2024 **VALUE ASSESSMENT REPORT**

Aviva Investors Portfolio Funds ICVC

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

June 2024

AVIVA INVESTORS

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 4.

Contents

1. Statement from the Chair	4
2. Meet the board	8
3. Our approach	11
4. Types of share classes	16
5. Aviva Investors Fund Reports	18
Fund dashboard	19

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 29 February 2024.

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 and appropriate 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 to improve investor outcomes, or where it has been necessary to make changes, from both a performance perspective and your individual experience of dealing with Aviva Investors. This includes reducing the minimum investment criteria for all funds allowing some investors to access cheaper share classes. This has led to us proactively contacting impacted investors to begin the switch to the cheaper share classes.

The global economy has continued to face significant pressures with implications for investment markets, and the cost of living crisis highlights an even greater need to deliver value for our customers. This document includes an overview of the economic environment over the past 12 months and the impact on 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 8:30am and 5:30pm 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 11 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 consider the findings of 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 geopolitical pressures and rising inflation and interest rates broadly challenged markets, we are pleased to report that we have seen some recovery in the markets over the course of the last year as sentiment has improved.

In 2022 global markets faced the knock-on effects of the Russian invasion of Ukraine at the beginning of the year, causing a rise in oil and energy prices and complicating global supply chains. This in turn led to 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. In an attempt to tame inflation, the Bank of England raised interest rates which put additional pressure on households as mortgage payments rose. The subsequent drop in consumer and business confidence 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 past year interest rates in the UK have continued to rise but have appeared to level off at 5.25% following the latest hike in August 2023.On a positive note, inflation has begun to fall, at the time of this assessment the CPI fell to 3.4% but is still above the Government target rate of 2%. While annual inflation declined at a brisk pace in the US and Europe, it nevertheless remained significantly above target. This prompted central banks to persist with interest rate hikes 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 as has enthusiasm around companies exposed to the Artificial Intelligence theme.

Global equities and fixed income markets posted solid gains in the twelve months under review. Strong performance was posted by US and Japanese equity shares, which increased in value encouragingly thanks to resilient growth and continued strong earnings coinciding with stronger economic sentiment. The Eurozone has faced a year of stagnation, however investors welcomed data suggesting that the economy was steering itself away from recession. In the UK the economy performed somewhat better than forecasts despite the high inflation and rising interest rates, however the UK is in a technical recession at the point of this review, having seen two consecutive negative quarters of gross domestic product (GDP), adjusted for inflation. Emerging markets underperformed developed markets, with the disappointing performance of the Chinese economy, which was slower to emerge from Covid restrictions.

The global economy looks to be in an improved position in 2024 thanks to the US economy having performed somewhat better in recent months. The Eurozone and the UK looks set to return to growth and the outlook for Japan is also positive, although growth may struggle to match last year's pace.

Representative 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 29 February 2024, both were up 19.6% and 8.4% respectively. The Bloomberg Global Aggregate Corp Index, which is often used as a proxy for fixed income markets, was up 6.0% in the same period, whilst moving in the right direction there is still some way to go to recover the 10% decline in the previous year.

We are pleased to report 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 in the wake of Covid-19, Russia's invasion of Ukraine and the aborted mini-budget in the UK.

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.

Broadly, our investment managers adhere to a long-term investing horizon and this remains unchanged; they look to hold positions that are resilient and best-in-class, and our portfolio managers have stuck with this approach 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.

Quality of Service

We monitor the services we provide to our customers using various methods, including customer feedback and complaints, through monitoring our ability to deal with customer queries effectively within prescribed timescales, and through surveys conducted by independent firms on our behalf.

The feedback we receive and information we collate informs us how we can we strive to make changes which will benefit customers overall experience. This year we are making various improvements both to this report and other correspondence you receive such as the bi-annual statements, and we plan to make enhancements to our website (www.avivainvestors.com), making information more accessible to you, and more easily understood.

The feedback we have received from our customers tells us that we occasionally use too much investment jargon; that our website and some of our reports are not always easy to navigate. We have therefore made some changes to this report, including an introductory page which is intended to help you understand the purpose of the Value Assessment, why it is important to you, and what to look out for when reviewing your funds. There is also a summary page for all funds that provides a quick overview of the outcomes of this assessment and enables you to quickly navigate to the funds that are relevant to you.

The Fund Centre has a wealth of information, mostly compiled by our in-house experts including their views on the current and future state of the economy, which helps to shape our investment decisions. We are considering a number of options to make our website and fund fact sheets simpler to navigate and easier to understand, removing terminology which is less user friendly.

The bi-annual statements have also been reviewed with a view to making them as customer friendly as possible, enhancements included more detailed updates on market and fund performance and additional detail on the Value Assessment outcomes. For those investors that deal directly with us and receive the statement, we hope that you found the recent report useful.

Through our ongoing business monitoring we are aware that some customers have experienced delays in receiving responses when contacting our Customer Service Centre over the last year. We have been working hard to minimise the impact on customers both by ensuring that servicing issues are resolved and also that a similar situation does not happen again in the future. We can confirm that these issues have now been resolved following the implementation of some technology enhancements to speed up customer response times, which has allowed us to resolve most outstanding client requests.

If you would like to provide specific feedback on the service you have received, or how this could be improved, 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.

