

2024 VALUE ASSESSMENT REPORT

Aviva Investors Funds ACS

An annual review of the value our
funds have provided to investors

April 2024





Why do we produce a Value Assessment report?

As an Authorised Fund Manager ('AFM') we are required to conduct an assessment of value for each of the funds that we manage annually. The Financial Conduct Authority's (FCA) rules set out a minimum criteria to be considered to determine if funds offer value to investors, and that their costs and charges are justified in this context.



Who is it for?

The Value Assessment is intended for all investors in our funds, we produce a report each year for each of the fund ranges at an individual share class level, all of which can be found on the Value Assessment dedicated webpage.

The Value Assessment is designed to aid investors in understanding how individual funds have performed, along with our levels of customer service, and whether the fees that we charge are fair.



What is the benefit to investors?

Through the components set out by the FCA, the report will state whether the fund and share class that you are invested in is delivering value in terms of fund performance versus its stated objective, fees charged and quality of service provided. The Fund Board (AIUKFSL) are responsible for ensuring the funds meet the set criteria and explaining any areas where the funds are below expectations.

[You can see an introduction from our chair on page 5.](#)

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1

Statement from the Chair



Dear Investor,

As the new independent Chair 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 present the Value Assessment for the year to 31 December 2023.

This is our fifth Value Assessment report, and it is our opportunity as a Board to consider all aspects of fund performance and the services provided to our customers, ensuring that robust actions are being taken to address any concerns that we have on behalf of our investors. This is only one aspect of our ongoing product governance process, but this gives us the opportunity to communicate directly with investors and explain how we are acting in your best interests to help you meet your investment needs, something Aviva Investors has been doing for over 50 years.

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.

World events that have an impact on the economy continue to challenge us from an investment perspective, and the cost of living crisis highlights an even greater need to deliver value for our customers. We have set out on the next page an overview of the economic environment over the last 12 months and how it has impacted individual fund performance over the last year.

We hope that you find this report useful in supporting your investment decisions. If you would like to provide any feedback on this report it would be very much appreciated as we look to make 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 on [page 10](#) of this report.

On behalf of the Board we would like to thank you for entrusting Aviva Investors with your investment and taking the time to read this report.



Jacqueline Lowe
Chair

“This gives us the opportunity to communicate directly with investors and explain how we are acting in your best interests to help you meet your investment needs”



Market Review

Following last year's assessment where world events and those closer to home were causing both equity and bond markets to fall, we are pleased to report that we have seen some recovery in the markets over the course of the last year.

In 2022 the world markets were feeling the effects from the Russian invasion of Ukraine at the beginning of the year, causing a huge rise in oil and energy prices. This in turn caused a rise in inflation, with the Consumer Price Index (CPI) the standard measure of inflation, reaching a high of 11%, and the cost of living crisis impacting many UK households, followed by a rise in interest rates increasing mortgage payments for many with the aim of slowing inflation. All of this caused markets to fall which was reflected in the value of investors holdings as many saw an overall loss in the prior year.

During the last year interest rates continued to rise, to a high of 5.25% in August, a rise of 1.75% over the year, however inflation finally appears to be tapering off, at the time of this assessment the CPI has fallen to 4.0%, but not yet at the overall target rate of 2%, and we are yet to see a drop in interest rates.

In terms of the markets both equities and fixed income stocks posted solid gains in the twelve months under review. While annual inflation declined at a brisk pace in the US and Europe, it nevertheless remained significantly above target. This prompted the central banks to persist with interest rate rises which contributed to the failure of several US banks in the early part of 2023, causing a bout of heightened volatility in financial markets. However, the overall strength of company earnings sustained positive momentum in the markets.

Globally strong performance was posted by Europe-ex UK shares as investors welcomed data suggesting that the Eurozone economy was beginning to steer itself away from recession. US and Japanese shares also increased in value encouragingly thanks to resilient growth, and in the UK the economy performed somewhat better than forecasts despite the high inflation and rising interest rates. Emerging markets underperformed developed markets, with the disappointing performance of the Chinese economy, which failed to recover as quickly as expected after the lifting of Covid restrictions.

In the UK while the housing market has contracted in the face of higher rates, consumer spending has remained strong and business investment has been supported by government industrial policies to promote technology,

re-shoring and net-zero targets; and the energy shock has largely worked its way through the system.

The main benchmarks that are used as a general indicator of equity markets are the MSCI World Index from a global perspective and the FTSE All Share for a UK view. In the year to 31 December 2023, both were up 16.8% and 7.9% respectively. The Bloomberg Global Aggregate Corp Index, which is often used to measure fixed income markets, was up 8% in the same period, whilst moving in the right direction there is still some way to go to recover the 15% decline of last year, which in the UK was primarily caused by the major sell off of UK government bonds (gilts) following the aborted mini budget in September, and the rapidly increasing interest rates.

We are pleased that the majority of Funds in this review have delivered a positive return for the year but in some cases the medium to long term performance remains impacted by the volatile markets that we have experienced over recent years caused by many factors including the Covid-19 pandemic and those described above. We measure each Fund's performance against an appropriate benchmark and compare performance to a peer group of similar funds over various time periods, which are key factors in evaluating the performance of our Funds as they provide market context to the performance that we have seen.

Our investment managers take a long term view to investing and this remains unchanged, they look to hold positions that are resilient and best in class, and our portfolio managers have stuck with this philosophy that has delivered value for our customers in the past.

The Fund Managers Report included with each of the Fund's reports below will provide further detail on the individual performance of the Funds.

2

Meet the board



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



Jacqueline Lowe

**Chair of Aviva Investors UK
Fund Services Ltd**

Main responsibilities

Jacqueline Lowe was appointed as the Independent Chair of Aviva Investors UK Fund Services Limited in November 2023, and is also the Chair of the Aviva Investors Luxembourg Supervisory Board.

[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.

[READ FULL BIOGRAPHY HERE](#)



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](#)



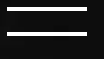
Sally Winstanley

**Director of Operations Strategy
and Implementation**

Main responsibilities

Sally has day to day responsibility for leading the Transformation Programme required to implement one of Europe's largest Asset Management outsourcing deals that will see Aviva Investors rationalise several third party outsource providers, supporting its liquid markets business, to one best-in-class supplier.

[READ FULL BIOGRAPHY HERE](#)



3

Our approach



An introduction to Value Assessments

As Authorised Fund Manager ('AFM') of the Sub-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 Sub-fund, with appropriate action taken throughout the year. If the result of the value assessment is that charges are not considered to be justified in the context of overall value, appropriate action will be taken.



Quality of service

Consideration is given to the range, nature, extent and quality of services provided directly to investors or undertaken on their behalf, and whether investors have benefited appropriately. This covers the services performed by the Company and its suppliers, as well as their reputation, expertise, resources and relative capabilities.

This includes:

- The quality of the investment manager, including their processes (trading, risk management, compliance, technology, research and operational).
- The quality of administrative and investor services provided to the Sub-fund, using investor satisfaction surveys, complaints and data relating to operational accuracy to assess the positioning of the Company and its products and services over time, including relative to similar firms.
- The timely delivery of clear communications, and the appropriateness of information provided to investors to help them make informed decisions.



Performance

Consideration is given to whether Sub-fund performance, before and after the deduction of expenses, is within a reasonable range of outcomes relative to its objective, policy and strategy when measured over appropriate time periods.

The time periods will be set out in the investment objective or policy, and performance over 1, 3, 5 and 7 years (or since inception if there is not a full 7 year's performance data) will be considered. Performance is also considered in the context of the relevant peer group and whether the Sub-fund operated in accordance with its respective risk limits and investment restrictions.

An introduction to Value Assessments (continued)

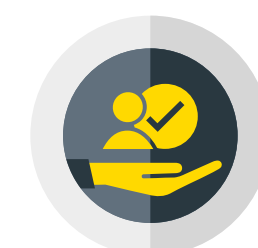
Sub-fund performance, as measured against its objectives, is assessed in regularly scheduled governance meetings, and also taken into account in reaching the conclusions for the value assessment.

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

- Explanations for any underperformance provided by the investment manager as part of the Company's 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.

The Company could consider changing the investment manager or closing the Sub-fund where no other viable options are available or where previous actions have not proved satisfactory.

Further information on the specific performance of individual Sub-funds is included in the Fund Manager Report section of the Report and Accounts, covering the period relevant to that report.



Authorized Fund Manager costs & charges

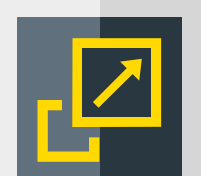
Consideration is given to whether charges are reasonable, taking into account the underlying costs for the services provided and the performance objectives of each Sub-fund.

The underlying fees, costs and expenses 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;
- FCA fees.

To assist with the value assessment, a costs and charges model is used to assess the costs attributable to each Sub-fund. The Company will determine whether the costs allocated to each Sub-fund is a fair reflection of the costs of the services provided for the relevant unit class of each Sub-fund, with an appropriate allowance for the levels of income earned for the Company from these activities.

An introduction to Value Assessments (continued)



Economies of scale

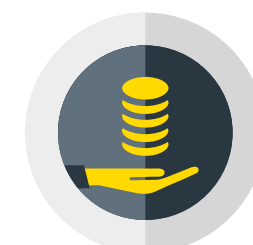
Consideration is given to whether we have been able to achieve any savings or benefits derived from the size of the Sub-fund, referred to here as “Economies of Scale”, and whether investors have benefited appropriately.

In particular the Board considers whether economies of scale have been achieved in relation to the costs and operating expenses of each unit class and the extent to which investors might also benefit from financial savings that result. For example, consideration will be given to whether the charges 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 that the supplier also provides services for, allowing us to obtain favourable rates.

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

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

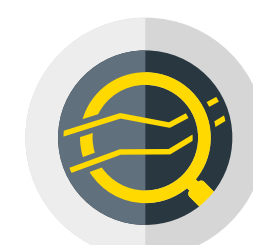
The Board may also consider it appropriate to reinvest cost savings directly into the Company, to finance product development or retain savings for commercial reasons. Consideration will be given to the drivers of the scale generated in determining whether benefits should be shared or reinvested.



Comparable market rates

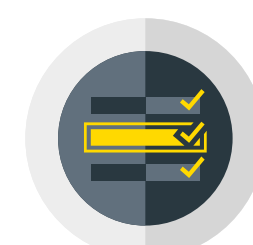
Consideration is given to whether the fees paid for each service provided to the Sub-funds by the Company or on its behalf are reasonable compared to fees for similar services in the market.

Direct comparisons of the individual fees that are paid for the services provided to the Sub-funds may be difficult because information is not generally publicly available, however where the aggregate charges (as calculated by the Ongoing Charges Figure) are greater than the average cost of equivalent peer group funds, consideration will be given to whether it would be appropriate to adjust the charge for each unit class.



Comparable services

The Board considers whether the fees charged by the Company for services it performs for the Sub-funds are consistent with those charged by the Company and other companies within the Aviva Group. This considers similar funds or services operated by the Aviva Group that are available in the UK, are of a comparable size, and are managed to similar objectives and policies.



Classes of units

The Board assesses whether investors hold units in the most appropriate unit class, in terms of fees applied.

Other factors may be considered 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 Sub-fund.



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Aviva Investors Fund Reports




































































Fund dashboard

A summary of the findings for each fund is below, we adopt a red, amber or green rating to easily identify when there are concerns. See page 18 to see what the ratings mean. **Click on the relevant fund to easily access the relevant page:**

Fund	Overall score	Quality of service	Performance	Costs and charges	Classes of units	Conclusion	Click fund to view	
							Section	Page
Aviva Investors Asia Pacific ex Japan Fund	●	●	●	●	●	<i>We have provided more information on the Sub-funds recent performance in the Sub-fund report.</i>	4.01	19
Aviva Investors Balanced Life Fund	●	●	●	●	●	The fund is delivering value in respect of all areas of the assessment.	4.02	23
Aviva Investors Balanced Pension Fund	●	●	●	●	●	The fund is delivering value in respect of all areas of the assessment.	4.03	27
Aviva Investors Cautious Pension Fund	●	●	●	●	●	The fund is delivering value in respect of all areas of the assessment.	4.04	31
Aviva Investors Climate Transition Real Assets Fund	●	●	●	●	●	<i>We have provided more information on the Sub-funds recent performance in the Sub-fund report.</i>	4.05	35
Aviva Investors Distribution Life Fund	●	●	●	●	●	The fund is delivering value in respect of all areas of the assessment.	4.06	41
Aviva Investors Emerging Market Equity Core Fund	●	●	●	●	●	The fund is delivering value in respect of all areas of the assessment.	4.07	45
Aviva Investors Europe Equity ex UK Core Fund	●	●	●	●	●	The fund is delivering value in respect of all areas of the assessment.	4.08	48
Aviva Investors Europe Equity ex UK Fund	●	●	●	●	●	<i>We plan to change the investment manager for the Sub-fund, further details are provided in the Sub-fund report.</i>	4.09	52
Aviva Investors Global Equity Fund	●	●	●	●	●	The fund is delivering value in respect of all areas of the assessment.	4.10	57
Aviva Investors Global Equity Growth Fund	●	●	●	●	●	The fund is delivering value in respect of all areas of the assessment.	4.11	62
Aviva Investors Index Linked Gilt Fund	●	●	●	●	●	<i>We have provided more information on the Sub-funds recent performance in the Sub-fund report.</i>	4.12	67
Aviva Investors Japan Equity Core Fund	●	●	●	●	●	The Fund is delivering value in respect of all areas of the assessment.	4.13	72

Fund dashboard (continued)

A summary of the findings for each fund is below, we adopt a red, amber or green rating to easily identify when there are concerns. See page 18 to see what the ratings mean. **Click on the relevant fund to easily access the relevant page:**

Fund	Overall score	Quality of service	Performance	Costs and charges	Classes of units	Conclusion	Click fund to view	
							Section	Page
Aviva Investors Japan Equity Fund						<i>We have provided more information on the Sub-funds recent performance in the Sub-fund report.</i>	4.14	76
Aviva Investors Money Market VNAV Fund						The fund is delivering value in respect of all areas of the assessment.	4.15	80
Aviva Investors North American Equity Core Fund						The fund is delivering value in respect of all areas of the assessment.	4.16	84
Aviva Investors North American Equity Fund						The fund is delivering value in respect of all areas of the assessment.	4.17	88
Aviva Investors Pacific Equity ex Japan Core Fund						The fund is delivering value in respect of all areas of the assessment.	4.18	93
Aviva Investors Pre-Annuity Fixed Interest Fund						<i>We have provided more information on the Sub-funds recent performance in the Sub-fund report.</i>	4.19	97
Aviva Investors Real Estate Active LTAF						The fund is delivering value in respect of all areas of the assessment.	4.20	101
Aviva Investors Sterling Corporate Bond Fund						The fund is delivering value in respect of all areas of the assessment.	4.21	104
Aviva Investors Sterling Gilt Fund						The fund is delivering value in respect of all areas of the assessment.	4.22	109
Aviva Investors Strategic Global Equity Fund						The fund is delivering value in respect of all areas of the assessment.	4.23	114
Aviva Investors Sustainable Stewardship Fixed Interest Fund						The fund is delivering value in respect of all areas of the assessment.	4.24	118
Aviva Investors Sustainable Stewardship International Equity Fund						The Fund is delivering value in respect of all areas of the assessment.	4.25	123
Aviva Investors Sustainable Stewardship UK Equity Fund						<i>We have provided more information on the Sub-funds recent performance in the Sub-fund report.</i>	4.26	128

Fund dashboard (continued)

A summary of the findings for each fund is below, we adopt a red, amber or green rating to easily identify when there are concerns. See page 18 to see what the ratings mean. **Click on the relevant fund to easily access the relevant page:**

Fund	Overall score	Quality of service	Performance	Costs and charges	Classes of units	Conclusion	Click fund to view	
							Section	Page
Aviva Investors Sustainable Stewardship UK Equity Income Fund	●	●	●	●	●	The fund is delivering value in respect of all areas of the assessment.	4.27	132
Aviva Investors UK Equity Alpha Fund	●	●	●	●	●	The fund is delivering value in respect of all areas of the assessment.	4.28	136
Aviva Investors UK Equity Core Fund	●	●	●	●	●	The fund is delivering value in respect of all areas of the assessment.	4.29	140
Aviva Investors UK Equity Dividend Fund	●	●	●	●	●	The fund is delivering value in respect of all areas of the assessment.	4.30	144
Aviva Investors UK Listed Equity ex Tobacco Fund	●	●	●	●	●	<i>We have provided more information on the Sub-funds recent performance in the Sub-fund report.</i>	4.31	148
Aviva Investors UK Listed Equity Fund	●	●	●	●	●	The fund is delivering value in respect of all areas of the assessment.	4.32	153
Aviva Investors UK Listed Equity Income Fund	●	●	●	●	●	The fund is delivering value in respect of all areas of the assessment.	4.33	158
Aviva Investors US Large Cap Equity Fund	●	●	●	●	●	The fund is delivering value in respect of all areas of the assessment.	4.34	162

Fund dashboard metrics

We use red, amber and green ratings to easily identify when there are concerns, with measures based on the following:

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.

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.



4.01

Aviva Investors Asia Pacific ex Japan Fund

Aviva Investors Asia Pacific ex Japan Fund



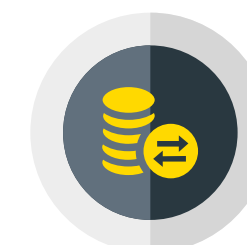
Overall assessment

Summary Ratings

Share Class Designation	Insured Pension Inc	UK Corporate Inc	UK Institutional Acc	ACS Acc (Class 1)	ACS Acc (Class 2)	UK Corporate Acc	Insured Pension Acc
Overall	●	●	●	●	●	●	●
Quality of service	●	●	●	●	●	●	●
Performance	●	●	●	●	●	●	●
Authorised fund manager costs	●	●	●	●	●	●	●
Comparable market rates	●	●	●	●	●	●	●
Economies of scale	●	●	●	●	●	●	●
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 unit 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 unit classes in the Sub-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 Designation	UK Institutional Acc	ACS Acc (Class 1)	ACS Acc (Class 2)	UK Corporate Acc	Insured Pension Acc	UK Corporate Inc	Insured Pension Inc	Benchmark [^]
1 Year	-0.56	-0.51	-0.51	-0.52	-0.52	-0.47	-0.46	1.31
3 Years	-2.46	-	-	-	-	-2.48	-2.46	-2.65
5 Years	5.41	-	-	-	-	5.41	5.42	4.63
7 Years	-	-	-	-	-	6.54	6.55	5.29
Since Launch	3.60	-3.22	-3.22	0.79	0.79	-	-	-

[^]MSCI AC Asia Pacific ex Japan TR GBP².

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

Aviva Investors Asia Pacific ex Japan Fund (continued)

The Sub-Fund aims to grow your investment over the long term (5 years or more) by investing in shares of companies in the Asia-Pacific region, excluding Japan.

Over the year to 31 December 2023 the Sub-fund has underperformed the benchmark by 1.75%, this was primarily due to negative stock selection in Chinese securities. Despite a disappointing year, the Sub-fund has outperformed the benchmark over 5 years (5.42% vs 4.63%), delivering growth over this period.

The Board is therefore satisfied with the Sub-fund's performance, and the portfolio manager's ongoing ability to meet the stated objective in the future. Therefore we do not intend to make any changes to the Sub-fund at this point in time, but the Sub-fund will remain under review following our standard governance process.

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

Authorised Fund Manager costs

We consider that the fees paid are reasonable when taking into account the underlying costs for the services provided and performance objectives set for the Sub-fund.

Economies of scale

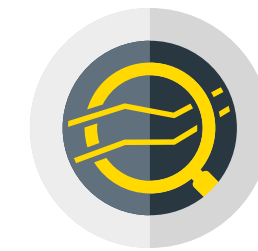
The specific benefits derived from economies of scale are returned to investors as a result of the single fee structure which operates for the entire Scheme, which enables each Sub-fund to benefit from the scale of the Scheme in totality.

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



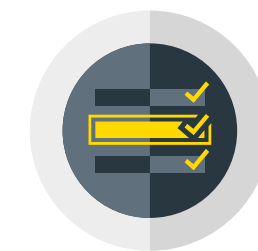
Comparable market rates

We have reviewed the fees paid for each of the services provided to the Sub-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 Sub-fund available in the UK.



Classes of units

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

Aviva Investors Asia Pacific ex Japan Fund (continued)



Fund Managers Report

Performance

From 1 January to 31 December 2023, the portfolio posted a return of -0.5%* (net of fees in GBP terms), relative to the benchmark which returned 1.3%.

Portfolio Review

Negative stock selection in China was the key detractor from relative performance, while this was partially offset by positive stock selection in Taiwan, Korea, and Hong Kong.

In terms of stock detractors, our overweight exposure to select consumer plays in China (e.g. China Mengniu Dairy, China Tourism Group, Tsingtao Brewery) underperformed given rising concerns over macro uncertainties in China as well as weak consumption data. Additionally, our nil position in PDD was another key detractor as it continued to take share in the Chinese e-commerce space, while Temu continues to grow faster than expected overseas. In Korea, our overweight exposure to LG Chem was another key detractor largely on market concerns over a slowdown in the European electric vehicle market and also lagging Q3 2023 cathode shipment relative to its peers.

Conversely, in Australia, our overweight exposure to James Hardie performed strongly as input cost tailwinds remains in place, while resilient housing starts in the US and positive guidance from management on volumes and operating leverage boosted sentiment on the name. In Korea, our exposure to Posco also did well as shares surged on expected growth from lithium battery materials and a moderate steel upcycle. Elsewhere, in Taiwan, our exposure to select Technology names like Mediatek and TSMC outperformed on market expectations for a semiconductor cyclical recovery in H2 2023.

With inflation trending down and labour conditions less tight, the FOMC has found sufficient data support to now signal likely three interest rate cuts through 2024 (with more optimistic market commentators suggesting as many as seven rate cuts). Countries that have historically faced elevated external

vulnerability risks (i.e. current account deficits and elevated fiscal deficits), now have greater flexibility to add stimulus given lower US interest rates. In our view, this will likely provide a tailwind for the region and more specifically India, Indonesia, and the Philippines where inflation is trending down and domestic interest rates remains high.

The Indian equity market has continued to perform well. With China policy uncertainty, the global supply chain desire for 'China Plus One', and a strong demographic dividend, India continues to look attractive relative to elsewhere in Asia. Current market expectations for mid-double-digit earnings growth for both FY2024 and 2025 look plausible and attractive relative to regional peers. We continue to prefer companies exposed to domestic growth, expressed through large private sector banks that continues to see solid double-digit loan growth, low non-performing loan formation, and more reasonable valuations.

Indonesia, the world's fourth largest nation by population and one of Asia's fastest growing nation is looking to elect a new president on 14 February 2024. As the country looks to elect their new president, it appears that two of the three leading candidates have indicated broad alignment and willingness for policy continuity. Whilst near-term uncertainties are likely, we continue to like the country's growth outlook and would look for opportunities to add on pullbacks.

The China macroeconomic story continues to remain weak, with deflation on both CPI and PPI. It appears policy tweaks aimed at stabilising the property sector, shoring up the financial sector and business investments have not produced the desired impact across employment and consumption. We continue to believe additional fiscal and monetary policy stimulus is needed to support slowing consumption and investment trends. We are now underweight the market, and despite reasonable valuation across a few interesting companies, we continue to look for concrete evidence of policy support and a bottoming of economic growth before adding to positions here.

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 Morningstar, net of fees, net income reinvested.



4.02

Aviva Investors Balanced Life Fund

Aviva Investors Balanced Life Fund



Overall assessment

Summary Ratings

Share Class Designation	UK Corporate Inc
Overall	●
Quality of service	●
Performance	●
Authorised fund manager costs	●
Comparable market rates	●
Economies of scale	●
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 unit 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 unit classes in the Sub-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 Designation	UK Corporate Inc	UK GBP 3 Month LIBOR / SONIA Plus 4%^
1 Year	7.49	8.96
3 Years	1.91	6.14
5 Years	5.59	5.45
7 Years	4.46	5.12

^On 1st December 2021 the Fund benchmark was changed from LIBOR to SONIA (Sterling Overnight Index Average).

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

Aviva Investors Balanced Life Fund (continued)

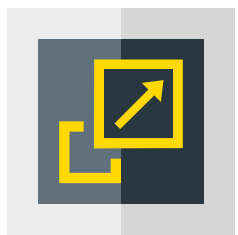
We have reviewed the Sub-fund's overall performance after charges, relative to its investment objectives, policy and strategy, and the Sub-fund's performance is deemed to be within a reasonable range of outcomes based on the time periods reviewed and the information considered in the assessment.

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



Authorised Fund Manager costs

We consider that the fees paid are reasonable when taking into account the underlying costs for the services provided and performance objectives set for the Sub-fund.



Economies of scale

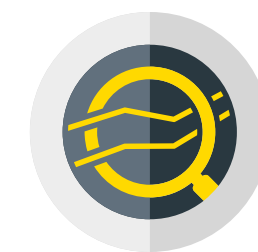
The specific benefits derived from economies of scale are returned to investors as a result of the single fee structure which operates for the entire Scheme, which enables each Sub-fund to benefit from the scale of the Scheme in totality.

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



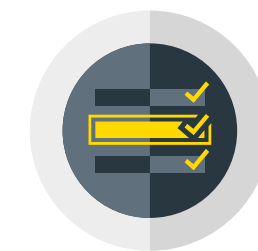
Comparable market rates

We have reviewed the fees paid for each of the services provided to the Sub-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 Sub-fund available in the UK.



Classes of units

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

Aviva Investors Balanced Life Fund (continued)



Fund Managers Report

Performance

From 1 January 2023 to 31 December 2023, the portfolio returned 7.5%* (net) and the comparator¹ returned -15.6%. Over the same period, 3 month Sterling cash² + 4% generated a total return of 9.0%.

Portfolio Review

At the outset of the year, portfolio activity focused on preparing for an economic slowdown, driven by tighter monetary policy. As such, we focused on adding to government bonds, while balancing the risk and return of emerging market (EM) and credit opportunities established at the end of 2022. Early on, the prospect of peaking rates provided relief to equity valuations, and we added to EM equities and Europe, preferring these regions to the US given better growth trends. This benefitted the portfolio as Europe and EM outperformed the US in January. Later in the quarter, we booked profits on EM equities and our Advanced Beta Global Equity Value portfolio, rotating into US healthcare, given our view that a cyclical slowdown was likely. In fixed income, consistent with our growth concerns, we took profits on our credit and local EM debt positions, adding to government bonds.

