2023 Value Assessment Report

Aviva Investors Portfolio Funds ICVC

It takes Aviva Investors

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Chairmans statement

Dear Investor,

As Chairman of the board of directors (the "Board") of Aviva Investors UK Fund Services Limited ("AIUKFSL" or the "Company"), and on behalf of my fellow Board members, I would like to introduce the Value Assessment for the year to 28 February 2023.

This is our fourth Value Assessment report, and although this is only one aspect of our ongoing product governance process, it is our opportunity as a Board to communicate to investors how we ensure that we act in your best interests, and help you to meet your investment needs, something Aviva Investors has been doing for over 50 years.

We have continued to make improvements to our Fund range over the last 12 months. This includes the introduction of an economies of scale discount for our direct retail investors, which applies depending on the size of individual funds, as well as lowering fees for other investors where appropriate. We have also made changes to some funds' investment objectives and continue to look for ways to improve outcomes, as we strive to deliver value for our investors.

However, these changes have been overshadowed by world events, which continue to create challenges from an investment perspective, whilst also impacting individuals personally as the cost of living crisis affects people's daily lives. We have set out below an overview of the economic environment and subsequent market turmoil which has evolved over the last 12 months and has had a negative impact on Fund performance over the last year.

In this report we set out how each Fund has performed over the last 12 months, where we have seen opportunities for improvement, or where it has been necessary to make changes.

The Board takes the Value Assessment very seriously and the rigorous process that we have implemented will continue to drive improvements where they are necessary. Once again, we have implemented a number of changes to the review process throughout the year, including to this report. I hope that you will find the introduction of a consolidated report, together with additional information and fund ratings, helpful when interpreting the results of this review. If you would like to provide any feedback on this report it would be very much appreciated as we look to make further improvements going forward.

Please contact our customer service helpline on 0800 051 2003 between the hours of 8:30 and 5:30 Monday to Friday, or alternatively write to us at **enquiries.uk@avivainvestors.com**.

If you would like to understand more about how the Value Assessment is carried out and the factors we consider, I would encourage you to read our Value Assessment Approach which explains how we have reached our conclusions, and can be found here: Value assessment approach - Aviva Investors.

I would like to thank you for entrusting Aviva Investors with your investment and taking the time to read this report.

Mark White
Chairman

"The Board takes the Value Assessment very seriously and the rigorous process that we have implemented will continue to drive improvements where they are necessary"

How we have considered performance in the face of challenging markets

Over the last year we have seen yet more turbulent times, with world events having an impact on both the global and UK economies.

Following the pandemic, the markets began to regain confidence as global growth prospects looked solid as the economic data continued to reflect the expected easing of the pandemic. Unfortunately, this optimism was derailed at the beginning of 2022 as Russia's invasion of Ukraine triggered huge geopolitical uncertainty, with Europe's energy supplies being brought into question.

This led to soaring energy prices and the sanctions imposed on Russia in response to the invasion caused oil prices to rise, which in turn caused consumer inflation to rise to levels not seen for four decades. The consumer price index started 2022 at 5.5% and peaked in October at 11.1%, and has remained above 10% since then, largely due to rising energy prices.

This has combined with a significant slowdown in economic growth, as consumer confidence was knocked by the steep rise in the cost of living. The Bank of England tightened policy nine times between January 2022 and February 2023, leaving the base rate at 4.0% at the point of this review. This compared to just 0.1% during the pandemic.

As a result, bond markets have been exceptionally weak, as UK government bonds (gilts) suffered a major sell-off as investors responded to the aggressive tightening of monetary policy in response to surging inflation, and corporate bonds have also been valued significantly lower by the weakness of government bonds. The result of this is that typically low risk bond markets experienced high levels of volatility, causing funds traditionally viewed as a safer low risk option to suffer losses.

This is particularly evident in our MAF Plus and MAF Core range of funds, where we have seen the more defensive (low risk) funds which predominantly hold bonds suffer loses, whilst the higher risk funds which predominantly hold equites have performed better over the last 12 months.

To put this in context, the Bloomberg Global Aggregate Corp Index, which is often used to measure fixed income markets, was down 10% over the year to February 2023, and the MSCI World Index, which is widely used to measure global equities was down 4% in sterling terms over the same period. In contrast the UK Equity market continued to make a recovery following the September budget and the FTSE All Share Index was up 7% over the year.

The events described have had a negative impact on the world's major economies with the result that some Funds under review have delivered negative absolute performance over the year, and a loss for investors. As part of the value assessment, we also measure each Sub-fund's performance against an appropriate benchmark and compare its performance to a peer group of similar funds, which provides market context.

It is important to remember that our investment managers take a long-term view towards investing which remains unchanged despite these challenging conditions. This is a philosophy which has delivered value for our customers in the past.

The Fund Manager's Report included with each of the Fund reports below, will provide further details on the individual performance of the Funds. This introduction is intended to provide the broader context against which these Funds have been assessed and will be referred back to where it helps explain the performance of individual Funds.

"Bond markets have been exceptionally weak, as UK government bonds (gilts) suffered a major sell-off as investors responded to the aggressive tightening of monetary policy in response to surging inflation"

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Meet the board

These are the people responsible for the Value Assessments and ensuring we continue to meet our customer expectations

Mark White

Chairman of Aviva Investors UK Fund Services Ltd

Main responsibilities

Mark White was appointed Non-Executive Director of Aviva Investors Holdings Ltd with effect from January 2015. Mark is also Non-Executive Chairman of Aviva Investors UK Fund Services Limited appointed in October 2019.

READ FULL BIOGRAPHY HERE

Barry Fowler

Chief Executive Officer of Aviva Investors UK Fund Services Ltd

Main responsibilities

Barry serves on a number of governance and oversight committees, including our UK management company and chairs the supervisory board of our Luxembourg management company.

READ FULL BIOGRAPHY HERE

Kate McClellan

Chief Operating Officer

Main responsibilities

As Chief Operating Officer, Kate is responsible for global operations and information technology across the Aviva Investors business.

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Alexa Coates

Independent Non-Executive Director

Main responsibilities

Alexa Coates is an independent non-executive director of Aviva Investors. Alexa was appointed to the Aviva Investors Holdings Limited Board and the Aviva Investors Global Services Limited Board in November 2019.

READ FULL BIOGRAPHY HERE

These are the people responsible for the Value Assessments and ensuring we continue to meet our customer expectations (continued)

Mike Craston

Non-Executive Director of Aviva plc

Main responsibilities

Mike is a Non-Executive Director of Aviva plc. In addition, he is Chairman and a non-executive director of Aviva Investors Holdings Limited, responsible for the leadership of the Board. Mike is currently Chair of the Aviva Investors' Boards in the UK and Canada and is director of the Aviva Investors' Board in North America.

READ FULL BIOGRAPHY HERE

Jane Adamson

Director of Financial Reporting and Control

Main responsibilities

Jane Adamson is the Director of Financial Reporting and Control for Aviva Investors, responsible for Group, Statutory and Regulatory Reporting and Capital Management.

READ FULL BIOGRAPHY HERE

Martin Bell

Director of Global Fund Services

Main responsibilities

Martin is the Director of Global Funds Services, which brings together the activities of the UK and Luxembourg Management Companies covering all Aviva Investors regulated funds business. Martin serves on a number of boards, including Aviva Investors UK Fund Services Limited and the Luxembourg Management Board.

READ FULL BIOGRAPHY HERE

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Our approach

An introduction to Value Assessments

As Authorised Fund Manager ('AFM') of the funds, the following sets out our approach to the assessment, and the range of factors considered by the Company's board of directors ('the Board') to determine if 'value' is being provided to investors, and whether costs and charges are justified.

This exercise is carried out annually in addition to, and in conjunction with, our regular fund reviews. Those reviews include extensive assessments of service and performance for each fund, with appropriate action taken where necessary throughout the year. If the result of the value assessment is that the charges paid by investors are not considered to be justified based on the level of service we are providing, appropriate action will be taken.

Quality of service

We consider the range, nature, extent and quality of services provided directly to investors or undertaken on their behalf, and whether investor's expectations have been met. This includes the services performed by the Company and its suppliers, as well as their reputation, expertise, resources and relative capabilities. The key factors are:

- The quality of the **investment process**, including their trading, risk management, compliance, technology, research and operational processes, and any environmental, social and governance (ESG) factors that are integrated into the investment process.
- The quality of the **customer services** provided, using investor satisfaction surveys, complaints and data relating to operational accuracy to assess the positioning of Aviva Investors and its products and services over time, in comparison to similar firms.
- The quality and timely delivery of clear **communications**, and the relevance of information provided to investors to help them make informed decisions.

Performance

We consider whether fund performance, after the deduction of expenses, is within a reasonable range of outcomes relative to the fund's objective, policy and strategy when measured over appropriate time periods.

The time horizon that we consider most appropriate to assess performance will be stated within the individual fund's investment objective or policy, however we also review performance over one, three, five and seven years (or since inception if there is not a full seven year's performance data).

An introduction to Value Assessments (continued)

Performance is also considered in comparison to the respective fund's peer group, and whether the fund operated in accordance with its respective risk limits and investment restrictions.

Fund performance, as measured against its objectives, is assessed in regular governance meetings and this is also taken into account in reaching the conclusions for the value assessment.

If performance is considered unsatisfactory, the following factors may be considered:

- Explanations for any underperformance provided by the investment manager as part of our fund performance governance model.
- Any appropriate steps (such as consideration of changing the investment objective, policy, strategy or investment personnel) that have been taken or are intended to be made with the goal of improving performance.

Alternatively, we could consider changing the investment manager or closing the fund where no other viable options are available or where previous actions have not delivered the desired results.

We provide further information on the specific performance of individual funds within the Fund Manager Report section of the Value Assessment, covering the period relevant to that report. More up to date information is available in the regular fund factsheets and updates, available on our website.

Authorised Fund Manager costs & charges

We consider whether our charges are reasonable, taking into account the underlying costs we incur for the services provided, and the performance objectives of each fund.

We use a Fund Management Fee ('FMF') to deduct the charges from the funds, this is a single all-inclusive charge and is designed to provide a straightforward, easy to understand charging model for investors.

The underlying fees, costs and expenses covered by the FMF are detailed in the fund prospectus, but in summary cover the following payments:

- the fees and expenses of the Company as AFM
- the fees and expenses of the Investment Manager
- the fees and expenses of the Depositary
- the fees and expenses of the Custodian
- the fees and expenses of the Auditor
- the permitted costs in connection with periodic statements and accounts
- FCA fees

To assist with the value assessment, we use a costs and charges model to assess the costs applicable to each fund. The model is refreshed semi-annually and provides analysis of all elements of cost that must be paid out of the proceeds of the FMF. This helps us to determine whether the FMF is fair based on the costs of services provided for the relevant share class, with an appropriate allowance for the income earned by the Company from these activities.

An introduction to Value Assessments (continued)

Economies of scale

We consider whether we have been able to achieve any savings or benefits as a result of the size of the fund, referred to here as "Economies of Scale", and whether investors have benefited appropriately.

In particular, we consider whether economies of scale have been achieved in relation to the costs and operating expenses of each share class and the extent to which investors should benefit from financial savings that result.

For example, we will consider whether the FMF fairly reflects the fees charged in respect of the third party supplied services, which should be competitive due to the scale of Aviva and the potential breadth of other Aviva product ranges the supplier provides services for, allowing us to obtain favourable rates.

The assessment of the underlying service costs of running the fund, and the appropriate level of the FMF, takes place annually. Any changes to the underlying costs will be reflected in this analysis and may result in a change to the FMF.

In looking at whether investors have benefited appropriately, directly or indirectly, in any savings or benefits in relation to the management of the fund, we acknowledge the wider, albeit intangible, benefits to investors, such as the reputation, brand and financial strength of the Aviva Group.

We may also consider it appropriate to reinvest cost savings directly into the Company, to finance product development, or retain savings for commercial reasons.

In reaching a conclusion, we will assess the extent to which investors in our direct retail share classes have already benefited from the automatic discount which is applied to each fund when it reaches a certain level of assets under management (AUM), with the discount ranging from 0.01% to 0.05% dependent on the complexity of the fund. For further details on this policy, please refer to the relevant Prospectus. All other share classes will be assessed on a case by case basis.

Comparable market rates

We consider whether the Ongoing Charge Figure (OCF) for each share class is reasonable compared to similar funds and share classes in the market by benchmarking each fund against a suitable peer group. The data used for the comparison is supplied by an independent data provider.

Direct comparisons of the individual fees that make up the overall OCF may be difficult because information is not generally publicly available and is affected by numerous factors. As noted, the underlying expenses included in the FMF are routinely reviewed and this component is focused on the overall fee for a share class in comparison to a suitable peer group.

Where the total charges (as calculated by the OCF) are greater than the average cost of equivalent peer group funds, we will review the FMF and consider whether an adjustment can be made to our fee.

Comparable services

We consider whether the fees charged by Aviva Investors for services it performs for the fund are consistent with those charged throughout the Aviva Group. This considers similar funds or services operated by both Aviva Investors and the wider Aviva Group that are available in the UK, are of a comparable size, and are managed to similar objectives and policies.

An introduction to Value Assessments (continued)

Classes of units

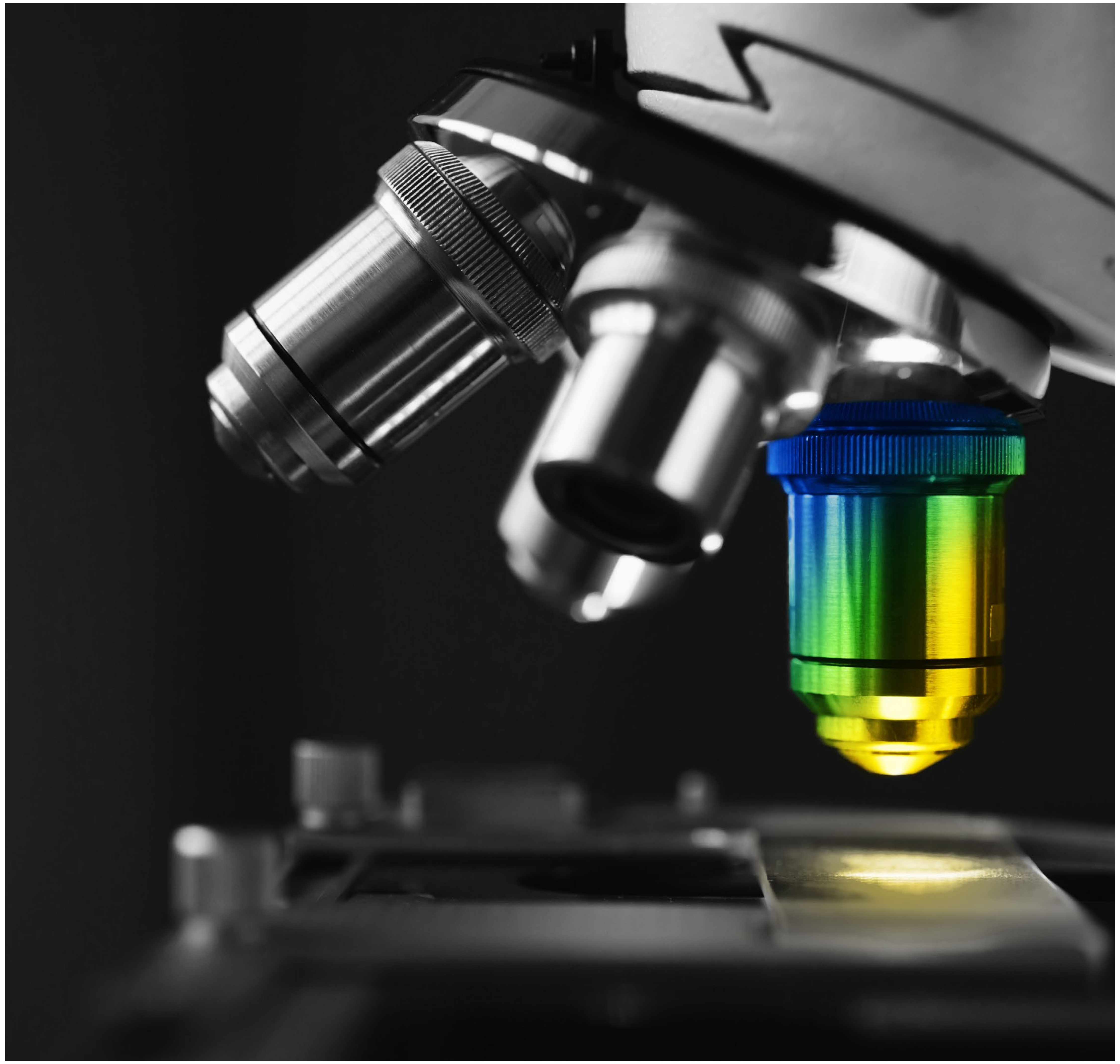
We assess whether investors hold shares in the most appropriate share class, in terms of the service offered, entry criteria and fees applied.

We routinely carry out an assessment of whether investors hold units in the most appropriate share class. In the past this has prompted the closure or merger of a number of share classes, along with the amendment of some minimum investment limits and share class eligibility criteria, and the removal of trail commission to advisers. These changes have resulted in some investors being moved into alternative share classes that either had fees of an equivalent or lower level than they had been paying previously.

More recently, we have implemented a process to identify investors who would be eligible for a share class with lower fees. If any such investors are identified, steps are taken to move them into that share class if possible.

Other factors

We may consider other factors in determining the conclusion of the value assessment, as deemed appropriate by the Board. If such other factors are considered, details will be provided in the value assessment report for the relevant fund.



Our ratings explained

Individual Component Ratings

A green rating means that the Board is satisfied that the component is delivering value, and there are no issues or concerns with that specific element of the fund.

An amber rating means that the Board has identified some areas for improvement within that component, however investors have still received value from that component. This is because action may have already been taken throughout the normal course of business to address these concerns, or there may be other mitigating factors. Additional information will be included in the individual fund reports, including the reason this element has been rated amber, and any action taken to address the concern.

A red rating indicates that the Board has identified more serious concerns with the component, and therefore value may not be being delivered to investors. This could include situations where actions taken previously to address an amber rating may not have had the desired effect, or a new issue has been identified which hasn't yet been addressed. The individual fund reports will provide further information on what action is being taken to address the issue.

Overall Fund Ratings

A green rating means that the Board is satisfied that the fund is delivering value to investors. A fund may be rated green overall whilst having individual amber component ratings if the Board is satisfied that overall value has still been delivered to investors and/or actions are already being taken which will address these concerns.

An amber rating means that the Board has identified some areas for improvement, which will be reflected within the individual amber or red ratings for one or more of the components. This will usually mean that the Board believes that the individual components require further action to be taken to improve the rating in the future, and this will be detailed within the report.

A red rating indicates that the Board is not satisfied that the fund is delivering value to investors and action must be taken in order to meet the requirements of the value assessment in the future. It may also mean that actions have been taken previously to address these issues but these have not had the desired effect, and the Board therefore requires further action to be taken in the best interests of investors over the longer term.

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Types of share classes

Types of share classes available to investors

Understanding our costs

Our funds are available to all types of investors from individuals who wish to invest in an ISA, starting at £50 per month, up to large investors, investing on behalf of their own client base, such as a company pension scheme. We take a single Fund Management Fee (FMF) from our funds to cover all the costs incurred in running a fund and generating a profit for the business. The FMF charged to investors will depend on the costs incurred. We use the FMF so that our clients know exactly what they are paying to invest, avoiding fluctuating charges and making it easy to compare against other funds. The fees that are paid by our external investors cover the costs of the following:

Cost structure key

Investment Management Costs

The charge we pay for the investment management team to make the investment decisions for the fund.

The investment management costs are paid by all investors, and this is where the bulk of the fee goes to pay for the research and expertise to make the investment decisions on your behalf.

