					
Net capital gains	2		2,560		28,329
Revenue	3	6,424		4,761	
Expenses	4	(1,616)		(1,167)	
Net revenue before taxation		4,808		3,594	
Taxation	5	(920)		(630)	
Net revenue after taxation			3,888		2,964
Total return before distributions			6,448		31,293
Distributions	6		(5,158)		(3,857)
Change in net assets attributable to shareholders from investment activities			1,290		27,436

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 28 February 2016

	£000	Year ended 28.02.16 £000	£000	Year ended 28.02.15 £000
Opening net assets attributable to shareholders		198,533		89,950
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	50,436		95,686	
Amounts payable on cancellation of shares	(67,223)		(15,774)	
		(16,787)		79,912
Dilution adjustment		107		–
Change in net assets attributable to shareholders from investment activities (see above)		1,290		27,436
Retained distribution on accumulation shares		1,136		1,235
Closing net assets attributable to shareholders		184,279		198,533

BALANCE SHEET

As at 28 February 2016

	Notes	As at 28.02.16 £000	As at 28.02.15 £000
Assets:			
Investments		177,865	184,312
Current assets:			
Debtors	8	3,418	1,491
Cash and bank balances	9	5,186	13,566
Total assets		186,469	199,369
Liabilities:			
Creditors:			
Distribution payable		(1,187)	(687)
Other creditors	10	(1,003)	(149)
Total liabilities		(2,190)	(836)
Net assets attributable to shareholders		184,279	198,533

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting basis and policies

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

There has been no changes to the financial position or financial performance of the Fund as a result of preparing these statements in accordance with SORP 2014 rather than SORP 2010.

2 Net capital gains

	Year ended 28.02.16 £000	Year ended 28.02.15 £000
Net capital gains on investments during the year comprise:		
Currency gains	574	519
Expenses relating to the purchase and sale of investments	(9)	(11)
Forward currency contracts losses	(9)	–
Non-derivative securities gains	2,004	27,821
Net capital gains	2,560	28,329

3 Revenue

	Year ended 28.02.16 £000	Year ended 28.02.15 £000
Bank and deposit interest	1	1
Overseas dividends	6,317	4,256
Stock dividends	–	346
UK dividends	106	158
Total revenue	6,424	4,761

4 Expenses

	Year ended 28.02.16 £000	Year ended 28.02.15 £000
Payable to the Authorised Corporate Director ("ACD"), associates of the ACD or agents of either of them:		
ACD's periodic charge	1,396	1,007
Registration fees	161	105
	1,557	1,112
Payable to the Depositary, associates of the Depositary or agents of either of them:		
Depositary's fee	26	20
Interest payable	1	1
Safe custody fee	14	11
	41	32
Other expenses:		
Audit fee*	10	10
Printing & postage expenses	–	8
Statement fee	8	5
	18	23
Total expenses	1,616	1,167

* The audit fee was £8,668 (2015: £8,713) net of VAT.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Taxation**a Analysis of tax charge**

	Year ended 28.02.16 £000	Year ended 28.02.15 £000
Overseas tax suffered	920	630
Total current tax (see note 5b)	920	630

b Factors affecting current tax charge

The tax assessed for the year is lower (2015: lower) than the standard rate of corporation tax in the UK for an Authorised Investment Fund (20%) (2015: 20%).

The differences are explained below:

	Year ended 28.02.16 £000	Year ended 28.02.15 £000
Net revenue before taxation	4,808	3,594
Corporation tax at 20%	962	719
Effects of:		
Movement in excess expenses	153	85
Overseas dividends not subject to corporation tax	(1,094)	(756)
Overseas tax suffered	920	630
Tax relief on investment manager fee rebates	–	(16)
UK dividends not subject to corporation tax	(21)	(32)
	(42)	(89)
Current tax charge (see note 5.a)	920	630

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

c Deferred tax

After claiming relief against accrued income taxable on receipt, the Fund has unrelieved excess expenses of £1,371,000 (2015: £603,000) creating a potential deferred tax asset of £274,000 (2015: £121,000). It is unlikely that the Fund will generate taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