In the second quarter, our view of a slowdown in economic activity was challenged as labour market conditions remained tight and all major central banks surprised markets with higher rates or hawkish comments. In the US, there was continued strength in the services sector. As a result, equity markets broke out of their recent range and rate markets fully reversed any expectation of a Fed pivot. As such, we added to US equities, and rotated our government bond exposure into strategies which gave us positive carry, such as EM debt. These changes benefitted the portfolio with US equities performing well. Turning to government bonds, we reduced exposure helping to mitigate losses, as yields rose amidst the US debt ceiling crisis, and rose again as the Fed signalled the need for further rate hikes. Allocations to commodities also detracted; consequently, portfolio performance was broadly flat over the quarter.

In the third quarter, global equity markets fell as higher interest rates and concerns about Chinese economic growth weakened investor sentiment. Additionally, government bond yields rose across most major markets. Despite the fall in global markets, our allocations to US large caps posted strong returns at the start of the quarter, and then as investor enthusiasm withered, well-timed hedges bolstered returns. In fixed income, given concerns around resilient markets and sticky inflation, we introduced a US TIPS position. Our global high yield strategy posted gains over the quarter as spreads tightened, however, US government bonds with longer maturities detracted over the third quarter, given medium-term concerns over government debt levels and inflation. Currency hedges against non-sterling assets also detracted over the third quarter, as sterling continued to depreciate relative to the US dollar.

In the final quarter, equity and bond markets rallied strongly into year-end as inflationary pressures eased and investor optimism strengthened. Against this backdrop, allocations to equities and bonds performed well, while alternative assets edged into negative territory. In equities, our US and global allocations performed particularly well as comments from the Federal Reserve chair Jerome Powell corroborated our expectations that a soft landing is attainable in the US. Contrary to the previous two quarters, our government bond allocations also added to performance as government bond yields fell across most developed regions. Investment grade credit also added to returns. Commodities were the only detractor over the final quarter but reducing our allocation to broad commodities and closing our US energy equities trade helped to mitigate losses as commodity prices declined.

Looking ahead into the new year, our baseline scenario remains a soft landing for the global economy. The challenge we now face is that after the strong rally in markets into year-end, this scenario is reflected in market prices, making it difficult for us to maintain the positive views across asset classes we established over the final quarter of last year. At the same time, it is too early for us to turn negative as we see few signs of an imminent recession in the US. Employment levels remain supportive of consumer demand. Consequently, we have turned from positive to neutral on equities, bonds and credit.

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 Morningstar, net of fees, net income reinvested.

¹ 70% MSCI ACWI GBP HEDGED (NDR) and 30% FTSE A Gilts All Stocks.

² Cash is represented by LIBOR until 30 November 2021 where it is chain-linked to SONIA.



4.03

Aviva Investors Balanced Pension Fund

Aviva Investors Balanced Pension Fund



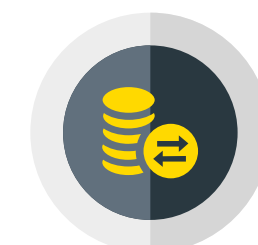
Overall assessment

Summary Ratings

Share Class Designation	Insured Pension Inc	UK Corporate Acc
Overall	●	●
Quality of service	●	●
Performance	●	●
Authorised fund manager costs	●	●
Comparable market rates	●	●
Economies of scale	●	●
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 unit 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 unit classes in the Sub-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 Designation	UK Corporate Acc	Insured Pension Inc	UK GBP 3 Month LIBOR / SONIA Plus 4%^
1 Year	7.71	7.69	8.96
3 Years	2.18	2.11	6.14
5 Years	5.69	5.66	5.45
7 Years	–	4.56	5.12
Since Launch	3.83	–	–

^On 1st December 2021 the Fund benchmark was changed from LIBOR to SONIA (Sterling Overnight Index Average).

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

Aviva Investors Balanced Pension Fund (continued)

We have reviewed the Sub-fund's overall performance after charges, relative to its investment objectives, policy and strategy, and the Sub-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.

Authorised Fund Manager costs

We consider that the fees paid are reasonable when taking into account the underlying costs for the services provided and performance objectives set for the Sub-fund.

Economies of scale

The specific benefits derived from economies of scale are returned to investors as a result of the single fee structure which operates for the entire Scheme, which enables each Sub-fund to benefit from the scale of the Scheme in totality.

We have concluded that all investors participated appropriately in the general economies of scale derived from investing with the Company based on a range of benefits and services provided and the overall fees charged. There has not been a material change in the size of the Scheme, or Sub-fund during the previous 12 months, and 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 Sub-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 Sub-fund available in the UK.

Classes of units

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

Aviva Investors Balanced Pension Fund (continued)



Fund Managers Report

Performance

From 1 January 2023 to 31 December 2023, the portfolio returned 7.7%* (net) and the comparator¹ returned -15.6%. Over the same period, 3 month Sterling cash² + 4% generated a total return of 9.0%.

Portfolio Review

At the outset of the year, portfolio activity focused on preparing for an economic slowdown, driven by tighter monetary policy. As such, we focused on adding to government bonds, while balancing the risk and return of emerging market (EM) and credit opportunities established at the end of 2022. Early on, the prospect of peaking rates provided relief to equity valuations, and we added to EM equities and maintained our European allocations, preferring these regions to the US given better growth trends. This benefitted the portfolio as Europe and EM outperformed the US in January. Later in the quarter, we booked profits on EM equities and our Advanced Beta Global Equity Value portfolio, rotating into US consumer staples and healthcare, given our view that a cyclical slowdown was likely. In fixed income, consistent with our growth concerns, we took profits on our credit and local EM debt positions, adding to government bonds.

In the second quarter, our view of a slowdown in economic activity was challenged as labour market conditions remained tight and all major central banks surprised markets with higher rates or hawkish comments. In the US, there was continued strength in the services sector. As a result, equity markets broke out of their recent range and rate markets fully reversed any expectation of a Fed pivot. As such, we added to US equities, and rotated our government bond exposure into strategies which gave us positive carry, such as EM debt. These changes benefitted the portfolio with US equities performing well. Turning to government bonds, we reduced exposure helping to mitigate losses, as yields rose amidst the US debt ceiling crisis, and rose again as the Fed signalled the need for further rate hikes. Consequently, portfolio performance was broadly flat over the quarter.

In the third quarter, global equity markets fell as higher interest rates and concerns about Chinese economic growth weakened investor sentiment. Additionally, government bond yields rose across most major markets. Despite the fall in global markets, our allocations to US large caps posted strong returns at the start of the quarter, and then as investor enthusiasm withered, well-timed hedges bolstered returns. Generally, we focused on generating income and we added tactical positions in US and European high yield debt. Our global high yield strategy posted gains over the quarter as spreads tightened, however, US government bonds with longer maturities detracted over the third quarter, given medium-term concerns over government debt levels and inflation. Currency hedges against non-sterling assets also detracted over the third quarter, as sterling continued to depreciate relative to the US dollar.

In the final quarter, equity and bond markets rallied strongly into year-end as inflationary pressures eased and investor optimism strengthened. Against this backdrop, allocations to equities and bonds performed well, while alternative assets edged into negative territory. In equities, our US and global allocations performed particularly well as comments from the Federal Reserve chair Jerome Powell corroborated our expectations that a soft landing is attainable in the US. Contrary to the previous two quarters, our government bond allocations also added to performance as government bond yields fell across most developed regions. Investment grade credit also added to returns. Commodities were the only detractor over the final quarter but reducing our allocation to broad commodities and closing our US energy equities trade helped to mitigate losses as commodity prices declined.

Looking ahead into the new year, our baseline scenario remains a soft landing for the global economy. The challenge we now face is that after the strong rally in markets into year-end, this scenario is reflected in market prices, making it difficult for us to maintain the positive views across asset classes we established over the final quarter of last year. At the same time, it is too early for us to turn negative as we see few signs of an imminent recession in the US. Employment levels remain supportive of consumer demand. Consequently, we have turned from positive to neutral on equities, bonds and credit.

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 Morningstar, net of fees, net income reinvested.

¹ 70% MSCI ACWI GBP HEDGED (NDR) and 30% FTSE A Gilts All Stocks.

² Cash is represented by LIBOR until 30 November 2021 where it is chain-linked to SONIA.



4.04

Aviva Investors Cautious Pension Fund

Aviva Investors Cautious Pension Fund



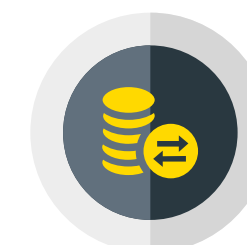
Overall assessment

Summary Ratings

Share Class Designation	Insured Pension Inc	UK Corporate Acc
Overall	●	●
Quality of service	●	●
Performance	●	●
Authorised fund manager costs	●	●
Comparable market rates	●	●
Economies of scale	●	●
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 unit 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 unit classes in the Sub-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 Designation	UK Corporate Acc	Insured Pension Inc	UK GBP 3 Month LIBOR / SONIA Plus 4%^
1 Year	5.68	5.66	7.39
3 Years	0.81	0.69	4.61
5 Years	4.05	4.08	3.93
7 Years		3.51	3.60
Since Launch	2.78	-	-

^On 1st December 2021 the Fund benchmark was changed from LIBOR to SONIA (Sterling Overnight Index Average).

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

Aviva Investors Cautious Pension Fund (continued)

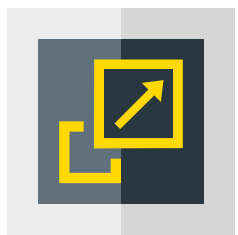
We have reviewed the Sub-fund's overall performance after charges, relative to its investment objectives, policy and strategy, and the Sub-fund's performance is deemed to be within a reasonable range of outcomes based on the time periods reviewed and the information considered in the assessment.

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



Authorised Fund Manager costs

We consider that the fees paid are reasonable when taking into account the underlying costs for the services provided and performance objectives set for the Sub-fund.



Economies of scale

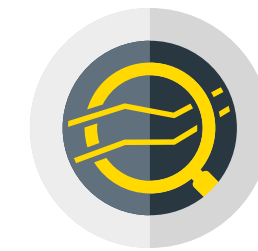
The specific benefits derived from economies of scale are returned to investors as a result of the single fee structure which operates for the entire Scheme, which enables each Sub-fund to benefit from the scale of the Scheme in totality.

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



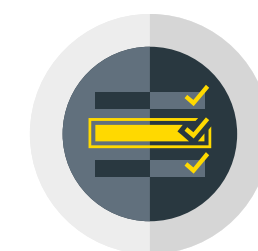
Comparable market rates

We have reviewed the fees paid for each of the services provided to the Sub-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 Sub-fund available in the UK.



Classes of units

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

Aviva Investors Cautious Pension Fund (continued)



Fund Managers Report

Performance

From 1 January 2023 to 31 December 2023, the portfolio returned 5.7%* (net) and the comparator¹ returned -12.1%. Over the same period, 3 month Sterling cash² + 2.5% generated a total return of 7.4%.

Portfolio Review

At the outset of the year, portfolio activity focused on preparing for an economic slowdown, driven by tighter monetary policy. As such, we focused on adding to government bonds, while balancing the risk and return of emerging market (EM) and credit opportunities established at the end of 2022. Early on, the prospect of peaking rates provided relief to equity valuations, and we added to EM and European equities, preferring these regions to the US given better growth trends. This benefitted the portfolio as Europe and EM outperformed the US in January. Later in the quarter, we booked profits on EM equities and our Advanced Beta Global Equity Value portfolio, rotating into US consumer staples and healthcare, given our view that a cyclical slowdown was likely. In fixed income, consistent with our growth concerns, we took profits on our credit and local EM debt positions, adding to government bonds.

In the second quarter, our view of a slowdown in economic activity was challenged as labour market conditions remained tight and all major central banks surprised markets with higher rates or hawkish comments. In the US, there was continued strength in the services sector. As a result, equity markets broke out of their recent range and rate markets fully reversed any expectation of a Fed pivot. As such, we added to US equities, and rotated our government bond exposure into strategies which gave us positive carry, such as EM debt and investment grade credit. These changes benefitted the portfolio with US equities and investment grade credit contributing positively over the quarter. Turning to government bonds, we reduced exposure helping to mitigate losses, as yields rose amidst the US debt ceiling crisis, and rose again as the Fed signalled the need for further rate hikes. Consequently, we rotated some exposure from US nominal bonds to US inflation linked.

In the third quarter, global equity markets fell as higher interest rates and concerns about Chinese economic growth weakened investor sentiment. Additionally, government bond yields rose across most major markets. Despite the fall in global markets, our allocations to US large caps posted strong returns at the start of the quarter, and then as investor enthusiasm withered, well-timed hedges bolstered returns. Generally, we focused on generating income and we added to our global high yield strategy over the quarter, which performed well as spreads tightened. However, gains were outweighed by larger losses in US government bonds with longer maturities, which detracted over the quarter given medium-term concerns over government debt levels and inflation. Currency hedges against non-sterling assets also detracted over the quarter as sterling continued to depreciate relative to the US dollar.

In the final quarter, equity and bond markets rallied strongly into year-end as inflationary pressures eased and investor optimism strengthened. Against this backdrop, allocations to equities and bonds performed well, while alternative assets were flat. In equities, our US and global allocations performed particularly well as comments from the Federal Reserve chair Jerome Powell corroborated our expectations that a soft landing is attainable in the US. Contrary to the previous two quarters, our government bond allocations also added to performance as government bond yields fell across most developed regions. Investment grade credit also added to returns. Commodities were the only detractor over the final quarter but reducing our allocation to broad commodities and closing our US energy equities trade helped to mitigate losses as commodity prices declined.

Looking ahead into the new year, our baseline scenario remains a soft landing for the global economy. The challenge we now face is that after the strong rally in markets into year-end, this scenario is reflected in market prices, making it difficult for us to maintain the positive views across asset classes we established over the final quarter of last year. At the same time, it is too early for us to turn negative as we see few signs of an imminent recession in the US. Employment levels remain supportive of consumer demand. Consequently, we have turned from positive to neutral on equities, bonds and credit.

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 Morningstar, net of fees, net income reinvested.

¹ 50% MSCI AC World TR hedged to GBP, 50% FTSE All Stocks Gilt TR index.

² Cash is represented by LIBOR until 30 November 2021 where it is chain-linked to SONIA.



4.05

Aviva Investors Climate Transition Real Assets Fund

Aviva Investors Climate Transition Real Assets Fund



Overall assessment

Summary Ratings

Share Class Designation	UK Insured Pension Acc	UK Corporate Acc
Overall	●	●
Quality of service	●	●
Performance	●	●
Authorised fund manager costs	●	●
Comparable market rates	●	●
Economies of scale	●	●
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 unit 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 unit classes in the Sub-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 Designation	UK Corp Acc Units	UK Ins Pen Acc Units
1 Year	-1.82	-1.82
Since Launch	-10.72	-10.72

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

Aviva Investors Climate Transition Real Assets Fund (continued)

The Sub-fund launched in September 2021 with the aim of providing a combination of income and growth, targeting an overall GBP return (after charges) of 8% per annum on a rolling 5-year basis, through exposure to a diversified portfolio of real assets focusing on climate transition.

In the report published in April 2023 the Board noted that the Sub-fund was still in the process of drawing down investor capital, and until this was fully drawn, and the portfolio fully diversified, the Sub-fund's performance could not be properly assessed.

Although the Fund is now into its 3rd year, the economic headwinds combined with the high cost of investing in real assets have dampened returns for the year, with the Sub-fund delivering a negative return of 1.82%. The portfolio management team remain optimistic that with interest rates peaking, there will be greater appetite for investing in this asset class once again, which will benefit returns.

This, combined with the asset specific development plans which are in place to enhance the value of the portfolio, should ensure that the objective can be achieved over a 5 year time horizon. However it should be noted that a further tightening of monetary policy (higher interest rates) or further inflationary pressures could impact the fund's ability to generate the expected returns.

The Board recognises that this has been a challenging period for this asset class, but has obtained sufficient assurances from the portfolio manager that the Sub-fund's current strategy will deliver the stated objectives, which can be achieved through the planned asset management of the portfolio and the improving market conditions.

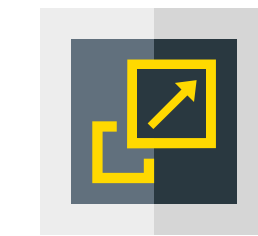
Therefore the Board does not propose to make any changes to the Sub-fund, however performance will remain under review following our standard governance process.

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



Authorised Fund Manager costs

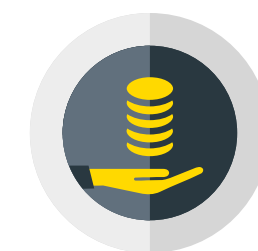
We consider that the fees paid are reasonable when taking into account the underlying costs for the services provided and performance objectives set for the Sub-fund.



Economies of scale

The specific benefits derived from economies of scale are returned to investors as a result of the single fee structure which operates for the entire Scheme, which enables each Sub-fund to benefit from the scale of the Scheme in totality.

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



Comparable market rates

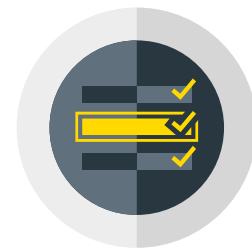
We have reviewed the fees paid for each of the services provided to the Sub-fund (internally or externally), and we consider these to be competitive relative to those charged by similar funds within the UK regulated funds market.

Aviva Investors Climate Transition Real Assets Fund (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 Sub-fund available in the UK.



Classes of units

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



Aviva Investors Climate Transition Real Assets Fund (continued)



Fund Managers Report

Performance

Over the twelve months ended 31 December 2023, the Sub-fund returned -1.82%* (net of fees). The Sub-fund has a net 8% IRR target over a rolling five-year period and aims to achieve net zero in 2040.

Review

Quarter One: The Climate Transition Real Assets Fund continues to make good progress in committing investor capital to investments as we build the portfolio in line with our objective to deliver attractive risk adjusted returns from a diversified multi real asset portfolio focussed on the climate transition.

As at the end of Q1 a total of £452m of equity has been legally committed to 12 transactions across six of the sub-fund strategies, with £361m of this drawn from investors.

There were no new transactions during the quarter, though the Fund completed on the land purchase and started the construction of 173 single-family homes in Ipswich, as part of a joint venture with Packaged Living. The development aligns with our climate objectives as we will build the homes to an Energy Performance Certificate rating of A and use electric heating to ensure fossil fuel free operation.

We also progressed due diligence on two new investments which closed shortly after the quarter end. The first was a £10m commitment to a venture capital fund focussing on later-stage climate tech companies, and the second an additional forestry investment which will further help the Fund meet its 2040 Net Zero objective through the creation of high-quality carbon credits.

Financial markets remained volatile in the first quarter of 2023 given the uncertain outlook for inflation, interest rates and growth, though there were some early signs of stabilisation. Following a 20.9% capital value fall, UK real estate turned marginally positive in March after eight months of rapid decline, while European real estate markets – which tend to be more opaque and lag the UK – had fallen 12.2%, with more repricing expected. The Fund's real estate investments mirrored these market wide changes, with UK assets broadly flat for the quarter whereas European valuations fell, albeit more slowly than previously.

*Fund performance figures – source Morningstar, net of fees, net income reinvested.

Infrastructure markets have proved to be more resilient given a general positive correlation with inflation together with ongoing demand for green assets. Following some mark-to-model volatility in Q4, the Fund's fibre investment valuations recovered, resulting in strong capital growth for the quarter. Our investments into forestry and climate-aligned private equity both benefit from strong structural tailwinds and performance has been largely unaffected by current macroeconomic conditions, though we can expect some volatility in our venture capital investments given their focus on early-stage companies.

Overall the Fund delivered a net return of 6.9% during the quarter, mainly reflecting the recovery in the GBP infrastructure valuations, offset by some decline in European real estate. This brings the total return since inception to -13.6% per annum, driven by a broad rerating of real estate assets in line with wider markets, though we are confident our focus on investments with strong fundamentals and transition-alignment means these assets will deliver strong medium-term performance. The market repricing is also creating opportunities to deploy new capital at attractive levels of risk adjusted return.

Quarter Two: As at the end of Q2 a total of £515m of equity has been legally committed to 14 transactions across six of the sub-fund strategies, with £408m of this drawn from investors.

There were two new transactions during the quarter. Within the private equity strategy, the Fund made a \$12m commitment to Fifth Wall's Late-Stage Climate Tech Fund – a venture capital fund which invests in growing climate tech companies related to the built environment. We anticipate that the investment will provide attractive risk-adjusted returns as well as demonstrating strong alignment to the Fund's objective of accelerating the climate transition.

The Fund also made its second investment into forestry during the quarter with the acquisition of Glen Forsa on the Isle of Mull. We plan to undertake new planting of trees on more than half of the c1,600-hectare site, thereby sequestering a projected 226,000 tonnes of carbon across the project life. This will be key to offsetting future carbon emissions within the Fund to deliver on our net zero 2040 objective.

Aviva Investors Climate Transition Real Assets Fund (continued)

Financial markets remained volatile in the second quarter of 2023 due to ongoing uncertainty in the outlook for inflation, interest rates and growth. Overall the Fund delivered a net return of -3.0% during the quarter, reflecting some volatility in the GBP Real Estate and Infrastructure valuations. This brings the total return since inception to -13.1% per annum, mainly driven by a rerating of the Fund's real estate investments in line with wider markets, though we are confident our focus on investments with strong fundamentals and transition-alignment means these assets will deliver strong medium-term performance. The market repricing is also creating opportunities to deploy new capital at attractive levels of risk-adjusted return.

Quarter Three: We have now formalised our Net Zero 2040 target as a dual objective alongside the financial return objective of 8% p.a.

As at the end of Q3 a total of £583m of equity has been legally committed to 15 transactions across six of the sub-fund strategies, with £446m of this drawn from investors.

There was one new transaction during the quarter. Within the EUR Infrastructure strategy, the Fund made a €50m investment in Innovo, a renewable energy platform specialising in the development of solar PV, onshore wind and battery energy storage projects in Italy, the UK and Spain. The company plans to develop a pipeline of 4.6GW of renewable energy over the next five years, exiting some at ready-to-build stage while retaining a proportion as they shift towards becoming an Independent Power Producer. The investment will generate attractive returns for the Fund from a diversified pool of renewables projects in a sector demonstrating strong alignment with our climate objectives.

Financial markets remained volatile in the third quarter of 2023 due to ongoing uncertainty in the outlook for inflation, interest rates and growth. Overall the Fund delivered a net return of -5.4% during the quarter, reflecting some volatility in the Real Estate and GBP Infrastructure valuations. This brings the total return since inception to -14.6% per annum, mainly driven by a rerating of the Fund's real estate investments in line with wider markets. We are confident that our focus on investments with strong fundamentals and transition-alignment means these assets will deliver strong medium-term performance. The market repricing is also creating opportunities to deploy new capital at attractive levels of risk-adjusted return and the projected returns on the Fund are significantly ahead of target.

Quarter Four: As at the end of Q4 a total of £613m of equity has been legally committed to 16 transactions across eight sectors, with £518m of this drawn from investors.

There was one new transaction during the quarter. Within the EUR Infrastructure strategy, the Fund made a €30m commitment to eRapid, Ireland's leading developer and operator of public Electric Vehicle charging points. eRapid primarily focuses on commercial contracts with retail clients such as supermarkets and manages around half of the existing Irish network. Our investment will help them grow their network and is expected to deliver attractive risk-adjusted returns in a sector benefitting from strong transition tailwinds.

Financial markets remained volatile in the third quarter of 2024 due to ongoing uncertainty in the outlook for inflation, interest rates and growth. Overall the Fund delivered a net return of -0.6% during the quarter, with ongoing volatility in the GBP and EUR Real Estate valuations being offset by positive returns across the Infrastructure investments. This brings the total return since inception to -12.2% per annum, mainly driven by a rerating of the Fund's real estate investments in line with wider markets. We are confident that our focus on investments with strong fundamentals and transition alignment means these assets will deliver strong medium-term performance as valuations stabilise and business plans are delivered. The market repricing is also creating opportunities to deploy new capital at attractive levels of risk-adjusted return and the projected returns on the Fund are significantly ahead of target.

The Fund return and portfolio composition metrics are the key performance indicators that we report on to investors. They currently reflect a Fund in ramp-up and we expect them to become more meaningful over time. We provide our ESG reporting on the Fund's climate impact and social value metrics in a separate annual report for the Fund, published at mid-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.



4.06

Aviva Investors Distribution Life Fund

Aviva Investors Distribution Life Fund



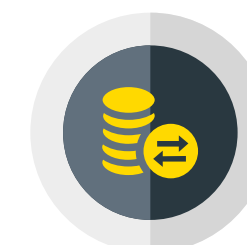
Overall assessment

Summary Ratings

Share Class Designation	UK Corporate Inc
Overall	●
Quality of service	●
Performance	●
Authorised fund manager costs	●
Comparable market rates	●
Economies of scale	●
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 unit 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 unit classes in the Sub-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 Designation	UK Corporate Inc	UK GBP 3 Month LIBOR / SONIA Plus 2.5%^
1 Year	6.36	7.39
3 Years	1.40	4.61
5 Years	4.65	3.93
7 Years	4.11	3.60

^On 1st December 2021 the Fund benchmark was changed from LIBOR to SONIA (Sterling Overnight Index Average).

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

Aviva Investors Distribution Life Fund (continued)

We have reviewed the Sub-fund's overall performance after charges, relative to its investment objectives, policy and strategy, and the Sub-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.

Authorised Fund Manager costs

We consider that the fees paid are reasonable when taking into account the underlying costs for the services provided and performance objectives set for the Sub-fund.

Economies of scale

The specific benefits derived from economies of scale are returned to investors as a result of the single fee structure which operates for the entire Scheme, which enables each Sub-fund to benefit from the scale of the Scheme in totality.

We have concluded that all investors participated appropriately in the general economies of scale derived from investing with the Company based on a range of benefits and services provided and the overall fees charged. There has not been a material change in the size of the Scheme, or Sub-fund during the previous 12 months, and 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 Sub-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 Sub-fund available in the UK.

Classes of units

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

Aviva Investors Distribution Life Fund (continued)



Fund Managers Report

Performance

From 1 January 2023 to 31 December 2023, the portfolio returned 6.4%* (net), the target (3-month cash + 2.5%¹) generated a total return of 7.4%, and the fund's comparator returned 12.1%. The yield of the portfolio at the end of the year was 4.8%, ahead of its target of 2.6% (110% of the comparator index²).