Fund Administration Costs

This includes charges for Fund Accounting, Custody, Depositary, Regulatory and Audit; covering the costs associated with valuing the assets, safe keeping of the assets, along with ensuring the fund's accounts are fully audited and they are in compliance with the regulations.

All investors pay a share of these costs, they are essential for running the Funds, regardless of the type of investor so it is fair that these costs are shared.

Customer Service Costs

This covers the costs associated with buying into and selling out of the fund, along with having a dedicated helpline to assist with investor queries. It also covers the costs of the 6 monthly statements that you receive or when we need to write to you or provide updates about your investment.

Economies of Scale: When a fund reaches a certain size, dependent on the complexity of the fund, the fees of our direct retail customers (share class 1) are automatically reduced, ensuring that our individual investors are receiving the benefits of savings that are achieved when a fund grows.

Unit classes	Investor type	Cost levels	Cost breakdown	Subscription level
Share Class 1	**Private Individuals** who have invested into a Fund directly through Aviva Investors or via an Independent Financial Advisor		Clients in these classes will pay a share of the costs incurred by the fund, and have access to our contact centre, either by phone or in writing.	Minimum initial subscription £1,000
Share Class 2 **Share Class 9**	**Investors** who have bought a Fund through an intermediary, such as an investment platform		Clients in this class will pay less for Investor Communication Costs because the platform manager provides the individual client support.	Minimum initial aggregate subscription £500,000
Share Class 4 **Share Class 8** **Share Class D**	**Large institutional investors**, investing on behalf of pension funds, or wealth managers		Clients in this class will pay less because they are large institutional investors and do not require administration support.	Minimum initial subscription £10,000,000

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Aviva Investors Fund Reports

5.01

Aviva Investors Multi-asset Core Fund I

Aviva Investors Multi-asset Core Fund I

Overall assessment

Summary Ratings			
	Share Class 1	Share Class 2	Share Class D
Overall	🟠	🟠	🟠
Quality of service	🟢	🟢	🟢
Performance	🟠	🟠	🟠
Authorised fund manager costs	🟢	🟢	🟢
Economies of scale	🟢	🟢	🟢
Comparable market rates	🟢	🟢	🟢
Comparable services	🟢	🟢	🟢
Classes of units	🟢	🟢	🟢

In line with the requirement to conduct a value assessment, the Board has concluded that all components of the assessment have been considered and the charges for each share class are justified in the context of overall value being delivered to investors. However, we note the specific market conditions that have caused the value of investments to decline over the year, further information can be found on this in the Performance section below and in the introduction to this report.

The following summarises the conclusions we have reached having considered the range of factors as set out in the 'Value Assessment Approach'. This applies to all share classes in the Fund unless we have specifically noted exceptions.

Quality of service

We have considered the overall quality of the services provided to investors, and have concluded that Investors have received clear communications, and relevant information at appropriate times to enable them to make informed decisions, and the service delivered has been timely and of an appropriate quality.

Performance

Performance: Annualised net return (%)				
	Share Class 1	Share Class 2	Share Class D	Benchmark^
1 Year	-6.80	-6.66	-6.58	-6.99
Since Launch	-3.46	-3.32	-3.23	-3.44

^20% MSCI® All Countries World Index (Net) GBP and 80% Bloomberg Global Aggregate Bond Index Hedged GBP.

Performance basis: Mid to mid, net income reinvested, net of ongoing charges and fees, net of tax payable by the Fund. The figures do not include the effect of any exit or entry charge.

Full performance data is available in the Fund Fact Sheet, which can be found here Fund centre - Aviva Investors

Aviva Investors Multi-asset Core Fund I (continued)

The Fund aims to grow your investment over the long term (5 years or more) through a combination of income and capital growth. The Fund targets an overall average return before charges and taxes of at least 0.30% greater than the performance benchmark^ per year, measured over 3-year rolling periods. The Fund is managed to a "defensive" risk profile and aims to remain within a defined risk range of 16% to 24% of the volatility of "Global Equities", targeting 20%.

The Fund forms part of a range of 5 Funds that each have a different risk profile, ranging from defensive to adventurous and this Fund aims to have the lowest risk, which is typically achieved by holding more bonds than equities.

During 2022 the market events that we have described on page 5 of this report caused the valuation of bonds to fall quite significantly, and therefore we have seen the funds with the lowest risk profile (greater proportion of bonds versus equities) deliver the worst capital preservation outcomes, the reverse of what we would expect to occur in a normal economic environment, when equities tend to be the riskier asset class.

The asset allocation for the Fund is approximately 20% in equities and 80% in bonds, and the absolute return of the Fund is -6.8% (share class 1, net of fees) over the year to 28 February 2023.

Over the year the Fund has delivered gross returns in excess of the benchmark of 0.5% (0.2% on a net basis), and has therefore achieved its target to outperform the benchmark by 0.3% before charges and taxes. This means that the losses suffered during this period are less than would have been incurred had the funds asset allocation mirrored the benchmark.

The Board notes that for investors with a low risk appetite, performance over the last 12 months is contrary to how the Fund is expected to perform relative to other funds in the range, and we have therefore considered, in conjunction with the Portfolio Management Team, whether this was a "one off" market event or a trend we are likely to see in the future.

The Board have concluded that the steep decline in value of bond valuations in 2022 was the result of a specific set of circumstances which has led to elevated levels of inflation, and forced central banks to raise interest rates rapidly from record lows to current levels, which in previous economic cycles would actually be considered the market norm.

This rapid move from a very supportive financial environment (low interest rates) where bonds performed well, to a much more restrictive environment (higher interest rates) has driven a sharp devaluation of bonds, primarily due to the fact that the economy has had limited opportunity to adjust to these new financial conditions.

This specific chain of events, and the subsequent pace of change in interest rates over the last 12 months is unlikely to be repeated over most investment time horizons, although no guarantees can be made in this regard. Therefore over the long term the Board still believe that a higher weighting in bond holdings, and consequently a lower weighting of equity holdings, should still offer the best return opportunities for investors who require a defensive risk profile.

The Board also notes that the Fund has been operating above the expected volatility range (expected level of risk), which is primarily due to the recent sudden devaluation of the bond market that has caused a spike in market risk.

The volatility calculation compares the Fund's asset allocation (both equities and bonds) to a global equity index, and therefore the impact of the volatile bond market is not factored into the calculation for the index, which causes the Fund's volatility to be higher relative to the index. However, if the volatility from bonds were factored in, the Funds volatility would be in line with the market average (based on the Fund's performance benchmark) for the equivalent types of assets over the last 12 months.

The Board therefore concluded that performance and the level of volatility should remain under review, however, retain the belief that the Investment Manager's continued management of the Fund should still benefit the Fund and its investors over the longer term.

A detailed explanation of the last 12 months performance is included in the Fund Manager's Report below. You will also be able to find more detailed information on fund performance within the Fund Fact Sheet on our website.

^20% MSCI® All Countries World Index and 80% Bloomberg Barclays® Global Aggregate Bond Index

Aviva Investors Multi-asset Core Fund I (continued)

Authorised Fund Manager costs

Authorised Fund Manager Costs			
	Share Class 1	Share Class 2	Share Class D
Fund management fee	0.3	0.15	0.06

The Fund Management Fee (FMF) is a single charge paid to the Authorised Fund Manager, and we consider this to be reasonable when taking into account the underlying costs for the services provided and performance objectives of the Fund.

Economies of scale

We have concluded that all investors participated appropriately in general economies of scale derived from investing with the Company based on a range of benefits and services provided and overall fees charged. There has not been a material change in the size of the Fund during the previous 12 months. As such, no additional savings have been identified.

Comparable market rates

We have reviewed the fees paid for each of the services provided to the Fund (internally or externally), and we consider these to be competitive relative to those charged by similar funds within the UK regulated funds market.

Comparable services

We have reviewed those services which we consider to be comparable, and the fees we charge are deemed reasonable compared to fees charged by associated companies within the Aviva Group for comparable products of an equivalent size and similar investment objective and policy to the Fund available in the UK.

Classes of units

The pricing of each share class of the Fund is considered reasonable based on the different eligibility criteria and target investor for each share class. All investors are invested in the appropriate share class they are eligible to hold at the date of the assessment.

Fund Managers Report

Performance

The fund returned -6.8%*, which compared with a return of -7.0% from the fund's benchmark.

Portfolio summary

It was a disappointing twelve months of performance overall for financial markets, with geopolitics, monetary policy and, latterly, recessionary concerns weighing heavily on investor sentiment.

While growth assets proved surprisingly resilient to the Ukraine war after the initial shock of Russia's invasion at the end of February 2022, the subsequent spike in energy costs was a major factor behind a rapid rise in inflation. This prompted a sharp response by the main central banks, most notably the US Federal Reserve, which implemented rapid and large-scale hikes in interest rates. This triggered a rise in market volatility.

As the period progressed, the economic outlook started to darken, with consumer spending beginning to reflect a developing cost-of-living crisis. Expectations grew that the major economies would enter a mild recession in 2023 as the global economy lost the momentum of the post-pandemic demand recovery.

In the background was the marked slowdown in the Chinese economy. The controversial 'zero-Covid' policy, which saw renewed lockdowns across several major cities, and the implementation of some fundamental regulatory changes across key sectors saw growth slow appreciably, with the impact being felt across Asia.

Global equities nevertheless generated gains overall in the period for sterling investors.
The strongest markets were Europe ex-UK and they UK, while returns from the US faded on the back of underperformance by large technology companies. Emerging markets, which are sensitive to tighter monetary policy in the US, posted negative returns. Here, weakness in Asia offset good performance by Latin America.

It was a very weak period for defensive assets, with sovereign bonds and investment-grade credit posting notable losses. Longer-dated issues suffered the most given their greater sensitivity to rising interest rates.

Outlook

We expect core inflation to remain above the central bank targets of 2% throughout 2023. Central banks' primary focus will continue to be bringing inflation down to target over a horizon that does not create too much economic pain.

In our central projection, we expect the Federal Reserve, ECB and Bank of England to reach the peak of the tightening cycle by the end of the second quarter of 2023. Our core scenario is that developed economies will fall into a mild recession, with the United Kingdom and Eurozone at the forefront.

We think that inflation will be the factor dominating government bond markets, rather than their 'safe-haven' attributes in times of economic stress. We therefore expect fixed income to underperform equities. Within equities, we see the brightest prospects from the US and UK markets. The former boasts stronger economic growth credentials while the latter is more attractive in valuation terms.

Past performance is not a guide to the future. The value of an investment and any income from it can go down as well as up. Investors may not get back the original amount invested.

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

5.02

Aviva Investors Multi-asset Core Fund II

Aviva Investors Multi-asset Core Fund II

Overall assessment

Summary Ratings	Share Class 1	Share Class 2	Share Class D
Overall	🟠	🟠	🟠
Quality of service	🟢	🟢	🟢
Performance	🟠	🟠	🟠
Authorised fund manager costs	🟢	🟢	🟢
Economies of scale	🟢	🟢	🟢
Comparable market rates	🟢	🟢	🟢
Comparable services	🟢	🟢	🟢
Classes of units	🟢	🟢	🟢

In line with the requirement to conduct a value assessment, the Board has concluded that all components of the assessment have been considered and the charges for each share class are justified in the context of overall value being delivered to investors. However, we note the specific market conditions that have caused the value of investments to decline over the year, further information can be found on this in the Performance section below and in the introduction to this report.

The following summarises the conclusions we have reached having considered the range of factors as set out in the 'Value Assessment Approach'. This applies to all share classes in the Fund unless we have specifically noted exceptions.

Quality of service

We have considered the overall quality of the services provided to investors, and have concluded that Investors have received clear communications, and relevant information at appropriate times to enable them to make informed decisions, and the service delivered has been timely and of an appropriate quality.

Performance

Performance: Annualised net return (%)	Share Class 1	Share Class 2	Share Class D	Benchmark^
1 Year	-4.05	-3.92	-3.86	-4.29
Since Launch	-0.35	-0.25	-0.17	-0.25

^45% MSCI® All Countries World Index (Net) GBP and 55% Bloomberg Global Aggregate Bond Index Hedged GBP.

Performance basis: Mid to mid, net income reinvested, net of ongoing charges and fees, net of tax payable by the Fund. The figures do not include the effect of any exit or entry charge.

Full performance data is available in the Fund Fact Sheet, which can be found here Fund centre - Aviva Investors

Aviva Investors Multi-asset Core Fund II (continued)

The Fund aims to grow your investment over the long term (5 years or more) through a combination of income and capital growth. The Fund targets an overall average return before charges and taxes of at least 0.30% greater than the performance benchmark^ per year, measured over 3-year rolling periods. The Fund is managed to a “cautious” risk profile and aims to remain within a defined risk range of 41% to 49% of the volatility of “Global Equities”, targeting 45%.

The Fund forms part of a range of 5 Funds that each have a different risk profile, ranging from defensive to adventurous and this Fund is second on the risk scale with the aim to have low risk, which is typically achieved by holding more bonds than equities.

During 2022 the market events that we have described on page 5 of this report caused the valuation of bonds to fall quite significantly, and therefore we have seen the funds with the lowest risk profiles (greater proportion of bonds versus equities) deliver the worst capital preservation outcomes, the reverse of what we would expect to occur in a normal economic environment, when equities tend to be the riskier asset class.

The asset allocation for the Fund is approximately 45% in equities and 55% in bonds, and the absolute return of the Fund is -4.0% (share class 1, net of fees) over the year to 28 February 2023.

Over the year the Fund has delivered gross returns in excess of the benchmark of 0.6% (0.3% on a net basis), and has therefore achieved its target to outperform the benchmark by 0.3% before charges and taxes. This means that the losses suffered during this period are less than would have been incurred had the funds asset allocation mirrored the benchmark.

The Board notes that for investors with a low risk appetite, performance over the last 12 months is contrary to how the Fund is expected to perform relative to other funds in the range, and we have therefore considered, in conjunction with the Portfolio Management Team, whether this was a “one off” market event or a trend we are likely to see in the future.

The Board have concluded that the steep decline in value of bond valuations in 2022 was the result of a specific set of circumstances which has led to elevated levels of inflation, and forced central banks to raise interest rates rapidly from record lows to current levels, which in previous economic cycles would actually be considered the market norm.

This rapid move from a very supportive financial environment (low interest rates) where bonds performed well, to a much more restrictive environment (higher interest rates) has driven a sharp devaluation of bonds, primarily due to the fact that the economy has had limited opportunity to adjust to these new financial conditions.

This specific chain of events, and the subsequent pace of change in interest rates over the last 12 months is unlikely to be repeated over most investment time horizons, although no guarantees can be made in this regard. Therefore over the long term the Board still believe that a higher weighting in bond holdings, and consequently a lower weighting of equity holdings, should still offer the best return opportunities for investors who require a cautious risk profile.

The Board also notes that the Fund had been operating above the expected volatility range (expected level of risk), which is primarily due to the recent sudden devaluation of the bond market that has caused a spike in market risk.

The volatility calculation compares the Fund’s asset allocation (both equities and bonds) to a global equity index, and therefore the impact of the volatile bond market is not factored into the calculation for the index, which causes the Fund’s volatility to be higher relative to the index. However, if the volatility from bonds were factored in, the Funds volatility would be in line with the market average (based on the Fund’s performance benchmark) for the equivalent types of assets over the last 12 months.

The Board therefore concluded that performance and the level of volatility should remain under review, however, retain the belief that the Investment Manager’s continued management of the Fund should still benefit the Fund and its investors over the longer term.

A detailed explanation of the last 12 months performance is included in the Fund Manager’s Report below. You will also be able to find more detailed information on fund performance within the Fund Fact Sheet on our website.

^45% MSCI® All Countries World Index and 55% Bloomberg Barclays® Global Aggregate Bond Index

Aviva Investors Multi-asset Core Fund II (continued)

Authorised Fund Manager costs

Authorised Fund Manager Costs			
	Share Class 1	Share Class 2	Share Class D
Fund management fee	0.3	0.15	0.06

The Fund Management Fee (FMF) is a single charge paid to the Authorised Fund Manager, and we consider this to be reasonable when taking into account the underlying costs for the services provided and performance objectives of the Fund.

Economies of scale

We have concluded that all investors participated appropriately in general economies of scale derived from investing with the Company based on a range of benefits and services provided and overall fees charged. There has not been a material change in the size of the Fund during the previous 12 months. As such, no additional savings have been identified.

Comparable market rates

We have reviewed the fees paid for each of the services provided to the Fund (internally or externally), and we consider these to be competitive relative to those charged by similar funds within the UK regulated funds market.

Comparable services

We have reviewed those services which we consider to be comparable, and the fees we charge are deemed reasonable compared to fees charged by associated companies within the Aviva Group for comparable products of an equivalent size and similar investment objective and policy to the Fund available in the UK.

Classes of units

The pricing of each share class of the Fund is considered reasonable based on the different eligibility criteria and target investor for each share class. All investors are invested in the appropriate share class they are eligible to hold at the date of the assessment.

Aviva Investors Multi-asset Core Fund II (continued)

Fund Managers Report

Performance

The fund returned -4.1%*, which compared with a return of -4.3% from the fund's benchmark.

Portfolio summary

It was a disappointing twelve months of performance overall for financial markets, with geopolitics, monetary policy and, latterly, recessionary concerns weighing heavily on investor sentiment.

While growth assets proved surprisingly resilient to the Ukraine war after the initial shock of Russia's invasion at the end of February 2022, the subsequent spike in energy costs was a major factor behind a rapid rise in inflation. This prompted a sharp response by the main central banks, most notably the US Federal Reserve, which implemented rapid and large-scale hikes in interest rates. This triggered a rise in market volatility.

As the period progressed, the economic outlook started to darken, with consumer spending beginning to reflect a developing cost-of-living crisis. Expectations grew that the major economies would enter a mild recession in 2023 as the global economy lost the momentum of the post-pandemic demand recovery.

In the background was the marked slowdown in the Chinese economy. The controversial 'zero-Covid' policy, which saw renewed lockdowns across several major cities, and the implementation of some fundamental regulatory changes across key sectors saw growth slow appreciably, with the impact being felt across Asia.

Global equities nevertheless generated gains overall in the period for sterling investors. The strongest markets were Europe ex-UK and they UK, while returns from the US faded on the back of underperformance by large technology companies. Emerging markets, which are sensitive to tighter monetary policy in the US, posted negative returns. Here, weakness in Asia offset good performance by Latin America.

It was a very weak period for defensive assets, with sovereign bonds and investment-grade credit posting notable losses. Longer-dated issues suffered the most given their greater sensitivity to rising interest rates.

Outlook

We expect core inflation to remain above the central bank targets of 2% throughout 2023. Central banks' primary focus will continue to be bringing inflation down to target over a horizon that does not create too much economic pain.

In our central projection, we expect the Federal Reserve, ECB and Bank of England to reach the peak of the tightening cycle by the end of the second quarter of 2023. Our core scenario is that developed economies will fall into a mild recession, with the United Kingdom and Eurozone at the forefront.

We think that inflation will be the factor dominating government bond markets, rather than their 'safe-haven' attributes in times of economic stress. We therefore expect fixed income to underperform equities. Within equities, we see the brightest prospects from the US and UK markets. The former boasts stronger economic growth credentials while the latter is more attractive in valuation terms.

Past performance is not a guide to the future. The value of an investment and any income from it can go down as well as up. Investors may not get back the original amount invested.

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

5.03

Aviva Investors Multi-asset Core Fund III

Aviva Investors Multi-asset Core Fund III

Overall assessment

Summary Ratings			
	Share Class 1	Share Class 2	Share Class D
Overall	🟠	🟠	🟠
Quality of service	🟢	🟢	🟢
Performance	🟠	🟠	🟠
Authorised fund manager costs	🟢	🟢	🟢
Economies of scale	🟢	🟢	🟢
Comparable market rates	🟢	🟢	🟢
Comparable services	🟢	🟢	🟢
Classes of units	🟢	🟢	🟢

In line with the requirement to conduct a value assessment, the Board has concluded that all components of the assessment have been considered and the charges for each share class are justified in the context of overall value being delivered to investors. However, we note the specific market conditions that have caused the value of investments to decline over the year, further information can be found on this in the Performance section below and in the introduction to this report.