6 Distributions

	Year ended 28.02.16 £000	Year ended 28.02.15 £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	1,215	706
Net dividend distribution for the three months ended 28 August	1,389	914
Net dividend distribution for the three months ended 28 November	1,328	1,604
Net dividend distribution for the three months ended 28 February	1,263	948
	5,195	4,172
Add: Revenue deducted on cancellation of shares	133	39
Deduct: Revenue received on issue of shares	(170)	(354)
Total distributions	5,158	3,857
Reconciliations of distributions for the year to net revenue after taxation		
Distributions for the year	5,158	3,857
ACD's periodic charge borne by the capital account	(1,396)	(1,007)
Tax relief on capitalised ACD's periodic charge	126	114
Net revenue after taxation	3,888	2,964

Details of the distributions per share are set out in the distribution tables on pages 42 to 45.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 Fair value hierarchy

	As at 28.02.16 £000	As at 28.02.15 £000
Quoted prices for identical instruments in active markets	177,865	184,312
Total value	177,865	184,312

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

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

The disclosure is split into the following categories:

Quoted prices for identical instruments in active markets – Quoted in an active market in this context means quoted prices are readily and regularly available and those prices represent actual and regularly occurring market transactions for the same financial instrument on an arm's length basis. For this purpose a quoted price is a price at which the party performing the fair value measurement can enter into a transaction. Therefore the price must be binding on the party providing the quote.

Prices of recent transactions for identical instruments – When quoted prices are unavailable, the price of a recent transaction for an identical instrument provides evidence of fair value as long as the transaction is orderly and there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place.

Valuation techniques using observable market data – Valuation techniques should maximise the use of observable market data, such as publicly available information about actual events or transactions, and minimise the use of non-observable data. Observable data should be observable for substantially the full term of the instrument.

Valuation techniques using non-observable data – Non-observable entity specific data should be used only where relevant observable market data is not available.

8 Debtors

	As at 28.02.16 £000	As at 28.02.15 £000
Accrued revenue	544	338
Amounts receivable on issue of shares	2,014	1,104
Overseas tax recoverable	168	49
Sales awaiting settlement	692	–
Total debtors	3,418	1,491

9 Cash and bank balances

	As at 28.02.16 £000	As at 28.02.15 £000
Cash and bank balances	5,186	13,566
Total cash and bank balances	5,186	13,566

10 Other creditors

	As at 28.02.16 £000	As at 28.02.15 £000
Accrued expenses	256	147
Amounts payable for cancellation of shares	184	–
Purchases awaiting settlement	563	2
Total creditors	1,003	149

11 Contingent liabilities and commitments

There were no contingent liabilities or commitments at the year end (2015: £nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12 Related party transactions

ACD periodic charges paid to Aviva Investors UK Fund Services Limited ("the ACD") are shown in note 4 and details of shares issued and cancelled by the ACD are shown in the statement of change in net assets attributable to shareholders. The balance due to the ACD at the year end in respect of ACD periodic charges was £197,000 (2015: £102,000). 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 £929,000 (2015: £1,200,000). The amount outstanding at the year end was £13,000 (2015: £244,000). 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 28.02.16 (shares)	Movement (shares)	Holdings at 28.02.15 (shares)
ACD and related parties (share class 2 Income)	834,474	(487,619)	1,322,093
ACD and related parties (share class 2 Accumulation)	657,104	268,356	388,748
ACD and related parties (share class 3 Accumulation)	38,976	(29,323,272)	29,362,248

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

13 Shareholder funds

The Fund currently has three share classes: Class 1 (Retail), Class 2 (Institutional) and Class 3 (Associated undertakings of Aviva plc).

The annual management charges are as follows:

Class 1: 1.50%

Class 2: 0.75%

Class 3: 0.50%

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 29 to 30. The distributions per share class are given in the distribution tables on pages 42 to 45. All the share classes have the same rights on winding up.

14 Shares in issue reconciliation

	Number of shares in issue at 28.02.15	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 28.02.16
Share Class 1 Income	120,729	–	–	–	120,729
Share Class 2 Income	118,051,498	38,296,559	(17,162,614)	(86,614)	139,098,828
Share Class 2 Income (USD)	3,068,282	211,189	(1,827,798)	–	1,451,673
Share Class 2 Accumulation	4,438,713	4,950,856	(923,943)	90,605	8,556,231
Share Class 3 Accumulation	29,362,248	9,645,480	(38,968,752)	–	38,976

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 Derivatives and other financial instruments

The policies applied in the management of financial instruments are set out on 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 (2015: £nil).