2

Meet the board

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

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)

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

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

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

Quality of service

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

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

Performance

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

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

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

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

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

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

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

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

Authorised Fund Manager costs & charges

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

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

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

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

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

Economies of scale

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

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

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

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

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

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

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

Comparable market rates

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

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

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

Comparable services

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

Classes of units

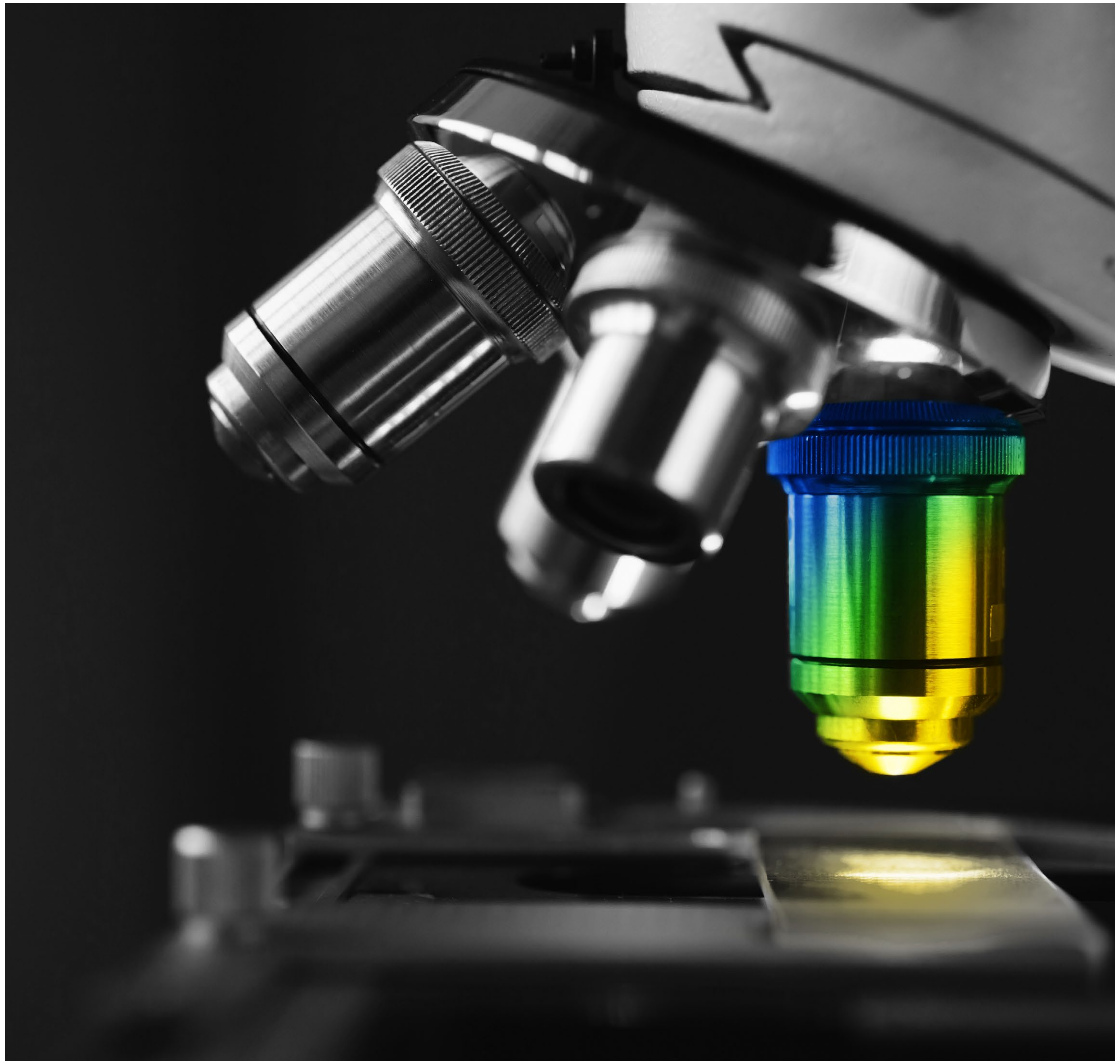
We assess whether investors hold shares in the most appropriate share class, in terms of the service offered, entry criteria and fees applied.