The following summarises the conclusions we have reached having considered the range of factors as set out in the 'Value Assessment Approach'. This applies to all share classes in the Fund unless we have specifically noted exceptions.

Quality of service

We have considered the overall quality of the services provided to investors, and have concluded that Investors have received clear communications, and relevant information at appropriate times to enable them to make informed decisions, and the service delivered has been timely and of an appropriate quality.

Performance

Performance: Annualised net return (%)				
	Share Class 1	Share Class 2	Share Class D	Benchmark^
1 Year	-2.44	-2.30	-2.24	-2.66
Since Launch	1.60	1.73	1.80	1.69

^60% MSCI® All Countries World Index (Net) GBP and 40% Bloomberg Global Aggregate Bond Index Hedged GBP.

Performance basis: Mid to mid, net income reinvested, net of ongoing charges and fees, net of tax payable by the Fund. The figures do not include the effect of any exit or entry charge.

Full performance data is available in the Fund Fact Sheet, which can be found here Fund centre - Aviva Investors

Aviva Investors Multi-asset Core Fund III (continued)

The Fund aims to grow your investment over the long term (5 years or more) through a combination of income and capital growth. The Fund targets an overall average return before charges and taxes of at least 0.30% greater than the performance benchmark^ per year, measured over 3-year rolling periods. The Fund is managed to a "moderately cautious" risk profile and aims to remain within a defined risk range of 56% to 64% of the volatility of "Global Equities", targeting 60%.

The Fund forms part of a range of 5 Funds that each have a different risk profile, ranging from defensive to adventurous and this Fund is in the middle of the risk scale with the aim to have median level risk, which is typically achieved by holding a similar weighting of bonds and equities.

During 2022 the market events that we have described on page 5 of this report caused the valuation of bonds to fall quite significantly, and therefore we have seen the funds with the lowest risk profiles (greater proportion of bonds versus equities) deliver the worst capital preservation outcomes, the reverse of what we would expect to occur in a normal economic environment, when equities tend to be the riskier asset class.

The asset allocation for the Fund is approximately 60% in equities and 40% in bonds, and the absolute return of the Fund is -2.4% (share class 1, net of fees) over the year to 28 February 2023

Over the year the Fund has delivered gross returns in excess of the benchmark of 0.5% (0.2% on a net basis), and has therefore achieved its target to outperform the benchmark by 0.3% before charges and taxes. This means that the losses suffered during this period are less than would have been incurred had the funds asset allocation mirrored the benchmark.

The Board notes that for investors with a lower risk appetite, performance over the last 12 months is contrary to how the Fund is expected to perform relative to other funds in the range, and we have therefore considered, in conjunction with the Portfolio Management Team, whether this was a "one off" market event or a trend we are likely to see in the future.

The Board have concluded that the steep decline in value of bond valuations in 2022 was the result of a specific set of circumstances which has led to elevated levels of inflation, and forced central banks to raise interest rates rapidly from record lows to current levels, which in previous economic cycles would actually be considered the market norm.

This rapid move from a very supportive financial environment (low interest rates) where bonds performed well, to a much more restrictive environment (higher interest rates) has driven a sharp devaluation of bonds, primarily due to the fact that the economy has had limited opportunity to adjust to these new financial conditions.

This specific chain of events, and the subsequent pace of change in interest rates over the last 12 months is unlikely to be repeated over most investment time horizons, although no guarantees can be made in this regard. Therefore over the long term the Board still believe that a marginally lower weighting in bond holdings, and consequently a higher weighting of equity holdings, should still offer the best return opportunities for investors who require a moderately cautious risk profile.

The Board also notes that the Fund has been operating above the expected volatility range (expected level of risk), which is primarily due to the recent sudden devaluation of the bond market that has caused a spike in market risk.

The volatility calculation compares the Fund's asset allocation (both equities and bonds) to a global equity index, and therefore the impact of the volatile bond market is not factored into the calculation for the index, which causes the Fund's volatility to be higher relative to the index. However, if the volatility from bonds were factored in, the Funds volatility would be in line with the market average (based on the Fund's performance benchmark) for the equivalent types of assets over the last 12 months.

The Board therefore concluded that performance and the level of volatility should remain under review, however, retain the belief that the Investment Manager's continued management of the Fund should still benefit the Fund and its investors over the longer term.

A detailed explanation of the last 12 months performance is included in the Fund Manager's Report below. You will also be able to find more detailed information on fund performance within the Fund Fact Sheet on our website.

^60% MSCI® All Countries World Index and 40% Bloomberg Barclays® Global Aggregate Bond Index

Aviva Investors Multi-asset Core Fund III (continued)

Authorised Fund Manager costs

Authorised Fund Manager Costs			
	Share Class 1	**Share Class 2**	**Share Class D**
Fund management fee	0.3	0.15	0.06

The Fund Management Fee (FMF) is a single charge paid to the Authorised Fund Manager, and we consider this to be reasonable when taking into account the underlying costs for the services provided and performance objectives of the Fund.

Economies of scale

We have concluded that all investors participated appropriately in general economies of scale derived from investing with the Company based on a range of benefits and services provided and overall fees charged. There has not been a material change in the size of the Fund during the previous 12 months. As such, no additional savings have been identified.

Comparable market rates

We have reviewed the fees paid for each of the services provided to the Fund (internally or externally), and we consider these to be competitive relative to those charged by similar funds within the UK regulated funds market.

Comparable services

We have reviewed those services which we consider to be comparable, and the fees we charge are deemed reasonable compared to fees charged by associated companies within the Aviva Group for comparable products of an equivalent size and similar investment objective and policy to the Fund available in the UK.

Classes of units

The pricing of each share class of the Fund is considered reasonable based on the different eligibility criteria and target investor for each share class. All investors are invested in the appropriate share class they are eligible to hold at the date of the assessment.

Fund Managers Report

Performance

The fund returned -2.4%*, which compared with a return of -2.7% from the fund's benchmark.

Portfolio summary

It was a disappointing twelve months of performance overall for financial markets, with geopolitics, monetary policy and, latterly, recessionary concerns weighing heavily on investor sentiment.

While growth assets proved surprisingly resilient to the Ukraine war after the initial shock of Russia's invasion at the end of February 2022, the subsequent spike in energy costs was a major factor behind a rapid rise in inflation. This prompted a sharp response by the main central banks, most notably the US Federal Reserve, which implemented rapid and large-scale hikes in interest rates. This triggered a rise in market volatility.

As the period progressed, the economic outlook started to darken, with consumer spending beginning to reflect a developing cost-of-living crisis. Expectations grew that the major economies would enter a mild recession in 2023 as the global economy lost the momentum of the post-pandemic demand recovery.

In the background was the marked slowdown in the Chinese economy. The controversial 'zero-Covid' policy, which saw renewed lockdowns across several major cities, and the implementation of some fundamental regulatory changes across key sectors saw growth slow appreciably, with the impact being felt across Asia.

Global equities nevertheless generated gains overall in the period for sterling investors. The strongest markets were Europe ex-UK and they UK, while returns from the US faded on the back of underperformance by large technology companies. Emerging markets, which are sensitive to tighter monetary policy in the US, posted negative returns. Here, weakness in Asia offset good performance by Latin America.

It was a very weak period for defensive assets, with sovereign bonds and investment-grade credit posting notable losses. Longer-dated issues suffered the most given their greater sensitivity to rising interest rates.

Outlook

We expect core inflation to remain above the central bank targets of 2% throughout 2023. Central banks' primary focus will continue to be bringing inflation down to target over a horizon that does not create too much economic pain.

In our central projection, we expect the Federal Reserve, ECB and Bank of England to reach the peak of the tightening cycle by the end of the second quarter of 2023. Our core scenario is that developed economies will fall into a mild recession, with the United Kingdom and Eurozone at the forefront.

We think that inflation will be the factor dominating government bond markets, rather than their 'safe-haven' attributes in times of economic stress. We therefore expect fixed income to underperform equities. Within equities, we see the brightest prospects from the US and UK markets. The former boasts stronger economic growth credentials while the latter is more attractive in valuation terms.

Past performance is not a guide to the future. The value of an investment and any income from it can go down as well as up. Investors may not get back the original amount invested.

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

5.04

Aviva Investors Multi-asset Core Fund IV

Aviva Investors Multi-asset Core Fund IV

Overall assessment

Summary Ratings	Share Class 1	Share Class 2	Share Class D
Overall	🟢	🟢	🟢
Quality of service	🟢	🟢	🟢
Performance	🟠	🟠	🟠
Authorised fund manager costs	🟢	🟢	🟢
Economies of scale	🟢	🟢	🟢
Comparable market rates	🟢	🟢	🟢
Comparable services	🟢	🟢	🟢
Classes of units	🟢	🟢	🟢

In line with the requirement to conduct a value assessment, the Board has concluded that all components of the assessment have been considered and the charges for each share class are justified in the context of overall value being delivered to investors.

The following summarises the conclusions we have reached having considered the range of factors as set out in the 'Value Assessment Approach'. This applies to all share classes in the Fund unless we have specifically noted exceptions.

Quality of service

We have considered the overall quality of the services provided to investors, and have concluded that Investors have received clear communications, and relevant information at appropriate times to enable them to make informed decisions, and the service delivered has been timely and of an appropriate quality.

Performance

Performance: Annualised net return (%)	Share Class 1	Share Class 2	Share Class D	Benchmark^
1 Year	-0.61	-0.49	-0.42	-1.04
Since Launch	3.71	3.83	3.91	3.64

^75% MSCI® All Countries World Index (Net) GBP and 25% Bloomberg Global Aggregate Bond Index Hedged GBP.

Performance basis: Mid to mid, net income reinvested, net of ongoing charges and fees, net of tax payable by the Fund. The figures do not include the effect of any exit or entry charge.

Full performance data is available in the Fund Fact Sheet, which can be found here Fund centre - Aviva Investors

Aviva Investors Multi-asset Core Fund IV (continued)

The Fund aims to grow your investment over the long term (5 years or more) through a combination of income and capital growth. The Fund targets an overall average return before charges and taxes of at least 0.30% greater than the performance benchmark^ per year, measured over 3-year rolling periods. The Fund is managed to a "balanced" risk profile and aims to remain within a defined risk range of 71% to 79% of the volatility of "Global Equities", targeting 75%.

The Fund forms part of a range of 5 Funds that each have a different risk profile, ranging from defensive to adventurous and this Fund is at the higher end of the risk scale with the aim to have a greater level of risk, which is typically achieved by holding more equities than bonds.

During 2022 the market events that we have described on page 5 of this report caused the valuation of bonds to fall quite significantly, and therefore we have seen the funds with the lowest risk profiles (greater proportion of bonds versus equities) deliver the worst capital preservation outcomes, the reverse of what we would expect to occur in a normal economic environment, when equities tend to be the riskier asset class.

The asset allocation for the Fund is approximately 75% in equities and 25% in bonds, and the absolute return of the Fund is -0.6% (share class 1, net of fees) over the year to 28 February 2023.

Over the year the Fund has delivered gross returns in excess of the benchmark of 0.73% (0.43% on a net basis), and has therefore achieved its target to outperform the benchmark by 0.3% before charges and taxes.

The Board also notes that the Fund has been operating above the expected volatility range (expected level of risk), and this remains the case on a rolling 3 year basis, which is primarily due to the recent sudden devaluation of the bond market that has caused a spike in market risk.

The volatility calculation compares the Fund's asset allocation (both equities and bonds) to a global equity index, and therefore the impact of the volatile bond market is not factored into the calculation for the index, which causes the Fund's volatility to be higher relative to the index. However, if the volatility from bonds were factored in, the Funds volatility would be in line with the market average (based on the Fund's performance benchmark) for the equivalent types of assets over the last 12 months.

The Board therefore concluded that performance and the level of volatility should remain under review, however, retain the belief that the Investment Manager's continued management of the Fund should still benefit the Fund and its investors over the longer term.

A detailed explanation of the last 12 months performance is included in the Fund Manager's Report below. You will also be able to find more detailed information on fund performance within the Fund Fact Sheet on our website.

75% MSCI® All Countries World Index and 25% Bloomberg Barclays® Global Aggregate Bond Index

Authorised Fund Manager costs

Authorised Fund Manager Costs			
	Share Class 1	Share Class 2	Share Class D
Fund management fee	0.3	0.15	0.06

The Fund Management Fee (FMF) is a single charge paid to the Authorised Fund Manager, and we consider this to be reasonable when taking into account the underlying costs for the services provided and performance objectives of the Fund.

Aviva Investors Multi-asset Core Fund IV (continued)

Economies of scale

We have concluded that all investors participated appropriately in general economies of scale derived from investing with the Company based on a range of benefits and services provided and overall fees charged. There has not been a material change in the size of the Fund during the previous 12 months. As such, no additional savings have been identified.

Comparable market rates

We have reviewed the fees paid for each of the services provided to the Fund (internally or externally), and we consider these to be competitive relative to those charged by similar funds within the UK regulated funds market.

Comparable services

We have reviewed those services which we consider to be comparable, and the fees we charge are deemed reasonable compared to fees charged by associated companies within the Aviva Group for comparable products of an equivalent size and similar investment objective and policy to the Fund available in the UK.

Classes of units

The pricing of each share class of the Fund is considered reasonable based on the different eligibility criteria and target investor for each share class. All investors are invested in the appropriate share class they are eligible to hold at the date of the assessment.

Fund Managers Report

Performance

The fund returned -0.6%*, which compared with a return of -1.0% from the fund's benchmark.

Portfolio summary

It was a disappointing twelve months of performance overall for financial markets, with geopolitics, monetary policy and, latterly, recessionary concerns weighing heavily on investor sentiment.

While growth assets proved surprisingly resilient to the Ukraine war after the initial shock of Russia's invasion at the end of February 2022, the subsequent spike in energy costs was a major factor behind a rapid rise in inflation. This prompted a sharp response by the main central banks, most notably the US Federal Reserve, which implemented rapid and large-scale hikes in interest rates. This triggered a rise in market volatility.

As the period progressed, the economic outlook started to darken, with consumer spending beginning to reflect a developing cost-of-living crisis. Expectations grew that the major economies would enter a mild recession in 2023 as the global economy lost the momentum of the post-pandemic demand recovery.

In the background was the marked slowdown in the Chinese economy. The controversial 'zero-Covid' policy, which saw renewed lockdowns across several major cities, and the implementation of some fundamental regulatory changes across key sectors saw growth slow appreciably, with the impact being felt across Asia.

Global equities nevertheless generated gains overall in the period for sterling investors. The strongest markets were Europe ex-UK and they UK, while returns from the US faded on the back of underperformance by large technology companies. Emerging markets, which are sensitive to tighter monetary policy in the US, posted negative returns. Here, weakness in Asia offset good performance by Latin America.

It was a very weak period for defensive assets, with sovereign bonds and investment-grade credit posting notable losses. Longer-dated issues suffered the most given their greater sensitivity to rising interest rates.

Outlook

We expect core inflation to remain above the central bank targets of 2% throughout 2023. Central banks' primary focus will continue to be bringing inflation down to target over a horizon that does not create too much economic pain.

In our central projection, we expect the Federal Reserve, ECB and Bank of England to reach the peak of the tightening cycle by the end of the second quarter of 2023. Our core scenario is that developed economies will fall into a mild recession, with the United Kingdom and Eurozone at the forefront.

We think that inflation will be the factor dominating government bond markets, rather than their 'safe-haven' attributes in times of economic stress. We therefore expect fixed income to underperform equities. Within equities, we see the brightest prospects from the US and UK markets. The former boasts stronger economic growth credentials while the latter is more attractive in valuation terms.

Past performance is not a guide to the future. The value of an investment and any income from it can go down as well as up. Investors may not get back the original amount invested.

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

5.05

Aviva Investors Multi-asset Core Fund V

Aviva Investors Multi-asset Core Fund V

Overall assessment

Summary Ratings			
	Share Class 1	**Share Class 2**	**Share Class D**
Overall	●	●	●
Quality of service	●	●	●
Performance	●	●	●
Authorised fund manager costs	●	●	●
Economies of scale	●	●	●
Comparable market rates	●	●	●
Comparable services	●	●	●
Classes of units	●	●	●

In line with the requirement to conduct a value assessment, the Board has concluded that all components of the assessment have been considered and the charges for each share class are justified in the context of overall value being delivered to investors.

The following summarises the conclusions we have reached having considered the range of factors as set out in the 'Value Assessment Approach'. This applies to all share classes in the Fund unless we have specifically noted exceptions.

Quality of service

We have considered the overall quality of the services provided to investors, and have concluded that Investors have received clear communications, and relevant information at appropriate times to enable them to make informed decisions, and the service delivered has been timely and of an appropriate quality.

Performance

Performance: Annualised net return (%)				
	Share Class 1	**Share Class 2**	**Share Class D**	**Benchmark^**
1 Year	1.23	1.36	1.44	1.67
Since Launch	6.14	6.27	6.35	6.93

^MSCI AC World NR GBP.

Performance basis: Mid to mid, net income reinvested, net of ongoing charges and fees, net of tax payable by the Fund. The figures do not include the effect of any exit or entry charge.

Full performance data is available in the Fund Fact Sheet, which can be found here Fund centre - Aviva Investors

Aviva Investors Multi-asset Core Fund V (continued)

The Fund aims to grow your investment over the long term (5 years or more) through a combination of income and capital growth. The Fund targets an overall average return before charges and taxes of at least 0.30% greater than the performance benchmark^ per year, measured over 3-year rolling periods. The Fund is managed to an “adventurous” risk profile and aims to remain within a defined risk range of 96% to 104% of the volatility of “Global Equities”, targeting 100%.

The Fund forms part of a range of 5 Funds that each have a different risk profile, ranging from defensive to adventurous and this Fund aims to have the highest risk, which is typically achieved by holding more equities than bonds.

During 2022 the market events that we have described on page 5 of this report caused the valuation of bonds to fall quite significantly, and therefore we have seen the funds with the lowest risk profiles (greater proportion of bonds versus equities) deliver the worst capital preservation outcomes, the reverse of what we would expect to occur in a normal economic environment, when equities tend to be the riskier asset class.

The asset allocation for the Fund is approximately 100% in equities with minimal bond holdings, and the absolute return of the Fund is +1.2% (share class 1, net of fees) over the year to 28 February 2023.

Over the year the Fund has delivered gross returns below the benchmark of -0.1% (-0.4% on a net basis), and has therefore fallen short of its target to outperform the benchmark by 0.3% before charges and taxes by 0.7%. Although the Fund is not impacted by the fall in bond valuations, performance of global equity markets over the last year has been subdued due to the rising interest rates and market uncertainty, Europe and the UK were the strongest markets whereas the US struggled, mainly due to underperformance of the large technology companies.

The Board therefore concluded that performance should remain under review, however, retain the belief that the Investment Manager’s continued management of the Fund should still benefit the Fund and its investors over the longer term.

A detailed explanation of the last 12 months performance is included in the Fund Manager’s Report below. You will also be able to find more detailed information on fund performance within the Fund Fact Sheet on our website.

^MSCI® All Countries World Index

Authorised Fund Manager costs

Authorised Fund Manager Costs			
	Share Class 1	Share Class 2	Share Class D
Fund management fee	0.3	0.15	0.06

The Fund Management Fee (FMF) is a single charge paid to the Authorised Fund Manager, and we consider this to be reasonable when taking into account the underlying costs for the services provided and performance objectives of the Fund.

Economies of scale

We have concluded that all investors participated appropriately in general economies of scale derived from investing with the Company based on a range of benefits and services provided and overall fees charged. There has not been a material change in the size of the Fund during the previous 12 months. As such, no additional savings have been identified.