Portfolio Review

In the first quarter, portfolio activity focused on preparing for an economic slowdown by prioritising higher quality and defensive assets. We increased our exposure to government bonds, buying US and UK 10-year bonds as we believed that market concerns were likely to shift towards slower future growth given that the disinflationary process has begun. In corporate credit, we moved up the credit quality spectrum by shifting from high yield into investment grade bonds, where we believe the yield-to-risk trade-off is far more attractive. Performance over the quarter benefited from this rotation. In equities, the prospect of peaking rates led to a relief rally over the first quarter; we took the opportunity to reduce our exposure given the risk of further financial stress and expectations of a cyclical slowdown.

Our view of a slowdown in economic activity was challenged in Q2 as labour market conditions remained tight and all major central banks surprised markets with higher rates or hawkish comments. In the US, although there were ongoing signs of weakness in manufacturing and the goods sector, these were outweighed by continued strength in the services sector. As a result, equity markets broke out of their range and rate markets fully reversed any expectation of a Fed pivot. Consequently, we added to US and global equities, and rotated our government bond exposure into strategies which gave us positive carry, such as EM debt.

At a high level little changed over Q3 – we maintained a cautious stance, refraining from any strong directional views as we waited for clarity on the next phase of the cycle. However, under the surface we took advantage of selective opportunities, while keeping portfolio risks finely balanced. Portfolio activity focused on generating income, selective positions in equities and commodities, and trading the ranges in government bonds.

In the final quarter, inflation trended down, confirming our view that US rates had reached a plateau. A rising participation rate helped to reduce pressure on the labour market and as such, a soft landing remained our baseline forecast. We maintained a view that the path of least resistance was for markets to rise into year-end and our flexible approach enabled us to take advantage of opportunities as they surfaced. At a high level, we changed the composition of our regional equity allocations, while increasing exposure overall. In fixed income, we reduced our government bond exposure in favour of credit to take advantage of the attractive yields on offer.

Turning to alternatives, we added to our high yield exposure as corporate balance sheets were strong, standing them in good stead to weather tightening financial conditions and moderating growth, without a significant pick-up in defaults. This proved the right choice as high yield markets rallied following a change in monetary policy direction. Towards the end of the period, we took some profits on our high yield debt allocations after sharp moves upward.

Looking ahead into the new year, our baseline scenario remains a soft landing for the global economy. The challenge we now face is that after the strong rally in markets into year-end, this scenario is reflected in market prices, making it difficult for us to maintain the positive views across asset classes we established over the final quarter of last year. At the same time, it is too early for us to turn negative as we see few signs of an imminent recession in the US. Employment levels remain supportive of consumer demand. Consequently, we have turned from positive to neutral on equities, bonds and credit.

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 Morningstar, net of fees, net income reinvested.

¹ Cash is represented by LIBOR until 30 November 2021 where it is chain-linked to SONIA.

² Comparator comprises 50% MSCI AC World index hedged to GBP, 50% FTSE All stocks Gilts index.



4.07

Aviva Investors Emerging Market Equity Core Fund

Aviva Investors Emerging Market Equity Core Fund



Overall assessment

Summary Ratings

Share Class Designation	Insured Pension Acc	Fund of Funds Acc
Overall	●	●
Quality of service	●	●
Performance	●	●
Authorised fund manager costs	●	●
Comparable market rates	●	●
Economies of scale	●	●
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 unit 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 unit classes in the Sub-fund unless we have specifically noted exceptions.

It should be noted that this Sub-fund launched on 1 February 2023, so this assessment has been completed with limited reference data. The conclusions are, therefore, in a large part dependent upon the product feasibility assessment that was completed prior to launch which evidenced that the Sub-fund's long term objective and fees were appropriate for a fund with this strategy.



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 Designation	Insured Pension Acc	Fund of Funds Acc
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Since Launch	3.22	4.00
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Performance basis: Month end returns, Mid to mid, net income reinvested, net of ongoing charges and fees, net of tax payable by the Sub-fund. The figures do not include the effect of any exit or entry charge.

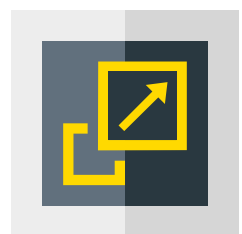
Aviva Investors Emerging Market Equity Core Fund (continued)

We have reviewed the Sub-fund's overall performance after charges, relative to its investment objectives, policy and strategy, and the Sub-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.



Authorised Fund Manager costs

We consider that the fees paid are reasonable when taking into account the underlying costs for the services provided and performance objectives set for the Sub-fund.



Economies of scale

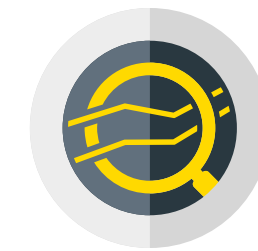
The specific benefits derived from economies of scale are returned to investors as a result of the single fee structure which operates for the entire Scheme, which enables each Sub-fund to benefit from the scale of the Scheme in totality.

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



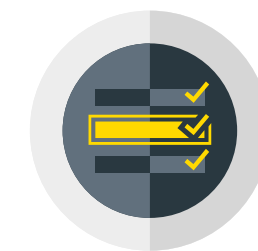
Comparable market rates

We have reviewed the fees paid for each of the services provided to the Sub-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 Sub-fund available in the UK.



Classes of units

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



4.08

Aviva Investors Europe Equity ex UK Core Fund

Aviva Investors Europe Equity ex UK Core Fund



Overall assessment

Summary Ratings

Share Class Designation	UK Corporate Acc	Insured Pension Acc	Fund of Funds Acc
Overall	●	●	●
Quality of service	●	●	●
Performance	●	●	●
Authorised fund manager costs	●	●	●
Comparable market rates	●	●	●
Economies of scale	●	●	●
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 unit 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 unit classes in the Sub-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 Designation	Insured Pension Acc	UK Corp Acc	Fund of Funds Acc	MSCI® Europe ex UK Index (GBP) ²
1 Year	15.12	15.13	15.13	14.83
Since Launch	13.17	13.11	13.11	-

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

Aviva Investors Europe Equity ex UK Core Fund (continued)

We have reviewed the Sub-fund's overall performance after charges, relative to its investment objectives, policy and strategy, and the Sub-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.

Authorised Fund Manager costs

We consider that the fees paid are reasonable when taking into account the underlying costs for the services provided and performance objectives set for the Sub-fund.

Economies of scale

The specific benefits derived from economies of scale are returned to investors as a result of the single fee structure which operates for the entire Scheme, which enables each Sub-fund to benefit from the scale of the Scheme in totality.

We have concluded that all investors participated appropriately in the general economies of scale derived from investing with the Company based on a range of benefits and services provided and the overall fees charged. There has not been a material change in the size of the Scheme, or Sub-fund during the previous 12 months, and 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 Sub-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 Sub-fund available in the UK.

Classes of units

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

Aviva Investors Europe Equity ex UK Core Fund (continued)



Fund Managers Report

Performance

The fund posted a return of 15.1%* (net) in the twelve months to 31 December 2023.

Review

After a dismal 2022, 2023 saw much improved performance from Europe ex-UK stocks as risk appetite recovered. The positive tone was set by good news on Eurozone inflation, which fell back sharply amid lower energy prices and favourable base effects. Although the European Central Bank (ECB) continued to raise interest rates at almost all of its meetings during the year – and indeed indicated that monetary policy was likely to remain restrictive – investors found relief that an apparent turn in the monetary policy cycle was on the horizon.

Data on the economy was nevertheless disappointing, with the Eurozone barely registering any growth in 2023. While that reflected surprising resilience in the first half of the year to the energy shock, activity thereafter faltered, despite the retreat in gas prices. Tight monetary policy slowed credit creation, negatively impacting consumer spending and investment – especially on the residential side. Alongside that, the structural impact of persistently high gas prices on industrial production saw the German economy approach a technical recession.

At the country level, the strongest performers were Italy and Spain, with gains of 25% and 20% respectively. The main disappointment was Belgium, with a total return of -1.3%.

Outlook

We expect 2024 to be another year of muted growth, with the full impact of higher rates still feeding through the economy in the first half, with growth only gradually picking up in the second half as real household disposable income growth improves. While the long-term fiscal support for climate transition and national security remains in place, reduced government spending is likely to be a marked drag on growth in 2024 following the recent German Constitutional Court ruling. Inflation has fallen faster than expected in recent months, and while there will be some reversal of that due to the unwind of energy support packages, we expect core inflation to fall back to target in 2024. That opens up the prospect for the ECB to cut rates more sharply, with a widening output gap and limited prospect of underlying inflation accelerating in the near term. We expect the ECB will look to bring policy rates back to around 2% over the next 18 months.

While there is great uncertainty around how much earnings can grow in 2024, European share valuations are much less demanding than the US. Price-to-earnings ratios are below the long-term average and already price in a weaker growth environment and/or greater downside risk. This allows potential upside for European valuations and reduces the dependence on earnings-per-share growth for equity returns in the region.

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 Morningstar, net of fees, net income reinvested.



4.09

Aviva Investors Europe Equity ex UK Fund

Aviva Investors Europe Equity ex UK Fund



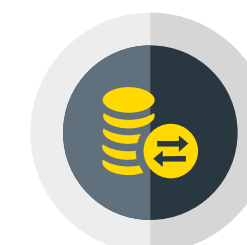
Overall assessment

Summary Ratings

Share Class Designation	UK Corporate Inc	Insured Pension Inc	UK Institutional Acc	ACS Acc (Class 1)	ACS Acc (Class 2)
Overall	●	●	●	●	●
Quality of service	●	●	●	●	●
Performance	●	●	●	●	●
Authorised fund manager costs	●	●	●	●	●
Comparable market rates	●	●	●	●	●
Economies of scale	●	●	●	●	●
Comparable services	●	●	●	●	●
Classes of units	●	●	●	●	●

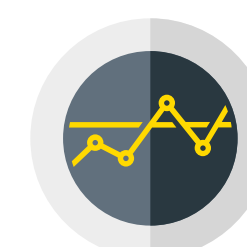
In line with the requirement to conduct a value assessment, the Board has concluded that due to the ongoing performance issues the Sub-fund has not delivered value to the majority of investors, and we are in the process of changing the investment manager.

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 unit classes in the Sub-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 Designation	UK Institutional Acc	ACS Acc (Class 1)	ACS Acc (Class 2)	UK Corporate Inc	Insured Pension Inc	Benchmark [^]
1 Year	10.01	10.33	10.33	10.33	10.31	15.42
3 Years	4.67	4.83	4.83	4.83	4.81	7.64
5 Years	8.08	8.33	8.33	8.30	8.30	10.18
7 Years	–	–	–	6.26	6.31	8.07
Since Launch	4.05	4.45	4.45	–	–	–

[^]FTSE Developed Europe ex UK TR GBP¹.

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

Aviva Investors Europe Equity ex UK Fund (continued)

The Sub-fund aims to grow your investment over the long term (5 years or more) by investing in shares of European companies, excluding the UK, whilst the Sub-fund's performance is compared against the FTSE® Developed Europe ex UK Total Return Index¹.

In the Value Assessment published in April 2023 the Board considered that the Sub-fund had not delivered value to the majority of investors, and that a strategic review would be undertaken in conjunction with the Sub-fund's sole investor, to determine whether further changes were required to the management of the Sub-fund. This has resulted in the decision to appoint a new investment manager, who will be taking over management of the portfolio in due course, following an orderly transition of responsibilities.

The Sub-fund has had a disappointing 12 months, although it has delivered positive returns over all periods under review, it has underperformed the benchmark by 5.4% in the year to 31 December 2023, and this remains an unsatisfactory outcome.

The Board therefore consider that the Sub-fund has not delivered value to the majority of investors and believe that the change of investment manager will ultimately position the Sub-fund it to deliver value to 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

We consider that the fees paid are reasonable when taking into account the underlying costs for the services provided and performance objectives set for the Sub-fund.

Economies of scale

The specific benefits derived from economies of scale are returned to investors as a result of the single fee structure which operates for the entire Scheme, which enables each Sub-fund to benefit from the scale of the Scheme in totality.

We have concluded that all investors participated appropriately in the general economies of scale derived from investing with the Company based on a range of benefits and services provided and the overall fees charged. There has not been a material change in the size of the Scheme, or Sub-fund during the previous 12 months, and 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 Sub-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 Sub-fund available in the UK.

Classes of units

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

Aviva Investors Europe Equity ex UK Fund (continued)



Fund Managers Report

Performance

European equity markets outperformed initial expectations by gaining 15.4% over the 12 month period. The last two months in particular was a strong phase as risk appetite was aided by growing optimism of a soft landing in the US economy, peak (and transitory) inflation and the potential for multiple rate cuts in 2024.

Portfolio Review

Portfolio performance relative to benchmark in the year was disappointing, influenced by stock specific challenges. Key stock detractors included Worldline, Bayer and Siemens Energy. Each company has fallen short of expectations, and the latter two have been exited in full.

The Siemens Energy investment case was dependent on past issues with the wind turbine division being firmly behind them and that group growth, profitability & cashflow would significantly inflect starting 2024. Sadly, the management profit warned noting they found new vibration problems with the wind turbine installed base, which would require high remediation costs and significant time to address.

Conglomerate Bayer was another detractor. There was disappointing news regarding a new blood-thinning drug which it was hoped would replace Xarelto as a blockbuster product. The value of the drug is now impaired. This could jeopardise the ability of Bayer's new CEO to separate the company into its distinct crop protection and pharmaceutical entities. This had been part of our investment thesis and we have exited the shares as the company's transition process may now be extended.

Payments group Worldline also weighed on relative returns. The company guided down earnings by c.20% due to lower consumer spending in Europe. It emerged that Worldline earns a significantly higher fee from discretionary transactions compared to staples spending. News of this disparity in mix dented management's credibility and led to a large share price sell-off. We would highlight that the balance sheet is still sound. We feel the payments space is one that could draw merger & acquisition interest, especially from private equity, and added to our holding.

Some holdings in the portfolio have suffered for temporary reasons in our view and we continue to own the likes of Ariston Holding, a making of heating systems including gas boilers and air pumps. Recession fears in Europe have resulted in larger outflows than usual in European equities, which isn't helpful for smaller sized company shares. In addition, the company has suffered from European governments reducing or withdrawing the subsidies available for switching from gas boilers to heat pumps. Chemicals company Azelis is another such example. The company has suffered from excess inventory levels which have delayed customer orders near term. The volatility observed across holdings such as Ariston and Azelis is unwelcome, but they are performing well operationally and we see the worst as behind them.

The top positive contributor to performance in the period was semi-conductor equipment group ASM International. ASMI has gained focus from its positive position for the coming wave of investment into artificial intelligence (AI), as well as the more general need for extra semiconductor capacity.

We have made changes to our information technology exposure, initiating a new position in semiconductor maker Infineon Technologies and reducing the size of the holdings in semiconductor equipment makers ASM International. This is largely due to relative valuations. The semiconductor equipment groups have performed very well and become more highly valued, while chipmakers like Infineon have lagged. The chipmakers are more closely linked to the industrial cycle and have been hurt by the slowdown in industrial production. There are also concerns over greater competition from China in power semiconductors, in which Infineon is a specialist. That is a risk but one likely to play out over a long time horizon. In the meantime, Infineon still has a significant opportunity given the transition towards electric cars, wind power, etc, which all requires huge amounts of power semiconductors. Infineon also has exposure to the Artificial Intelligence theme via its edge AI capabilities (AI at the edge is where the AI processing takes place on the connected device).

The European economy is lacking growth drivers and expectations for this coming year are low. There are also reasons for markets to be more constructive and it is often overlooked that Europe is home to thousands of listed securities. Separately, there are still significant share buybacks and dividends to come in Europe in the first half of 2024, which may support the market and partly explains why we have a greater banks allocation presently.

Aviva Investors Europe Equity ex UK Fund (continued)

The team have reflected on recent challenges, and have enhanced risk processes so that our security selection will improve. Keeping our longterm view on companies during previous periods of disappointing relative performance as subsequently been rewarded as underperformers have bounced back. Lastly, we believe a style diversified approach is appropriate in this environment. The portfolio aims to capture the best opportunities from both value and growth parts of the European market

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.





4.10

Aviva Investors Global Equity Fund

Aviva Investors Global Equity Fund



Overall assessment

Summary Ratings

Share Class Designation	UK Corporate Inc	Insured Pension Inc	UK Institutional Acc	UK Corporate Acc	Insured Pension Acc
Overall	●	●	●	●	●
Quality of service	●	●	●	●	●
Performance	●	●	●	●	●
Authorised fund manager costs	●	●	●	●	●
Comparable market rates	●	●	●	●	●
Economies of scale	●	●	●	●	●
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 unit 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 unit classes in the Sub-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 Designation	UK Institutional Acc	UK Corporate Inc	Insured Pension Acc	UK Corporate Acc	Insured Pension Inc	MSCI World NR GBP ²
1 Year	18.60	18.60	18.82	18.65	18.74	16.81
3 Years	9.91	9.90	–	–	10.02	9.80
5 Years	15.09	15.09	–	–	15.23	12.78
7 Years	–	12.71	–	–	12.97	10.24
Since Launch	11.94	–	16.03	15.85	–	–

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

Aviva Investors Global Equity Fund (continued)

We have reviewed the Sub-fund's overall performance after charges, relative to its investment objectives, policy and strategy, and the Sub-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.

Authorised Fund Manager costs

We consider that the fees paid are reasonable when taking into account the underlying costs for the services provided and performance objectives set for the Sub-fund.

Economies of scale

The specific benefits derived from economies of scale are returned to investors as a result of the single fee structure which operates for the entire Scheme, which enables each Sub-fund to benefit from the scale of the Scheme in totality.

We have concluded that all investors participated appropriately in the general economies of scale derived from investing with the Company based on a range of benefits and services provided and the overall fees charged. There has not been a material change in the size of the Scheme, or Sub-fund during the previous 12 months, and 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 Sub-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 Sub-fund available in the UK.

Classes of units

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

Aviva Investors Global Equity Fund (continued)



Fund Managers Report

Performance

The portfolio returned +18.6%* (net of fees), outperforming the MSCI World² by 1.8% over the period.

Portfolio Review

Global equities gained in the first half of 2023, buoyed by receding recession worries in developed markets. Gains came despite the collapse of Silicon Valley Bank, which caused significant volatility in bank shares in the first quarter. Investor enthusiasm over AI (Artificial Intelligence) boosted technology stocks in the first half of the year. However, global share prices turned weaker in the third quarter. Chinese shares were particularly weak in August, with the country's property sector performing particularly badly as investors doubted that Beijing will deliver enough stimulus to put the world's second-largest economy back on track. Share prices in Hong Kong, Taiwan, and South Korea also fell in the third quarter as concerns over Chinese growth weakened sentiment towards the Asia Pacific region. However, the final quarter of the year saw global share prices return to growth as the US Federal Reserve signalled that interest rate cuts may be on the way for 2024. Developed markets outperformed emerging markets amid ongoing worries over China's real estate sector. Crude oil prices fell despite some output cuts. Shares in China, however, remained weak due to concerns over the country's weaker economic growth.

The portfolio outperformed the benchmark against this backdrop. Multi-national insurance and finance company AIA underperformed on investor fears that China's economic rebound, following the country's reopening after the Covid-19 crisis, has started to cool. Financial stocks were under pressure in the month after the collapse of Silicon Valley Bank prompted investor fears of contagion to the wider market. Performing less well as a result were financials such as Charles Schwab and HDFC Bank. Our underweight in mega cap stocks such as Apple as well as our zero weight in Meta Platforms and Tesla at the beginning of the calendar year were a significant headwind throughout the year following prolific gains for many of the "Super-7" mega cap tech stocks.

There was, however, strong positive performance in other areas of the portfolio. AMD, Adobe and Intel performed particularly well amid investor enthusiasm around artificial intelligence (AI). Traditional defensive stocks were particularly resilient during the period as investors sought relative safety in a volatile environment. This was most notably represented in the portfolio by large cap pharmaceutical holdings Eli Lilly, Novo Nordisk, Pfizer all of which were strong performers underpinned by robust earnings. Meanwhile, consumer discretionary name Booking outperformed amid rising demand for holidays and hopes that China's reopening will boost demand for international travel from Chinese consumers.

Global markets will likely remain turbulent amidst a busy political calendar, tight financial conditions, and a slowing economic cycle. Most central banks appear to be holding off further tightening, as the economy digests the lag effects of the recent rate hiking cycle, and they continue to carefully monitor the softening labour market, growth, and inflation trends. The potential soft-landing economic scenario seems to be playing out thus far. However, there are a number of scenarios that could alter the "seemingly benign" backdrop and we expect market volatility to increase in 2024. While short term volatility may increase, we believe that investors will be well served by focusing on the longer-term, identifying the areas with structural, under-appreciated growth, and remaining prepared to allocate to those companies with a sustained competitive advantage.

While headline inflation has come down substantially, it remains above target levels in most markets and policymakers have been trying to signal that interest rates will likely remain "higher for longer." The tight labour market is potentially weakening and may herald a bias toward easing if labour demand were to continue weakening. With financial conditions tighter and the economic cycle slowing, we continue to see some pockets of stress emerging amidst highly leveraged consumers and corporates. Spending and consumer demand has shown clear signs of slowing as much of the excess savings accumulated during the Covid-19 crisis have largely been depleted. Balance sheet strength and strong organic cashflow generation are typically investment positives we look for, but we expect them to remain particularly important during this period of slowdown and higher cost of capital.

Aviva Investors Global Equity Fund (continued)

Geopolitical and policy risk will loom large this year, as over 40 countries representing three-quarters of the total global investable universe will hold national elections in 2024. Starting in January, Taiwan has its Presidential election which will have significant implications for relationships with China and the West, as well as for the semiconductor industry and global supply chains. The US will also have presidential elections this year, with an outcome that has the potential to dramatically impact geopolitical relationships, as well as sectors such as healthcare and clean energy. Early polls indicate the outcome of many of these elections remain far from certain and increased volatility should be expected.

China also remains an area of great focus, as the combination of geopolitical tensions, economic growth and government interference in the private sector continue to loom over the market. China faces slower growth as it needs to transition away from an investment-led growth model and address its excess supply and debt levels within the property sector. With consolidation of power under Xi and increased government control, many multi-national firms have looked to diversify their supply chain and shift production elsewhere. Many of these concerns are evidenced in the foreign direct investment flows, as foreigners withdrew capital from China last year at a rate not seen before. We remain cautious on both our holdings within China and companies with significant revenue exposure to China. However, it remains an \$18 trillion economy with a very large domestic market and the scale to support its own industrial policy. We remain cognizant that there are a number of world class companies operating within China trading at very deep discounts to their global peers, which stand to outperform if policy transparency and sentiment improves.

In global equity markets, valuations continue to favour ex-US markets, particularly the UK, Japan, and emerging markets. However, the US market looks less expensive relative to history when you look beyond the “Super 7” mega-cap growth stocks. Unloved markets like the UK offer attractive upside and given the high percentage of floating rate mortgages, a reversal in rates could provide some support to the consumer. While the “Super 7” aren’t going away any time soon, we expect the opportunity set to be far broader in the coming year.

Within Japan we continue to see a long-term corporate improvement and governance story playing out that remains in the early innings. Led by the Tokyo Stock Exchange reform policies, companies are increasingly embracing better governance and more efficient capital allocation practices, with the unwind of cross holdings and the return of excess cash. After battling deflation for three decades, which discouraged spending and investment, Japan is now seeing inflation and a renewed focus on both profitability and productivity. This is helping create greater investment opportunities for Japanese corporates. As the Bank of Japan begins its pivot away from yield curve control, it will provide greater support for the Yen and ultimately increase the attractiveness of many Japanese domestic businesses to international investors.

We continue to see the market grappling with areas of disruption such as Artificial Intelligence (AI) and within healthcare around the emergence of GLP-1 drugs in the treatment of diabetes and obesity. While the companies that produce and sell these drugs may potentially reap huge gains, the market is now starting to think about the long-term implications of behavioural shifts and changing consumption habits that may impair long term growth rates within snack companies, confectioners, alcohol, restaurants, etc. Similarly with AI, we believe this will be a key theme for markets as investors increasingly grapple with the technology’s potential in driving new revenue streams and productivity gains. These remain areas that are not well understood by the market and will continue to be an area of emphasis for the team as it represents a major potential source of alpha.

The energy transition theme is a capital-intensive one that has good long-term prospects but has been significantly negatively impacted by the rapid rise in financing costs and post-Covid supply chain and inflationary pressures. However, improving economics achieved in recent power price agreement auctions and a renewed focus by government leaders on addressing the issues that have slowed development, may represent an inflection point for both orders and margins within the clean energy industry. This is one area where we may well be able to pick up some good long-term opportunities in the volatility.

With increased volatility expected this year, we believe it will also create increased opportunities for patient and selective investors with a long-term focus. We continue to monitor the market landscape closely and maintain a well-diversified portfolio reflecting a fluid outlook and an active approach.

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 Morningstar, net of fees, net income reinvested.



4.11

Aviva Investors Global Equity Growth Fund

Aviva Investors Global Equity Growth Fund



Overall assessment

Summary Ratings

Share Class Designation	UK Corporate Inc	UK Institutional Acc
Overall	●	●
Quality of service	●	●
Performance	●	●
Authorised fund manager costs	●	●
Comparable market rates	●	●
Economies of scale	●	●
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 unit 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 unit classes in the Sub-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 Designation	UK Institutional Acc	UK Corporate Inc	MSCI World NR GBP ²
1 Year	19.13	19.18	16.81
3 Years	10.74	10.66	9.80
5 Years	14.66	14.70	12.78
7 Years	-	12.22	10.24
Since Launch	11.41	-	-

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

Aviva Investors Global Equity Growth Fund (continued)

We have reviewed the Sub-fund's overall performance after charges, relative to its investment objectives, policy and strategy, and the Sub-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.

Authorised Fund Manager costs

We consider that the fees paid are reasonable when taking into account the underlying costs for the services provided and performance objectives set for the Sub-fund.

Economies of scale

The specific benefits derived from economies of scale are returned to investors as a result of the single fee structure which operates for the entire Scheme, which enables each Sub-fund to benefit from the scale of the Scheme in totality.

We have concluded that all investors participated appropriately in the general economies of scale derived from investing with the Company based on a range of benefits and services provided and the overall fees charged. There has not been a material change in the size of the Scheme, or Sub-fund during the previous 12 months, and 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 Sub-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 Sub-fund available in the UK.

Classes of units

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

Aviva Investors Global Equity Growth Fund (continued)



Fund Managers Report

Performance

The portfolio returned +19.1%* (net of fees), outperforming the MSCI World² by 2.3% over the period.