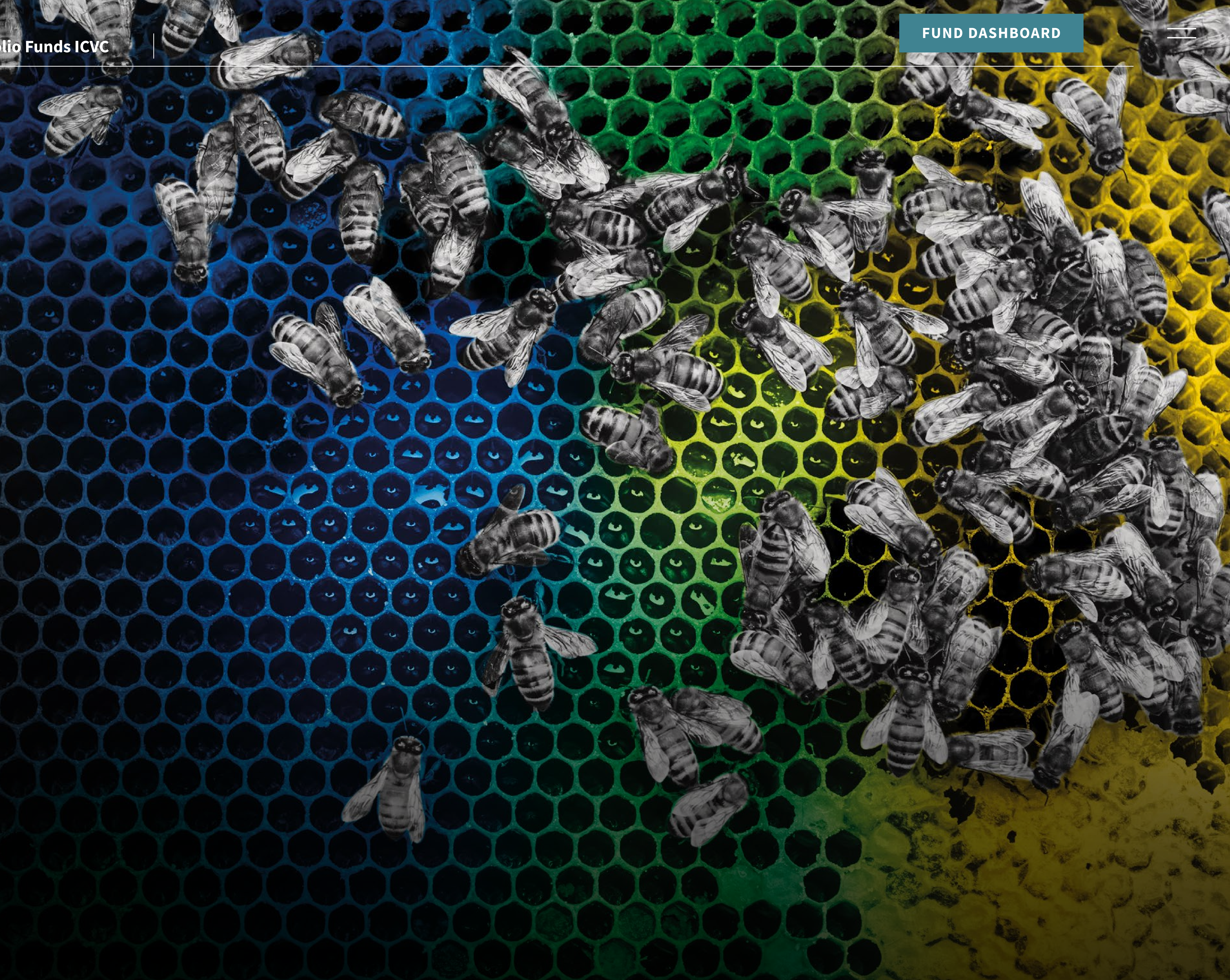
In the past this has prompted the closure or merger of a number of share classes, along with the amendment of some minimum investment limits and share class eligibility criteria, and the removal of trail commission to advisers. These changes have resulted in some investors being moved into alternative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

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

Other factors

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





4

Types of share classes

Understanding our costs

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

Cost structure key

Investment Management Costs

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

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

Fund Administration Costs

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

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

Customer Service Costs

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

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

Unit classes	Investor type	Cost levels	Cost breakdown	Subscription level
Share Class 1	**Individuals** who have invested into a Fund directly through Aviva Investors or via an Independent Financial Advisor		Investors in these classes will pay a share of the costs incurred by the fund, and have access to our contact centre, either by phone or in writing.	Minimum initial subscription £1,000
Share Class 2 **Share Class 9**	**Investors** who have bought a Fund through an intermediary, such as an investment platform, or meet the minimum subscription requirements		Investors in these classes will pay less for Customer Service Costs because the platform manager provides the individual client support.	Minimum initial aggregate subscription £100,000
Share Class 4 **Share Class 8** **Share Class D**	**Large institutional investors**, investing on behalf of pension funds, or wealth managers		Investors in these classes will pay less because they are large institutional investors and do not require administration support.	Minimum initial subscription of at least £1,000,000 (see prospectus for further details)

5

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 21 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 Multi-asset Core Fund I	🟠	🟢	🟠	🟢	🟢	*We have provided more information on the Fund's recent performance within the Fund report.*	5.01	22
Aviva Investors Multi-asset Core Fund II	🟠	🟢	🟠	🟢	🟢	*We have provided more information on the Fund's recent performance within the Fund report.*	5.02	27
Aviva Investors Multi-asset Core Fund III	🟠	🟢	🟠	🟢	🟢	*We have provided more information on the Fund's recent performance within the Fund report.*	5.03	33
Aviva Investors Multi-asset Core Fund IV	🟠	🟢	🟠	🟢	🟢	*We have provided more information on the Fund's recent performance within the Fund report.*	5.04	38
Aviva Investors Multi-asset Core Fund V	🟠	🟢	🟠	🟢	🟢	*We have provided more information on the Fund's recent performance within the Fund report.*	5.05	43
Aviva Investors Multi-asset Plus Fund I	🟠	🟢	🟠	🟢	🟢	*We have provided more information on the Fund's recent performance within the Fund report.*	5.06	48
Aviva Investors Multi-asset Plus Fund II	🟠	🟢	🟠	🟢	🟢	*We have provided more information on the Fund's recent performance within the Fund report.*	5.07	54
Aviva Investors Multi-asset Plus Fund III	🟠	🟢	🟠	🟢	🟢	*We have provided more information on the Fund's recent performance within the Fund report.*	5.08	60
Aviva Investors Multi-asset Plus Fund IV	🟠	🟢	🟠	🟢	🟢	*We have provided more information on the Fund's recent performance within the Fund report.*	5.09	66
Aviva Investors Multi-asset Plus Fund V	🟠	🟢	🟠	🟢	🟢	*We have provided more information on the Fund's recent performance within the Fund report.*	5.10	72
Aviva Investors Multi-asset Sustainable Stewardship Fund I	🟢	🟢	🟢	🟢	🟢	The Fund is delivering value in respect of all areas of the assessment.	5.11	78
Aviva Investors Multi-asset Sustainable Stewardship Fund II	🟢	🟢	🟢	🟢	🟢	The Fund is delivering value in respect of all areas of the assessment.	5.12	82
Aviva Investors Multi-asset Sustainable Stewardship Fund III	🟢	🟢	🟢	🟢	🟢	The Fund is delivering value in respect of all areas of the assessment.	5.13	86