Comparable market rates

We have reviewed the fees paid for each of the services provided to the Fund (internally or externally), and we consider these to be competitive relative to those charged by similar funds within the UK regulated funds market.

Aviva Investors Multi-asset Core Fund V (continued)

Comparable services

We have reviewed those services which we consider to be comparable, and the fees we charge are deemed reasonable compared to fees charged by associated companies within the Aviva Group for comparable products of an equivalent size and similar investment objective and policy to the Fund available in the UK.

Classes of units

The pricing of each share class of the Fund is considered reasonable based on the different eligibility criteria and target investor for each share class. All investors are invested in the appropriate share class they are eligible to hold at the date of the assessment.

Aviva Investors Multi-asset Core Fund V (continued)

Fund Managers Report

Performance

The fund returned 1.2%*, which compared with a return of 1.7% from the fund's benchmark.

Portfolio summary

It was a disappointing twelve months of performance overall for financial markets, with geopolitics, monetary policy and, latterly, recessionary concerns weighing heavily on investor sentiment.

While growth assets proved surprisingly resilient to the Ukraine war after the initial shock of Russia's invasion at the end of February 2022, the subsequent spike in energy costs was a major factor behind a rapid rise in inflation. This prompted a sharp response by the main central banks, most notably the US Federal Reserve, which implemented rapid and large-scale hikes in interest rates. This triggered a rise in market volatility.

As the period progressed, the economic outlook started to darken, with consumer spending beginning to reflect a developing cost-of-living crisis. Expectations grew that the major economies would enter a mild recession in 2023 as the global economy lost the momentum of the post-pandemic demand recovery.

In the background was the marked slowdown in the Chinese economy. The controversial 'zero-Covid' policy, which saw renewed lockdowns across several major cities, and the implementation of some fundamental regulatory changes across key sectors saw growth slow appreciably, with the impact being felt across Asia.

Global equities nevertheless generated gains overall in the period for sterling investors.
The strongest markets were Europe ex-UK and they UK, while returns from the US faded on the back of underperformance by large technology companies. Emerging markets, which are sensitive to tighter monetary policy in the US, posted negative returns. Here, weakness in Asia offset good performance by Latin America.

It was a very weak period for defensive assets, with sovereign bonds and investment-grade credit posting notable losses. Longer-dated issues suffered the most given their greater sensitivity to rising interest rates.

Outlook

We expect core inflation to remain above the central bank targets of 2% throughout 2023. Central banks' primary focus will continue to be bringing inflation down to target over a horizon that does not create too much economic pain.

In our central projection, we expect the Federal Reserve, ECB and Bank of England to reach the peak of the tightening cycle by the end of the second quarter of 2023. Our core scenario is that developed economies will fall into a mild recession, with the United Kingdom and Eurozone at the forefront.

We think that inflation will be the factor dominating government bond markets, rather than their 'safe-haven' attributes in times of economic stress. We therefore expect fixed income to underperform equities. Within equities, we see the brightest prospects from the US and UK markets. The former boasts stronger economic growth credentials while the latter is more attractive in valuation terms.

Past performance is not a guide to the future. The value of an investment and any income from it can go down as well as up. Investors may not get back the original amount invested.

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

5.06

Aviva Investors Multi-asset Plus Fund I

AVIVA INVESTORS

Aviva Investors Multi-asset Plus Fund I

Overall assessment

Summary Ratings	Share Class 1	Share Class 2	Share Class 8	Share Class 9
Overall	🟠	🟠	🟠	🟠
Quality of service	🟢	🟢	🟢	🟢
Performance	🟠	🟠	🟠	🟠
Authorised fund manager costs	🟢	🟢	🟢	🟢
Economies of scale	🟢	🟢	🟢	🟢
Comparable market rates	🟢	🟢	🟢	🟢
Comparable services	🟢	🟢	🟢	🟢
Classes of units	🟢	🟢	🟢	🟢

In line with the requirement to conduct a value assessment, the Board has concluded that all components of the assessment have been considered and the charges for each share class are justified in the context of overall value being delivered to investors. However, we note the specific market conditions that have caused the value of investments to decline over the year, further information can be found on this in the Performance section below and in the introduction to this report.

The following summarises the conclusions we have reached having considered the range of factors as set out in the 'Value Assessment Approach'. This applies to all share classes in the Fund unless we have specifically noted exceptions.

Quality of service

We have considered the overall quality of the services provided to investors, and have concluded that Investors have received clear communications, and relevant information at appropriate times to enable them to make informed decisions, and the service delivered has been timely and of an appropriate quality.

Performance

Performance: Annualised net return (%)	Share Class 1	Share Class 2	Share Class 8	Share Class 9	Benchmark^
1 Year	-5.82	-5.57	-5.24	-5.33	-6.99
3 Years	-1.68	-1.45	-1.37	-1.21	-1.04
5 Years	0.09	0.34	0.37	0.57	1.51
7 Years	1.00	1.36	1.37	1.60	2.43

^20% MSCI® All Countries World Index (Net) GBP and 80% Bloomberg Global Aggregate Bond Index Hedged GBP.
Performance basis: Mid to mid, net income reinvested, net of ongoing charges and fees, net of tax payable by the Fund. The figures do not include the effect of any exit or entry charge.
Full performance data is available in the Fund Fact Sheet, which can be found here Fund centre - Aviva Investors

Aviva Investors Multi-asset Plus Fund I (continued)

The Fund aims to grow your investment over the long term (5 years or more) through a combination of income and capital growth. The Fund targets an overall average return before charges and taxes of at least 1.30% greater than the performance benchmark^ per year, measured over 3-year rolling periods. The Fund is managed to a “defensive” risk profile and aims to remain within a defined risk range of 12% to 28% of the volatility of “Global Equities”, targeting 20%.

The Fund forms part of a range of 5 Funds that each have a different risk profile, ranging from defensive to adventurous and this Fund aims to have the lowest risk, which is typically achieved by holding more bonds than equities.

During 2022 the market events that we have described on page 5 of this report caused the valuation of bonds to fall quite significantly, and therefore we have seen the funds with the lowest risk profile (greater proportion of bonds versus equities) deliver the worst capital preservation outcomes, the reverse of what we would expect to occur in a normal economic environment, when equities tend to be the riskier asset class.

The asset allocation for the Fund is approximately 20% in equities and 80% in bonds, and the absolute return of the Fund is -5.8% (share class 1, net of fees) over the year to 28 February 2023. Despite this the Fund has still achieved a positive annualised net return over a 5 year period, +0.9% as at 28 February 2023.

Over the year the Fund has delivered gross returns in excess of the benchmark of 2.1% (1.3% on a net basis), and has therefore achieved its target to outperform the benchmark by 1.3% before charges and taxes. This means that the losses suffered during this period are less than would have been incurred had the funds asset allocation mirrored the benchmark.

The Board notes that for investors with a low risk appetite, performance over the last 12 months is contrary to how the Fund is expected to perform relative to other funds in the range, and we have therefore considered, in conjunction with the Portfolio Management Team, whether this was a “one off” market event or a trend we are likely to see in the future.

The Board have concluded that the steep decline in value of bond valuations in 2022 was the result of a specific set of circumstances which has led to elevated levels of inflation, and forced central banks to raise interest rates rapidly from record lows to current levels, which in previous economic cycles would actually be considered the market norm.

This rapid move from a very supportive financial environment (low interest rates) where bonds performed well, to a much more restrictive environment (higher interest rates) has driven a sharp devaluation of bonds, primarily due to the fact that the economy has had limited opportunity to adjust to these new financial conditions.

This specific chain of events, and the subsequent pace of change in interest rates over the last 12 months is unlikely to be repeated over most investment time horizons, although no guarantees can be made in this regard. Therefore over the long term the Board still believe that a higher weighting in bond holdings, and consequently a lower weighting of equity holdings, should still offer the best return opportunities for investors who require a defensive risk profile.

In previous years the Board noted that the Fund had been operating above the expected volatility range (expected level of risk), and this remains the case on a rolling 3 year basis, which is due to two factors.

Firstly there was heightened market risk in the early part of 2020 due to the Covid-19 pandemic, which still forms part of the 3 year rolling calculation, and secondly, the recent sudden devaluation of the bond market has caused a further spike in market risk.

The volatility calculation compares the Fund’s asset allocation (both equities and bonds) to a global equity index, and therefore the impact of the volatile bond market is not factored into the calculation for the index, which causes the Fund’s volatility to be higher relative to the index. However, if the volatility from bonds were factored in, the Funds volatility would actually be lower than the market average (based on the Fund’s performance benchmark) for the equivalent types of assets over the last 12 months.

The Board therefore concluded that performance and the level of volatility should remain under review, however, retain the belief that the Investment Manager’s continued management of the Fund should still benefit the Fund and its investors over the longer term.

A detailed explanation of the last 12 months performance is included in the Fund Manager’s Report below. You will also be able to find more detailed information on fund performance within the Fund Fact Sheet on our website.

^20% MSCI® All Countries World Index and 80% Bloomberg Barclays® Global Aggregate Bond Index

Aviva Investors Multi-asset Plus Fund I (continued)

Authorised Fund Manager costs

Authorised Fund Manager Costs				
	Share Class 1	Share Class 2	Share Class 8	Share Class 9
Fund management fee	0.75	0.49	0	0.24
Ongoing charge	0.86	0.60	0.16	0.35

The Fund Management Fee (FMF) is a single charge paid to the Authorised Fund Manager, and we consider this to be reasonable when taking into account the underlying costs for the services provided and performance objectives of the Fund.

Economies of scale

We have concluded that all investors participated appropriately in general economies of scale derived from investing with the Company based on a range of benefits and services provided and overall fees charged. There has not been a material change in the size of the Fund during the previous 12 months. As such, no additional savings have been identified.

Comparable market rates

We have reviewed the fees paid for each of the services provided to the Fund (internally or externally), and we consider these to be competitive relative to those charged by similar funds within the UK regulated funds market.

Comparable services

We have reviewed those services which we consider to be comparable, and the fees we charge are deemed reasonable compared to fees charged by associated companies within the Aviva Group for comparable products of an equivalent size and similar investment objective and policy to the Fund available in the UK.

Classes of units

The pricing of each share class of the Fund is considered reasonable based on the different eligibility criteria and target investor for each share class. All investors are invested in the appropriate share class they are eligible to hold at the date of the assessment.

Fund Managers Report

Performance

The fund returned -5.8%*, which compared with a return of -7.0% from the fund's benchmark.

Portfolio summary

It was a disappointing twelve months of performance overall for financial markets, with geopolitics, monetary policy and, latterly, recessionary concerns weighing heavily on investor sentiment. The Fund posted a negative total return after charges but outperformed its benchmark thanks to its overweighting of growth assets.

While growth assets proved surprisingly resilient to the Ukraine war after the initial shock of Russia's invasion at the end of February 2022, the subsequent spike in energy costs was a major factor behind a rapid rise in inflation. This prompted a sharp response by the main central banks, most notably the US Federal Reserve, which implemented rapid and large-scale hikes in interest rates. This triggered a rise in market volatility.

As the period progressed, the economic outlook started to darken, with consumer spending beginning to reflect a developing cost-of-living crisis. Expectations grew that the major economies would enter a mild recession in 2023 as the global economy lost the momentum of the post-pandemic demand recovery.

In the background was the marked slowdown in the Chinese economy. The controversial 'zero-Covid' policy, which saw renewed lockdowns across several major cities, and the implementation of some fundamental regulatory changes across key sectors saw growth slow appreciably, with the impact being felt across Asia.

Global equities nevertheless generated gains overall in the period for sterling investors. The strongest markets were Europe ex-UK and they UK, while returns from the US faded on the back of underperformance by large technology companies. Emerging markets, which are sensitive to tighter monetary policy in the US, posted negative returns. Here, weakness in Asia offset good performance by Latin America.

It was a very weak period for defensive assets, with sovereign bonds and investment grade credit posting notable losses. Longer-dated issues suffered the most given their greater sensitivity to rising interest rates.

Uncorrelated assets such as absolute return strategies helped buffer the fund from volatility. Gold suffered a mixed fortunes, with the price of the precious metal falling steadily in the first half of the period but recovering much lost ground in the second.

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

Outlook

We expect core inflation will remain above the central bank targets of 2% throughout 2023. Central banks' primary focus will continue to be bringing inflation down to target over a horizon that does not create too much economic pain.

In our central projection, we expect the Federal Reserve, ECB and Bank. Our core scenario is that developed economies will fall into a mild recession, with the United Kingdom and Eurozone at the forefront, both seeing a decline in growth in Q4 2022 with further falls in 2023.

In terms of positioning, we retain a small overweight to equities. We think that inflation will be the factor dominating government bond markets, rather than their 'safe-haven' attributes in times of economic stress. We therefore hold underweight exposure to fixed income. Within equities, we maintain a preference for the US and UK markets. The former boasts stronger economic growth prospects while the latter is more attractive in valuation terms.

Past performance is not a guide to the future. The value of an investment and any income from it can go down as well as up. Investors may not get back the original amount invested.

5.07

Aviva Investors Multi-asset Plus Fund II

Aviva Investors Multi-asset Plus Fund II

Overall assessment

Summary Ratings				
	Share Class 1	**Share Class 2**	**Share Class 8**	**Share Class 9**
Overall	🟠	🟠	🟠	🟠
Quality of service	🟢	🟢	🟢	🟢
Performance	🟠	🟠	🟠	🟠
Authorised fund manager costs	🟢	🟢	🟢	🟢
Economies of scale	🟢	🟢	🟢	🟢
Comparable market rates	🟢	🟢	🟢	🟢
Comparable services	🟢	🟢	🟢	🟢
Classes of units	🟢	🟢	🟢	🟢

In line with the requirement to conduct a value assessment, the Board has concluded that all components of the assessment have been considered and the charges for each share class are justified in the context of overall value being delivered to investors. However, we note the specific market conditions that have caused the value of investments to decline over the year, further information can be found on this in the Performance section below and in the introduction to this report.

The following summarises the conclusions we have reached having considered the range of factors as set out in the 'Value Assessment Approach'. This applies to all share classes in the Fund unless we have specifically noted exceptions.

Quality of service

We have considered the overall quality of the services provided to investors, and have concluded that Investors have received clear communications, and relevant information at appropriate times to enable them to make informed decisions, and the service delivered has been timely and of an appropriate quality.

Performance

Performance: Annualised net return (%)					
	Share Class 1	**Share Class 2**	**Share Class 8**	**Share Class 9**	**Benchmark^**
1 Year	-2.96	-2.78	-2.49	-2.59	-4.29
3 Years	1.45	1.64	1.73	1.84	2.62
5 Years	2.13	2.34	2.38	2.54	3.79
7 Years	3.67	3.95	3.96	4.17	5.44

^45% MSCI® All Countries World Index (Net) GBP and 55% Bloomberg Global Aggregate Bond Index Hedged GBP.

Performance basis: Mid to mid, net income reinvested, net of ongoing charges and fees, net of tax payable by the Fund. The figures do not include the effect of any exit or entry charge.

Full performance data is available in the Fund Fact Sheet, which can be found here Fund centre - Aviva Investors

The Fund aims to grow your investment over the long term (5 years or more) through a combination of income and capital growth. The Fund targets an overall average return before charges and taxes of at least 1.30% greater than the performance benchmark^ per year, measured over 3-year rolling periods. The Fund is managed to a "cautious" risk profile and aims to remain within a defined risk range of 37% to 53% of the volatility of "Global Equities", targeting 45%.

The Fund forms part of a range of 5 Funds that each have a different risk profile, ranging from defensive to adventurous and this Fund is second on the risk scale with the aim to have low risk, which is typically achieved by holding more bonds than equities.

During 2022 the market events that we have described on page 5 of this report caused the valuation of bonds to fall quite significantly, and therefore we have seen the funds with the lowest risk profiles (greater proportion of bonds versus equities) deliver the worst capital preservation outcomes, the reverse of what we would expect to occur in a normal economic environment, when equities tend to be the riskier asset class.

The asset allocation for the Fund is approximately 45% in equities and 55% in bonds, and the absolute return of the Fund is -3.0% (share class 1, net of fees) over the year to 28 February 2023. Despite this the Fund has still achieved a positive annualised net return over a 5 year period, +2.1% as at 28 February 2023.

Over the year the Fund has delivered gross returns in excess of the benchmark of 2.2% (1.4% on a net basis), and has therefore achieved its target to outperform the benchmark by 1.3% before charges and taxes. This means that the losses suffered during this period are less than would have been incurred had the funds asset allocation mirrored the benchmark.

The Board notes that for investors with a low risk appetite, performance over the last 12 months is contrary to how the Fund is expected to perform relative to other funds in the range, and we have therefore considered, in conjunction with the Portfolio Management Team, whether this was a "one off" market event or a trend we are likely to see in the future.

The Board have concluded that the steep decline in value of bond valuations in 2022 was the result of a specific set of circumstances which has led to elevated levels of inflation, and forced central banks to raise interest rates rapidly from record lows to current levels, which in previous economic cycles would actually be considered the market norm.

This rapid move from a very supportive financial environment (low interest rates) where bonds performed well, to a much more restrictive environment (higher interest rates) has driven a sharp devaluation of bonds, primarily due to the fact that the economy has had limited opportunity to adjust to these new financial conditions.

This specific chain of events, and the subsequent pace of change in interest rates over the last 12 months is unlikely to be repeated over most investment time horizons, although no guarantees can be made in this regard. Therefore over the long term the Board still believe that a higher weighting in bond holdings, and consequently a lower weighting of equity holdings, should still offer the best return opportunities for investors who require a cautious risk profile.

In previous years the Board noted that the Fund had been operating above the expected volatility range (expected level of risk), and this remains the case on a rolling 3 year basis, which is due to two factors.

Firstly there was heightened market risk in the early part of 2020 due to the Covid-19 pandemic, which still forms part of the 3 year rolling calculation, and secondly, the recent sudden devaluation of the bond market has caused a further spike in market risk.

The volatility calculation compares the Fund's asset allocation (both equities and bonds) to a global equity index, and therefore the impact of the volatile bond market is not factored into the calculation for the index, which causes the Fund's volatility to be higher relative to the index. However, if the volatility from bonds were factored in, the Funds volatility would actually be lower than the market average (based on the Fund's performance benchmark) for the equivalent types of assets over the last 12 months.

The Board therefore concluded that performance and the level of volatility should remain under review, however, retain the belief that the Investment Manager's continued management of the Fund should still benefit the Fund and its investors over the longer term.

A detailed explanation of the last 12 months performance is included in the Fund Manager's Report below. You will also be able to find more detailed information on fund performance within the Fund Fact Sheet on our website.

^45% MSCI® All Countries World Index and 55% Bloomberg Barclays® Global Aggregate Bond Index

Aviva Investors Multi-asset Plus Fund II (continued)

Authorised Fund Manager costs

Authorised Fund Manager Costs				
	Share Class 1	Share Class 2	Share Class 8	Share Class 9
Fund management fee	0.73	0.5	0	0.25
Ongoing charge	0.81	0.58	0.11	0.33

The Fund Management Fee (FMF) is a single charge paid to the Authorised Fund Manager, and we consider this to be reasonable when taking into account the underlying costs for the services provided and performance objectives of the Fund.

Economies of scale

We have concluded that all investors participated appropriately in general economies of scale derived from investing with the Company based on a range of benefits and services provided and overall fees charged. There has not been a material change in the size of the Fund during the previous 12 months. As such, no additional savings have been identified.

Comparable market rates

We have reviewed the fees paid for each of the services provided to the Fund (internally or externally), and we consider these to be competitive relative to those charged by similar funds within the UK regulated funds market.

Comparable services

We have reviewed those services which we consider to be comparable, and the fees we charge are deemed reasonable compared to fees charged by associated companies within the Aviva Group for comparable products of an equivalent size and similar investment objective and policy to the Fund available in the UK.

Classes of units

The pricing of each share class of the Fund is considered reasonable based on the different eligibility criteria and target investor for each share class. All investors are invested in the appropriate share class they are eligible to hold at the date of the assessment.