Portfolio Review

Global equities gained in the first half of 2023, buoyed by receding recession worries in developed markets. Gains came despite the collapse of Silicon Valley Bank, which caused significant volatility in bank shares in the first quarter. Investor enthusiasm over AI (Artificial Intelligence) boosted technology stocks in the first half of the year. However, global share prices turned weaker in the third quarter. Chinese shares were particularly weak in August, with the country's property sector performing particularly badly as investors doubted that Beijing will deliver enough stimulus to put the world's second-largest economy back on track. Share prices in Hong Kong, Taiwan, and South Korea also fell in the third quarter as concerns over Chinese growth weakened sentiment towards the Asia Pacific region. However, the final quarter of the year saw global share prices return to growth as the US Federal Reserve signalled that interest rate cuts may be on the way for 2024. Developed markets outperformed emerging markets amid ongoing worries over China's real estate sector. Crude oil prices fell despite some output cuts. Shares in China, however, remained weak due to concerns over the country's weaker economic growth.

The portfolio outperformed the benchmark against this backdrop. Traditional defensive stocks were particularly resilient during the period as investors sought relative safety in a volatile environment. This was most notably represented in the portfolio by large cap pharmaceutical holdings Novo Nordisk, Eli Lilly, and Pfizer, all of which were strong performers underpinned by robust earnings. Information technology (IT) names such as AMD, Adobe and Intel performed particularly well amid investor enthusiasm around artificial intelligence (AI). Despite a slight dip towards the end of 2023, Microsoft and Alphabet were notable outperformers throughout the year, reflective of prolific gains for many of the "Super-7" mega cap tech stocks. Meanwhile, consumer discretionary name Booking was our strongest performer over the calendar year amid rising demand for holidays and hopes that China's reopening will boost demand for international travel from Chinese consumers.

Financial stocks were under pressure in the month after the collapse of Silicon Valley Bank prompted investor fears of contagion to the wider market. As a result, performing less well were financials such as US Bancorp and Charles Schwab. Multi-national insurance company AIA also underperformed on investor fears that China's economic rebound, following the country's reopening after the Covid-19 crisis, has started to cool.

Global markets will likely remain turbulent amidst a busy political calendar, tight financial conditions, and a slowing economic cycle. Most central banks appear to be holding off further tightening, as the economy digests the lag effects of the recent rate hiking cycle, and they continue to carefully monitor the softening labour market, growth, and inflation trends. The potential soft-landing economic scenario seems to be playing out thus far. However, there are a number of scenarios that could alter the "seemingly benign" backdrop and we expect market volatility to increase in 2024. While short term volatility may increase, we believe that investors will be well served by focusing on the longer-term, identifying the areas with structural, under-appreciated growth, and remaining prepared to allocate to those companies with a sustained competitive advantage.

While headline inflation has come down substantially, it remains above target levels in most markets and policymakers have been trying to signal that interest rates will likely remain "higher for longer." The tight labour market is potentially weakening and may herald a bias toward easing if labour demand were to continue weakening. With financial conditions tighter and the economic cycle slowing, we continue to see some pockets of stress emerging amidst highly leveraged consumers and corporates. Spending and consumer demand has shown clear signs of slowing as much of the excess savings accumulated during the Covid-19 crisis have largely been depleted. Balance sheet strength and strong organic cashflow generation are typically investment positives we look for, but we expect them to remain particularly important during this period of slowdown and higher cost of capital.

Geopolitical and policy risk will loom large this year, as over 40 countries representing three-quarters of the total global investable universe will hold national elections in 2024. Starting in January, Taiwan has its Presidential election which will have significant implications for relationships with China and the West, as well as for the semiconductor industry and global supply chains. The US will also have presidential elections

Aviva Investors Global Equity Growth Fund (continued)

this year, with an outcome that has the potential to dramatically impact geopolitical relationships, as well as sectors such as healthcare and clean energy. Early polls indicate the outcome of many of these elections remain far from certain and increased volatility should be expected.

China also remains an area of great focus, as the combination of geopolitical tensions, economic growth and government interference in the private sector continue to loom over the market. China faces slower growth as it needs to transition away from an investment-led growth model and address its excess supply and debt levels within the property sector. With consolidation of power under Xi and increased government control, many multi-national firms have looked to diversify their supply chain and shift production elsewhere. Many of these concerns are evidenced in the foreign direct investment flows, as foreigners withdrew capital from China last year at a rate not seen before. We remain cautious on both our holdings within China and companies with significant revenue exposure to China. However, it remains an \$18 trillion economy with a very large domestic market and the scale to support its own industrial policy. We remain cognizant that there are a number of world class companies operating within China trading at very deep discounts to their global peers, which stand to outperform if policy transparency and sentiment improves.

In global equity markets, valuations continue to favour ex-US markets, particularly the UK, Japan, and emerging markets. However, the US market looks less expensive relative to history when you look beyond the “Super 7” mega-cap growth stocks. Unloved markets like the UK offer attractive upside and given the high percentage of floating rate mortgages, a reversal in rates could provide some support to the consumer. While the “Super 7” aren’t going away any time soon, we expect the opportunity set to be far broader in the coming year.

Within Japan we continue to see a long-term corporate improvement and governance story playing out that remains in the early innings. Led by the Tokyo Stock Exchange reform policies, companies are increasingly embracing better governance and more efficient capital allocation practices, with the unwind of cross holdings and the return of excess cash. After battling deflation for three decades, which discouraged spending and investment, Japan is now seeing inflation and a renewed focus on both profitability and productivity. This is helping create greater investment opportunities for

Japanese corporates. As the Bank of Japan begins its pivot away from yield curve control, it will provide greater support for the Yen and ultimately increase the attractiveness of many Japanese domestic businesses to international investors.

We continue to see the market grappling with areas of disruption such as Artificial Intelligence (AI) and within healthcare around the emergence of GLP-1 drugs in the treatment of diabetes and obesity. While the companies that produce and sell these drugs may potentially reap huge gains, the market is now starting to think about the long-term implications of behavioural shifts and changing consumption habits that may impair long term growth rates within snack companies, confectioners, alcohol, restaurants, etc. Similarly with AI, we believe this will be a key theme for markets as investors increasingly grapple with the technology’s potential in driving new revenue streams and productivity gains. These remain areas that are not well understood by the market and will continue to be an area of emphasis for the team as it represents a major potential source of alpha.

The energy transition theme is a capital-intensive one that has good long-term prospects but has been significantly negatively impacted by the rapid rise in financing costs and post-Covid supply chain and inflationary pressures. However, improving economics achieved in recent power price agreement auctions and a renewed focus by government leaders on addressing the issues that have slowed development, may represent an inflection point for both orders and margins within the clean energy industry. This is one area where we may well be able to pick up some good long-term opportunities in the volatility.

With increased volatility expected this year, we believe it will also create increased opportunities for patient and selective investors with a long-term focus. We continue to monitor the market landscape closely and maintain a well-diversified portfolio reflecting a fluid outlook and an active approach.

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 Morningstar, net of fees, net income reinvested.



4.12

Aviva Investors Index Linked Gilt Fund

Aviva Investors Index Linked Gilt Fund

Overall assessment

Summary Ratings

Share Class Designation	UK Institutional Acc	Insured Pension Acc	UK Corporate Acc
Overall	●	●	●
Quality of service	●	●	●
Performance	●	●	●
Authorised fund manager costs	●	●	●
Comparable market rates	●	●	●
Economies of scale	●	●	●
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 unit 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 unit classes in the Sub-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 Designation	UK Institutional Acc	Insured Pension Acc	UK Corporate Acc	Benchmark [^]
1 Year	1.36	1.35	1.35	0.93
3 Years	-11.09	-11.12	-11.12	-11.29
5 Years	-3.62	-	-	-3.78
Since Launch	-2.47	-6.32	-6.32	-

[^]FTSE® UK Index-Linked Gilts All Stocks TR Index.

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

Aviva Investors Index Linked Gilt Fund (continued)

The Sub-fund aims to grow your investment over the long term (5 years or more) by investing in bonds issued or guaranteed by governments.

In the report published in April 2023 the Board noted that the value of investor's holdings declined in the year to December 2022, which was primarily due to the volatile market conditions at the end of 2022.

The Board is pleased to note that the markets have stabilised since this date, and the Sub-fund has delivered positive returns in the period to 31 December 2023, however given the severity of the market decline we are yet to see all the losses recovered. Over the long term (5 years) the Sub-fund is delivering positive returns (after fees and taxes) relative to the benchmark of 0.16%.

Therefore the Sub-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, and 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

We consider that the fees paid are reasonable when taking into account the underlying costs for the services provided and performance objectives set for the Sub-fund.

Economies of scale

The specific benefits derived from economies of scale are returned to investors as a result of the single fee structure which operates for the entire Scheme, which enables each Sub-fund to benefit from the scale of the Scheme in totality.

We have concluded that all investors participated appropriately in the general economies of scale derived from investing with the Company based on a range of benefits and services provided and the overall fees charged. There has not been a material change in the size of the Scheme, or Sub-fund during the previous 12 months, and 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 Sub-fund (internally or externally), and we consider these to be competitive relative to those charged by similar funds within the UK regulated funds market.

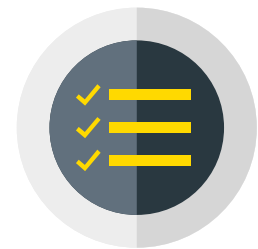
Comparable services

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 Sub-fund available in the UK.

Classes of units

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

Aviva Investors Index Linked Gilt Fund (continued)



Fund Managers Report

Performance

In the twelve months to 31 December 2023, the sub-fund returned 1.4%*. By comparison, the benchmark, the FTSE Government Index-Linked All-Stocks Index¹, returned 0.9%.

Market Review

The first quarter of 2023 saw UK gilts experience a continuation of the volatility seen through much of 2022. Initially, the market narrative was one of weakening global growth as well as, more importantly, the potential for softer inflation. However, with economic data failing to weaken as anticipated, this environment soon changed and interest rate hikes were duly delivered. As such, February saw a marked sell off, with yields rising once again. Volatility then spiked in March as US banking concerns took the headlines following the collapse of Silicon Valley Bank. This triggered a mini-storm for capital markets as memories of the global financial crisis of 2008 resurfaced. However, concerns soon dissipated with the focus once again returning to the strength in the data, particularly in regard to inflation and employment.

Going into the second quarter, with the UK economy displaying unexpected strength, gilt yields were under pressure from the start as inflation concerns failed to dissipate. This drove a 90 basis point rise in the 10-year gilt yield over the quarter and a huge 185 basis point upshift in 2-year gilt yields. As a result, there was a significant flattening of the UK yield curve and, elsewhere, a marked cross-market underperformance for gilts against both US Treasuries and German Bunds.

Early in the third quarter, there was a notable change in market dynamics as sovereign bond investors became more comfortable with the expectation for the peak in interest rates and the consequential value created in shorter-dated bonds. However, concerns both around longer-dated issuance and the ongoing battle against inflation combined to drive a marked steepening of the yield curve.

The final two months of the year saw a strong market rally. A combination of weaker UK inflation data and developed market central banks turning less hawkish, thereby opening the door to potential cuts in 2024, saw 10-year UK gilt yields fall steeply. This was accentuated by year-end dynamics as investor positioning saw market participants become more comfortable owning sovereign bonds. With interest rate cuts being aggressively priced for 2024, the yield curve steepened sharply, particularly when US Federal Reserve chair Powell made some dovish policy comments in December. This, combined with impending gilt supply, saw short-dated gilts gain more support relative to their longer-dated counterparts.

Performance

At the start of the year, with the market narrative being one of weakening global growth as well as, more importantly, the potential for lower inflation, fund performance was boosted by long duration positions, cross-market exposures (being long gilts against US Treasuries) and selected currency positions. Further to this, the fund also actively traded the yield curve with a steepening bias, thereby looking to own shorter-dated maturities versus their longer-dated counterparts. This also proved successful early in the year. However, this push to lower yields was short-lived and, over the next two months, the fund grappled with the combination of strengthening data, further central bank interest rate hikes and US regional banking concerns.

The second quarter most definitely marked an end to any bond bullish environment created over the previous three months. With the expected peak of interest rates being revised higher, yield curves aggressively flattened and both duration and curve positions weighed on fund performance. However, medium-to-longer term value was being created and, as such, we added to these positions along the way and increased the fund's exposure to strategies looking for lower yields and steeper yield curves.

Aviva Investors Index Linked Gilt Fund (continued)

Heading into the final quarter of the year, with yield levels remaining elevated and close to their 2023 peak, long duration positions held from the previous quarter were added to in terms of both their geography and size. These positions looking for lower yields were primarily held in the UK, Europe and in Australian government bonds. With the move in yields playing out in favour of the fund, profits were realised at various points. This added much of the good performance over the quarter, as did the positions anticipating a steepening of the yield curve.

Outlook

Going forward, given the strength of the move seen in government bond markets towards the end of 2023 and investors perhaps getting a little carried away on the potential for cuts in 2024, immediate opportunities are not as clear cut as we would like. As such, in the near term, we will look to take a more dynamic approach with regard to portfolio positions and react to any market asymmetries that begin to unfold. With significant interest rate cuts already priced in, sizeable bond issuance needing to be absorbed and numerous elections across the globe slated for 2024, not to mention the ongoing battle against elevated inflation, the year ahead should prove to be one which throws up numerous opportunities for the fund to potentially exploit.

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 Morningstar, net of fees, net income reinvested.





4.13

Aviva Investors Japan Equity Core Fund

Aviva Investors Japan Equity Core Fund



Overall assessment

Summary Ratings

Share Class Designation	UK Corporate Acc	Insured Pension Acc	Fund of Funds Acc
Overall	●	●	●
Quality of service	●	●	●
Performance	●	●	●
Authorised fund manager costs	●	●	●
Comparable market rates	●	●	●
Economies of scale	●	●	●
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 unit 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 unit classes in the Sub-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 Designation	Insured Pension Acc	UK Corp Acc	Fund of Funds Acc	MSCI® Japan Index (GBP) ²
1 Year	13.45	13.24	13.24	13.53
Since Launch	11.95	11.66	11.66	–

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

Aviva Investors Japan Equity Core Fund (continued)

We have reviewed the Sub-fund's overall performance after charges, relative to its investment objectives, policy and strategy, and the Sub-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.

Authorised Fund Manager costs

We consider that the fees paid are reasonable when taking into account the underlying costs for the services provided and performance objectives set for the Sub-fund.

Economies of scale

The specific benefits derived from economies of scale are returned to investors as a result of the single fee structure which operates for the entire Scheme, which enables each Sub-fund to benefit from the scale of the Scheme in totality.

We have concluded that all investors participated appropriately in the general economies of scale derived from investing with the Company based on a range of benefits and services provided and the overall fees charged. There has not been a material change in the size of the Scheme, or Sub-fund during the previous 12 months, and 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 Sub-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 Sub-fund available in the UK.

Classes of units

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

Aviva Investors Japan Equity Core Fund (continued)



Fund Managers Report

Performance

The fund posted a return of 13.2%* (net) in the twelve months to 31 December 2023.

Review

It was a very strong year for Japanese stocks, although gains of 28% in yen terms were eroded significantly by currency conversion factors for sterling investors. The market was boosted by a surge in interest from foreign investors, many of whom were attracted by the prospect of reforms being introduced to improve the way Japanese companies are run. On top of positive technical factors such as rising merger and acquisition activity and an increase in companies buying back shares, there was also a general rise in confidence in the prospects for the economy after an extended period in the doldrums. Japan's economy expanded by 1.2% in the first quarter of 2023 and by 0.9% in the second quarter. It nevertheless contracted by 0.7% in the third quarter, with a challenging global economy and sluggish private consumption weighing on its performance. The manufacturing sector contracted in all but one month of the year.

Annual inflation was above the central bank's 2% target throughout the year, although it declined from a 41-year high of 4.3% in January to 2.8% in November. The Bank of Japan (BoJ) kept interest rates at -0.1% throughout the year but relaxed slightly its yield curve control policy, whereby it intervenes in the market to keep the yield of the ten-year government bond at a defined level.

Outlook

The U-shaped post-COVID recovery is largely complete in Japan, and fiscal spending alongside real wages turning the corner into positive territory should sustain the expansion. We expect growth should trend to 1-1.5%, well above population growth and ahead of consensus. Key to that are the Shunto wage negotiations, and whether small and medium enterprises feel the need and have the ability to raise salaries as well.

The global growth slowdown and election risk, as well as the world's worst demographic profile, are the main short- and medium-term drags. Some of the fiscal deficit is incurred from subsidies, which boost consumption but also suppress inflation, as was the case in Europe, China, and many emerging markets.

Consumer inflation should still be around the 2% level on a sustained basis, in part as subsidies abate, allowing for gradual rate hikes which are needed to steady the yen, even if other central banks cut in 2024. The yield curve control policy is effectively dead, but the BoJ is well within its rights to intervene in the government bond market or the yen market to dampen volatility. There is no risk of a fiscal crisis, but large bond issuance amid rising rates and no credible consolidation on the deficit front, while real and nominal growth is relatively low, suggest prolonged yen weakness is a structural phenomenon, though the exchange rate can appreciate if the ECB or Fed cut quickly.

Overall, we continue to see opportunity in Japanese equities as the country finally emerges from decades of deflation and with significant corporate governance reforms.

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 Morningstar, net of fees, net income reinvested.



4.14

Aviva Investors Japan Equity Fund

Aviva Investors Japan Equity Fund



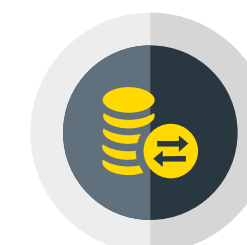
Overall assessment

Summary Ratings

Share Class Designation	UK Corporate Inc	Insured Pension Inc	UK Institutional Acc	UK FoF Acc Units	UK Corporate Acc	Insured Pension Acc	ACS Acc (Class 1)	ACS Acc (Class 2)
Overall	●	●	●	●	●	●	●	●
Quality of service	●	●	●	●	●	●	●	●
Performance	●	●	●	●	●	●	●	●
Authorised fund manager costs	●	●	●	●	●	●	●	●
Comparable market rates	●	●	●	●	●	●	●	●
Economies of scale	●	●	●	●	●	●	●	●
Comparable services	●	●	●	●	●	●	●	●
Classes of units	●	●	●	●	●	●	●	●

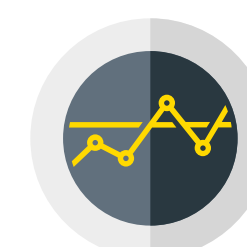
In line with the requirement to conduct a value assessment, the Board has concluded that all components of the assessment have been considered and the charges for each unit class are justified in the context of overall value being delivered to investors. However, the Board notes that there has been some short term underperformance, and more information can be found on this in the Performance section on the next page.

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 unit classes in the Sub-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 Designation	UK Institutional Acc	UK FoF Acc Units	UK Corporate Inc	Insured Pension Acc	Insured Pension Inc	UK Corporate Acc	ACS Acc (Class 1)	ACS Acc (Class 2)	Topix TR
1 Year	6.71	6.73	6.66	6.92	6.88	6.63	7.02	7.02	12.90
3 Years	1.22	-	1.18	-	1.51	-	-	-	3.46
5 Years	5.69	-	5.67	-	5.88	-	-	-	6.82
7 Years	-	-	5.61	-	5.70	-	-	-	5.70
Since Launch	3.55	2.02	-	9.10	-	8.85	7.02	7.02	-

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

Aviva Investors Japan Equity Fund (continued)

The Sub-Fund aims to grow your investment over the long term (5 years or more) by investing in shares of Japanese companies.

Historically the Fund has performed well and delivered value to investors, however over the last year the Sub-fund has not met this objective. In the year to 31 December 2023 the Sub-fund has delivered a positive return to investors, but has underperformed the benchmark by over 5%.

During 2023 the Japanese markets have favoured value strategies, which can be described as investing in stocks which are considered cheap relative to the market. This is because stock prices have been impacted by a combination of the US Federal Reserve increasing interest rates whilst the Bank of Japan has simultaneously maintained loose monetary policy with low interest rates, higher commodity prices, and the resulting depreciation in the Japanese Yen, all of which have specifically benefited value stocks. This has resulted in the Sub-fund's growth focused portfolio of stocks underperforming the benchmark.

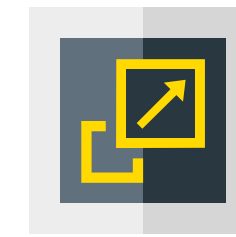
That being said, the portfolio manager acknowledges that some stock specific decisions have also contributed to underperformance, and as a result they have made some key strategic changes to the investment team with a view to improving performance.

The Board is satisfied that the changes made by the portfolio manager should have a positive impact on the Sub-fund's performance and are mindful of the portfolio manager's longer term track record. Therefore, the Sub-fund will be kept under review whilst allowing the portfolio manager time to fully implement the changes to the investment process.

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

Authorised Fund Manager costs

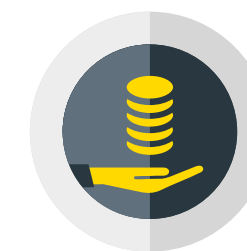
We consider that the fees paid are reasonable when taking into account the underlying costs for the services provided and performance objectives set for the Sub-fund.



Economies of scale

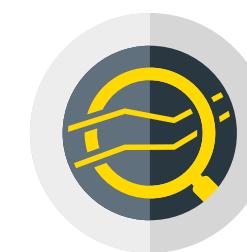
The specific benefits derived from economies of scale are returned to investors as a result of the single fee structure which operates for the entire Scheme, which enables each Sub-fund to benefit from the scale of the Scheme in totality.

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



Comparable market rates

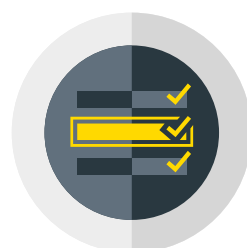
We have reviewed the fees paid for each of the services provided to the Sub-fund (internally or externally), and we consider these to be competitive relative to those charged by similar funds within the UK regulated funds market.



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 Sub-fund available in the UK.

Aviva Investors Japan Equity Fund (continued)



Classes of units

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



Fund Managers Report

Performance

The Japanese equity market rose strongly in 2023 by 28.3% for TOPIX Total Return in the Japanese Yen terms, however the yen continued to weaken against sterling, resulting in a total return for a sterling-based investor of 12.9%.

Portfolio Review

Throughout 2023, the strong momentum for Japanese shares continued and that has been primarily driven by continuous buying from foreign investors. The investors expectation toward Japan revaluation supported. The return of inflation in Japan and corporate governance reforms drove the positive views on Japan. The momentum was accelerated in 2Q upon the Tokyo Stock Exchange (TSE)'s initiatives to boost the corporate values of Japan. The market constantly hit the highest level in 33 years, i.e., Japan's post bubble high.

The corporate earnings of Japanese companies have been strong, supported by multiple factors including economic reopening after Covid-19 time, pricing power under inflationary environment, Yen weakness, and overall companies' effort to generate profits. TSE has requested company management to make plans to improve profitability and eventually stock price by considering cost of capitals and capital allocation at the end of March 2023. Many companies have responded and disclosed their management strategies, and some announced significant volume of payout which boosted stock prices.

The overall macroeconomic conditions in Japan also continued to improve. Under the resilient inflationary environment, wage growth recorded historically highest rise at Shunto, a spring wage negotiation, in 30 years. The Bank of Japan (BOJ) made gradual but steady steps to normalize their extraordinary easing monetary policy under the new leadership of Governor Ueda. Although wage growth has not been strong enough to overcome inflation, inbound tourisms supported domestic consumption and capital expenditure also remained solid. Overall economic sentiment in Japan continued to improve, which made the BOJ comfortable with preparing for further steps to normalize its extraordinary monetary easing policy in early 2024.

The portfolio significantly underperformed the benchmark in the year, lagged against the market rise. Overall, the stock selection had negative impacts, but at the same time, there were also materially negative impacts by style and size factors. Our quality-oriented style suffered in value rally in Japan and the market was also heavily skewed to large cap and our portfolio with mid and small cap overweight lagged. In terms of stock selection effect, the largest negative contributions came from Nippon Shinyaku, a small cap pharmaceutical company, and not holding large cap stocks such as Tokyo Electron and Toyota Motor also hurt. There were some positive individual contributions came from Chugai Pharmaceutical and Toyota Industries. Rorze, a small cap machinery company, also added value.

During 2023, we made dynamic steps toward performance turnaround including leadership change and research evolution. From the portfolio strategy viewpoints, we have shifted the portfolio to a barbel type, combining value stocks with improving ROE as well as growth stocks (high PBR) with cheaper or reasonable valuations. We remain focused on companies with sustainable mid- to long-term earnings, backed by company-specific growth drivers and we added many new ideas to improve our performance, including AGC, Ividen, and Visional.

We remain positive on Japan thanks to sustained positive cycle in macro development and earnings strength. The Japanese Yen has weakened again in early 2024 and the corporate earnings remain solid. In addition to overseas investors, Japanese retail money seems to come into the market under the renewed tax-exempt scheme, NISA, for individual investors. Japan's macroeconomic development has been solid and the BOJ is expected to take a sensible step to policy normalization in April after confirming wage growth. Corporate governance reform is also expected to step up amid continuous push by the TSE. Based on improving corporate fundamentals, Japan's valuation level remains attractive.

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.



4.15

Aviva Investors Money Market VNAV Fund

Aviva Investors Money Market VNAV Fund



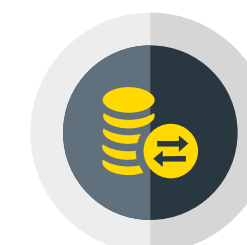
Overall assessment

Summary Ratings

Share Class Designation	UK Corporate Inc	Insured Pension Inc	UK Institutional Acc
Overall	●	●	●
Quality of service	●	●	●
Performance	●	●	●
Authorised fund manager costs	●	●	●
Comparable market rates	●	●	●
Economies of scale	●	●	●
Comparable services	●	●	●
Classes of units	●	●	●

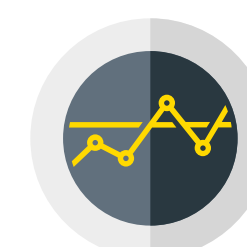
In line with the requirement to conduct a value assessment, the Board has concluded that all components of the assessment have been considered and the charges for each unit class are justified in the context of overall value being delivered to investors.

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 unit classes in the Sub-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 Designation	UK Corporate Inc	Insured Pension Inc	UK Institutional Acc	LIBID GBP 7 Day / SONIA [^]
1 Year	4.80	4.90	–	4.78
3 Year	2.07	2.07	–	2.06
5 Year	1.43	1.45	–	1.39
7 Year	1.30	1.33	–	1.08
Since Launch	–	–	0.80	–

[^]On 1st December 2021 the Fund benchmark was changed from LIBOR to SONIA (Sterling Overnight Index Average).