Foreign currency risk

At the year end date, 99.96% (2015: 99.46%) 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 the USD to GBP exchange rate changes by 10.00%, the value of the Fund will change by 10.00%.

Currency	Net foreign currency assets					
	Monetary exposure £000		Non monetary exposure £000		Total £000	
	28.02.16	28.02.15	28.02.16	28.02.15	28.02.16	28.02.15
US Dollar	6,342	13,156	177,865	184,312	184,207	197,468

Interest rate risk profile of financial assets and financial liabilities

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 2.81% (2015: 6.83%) of the net assets of the Fund were interest bearing.

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

Market price risk

At the year end date, 96.52% (2015: 92.84%) of the net assets of the Fund were invested in ordinary shares or stock units and admitted to an official stock exchange. If the market were the change by 10%, the value of the Fund will change by 9.65%.

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, 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.

The direct transaction costs suffered during the year were as follows:

28.02.16	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	(77,767)	(40)	–	(77,807)	0.05%	0.00%
	(77,767)	(40)	–	(77,807)		
Sales (excluding in-specie transfers and corporate actions)						
Equities	86,299	(39)	(2)	86,258	0.05%	0.00%
	86,299	(39)	(2)	86,258		
Total		(79)	(2)			

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

28.02.16	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
Percentage of Fund average net assets		0.04%	0.00%			

16 Direct transaction costs (continued)

28.02.15	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	(113,935)	(99)	–	(114,034)	0.09%	0.00%
	(113,935)	(99)	–	(114,034)		
Sales (excluding in-specie transfers and corporate actions)						
Equities	40,625	(71)	(1)	40,553	0.17%	0.00%
	40,625	(71)	(1)	40,553		
Total		(170)	(1)			
Percentage of Fund average net assets		0.11%	0.00%			

Dealing spread

As at 28 February 2016, the average portfolio dealing spread was 0.03% (2015: 0.02%). This spread represents the difference between the values determined retrospectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

17 Post balance sheet events

There are no post balance sheet events which require adjustment or disclosure at the year end (2015: £nil).

18 Remuneration policy

UCITS V came into effect on 18 March 2016 and the ACD has been subject to the UCITS Remuneration Code from that date. Up to date details of its remuneration policy, including but not limited to (i) a description of how remuneration and benefits are calculated and (ii) the identities of persons responsible for awarding remuneration and benefits, including the composition of the Aviva Investors Remuneration Committee, are available from the ACD's website at <https://uk.avivainvestors.com/gb/en/individual/about-us/for-todays-investor.html>. A paper copy of the information available from the ACD's website in relation to remuneration is also available free of charge on request from the ACD.

The ACD is also required to disclose a range of information in relation to UCITS remuneration paid in respect of each full performance period after the implementation of UCITS V. As the first full performance period for the ACD will be the period from 1 January 2017 to 31 December 2017, that information is therefore not available to the ACD for this annual accounting period and as such no remuneration disclosures have been included in these financial statements. A full remuneration disclosure setting out the information required by COLL 4.5.7R(7) will be included in the annual financial statements from the year ended 28 February 2018 onwards.

DISTRIBUTION TABLES

Final distribution payable in pence per share for the three months ended 28 February 2016

Income shares		Net revenue	Equalisation	Final distribution payable 28 April 2016	Final distribution paid 28 April 2015
Share Class 1	Group 1	0.8301	–	0.8301	0.5717
	Group 2	0.3446	0.4855	0.8301	0.5717
Share Class 2	Group 1	0.8469	–	0.8469	0.5723
	Group 2	0.3664	0.4805	0.8469	0.5723

Accumulation shares		Net revenue	Equalisation	Interim distribution payable 28 April 2016	Interim distribution paid 28 April 2015
Share Class 2	Group 1	0.8870	–	0.8870	0.5887
	Group 2	0.3720	0.5150	0.8870	0.5887
Share Class 3	Group 1	1.1985	–	1.1985	0.7989
	Group 2	1.1985	0.0000	1.1985	0.7989

Final distribution payable in cents per share for the three months ended 28 February 2016

Accumulation shares		Net revenue	Equalisation	Final distribution payable 28 April 2016	Final distribution paid 28 April 2015
Share Class 2 (USD)	Group 1	0.7628	–	0.7628	0.5616
	Group 2	0.2192	0.5436	0.7628	0.5616

Final Distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 28 November 2015.