Fund Managers Report

Performance

The fund returned -3.0%*, which compared with a return of -4.3% from the fund's benchmark.

Portfolio summary

It was a disappointing twelve months of performance overall for financial markets, with geopolitics, monetary policy and, latterly, recessionary concerns weighing heavily on investor sentiment. The Fund posted a negative total return after charges but outperformed its benchmark thanks to its overweighting of growth assets.

While growth assets proved surprisingly resilient to the Ukraine war after the initial shock of Russia's invasion at the end of February 2022, the subsequent spike in energy costs was a major factor behind a rapid rise in inflation. This prompted a sharp response by the main central banks, most notably the US Federal Reserve, which implemented rapid and large-scale hikes in interest rates. This triggered a rise in market volatility.

As the period progressed, the economic outlook started to darken, with consumer spending beginning to reflect a developing cost-of-living crisis. Expectations grew that the major economies would enter a mild recession in 2023 as the global economy lost the momentum of the post-pandemic demand recovery.

In the background was the marked slowdown in the Chinese economy. The controversial 'zero-Covid' policy, which saw renewed lockdowns across several major cities, and the implementation of some fundamental regulatory changes across key sectors saw growth slow appreciably, with the impact being felt across Asia.

Global equities nevertheless generated gains overall in the period for sterling investors. The strongest markets were Europe ex-UK and they UK, while returns from the US faded on the back of underperformance by large technology companies. Emerging markets, which are sensitive to tighter monetary policy in the US, posted negative returns. Here, weakness in Asia offset good performance by Latin America.

It was a very weak period for defensive assets, with sovereign bonds and investment grade credit posting notable losses. Longer-dated issues suffered the most given their greater sensitivity to rising interest rates.

Uncorrelated assets such as absolute return strategies helped buffer the fund from volatility. Gold suffered a mixed fortunes, with the price of the precious metal falling steadily in the first half of the period but recovering much lost ground in the second.

Outlook

We expect core inflation will remain above the central bank targets of 2% throughout 2023. Central banks' primary focus will continue to be bringing inflation down to target over a horizon that does not create too much economic pain.

In our central projection, we expect the Federal Reserve, ECB and Bank. Our core scenario is that developed economies will fall into a mild recession, with the United Kingdom and Eurozone at the forefront, both seeing a decline in growth in Q4 2022 with further falls in 2023.

In terms of positioning, we retain a small overweight to equities. We think that inflation will be the factor dominating government bond markets, rather than their 'safe-haven' attributes in times of economic stress. We therefore hold underweight exposure to fixed income. Within equities, we maintain a preference for the US and UK markets. The former boasts stronger economic growth prospects while the latter is more attractive in valuation terms.

Past performance is not a guide to the future. The value of an investment and any income from it can go down as well as up. Investors may not get back the original amount invested.

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

5.08

Aviva Investors Multi-asset Plus Fund III

Aviva Investors Multi-asset Plus Fund III

Overall assessment

Summary Ratings	Share Class 1	Share Class 2	Share Class 8	Share Class 9
Overall	🟠	🟠	🟠	🟠
Quality of service	🟢	🟢	🟢	🟢
Performance	🟠	🟠	🟠	🟠
Authorised fund manager costs	🟢	🟢	🟢	🟢
Economies of scale	🟢	🟢	🟢	🟢
Comparable market rates	🟢	🟢	🟢	🟢
Comparable services	🟢	🟢	🟢	🟢
Classes of units	🟢	🟢	🟢	🟢

In line with the requirement to conduct a value assessment, the Board has concluded that all components of the assessment have been considered and the charges for each share class are justified in the context of overall value being delivered to investors. However, we note the specific market conditions that have caused the value of investments to decline over the year, further information can be found on this in the Performance section below and in the introduction to this report.

The following summarises the conclusions we have reached having considered the range of factors as set out in the 'Value Assessment Approach'. This applies to all share classes in the Fund unless we have specifically noted exceptions.

Quality of service

We have considered the overall quality of the services provided to investors, and have concluded that Investors have received clear communications, and relevant information at appropriate times to enable them to make informed decisions, and the service delivered has been timely and of an appropriate quality.

Performance

Performance: Annualised net return (%)	Share Class 1	Share Class 2	Share Class 8	Share Class 9	Benchmark^
1 Year	-1.46	-1.27	-1.19	-1.08	-2.66
3 Years	3.10	3.31	3.32	3.52	4.84
5 Years	3.11	3.33	3.32	3.53	5.13
7 Years	5.33	5.64	5.63	5.86	7.24

^60% MSCI® All Countries World Index (Net) GBP and 40% Bloomberg Global Aggregate Bond Index Hedged GBP.
Performance basis: Mid to mid, net income reinvested, net of ongoing charges and fees, net of tax payable by the Fund. The figures do not include the effect of any exit or entry charge.
Full performance data is available in the Fund Fact Sheet, which can be found here Fund centre - Aviva Investors

Aviva Investors Multi-asset Plus Fund III (continued)

The Fund aims to grow your investment over the long term (5 years or more) through a combination of income and capital growth. The Fund targets an overall average return before charges and taxes of at least 1.30% greater than the performance benchmark^ per year, measured over 3-year rolling periods. The Fund is managed to a "moderately cautious" risk profile and aims to remain within a defined risk range of 52% to 68% of the volatility of "Global Equities", targeting 60%.

The Fund forms part of a range of 5 Funds that each have a different risk profile, ranging from defensive to adventurous and this Fund is in the middle of the risk scale with the aim to have median level risk, which is typically achieved by holding a similar weighting of bonds and equities.

During 2022 the market events that we have described on page 5 of this report caused the valuation of bonds to fall quite significantly, and therefore we have seen the funds with the lowest risk profiles (greater proportion of bonds versus equities) deliver the worst capital preservation outcomes, the reverse of what we would expect to occur in a normal economic environment, when equities tend to be the riskier asset class.

The asset allocation for the Fund is approximately 60% in equities and 40% in bonds, and the absolute return of the Fund is -1.5% (share class 1, net of fees) over the year to 28 February 2023. Despite this the Fund has still achieved a positive annualised net return over a 5 year period, +3.1% as at 28 February 2023.

Over the year the Fund has delivered gross returns in excess of the benchmark of 2.1% (1.2% on a net basis), and has therefore achieved its target to outperform the benchmark by 1.3% before charges and taxes. This means that the losses suffered during this period are less than would have been incurred had the funds asset allocation mirrored the benchmark.

The Board notes that for investors with a lower risk appetite, performance over the last 12 months is contrary to how the Fund is expected to perform relative to other funds in the range, and we have therefore considered, in conjunction with the Portfolio Management Team, whether this was a "one off" market event or a trend we are likely to see in the future.

The Board have concluded that the steep decline in value of bond valuations in 2022 was the result of a specific set of circumstances which has led to elevated levels of inflation, and forced central banks to raise interest rates rapidly from record lows to current levels, which in previous economic cycles would actually be considered the market norm.

This rapid move from a very supportive financial environment (low interest rates) where bonds performed well, to a much more restrictive environment (higher interest rates) has driven a sharp devaluation of bonds, primarily due to the fact that the economy has had limited opportunity to adjust to these new financial conditions.

This specific chain of events, and the subsequent pace of change in interest rates over the last 12 months is unlikely to be repeated over most investment time horizons, although no guarantees can be made in this regard. Therefore over the long term the Board still believe that a marginally lower weighting in bond holdings, and consequently a higher weighting of equity holdings, should still offer the best return opportunities for investors who require a moderately cautious risk profile.

In previous years the Board noted that the Fund had been operating above the expected volatility range (expected level of risk), and this remains the case on a rolling 3 year basis, which is due to two factors.

Firstly there was heightened market risk in the early part of 2020 due to the Covid-19 pandemic, which still forms part of the 3 year rolling calculation, and secondly, the recent sudden devaluation of the bond market has caused a further spike in market risk.

The volatility calculation compares the Fund's asset allocation (both equities and bonds) to a global equity index, and therefore the impact of the volatile bond market is not factored into the calculation for the index, which causes the Fund's volatility to be higher relative to the index. However, if the volatility from bonds were factored in, the Funds volatility would actually be lower than the market average (based on the Fund's performance benchmark) for the equivalent types of assets over the last 12 months.

The Board therefore concluded that performance and the level of volatility should remain under review, however, retain the belief that the Investment Manager's continued management of the Fund should still benefit the Fund and its investors over the longer term.

A detailed explanation of the last 12 months performance is included in the Fund Manager's Report below. You will also be able to find more detailed information on fund performance within the Fund Fact Sheet on our website.

^60% MSCI® All Countries World Index and 40% Bloomberg Barclays® Global Aggregate Bond Index

Aviva Investors Multi-asset Plus Fund III (continued)

Authorised Fund Manager costs

Authorised Fund Manager Costs				
	Share Class 1	Share Class 2	Share Class 8	Share Class 9
Fund management fee	0.73	0.5	0	0.25
Ongoing charge	0.80	0.57	0.11	0.32

The Fund Management Fee (FMF) is a single charge paid to the Authorised Fund Manager, and we consider this to be reasonable when taking into account the underlying costs for the services provided and performance objectives of the Fund.

Economies of scale

We have concluded that all investors participated appropriately in general economies of scale derived from investing with the Company based on a range of benefits and services provided and overall fees charged. There has not been a material change in the size of the Fund during the previous 12 months. Investors who invest directly with us in share class 1 will benefit from the economies of scale discount that we apply at certain thresholds depending on the size of the fund, which for this fund is currently 0.01%.

Comparable market rates

We have reviewed the fees paid for each of the services provided to the Fund (internally or externally), and we consider these to be competitive relative to those charged by similar funds within the UK regulated funds market.

Comparable services

We have reviewed those services which we consider to be comparable, and the fees we charge are deemed reasonable compared to fees charged by associated companies within the Aviva Group for comparable products of an equivalent size and similar investment objective and policy to the Fund available in the UK.

Classes of units

The pricing of each share class of the Fund is considered reasonable based on the different eligibility criteria and target investor for each share class. All investors are invested in the appropriate share class they are eligible to hold at the date of the assessment.

Fund Managers Report

Performance

The fund returned -1.5%*, which compared with a return of -2.7% from the fund's benchmark.

Portfolio summary

It was a disappointing twelve months of performance overall for financial markets, with geopolitics, monetary policy and, latterly, recessionary concerns weighing heavily on investor sentiment. The Fund posted a negative total return after charges but outperformed its benchmark thanks to its overweighting of growth assets.

While growth assets proved surprisingly resilient to the Ukraine war after the initial shock of Russia's invasion at the end of February 2022, the subsequent spike in energy costs was a major factor behind a rapid rise in inflation. This prompted a sharp response by the main central banks, most notably the US Federal Reserve, which implemented rapid and large-scale hikes in interest rates. This triggered a rise in market volatility.

As the period progressed, the economic outlook started to darken, with consumer spending beginning to reflect a developing cost-of-living crisis. Expectations grew that the major economies would enter a mild recession in 2023 as the global economy lost the momentum of the post-pandemic demand recovery.

In the background was the marked slowdown in the Chinese economy. The controversial 'zero-Covid' policy, which saw renewed lockdowns across several major cities, and the implementation of some fundamental regulatory changes across key sectors saw growth slow appreciably, with the impact being felt across Asia.

Global equities nevertheless generated gains overall in the period for sterling investors. The strongest markets were Europe ex-UK and they UK, while returns from the US faded on the back of underperformance by large technology companies. Emerging markets, which are sensitive to tighter monetary policy in the US, posted negative returns. Here, weakness in Asia offset good performance by Latin America.

It was a very weak period for defensive assets, with sovereign bonds and investment grade credit posting notable losses. Longer-dated issues suffered the most given their greater sensitivity to rising interest rates.

Uncorrelated assets such as absolute return strategies helped buffer the fund from volatility. Gold suffered a mixed fortunes, with the price of the precious metal falling steadily in the first half of the period but recovering much lost ground in the second.

Outlook

We expect core inflation will remain above the central bank targets of 2% throughout 2023. Central banks' primary focus will continue to be bringing inflation down to target over a horizon that does not create too much economic pain.

In our central projection, we expect the Federal Reserve, ECB and Bank. Our core scenario is that developed economies will fall into a mild recession, with the United Kingdom and Eurozone at the forefront, both seeing a decline in growth in Q4 2022 with further falls in 2023.

In terms of positioning, we retain a small overweight to equities. We think that inflation will be the factor dominating government bond markets, rather than their 'safe-haven' attributes in times of economic stress. We therefore hold underweight exposure to fixed income. Within equities, we maintain a preference for the US and UK markets. The former boasts stronger economic growth prospects while the latter is more attractive in valuation terms.

Past performance is not a guide to the future. The value of an investment and any income from it can go down as well as up. Investors may not get back the original amount invested.

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

5.09

Aviva Investors Multi-asset Plus Fund IV

Aviva Investors Multi-asset Plus Fund IV

Overall assessment

Summary Ratings				
	Share Class 1	Share Class 2	Share Class 8	Share Class 9
Overall	🟢	🟢	🟢	🟢
Quality of service	🟢	🟢	🟢	🟢
Performance	🟠	🟠	🟠	🟠
Authorised fund manager costs	🟢	🟢	🟢	🟢
Economies of scale	🟢	🟢	🟢	🟢
Comparable market rates	🟢	🟢	🟢	🟢
Comparable services	🟢	🟢	🟢	🟢
Classes of units	🟢	🟢	🟢	🟢

In line with the requirement to conduct a value assessment, the Board has concluded that all components of the assessment have been considered and the charges for each share class are justified in the context of overall value being delivered to investors.

The following summarises the conclusions we have reached having considered the range of factors as set out in the 'Value Assessment Approach'. This applies to all share classes in the Fund unless we have specifically noted exceptions.

Quality of service

We have considered the overall quality of the services provided to investors, and have concluded that Investors have received clear communications, and relevant information at appropriate times to enable them to make informed decisions, and the service delivered has been timely and of an appropriate quality.

Performance

Performance: Annualised net return (%)					
	Share Class 1	Share Class 2	Share Class 8	Share Class 9	Benchmark^
1 Year	0.59	0.67	1.00	0.86	-1.04
3 Years	5.28	5.29	5.40	5.51	7.06
5 Years	4.38	4.41	4.46	4.62	6.45
7 Years	6.85	7.07	7.10	7.29	9.04

^75% MSCI® All Countries World Index (Net) GBP and 25% Bloomberg Global Aggregate Bond Index Hedged GBP.
Performance basis: Mid to mid, net income reinvested, net of ongoing charges and fees, net of tax payable by the Fund. The figures do not include the effect of any exit or entry charge.
Full performance data is available in the Fund Fact Sheet, which can be found here Fund centre - Aviva Investors

Aviva Investors Multi-asset Plus Fund IV (continued)

The Fund aims to grow your investment over the long term (5 years or more) through a combination of income and capital growth. The Fund targets an overall average return before charges and taxes of at least 1.30% greater than the performance benchmark^ per year, measured over 3-year rolling periods. The Fund is managed to a "balanced" risk profile and aims to remain within a defined risk range of 67% to 83% of the volatility of "Global Equities", targeting 75%.

The Fund forms part of a range of 5 Funds that each have a different risk profile, ranging from defensive to adventurous and this Fund is at the higher end of the risk scale with the aim to have a greater level of risk, which is typically achieved by holding more equities than bonds.

During 2022 the market events that we have described on page 5 of this report caused the valuation of bonds to fall quite significantly, and therefore we have seen the funds with the lowest risk profiles (greater proportion of bonds versus equities) deliver the worst capital preservation outcomes, the reverse of what we would expect to occur in a normal economic environment, when equities tend to be the riskier asset class.

The asset allocation for the Fund is approximately 75% in equities and 25% in bonds, and the absolute return of the Fund is +0.6% (share class 1, net of fees) over the year to 28 February 2023. The Fund has achieved an annualised net return over a 5 year period of +4.4% as at 28 February 2023.

Over the year the Fund has delivered gross returns in excess of the benchmark of 2.5% (1.6% on a net basis), and has therefore achieved its target to outperform the benchmark by 1.3% before charges and taxes.

In previous years the Board noted that the Fund had been operating above the expected volatility range (expected level of risk), and this remains the case on a rolling 3 year basis, which is due to two factors.

Firstly there was heightened market risk in the early part of 2020 due to the Covid-19 pandemic, which still forms part of the 3 year rolling calculation, and secondly, the recent sudden devaluation of the bond market has caused a further spike in market risk.

The volatility calculation compares the Fund's asset allocation (both equities and bonds) to a global equity index, and therefore the impact of the volatile bond market is not factored into the calculation for the index, which causes the Fund's volatility to be higher relative to the index. However, if the volatility from bonds were factored in, the Funds volatility would actually be lower than the market average (based on the Fund's performance benchmark) for the equivalent types of assets over the last 12 months.

The Board therefore concluded that performance and the level of volatility should remain under review, however, retain the belief that the Investment Manager's continued management of the Fund should still benefit the Fund and its investors over the longer term.

A detailed explanation of the last 12 months performance is included in the Fund Manager's Report below. You will also be able to find more detailed information on fund performance within the Fund Fact Sheet on our website.

^75% MSCI® All Countries World Index and 25% Bloomberg Barclays® Global Aggregate Bond Index

Authorised Fund Manager costs

Authorised Fund Manager Costs	Share Class 1	Share Class 2	Share Class 8	Share Class 9
Fund management fee	0.73	0.51	0	0.26
Ongoing charge	0.79	0.57	0.09	0.32

The Fund Management Fee (FMF) is a single charge paid to the Authorised Fund Manager, and we consider this to be reasonable when taking into account the underlying costs for the services provided and performance objectives of the Fund.

Aviva Investors Multi-asset Plus Fund IV (continued)

Economies of scale

We have concluded that all investors participated appropriately in general economies of scale derived from investing with the Company based on a range of benefits and services provided and overall fees charged. There has not been a material change in the size of the Fund during the previous 12 months. As such, no additional savings have been identified.

Comparable market rates

We have reviewed the fees paid for each of the services provided to the Fund (internally or externally), and we consider these to be competitive relative to those charged by similar funds within the UK regulated funds market.

Comparable services

We have reviewed those services which we consider to be comparable, and the fees we charge are deemed reasonable compared to fees charged by associated companies within the Aviva Group for comparable products of an equivalent size and similar investment objective and policy to the Fund available in the UK.

Classes of units

The pricing of each share class of the Fund is considered reasonable based on the different eligibility criteria and target investor for each share class. All investors are invested in the appropriate share class they are eligible to hold at the date of the assessment.

Fund Managers Report

Performance

The fund returned 0.6 %*, which compared with a return of -1.0% from the fund's benchmark.

Portfolio summary

It was a disappointing twelve months of performance overall for financial markets, with geopolitics, monetary policy and, latterly, recessionary concerns weighing heavily on investor sentiment. The Fund posted a slightly positive total return after charges and outperformed its benchmark thanks to its overweighting of growth assets.

While growth assets proved surprisingly resilient to the Ukraine war after the initial shock of Russia's invasion at the end of February 2022, the subsequent spike in energy costs was a major factor behind a rapid rise in inflation. This prompted a sharp response by the main central banks, most notably the US Federal Reserve, which implemented rapid and large-scale hikes in interest rates. This triggered a rise in market volatility.

As the period progressed, the economic outlook started to darken, with consumer spending beginning to reflect a developing cost-of-living crisis. Expectations grew that the major economies would enter a mild recession in 2023 as the global economy lost the momentum of the post-pandemic demand recovery.

In the background was the marked slowdown in the Chinese economy. The controversial 'zero-Covid' policy, which saw renewed lockdowns across several major cities, and the implementation of some fundamental regulatory changes across key sectors saw growth slow appreciably, with the impact being felt across Asia.