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

Aviva Investors Money Market VNAV Fund (continued)

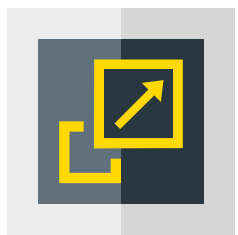
We have reviewed the Sub-fund's overall performance after charges, relative to its investment objectives, policy and strategy, and the Sub-fund's performance is deemed to be within a reasonable range of outcomes based on the time periods reviewed and the information considered in the assessment.

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



Authorised Fund Manager costs

We consider that the fees paid are reasonable when taking into account the underlying costs for the services provided and performance objectives set for the Sub-fund.



Economies of scale

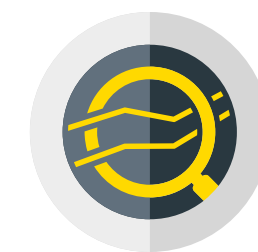
The specific benefits derived from economies of scale are returned to investors as a result of the single fee structure which operates for the entire Scheme, which enables each Sub-fund to benefit from the scale of the Scheme in totality.

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



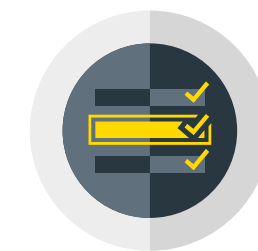
Comparable market rates

We have reviewed the fees paid for each of the services provided to the Sub-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 Sub-fund available in the UK.



Classes of units

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

Aviva Investors Money Market VNAV Fund (continued)



Fund Managers Report

Performance

For the 12-month period ended 31 December 2023, the portfolio returned 4.8%* (net) and outperformed the SONIA benchmark of 4.8%. The portfolio's yield increased from 3.57% at the end of 2022 and ended the year at 5.18%, which is broadly in line with that of the benchmark at 5.19%.

Portfolio Review

After a positive Q1, the second quarter of 2023 saw a significant drop in market volatility as 3 FDIC banks failed. Inflation in the UK continued to take many by surprise, with headline and core measures both printing higher than expected. Major central banks kept raising interest rates over the first half of the year, with some reaching the highest levels since the 2008 financial crisis. The Bank of England (BoE) base rate started the year at 3.5%, and with the BoE consecutively hiking interest rates saw the first half of the year end at 5.0%.

After a final 0.25% hike in August bringing the base rate to 5.25%, and following a succession of rate hikes, the BoE's Monetary Policy Committee judged conditions fit to keep the base rate unchanged in the September meeting, following a relatively steep decline in year-on-year CPI. This shift in monetary policy direction towards potential rate cuts, led to the December Monetary Policy Committee vote again being unchanged. The BoE rate ended the year at 5.25%. This led to a global fall in government bond yields, with the gilt market outperforming other major markets. The last quarter of the year proved very positive for fixed income markets.

Over the period the UK 10-year yield fell from 3.67% to 3.54% and two-year made gains by increasing from 3.56% to 3.98%

Portfolio construction remained consistent with the primary objectives of the Fund to preserve capital and provide liquidity. We maintained our diversified portfolio by investing in high-quality market securities such as commercial paper, certificates of deposit (CD's) and time deposits. As with previous years, certificates of deposit still account for a large portion of the fund, and over the period we increased our allocation. We continue to hold time deposits and commercial paper, however, we reduced our allocations to these over the year.

The weighted average maturity (WAM) of the portfolio has increased during the period to 45 days, from 43 days at the beginning of the calendar year. In terms of portfolio activity, toward the end of the period we were looking to increase our allocation to longer - dated paper as interest rates are beginning to stabilise.

Toward the end of the year UK cash rates remained steady, but at high enough levels to entice investors into money market funds. While the narrative of "high for longer" might have switched to one of impending rate cuts, the corresponding fall in inflation has meant that on an inflation adjusted basis, returns remain compelling. The fading supply shocks from the global pandemic has seen year-on-year headline inflation fall to 3.9% in its December release (for November) while its core measure remains elevated at 5.1%: this is in line with that offered by UK deposit rates.

Unlike the US Fed, the BoE has been less forthcoming with a change in policy direction. December's Monetary Policy Committee's vote was split with three members dissenting for a further rate hike. However, since then inflation has printed much softer than expected, which might assuage the concerns of some of the more hawkish elements of the committee.

On growth, while we have seen positive signs of some sort of recovery, the pace remains lacklustre and would not necessarily preclude an earlier start to the rate cutting cycle. Although official labour market data has been somewhat unreliable in recent months, we are watching carefully for signs of wage pressures easing in line with slowing growth. Sticky wage price inflation and its secondary impact remains a key concern for the BoE.

From a portfolio perspective we will continue to allocate to high-quality issuers in order to achieve our objectives of capital preservation and liquidity whilst maximising the portfolio's yield within the constraints of the investment guidelines.

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 Morningstar, net of fees, net income reinvested.



4.16

Aviva Investors North American Equity Core Fund

Aviva Investors North American Equity Core Fund



Overall assessment

Summary Ratings

Share Class Designation	UK Corporate Acc	Insured Pension Acc	Fund of Funds Acc
Overall	●	●	●
Quality of service	●	●	●
Performance	●	●	●
Authorised fund manager costs	●	●	●
Comparable market rates	●	●	●
Economies of scale	●	●	●
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 unit 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 unit classes in the Sub-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 Designation	Insured Pension Acc	UK Corp Acc	Fund of Funds Acc	MSCI North America Index (GBP)
1 Year	18.81	18.48	18.58	18.86
Since Launch	12.66	12.34	12.44	–

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

Aviva Investors North American Equity Core Fund (continued)

We have reviewed the Sub-fund's overall performance after charges, relative to its investment objectives, policy and strategy, and the Sub-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.

Authorised Fund Manager costs

We consider that the fees paid are reasonable when taking into account the underlying costs for the services provided and performance objectives set for the Sub-fund.

Economies of scale

The specific benefits derived from economies of scale are returned to investors as a result of the single fee structure which operates for the entire Scheme, which enables each Sub-fund to benefit from the scale of the Scheme in totality.

We have concluded that all investors participated appropriately in the general economies of scale derived from investing with the Company based on a range of benefits and services provided and the overall fees charged. There has not been a material change in the size of the Scheme, or Sub-fund during the previous 12 months, and 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 Sub-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 Sub-fund available in the UK.

Classes of units

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

Aviva Investors North American Equity Core Fund (continued)



Fund Managers Report

Performance

The fund posted a return of 18.5%* (net) in the twelve months to 31 December 2023.

Review

It was a strong year for North American equities as investors were encouraged by a continued steady fall in the rate of headline consumer inflation. This raised hopes that the US Federal Reserve (Fed) would halt its programme of interest rate increases that had begun in March 2022. Ultimately, in June, the Fed did pause its hiking but, with core inflation only easing modestly, it cautioned that further tightening could be implemented. This led to weak returns in the third quarter, although this was more than negated by a sharp rally into the end of the year following a reversal of Fed rhetoric, suggesting that rate cuts were in scope for 2024 amid the potential for an economic slowdown.

The crisis in the small and mid-sized US banks that blew up in March on the back of the collapse of Silicon Valley Bank, among others, eased over the remainder of the year. Credit conditions appeared to tighten somewhat, but not excessively. As such, growth was sustained through the first half of the year before accelerating rapidly in the third quarter, with consumer spending remaining robust, supported by continued strong gains in employment.

A feature of the year was the surge in investor interest in generative artificial intelligence (AI) applications. This had the potential to create significant efficiencies and drove strong returns from the so-called 'Magnificent Seven' technology mega-companies (Alphabet, Apple, Amazon, Microsoft, Meta, Nvidia, Tesla).

Outlook

As would be expected amid an economic turning point, there is plenty of data to support either a bullish or a bearish projection. The Fed's pivot toward interest-rate cuts in 2024 brought renewed optimism to US equity markets. But the Fed points to its concerns that, having tamed inflation, high interest rates are now having a deleterious effect on economic growth.

Given the inherent lag in the impacts of monetary policy, the story for the US economy in 2024 will likely be whether or not Fed officials started this dovish pivot in time to create the desired 'soft landing' for the economy. Complicating matters significantly is that 2024 is a presidential election year. The upcoming election will likely prove contentious and could introduce a significant amount of volatility for projections in specific sectors, like healthcare and energy.

2023 was characterised by a resurgence of large-sized 'growth' stocks in general, and a smaller group of leading companies associated with artificial intelligence, in particular. However, we believe that slower global economic growth, higher interest rates, geopolitical uncertainties and an accelerating decline in trust in global leadership may drive sustained outperformance for 'value' shares (where investors believe companies are undervalued).

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 Morningstar, net of fees, net income reinvested.



4.17

Aviva Investors North American Equity Fund

Aviva Investors North American Equity Fund



Overall assessment

Summary Ratings

Share Class Designation	UK Corporate Inc	Insured Pension Inc	UK Institutional Acc	UK Corporate Acc	Insured Pension Acc
Overall	●	●	●	●	●
Quality of service	●	●	●	●	●
Performance	●	●	●	●	●
Authorised fund manager costs	●	●	●	●	●
Comparable market rates	●	●	●	●	●
Economies of scale	●	●	●	●	●
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 unit 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 unit classes in the Sub-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 Designation	UK Institutional Acc	UK Corporate Acc	Insured Pension Acc	Insured Pension Inc	UK Corporate Inc	FTSE North America TR GBP ¹
1 Year	20.88	21.38	21.11	21.07	21.26	19.44
3 Years	12.78	–	–	12.94	12.94	11.76
5 Years	16.48	–	–	16.66	16.58	15.50
7 Years	–	–	–	14.08	14.02	12.67
Since Launch	13.45	18.30	18.04	–	–	–

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

Aviva Investors North American Equity Fund (continued)

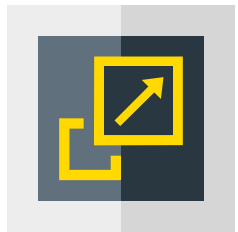
We have reviewed the Sub-fund's overall performance after charges, relative to its investment objectives, policy and strategy, and the Sub-fund's performance is deemed to be within a reasonable range of outcomes based on the time periods reviewed and the information considered in the assessment.

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



Authorised Fund Manager costs

We consider that the fees paid are reasonable when taking into account the underlying costs for the services provided and performance objectives set for the Sub-fund.



Economies of scale

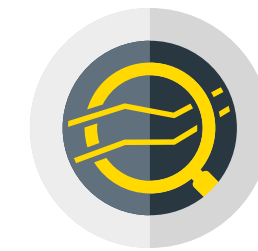
The specific benefits derived from economies of scale are returned to investors as a result of the single fee structure which operates for the entire Scheme, which enables each Sub-fund to benefit from the scale of the Scheme in totality.

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



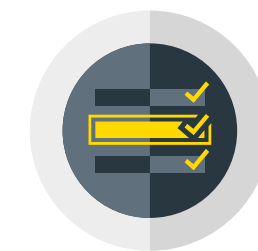
Comparable market rates

We have reviewed the fees paid for each of the services provided to the Sub-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 Sub-fund available in the UK.



Classes of units

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

Aviva Investors North American Equity Fund (continued)



Fund Managers Report

Performance

The portfolio returned 20.9%* (net of fees), outperforming the FTSE All World North America¹ by 1.5% over the period.

Portfolio Review

US Equities achieved strong growth in the first half of 2023, with the short-lived market turbulence that followed the collapse of Silicon Valley Bank in March doing little to quell investor optimism. Share prices were particularly strong in June, amid moderating inflation and the signs that the US economy remained resilient despite higher interest rates. A revision to first quarter GDP growth indicated annual growth of 2%, substantially more than the previous estimate of 1.3% growth. US shares were weaker in the third quarter. Investors entered the quarter optimistic that the Federal Reserve (Fed) had orchestrated a soft landing for the economy, and that the era of interest rate rises would soon end. That enthusiasm withered over August and September, however, as the prospect of a sustained period of higher rates sank in. US shares returned to positive territory in the final quarter of the year, buoyed by expectations that interest rate cuts may be approaching. The S&P 500 index ended the year just short of its record high set in early 2022. Positive data on inflation and economic growth reinforced market expectations that the Fed has finished its rate hiking cycle and will move towards cuts in 2024.

Relative returns were neutral against this backdrop. Online travel company Booking was the portfolio's leading contributor during the year as global travel saw strong momentum following Covid disruption in the three years preceding. Also contributing positively were some of the portfolio's technology stocks that form part of the AI value chain. Advanced Micro Devices and Adobe were notable beneficiaries of investor enthusiasm around this theme during the year. Microsoft and Alphabet also benefited from this dynamic while they also delivered strong interim earnings ahead of expectations through much of the period. A new position in semiconductor maker Intel was also among the top contributors. We believe the company is showing evidence it is executing structural improvement while it is beginning to benefit from a cyclical

recovery in several key end markets. In healthcare, pharmaceutical company Eli Lilly performed strongly in a sector that lagged following strong revenue and earnings growth driven largely by its weight loss GLP-1 drug.

Performing less well were some of the portfolio's financials holdings. US Bancorp and Charles Schwab came under pressure in the early part of 2023 after the collapse of Silicon Valley Bank prompted investor fears of contagion to the wider market. Energy companies Devon Energy and Schlumberger also detracted as oil prices were weaker through much of the period on expectations of a global slowdown and weaker economic environment. At the renewables end of the spectrum, Enphase Energy also underperformed. Rising rates have made project financing more expensive for these types of companies while a downcycle in pricing in the solar value chain also weighed on the company, though this appears to have stabilised. Elsewhere in the portfolio, food and beverages company Pepsi was another notable detractor after the company reported a slowdown in volumes as a price sensitive consumer drove weaker demand.

Global markets will likely remain turbulent amidst a busy political calendar, tight financial conditions, and a slowing economic cycle. Most central banks appear to be holding off further tightening, as the economy digests the lag effects of the recent rate hiking cycle, and they continue to carefully monitor the softening labour market, growth, and inflation trends. The potential soft-landing economic scenario seems to be playing out thus far. However, there are a number of scenarios that could alter the "seemingly benign" backdrop and we expect market volatility to increase in 2024. While short term volatility may increase, we believe that investors will be well served by focusing on the longer-term, identifying the areas with structural, under-appreciated growth, and remaining prepared to allocate to those companies with a sustained competitive advantage.

While headline inflation has come down substantially, it remains above target levels in most markets and policymakers have been trying to signal that interest rates will likely remain "higher for longer." The tight labour market is potentially weakening and may herald a bias toward easing if labour demand were to continue weakening. With financial conditions tighter and the economic cycle slowing, we continue to see

Aviva Investors North American Equity Fund (continued)

some pockets of stress emerging amidst highly leveraged consumers and corporates. We are therefore entering a phase in which the impact of slowing growth, rising costs and weaker confidence will be much more apparent in company financial results. While company fundamentals have held up reasonably well to date, we expect a more challenging environment for revenues and earnings over coming quarters, particularly in more cyclically exposed areas of the market.

Spending and consumer demand has shown clear signs of slowing as much of the excess savings accumulated during the Covid-19 crisis have largely been depleted. Balance sheet strength and strong organic cashflow generation are typically investment positives we look for, but we expect them to remain particularly important during this period of slowdown and higher cost of capital.

We continue to see the market grappling with areas of disruption such as Artificial Intelligence (AI) and within healthcare around the emergence of GLP-1 drugs in the treatment of diabetes and obesity. While the companies that produce and sell these drugs may potentially reap huge gains, the market is now starting to think about the long-term implications of behavioural shifts and changing consumption habits that may impair long term growth rates within snack companies, confectioners, alcohol, restaurants, etc. Similarly with AI, we believe this will be a key theme for markets as investors increasingly grapple with the technology's potential in driving new revenue streams and productivity gains. These remain areas that are not well understood by the market and will continue to be an area of emphasis for the team as it represents a major potential source of alpha.

The energy transition theme is a capital-intensive one that has good long-term prospects but has been significantly negatively impacted by the rapid rise in financing costs and post-Covid supply chain and inflationary pressures. However, improving economics achieved in recent power price agreement auctions and a renewed focus by government leaders on addressing the issues that have slowed development, may represent an inflection point for both orders and margins within the clean energy industry. This is one area where we may well be able to pick up some good long-term opportunities in the volatility.

With increased volatility expected this year, we believe it will also create increased opportunities for patient and selective investors with a long-term focus. We continue to monitor the market landscape closely and maintain a well-diversified portfolio reflecting a fluid outlook and an active approach.

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 Morningstar, net of fees, net income reinvested.



4.18

Aviva Investors Pacific Equity ex Japan Core Fund

Aviva Investors Pacific Equity ex Japan Core Fund



Overall assessment

Summary Ratings

Share Class Designation	UK Corporate Acc	Insured Pension Acc	Fund of Funds Acc
Overall	●	●	●
Quality of service	●	●	●
Performance	●	●	●
Authorised fund manager costs	●	●	●
Comparable market rates	●	●	●
Economies of scale	●	●	●
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 unit 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 unit classes in the Sub-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 Designation	Insured Pension Acc	UK Corp Acc	Fund of Funds Acc	MSCI Pacific ex Japan Index (GBP)
1 Year	-0.67	-0.57	-0.57	0.44
Since Launch	-1.23	-1.21	-1.21	-

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

Aviva Investors Pacific Equity ex Japan Core Fund (continued)

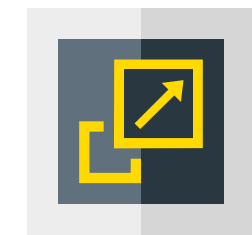
We have reviewed the Sub-fund's overall performance after charges, relative to its investment objectives, policy and strategy, and the Sub-fund's performance is deemed to be within a reasonable range of outcomes based on the time periods reviewed and the information considered in the assessment.

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



Authorised Fund Manager costs

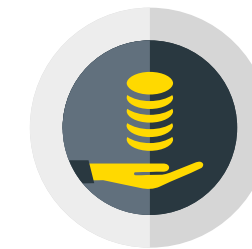
We consider that the fees paid are reasonable when taking into account the underlying costs for the services provided and performance objectives set for the Sub-fund.



Economies of scale

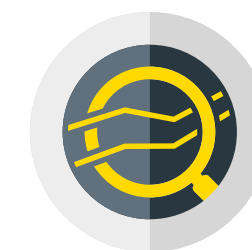
The specific benefits derived from economies of scale are returned to investors as a result of the single fee structure which operates for the entire Scheme, which enables each Sub-fund to benefit from the scale of the Scheme in totality.

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



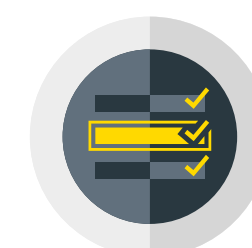
Comparable market rates

We have reviewed the fees paid for each of the services provided to the Sub-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 Sub-fund available in the UK.



Classes of units

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

Aviva Investors Pacific Equity ex Japan Core Fund (continued)



Fund Managers Report

Performance

The fund posted a return of -0.6%* (net) in the twelve months to 31 December 2023.

Review

Posting a negative return in sterling terms (but positive in local terms), the Pacific ex-Japan equity region underperformed the global average by a large margin in 2023.

The main drag on performance was Hong Kong, with the Hang Seng Index shedding 14% in local terms (19% in sterling). The market was heavily influenced by the weakness of China, whose economic recovery following the lifting of Covid restrictions at the end of 2022 lost momentum. Adding to the market's disappointing return was Singapore, which traded lower after good years in both 2021 and 2022. Shares were held back by the relatively more 'slow and steady' profile of companies in the Singapore index at a time when growth stocks were in the ascendancy.

These markets' weakness was offset to a degree by solid gains by Australian stocks, despite concerns about falling demand for its raw materials from China and a relatively hawkish policy stance by the Reserve Bank of Australia. Having paused in its rate hiking in June, it then raised interest rates once more in November by a further 25 basis points to 4.35%.

At the sector level, information technology companies performed particularly well as investor interest soared in generative artificial intelligence applications. Materials companies also made strong returns. Real estate shares were notably weak.

Outlook

Many of the themes from previous quarters remain front and centre for Asia Pacific investors going into 2024. This includes the outlook for interest rates in the developed world, the broad tightening of global liquidity, the growing hopes of a 'soft landing' for the US economy, the timing of interest-rate cuts by the US Federal Reserve and simmering geopolitics.

Of equal importance is how quickly the influential Chinese economy regains lost momentum. The weakness in the property sector is still dampening sentiment, causing negative wealth effects on consumption and lower investment. Demographics are also a near-term and longer-term headwind. This weakness in demand is reflected in low inflation and falling company profits. This, coupled with high savings rates, has resulted in a gigantic current account surplus. Exporters are keeping funds offshore and dollar carry trades are in vogue, and tolerated by the central bank, which is cutting rates in small increments, and so inducing modest currency weakness. Authorities are wary of large stimulus but will unveil modest support measures for property and once again lean on infrastructure to prevent growth from slumping too far.

For the Pacific region, we do, however, see potential for the 'emerging market' element of the index to recoup some of the underperformance it has sustained in recent years.

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 Morningstar, net of fees, net income reinvested.



4.19

Aviva Investors Pre-Annuity Fixed Interest Fund

Aviva Investors Pre-Annuity Fixed Interest Fund



Overall assessment

Summary Ratings

Share Class Designation	UK Institutional Acc	Insured Pension Acc
Overall	●	●
Quality of service	●	●
Performance	●	●
Authorised fund manager costs	●	●
Comparable market rates	●	●
Economies of scale	●	●
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 unit 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 unit classes in the Sub-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 Designation	Insured Pension Acc	UK Institutional Acc	Benchmark [^]
1 Year	6.10	6.11	5.49
3 Years	-9.87	-9.81	-11.59
5 Years	-	-2.30	-
Since Launch	-5.31	-1.57	-

[^]35% FTSE UK Gilts 15-25y TR¹; 15% FTSE UK Gilts 25y+ TR²; 10% iBoxx Sterling Non-Gilts 1-5y TR³; 35% iBoxx Sterling Non-Gilts 5-15y TR⁴; 5% iBoxx Sterling Non-Gilts 15y+ TR⁴.

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

Aviva Investors Pre-Annuity Fixed Interest Fund (continued)

The Sub-fund aims to provide an element of protection from changes in the cost of buying a pension annuity by investing in bonds issued by companies and governments.

In the report published in April 2023, the Board noted that the Sub-fund declined in value over the year to 31 December 2022, which was triggered by high inflation and rising interest rates throughout the year, which prompted a sell off in bonds, causing bond yields to rise and valuations to fall. This correlated with an increase in annuity rates, which rise with interest rates, and therefore those investors intending to purchase an annuity product should not have been materially worse off as a result of the Sub-fund's performance.

The Board is pleased to note that the markets have rebounded in the year to 31 December 2023, and the Sub-fund has delivered positive returns in the period, however given the severity of the market decline we are yet to see all the losses recovered. Over the same period annuity rates have risen once again, in line with interest rates, therefore the Sub-fund has continued to protect the purchasing power of an investor's retirement fund.

Therefore the Sub-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.

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

Authorised Fund Manager costs

We consider that the fees paid are reasonable when taking into account the underlying costs for the services provided and performance objectives set for the Sub-fund.

Economies of scale

The specific benefits derived from economies of scale are returned to investors as a result of the single fee structure which operates for the entire Scheme, which enables each Sub-fund to benefit from the scale of the Scheme in totality.

We have concluded that all investors participated appropriately in the general economies of scale derived from investing with the Company based on a range of benefits and services provided and the overall fees charged. There has not been a material change in the size of the Scheme, or Sub-fund during the previous 12 months, and 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 Sub-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 Sub-fund available in the UK.

Classes of units

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

Aviva Investors Pre-Annuity Fixed Interest Fund (continued)



Fund Managers Report

Performance

In the twelve months to 31 December 2023, the sub-fund returned 6.1%* (net). This compared to a return of 5.5% by the composite benchmark.

Market Review

After one of the worst-ever years of performance on record in 2022, sterling corporate bonds posted attractive total returns in 2023. The period was not without volatility, however, as the market responded to shifting expectations for interest rates and, in March, a mini banking crisis in the US.

The backdrop for bonds was weak for much of the year. The Bank of England raised interest rates by 175 basis points, taking the base rate to 5.25%. Increasingly restrictive monetary policy weighed on the performance of the UK economy, which grew by 0.3% in the first quarter. Growth then flatlined in the second quarter before shrinking by 0.1% in the third. Higher interest rates nevertheless contributed to a 6.5 percentage point fall in annual inflation, with the consumer rate ending the year at 4.0%. Survey indicators for the manufacturing sector, meanwhile, were in contractionary territory throughout the year.

A rally in the underlying gilt market in November and December created many of the year's positive returns for corporate bonds. This was driven by hopes that the Bank of England, having paused its interest rate hiking September, would cut them early in 2024 to help support the labouring economy. General optimism that the US would avoid a hard economic landing also spurred a rally in riskier assets, helping corporate bond spreads to narrow. It had already been a surprisingly resilient year for spreads as the UK economy had held up better than many forecasts. Overall, spreads narrowed by around 47 basis points over the calendar year, with almost half of that seen in the fourth quarter. The strongest sectors in terms of spread performance were leisure, lower-quality bank debt, real estate and energy. BBB rated bonds – the riskiest segment of the investment-grade corporate debt market - were the top performers.

Given the objective of the fund to preserve capital prior to investment in an annuity, we adopt a conservative stance to managing the portfolio, taking small positions relative to the benchmark.

Rather than taking risk by expressing a view on interest rate moves, we sought to add value through credit selection, especially given continued volatility in government bonds, particularly gilts.

Our credit selection was guided by a broad preference for financials over corporates. Against an uncertain macroeconomic backdrop, we saw banks as being well positioned for upcoming pressures, which we felt was not reflected in relative spreads. Revenues were supported by higher rates and volatility. This enabled banks to control earnings allocation – retaining funds to support regulatory capital requirements, building provision against future expected loan losses and funding stakeholder distributions.

Outlook

In 2023, labouring economies and rising geopolitical risk, combined with the mini-banking shock in March, left many feeling bruised and hoping for relief. But while cash might have been king in 2023, we think income will take its place in 2024.

Bonds do not require growth to continue to deliver income and this will be an important factor given the expected weakness of the global economy in the coming year. After strong performance in the latter stages of 2023, investors may also be worried about less compelling value. However, despite the tightening seen in the last year, spreads are little different from the levels seen just before Russia's invasion of Ukraine in February 2022.