Fund	Overall score	Quality of service	Performance	Costs and charges	Classes of units	Conclusion	Click fund to view Section	Page
Aviva Investors Multi-asset Sustainable Stewardship Fund IV	●	●	●	●	●	The Fund is delivering value in respect of all areas of the assessment.	5.14	90
Aviva Investors Multi-Manager 20-60% Shares Fund	●	●	●	●	●	The Fund is delivering value in respect of all areas of the assessment.	5.15	94
Aviva Investors Multi-Manager 40-85% Shares Fund	●	●	●	●	●	The Fund is delivering value in respect of all areas of the assessment.	5.16	99
Aviva Investors Multi-Manager Flexible Fund	●	●	●	●	●	The Fund is delivering value in respect of all areas of the assessment.	5.17	104
Aviva Investors Sustainable Stewardship Fixed Interest Feeder Fund	●	●	●	●	●	*We have provided more information on the Fund's recent performance within the Fund report.*	5.18	109
Aviva Investors Sustainable Stewardship International Equity Feeder Fund	●	●	●	●	●	*We have provided more information on the Fund's recent performance within the Fund report.*	5.19	114
Aviva Investors Sustainable Stewardship UK Equity Feeder Fund	●	●	●	●	●	*We have provided more information on the Fund's recent performance within the Fund report.*	5.20	119
Aviva Investors Sustainable Stewardship UK Equity Income Feeder Fund	●	●	●	●	●	The Fund is delivering value in respect of all areas of the assessment.	5.21	124
Aviva Investors UK Listed Equity Fund	●	●	●	●	●	The Fund is delivering value in respect of all areas of the assessment.	5.22	128

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.

5.01

Aviva Investors Multi-asset Core Fund I

Aviva Investors Multi-asset Core Fund I

Overall assessment

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

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

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

Quality of service

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

Performance

Performance: Annualised net return (%)				
	Share Class 1	Share Class 2	Share Class D	Benchmark^
1 Year	6.78	6.93	7.04	7.31
3 Years	0.01	0.16	0.26	0.11
Since Launch	-0.42	-0.27	-0.18	–

^20% MSCI® All Countries World Index (Net) GBP[2] and 80% Bloomberg Global Aggregate Bond Index Hedged GBP[3]

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

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

Aviva Investors Multi-asset Core Fund I (continued)

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

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

The asset allocation for the Fund is approximately 20% in equities and 80% in bonds, in the year to February 2023 the steep rise in interest rates resulted in a drop in bond prices. As a result, bonds failed to act as the intended counterbalance to equities. The Board considered this to be caused by a unique set of circumstances and can confirm that in the year to February 2024 the Fund is once again performing as intended in relation to its defensive profile

The absolute return of the Fund for the year to 29 February 2024 is 6.8%* (share class 1, net of fees), and the benchmark has returned 7.3% over the same period, the Fund's underperformance vs the benchmark is primarily due to being underweight in one or more of the US mega-cap technology companies that have dominated the US market performance.

The Investment Manager has completed a review in conjunction with the Board providing detailed analysis of their process and philosophy in constructing the portfolios for each of the funds and the Board are satisfied that the model adopted will provide the desired outcomes for investors over the long term.

A secondary factor that we adopt to review the performance of the Funds is against a suitable peer group of funds offering comparable outcomes, and the Board notes that against a wide range of similar funds from c.25 providers the Fund is delivering returns above the majority of its peers over a 1 year period.

The Board also notes that the Fund has been operating above the expected volatility range (expected level of risk), which is primarily due to the bond sell-off seen in 2022. The volatility calculation compares the Fund's asset allocation (both equities and bonds) to a global equity index only, and therefore the impact of the volatile bond market is not factored into the risk calculation benchmark, causing the Fund's volatility to be higher relative to the index. As the Fund has approximately a 20% allocation to equities the 80% in bonds is not factored into the calculation, if this were factored in then the Fund would be in line with the benchmark. The volatility is measured on a 3 year rolling basis, therefore the spike in volatility that the Fund experienced in 2022 will have an impact on the overall calculation for some time yet.

Although the Fund's level of volatility is above the target range, the Board are satisfied that the Fund's composition is aligned with the lowest level of risk in the range and acknowledge that the increase is primarily due to a unique market event that occurred in September 2022 following the aborted mini budget.

The rapid move from a very supportive financial environment (low interest rates) where bonds performed well, to a much more restrictive environment (higher interest rates) resulted in a sharp devaluation of bonds.

The Board concludes that for investors with a low risk appetite, the Fund has provided returns that are within a reasonable range of outcomes for investors, and retain confidence that the Investment Manager's continued management of the Fund should benefit the Fund and its investors over the longer term.

The Fund will remain under review for both performance and the level of volatility following our standard governance process.

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

^20% MSCI® All Countries World Index (Net) GBP[2] and 80% Bloomberg Global Aggregate Bond Index Hedged GBP[3]
*Fund performance figures – source Morningstar, net of fees, net income reinvested.

Aviva Investors Multi-asset Core Fund I (continued)

Authorised Fund Manager costs

Authorised Fund Manager Costs			
	Share Class 1	Share Class 2	Share Class D
Fund management fee	0.3	0.15	0.057

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

Economies of scale

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

Comparable market rates

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

Comparable services

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

Classes of units

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

Aviva Investors Multi-asset Core Fund I (continued)

Fund Managers Report

Performance

The fund returned 6.8%*, which compared with a return of 7.3% from the fund's benchmark.

Portfolio Review

The global economy avoided recession in the review period, despite the ongoing effects of tighter monetary policy and elevated energy prices. Much of that was down to the resilience of the US, which was expected to have grown more quickly in 2023 than in the previous year. China also picked up pace, although its recovery from Covid restrictions fell far below expectations. Eurozone growth remained weak, however, while the UK and Japan fell into a technical recession at the start of 2024.