Global equities nevertheless generated gains overall in the period for sterling investors. The strongest markets were Europe ex-UK and they UK, while returns from the US faded on the back of underperformance by large technology companies. Emerging markets, which are sensitive to tighter monetary policy in the US, posted negative returns. Here, weakness in Asia offset good performance by Latin America.

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

It was a very weak period for defensive assets, with sovereign bonds and investment grade credit posting notable losses. Longer-dated issues suffered the most given their greater sensitivity to rising interest rates.

Uncorrelated assets such as exposure to absolute return strategies helped buffer the fund from volatility. Gold suffered a mixed fortunes, with the price of the precious metal falling steadily in the first half of the period but recovering much lost ground in the second.

Outlook

We expect core inflation will remain above the central bank targets of 2% throughout 2023. Central banks' primary focus will continue to be bringing inflation down to target over a horizon that does not create too much economic pain.

In our central projection, we expect the Federal Reserve, ECB and Bank. Our core scenario is that developed economies will fall into a mild recession, with the United Kingdom and Eurozone at the forefront, both seeing a decline in growth in Q4 2022 with further falls in 2023.

In terms of positioning, we retain a small overweight to equities. We think that inflation will be the factor dominating government bond markets, rather than their 'safe-haven' attributes in times of economic stress. We therefore hold underweight exposure to fixed income. Within equities, we maintain a preference for the US and UK markets. The former boasts stronger economic growth prospects while the latter is more attractive in valuation terms.

Past performance is not a guide to the future. The value of an investment and any income from it can go down as well as up. Investors may not get back the original amount invested.

5.10

Aviva Investors Multi-asset Plus Fund V

Aviva Investors Multi-asset Plus Fund V

Overall assessment

Summary Ratings	Share Class 1	Share Class 2	Share Class 8	Share Class 9
Overall	🟢	🟢	🟢	🟢
Quality of service	🟢	🟢	🟢	🟢
Performance	🟠	🟠	🟠	🟠
Authorised fund manager costs	🟢	🟢	🟢	🟢
Economies of scale	🟢	🟢	🟢	🟢
Comparable market rates	🟢	🟢	🟢	🟢
Comparable services	🟢	🟢	🟢	🟢
Classes of units	🟢	🟢	🟢	🟢

In line with the requirement to conduct a value assessment, the Board has concluded that all components of the assessment have been considered and the charges for each share class are justified in the context of overall value being delivered to investors.

The following summarises the conclusions we have reached having considered the range of factors as set out in the 'Value Assessment Approach'. This applies to all share classes in the Fund unless we have specifically noted exceptions.

Quality of service

We have considered the overall quality of the services provided to investors, and have concluded that Investors have received clear communications, and relevant information at appropriate times to enable them to make informed decisions, and the service delivered has been timely and of an appropriate quality.

Performance

Performance: Annualised net return (%)	Share Class 1	Share Class 2	Share Class 8	Share Class 9	Benchmark^
1 Year	1.86	2.08	2.20	2.34	1.67
3 Years	6.95	7.18	7.21	7.44	10.77
5 Years	5.08	5.34	5.34	5.59	8.59
7 Years	8.31	8.72	8.71	8.98	12.03

^MSCI AC World NR GBP.

Performance basis: Mid to mid, net income reinvested, net of ongoing charges and fees, net of tax payable by the Fund. The figures do not include the effect of any exit or entry charge.

Full performance data is available in the Fund Fact Sheet, which can be found here Fund centre - Aviva Investors

Aviva Investors Multi-asset Plus Fund V (continued)

The Fund aims to grow your investment over the long term (5 years or more) through a combination of income and capital growth. The Fund targets an overall average return before charges and taxes of at least 1.30% greater than the performance benchmark^ per year, measured over 3-year rolling periods. The Fund is managed to an "adventurous" risk profile and aims to remain within a defined risk range of 92% to 108% of the volatility of "Global Equities", targeting 100%.

The Fund forms part of a range of 5 Funds that each have a different risk profile, ranging from defensive to adventurous and this Fund aims to have the highest risk, which is typically achieved by holding more equities than bonds.

During 2022 the market events that we have described on page 5 of this report caused the valuation of bonds to fall quite significantly, and therefore we have seen the funds with the lowest risk profiles (greater proportion of bonds versus equities) deliver the worst capital preservation outcomes, the reverse of what we would expect to occur in a normal economic environment, when equities tend to be the riskier asset class.

The asset allocation for the Fund is approximately 100% in equities with minimal bond holdings, and the absolute return of the Fund is +1.9% (share class 1, net of fees) over the year to 28 February 2023. The Fund has achieved an annualised net return over a 5 year period of +5.1% as at 28 February 2023.

Over the year the Fund has delivered gross returns in excess of the benchmark of 1.0% (0.2% on a net basis), and has therefore fallen short of its target to outperform the benchmark by 1.3% before charges and taxes by 0.3%. Although the Fund is not impacted by the fall in bond valuations, performance of global equity markets over the last year has been subdued due to the rising interest rates and market uncertainty, Europe and the UK were the strongest markets whereas the US struggled, mainly due to underperformance of the large technology companies.

In previous years the Board noted that the Fund had been operating above the expected volatility range (expected level of risk), and this is no longer the case on a rolling 3 year basis.

The Board therefore concluded that performance and the level of volatility should remain under review, however, retain the belief that the Investment Manager's continued management of the Fund should still benefit the Fund and its investors over the longer term.

A detailed explanation of the last 12 months performance is included in the Fund Manager's Report below. You will also be able to find more detailed information on fund performance within the Fund Fact Sheet on our website.

^MSCI® All Countries World Index

Authorised Fund Manager costs

Authorised Fund Manager Costs	Share Class 1	Share Class 2	Share Class 8	Share Class 9
Fund management fee	0.75	0.53	0	0.28
Ongoing charge	0.82	0.60	0.11	0.35

The Fund Management Fee (FMF) is a single charge paid to the Authorised Fund Manager, and we consider this to be reasonable when taking into account the underlying costs for the services provided and performance objectives of the Fund.

Economies of scale

We have concluded that all investors participated appropriately in general economies of scale derived from investing with the Company based on a range of benefits and services provided and overall fees charged. There has not been a material change in the size of the Fund during the previous 12 months. As such, no additional savings have been identified.

Aviva Investors Multi-asset Plus Fund V (continued)

Comparable market rates

We have reviewed the fees paid for each of the services provided to the Fund (internally or externally), and we consider these to be competitive relative to those charged by similar funds within the UK regulated funds market.

Comparable services

We have reviewed those services which we consider to be comparable, and the fees we charge are deemed reasonable compared to fees charged by associated companies within the Aviva Group for comparable products of an equivalent size and similar investment objective and policy to the Fund available in the UK.

Classes of units

The pricing of each share class of the Fund is considered reasonable based on the different eligibility criteria and target investor for each share class. All investors are invested in the appropriate share class they are eligible to hold at the date of the assessment.

Fund Managers Report

Performance

The fund returned 1.9%*, which compared with a return of 1.7% from the fund's benchmark.

Portfolio summary

It was a disappointing twelve months of performance overall for financial markets, with geopolitics, monetary policy and, latterly, recessionary concerns weighing heavily on investor sentiment. The Fund posted a positive total return after charges and outperformed its benchmark thanks to its overweighting of growth assets.

While growth assets proved surprisingly resilient to the Ukraine war after the initial shock of Russia's invasion at the end of February 2022, the subsequent spike in energy costs was a major factor behind a rapid rise in inflation. This prompted a sharp response by the main central banks, most notably the US Federal Reserve, which implemented rapid and large-scale hikes in interest rates. This triggered a rise in market volatility.

As the period progressed, the economic outlook started to darken, with consumer spending beginning to reflect a developing cost-of-living crisis. Expectations grew that the major economies would enter a mild recession in 2023 as the global economy lost the momentum of the post-pandemic demand recovery.

In the background was the marked slowdown in the Chinese economy. The controversial 'zero-Covid' policy, which saw renewed lockdowns across several major cities, and the implementation of some fundamental regulatory changes across key sectors saw growth slow appreciably, with the impact being felt across Asia.

Global equities nevertheless generated gains overall in the period for sterling investors. The strongest markets were Europe ex-UK and they UK, while returns from the US faded on the back of underperformance by large technology companies. Emerging markets, which are sensitive to tighter monetary policy in the US, posted negative returns. Here, weakness in Asia offset good performance by Latin America.

It was a very weak period for defensive assets, with sovereign bonds and investment grade credit posting notable losses. Longer-dated issues suffered the most given their greater sensitivity to rising interest rates.

Uncorrelated assets such as absolute return strategies helped buffer the fund from volatility. Gold suffered a mixed fortunes, with the price of the precious metal falling steadily in the first half of the period but recovering much lost ground in the second.

Outlook

We expect core inflation will remain above the central bank targets of 2% throughout 2023. Central banks' primary focus will continue to be bringing inflation down to target over a horizon that does not create too much economic pain.

In our central projection, we expect the Federal Reserve, ECB and Bank. Our core scenario is that developed economies will fall into a mild recession, with the United Kingdom and Eurozone at the forefront, both seeing a decline in growth in Q4 2022 with further falls in 2023.

In terms of positioning, we retain a small overweight to equities. We think that inflation will be the factor dominating government bond markets, rather than their 'safe-haven' attributes in times of economic stress. We therefore hold underweight exposure to fixed income. Within equities, we maintain a preference for the US and UK markets. The former boasts stronger economic growth prospects while the latter is more attractive in valuation terms.

Past performance is not a guide to the future. The value of an investment and any income from it can go down as well as up. Investors may not get back the original amount invested.

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

5.11

Aviva Investors Multi-Manager 20-60% Shares Fund

Aviva Investors Multi-Manager 20-60% Shares Fund

Overall assessment

Summary Ratings			
	Share Class 1	Share Class 2	Share Class 8
Overall	●	●	●
Quality of service	●	●	●
Performance	●	●	●
Authorised fund manager costs	●	●	●
Economies of scale	●	●	●
Comparable market rates	●	●	●
Comparable services	●	●	●
Classes of units	●	●	●

In line with the requirement to conduct a value assessment, the Board has concluded that all components of the assessment have been considered and the charges for each share class are justified in the context of overall value being delivered to investors.

The following summarises the conclusions we have reached having considered the range of factors as set out in the 'Value Assessment Approach'. This applies to all share classes in the Fund unless we have specifically noted exceptions.

Quality of service

We have considered the overall quality of the services provided to investors, and have concluded that Investors have received clear communications, and relevant information at appropriate times to enable them to make informed decisions, and the service delivered has been timely and of an appropriate quality.

Performance

Performance: Annualised net return (%)				
	Share Class 1	Share Class 2	Share Class 8	Benchmark^
1 Year	-3.15	-3.06	-2.51	-3.12
3 Years	1.50	1.66	2.00	2.00
5 Years	1.92	2.11	2.40	2.06
7 Years	3.81	4.16	4.34	3.96

^IA Mixed Investment 20-60% Shares NR.

Performance basis: Mid to mid, net income reinvested, net of ongoing charges and fees, net of tax payable by the Fund. The figures do not include the effect of any exit or entry charge.

Full performance data is available in the Fund Fact Sheet, which can be found here Fund centre - Aviva Investors

Aviva Investors Multi-Manager 20-60% Shares Fund (continued)

We have reviewed the Fund's overall performance after charges, relative to its investment objectives, policy and strategy, and the Fund's performance is deemed to be within a reasonable range of outcomes based on the time periods reviewed and the information considered in the assessment.

A detailed explanation of the last 12 months' performance is included in the Fund Manager's Report below. You can find more detailed information on fund performance within the Fund factsheet on our website.

Authorised Fund Manager costs

Authorised Fund Manager Costs			
	Share Class 1	Share Class 2	Share Class 8
Fund management fee	1.04	0.89	0
Ongoing charge	1.48	1.33	0.48

The Fund Management Fee (FMF) is a single charge paid to the Authorised Fund Manager, and we consider this to be reasonable when taking into account the underlying costs for the services provided and performance objectives of the Fund.

Economies of scale

We have concluded that all investors participated appropriately in general economies of scale derived from investing with the Company based on a range of benefits and services provided and overall fees charged. There has not been a material change in the size of the Fund during the previous 12 months. As such, no additional savings have been identified.

Comparable market rates

The Fund adopts a form of active investment management often referred to as a "Fund of Funds". This involves strategic asset allocations to funds which have been specifically selected based upon analysis by the Investment Manager's in-house research team.

This approach, along with the cost of the underlying funds, can result in higher costs and charges compared with other investment methods but can also result in better outcomes.

The Ongoing Charge Figure (OCF) for each share class has been benchmarked against a suitable peer group of funds that adopt the same "Fund of Funds" style of active investment management, and the result is that each of the OCF's compare favourably against the peer group.

The Board therefore believes that the overall level of charges continues to offer value to investors and reflects the quality of the Investment Manager's research team, and the higher fees that must be paid to access certain actively-managed underlying funds.

Comparable services

We have reviewed those services which we consider to be comparable, and the fees we charge are deemed reasonable compared to fees charged by associated companies within the Aviva Group for comparable products of an equivalent size and similar investment objective and policy to the Fund available in the UK.

Classes of units

The pricing of each share class of the Fund is considered reasonable based on the different eligibility criteria and target investor for each share class. All investors are invested in the appropriate share class they are eligible to hold at the date of the assessment.

Fund Managers Report

Performance

The fund returned -3.2%*, which compared with a net return of -3.1% from the fund's Investment Association peer group.

It was a disappointing twelve months of performance overall for financial markets, with geopolitics, monetary policy and, latterly, recessionary concerns weighing heavily on investor sentiment.

While riskier assets proved surprisingly resilient to the Ukraine war after the initial shock of Russia's invasion at the end of February 2022, the subsequent spike in energy costs was a major factor behind a rapid rise in inflation. This prompted a sharp response by the main central banks, most notably the US Federal Reserve, which implemented rapid and large-scale hikes in interest rates.

As the period progressed, the economic outlook started to darken, with consumer spending beginning to reflect a developing cost-of-living crisis. Expectations grew that the major economies would enter a mild recession in 2023 as the global economy lost the momentum of the post-pandemic demand recovery.

In the background was the marked slowdown in the Chinese economy. The controversial 'zero-Covid' policy, which saw renewed lockdowns across several major cities, and the implementation of some fundamental regulatory changes across key sectors saw growth slow appreciably, with the impact being felt across Asia.

Global equities nevertheless generated gains overall in the period for sterling investors. The strongest markets were Europe ex-UK and they UK, while returns from the US faded on the back of underperformance by large technology companies. Emerging markets, which are sensitive to tighter monetary policy in the US, posted negative returns. Here, weakness in Asia offset good performance by Latin America.

It was a very weak period for bonds, with sovereign and corporate credit markets posting notable losses. Longer-dated issues suffered the most given their greater sensitivity to rising interest rates.

Outlook

In equities, corporate fundamentals in the developed economies remain resilient while share valuations have become more attractive. While we expect developed market earnings growth in 2023 to moderate from record profits in 2021 and 2022, we see them re-accelerating in 2024. The reopening of China should see global supply logjams ease, which is good news for the many global companies with a footprint in the country.

The key variable for Asia/emerging market shares is when markets will price a change in US monetary policy and a corresponding peak in the dollar. Although a pivot was prematurely anticipated several times in the second half of 2022, the US Federal Reserve has clearly signalled its intentions. But the market will always try to pre-empt the inflection, given the influence US monetary policy has on Asia/emerging market assets.

For bonds, with inflation appearing to have peaked amid weaker growth levels, yet with stubborn price pressures remaining, we expect central banks to point to the end of their hiking cycles while keeping monetary policy restrictive. Thus a downshift to lower yields will not come without its challenges. As we go through 2023, with prices easing and slowing growth, the demand for sovereign bond yields could well increase. Yet with persistent underlying inflation unnerving both central banks and financial markets, the path to arrive there is far from clear.

Past performance is not a guide to the future. The value of an investment and any income from it can go down as well as up. Investors may not get back the original amount invested.

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

5.12

Aviva Investors Multi-Manager 40-85% Shares Fund

Aviva Investors Multi-Manager 40-85% Shares Fund

Overall assessment

Summary Ratings			
	Share Class 1	Share Class 2	Share Class 8
Overall	●	●	●
Quality of service	●	●	●
Performance	●	●	●
Authorised fund manager costs	●	●	●
Economies of scale	●	●	●
Comparable market rates	●	●	●
Comparable services	●	●	●
Classes of units	●	●	●

In line with the requirement to conduct a value assessment, the Board has concluded that all components of the assessment have been considered and the charges for each share class are justified in the context of overall value being delivered to investors.

The following summarises the conclusions we have reached having considered the range of factors as set out in the 'Value Assessment Approach'. This applies to all share classes in the Fund unless we have specifically noted exceptions.

Quality of service

We have considered the overall quality of the services provided to investors, and have concluded that Investors have received clear communications, and relevant information at appropriate times to enable them to make informed decisions, and the service delivered has been timely and of an appropriate quality.

Performance

Performance: Annualised net return (%)				
	Share Class 1	Share Class 2	Share Class 8	Benchmark^
1 Year	-0.62	-0.55	-0.00	-1.04
3 Years	4.46	4.52	4.79	4.53
5 Years	3.54	3.68	3.93	3.68
7 Years	6.16	6.47	6.66	6.01

^IA Mixed Investment 40-85% Shares NR.

Performance basis: Mid to mid, net income reinvested, net of ongoing charges and fees, net of tax payable by the Fund. The figures do not include the effect of any exit or entry charge.

Full performance data is available in the Fund Fact Sheet, which can be found here Fund centre - Aviva Investors

Aviva Investors Multi-Manager 40-85% Shares Fund (continued)

We have reviewed the Fund's overall performance after charges, relative to its investment objectives, policy and strategy, and the Fund's performance is deemed to be within a reasonable range of outcomes based on the time periods reviewed and the information considered in the assessment.

A detailed explanation of the last 12 months' performance is included in the Fund Manager's Report below. You can find more detailed information on fund performance within the Fund factsheet on our website.

Authorised Fund Manager costs

Authorised Fund Manager Costs			
	Share Class 1	Share Class 2	Share Class 8
Fund management fee	1.04	0.89	0
Ongoing charge	1.56	1.41	0.56

The Fund Management Fee (FMF) is a single charge paid to the Authorised Fund Manager, and we consider this to be reasonable when taking into account the underlying costs for the services provided and performance objectives of the Fund.

Economies of scale

We have concluded that all investors participated appropriately in general economies of scale derived from investing with the Company based on a range of benefits and services provided and overall fees charged. There has not been a material change in the size of the Fund during the previous 12 months. As such, no additional savings have been identified.

Comparable market rates

The Fund adopts a form of active investment management often referred to as a "Fund of Funds". This involves strategic asset allocations to funds which have been specifically selected based upon analysis by the Investment Manager's in-house research team.

This approach, along with the cost of the underlying funds, can result in higher costs and charges compared with other investment methods but can also result in better outcomes.

The Ongoing Charge Figure (OCF) for each share class has been benchmarked against a suitable peer group of funds that adopt the same "Fund of Funds" style of active investment management, and the result is that each of the OCF's compare favourably against the peer group.

The Board therefore believes that the overall level of charges continues to offer value to investors and reflects the quality of the Investment Manager's research team, and the higher fees that must be paid to access certain actively-managed underlying funds.

Comparable services

We have reviewed those services which we consider to be comparable, and the fees we charge are deemed reasonable compared to fees charged by associated companies within the Aviva Group for comparable products of an equivalent size and similar investment objective and policy to the Fund available in the UK.

Classes of units

The pricing of each share class of the Fund is considered reasonable based on the different eligibility criteria and target investor for each share class. All investors are invested in the appropriate share class they are eligible to hold at the date of the assessment.

Aviva Investors Multi-Manager 40-85% Shares Fund (continued)

Fund Managers Report

Performance

The fund returned -0.6%*, which compared with a net return of -1.0% from the fund's Investment Association peer group.