While companies face increased financing costs, fundamentals are still in reasonable shape. With most investment-grade companies issuing long-dated bonds at cheap costs in 2020, we are less concerned about a maturity wall (where a large share of bond issues matures and issuers have to issue new debt at prevailing rates) than other parts of the market further down the credit spectrum.

The challenge will still be still-high cash rates through the first half of 2024. Some investors may question the benefit of investing in a spread product for the same yield as they can get on cash. However, with interest rates seemingly on the way down in the coming year – at least in the view of the markets – investors might well consider locking in the elevated income on investment-grade bonds now.

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 Morningstar, net of fees, net income reinvested.



4.20

Aviva Investors Real Estate Active LTAF

Aviva Investors Real Estate Active LTAF



Overall assessment

Summary Ratings

Share Class Designation	UK Corporate Acc
Overall	●
Quality of service	●
Performance	●
Authorised fund manager costs	●
Comparable market rates	●
Economies of scale	●
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 unit 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 unit classes in the Sub-fund unless we have specifically noted exceptions.

It should be noted that this Sub-fund launched on 28 April 2023, so this assessment has been completed with limited reference data. The conclusions are, therefore, in a large part dependent upon the product feasibility assessment that was completed prior to launch which evidenced that the Sub-fund's long term objective and fees were appropriate for a fund with this strategy.



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 Designation	UK Corp Acc Units
Since Launch	3.80

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

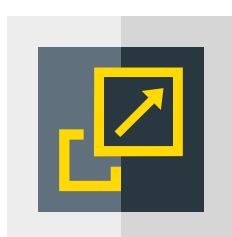
Aviva Investors Real Estate Active LTAF (continued)

We have reviewed the Sub-fund's overall performance after charges, relative to its investment objectives, policy and strategy, and the Sub-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.



Authorised Fund Manager costs

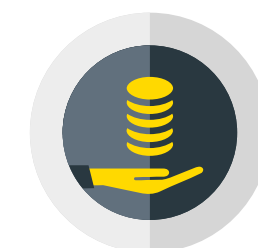
We consider that the fees paid are reasonable when taking into account the underlying costs for the services provided and performance objectives set for the Sub-fund.



Economies of scale

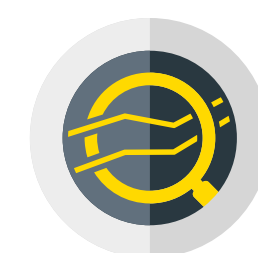
The specific benefits derived from economies of scale are returned to investors as a result of the single fee structure which operates for the entire Scheme, which enables each Sub-fund to benefit from the scale of the Scheme in totality.

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



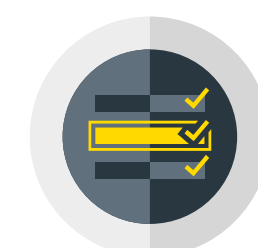
Comparable market rates

We have reviewed the fees paid for each of the services provided to the Sub-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 Sub-fund available in the UK.



Classes of units

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



4.21

Aviva Investors Sterling Corporate Bond Fund

Aviva Investors Sterling Corporate Bond Fund



Overall assessment

Summary Ratings

Share Class Designation	UK Corporate Inc	UK Institutional Acc	UK Corporate Acc	Insured Pension Acc
Overall	●	●	●	●
Quality of service	●	●	●	●
Performance	●	●	●	●
Authorised fund manager costs	●	●	●	●
Comparable market rates	●	●	●	●
Economies of scale	●	●	●	●
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 unit 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 unit classes in the Sub-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 Designation	UK Institutional Acc	UK Corporate Acc	Insured Pension Acc	UK Corporate Inc	Benchmark [^]
1 Year	9.35	9.37	9.37	9.35	9.70
3 Years	-4.79	-4.79	-4.79	-4.79	-4.96
5 Years	0.77	-	-	0.78	0.61
7 Years	-	-	-	0.58	0.84
Since Launch	0.48	-1.63	-1.63	-	-

[^]Markit iBoxx Sterling Collateralized & Corp TR GBP⁴.

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

Aviva Investors Sterling Corporate Bond Fund (continued)

We have reviewed the Sub-fund's overall performance after charges, relative to its investment objectives, policy and strategy, and the Sub-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.

Authorised Fund Manager costs

We consider that the fees paid are reasonable when taking into account the underlying costs for the services provided and performance objectives set for the Sub-fund.

Economies of scale

The specific benefits derived from economies of scale are returned to investors as a result of the single fee structure which operates for the entire Scheme, which enables each Sub-fund to benefit from the scale of the Scheme in totality.

We have concluded that all investors participated appropriately in the general economies of scale derived from investing with the Company based on a range of benefits and services provided and the overall fees charged. There has not been a material change in the size of the Scheme, or Sub-fund during the previous 12 months, and 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 Sub-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 Sub-fund available in the UK.

Classes of units

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

Aviva Investors Sterling Corporate Bond Fund (continued)



Fund Managers Report

Performance

In the twelve months to 31 December 2023, the sub-fund returned 9.4%* (net). By comparison, the benchmark, the iBoxx Sterling Corporate and Collateralized Index⁴, returned 9.7%.

Market Review

After one of the worst-ever years of performance on record in 2022, sterling corporate bonds posted attractive total returns in 2023. The period was not without volatility, however, as the market responded to shifting expectations for interest rates and, in March, a mini banking crisis in the US.

The backdrop for bonds was weak for much of the year. The Bank of England raised interest rates by 175 basis points, taking the base rate to 5.25%. Increasingly restrictive monetary policy weighed on the performance of the UK economy, which grew by 0.3% in the first quarter. Growth then flatlined in the second quarter before shrinking by 0.1% in the third. Higher interest rates nevertheless contributed to a 6.5 percentage point fall in annual inflation, with the consumer rate ending the year at 4.0%. Survey indicators for the manufacturing sector, meanwhile, were in contractionary territory throughout the year.

A rally in the underlying gilt market in November and December created many of the year's positive returns for corporate bonds. This was driven by hopes that the Bank of England, having paused its interest rate hiking September, would cut them early in 2024 to help support the labouring economy. General optimism that the US would avoid a hard economic landing also spurred a rally in riskier assets, helping corporate bond spreads to narrow. It had already been a surprisingly resilient year for spreads as the UK economy had held up better than many forecasts. Overall, spreads narrowed by around 47 basis points over the calendar year, with almost half of that seen in the fourth quarter. The strongest sectors in terms of spread performance were leisure, lower-quality bank debt, real estate and energy. BBB rated bonds – the riskiest segment of the investment-grade corporate debt market - were the top performers.

Over the course of the year, we held a preference for financials over corporates. Against an uncertain macroeconomic backdrop, we saw banks as being well positioned for upcoming pressures, which we felt were not reflected in relative spreads. Revenues were supported by higher rates and volatility. This enabled banks to control earnings allocation – to help support regulatory capital requirements, to build provision against future expected loan losses and to fund stakeholder distributions. While this positioning was challenging for performance at the time of the banking crisis in March, the fund was not exposed directly to any distressed institutions.

Value was added by a modestly constructive position on credit risk, largely expressed via an overweighting of subordinated insurance debt. In sector terms, overweight exposure to technology detracted from returns in the first quarter but was helpful amid the soaring investor enthusiasm for artificial intelligence in the second and beyond.

A measure of relative performance was nevertheless lost during the rally towards the end of the year because of a move in the portfolio towards more defensive positioning.

Outlook

In 2023, labouring economies and rising geopolitical risk, combined with the mini-banking shock in March, left many feeling bruised and hoping for relief. But while cash might have been king in 2023, we think income will take its place in 2024.

Bonds do not require growth to continue to deliver income and this will be an important factor given the expected weakness of the global economy in the coming year. After strong performance in the latter stages of 2023, investors may also be worried about less compelling value. However, despite the tightening seen in the last year, spreads are little different from the levels seen just before Russia's invasion of Ukraine in February 2022.

Aviva Investors Sterling Corporate Bond Fund (continued)

While companies face increased financing costs, fundamentals are still in reasonable shape. With most investment-grade companies issuing long-dated bonds at cheap costs in 2020, we are less concerned about a maturity wall (where a large share of bond issues matures and issuers have to issue new debt at prevailing rates) than other parts of the market further down the credit spectrum.

The challenge will still be still-high cash rates through the first half of 2024. Some investors may question the benefit of investing in a spread product for the same yield as they can get on cash. However, with interest rates seemingly on the way down in the coming year – at least in the view of the markets - investors might well consider locking in the elevated income on investment-grade bonds now.

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 Morningstar, net of fees, net income reinvested.





4.22

Aviva Investors Sterling Gilt Fund

Aviva Investors Sterling Gilt Fund



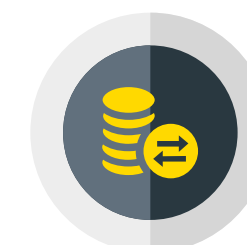
Overall assessment

Summary Ratings

Share Class Designation	UK Corporate Inc	UK Institutional Acc	ACS Acc (Class 1)	ACS Acc (Class 2)	UK Corporate Acc	Insured Pension Acc
Overall	●	●	●	●	●	●
Quality of service	●	●	●	●	●	●
Performance	●	●	●	●	●	●
Authorised fund manager costs	●	●	●	●	●	●
Comparable market rates	●	●	●	●	●	●
Economies of scale	●	●	●	●	●	●
Comparable services	●	●	●	●	●	●
Classes of units	●	●	●	●	●	●

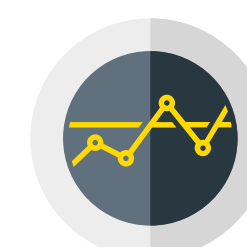
In line with the requirement to conduct a value assessment, the Board has concluded that all components of the assessment have been considered and the charges for each unit class are justified in the context of overall value being delivered to investors.

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 unit classes in the Sub-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 Designation	UK Institutional Acc	ACS Acc (Class 1)	ACS Acc (Class 2)	UK Corporate Acc	Insured Pension Acc	UK Corporate Inc	Benchmark [^]
1 Year	3.94	3.95	3.95	3.95	3.95	3.93	3.69
3 Years	-8.85	-8.85	-8.85	-8.84	-8.84	-8.85	-9.18
5 Years	-2.49	-2.48	-2.48	-	-	-2.48	-2.82
7 Years	-	-	-	-	-	-1.46	-1.68
Since Launch	-1.65	-2.23	-2.23	-5.00	-5.00	-	-

[^]FTSE Actuaries UK Conven Gilts All Stocks TR GBP¹.

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

Aviva Investors Sterling Gilt Fund (continued)

We have reviewed the Sub-fund's overall performance after charges, relative to its investment objectives, policy and strategy, and the Sub-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.

Authorised Fund Manager costs

We consider that the fees paid are reasonable when taking into account the underlying costs for the services provided and performance objectives set for the Sub-fund.

Economies of scale

The specific benefits derived from economies of scale are returned to investors as a result of the single fee structure which operates for the entire Scheme, which enables each Sub-fund to benefit from the scale of the Scheme in totality.

We have concluded that all investors participated appropriately in the general economies of scale derived from investing with the Company based on a range of benefits and services provided and the overall fees charged. There has not been a material change in the size of the Scheme, or Sub-fund during the previous 12 months, and 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 Sub-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 Sub-fund available in the UK.

Classes of units

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

Aviva Investors Sterling Gilt Fund (continued)



Fund Managers Report

Performance

In the twelve months to 31 December 2023 the sub-fund returned 3.9%* (net). By comparison, the benchmark, the FTSE Government All-Stocks Index¹, returned 3.7%.

Market Review

The first quarter of 2023 saw UK gilts experience a continuation of the volatility seen through much of 2022. Initially, the market narrative was one of weakening global growth as well as, more importantly, the potential for softer inflation. However, with economic data failing to weaken as anticipated, this environment soon changed and interest rate hikes were duly delivered. As such, February saw a marked sell off, with yields rising once again. Volatility then spiked in March as US banking concerns took the headlines following the collapse of Silicon Valley Bank. This triggered a mini-storm for capital markets as memories of the global financial crisis of 2008 resurfaced. However, concerns soon dissipated with the focus once again returning to the strength in the data, particularly in regard to inflation and employment.

Going into the second quarter, with the UK economy displaying unexpected strength, gilt yields were under pressure from the start as inflation concerns failed to dissipate. This drove a 90 basis point rise in the 10-year gilt yield over the quarter and a huge 185 basis point upshift in 2-year gilt yields. As a result, there was a significant flattening of the UK yield curve and, elsewhere, a marked cross-market underperformance for gilts against both US Treasuries and German Bunds.

Early in the third quarter, there was a notable change in market dynamics as sovereign bond investors became more comfortable with the expectation for the peak in interest rates and the consequential value created in shorter-dated bonds. However, concerns both around longer-dated issuance and the ongoing battle against inflation combined to drive a marked steepening of the yield curve.

The final two months of the year saw a strong market rally. A combination of weaker UK inflation data and developed market central banks turning less hawkish, thereby opening the door to potential cuts in 2024, saw 10-year UK gilt yields fall steeply. This was accentuated by year-end dynamics as investor

positioning saw market participants become more comfortable owning sovereign bonds. With interest rate cuts being aggressively priced for 2024, the yield curve steepened sharply, particularly when US Federal Reserve chair Powell made some dovish policy comments in December. This, combined with impending gilt supply, saw short-dated gilts gain more support relative to their longer-dated counterparts.

At the start of the year, with the market narrative being one of weakening global growth as well as, more importantly, the potential for lower inflation, fund performance was boosted by long duration positions, cross-market exposures (being long gilts against US Treasuries) and selected currency positions. Further to this, the fund also actively traded the yield curve with a steepening bias, thereby looking to own shorter-dated maturities versus their longer-dated counterparts. This also proved successful early in the year. However, this push to lower yields was short-lived and, over the next two months, the fund grappled with the combination of strengthening data, further central bank interest rate hikes and US regional banking concerns.

The second quarter most definitely marked an end to any bond bullish environment created over the previous three months. With the expected peak of interest rates being revised higher, yield curves aggressively flattened and both duration and curve positions weighed on fund performance. However, medium-to-longer term value was being created and, as such, we added to these positions along the way and increased the fund's exposure to strategies looking for lower yields and steeper yield curves.

Heading into the final quarter of the year, with yield levels remaining elevated and close to their 2023 peak, long duration positions held from the previous quarter were added to in terms of both their geography and size. These positions looking for lower yields were primarily held in the UK, Europe and in Australian government bonds. With the move in yields playing out in favour of the fund, profits were realised at various points. This added much of the good performance over the quarter, as did the positions anticipating a steepening of the yield curve.

Aviva Investors Sterling Gilt Fund (continued)

Outlook

Going forward, given the strength of the move seen in government bond markets towards the end of 2023 and investors perhaps getting a little carried away on the potential for cuts in 2024, immediate opportunities are not as clear cut as we would like. As such, in the near term, we will look to take a more dynamic approach with regard to portfolio positions and react to any market asymmetries that begin to unfold. With significant interest rate cuts already priced in, sizeable bond issuance needing to be absorbed and numerous elections across the globe slated for 2024, not to mention the ongoing battle against elevated inflation, the year ahead should prove to be one which throws up numerous opportunities for the fund to potentially exploit.

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 Morningstar, net of fees, net income reinvested.





4.23

Aviva Investors Strategic Global Equity Fund

Aviva Investors Strategic Global Equity Fund



Overall assessment

Summary Ratings

Share Class Designation	UK Corporate Inc	UK Institutional Acc	UK Corporate Acc
Overall	●	●	●
Quality of service	●	●	●
Performance	●	●	●
Authorised fund manager costs	●	●	●
Comparable market rates	●	●	●
Economies of scale	●	●	●
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 unit 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 unit classes in the Sub-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 Designation	UK Corporate Acc	UK Corporate Inc	UK Institutional Acc	MSCI AC World NR GBP ²
1 Year	15.42	15.34	15.23	15.31
3 Year	9.46	9.46	9.39	8.24
5 Year	-	10.18	10.12	11.70
7 Year	-	8.41	-	9.56
Since Launch	8.72	-	7.76	-

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

Aviva Investors Strategic Global Equity Fund (continued)

We have reviewed the Sub-fund's overall performance after charges, relative to its investment objectives, policy and strategy, and the Sub-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.

Authorised Fund Manager costs

We consider that the fees paid are reasonable when taking into account the underlying costs for the services provided and performance objectives set for the Sub-fund.

Economies of scale

The specific benefits derived from economies of scale are returned to investors as a result of the single fee structure which operates for the entire Scheme, which enables each Sub-fund to benefit from the scale of the Scheme in totality.

We have concluded that all investors participated appropriately in the general economies of scale derived from investing with the Company based on a range of benefits and services provided and the overall fees charged. There has not been a material change in the size of the Scheme, or Sub-fund during the previous 12 months, and 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 Sub-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 Sub-fund available in the UK.

Classes of units

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

Aviva Investors Strategic Global Equity Fund (continued)



Fund Managers Report

Performance

The portfolio gained 15.2%* (net of fees), underperforming the MSCI AC World², which gained 15.3% over the period.

Portfolio Review

Equities had a strong year in 2023 despite continued geopolitical concerns and high inflation.

Market performance was strong in the first half of the year despite ongoing inflation concerns and hawkish central banks. Markets were further boosted by a market rally in the Technology sector as generative A.I. became popular, with the Technology sector finishing the year at the top of the sector rankings. Inflationary pressures subsided throughout the year though investor concerns over inflation and interest rates resurfaced in the third quarter, leading to a downward trend in the markets. Market sentiment however grew increasingly optimistic in the final quarter due to a shift in interest rate expectations, with indications that inflation was finally under control, at least in developed markets. In the fourth quarter, Central banks announced their intentions to maintain rates and the US Federal Reserve announced a series of rate cuts for 2024, sparking a year-end rally.

2023 was a strong period for most style factors. Value, Quality and Low Volatility factor signals were the strongest performers which contributed positively to the portfolio's relative performance. Our Momentum signals were the weakest performers, these measures struggled despite robust market performance. While Technology stocks on a whole performed well, there was significant disparity across the different industries, with the semiconductor industry standing out for its strong performance. The sector's performance was also dominated by a small number of star performers, such as semiconductor stock Nvidia. Our exposure to stocks with stable earnings growth, reasonable valuations and those that score well on our environmental and social screens meant a lower allocation to stocks within the semiconductor industry, playing a key role of the portfolio's underperformance compared to its benchmark.

Sustainability overall was weak over the year and our own measure of environmental and social impact, SustainEx, was a drag on performance in the last quarter. However, our R&D and Carbon measures performed well, highlighting the value of a diversified set of signals. Despite challenges in 2023, we continue to believe that ESG issues are financial risks, making them particularly relevant to investment. The connection between investment returns and sustainable outcomes continues to become deeper and stronger over time. Whether carbon pricing, plastics, minimum wages, or tax avoidance – these are all factors that are increasingly reflected in corporate financial statements. Therefore, we continue to integrate ESG data into our stock selection decisions just as we do with financial and accounting data to identify the most attractive and sustainable companies available.

In summary, the portfolio benefitted from the strong performance of the equity market and our targeted factors, leading to outperformance over the first three quarters of the year. However, stock selection differences across the Technology sector led to the underperformance of the portfolio for the year, despite having a larger allocation to the sector overall. The portfolio's tilt towards a lower beta than that of the benchmark further detracted from the portfolio's performance.

In terms of portfolio activity during the year, this year we have focused on changes to the data processes and platform, making these processes more efficient and robust.

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 Morningstar, net of fees, net income reinvested.



4.24

Aviva Investors Sustainable Stewardship Fixed Interest Fund

Aviva Investors Sustainable Stewardship Fixed Interest Fund



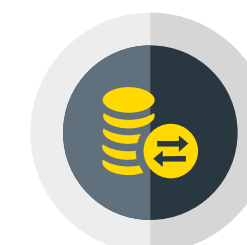
Overall assessment

Summary Ratings

Share Class Designation	UK Corporate Inc	UK Institutional Acc	Insured Pension Acc	UK Feeder Acc	UK Fund of Funds Acc
Overall	●	●	●	●	●
Quality of service	●	●	●	●	●
Performance	●	●	●	●	●
Authorised fund manager costs	●	●	●	●	●
Comparable market rates	●	●	●	●	●
Economies of scale	●	●	●	●	●
Comparable services	●	●	●	●	●
Classes of units	●	●	●	●	●

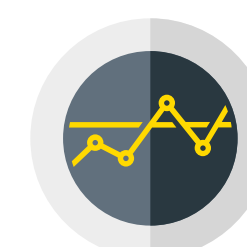
In line with the requirement to conduct a value assessment, the Board has concluded that all components of the assessment have been considered and the charges for each unit class are justified in the context of overall value being delivered to investors.

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 unit classes in the Sub-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 Designation	UK Institutional Acc	Insured Pension Acc	UK Feeder Acc Units	UK Corporate Inc	UK Fund of Funds Acc	Markit iBoxx Sterling Non Gilts Overall TR ⁴
1 Year	8.68	8.71	8.73	8.68	–	8.60
3 Years	-4.62	-4.62	–	-4.63	–	-4.69
5 Years	0.80	–	–	0.79	–	0.40
7 Years	–	–	–	1.17	–	0.67
Since Launch	0.60	-1.23	-3.49	–	7.33	–

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

Aviva Investors Sustainable Stewardship Fixed Interest Fund (continued)

We have reviewed the Sub-fund's overall performance after charges, relative to its investment objectives, policy and strategy, and the Sub-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.

Authorised Fund Manager costs

We consider that the fees paid are reasonable when taking into account the underlying costs for the services provided and performance objectives set for the Sub-fund.

Economies of scale

The specific benefits derived from economies of scale are returned to investors as a result of the single fee structure which operates for the entire Scheme, which enables each Sub-fund to benefit from the scale of the Scheme in totality.

We have concluded that all investors participated appropriately in the general economies of scale derived from investing with the Company based on a range of benefits and services provided and the overall fees charged. There has not been a material change in the size of the Scheme, or Sub-fund during the previous 12 months, and 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 Sub-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 Sub-fund available in the UK.

Classes of units

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

Aviva Investors Sustainable Stewardship Fixed Interest Fund (continued)



Fund Managers Report

Performance

In the twelve months to 31 December 2023, the sub-fund returned 8.7%* (net). By comparison, the benchmark, the iBoxx Sterling Non-Gilts Index⁴, returned 8.6%.

Market Review

After one of the worst-ever years of performance on record in 2022, sterling corporate bonds posted attractive total returns in 2023. The period was not without volatility, however, as the market responded to shifting expectations for interest rates and, in March, a mini banking crisis in the US.

The backdrop for bonds was weak for much of the year. The Bank of England raised interest rates by 175 basis points, taking the base rate to 5.25%. Increasingly restrictive monetary policy weighed on the performance of the UK economy, which grew by 0.3% in the first quarter. Growth then flatlined in the second quarter before shrinking by 0.1% in the third. Higher interest rates nevertheless contributed to a 6.5 percentage point fall in annual inflation, with the consumer rate ending the year at 4.0%. Survey indicators for the manufacturing sector, meanwhile, were in contractionary territory throughout the year.

A rally in the underlying gilt market in November and December created many of the year's positive returns for corporate bonds. This was driven by hopes that the Bank of England, having paused its interest rate hiking September, would cut them early in 2024 to help support the labouring economy. General optimism that the US would avoid a hard economic landing also spurred a rally in riskier assets, helping corporate bond spreads to narrow. It had already been a surprisingly resilient year for spreads as the UK economy had held up better than many forecasts. Overall, spreads narrowed by around 47 basis points over the calendar year, with almost half of that seen in the fourth quarter. The strongest sectors in terms of spread performance were leisure, lower-quality bank debt, real estate and energy. BBB rated bonds – the riskiest segment of the investment-grade corporate debt market - were the top performers.

Over the course of the year, we held a preference for financials over corporates. Against an uncertain macroeconomic backdrop, we saw banks as being well positioned for upcoming pressures, which we felt were not reflected in relative spreads. Revenues were supported by higher rates and volatility. This enabled banks to control earnings allocation – to help support regulatory capital requirements, to build provision against future expected loan losses and to fund stakeholder distributions. While this positioning was challenging for performance at the time of the banking crisis in March, the fund was not exposed directly to any distressed institutions.

Value was added by a modestly constructive position on credit risk, largely expressed via an overweighting of subordinated insurance debt. In sector terms, overweight exposure to technology detracted from returns in the first quarter but was helpful amid the soaring investor enthusiasm for artificial intelligence in the second and beyond.

Outlook

In 2023, labouring economies and rising geopolitical risk, combined with the mini-banking shock in March, left many feeling bruised and hoping for relief. But while cash might have been king in 2023, we think income will take its place in 2024.

Bonds do not require growth to continue to deliver income and this will be an important factor given the expected weakness of the global economy in the coming year. After strong performance in the latter stages of 2023, investors may also be worried about less compelling value. However, despite the tightening seen in the last year, spreads are little different from the levels seen just before Russia's invasion of Ukraine in February 2022.

While companies face increased financing costs, fundamentals are still in reasonable shape. With most investment-grade companies issuing long-dated bonds at cheap costs in 2020, we are less concerned about a maturity wall (where a large share of bond issues matures and issuers have to issue new debt at prevailing rates) than other parts of the market further down the credit spectrum.

Aviva Investors Sustainable Stewardship Fixed Interest Fund (continued)

The challenge will still be still-high cash rates through the first half of 2024. Some investors may question the benefit of investing in a spread product for the same yield as they can get on cash. However, with interest rates seemingly on the way down in the coming year – at least in the view of the markets - investors might well consider locking in the elevated income on investment-grade bonds now.

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 Morningstar, net of fees, net income reinvested.



4.25

Aviva Investors Sustainable Stewardship International Equity Fund

Aviva Investors Sustainable Stewardship International Equity Fund

Overall assessment

Summary Ratings					
Share Class Designation	UK Institutional Acc	UK Corporate Acc	Insured Pension Acc	UK Feeder Acc	UK Fund of Funds Acc
Overall	●	●	●	●	●
Quality of service	●	●	●	●	●
Performance	●	●	●	●	●
Authorised fund manager costs	●	●	●	●	●
Comparable market rates	●	●	●	●	●
Economies of scale	●	●	●	●	●
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 unit class are justified in the context of overall value being delivered to investors. However, the Board notes that there has been some short term underperformance, and more information can be found on this in the Performance section on the next page.