Group 2 shares are those shares purchased after 12:00 noon on 28 November 2015.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the three months ended 28 November 2015

Income shares		Net revenue	Equalisation	Interim distribution paid 28 January 2016	Interim distribution paid 28 January 2015
Share Class 1	Group 1	0.7003	–	0.7003	1.0136
	Group 2	0.2951	0.4052	0.7003	1.0136
Share Class 2	Group 1	0.7115	–	0.7115	1.0223
	Group 2	0.3723	0.3392	0.7115	1.0223

Accumulation shares		Net revenue	Equalisation	Interim distribution paid 28 January 2016	Interim distribution paid 28 January 2015
Share Class 2	Group 1	0.7460	–	0.7460	1.0446
	Group 2	0.3713	0.3747	0.7460	1.0446
Share Class 3	Group 1	1.0066	–	1.0066	1.3899
	Group 2	1.0066	0.0000	1.0066	1.3899

Interim distribution paid in cents per share for the three months ended 28 November 2015

Income shares		Net revenue	Equalisation	Interim distribution paid 28 January 2016	Interim distribution paid 28 January 2015
Share Class 2 (USD)	Group 1	0.6829	–	0.6829	1.0241
	Group 2	0.2815	0.4014	0.6829	1.0241

Interim Distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 28 August 2015.

Group 2 shares are those shares purchased after 12:00 noon on 28 August 2015.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the three months ended 28 August 2015

Income shares		Net revenue	Equalisation	Interim distribution paid 28 October 2015	Interim distribution paid 28 October 2014
Share Class 1	Group 1	0.7254	–	0.7254	0.6499
	Group 2	0.2957	0.4297	0.7254	0.6499
Share Class 2	Group 1	0.7358	–	0.7358	0.6541
	Group 2	0.3352	0.4006	0.7358	0.6541

Accumulation shares		Net revenue	Equalisation	Interim distribution paid 28 October 2015	Interim distribution paid 28 October 2014
Share Class 2	Group 1	0.7663	–	0.7663	0.6644
	Group 2	0.3587	0.4076	0.7663	0.6644
Share Class 3	Group 1	1.0332	–	1.0332	0.9000
	Group 2	1.0332	0.0000	1.0332	0.9000

Interim distribution paid in cents per share for the three months ended 28 August 2015

Income shares		Net revenue	Equalisation	Interim distribution paid 28 October 2015	Interim distribution paid 28 October 2014
Share Class 2 (USD)	Group 1	0.7225	–	0.7225	0.6920
	Group 2	0.5150	0.2075	0.7225	0.6920

Interim Distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 28 May 2015.

Group 2 shares are those shares purchased after 12:00 noon on 28 May 2015.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the three months ended 28 May 2015

Income shares		Net revenue	Equalisation	Interim distribution paid 28 July 2015	Interim distribution paid 28 July 2014
Share Class 1	Group 1	0.6908	–	0.6908	0.5652
	Group 2	0.5572	0.1336	0.6908	0.5652
Share Class 2	Group 1	0.6993	–	0.6993	0.5664
	Group 2	0.3538	0.3455	0.6993	0.5664

Accumulation shares		Net revenue	Equalisation	Interim distribution paid 28 July 2015	Interim distribution paid 28 July 2014
Share Class 2	Group 1	0.7243	–	0.7254	0.5737
	Group 2	0.2960	0.4283	0.7254	0.5737
Share Class 3	Group 1	0.9784	–	0.9784	0.7793
	Group 2	0.9784	0.0000	0.9784	0.7793

Interim distribution paid in cents per share for the three months ended 28 May 2015

Income shares		Net revenue	Equalisation	Interim distribution paid 28 July 2015	Interim distribution paid 28 July 2014
Share Class 2 (USD)	Group 1	0.6823	–	0.6823	0.6072
	Group 2	0.2891	0.3932	0.6823	0.6072

Interim Distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 28 February 2015.

Group 2 shares are those shares purchased after 12:00 noon on 28 February 2015.