Portfolio Summary

It was a disappointing twelve months of performance overall for financial markets, with geopolitics, monetary policy and, latterly, recessionary concerns weighing heavily on investor sentiment.

While riskier assets proved surprisingly resilient to the Ukraine war after the initial shock of Russia's invasion at the end of February 2022, the subsequent spike in energy costs was a major factor behind a rapid rise in inflation. This prompted a sharp response by the main central banks, most notably the US Federal Reserve, which implemented rapid and large-scale hikes in interest rates.

As the period progressed, the economic outlook started to darken, with consumer spending beginning to reflect a developing cost-of-living crisis. Expectations grew that the major economies would enter a mild recession in 2023 as the global economy lost the momentum of the post-pandemic demand recovery.

In the background was the marked slowdown in the Chinese economy. The controversial 'zero-Covid' policy, which saw renewed lockdowns across several major cities, and the implementation of some fundamental regulatory changes across key sectors saw growth slow appreciably, with the impact being felt across Asia.

Global equities nevertheless generated gains overall in the period for sterling investors. The strongest markets were Europe ex-UK and they UK, while returns from the US faded on the back of underperformance by large technology companies. Emerging markets, which are sensitive to tighter monetary policy in the US, posted negative returns. Here, weakness in Asia offset good performance by Latin America.

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

It was a very weak period for bonds, with sovereign and corporate credit markets posting notable losses. Longer-dated issues suffered the most given their greater sensitivity to rising interest rates.

Outlook

In equities, corporate fundamentals in the developed economies remain resilient while share valuations have become more attractive. While we expect developed market earnings growth in 2023 to moderate from record profits in 2021 and 2022, we see them re-accelerating in 2024. The reopening of China should see global supply logjams ease, which is good news for the many global companies with a footprint in the country.

The key variable for Asia/emerging market shares is when markets will price a change in US monetary policy and a corresponding peak in the dollar. Although a pivot was prematurely anticipated several times in the second half of 2022, the US Federal Reserve has clearly signalled its intentions. But the market will always try to pre-empt the inflection, given the influence US monetary policy has on Asia/emerging market assets.

For bonds, with inflation appearing to have peaked amid weaker growth levels, yet with stubborn price pressures remaining, we expect central banks to point to the end of their hiking cycles while keeping monetary policy restrictive. Thus a downshift to lower yields will not come without its challenges. As we go through 2023, with prices easing and slowing growth, the demand for sovereign bond yields could well increase. Yet with persistent underlying inflation unnerving both central banks and financial markets, the path to arrive there is far from clear.

Past performance is not a guide to the future. The value of an investment and any income from it can go down as well as up. Investors may not get back the original amount invested.

5.13

Aviva Investors Multi-Manager Flexible Fund

Aviva Investors Multi-Manager Flexible Fund

Overall assessment

Summary Ratings			
	Share Class 1	**Share Class 2**	**Share Class 8**
Overall	●	●	●
Quality of service	●	●	●
Performance	●	●	●
Authorised fund manager costs	●	●	●
Economies of scale	●	●	●
Comparable market rates	●	●	●
Comparable services	●	●	●
Classes of units	●	●	●

In line with the requirement to conduct a value assessment, the Board has concluded that all components of the assessment have been considered and the charges for each share class are justified in the context of overall value being delivered to investors.

The following summarises the conclusions we have reached having considered the range of factors as set out in the 'Value Assessment Approach'. This applies to all share classes in the Fund unless we have specifically noted exceptions.

Quality of service

We have considered the overall quality of the services provided to investors, and have concluded that Investors have received clear communications, and relevant information at appropriate times to enable them to make informed decisions, and the service delivered has been timely and of an appropriate quality.

Performance

Performance: Annualised net return (%)				
	Share Class 1	**Share Class 2**	**Share Class 8**	**Benchmark^**
1 Year	1.17	1.33	2.08	-0.26
3 Years	6.43	6.64	7.08	5.73
5 Years	4.67	4.93	5.29	4.02
7 Years	7.73	8.14	8.46	6.80

^IA Flexible Investment NR.
Performance basis: Mid to mid, net income reinvested, net of ongoing charges and fees, net of tax payable by the Fund. The figures do not include the effect of any exit or entry charge.
Full performance data is available in the Fund Fact Sheet, which can be found here Fund centre - Aviva Investors

Aviva Investors Multi-Manager Flexible Fund (continued)

We have reviewed the Fund's overall performance after charges, relative to its investment objectives, policy and strategy, and the Fund's performance is deemed to be within a reasonable range of outcomes based on the time periods reviewed and the information considered in the assessment.

A detailed explanation of the last 12 months' performance is included in the Fund Manager's Report below. You can find more detailed information on fund performance within the Fund factsheet on our website.

Authorised Fund Manager costs

Authorised Fund Manager Costs			
	Share Class 1	Share Class 2	Share Class 8
Fund management fee	1.05	0.9	0
Ongoing charge	1.59	1.44	0.59

The Fund Management Fee (FMF) is a single charge paid to the Authorised Fund Manager, and we consider this to be reasonable when taking into account the underlying costs for the services provided and performance objectives of the Fund.

Economies of scale

We have concluded that all investors participated appropriately in general economies of scale derived from investing with the Company based on a range of benefits and services provided and overall fees charged. There has not been a material change in the size of the Fund during the previous 12 months. As such, no additional savings have been identified.

Comparable market rates

The Fund adopts a form of active investment management often referred to as a "Fund of Funds". This involves strategic asset allocations to funds which have been specifically selected based upon analysis by the Investment Manager's in-house research team.

This approach, along with the cost of the underlying funds, can result in higher costs and charges compared with other investment methods but can also result in better outcomes.

The Ongoing Charge Figure (OCF) for each share class has been benchmarked against a suitable peer group of funds that adopt the same "Fund of Funds" style of active investment management, and the result is that each of the OCF's compare favourably against the peer group.

The Board therefore believes that the overall level of charges continues to offer value to investors and reflects the quality of the Investment Manager's research team, and the higher fees that must be paid to access certain actively-managed underlying funds.

Comparable services

We have reviewed those services which we consider to be comparable, and the fees we charge are deemed reasonable compared to fees charged by associated companies within the Aviva Group for comparable products of an equivalent size and similar investment objective and policy to the Fund available in the UK.

Classes of units

The pricing of each share class of the Fund is considered reasonable based on the different eligibility criteria and target investor for each share class. All investors are invested in the appropriate share class they are eligible to hold at the date of the assessment.

Aviva Investors Multi-Manager Flexible Fund (continued)

Fund Managers Report

Performance

The fund returned 1.2%*, which compared with a net return of -0.3% from the fund's Investment Association peer group.

Portfolio Summary

It was a disappointing twelve months of performance overall for financial markets, with geopolitics, monetary policy and, latterly, recessionary concerns weighing heavily on investor sentiment.

While riskier assets proved surprisingly resilient to the Ukraine war after the initial shock of Russia's invasion at the end of February 2022, the subsequent spike in energy costs was a major factor behind a rapid rise in inflation. This prompted a sharp response by the main central banks, most notably the US Federal Reserve, which implemented rapid and large-scale hikes in interest rates.

As the period progressed, the economic outlook started to darken, with consumer spending beginning to reflect a developing cost-of-living crisis. Expectations grew that the major economies would enter a mild recession in 2023 as the global economy lost the momentum of the post-pandemic demand recovery.

In the background was the marked slowdown in the Chinese economy. The controversial 'zero-Covid' policy, which saw renewed lockdowns across several major cities, and the implementation of some fundamental regulatory changes across key sectors saw growth slow appreciably, with the impact being felt across Asia.

Global equities nevertheless generated gains overall in the period for sterling investors. The strongest markets were Europe ex-UK and they UK, while returns from the US faded on the back of underperformance by large technology companies. Emerging markets, which are sensitive to tighter monetary policy in the US, posted negative returns. Here, weakness in Asia offset good performance by Latin America.

Outlook

In equities, corporate fundamentals in the developed economies remain resilient while share valuations have become more attractive. While we expect developed market earnings growth in 2023 to moderate from record profits in 2021 and 2022, we see them re-accelerating in 2024. The reopening of China should see global supply logjams ease, which is good news for the many global companies with a footprint in the country.

The key variable for Asia/emerging market shares is when markets will price a change in US monetary policy and a corresponding peak in the dollar. Although a pivot was prematurely anticipated several times in the second half of 2022, the US Federal Reserve has clearly signalled its intentions. But the market will always try to pre-empt the inflection, given the influence US monetary policy has on Asia/emerging market assets.

Past performance is not a guide to the future. The value of an investment and any income from it can go down as well as up. Investors may not get back the original amount invested.

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

5.14

Aviva Investors Stewardship Fixed Interest Feeder Fund

Aviva Investors Stewardship Fixed Interest Feeder Fund

Overall assessment

Summary Ratings			
	Share Class 1	Share Class 2	Share Class 4
Overall	●	●	●
Quality of service	●	●	●
Performance	●	●	●
Authorised fund manager costs	●	●	●
Economies of scale	●	●	●
Comparable market rates	●	●	●
Comparable services	●	●	●
Classes of units	●	●	●

In line with the requirement to conduct a value assessment, the Board has concluded that all components of the assessment have been considered and the charges for each share class are justified in the context of overall value being delivered to investors.

The following summarises the conclusions we have reached having considered the range of factors as set out in the 'Value Assessment Approach'. This applies to all share classes in the Fund unless we have specifically noted exceptions.

Quality of service

We have considered the overall quality of the services provided to investors, and have concluded that Investors have received clear communications, and relevant information at appropriate times to enable them to make informed decisions, and the service delivered has been timely and of an appropriate quality.

Performance

Performance: Annualised net return (%)				
	Share Class 1	Share Class 2	Share Class 4	Benchmark^
1 Year	-11.69	-11.54	-11.46	-12.25
Since Launch	-8.55	-8.44	-8.32	-8.44

^Markit iBoxx Sterling Non Gilts Overall TR.
Performance basis: Mid to mid, net income reinvested, net of ongoing charges and fees, net of tax payable by the Fund. The figures do not include the effect of any exit or entry charge.
Full performance data is available in the Fund Fact Sheet, which can be found here Fund centre - Aviva Investors

Aviva Investors Stewardship Fixed Interest Feeder Fund (continued)

The Fund aims to provide an income over the long term (5 years or more) by gaining exposure to bonds issued by global companies.

The Fund's overall performance after charges is considered to offer value to investors, taking into consideration performance relative to its investment objectives, policy and strategy, and other relevant information considered in the assessment.

The Board do however note that the value of investor's holdings have declined in the year to February 2023, which is mainly due to the volatile market conditions that we have explained in the introduction to this report on page 5. However, the Board retains confidence in the strategy adopted by the portfolio manager, which should benefit investors over the long term.

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

Authorised Fund Manager costs

Authorised Fund Manager Costs			
	Share Class 1	Share Class 2	Share Class 4
Fund management fee	0.63	0.48	0.28
Ongoing charge	0.67	0.52	0.32

The Fund Management Fee (FMF) is a single charge paid to the Authorised Fund Manager, and we consider this to be reasonable when taking into account the underlying costs for the services provided and performance objectives of the Fund.

Economies of scale

We have concluded that all investors participated appropriately in general economies of scale derived from investing with the Company based on a range of benefits and services provided and overall fees charged. There has not been a material change in the size of the Fund during the previous 12 months. As such, no additional savings have been identified.

Comparable market rates

We have reviewed the fees paid for each of the services provided to the Fund (internally or externally), and we consider these to be competitive relative to those charged by similar funds within the UK regulated funds market.

Comparable services

We have reviewed those services which we consider to be comparable, and the fees we charge are deemed reasonable compared to fees charged by associated companies within the Aviva Group for comparable products of an equivalent size and similar investment objective and policy to the Fund available in the UK.

Classes of units

The pricing of each share class of the Fund is considered reasonable based on the different eligibility criteria and target investor for each share class. All investors are invested in the appropriate share class they are eligible to hold at the date of the assessment.

Fund Managers Report

Performance

The Fund returned -11.7%* in the twelve months to 28 February 2023. The Fund's benchmark, the Markit iBoxx GBP Non Gilt Total Return Index, returned -12.3%.

Portfolio Summary

Sterling corporate bonds, which comprise around 90% of the Fund, posted negative returns in the period under review. Performance was hit by the sharp losses sustained by the underlying government bond market as the rhetoric of the Bank of England and other main central banks became more hawkish in the face of rapidly rising inflation. UK interest rates were lifted to 4.0% in a series of consecutive hikes as annual consumer price growth breached 11%.

It was a disappointing period for sterling corporate bonds also. Despite posting an impressive recovery following the initial shock of Russia's invasion of Ukraine in February thanks to the market's strong fundamentals, credit spreads widened as the increasingly high possibility of the UK falling into recession raised fears of credit downgrades, even though company fundamentals remained robust.

The Fund outperformed its benchmark net of fees. The portfolio was helped by its generally low sensitivity to changes in interest rates and its cautious positioning in terms of credit risk. Being overweight in banks and communications – two sectors regarded as being broadly defensive – was supportive. However, exposure to lower-quality 'subordinated' financial debt was a drag on returns, particularly at times of falling investor sentiment.

*Fund performance figures – source Lipper, a Thomson Reuters company, share class 1, accumulation shares, net of fees, net income reinvested

Outlook

Despite recent positive news on growth in the developed economies, we continue to believe a recession – albeit one of a relatively mild magnitude – is likely. We are, however, pushing out the timeline for its arrival to the fourth quarter of this year or the first quarter of 2023.

In the corporate bond market, whilst valuations are now less compelling, we still think there is value in investment-grade credit in the medium term. Fundamentally, we prefer financials over corporates. Against an uncertain macroeconomic backdrop, global banks are well positioned for upcoming pressures, which we feel is not reflected in relative spreads. Revenues are supported by higher rates and volatility. Currently, this allows banks to control earnings allocation – retention to support regulatory capital requirements, provision build against future expected loan losses and stakeholder distributions. This elicits a constructive stance towards credit.

Looking at the technical drivers of the market, we expect more positive flows into corporate bonds over the course of the year as spreads and all-in yields remain relatively attractive and risk-off sentiment should see a 'flight to quality'. An offsetting factor is the removal of monetary support from major central banks ('quantitative tightening'), which started to pick up pace towards the end of 2022.

We see the main risk as being a major negative reaction in the market to any significant upshift in interest rates. We estimate real estate to be particularly vulnerable to this scenario.

Past performance is not a guide to the future. The value of an investment and any income from it can go down as well as up. Investors may not get back the original amount invested.

5.15

Aviva Investors Stewardship International Equity Feeder Fund

Aviva Investors Stewardship International Equity Feeder Fund

Overall assessment

Summary Ratings	Share Class 1	Share Class 2	Share Class 4
Overall	●	●	●
Quality of service	●	●	●
Performance	●	●	●
Authorised fund manager costs	●	●	●
Economies of scale	●	●	●
Comparable market rates	●	●	●
Comparable services	●	●	●
Classes of units	●	●	●

In line with the requirement to conduct a value assessment, the Board has concluded that all components of the assessment have been considered and the charges for each share class are justified in the context of overall value being delivered to investors.

The following summarises the conclusions we have reached having considered the range of factors as set out in the 'Value Assessment Approach'. This applies to all share classes in the Fund unless we have specifically noted exceptions.

Quality of service

We have considered the overall quality of the services provided to investors, and have concluded that Investors have received clear communications, and relevant information at appropriate times to enable them to make informed decisions, and the service delivered has been timely and of an appropriate quality.

Performance

Performance: Annualised net return (%)	Share Class 1	Share Class 2	Share Class 4	Benchmark^
1 Year	-1.04	-0.93	-0.57	3.22
Since Launch	2.43	2.71	2.93	7.54

^MSCI® World NDR Total Return GBP Index.

Performance basis: Mid to mid, net income reinvested, net of ongoing charges and fees, net of tax payable by the Fund. The figures do not include the effect of any exit or entry charge.

Full performance data is available in the Fund Fact Sheet, which can be found here Fund centre - Aviva Investors

Aviva Investors Stewardship International Equity Feeder Fund (continued)

We have reviewed the Fund's overall performance after charges, relative to its investment objectives, policy and strategy, and the Fund's performance is deemed to be within a reasonable range of outcomes based on the time periods reviewed and the information considered in the assessment.

A detailed explanation of the last 12 months' performance is included in the Fund Manager's Report below. You can find more detailed information on fund performance within the Fund factsheet on our website.

Authorised Fund Manager costs

Authorised Fund Manager Costs			
	Share Class 1	Share Class 2	Share Class 4
Fund management fee	0.83	0.68	0.38
Ongoing charge	0.86	0.71	0.41

The Fund Management Fee (FMF) is a single charge paid to the Authorised Fund Manager, and we consider this to be reasonable when taking into account the underlying costs for the services provided and performance objectives of the Fund.

Economies of scale

We have concluded that all investors participated appropriately in general economies of scale derived from investing with the Company based on a range of benefits and services provided and overall fees charged. There has not been a material change in the size of the Fund during the previous 12 months. As such, no additional savings have been identified.

Comparable market rates

We have reviewed the fees paid for each of the services provided to the Fund (internally or externally), and we consider these to be competitive relative to those charged by similar funds within the UK regulated funds market.

Comparable services

We have reviewed those services which we consider to be comparable, and the fees we charge are deemed reasonable compared to fees charged by associated companies within the Aviva Group for comparable products of an equivalent size and similar investment objective and policy to the Fund available in the UK.

Classes of units

The pricing of each share class of the Fund is considered reasonable based on the different eligibility criteria and target investor for each share class. All investors are invested in the appropriate share class they are eligible to hold at the date of the assessment.

Aviva Investors Stewardship International Equity Feeder Fund (continued)

Fund Managers Report

Performance

The Fund returned -1.0%* in the twelve months to 28 February 2023. The Fund's benchmark, the MSCI World NDR Total Return GBP Index, returned 3.2%.

Portfolio Summary

It was a volatile twelve months of performance overall for equity markets, with geopolitics, monetary policy and, latterly, recessionary concerns all influencing investor sentiment.

While riskier assets proved surprisingly resilient to the Ukraine war after the initial shock of Russia's invasion at the end of February 2022, the subsequent spike in energy costs was a major factor behind a sharp and destabilising rise in inflation. This prompted a clear response by the main central banks, most notably the US Federal Reserve, which implemented rapid and large-scale hikes in interest rates.

As the period progressed, the economic outlook started to darken, with consumer spending beginning to reflect a developing cost-of-living crisis. Expectations grew that the major economies would enter a mild recession in 2023 as the global economy lost the momentum of the post-pandemic demand recovery.

In the background was the marked slowdown in the Chinese economy. The controversial 'zero-Covid' policy, which saw renewed lockdowns across several major cities, and the implementation of some fundamental regulatory changes across key sectors saw growth slow appreciably, with the impact being felt across Asia.

Global equities nevertheless generated gains overall in the period for sterling investors. The strongest markets were Europe ex-UK and the UK, while returns from the US faded on the back of underperformance by large technology companies. Emerging markets, which are sensitive to tighter monetary policy in the US, posted negative returns. Here, weakness in Asia offset good performance by Latin America.

*Fund performance figures – source Lipper, a Thomson Reuters company, share class 1, accumulation shares, net of fees, net income reinvested

The Fund's relative performance was held back by both security selection and sector allocation. At the stock level, the main drags were overweight positions in large US technology firms – such as Google owner Alphabet and Adobe Systems – where the strength of future earnings was being called into question. The world's largest microchip maker, Taiwan Semiconductor, also fared disappointingly. The best-performing holding was London Stock Exchange, which saw a turnaround as it finally succeeded in integrating its Refinitiv acquisition into its business.

In terms of sector allocation, the main drag was the lack of exposure to energy, which fared well in a highly favourable pricing environment in the wake of the Ukraine war. The overweighting of information technology was also unhelpful.