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 unit classes in the Sub-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 Designation	UK Corporate Acc	UK Feeder Acc Units	UK Fund of Funds Acc	UK Institutional Acc	Insured Pension Acc	MSCI World NR GBP ²
1 Year	12.02	12.07	–	12.05	12.14	16.81
3 Years	5.85	–	–	5.84	5.97	9.80
5 Years	–	–	–	12.42	–	12.78
Since Launch	8.80	5.15	3.35	9.75	8.91	–

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

Aviva Investors Sustainable Stewardship International Equity Fund (continued)

The Sub-Fund aims to: (i) grow your investment and provide an average annual net return greater than the MSCI® World NDR Total Return GBP Index² over a rolling 5 year period through investment in shares of global companies; and (ii) make investments with an overall positive alignment to the UN Sustainable Development Goals (“SDGs”) as defined by the Investment Manager’s Sustainable Stewardship Investment Policy (“SSIP”).

The Sub-fund has invested in line with the SSIP, delivering a positive return of over 12% this year, however the Sub-fund has underperformed the benchmark by 4%. This underperformance is due to stock selection decisions, with the lack of exposure to leading technology companies such as Apple and Nvidia, whose valuations have benefited from expectations for growth in artificial intelligence; and an overweight exposure to the health sector which has also contributed negatively. However, the largest negative impact came from a holding in First Republic Bank, which collapsed in the wake of the US banking crisis in March.

The portfolio management team recognised that changes to the investment process were required following the collapse of First Republic Bank, and have made enhancements to their research process as a result.

The Board is satisfied with the changes made to the investment process and acknowledge that the rally in technology stocks has driven overall market returns, however the Sub-fund’s performance will be kept under review to ensure that performance improves in future years.

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

Authorised Fund Manager costs

We consider that the fees paid are reasonable when taking into account the underlying costs for the services provided and performance objectives set for the Sub-fund.

Economies of scale

The specific benefits derived from economies of scale are returned to investors as a result of the single fee structure which operates for the entire Scheme, which enables each Sub-fund to benefit from the scale of the Scheme in totality.

We have concluded that all investors participated appropriately in the general economies of scale derived from investing with the Company based on a range of benefits and services provided and the overall fees charged. There has not been a material change in the size of the Scheme, or Sub-fund during the previous 12 months, and 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 Sub-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 Sub-fund available in the UK.

Classes of units

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

Aviva Investors Sustainable Stewardship International Equity Fund (continued)



Fund Managers Report

Performance

In the twelve months to 31 December 2023, the sub-fund returned 12.0%* (net). The fund's benchmark, the MSCI World Index², returned 16.8%.

Market Review

The global economy avoided recession in 2023, despite the ongoing effects of tighter monetary policy and elevated energy prices. Much of that was down to the resilience of the US, while Japan and China also picked up pace in 2023 (though the latter's recovery was well below expectations) as they emerged later than others from COVID restrictions. It was in the Eurozone and UK that growth stalled, with both only narrowly avoiding recession.

It was a buoyant year for equity markets, though not without bouts of heightened volatility. The major event of the first quarter was the collapse of two medium-sized US regional Banks, Silicon Valley Bank and Signature Bank, following a run on their assets. However, fears of contagion across the financial sector were eased as the US monetary authorities moved rapidly to guarantee savers' deposits.

The rebound from the dismal returns seen in 2022 continued in the second quarter as the emergence of artificial intelligence technology created huge enthusiasm among investors given the significant cost and efficiency benefits it promised. However, the rally reversed in the third quarter as worries grew that the main central banks – notably the US Federal Reserve (Fed) – would keep interest rates at elevated levels amid signs that underlying inflationary pressures were still high. There were also worries that the lagged effect of high interest rates would start to weigh heavily on rates of economic growth.

In the fourth quarter, markets rebounded impressively as the Fed, perhaps eyeing a likely slowdown in 2024, reversed its narrative of 'higher-for-longer' interest rates by indicating cuts were in the pipeline for the coming year. With the Fed, followed by the Bank of England and eventually the European Central Bank, appearing to halt their rate hiking cycle, equity markets set aside weak economic data to end the year on a very positive note.

The fund posted positive absolute returns but underperformed its benchmark. Stock selection was the main headwind to performance, with the lack of exposure to leading technology companies such as Apple and Nvidia being a notable drag. The biggest negative impact came from First Republic Bank, which collapsed in the wake of the US banking crisis in March. Elsewhere, exposure to UnitedHealth was also a detractor given the weakness of sentiment towards the sector. On the positive side, holding Adobe Systems, Microsoft and Google-owner Alphabet proved profitable as investor funds flooded into the technology sector on the back of enthusiasm towards generative artificial intelligence.

At the sector level, the drag of being overweight healthcare and underweight information technology more than offset the benefit of having no exposure to the energy sector, which weakened on the back of a falling oil price, and being underweight consumer staples companies.

Outlook

As 2024 develops, we expect growth will slow to below trend in the US – although our projection is somewhat stronger than consensus – with a slowdown expected in China and Japan as well. We believe growth in the Eurozone and the UK will remain sluggish in 2024 as fiscal policy becomes a drag and the pass-through of higher policy rates into mortgages and corporate borrowing becomes a stronger headwind. Overall, we expect global growth of around 2.75% in 2024, down from 3.25% in 2023. Once again, recession ought to be avoided, as rising real incomes should support household consumption, working to mitigate the impact of positive real interest rates.

Geopolitically, we see scope for further disruption. Billed as the biggest election year in history, 2024 will bring a sequence of major elections across the world, with the outcome in many cases too close to call.

In our central scenario we expect solid, if unspectacular, earnings to be the key for equity markets in 2024. While US valuations are high, the economy has already been through an earnings "recession" in late 2022/early 2023 driven by weaker margins, and it now appears to be coming out the other side.

Aviva Investors Sustainable Stewardship International Equity Fund (continued)

That contrasts with Europe, where valuations are much lower, but where the earnings downturn has not yet materialised. We should also note that the hype surrounding generative artificial intelligence technology is set to continue, affecting equity markets. Overall, we see stronger potential for equities to perform well in a disinflationary environment, where deep recessions (or recessions altogether) may be avoided.

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 Morningstar, net of fees, net income reinvested.



4.26

Aviva Investors Sustainable Stewardship UK Equity Fund

Aviva Investors Sustainable Stewardship UK Equity Fund



Overall assessment

Summary Ratings

Share Class Designation	UK Corporate Inc	UK Institutional Acc	Insured Pension Acc	UK Feeder Acc
Overall	●	●	●	●
Quality of service	●	●	●	●
Performance	●	●	●	●
Authorised fund manager costs	●	●	●	●
Comparable market rates	●	●	●	●
Economies of scale	●	●	●	●
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 unit 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 unit classes in the Sub-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 Designation	Insured Pension Acc	UK Corporate Inc	UK Feeder Acc Units	UK Institutional Acc	FTSE Custom All-Share TR GBP ¹
1 Year	6.86	6.79	6.82	6.81	9.42
3 Years	5.12	5.09	–	5.11	5.64
5 Years	–	6.34	–	6.35	6.23
7 Years	–	5.22	–	–	–
Since Launch	2.87	–	4.21	4.58	–

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

Aviva Investors Sustainable Stewardship UK Equity Fund (continued)

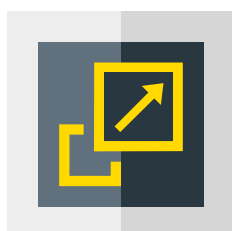
We have reviewed the Sub-fund's overall performance after charges, relative to its investment objectives, policy and strategy, and the Sub-fund's performance is deemed to be within a reasonable range of outcomes based on the time periods reviewed and the information considered in the assessment.

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



Authorised Fund Manager costs

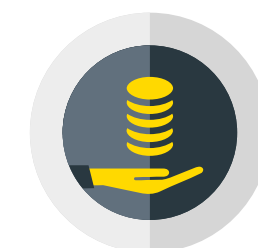
We consider that the fees paid are reasonable when taking into account the underlying costs for the services provided and performance objectives set for the Sub-fund.



Economies of scale

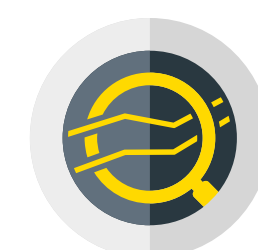
The specific benefits derived from economies of scale are returned to investors as a result of the single fee structure which operates for the entire Scheme, which enables each Sub-fund to benefit from the scale of the Scheme in totality.

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



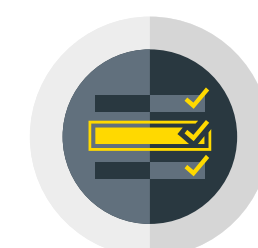
Comparable market rates

We have reviewed the fees paid for each of the services provided to the Sub-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 Sub-fund available in the UK.



Classes of units

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

Aviva Investors Sustainable Stewardship UK Equity Fund (continued)



Fund Managers Report

Performance

In the twelve months to 31 December 2023, the sub-fund returned 6.8%* (net). The fund's benchmark, the FTSE All-Share Index¹, returned 9.4%.

Market Review

Equities enjoyed solid gains in 2023, although UK shares underperformed the global average despite the economy performing more resiliently than expected for much of the year. The Bank of England raised interest rates from 3.5% to 5.25% over the course of the year in response to persistent above-target inflation. Although the annual rate of price increases declined during the calendar year, falling from 10.5% in December 2022 to 4.0% in December 2023, it still stood at twice the central bank's 2% target. An increasingly restrictive monetary policy acted as a constant drag on economic activity, with GDP growth being 0.3% in the first quarter and 0% in the second quarter of the year. The economy subsequently contracted by 0.1% in the third quarter, pushing it to the brink of recession. Manufacturing sector activity survey data, meanwhile, was in contractionary territory throughout the year.

Within the fund's benchmark, the strongest performance was posted by technology, industrials and consumer discretionary companies. Returns for basic materials, consumer staples and telecommunications companies slipped into negative territory. Performance was spread relatively evenly across large, small and medium-sized companies.

The fund generated a positive absolute return but underperformed its benchmark. Stock selection had a negative impact on relative returns overall. Spirent Communications was the biggest detractor as investors became concerned about its outlook, despite its continued solid financial performance. Luxury apparel brand Burberry was another disappointment following falling sales in the context of the cost-of-living crisis in the UK. The most value was added by London Stock Exchange Group, which

continued to successfully bid in its Refinitiv acquisition. Asset manager Intermediate Capital also performed well as it recovered from an indifferent year in 2022. The lack of exposure to large mining firms such as Anglo American and Rio Tinto was beneficial as commodity prices fell, while the overweighting of information technology companies amid the investor exuberance for artificial intelligence applications also contributed well to performance.

Outlook

Markets are currently being driven by hopes that interest rates have peaked and are headed lower in 2024. While this may be so, we believe the market has got a bit ahead of itself in discounting lower interest rates and the subsequent benefits to the economy and the market. While inflation has more than halved from its peak set last October, bringing it down to the central bank's target of 2% will take longer and may necessitate rates staying where they are for much of this year.

The UK economy has proved to be relatively resilient and has defied those who had expected a recession by now – although one might still transpire. The UK government's recent business and consumer tax cuts should help support economic growth to some extent. Overall, however, we expect the UK economy to remain relatively sluggish as businesses refinance at higher rates of interest and consumer demand remains muted.

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 Morningstar, net of fees, net income reinvested.



4.27

Aviva Investors Sustainable Stewardship UK Equity Income Fund

Aviva Investors Sustainable Stewardship UK Equity Income Fund



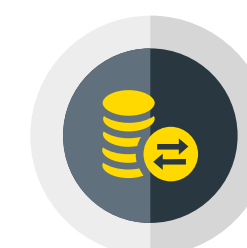
Overall assessment

Summary Ratings

Share Class Designation	UK Corporate Inc	UK Institutional Acc	Insured Pension Acc	UK Feeder Acc
Overall	●	●	●	●
Quality of service	●	●	●	●
Performance	●	●	●	●
Authorised fund manager costs	●	●	●	●
Comparable market rates	●	●	●	●
Economies of scale	●	●	●	●
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 unit 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 unit classes in the Sub-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 Designation	UK Institutional Acc	UK Corporate Inc	Insured Pension Acc	UK Feeder Acc Units	FTSE Custom All-Share TR GBP ¹
1 Year	10.45	10.31	10.32	10.40	9.42
3 Years	5.27	5.17	5.20	–	5.64
5 Years	6.01	5.96	–	–	6.23
7 Years	–	4.87	–	–	–
Since Launch	4.26	–	2.26	4.29	–

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

Aviva Investors Sustainable Stewardship UK Equity Income Fund (continued)

We have reviewed the Sub-fund's overall performance after charges, relative to its investment objectives, policy and strategy, and the Sub-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.

Authorised Fund Manager costs

We consider that the fees paid are reasonable when taking into account the underlying costs for the services provided and performance objectives set for the Sub-fund.

Economies of scale

The specific benefits derived from economies of scale are returned to investors as a result of the single fee structure which operates for the entire Scheme, which enables each Sub-fund to benefit from the scale of the Scheme in totality.

We have concluded that all investors participated appropriately in the general economies of scale derived from investing with the Company based on a range of benefits and services provided and the overall fees charged. There has not been a material change in the size of the Scheme, or Sub-fund during the previous 12 months, and 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 Sub-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 Sub-fund available in the UK.

Classes of units

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

Aviva Investors Sustainable Stewardship UK Equity Income Fund (continued)



Fund Managers Report

Performance

In the twelve months to 31 December 2023, the sub-fund returned 10.3%* (net). The fund's benchmark, the FTSE All-Share Index¹, returned 9.4%.

Market Review

Equities enjoyed solid gains in 2023, although UK shares underperformed the global average despite the economy performing more resiliently than expected for much of the year. The Bank of England raised interest rates from 3.5% to 5.25% over the course of the year in response to persistent above-target inflation. Although the annual rate of price increases declined during the calendar year, falling from 10.5% in December 2022 to 4.0% in December 2023, it still stood at twice the central bank's 2% target. An increasingly restrictive monetary policy acted as a constant drag on economic activity, with GDP growth being 0.3% in the first quarter and 0% in the second quarter of the year. The economy subsequently contracted by 0.1% in the third quarter, pushing it to the brink of recession. Manufacturing sector activity survey data, meanwhile, was in contractionary territory throughout the year.

Within the fund's benchmark, the strongest performance was posted by technology, industrials and consumer discretionary companies. Returns for basic materials, consumer staples and health care companies slipped into negative territory. Performance was spread relatively evenly across large, small and medium-sized companies.

The fund's outperformance was driven primarily by sector allocation over the year. Here, the underweighting of basic materials companies was notably helpful as worries grew about falling demand amid a faltering Chinese economy. Holding an overweight position in technology companies was also beneficial for returns. These positive impacts were offset slightly, however, by the underweighting of rallying consumer discretionary companies and the overweighting of telecommunications.

Stock selection was a little disappointing overall, with the main detractor being Spirent Communications in what was a challenging year for the telecommunications sector in general. Wealth manager St James's Place also suffered relatively weak returns as its profits came under threat from forced changes to its charging structure. On the positive side, good gains were posted by alternative asset manager Intermediate Capital and leading UK technology player Sage.

Outlook

Markets are currently being driven by hopes that interest rates have peaked and are headed lower in 2024. While this may be so, we believe the market has got a bit ahead of itself in discounting lower interest rates and the subsequent benefits to the economy and the market. While inflation has more than halved from its peak set last October, bringing it down to the central bank's target of 2% will take longer and may necessitate rates staying where they are for much of this year.

The UK economy has proved to be relatively resilient and has defied those who had expected a recession by now – although one might still transpire. The UK government's recent business and consumer tax cuts should help support economic growth to some extent. Overall, however, we expect the UK economy to remain relatively sluggish as businesses refinance at higher rates of interest and consumer demand remains muted.

Nevertheless, in our view, the valuation of the market remains attractive relative to its history and overseas markets, so we believe UK shares retain a measure of support.

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 Morningstar, net of fees, net income reinvested.



4.28

Aviva Investors UK Equity Alpha Fund

Aviva Investors UK Equity Alpha Fund



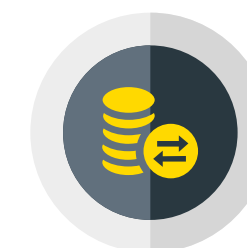
Overall assessment

Summary Ratings

Share Class Designation	UK Institutional Acc	Insured Pension Acc	UK Corporate Acc	UK FoF Acc Units
Overall	●	●	●	●
Quality of service	●	●	●	●
Performance	●	●	●	●
Authorised fund manager costs	●	●	●	●
Comparable market rates	●	●	●	●
Economies of scale	●	●	●	●
Comparable services	●	●	●	●
Classes of units	●	●	●	●

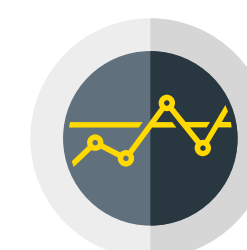
In line with the requirement to conduct a value assessment, the Board has concluded that all components of the assessment have been considered and the charges for each unit class are justified in the context of overall value being delivered to investors.

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 unit classes in the Sub-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 Designation	UK Institutional Acc	Insured Pension Acc	UK Corporate Acc	UK FoF Acc Units	Benchmark [^]
1 Year	10.04	10.03	10.03	10.04	9.39
3 Years	9.14	9.14	9.16	9.14	9.38
5 Years	7.71	8.50	–	–	6.61
Since Launch	4.74	5.86	5.68	13.22	–

[^]FTSE All Share Index (ex Aviva, ex Investment Trusts)¹.

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

Aviva Investors UK Equity Alpha Fund (continued)

We have reviewed the Sub-fund's overall performance after charges, relative to its investment objectives, policy and strategy, and the Sub-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.

Authorised Fund Manager costs

We consider that the fees paid are reasonable when taking into account the underlying costs for the services provided and performance objectives set for the Sub-fund.

Economies of scale

The specific benefits derived from economies of scale are returned to investors as a result of the single fee structure which operates for the entire Scheme, which enables each Sub-fund to benefit from the scale of the Scheme in totality.

We have concluded that all investors participated appropriately in the general economies of scale derived from investing with the Company based on a range of benefits and services provided and the overall fees charged. There has not been a material change in the size of the Scheme, or Sub-fund during the previous 12 months, and 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 Sub-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 Sub-fund available in the UK.

Classes of units

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

Aviva Investors UK Equity Alpha Fund (continued)



Fund Managers Report

Performance

In the twelve months to 31 December 2023, the sub-fund returned 10.0%* (net). The fund's benchmark, the FTSE All-Share Index ex IT, ex Aviva¹, returned 9.4%.

Market Review

Equities enjoyed solid gains in 2023, although UK shares underperformed the global average despite the economy performing more resiliently than expected for much of the year. The Bank of England raised interest rates from 3.5% to 5.25% over the course of the year in response to persistent above-target inflation. Although the annual rate of price increases declined during the calendar year, falling from 10.5% in December 2022 to 4.0% in December 2023, it still stood at twice the central bank's 2% target. An increasingly restrictive monetary policy acted as a constant drag on economic activity, with GDP growth being 0.3% in the first quarter and 0% in the second quarter of the year. The economy subsequently contracted by 0.1% in the third quarter, pushing it to the brink of recession. Manufacturing sector activity survey data, meanwhile, was in contractionary territory throughout the year.

Within the fund's benchmark, the strongest performance was posted by technology, industrials and consumer discretionary companies. Returns for basic materials, consumer staples and health care companies slipped into negative territory. Performance was spread relatively evenly across large, small and medium-sized companies.

The fund's outperformance was driven primarily by sector allocation over the year. Here, the underweighting of consumer staples was notably helpful as the sector suffered amid financial belt-tightening from under pressure households. Being overweight industrials and technology also held the fund in good stead. Stock selection also added value over the year, albeit to a lesser degree. The top contributor was Irish-based building materials group CRH, which reported strong performance from its US business. Good contributions were also made by technology company Sage and London Stock Exchange.

The main disappointment at the individual stock level was Spirent Communications in what was a challenging year for the telecommunications sector in general. Worries about falling demand for commodities from a slowing Chinese economy also weighed on returns from mining company Rio Tinto. In terms of sector allocation, the main drag on performance was the underweighting of consumer discretionary companies.

Outlook

Markets are currently being driven by hopes that interest rates have peaked and are headed lower in 2024. While this may be so, we believe the market has got a bit ahead of itself in discounting lower interest rates and the subsequent benefits to the economy and the market. While inflation has more than halved from its peak set last October, bringing it down to the central bank's target of 2% will take longer and may necessitate rates staying where they are for much of this year.

The UK economy has proved to be relatively resilient and has defied those who had expected a recession by now – although one might still transpire. The UK government's recent business and consumer tax cuts should help support economic growth to some extent. Overall, however, we expect the UK economy to remain relatively sluggish as businesses refinance at higher rates of interest and consumer demand remains muted.

Nevertheless, in our view, the valuation of the market remains attractive relative to its history and overseas markets, so we believe UK shares retain a measure of support.

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 Morningstar, net of fees, net income reinvested.



4.29

Aviva Investors UK Equity Core Fund

Aviva Investors UK Equity Core Fund

Overall assessment

Summary Ratings			
Share Class Designation	UK Corporate Acc	Insured Pension Acc	Fund of Funds Acc
Overall	●	●	●
Quality of service	●	●	●
Performance	●	●	●
Authorised fund manager costs	●	●	●
Comparable market rates	●	●	●
Economies of scale	●	●	●
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 unit 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 unit classes in the Sub-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 Designation	Insured Pension Acc	UK Corp Acc	Fund of Funds Acc	MSCI® UK Equity (ex Tobacco) Index ²
1 Year	7.87	7.86	7.86	9.06
Since Launch	5.17	5.19	5.19	–

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

Aviva Investors UK Equity Core Fund (continued)

We have reviewed the Sub-fund's overall performance after charges, relative to its investment objectives, policy and strategy, and the Sub-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.

Authorised Fund Manager costs

We consider that the fees paid are reasonable when taking into account the underlying costs for the services provided and performance objectives set for the Sub-fund.

Economies of scale

The specific benefits derived from economies of scale are returned to investors as a result of the single fee structure which operates for the entire Scheme, which enables each Sub-fund to benefit from the scale of the Scheme in totality.

We have concluded that all investors participated appropriately in the general economies of scale derived from investing with the Company based on a range of benefits and services provided and the overall fees charged. There has not been a material change in the size of the Scheme, or Sub-fund during the previous 12 months, and 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 Sub-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 Sub-fund available in the UK.

Classes of units

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

*Fund performance figures – source Morningstar, net of fees, net income reinvested.

Aviva Investors UK Equity Core Fund (continued)



Fund Managers Report

Performance

The fund posted a return of 7.9%* (net) in the twelve months to 31 December 2023.

Market Review

Equities enjoyed solid gains in 2023, although UK shares underperformed the global average despite the economy performing more resiliently than expected for much of the year. The Bank of England raised interest rates from 3.5% to 5.25% over the course of the year in response to persistent above-target inflation. Although the annual rate of price increases declined during the calendar year, falling from 10.5% in December 2022 to 4.0% in December 2023, it still stood at twice the central bank's 2% target. An increasingly restrictive monetary policy acted as a constant drag on economic activity, with GDP growth being 0.3% in the first quarter and 0% in the second quarter of the year. The economy subsequently contracted by 0.1% in the third quarter, pushing it to the brink of recession. Manufacturing sector activity survey data, meanwhile, was in contractionary territory throughout the year.

Within the market, the strongest performance was posted by technology, industrials and consumer discretionary companies. Returns for basic materials, consumer staples and telecommunications companies slipped into negative territory. Performance was spread relatively evenly across large, small and medium-sized companies.

Outlook

Markets are currently being driven by hopes that interest rates have peaked and are headed lower in 2024. While this may be so, we believe the market has got a bit ahead of itself in discounting lower interest rates and the subsequent benefits to the economy and the market. While inflation has more than halved from its peak set last October, bringing it down to the central bank's target of 2% will take longer and may necessitate rates staying where they are for much of this year.

The UK economy has proved to be relatively resilient and has defied those who had expected a recession by now – although one might still transpire. The UK government's recent business and consumer tax cuts should help support economic growth to some extent. Overall, however, we expect the UK economy to remain relatively sluggish as businesses refinance at higher rates of interest and consumer demand remains muted.

Nevertheless, in our view the valuation of the market remains attractive relative to its history and overseas markets, thus helping to underpin share prices in the months ahead.

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 Morningstar, net of fees, net income reinvested.



4.30

Aviva Investors UK Equity Dividend Fund

Aviva Investors UK Equity Dividend Fund



Overall assessment

Summary Ratings

Share Class Designation	UK Institutional Acc	UK Corporate Acc	Insured Pension Acc
Overall	●	●	●
Quality of service	●	●	●
Performance	●	●	●
Authorised fund manager costs	●	●	●
Comparable market rates	●	●	●
Economies of scale	●	●	●
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 unit 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 unit classes in the Sub-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 Designation	UK Institutional Acc	UK Corporate Acc	Insured Pension Acc	Benchmark^
1 Year	8.39	8.52	8.52	9.39
3 Year	6.69	6.72	6.72	9.38
5 Year	6.28			6.61
Since Launch	3.70	2.99	2.99	

^FTSE All Share Index (ex Aviva, ex Investment Trusts)¹.

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

Aviva Investors UK Equity Dividend Fund (continued)

We have reviewed the Sub-fund's overall performance after charges, relative to its investment objectives, policy and strategy, and the Sub-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.

Authorised Fund Manager costs

We consider that the fees paid are reasonable when taking into account the underlying costs for the services provided and performance objectives set for the Sub-fund.

Economies of scale

The specific benefits derived from economies of scale are returned to investors as a result of the single fee structure which operates for the entire Scheme, which enables each Sub-fund to benefit from the scale of the Scheme in totality.

We have concluded that all investors participated appropriately in the general economies of scale derived from investing with the Company based on a range of benefits and services provided and the overall fees charged. There has not been a material change in the size of the Scheme, or Sub-fund during the previous 12 months, and 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 Sub-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 Sub-fund available in the UK.

Classes of units

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

Aviva Investors UK Equity Dividend Fund (continued)



Fund Managers Report

Performance

In the twelve months to 31 December 2023, the sub-fund returned 8.5%* (net). The fund's benchmark, the FTSE All-Share Index ex IT, ex Aviva¹, returned 9.4%.

Market Review

Equities enjoyed solid gains in 2023, although UK shares underperformed the global average despite the economy performing more resiliently than expected for much of the year. The Bank of England raised interest rates from 3.5% to 5.25% over the course of the year in response to persistent above-target inflation. Although the annual rate of price increases declined during the calendar year, falling from 10.5% in December 2022 to 4.0% in December 2023, it still stood at twice the central bank's 2% target. An increasingly restrictive monetary policy acted as a constant drag on economic activity, with GDP growth being 0.3% in the first quarter and 0% in the second quarter of the year. The economy subsequently contracted by 0.1% in the third quarter, pushing it to the brink of recession. Manufacturing sector activity survey data, meanwhile, was in contractionary territory throughout the year.