It was a positive year for equity markets, though not without bouts of volatility. The first major event of the review period was the collapse in March 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 calendar 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 and into 2024, 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, halting their rate hiking cycle, equity markets set aside weak economic data to end the review period on a positive note.

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

Fixed income markets nevertheless struggled in an environment of still-high inflation, rate policy uncertainty and the prospect of heavy new issuance. Developed market sovereign bond yields were on a rising trend for much of the year, with the ten-year US Treasury issue hitting 5% in mid-October. While yields fell back sharply in the final quarter of 2023 on hopes that looser monetary policy was around the corner, some more cautious central bank rhetoric following some 'sticky' inflation data saw bonds start the new year with negative returns as yields climbed once more.

Corporate bonds outperformed sovereign bonds as credits spreads tightened amid broad optimism about resilient company fundamentals and strong demand from investors. Technical factors drove notably attractive returns by high-yield bonds.

Outlook

Equities appear reasonably well set given that they have the potential to perform attractively in a disinflationary environment where deep recessions are avoided. Regarding fixed income, we expect more price stability than in the previous couple of years. Markets have revised downwards their expectations for rate cuts in 2024, moving closer to alignment with central banks' forecasts, which reduces our return expectations for this asset class.

In terms of equity regions, the US, Japan and Europe appear to have the strongest potential. Although US equities valuations may be high, these are still being supported by strong earnings generation, particularly from technology stocks, and relatively resilient economic growth in the US. Regarding Japanese equities, we continue to see opportunity as the country finally emerges from decades of deflation coupled with significant corporate governance reforms which have boosted Japanese equity markets to new highs. European equities look attractive from a valuation perspective and we are encouraged by recent improvements in economic data.

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

5.02

Aviva Investors Multi-asset Core Fund II

Aviva Investors Multi-asset Core Fund II

Overall assessment

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

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

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

Quality of service

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

Performance

Performance: Annualised net return (%)				
	Share Class 1	**Share Class 2**	**Share Class D**	**Benchmark^**
1 Year	9.07	9.19	9.29	10.55
3 Year	2.86	2.97	3.05	3.29
Since launch	2.46	2.57	2.65	–

^45% MSCI® All Countries World Index (Net) GBP[2] and 55% Bloomberg Global Aggregate Bond Index Hedged GBP[3]

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

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

Aviva Investors Multi-asset Core Fund II (continued)

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

The Fund forms part of a range of five Funds that each have a different risk profile, ranging from defensive to adventurous and this Fund aims to have a low level of risk, which is typically achieved by holding a higher weighting to bonds than equities.

The asset allocation for the Fund is approximately 45% in equities and 55% in bonds, in the year to February 2023 the steep rise in interest rates resulted in a drop in bond prices. As a result, bonds failed to act as the intended counterbalance to equities. The Board considered this to be caused by a unique set of circumstances and can confirm that in the year to February 2024 the Fund is once again performing as intended in relation to its cautious profile.

The absolute return of the Fund for the year to 29 February 2024 is 9.1%* (share class 1, net of fees), and the benchmark has returned 10.6% over the same period, the Fund's underperformance vs the benchmark is primarily due to being underweight in one or more of the US mega-cap technology companies that have dominated the US market performance.

The Investment Manager has completed a review in conjunction with the Board providing detailed analysis of their process and philosophy in constructing the portfolios for each of the funds and the Board are satisfied that the model adopted will provide the desired outcomes for investors over the long term.

A secondary factor that we adopt to review the performance of the Funds is against a suitable peer group of funds offering comparable outcomes, and the Board notes that against a wide range of similar funds from c.25 providers the Fund is delivering returns above the majority of its peers over a 1 year period.

^45% MSCI® All Countries World Index (Net) GBP[2] and 55% Bloomberg Global Aggregate Bond Index Hedged GBP.[3]
*Fund performance figures – source Morningstar, net of fees, net income reinvested.

The Board also notes that the Fund has been operating above the expected volatility range (expected level of risk), which is primarily due to the bond sell-off seen in 2022. The volatility calculation compares the Fund's asset allocation (both equities and bonds) to a global equity index only, and therefore the impact of the volatile bond market is not factored into the risk calculation benchmark, causing the Fund's volatility to be higher relative to the index. As the Fund has approximately a 45% allocation to equities the 55% in bonds is not factored into the calculation, if this were factored in then the Fund would be in line with the benchmark. The volatility is measured on a 3 year rolling basis, therefore the spike in volatility that the Fund experienced in 2022 will have an impact on the overall calculation for some time yet.

Although the Fund's level of volatility is above the target range, the Board are satisfied that the Fund's composition is aligned with a low level of risk and acknowledge that the increase is primarily due to a unique market event that occurred in September 2022 following the aborted mini budget.

The rapid move from a very supportive financial environment (low interest rates) where bonds performed well, to a much more restrictive environment (higher interest rates) resulted in a sharp devaluation of bonds.

The Board concludes that for investors with a lower risk appetite, the Fund has provided returns that are within a reasonable range of outcomes for investors and retain confidence that the Investment Manager's continued management of the Fund should benefit the Fund and its investors over the longer term.

The Fund will remain under review for both performance and the level of volatility following our standard governance process.

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

Aviva Investors Multi-asset Core Fund II (continued)

Authorised Fund Manager costs

Authorised Fund Manager Costs

	Share Class 1	Share Class 2	Share Class D
Fund management fee	0.3	0.15	0.057

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

Economies of scale

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

Comparable market rates

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

Comparable services

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

Classes of units

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

Aviva Investors Multi-asset Core Fund II (continued)

Fund Managers Report

Performance

The fund returned 9.1%*, which compared with a return of 10.6% from the fund's benchmark.