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 income and net gains or losses on the scheme property of the Company for the period then ended.

In preparing the financial statements the ACD is required to:

- follow applicable accounting standards;
- make judgements and estimates that are reasonable and prudent;
- select suitable accounting policies and then apply them consistently;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation for the foreseeable future; and
- comply with the Instrument of Incorporation and the Statement of Recommended Practice for Authorised Funds.

The ACD is required to keep proper accounting records and to manage the Company in accordance with the Regulations and the instrument of Incorporation.

The ACD is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUTHORISED CORPORATE DIRECTOR'S STATEMENT

We hereby approve the Report and Financial Statements of Aviva Investors Select Funds ICVC for the year ended 28 February 2016 on behalf of Aviva Investors UK Fund Services Limited in accordance with the requirements of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority.

I K Buckle
Director

A Brown
Director
14 June 2016

STATEMENT OF THE DEPOSITARY'S RESPONSIBILITIES

The Depositary is responsible for the safe keeping of all the property of the Company (other than tangible moveable property) which is entrusted to it and for the collection of income that arises from that property.

It is the duty of the Depositary to take reasonable care to ensure that the Company is managed by the Authorised Corporate Director in accordance with the Financial Conduct Authority's Collective Investment Schemes sourcebook ("the COLL Sourcebook"), the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) ("the OEIC Regulations") and the Company's Instrument of Incorporation and Prospectus, as appropriate, in relation to the pricing of, and dealings in, shares in the Company; the application of income of the Company; and the investment and borrowing powers of the Company.

DEPOSITARY'S REPORT TO THE SHAREHOLDERS

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

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the COLL Sourcebook, as appropriate, and, where applicable, the OEIC Regulations and the Company's Instrument of Incorporation and Prospectus; and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

J.P. Morgan Europe Limited
Bournemouth
14 June 2016

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

REPORT ON THE FINANCIAL STATEMENTS

OUR OPINION

In our opinion, Aviva Investors Select Funds ICVC's financial statements (the "financial statements of 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 2016 and of the net revenue and the net capital gains of 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, the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Instrument of Incorporation.

WHAT WE HAVE AUDITED

Aviva Investors Select Funds ICVC (the "Company") is an umbrella fund with a number of Sub-Funds. The financial statements of the Company, included within the Annual Report and Financial Statements (the "Annual Report") comprise the financial statements of each of the Sub-Funds, which are prepared by Aviva Investors UK Funds Services Limited (the "Authorised Corporate Director"), and comprise for each of the Sub-Funds:

- the balance sheet as at 28 February 2016
- the statement of total return for the year then ended;
- the statement of change in net assets attributable to shareholders for the year then ended;
- the accounting policies and notes applicable to the financial statements of all Sub-Funds and notes to the financial statements of individual Sub-Funds, which include other explanatory information; and
- the distribution table

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice 'Financial Statements of UK Authorised Funds' issued by the Investment Association (the "Statement of Recommended Practice for UK Authorised Funds"), the Collective Investment Schemes sourcebook and the Instrument of Incorporation.

In applying the financial reporting framework, the Authorised Corporate Director has made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

OPINIONS ON MATTERS PRESCRIBED 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; and
- the information given in the Authorised Corporate Director Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

PROPRIETY OF ACCOUNTING RECORDS AND INFORMATION AND EXPLANATIONS RECEIVED

Under the Collective Investment Schemes sourcebook we are 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 and returns.

We have no exceptions to report arising from this responsibility.

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

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

OUR RESPONSIBILITIES AND THOSE OF THE AUTHORISED FUND MANAGER

As explained more fully in the Statement of the Authorised Corporate Directors Responsibilities (set out on page 46) the Authorised Corporate Director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

WHAT AN AUDIT OF FINANCIAL STATEMENTS INVOLVES

We conducted our audit in accordance with with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's and each of the Company's Sub-Funds' circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Authorised Corporate Director; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
14 June 2016

- (a) The maintenance and integrity of the Aviva Investors website is the responsibility of the Authorised Corporate Director; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
- (b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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.

Aviva Investors UK Fund Services Limited.
Registered in England No. 1973412.
Authorised and regulated by the Financial Conduct Authority.
FCA Registered No. 119310.
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An Aviva company.

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