Outlook

We expect growth in developed markets to be weak in 2023, with most experiencing some form of mild recession, characterised by little growth and rising unemployment. Growth in the emerging market economies is expected to be a little firmer, reflecting an improving situation in China.

The depth of recession is expected to be shallow, reflecting the relative strength of private sector balance sheets. Unlike deep recessions of the past, we do not expect a sustained period of deleveraging to act as a serious continuing headwind to growth. However, the potential for further negative supply shocks, particularly from global energy markets, tilts the balance of risks to our central view to the downside.

As at the end of the review period, the main active sector positions were an overweighting of information technology and an underweighting of consumer discretionary.

Past performance is not a guide to the future. The value of an investment and any income from it can go down as well as up. Investors may not get back the original amount invested.

5.16

Aviva Investors Stewardship UK Equity Feeder Fund

Aviva Investors Stewardship UK Equity Feeder Fund

Overall assessment

Summary Ratings			
	Share Class 1	Share Class 2	Share Class 4
Overall	●	●	●
Quality of service	●	●	●
Performance	●	●	●
Authorised fund manager costs	●	●	●
Economies of scale	●	●	●
Comparable market rates	●	●	●
Comparable services	●	●	●
Classes of units	●	●	●

In line with the requirement to conduct a value assessment, the Board has concluded that all components of the assessment have been considered and the charges for each share class are justified in the context of overall value being delivered to investors.

The following summarises the conclusions we have reached having considered the range of factors as set out in the 'Value Assessment Approach'. This applies to all share classes in the Fund unless we have specifically noted exceptions.

Quality of service

We have considered the overall quality of the services provided to investors, and have concluded that Investors have received clear communications, and relevant information at appropriate times to enable them to make informed decisions, and the service delivered has been timely and of an appropriate quality.

Performance

Performance: Annualised net return (%)				
	Share Class 1	Share Class 2	Share Class 4	Benchmark^
1 Year	5.93	6.08	6.39	7.30
Since Launch	4.99	5.43	5.43	9.39

^FTSE All-Share TR.

Performance basis: Mid to mid, net income reinvested, net of ongoing charges and fees, net of tax payable by the Fund. The figures do not include the effect of any exit or entry charge.

Full performance data is available in the Fund Fact Sheet, which can be found here Fund centre - Aviva Investors

Aviva Investors Stewardship UK Equity Feeder Fund (continued)

We have reviewed the Fund's overall performance after charges, relative to its investment objectives, policy and strategy, and the Fund's performance is deemed to be within a reasonable range of outcomes based on the time periods reviewed and the information considered in the assessment.

A detailed explanation of the last 12 months' performance is included in the Fund Manager's Report below. You can find more detailed information on fund performance within the Fund factsheet on our website.

Authorised Fund Manager costs

Authorised Fund Manager Costs			
	Share Class 1	Share Class 2	Share Class 4
Fund management fee	0.78	0.63	0.33
Ongoing charge	0.80	0.65	0.35

The Fund Management Fee (FMF) is a single charge paid to the Authorised Fund Manager, and we consider this to be reasonable when taking into account the underlying costs for the services provided and performance objectives of the Fund.

Economies of scale

We have concluded that all investors participated appropriately in general economies of scale derived from investing with the Company based on a range of benefits and services provided and overall fees charged. There has not been a material change in the size of the Fund during the previous 12 months. As such, no additional savings have been identified.

Comparable market rates

We have reviewed the fees paid for each of the services provided to the Fund (internally or externally), and we consider these to be competitive relative to those charged by similar funds within the UK regulated funds market.

Comparable services

We have reviewed those services which we consider to be comparable, and the fees we charge are deemed reasonable compared to fees charged by associated companies within the Aviva Group for comparable products of an equivalent size and similar investment objective and policy to the Fund available in the UK.

Classes of units

The pricing of each share class of the Fund is considered reasonable based on the different eligibility criteria and target investor for each share class. All investors are invested in the appropriate share class they are eligible to hold at the date of the assessment.

Fund Managers Report

Performance

The Fund returned 5.9%* in the twelve months to 28 February 2023. The Fund's benchmark, the FTSE All-Share Index, returned 7.3%.

Portfolio Summary

The UK stock market defied both downbeat sentiment towards the economy and sharply rising interest rates to register one of the strongest returns globally in the twelve months in review. This was largely a function of its defensive profile, with the dominance of the oil majors being a key support as energy prices soared in the wake of Russia's invasion of Ukraine.

High inflation was a feature of the period, with the consumer rate peaking at 11.1% in October, the highest level in four decades. In response, the Bank of England (BoE) implemented a fast-paced tightening of monetary policy that meant interest rates increased from 0.5% at the start of the review period to 4% by its end. This contributed to a slowdown in the economy's growth rate, with GDP expansion being 0.1% in the second quarter, -0.2% in the third quarter and 0% in the fourth quarter of 2022. Political instability rose sharply in the third quarter of 2022 following a poorly received mini-budget that was followed by tax rises and spending cuts.

The Fund's relative performance held up reasonably well, despite the broadly unsupportive environment for sustainability-themed portfolios. The most notable drag was the strong performance of the oil majors, which do not qualify for inclusion in the Fund, on the back of an elevated pricing environment. The lack of exposure to commodity companies was also something of a headwind to returns.

On the positive side, pharmaceutical giant AstraZeneca helped drive absolute returns, with encouraging earnings performance seen across all areas of its business. This offset some disappointing returns by GSK. Financials is another area of focus in the Fund, where the overweighting of Asia-focused bank Standard Chartered was a leading contributor. London Stock Exchange Group, the Fund's largest overweighting, traded within a relatively narrow range over the course of the review period.

Outlook

Sentiment towards the market has continued to improve and the outlook for UK equities does seem to be better than it was a few months ago. Inflation has fallen from its October peak, aided by falling oil and natural gas prices, and is expected to continue to ease, although it may remain higher than the Bank of England's 2% target for some time to come. The economic outlook has brightened as several indicators have consistently come in ahead of forecast, indicating that consensus expectations have perhaps been set too low. Earnings have been mixed, but with companies increasingly issuing conservative forecasts, this raises the prospect of upward revisions if economic conditions continue to improve.

The valuation of UK shares is attractive relative to its history and to overseas markets. The war in Ukraine prevents us from becoming more upbeat, and we recognise there is potential for this and other geopolitical concerns, such as China's relations with the West, to flare up. However, negative factors are slowly dissipating and we see greater support for the market from improving fundamentals and are cautiously optimistic about the outlook for 2023.

Past performance is not a guide to the future. The value of an investment and any income from it can go down as well as up. Investors may not get back the original amount invested.

*Fund performance figures – source Lipper, a Thomson Reuters company, share class 1, accumulation shares, net of fees, net income reinvested

5.17

Aviva Investors Stewardship UK Equity Income Feeder Fund

Aviva Investors Stewardship UK Equity Income Feeder Fund

Overall assessment

Summary Ratings	Share Class 1	Share Class 2	Share Class 4
Overall	●	●	●
Quality of service	●	●	●
Performance	●	●	●
Authorised fund manager costs	●	●	●
Economies of scale	●	●	●
Comparable market rates	●	●	●
Comparable services	●	●	●
Classes of units	●	●	●

In line with the requirement to conduct a value assessment, the Board has concluded that all components of the assessment have been considered and the charges for each share class are justified in the context of overall value being delivered to investors.

The following summarises the conclusions we have reached having considered the range of factors as set out in the 'Value Assessment Approach'. This applies to all share classes in the Fund unless we have specifically noted exceptions.

Quality of service

We have considered the overall quality of the services provided to investors, and have concluded that Investors have received clear communications, and relevant information at appropriate times to enable them to make informed decisions, and the service delivered has been timely and of an appropriate quality.

Performance

Performance: Annualised net return (%)	Share Class 1	Share Class 2	Share Class 4	Benchmark^
1 Year	1.57	1.65	1.95	7.30
Since Launch	3.47	4.04	3.85	9.39

^FTSE All-Share TR.

Performance basis: Mid to mid, net income reinvested, net of ongoing charges and fees, net of tax payable by the Fund. The figures do not include the effect of any exit or entry charge.

Full performance data is available in the Fund Fact Sheet, which can be found here Fund centre - Aviva Investors

Aviva Investors Stewardship UK Equity Income Feeder Fund (continued)

The Fund aims to deliver an income return in excess of the income return of the FTSE® All Share Index, annualised, over 3-year rolling periods, whilst also aiming to grow your investment over the long term (5 years or more) by investing in shares of UK companies which meet the ethical investment criteria defined by our Stewardship Investment Policy.

The Fund has achieved the income objective, delivering an average yield of 111% relative to the benchmark over the two years to February 2023. The Fund has also delivered growth since it was launched in March 2021, despite a challenging period, however the Board note that in comparison to the FTSE® All Share Index, the Sub-fund has underperformed relative to the benchmark since launch by 5.49%.

Due to the Funds ethical investment criteria, the Fund is unable to invest in certain stocks, including alcohol, gambling, tobacco, coal and oil. In order to compare the Fund to a more appropriate index that excludes the companies that are not aligned with the Stewardship values, a custom benchmark is also used to measure the performance of the Fund. Against this custom benchmark, the Fund has also underperformed since launch by 1.72%.

One of the key drivers of the performance differential between the two indices is the Energy sector, which has performed strongly over the last year, in particular the major oil & gas companies which have benefited from the increase in energy costs. In line with the Fund's ethical exclusion policy, the portfolio managers have instead opted for companies that are in the process of transitioning to a lower carbon economy, with a longer term sustainable outlook.

The Fund provides an opportunity for investors to invest in our long-standing Stewardship Fund range, which has a track record of ethical investing. The Board notes that the performance of the Fund since launch has been disappointing relative to benchmark, which has coincided with a challenging period for ESG strategies generally, particularly given the strong performance of the oil and gas sector over the last 12 months. However, the underlying fund that this Fund invests into has been in existence for a much longer period of time, with a strong performance track record, and therefore the Board is not unduly concerned by the performance since launch and considers that the Fund is in a position to deliver value to investors over the longer term.

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

Authorised Fund Manager costs

Authorised Fund Manager Costs

	Share Class 1	Share Class 2	Share Class 4
Fund management fee	0.78	0.63	0.33
Ongoing charge	0.85	0.70	0.40

The Fund Management Fee (FMF) is a single charge paid to the Authorised Fund Manager, and we consider this to be reasonable when taking into account the underlying costs for the services provided and performance objectives of the Fund.

Economies of scale

We have concluded that all investors participated appropriately in general economies of scale derived from investing with the Company based on a range of benefits and services provided and overall fees charged. There has not been a material change in the size of the Fund during the previous 12 months. As such, no additional savings have been identified.

Aviva Investors Stewardship UK Equity Income Feeder Fund (continued)

Comparable market rates

We have reviewed the fees paid for each of the services provided to the Fund (internally or externally), and we consider these to be competitive relative to those charged by similar funds within the UK regulated funds market.

Comparable services

We have reviewed those services which we consider to be comparable, and the fees we charge are deemed reasonable compared to fees charged by associated companies within the Aviva Group for comparable products of an equivalent size and similar investment objective and policy to the Fund available in the UK.

Classes of units

The pricing of each share class of the Fund is considered reasonable based on the different eligibility criteria and target investor for each share class. All investors are invested in the appropriate share class they are eligible to hold at the date of the assessment.

*Fund performance figures – source Lipper, a Thomson Reuters company, share class 1, accumulation shares, net of fees, net income reinvested

Aviva Investors Stewardship UK Equity Income Feeder Fund (continued)

Fund Managers Report

Performance

The Fund returned 1.6%* in the twelve months to 28 February 2023. The Fund's benchmark, the FTSE All-Share Index, returned 7.3%.

Portfolio Summary

The UK stock market defied both downbeat sentiment towards the economy and sharply rising interest rates to register one of the strongest returns globally in the twelve months in review. This was largely a function of its defensive profile, with the dominance of the oil majors being a key support as energy prices soared in the wake of Russia's invasion of Ukraine.

High inflation was a feature of the period, with the consumer rate peaking at 11.1% in October, the highest level in four decades. In response, the Bank of England (BoE) implemented a fast-paced tightening of monetary policy that meant interest rates increased from 0.5% at the start of the review period to 4% by its end. This contributed to a slowdown in the economy's growth rate, with GDP expansion being 0.1% in the second quarter, -0.2% in the third quarter and 0% in the fourth quarter of 2022. Political instability rose sharply in the third quarter of 2022 following a poorly received mini-budget that was followed by tax rises and spending cuts.

The Fund's performed disappointingly against the FTSE All-Share Index, in part due to the broadly unsupportive environment for sustainability-themed portfolios. The most notable drag was the strong performance of the oil majors, which do not qualify for inclusion in the Fund, on the back of an elevated pricing environment. The lack of exposure to commodity companies was also something of a headwind to returns.

On the positive side, pharmaceutical giant AstraZeneca helped drive absolute returns, with encouraging earnings performance seen across all areas of its business. This offset some disappointing returns by GSK. Financials is another area of focus in the Fund, where the overweighting of Asia-focused bank Standard Chartered was a leading contributor. Despite continuing to raise assets, the Fund's largest overweighting, Intermediate Capital, was held back by the uncertainty hanging over the UK economy.

Outlook

Sentiment towards the market has continued to improve, and the outlook for UK equities seems to be better than it was a few months ago. Inflation has fallen from its October peak, aided by falling oil and natural gas prices, and is expected to continue to ease, although it may remain higher than the Bank of England's 2% target for some time to come. The economic outlook has brightened as several indicators have consistently come in ahead of forecast, indicating that consensus expectations have perhaps been set too low. Earnings have been mixed, but with companies increasingly issuing conservative forecasts, this raises the prospect of upward revisions if economic conditions continue to improve.

The valuation of the market is attractive relative to its history and overseas markets. The war in Ukraine prevents us from becoming more upbeat, and we recognise there is potential for this and other geopolitical concerns, such as China's relations with the West, to flare up.

Past performance is not a guide to the future. The value of an investment and any income from it can go down as well as up. Investors may not get back the original amount invested.

5.18

Aviva Investors UK Listed Equity Fund

AVIVA INVESTORS

Aviva Investors UK Listed Equity Fund

Overall assessment

Summary Ratings	
	Share Class 8
Overall	●
Quality of service	●
Performance	●
Authorised fund manager costs	●
Economies of scale	●
Comparable market rates	●
Comparable services	●
Classes of units	●

In line with the requirement to conduct a value assessment, the Board has concluded that all components of the assessment have been considered and the charges for each share class are justified in the context of overall value being delivered to investors.

The following summarises the conclusions we have reached having considered the range of factors as set out in the 'Value Assessment Approach'. This applies to all share classes in the Fund unless we have specifically noted exceptions.

Quality of service

We have considered the overall quality of the services provided to investors, and have concluded that Investors have received clear communications, and relevant information at appropriate times to enable them to make informed decisions, and the service delivered has been timely and of an appropriate quality.

Performance

Performance: Annualised net return (%)		
	Share Class 8	FTSE All-Share TR
1 Year	4.39	7.30
3 Years	5.28	8.82
5 Years	5.53	5.25
7 Years	8.30	7.47

Performance basis: Mid to mid, net income reinvested, net of ongoing charges and fees, net of tax payable by the Fund. The figures do not include the effect of any exit or entry charge.
Full performance data is available in the Fund Fact Sheet, which can be found here Fund centre - Aviva Investors

Aviva Investors UK Listed Equity Fund (continued)

We have reviewed the Fund's overall performance after charges, relative to its investment objectives, policy and strategy, and the Fund's performance is deemed to be within a reasonable range of outcomes based on the time periods reviewed and the information considered in the assessment.

A detailed explanation of the last 12 months' performance is included in the Fund Manager's Report below. You can find more detailed information on fund performance within the Fund factsheet on our website.

Authorised Fund Manager costs

Authorised Fund Manager Costs	
	Share Class 8
Fund management fee	0
Ongoing charge	0.02

The Fund Management Fee (FMF) is a single charge paid to the Authorised Fund Manager, and we consider this to be reasonable when taking into account the underlying costs for the services provided and performance objectives of the Fund.

Economies of scale

We have concluded that all investors participated appropriately in general economies of scale derived from investing with the Company based on a range of benefits and services provided and overall fees charged. There has not been a material change in the size of the Fund during the previous 12 months. As such, no additional savings have been identified.

Comparable market rates

We have reviewed the fees paid for each of the services provided to the Fund (internally or externally), and we consider these to be competitive relative to those charged by similar funds within the UK regulated funds market.

Comparable services

We have reviewed those services which we consider to be comparable, and the fees we charge are deemed reasonable compared to fees charged by associated companies within the Aviva Group for comparable products of an equivalent size and similar investment objective and policy to the Fund available in the UK.

Classes of units

The pricing of each share class of the Fund is considered reasonable based on the different eligibility criteria and target investor for each share class. All investors are invested in the appropriate share class they are eligible to hold at the date of the assessment.

Aviva Investors UK Listed Equity Fund (continued)

Fund Managers Report

Performance

Over the twelve months ended 28 February 2023 the Fund returned 4.39% (net of fees)*. The Funds benchmark, the FTSE® All-Share Index, returned of 7.30% over the same period.

Portfolio Summary

The period from March 2022 to February 2023 was one characterised by periods of strong outperformance and (sadly) underperformance. Following a difficult start to 2022, the portfolio experienced further relative weakness through to June. A strong recovery over the summer led the portfolio to rise above the benchmark heading into the end of the calendar year. However, such relative gains dissipated in the last three months of the reporting period (December through to February), with the portfolio finishing the 12 months disappointedly behind the FTSE All-share index.

While overall we were disappointed with returns in the past year, there is much to be optimistic about. Almost without exception, we were pleased (and often delighted) with the underlying business performance of our companies, which remain at significant discounts compared to global peers. Diageo, Experian, LSE, and Burberry are good examples. We cannot be sure when this will translate into strong share price performance, but in our experience, it is wise to be patient.

Among the biggest disappointments was Fevertree, where logistical issues hampered the company's expansion into the US. There was disappointment too for Hargreaves Lansdown, whose ambitious plans to invest in digital were poorly received. We view these concerns as short-term and retain confidence in the longer-term growth trajectory of both businesses, which are now more attractively valued. The other notable detractor over the year was Walt Disney, with the shares declining to near their pandemic lows at one point. The prime focus of investor angst is the media division where the costs of scaling the streaming business have continued to mount. Unquestionably, there are significant operational challenges facing the company as it continues its complex transition from legacy distribution to streaming. Despite the short-term upheaval, we remain optimistic about the opportunities that lie ahead. As an owner of a globally significant and passionately supported content library, Walt Disney trades on an enterprise value of just three times sales. As it looks to build out its D2C distribution to monetise this content library, the company seems a bargain to us.

There were also some bright spots. After being written off in recent years, Burberry reminded investors that it's one of the world's finest luxury brands with a double digit return in 2022. There was also a sharp rally in Manchester United, following the controlling family's decision to put the club up for sale and invite potential bidders to the table. The London Stock Exchange (LSE) generated strong returns over the year and its results for 2022 showed continued success in the integration of Refinitiv following its acquisition in 2021. Since the acquisition, the LSE has exceeded the revenue goals it set itself, has brought leverage down below targets and is well ahead of its cost cutting initiatives. RELX has also been a strong performer in 2023 following its own record results and we continue to regard it as one of the most attractive growth companies in the world, let alone the UK – which is the reason why it is one of the biggest holdings in your portfolio.

In terms of positioning, we remain invested in what we believe are exceptional, durable British businesses, many with unique and beloved brands. We back our 25-or-so companies for the long-term and pay little attention to politics or macroeconomics which we believe are difficult to second guess. We prefer instead to identify world-class businesses and allow them to compound cashflows and dividends year after year.

Past performance is not a guide to the future. The value of an investment and any income from it can go down as well as up. Investors may not get back the original amount invested.

*Fund performance figures – source Lipper, a Thomson Reuters company, share class 1, accumulation shares, net of fees, net income reinvested

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