Portfolio Review

The global economy avoided recession in the review period, despite the ongoing effects of tighter monetary policy and elevated energy prices. Much of that was down to the resilience of the US, which was expected to have grown more quickly in 2023 than in the previous year. China also picked up pace, although its recovery from Covid restrictions fell far below expectations. Eurozone growth remained weak, however, while the UK and Japan fell into a technical recession at the start of 2024.

It was a positive year for equity markets, though not without bouts of volatility. The first major event of the review period was the collapse in March 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 calendar 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 and into 2024, 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, halting their rate hiking cycle, equity markets set aside weak economic data to end the review period on a positive note.

Fixed income markets nevertheless struggled in an environment of still-high inflation, rate policy uncertainty and the prospect of heavy new issuance. Developed market sovereign bond yields were on a rising trend for much of the year, with the ten-year US Treasury issue hitting 5% in mid-October. While yields fell back sharply in the final quarter of 2023 on hopes that looser monetary policy was around the corner, some more cautious central bank rhetoric following some 'sticky' inflation data saw bonds start the new year with negative returns as yields climbed once more.

Corporate bonds outperformed sovereign bonds as credits spreads tightened amid broad optimism about resilient company fundamentals and strong demand from investors. Technical factors drove notably attractive returns by high-yield bonds.

Outlook

Equities appear reasonably well set given that they have the potential to perform attractively in a disinflationary environment where deep recessions are avoided. Regarding fixed income, we expect more price stability than in the previous couple of years. Markets have revised downwards their expectations for rate cuts in 2024, moving closer to alignment with central banks' forecasts, which reduces our return expectations for this asset class.

Aviva Investors Multi-asset Core Fund II (continued)

In terms of equity regions, the US, Japan and Europe appear to have the strongest potential. Although US equities valuations may be high, these are still being supported by strong earnings generation, particularly from technology stocks, and relatively resilient economic growth in the US. Regarding Japanese equities, we continue to see opportunity as the country finally emerges from decades of deflation coupled with significant corporate governance reforms which have boosted Japanese equity markets to new highs. European equities look attractive from a valuation perspective and we are encouraged by recent improvements in economic data.

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.

5.03

Aviva Investors Multi-asset Core Fund III

Aviva Investors Multi-asset Core Fund III

Overall assessment

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

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

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

Quality of service

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

Performance

Performance: Annualised net return (%)	Share Class 1	Share Class 2	Share Class D	Benchmark^
1 Year	10.80	10.93	11.01	12.52
3 Years	4.69	4.83	4.90	5.21
Since launch	4.34	4.48	4.55	–

^60% MSCI® All Countries World Index (Net) GBP² and 40% Bloomberg Global Aggregate Bond Index Hedged GBP³.
Performance basis: Mid to mid, net income reinvested, net of ongoing charges and fees, net of tax payable by the Fund. The figures do not include the effect of any exit or entry charge.
Full performance data is available in the Fund Fact Sheet, which can be found here Fund centre - Aviva Investors

Aviva Investors Multi-asset Core Fund III (continued)

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

The Fund forms part of a range of five Funds that each have a different risk profile, ranging from defensive to adventurous and this Fund aims to have a medium level of risk, which is typically achieved by holding a similar weighting of bonds and equities.

The asset allocation for the Fund is approximately 60% in equities and 40% in bonds, in the year to February 2023 the steep rise in interest rates resulted in a drop in bond prices. As a result, bonds failed to act as the intended counterbalance to equities. The Board considered this to be caused by a unique set of circumstances and can confirm that in the year to February 2024 the Fund is once again performing as intended in relation to its moderately cautious profile.

The absolute return of the Fund for the year to 29 February 2024 is 10.8%* (share class 1, net of fees), and the benchmark has returned 12.5% over the same period, the Fund's underperformance vs the benchmark is primarily due to being underweight in one or more of the US mega-cap technology companies that have dominated the US market performance.

The Investment Manager has completed a review in conjunction with the Board providing detailed analysis of their process and philosophy in constructing the portfolios for each of the funds and the Board are satisfied that the model adopted will provide the desired outcomes for investors over the long term.

A secondary factor that we adopt to review the performance of the Funds is against a suitable peer group of funds offering comparable outcomes, and the Board notes that against a wide range of similar funds from c.25 providers the Fund is delivering returns above the majority of its peers over a 1 year period.

The Board also notes that the Fund has been operating above the expected volatility range (expected level of risk), which is primarily due to the bond sell-off seen in 2022. The volatility calculation compares the Fund's asset allocation (both equities and bonds) to a global equity index only, and therefore the impact of the volatile bond market is not factored into the risk calculation benchmark, causing the Fund's volatility to be higher relative to the index. As the Fund has approximately a 60% allocation to equities the 40% in bonds is not factored into the calculation, if this were factored in then the Fund would be in line with the benchmark. The volatility is measured on a 3 year rolling basis, therefore the spike in volatility that the Fund experienced in 2022 will have an impact on the overall calculation for some time yet.

Although the Fund's level of volatility is above the target range, the Board are satisfied that the Fund's composition is aligned with the expected level of risk in the range and acknowledge that the increase is primarily due to a unique market event that occurred in September 2022 following the aborted mini budget.

The rapid move from a very supportive financial environment (low interest rates) where bonds performed well, to a much more restrictive environment (higher interest rates) resulted in a sharp devaluation of bonds.

The Board concludes that for investors with a moderate risk appetite, the Fund has provided returns that are within a reasonable range of outcomes for investors and retain confidence that the Investment Manager's continued management of the Fund should benefit the Fund and its investors over the longer term.