Within the fund's benchmark, the strongest performance was posted by technology, industrials and consumer discretionary companies. Returns for basic materials, consumer staples and telecommunications companies slipped into negative territory. Performance was spread relatively evenly across large, small and medium-sized companies.

The fund's outperformance was driven primarily by sector allocation over the year. Here, the overweighting of financials and technology and the underweighting of health care and consumer staples were notably helpful positions. These positive impacts were offset, however, by the underweighting of consumer discretionary and energy companies.

Stock selection was disappointing overall, with the main detractor being the fund's lack of exposure to some of the year's strongest performers, namely HSBC, Shell and Rolls-Royce. Of the stocks held, wealth manager St James's Place suffered relatively weak returns as its profits came under threat from forced changes to its charging structure. On the positive side, good gains were posted by Melrose Industries and BAE Systems, two companies that are positively geared into increased defence spending at a time of heightened geopolitical uncertainty. Leading UK technology company Sage and niche asset manager Intermediate Capital also made valuable contributions.

Outlook

Markets are currently being driven by hopes that interest rates have peaked and are headed lower in 2024. While this may be so, we believe the market has got a bit ahead of itself in discounting lower interest rates and the subsequent benefits to the economy and the market. While inflation has more than halved from its peak set last October, bringing it down to the central bank's target of 2% will take longer and may necessitate rates staying where they are for much of this year.

The UK economy has proved to be relatively resilient and has defied those who had expected a recession by now – although one might still transpire. The UK government's recent business and consumer tax cuts should help support economic growth to some extent. Overall, however, we expect the UK economy to remain relatively sluggish as businesses refinance at higher rates of interest and consumer demand remains muted.

Nevertheless, in our view, the valuation of the market remains attractive relative to its history and overseas markets, so we believe UK shares retain a measure of support.

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 Morningstar, net of fees, net income reinvested.



4.31

Aviva Investors UK Listed Equity ex Tobacco Fund

Aviva Investors UK Listed Equity ex Tobacco Fund



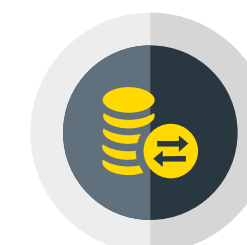
Overall assessment

Summary Ratings

Share Class Designation	UK Corporate Inc	UK Institutional Acc	UK Corporate Acc
Overall	●	●	●
Quality of service	●	●	●
Performance	●	●	●
Authorised fund manager costs	●	●	●
Comparable market rates	●	●	●
Economies of scale	●	●	●
Comparable services	●	●	●
Classes of units	●	●	●

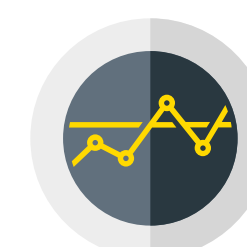
In line with the requirement to conduct a value assessment, the Board has concluded that all components of the assessment have been considered and the charges for each unit class are justified in the context of overall value being delivered to investors.

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 unit classes in the Sub-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 Designation	UK Corporate Inc	UK Corporate Acc	UK Institutional Acc	Benchmark^
1 Year	6.52	6.60	6.61	9.08
3 Year	7.93	8.02	8.05	8.73
5 Year	6.39	-	6.44	6.64
Since Launch	4.03	4.21	4.07	-

^FTSE All Share ex Tobacco Total Return Index¹.

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

Aviva Investors UK Listed Equity ex Tobacco Fund (continued)

The Sub-fund aims to grow your investment over the long term (5 years or more) by investing in shares of UK companies other than tobacco manufacturers.

Over the year to 31 December 2023, the Sub-fund has delivered growth, however the Sub-funds performance relative to its benchmark is below expectations. Since the launch of the Sub-fund in 2018 it has provided investors with a positive return (net of fees and taxes) relative to the benchmark of 0.15% (4.03% vs 3.88%).

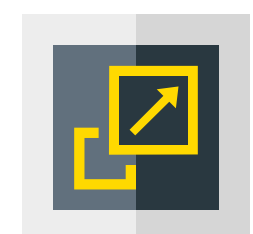
The Board is satisfied with the Sub-fund's performance and do not have any concerns with the portfolio manager's ongoing ability to meet the stated objective in the future. There we do not intend to make any changes to the Sub-fund at this point in time, but the Sub-fund will remain under review following our standard governance process.

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



Authorised Fund Manager costs

We consider that the fees paid are reasonable when taking into account the underlying costs for the services provided and performance objectives set for the Sub-fund.



Economies of scale

The specific benefits derived from economies of scale are returned to investors as a result of the single fee structure which operates for the entire Scheme, which enables each Sub-fund to benefit from the scale of the Scheme in totality.



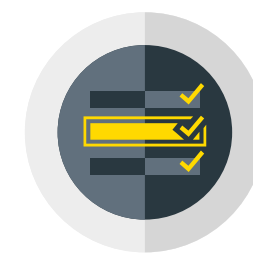
Comparable market rates

We have reviewed the fees paid for each of the services provided to the Sub-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 Sub-fund available in the UK.



Classes of units

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

Aviva Investors UK Listed Equity ex Tobacco Fund (continued)



Fund Managers Report

Performance

The portfolio returned 6.5%* (net of fees) from 1 January to 31 December 2023 whilst the FTSE All-Share ex Tobacco index¹ returned 9.1%.

Portfolio Review

Performance was positive but finished behind the benchmark. Banking turmoil hit markets in the early part of the year, as Silicon Valley Bank collapsed in the US and Credit Suisse was bought out by UBS in Europe. However, concerns about contagion risk quickly faded as global banks had sufficiently strong balance sheets to withstand the shock. Global economic activity exceeded very low expectations. Inflation proved to be more persistent than anticipated in the first half with Central banks responding by raising interest rates further, causing bond yields to increase. In the second half of the year data showed inflation moderating which changed market expectations for interest rate expectations dramatically. This significant drop in bond yields boosted share prices, with US tech, real estate, and small and mid-cap stocks finishing the year strongly. The FTSE 250 index recovered all its earlier losses.

Stock selection within the industrials, materials and utilities sectors detracted from performance. Weakness in commodity prices, particularly precious metals, impacted holdings in miner Anglo American and sustainability solutions company Johnson Matthey. Additionally, Anglo American suffered from operational difficulties while Johnson Matthey increased investment hit profits. Within the industrials area no exposure to aerospace and defence company Rolls Royce which performed well was detrimental. Drax Group underperformed because of a fall in power prices from the highs of 2022 as well several regulatory overhangs related to biomass subsidies and sustainability reporting. Luxury goods group Burberry detracted after sales slowed in the second half of the period following an initial strong recovery from the pandemic.

On the positive side, owning less than the market in consumer staples and owning more than the market in consumer discretionary sectors was beneficial. Staples companies underperformed as they experienced an unwind of the pandemic boost. Relative to the very low expectations at the end of 2022, consumer spending on more discretionary items, was stronger. This benefited many of our consumer facing holdings which are typically resilient businesses offering consumers good value for money. Their resilience has meant they have been better placed to gain share from weaker competitors exiting the market because of COVID and inflation-induced financial stress. Examples include bus and rail operator FirstGroup, budget hotels company Whitbread, and financial investment group, 3i whose main asset is European discount retailer Action.

In terms of activity we exited our longstanding holding in Tesco, the UK's largest food retailer. The shares had performed strongly as a beneficiary of Covid, the inflationary environment and sector consolidation having previously undergone a successful operational turnaround under a new management team. We increased our position in smaller sized companies, where valuations look particularly attractive. Within the Materials sector we switched part of our holding in iron ore focused producer Rio Tinto to boost our position in the more diversified miner, Glencore which has greater exposure to forward facing minerals. We part reduced our exposure to Flutter Entertainments following strong performance earlier in the year and then towards the end of the period we established a new holding peer Entain which has attractive assets with strong positions in regulated markets in Europe and importantly the US, where online sports betting is a nascent but large market that is growing quickly. The company has been poorly managed and historic governance issues have resulted in fines from the regulator. The shares have been weak and we believe there is little in the price for the company's US assets. We have undertaken significant engagement with management prior to investing. We added a new position in domestic commercial real estate business Land Securities where the shares have performed poorly in recent years as interest rates have risen sharply. We sold our holding in recruitment company Hays as labour market activity appears to be softening.

Aviva Investors UK Listed Equity ex Tobacco Fund (continued)

With the interest rate tightening cycle complete the market anticipates interest rate cuts in 2024. We recognise that recession risk remains and we continue to monitor the risks to our portfolio holdings using our experience gained over multiple economic cycles. As a result, we maintain our focus on constructing a portfolio that is diversified and consists of our highest conviction stock picks.

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 Morningstar, net of fees, net income reinvested.





4.32

Aviva Investors UK Listed Equity Fund

Aviva Investors UK Listed Equity Fund



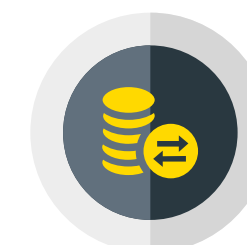
Overall assessment

Summary Ratings

Share Class Designation	Insured Pension Inc	UK Corporate Inc	UK Institutional Acc	ACS Acc (Class 1)	ACS Acc (Class 2)
Overall	●	●	●	●	●
Quality of service	●	●	●	●	●
Performance	●	●	●	●	●
Authorised fund manager costs	●	●	●	●	●
Comparable market rates	●	●	●	●	●
Economies of scale	●	●	●	●	●
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 unit 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 unit classes in the Sub-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 Designation	UK Institutional Acc	ACS Acc (Class 1)	ACS Acc (Class 2)	Insured Pension Inc	UK Corporate Inc	FTSE All-Share TR ¹
1 Year	7.48	7.54	7.54	7.41	7.43	7.92
3 Years	8.29	8.32	8.32	8.22	8.23	8.61
5 Years	6.88	6.91	6.91	6.86	6.86	6.61
7 Years	–	–	–	5.44	5.44	5.03
Since Launch	4.64	4.10	4.10	–	–	–

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

Aviva Investors UK Listed Equity Fund (continued)

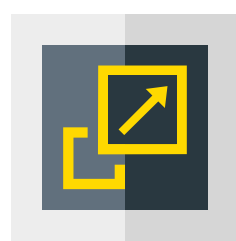
We have reviewed the Sub-fund's overall performance after charges, relative to its investment objectives, policy and strategy, and the Sub-fund's performance is deemed to be within a reasonable range of outcomes based on the time periods reviewed and the information considered in the assessment.

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



Authorised Fund Manager costs

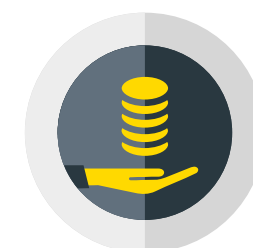
We consider that the fees paid are reasonable when taking into account the underlying costs for the services provided and performance objectives set for the Sub-fund.



Economies of scale

The specific benefits derived from economies of scale are returned to investors as a result of the single fee structure which operates for the entire Scheme, which enables each Sub-fund to benefit from the scale of the Scheme in totality.

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



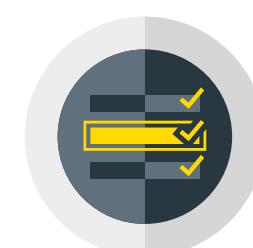
Comparable market rates

We have reviewed the fees paid for each of the services provided to the Sub-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 Sub-fund available in the UK.



Classes of units

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

Aviva Investors UK Listed Equity Fund (continued)



Fund Managers Report

Performance

The portfolio returned 7.5%* (net of fees) from 1 January to 31 December 2023 whilst the FTSE All-Share index¹ returned 7.9%.

Portfolio Review

Performance was positive but finished behind the benchmark. Banking turmoil hit markets in the early part of the year, as Silicon Valley Bank collapsed in the US and Credit Suisse was bought out by UBS in Europe. However, concerns about contagion risk quickly faded as global banks had sufficiently strong balance sheets to withstand the shock. Global economic activity exceeded very low expectations. Inflation proved to be more persistent than anticipated in the first half with Central banks responding by raising interest rates further, causing bond yields to increase. In the second half of the year data showed inflation moderating which changed market expectations for interest rate expectations dramatically. This significant drop in bond yields boosted share prices, with US tech, real estate, and small and mid-cap stocks finishing the year strongly. The FTSE 250 index recovered all its earlier losses, ending up 8.1%, slightly outperforming the FTSE 100.

Stock selection within the materials, industrials and utilities sectors detracted from performance. Weakness in commodity prices, particularly precious metals, impacted holdings in miner Anglo American and sustainability solutions company Johnson Matthey. Additionally, Anglo American suffered from operational difficulties while Johnson Matthey increased investment hit profits. Within the industrials area no exposure to aerospace and defence company Rolls Royce which performed well was detrimental. Drax Group underperformed because of a fall in power prices from the highs of 2022 as well as several regulatory overhangs related to biomass subsidies and sustainability reporting.

On the positive side, owning less than the market in consumer staples (notably no exposure to British American Tobacco and only a modest position in Diageo), and owning more than the market in consumer discretionary sectors was beneficial. Staples companies underperformed as they experienced an unwind of the pandemic boost. Relative to the very low expectations at the end of 2022, consumer spending on more discretionary items, was stronger. This benefited many of our consumer facing holdings which are typically resilient businesses offering consumers good value for money. Their resilience has meant they have been better placed to gain share from weaker competitors exiting the market because of COVID and inflation-induced financial stress. Examples include budget hotels company Whitbread, bus and rail operator FirstGroup, and financial investment group, 3i whose main asset is European discount retailer Action.

In terms of activity, we exited our longstanding holding in Tesco, the UK's largest food retailer. The shares had performed strongly as a beneficiary of Covid, the inflationary environment and sector consolidation having previously undergone a successful operational turnaround under a new management team. We increased our position in smaller sized companies, where valuations look particularly attractive. Within the Materials sector we switched part of our holding in iron ore focused producer Rio Tinto to boost our position in the more diversified miner, Glencore which has greater exposure to forward facing minerals. We part reduced our exposure to Flutter Entertainment following strong performance earlier in the year and then towards the end of the period we established a new holding peer Entain which has attractive assets with strong positions in regulated markets in Europe and importantly the US, where online sports betting is a nascent but large market that is growing quickly. The company has been poorly managed and historic governance issues have resulted in fines from the regulator. The shares have been weak, and we believe there is little in the price for the company's US assets. We have undertaken significant engagement with management prior to investing. We added a new position in domestic commercial real estate business Land Securities where the shares have performed poorly in recent years as interest rates have risen sharply. We sold our holding in recruitment company Hays as labour market activity appears to be softening.

Aviva Investors UK Listed Equity Fund (continued)

With the interest rate tightening cycle complete the market anticipates interest rate cuts in 2024. We recognise that recession risk remains and we continue to monitor the risks to our portfolio holdings using our experience gained over multiple economic cycles. As a result, we maintain our focus on constructing a portfolio that is diversified and consists of our highest conviction stock picks.

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 Morningstar, net of fees, net income reinvested.



4.33

Aviva Investors UK Listed Equity Income Fund

Aviva Investors UK Listed Equity Income Fund



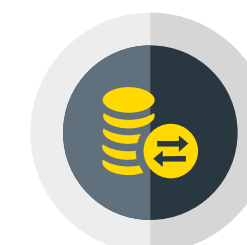
Overall assessment

Summary Ratings

Share Class Designation	UK Corporate Inc	Insured Pension Inc	UK Institutional Acc
Overall	●	●	●
Quality of service	●	●	●
Performance	●	●	●
Authorised fund manager costs	●	●	●
Comparable market rates	●	●	●
Economies of scale	●	●	●
Comparable services	●	●	●
Classes of units	●	●	●

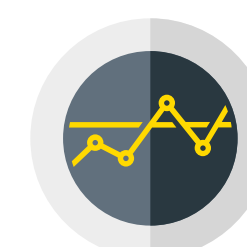
In line with the requirement to conduct a value assessment, the Board has concluded that all components of the assessment have been considered and the charges for each unit class are justified in the context of overall value being delivered to investors.

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 unit classes in the Sub-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 Designation	Insured Pension Inc	UK Corporate Inc	UK Institutional Acc	FTSE All-Share TR ¹
1 Year	12.70	12.75	12.81	7.92
3 Year	14.71	14.69	14.84	8.61
5 Year	6.87	6.86	6.82	6.61
7 Year	6.10	6.09	–	5.03
Since Launch	–	–	5.73	–

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

Aviva Investors UK Listed Equity Income Fund (continued)

We have reviewed the Sub-fund's overall performance after charges, relative to its investment objectives, policy and strategy, and the Sub-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.

Authorised Fund Manager costs

We consider that the fees paid are reasonable when taking into account the underlying costs for the services provided and performance objectives set for the Sub-fund.

Economies of scale

The specific benefits derived from economies of scale are returned to investors as a result of the single fee structure which operates for the entire Scheme, which enables each Sub-fund to benefit from the scale of the Scheme in totality.

We have concluded that all investors participated appropriately in the general economies of scale derived from investing with the Company based on a range of benefits and services provided and the overall fees charged. There has not been a material change in the size of the Scheme, or Sub-fund during the previous 12 months, and 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 Sub-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 Sub-fund available in the UK.

Classes of units

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

Aviva Investors UK Listed Equity Income Fund (continued)



Fund Managers Report

Performance

The portfolio returned 12.7%* net of fees in 2023. The FTSE All Share index¹ returned 7.9%.

Portfolio Review

Our focus on cheap stocks (within a cheap market) and minimising fundamental risks was rewarded with significant outperformance relative to index in 2023. There is still a lot of bad news priced into broad swathes of the UK equity market giving a breadth of opportunities to patient long-term value investors like us. 150 years of stock market history tells us that undervaluation is the only reliable catalyst for outperformance in the long-run. The price you pay has been the most important factor in determining future returns. This is central to the value investing philosophy and we will continue to place our investors' funds into firms that are prudently priced and where a margin of safety is offered in its valuation.

Positive performance returns came from retailers M&S and J Sainsbury which both performed well after strong trading. M&S's turnaround is ongoing, and we expect its strong operational performance to progressively drive profits in coming years and Sainsbury offers an attractive dividend yield. Semiconductor firm Intel was another positive contributor. Intel's strategic move towards AI-oriented chips reflects its efforts to recover from the post-pandemic PC slump and stimulate consumer interest in upgrading their devices. Housebuilder Taylor Wimpey shares performed well with management guiding the market to expect its full-year operating profit to be robust.

On the negative side, US pharmaceutical Pfizer and miner Anglo American detracted from returns. Pfizer shares weakened after reporting that Covid-19 related sales were falling much faster than expected. Anglo American was challenged by softness in some commodity prices and a production update late in 2023 which dampened the near and medium term outlook.

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 Morningstar, net of fees, net income reinvested.





4.34

Aviva Investors US Large Cap Equity Fund

Aviva Investors US Large Cap Equity Fund



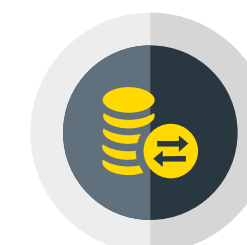
Overall assessment

Summary Ratings

Share Class Designation	UK Corporate Inc	UK Institutional Acc	ACS Acc (Class 1)	ACS Acc (Class 2)
Overall	●	●	●	●
Quality of service	●	●	●	●
Performance	●	●	●	●
Authorised fund manager costs	●	●	●	●
Comparable market rates	●	●	●	●
Economies of scale	●	●	●	●
Comparable services	●	●	●	●
Classes of units	●	●	●	●

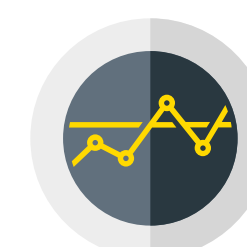
In line with the requirement to conduct a value assessment, the Board has concluded that all components of the assessment have been considered and the charges for each unit class are justified in the context of overall value being delivered to investors.

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 unit classes in the Sub-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 Designation	UK Institutional Acc	ACS Acc (Class 1)	ACS Acc (Class 2)	UK Corporate Inc	S&P 500 TR GBP
1 Year	20.64	20.82	20.82	20.59	19.16
3 Years	12.49	12.67	12.67	12.45	12.59
5 Years	16.14	16.36	16.36	16.13	15.66
7 Years	–	–	–	13.34	12.91
Since Launch	13.44	13.05	13.05	–	–

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

Aviva Investors US Large Cap Equity Fund (continued)

We have reviewed the Sub-fund's overall performance after charges, relative to its investment objectives, policy and strategy, and the Sub-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.

Authorised Fund Manager costs

We consider that the fees paid are reasonable when taking into account the underlying costs for the services provided and performance objectives set for the Sub-fund.

Economies of scale

The specific benefits derived from economies of scale are returned to investors as a result of the single fee structure which operates for the entire Scheme, which enables each Sub-fund to benefit from the scale of the Scheme in totality.

We have concluded that all investors participated appropriately in the general economies of scale derived from investing with the Company based on a range of benefits and services provided and the overall fees charged. There has not been a material change in the size of the Scheme, or Sub-fund during the previous 12 months, and 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 Sub-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 Sub-fund available in the UK.

Classes of units

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

Aviva Investors US Large Cap Equity Fund (continued)



Fund Managers Report

Performance

The portfolio returned 20.6%* (net of fees), performing in line with the S&P 500 over the period.

Portfolio Review

US Equities achieved strong growth in the first half of 2023, with the short-lived market turbulence that followed the collapse of Silicon Valley Bank in March doing little to quell investor optimism. Share prices were particularly strong in June, amid moderating inflation and the signs that the US economy remained resilient despite higher interest rates. A revision to first quarter GDP growth indicated annual growth of 2%, substantially more than the previous estimate of 1.3% growth. US shares were weaker in the third quarter. Investors entered the quarter optimistic that the Federal Reserve (Fed) had orchestrated a soft landing for the economy, and that the era of interest rate rises would soon end. That enthusiasm withered over August and September, however, as the prospect of a sustained period of higher rates sank in. US shares returned to positive territory in the final quarter of the year, buoyed by expectations that interest rate cuts may be approaching. The S&P 500 index ended the year just short of its record high set in early 2022. Positive data on inflation and economic growth reinforced market expectations that the Fed has finished its rate hiking cycle and will move towards cuts in 2024.

Relative returns were neutral against this backdrop. Online travel company Booking was the portfolio's leading contributor during the year as global travel saw strong momentum following Covid disruption in the three years preceding. Also contributing positively were some of the portfolio's technology stocks that form part of the AI value chain. Advanced Micro Devices and Adobe were notable beneficiaries of investor enthusiasm around this theme during the year. Microsoft and Alphabet also benefited from this dynamic while they also delivered strong interim earnings ahead of expectations through much of the period. A new position in semiconductor maker Intel was also among the top contributors. We believe the company is showing evidence it is executing structural improvement while it is beginning to benefit from a cyclical recovery in several key end markets. In healthcare, pharmaceutical company Eli Lilly performed strongly in a sector that lagged following strong revenue and earnings growth driven largely by its weight loss GLP-1 drug.

Performing less well were some of the portfolio's financials holdings. US Bancorp and Charles Schwab came under pressure in the early part of 2023 after the collapse of Silicon Valley Bank prompted investor fears of contagion to the wider market. Energy companies Devon Energy and Schlumberger also detracted as oil prices were weaker through much of the period on expectations of a global slowdown and weaker economic environment. At the renewables end of the spectrum, Enphase Energy also underperformed. Rising rates have made project financing more expensive for these types of companies while a downcycle in pricing in the solar value chain also weighed on the company, though this appears to have stabilised. Elsewhere in the portfolio, food and beverages company Pepsi was another notable detractor after the company reported a slowdown in volumes as a price sensitive consumer drove weaker demand.

Global markets will likely remain turbulent amidst a busy political calendar, tight financial conditions, and a slowing economic cycle. Most central banks appear to be holding off further tightening, as the economy digests the lag effects of the recent rate hiking cycle, and they continue to carefully monitor the softening labour market, growth, and inflation trends. The potential soft-landing economic scenario seems to be playing out thus far. However, there are a number of scenarios that could alter the "seemingly benign" backdrop and we expect market volatility to increase in 2024. While short term volatility may increase, we believe that investors will be well served by focusing on the longer-term, identifying the areas with structural, under-appreciated growth, and remaining prepared to allocate to those companies with a sustained competitive advantage.

While headline inflation has come down substantially, it remains above target levels in most markets and policymakers have been trying to signal that interest rates will likely remain "higher for longer." The tight labour market is potentially weakening and may herald a bias toward easing if labour demand were to continue weakening. With financial conditions tighter and the economic cycle slowing, we continue to see some pockets of stress emerging amidst highly leveraged consumers and corporates. We are therefore entering a phase in which the impact of slowing growth, rising costs and weaker confidence will be much more apparent in company financial results. While company fundamentals have held up reasonably well to date, we expect a more challenging environment for revenues and earnings over coming quarters, particularly in more cyclically exposed areas of the market.

Aviva Investors US Large Cap Equity Fund (continued)

Spending and consumer demand has shown clear signs of slowing as much of the excess savings accumulated during the Covid-19 crisis have largely been depleted. Balance sheet strength and strong organic cashflow generation are typically investment positives we look for, but we expect them to remain particularly important during this period of slowdown and higher cost of capital.

We continue to see the market grappling with areas of disruption such as Artificial Intelligence (AI) and within healthcare around the emergence of GLP-1 drugs in the treatment of diabetes and obesity. While the companies that produce and sell these drugs may potentially reap huge gains, the market is now starting to think about the long-term implications of behavioural shifts and changing consumption habits that may impair long term growth rates within snack companies, confectioners, alcohol, restaurants, etc. Similarly with AI, we believe this will be a key theme for markets as investors increasingly grapple with the technology's potential in driving new revenue streams and productivity gains. These remain areas that are not well understood by the market and will continue to be an area of emphasis for the team as it represents a major potential source of alpha.

The energy transition theme is a capital-intensive one that has good long-term prospects but has been significantly negatively impacted by the rapid rise in financing costs and post-Covid supply chain and inflationary pressures. However, improving economics achieved in recent power price agreement auctions and a renewed focus by government leaders on addressing the issues that have slowed development, may represent an inflection point for both orders and margins within the clean energy industry. This is one area where we may well be able to pick up some good long-term opportunities in the volatility.

With increased volatility expected this year, we believe it will also create increased opportunities for patient and selective investors with a long-term focus. We continue to monitor the market landscape closely and maintain a well-diversified portfolio reflecting a fluid outlook and an active approach.

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 Morningstar, net of fees, net income reinvested.



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574165, April 2024

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