The Fund will remain under review for both performance and the level of volatility following our standard governance process.

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

^60% MSCI® All Countries World Index (Net) GBP[2] and 40% Bloomberg Global Aggregate Bond Index Hedged GBP.[3]
*Fund performance figures – source Morningstar, net of fees, net income reinvested.

Aviva Investors Multi-asset Core Fund III (continued)

Authorised Fund Manager costs

Authorised Fund Manager Costs			
	Share Class 1	Share Class 2	Share Class D
Fund management fee	0.3	0.15	0.057

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

Economies of scale

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

Comparable market rates

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

Comparable services

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

Classes of units

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

Aviva Investors Multi-asset Core Fund III (continued)

Fund Managers Report

Performance

The fund returned 10.8%*, which compared with a return of 12.5% from the fund's benchmark.

Portfolio Review

The global economy avoided recession in the review period, despite the ongoing effects of tighter monetary policy and elevated energy prices. Much of that was down to the resilience of the US, which was expected to have grown more quickly in 2023 than in the previous year. China also picked up pace, although its recovery from Covid restrictions fell far below expectations. Eurozone growth remained weak, however, while the UK and Japan fell into a technical recession at the start of 2024.

It was a positive year for equity markets, though not without bouts of volatility. The first major event of the review period was the collapse in March 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 calendar 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 and into 2024, 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, halting their rate hiking cycle, equity markets set aside weak economic data to end the review period on a positive note.

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

Fixed income markets nevertheless struggled in an environment of still-high inflation, rate policy uncertainty and the prospect of heavy new issuance. Developed market sovereign bond yields were on a rising trend for much of the year, with the ten-year US Treasury issue hitting 5% in mid-October. While yields fell back sharply in the final quarter of 2023 on hopes that looser monetary policy was around the corner, some more cautious central bank rhetoric following some 'sticky' inflation data saw bonds start the new year with negative returns as yields climbed once more.

Corporate bonds outperformed sovereign bonds as credits spreads tightened amid broad optimism about resilient company fundamentals and strong demand from investors. Technical factors drove notably attractive returns by high-yield bonds.

Outlook

Equities appear reasonably well set given that they have the potential to perform attractively in a disinflationary environment where deep recessions are avoided. Regarding fixed income, we expect more price stability than in the previous couple of years. Markets have revised downwards their expectations for rate cuts in 2024, moving closer to alignment with central banks' forecasts, which reduces our return expectations for this asset class.

In terms of equity regions, the US, Japan and Europe appear to have the strongest potential. Although US equities valuations may be high, these are still being supported by strong earnings generation, particularly from technology stocks, and relatively resilient economic growth in the US. Regarding Japanese equities, we continue to see opportunity as the country finally emerges from decades of deflation coupled with significant corporate governance reforms which have boosted Japanese equity markets to new highs. European equities look attractive from a valuation perspective and we are encouraged by recent improvements in economic data.

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

5.04

Aviva Investors Multi-asset Core Fund IV

Aviva Investors Multi-asset Core Fund IV

Overall assessment

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

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

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

Quality of service

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

Performance

Performance: Annualised net return (%)				
	Share Class 1	**Share Class 2**	**Share Class D**	**Benchmark^**
1 Year	12.49	12.64	12.72	14.51
3 Years	6.64	6.77	6.84	7.15
Since launch	6.33	6.46	6.54	–

^75% MSCI® All Countries World Index (Net) GBP² and 25% Bloomberg Global Aggregate Bond Index Hedged GBP³

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

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

Aviva Investors Multi-asset Core Fund IV (continued)

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

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

The asset allocation for the Fund is approximately 75% in equities and 25% in bonds, in the year to February 2023 the steep rise in interest rates resulted in a drop in bond prices. As a result, bonds failed to act as the intended counterbalance to equities. The Board considered this to be caused by a unique set of circumstances and can confirm that in the year to February 2024 the Fund is once again performing as intended in relation to its balanced profile.

The absolute return of the Fund for the year to 29 February 2024 is 12.5%* (share class 1, net of fees), and the benchmark has returned 14.5% over the same period, the Fund’s underperformance vs the benchmark is primarily due to being underweight in one or more of the US mega-cap technology companies that have dominated the US market performance.

The Investment Manager has completed a review in conjunction with the Board providing detailed analysis of their process and philosophy in constructing the portfolios for each of the funds and the Board are satisfied that the model adopted will provide the desired outcomes for investors over the long term.

A secondary factor that we adopt to review the performance of the Funds is against a suitable peer group of funds offering comparable outcomes, and the Board notes that against a wide range of similar funds from c.25 providers the Fund is delivering returns above the majority of its peers over a 1 year period.

^75% MSCI® All Countries World Index (Net) GBP[2] and 25% Bloomberg Global Aggregate Bond Index Hedged GBP.[3]
*Fund performance figures – source Morningstar, net of fees, net income reinvested.

The Board also notes that the Fund has been operating above the expected volatility range (expected level of risk), which is primarily due to the bond sell-off seen in 2022.The volatility calculation compares the Fund’s asset allocation (both equities and bonds) to a global equity index only, and therefore the impact of the volatile bond market is not factored into the risk calculation benchmark, causing the Fund’s volatility to be higher relative to the index. As the Fund has approximately a 75% allocation to equities the 25% in bonds is not factored into the calculation, if this were factored in then the Fund would be in line with the benchmark. The volatility is measured on a 3 year rolling basis, therefore the spike in volatility that the Fund experienced in 2022 will have an impact on the overall calculation for some time yet.

Although the Fund’s level of volatility is above the target range, the Board are satisfied that the Fund’s composition is aligned with the expected level of risk in the range and acknowledge that the increase is primarily due to a unique market event that occurred in September 2022 following the aborted mini budget.

The rapid move from a very supportive financial environment (low interest rates) where bonds performed well, to a much more restrictive environment (higher interest rates) resulted in a sharp devaluation of bonds.

The Board concludes that for investors with a balanced risk appetite, the Fund has provided returns that are within a reasonable range of outcomes for investors and retain confidence that the Investment Manager’s continued management of the Fund should benefit the Fund and its investors over the longer term.

The Fund will remain under review for both performance and the level of volatility following our standard governance process.

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

Aviva Investors Multi-asset Core Fund IV (continued)

Authorised Fund Manager costs

Authorised Fund Manager Costs			
	Share Class 1	Share Class 2	Share Class D
Fund management fee	0.3	0.15	0.057

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

Economies of scale

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

Comparable market rates

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

Comparable services

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

Classes of units

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

Aviva Investors Multi-asset Core Fund IV (continued)

Fund Managers Report

Performance

The fund returned 12.5%*, which compared with a return of 14.5% from the fund's benchmark.

Portfolio Review

The global economy avoided recession in the review period, despite the ongoing effects of tighter monetary policy and elevated energy prices. Much of that was down to the resilience of the US, which was expected to have grown more quickly in 2023 than in the previous year. China also picked up pace, although its recovery from Covid restrictions fell far below expectations. Eurozone growth remained weak, however, while the UK and Japan fell into a technical recession at the start of 2024.

It was a positive year for equity markets, though not without bouts of volatility. The first major event of the review period was the collapse in March 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 calendar 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 and into 2024, 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, halting their rate hiking cycle, equity markets set aside weak economic data to end the review period on a positive note.

Fixed income markets nevertheless struggled in an environment of still-high inflation, rate policy uncertainty and the prospect of heavy new issuance. Developed market sovereign bond yields were on a rising trend for much of the year, with the ten-year US Treasury issue hitting 5% in mid-October. While yields fell back sharply in the final quarter of 2023 on hopes that looser monetary policy was around the corner, some more cautious central bank rhetoric following some 'sticky' inflation data saw bonds start the new year with negative returns as yields climbed once more.

Corporate bonds outperformed sovereign bonds as credits spreads tightened amid broad optimism about resilient company fundamentals and strong demand from investors. Technical factors drove notably attractive returns by high-yield bonds.

Outlook

Equities appear reasonably well set given that they have the potential to perform attractively in a disinflationary environment where deep recessions are avoided. Regarding fixed income, we expect more price stability than in the previous couple of years. Markets have revised downwards their expectations for rate cuts in 2024, moving closer to alignment with central banks' forecasts, which reduces our return expectations for this asset class.
In terms of equity regions, the US, Japan and Europe appear to have the strongest potential. Although US equities valuations may be high, these are still being supported by strong earnings generation, particularly from technology stocks, and relatively resilient economic growth in the US. Regarding Japanese equities, we continue to see opportunity as the country finally emerges from decades of deflation coupled with significant corporate governance reforms which have boosted Japanese equity markets to new highs. European equities look attractive from a valuation perspective and we are encouraged by recent improvements in economic data.

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.

5.05

Aviva Investors Multi-asset Core Fund V

Aviva Investors Multi-asset Core Fund V

Overall assessment

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

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

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

Quality of service

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

Performance

Performance: Annualised net return (%)	Share Class 1	Share Class 2	Share Class D	Benchmark^
1 Year	15.24	15.37	15.46	17.86
3 Years	9.17	9.30	9.38	10.42
Since Launch	8.85	8.98	9.07	–

^MSCI AC World NR GBP[2].

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

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

Aviva Investors Multi-asset Core Fund V (continued)

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

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

The asset allocation for the Fund is approximately 100% in equities with a minimal allocation to bonds, in the year to February 2023 the steep rise in interest rates resulted in a drop in bond prices. As a result, bonds failed to act as the intended counterbalance to equities. The Board considered this to be caused by a unique set of circumstances and can confirm that in the year to February 2024 the Fund is once again performing as intended in relation to its adventurous profile.

The absolute return of the Fund for the year to 29 February 2024 is 15.2%* (share class 1, net of fees), and the benchmark has returned 17.9% over the same period, the Fund’s underperformance vs the benchmark is primarily due to being underweight in one or more of the US mega-cap technology companies that have dominated the US market performance.

The Investment Manager has completed a review in conjunction with the Board providing detailed analysis of their process and philosophy in constructing the portfolios for each of the funds and the Board are satisfied that the model adopted will provide the desired outcomes for investors over the long term.

A secondary factor that we adopt to review the performance of the Funds is against a suitable peer group of funds offering comparable outcomes, and the Board notes that against a wide range of similar funds from c.25 providers the Fund is delivering returns above the majority of its peers over a 1 year period.

The Board concludes that for investors with a high risk appetite, the Fund has provided returns that are within a reasonable range of outcomes for investors and retain confidence that the Investment Manager’s continued management of the Fund should benefit the Fund and its investors over the longer term.

^MSCI AC World NR GBP.[2]
*Fund performance figures – source Morningstar, net of fees, net income reinvested.

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

Authorised Fund Manager costs

Authorised Fund Manager Costs			
	Share Class 1	Share Class 2	Share Class D
Fund management fee	0.3	0.15	0.057

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

Economies of scale

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

Aviva Investors Multi-asset Core Fund V (continued)

Comparable market rates

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

Comparable services

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

Classes of units

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

Aviva Investors Multi-asset Core Fund V (continued)

Fund Managers Report

Performance

The fund returned 15.2%*, which compared with a return of 17.9% from the fund's benchmark.

Portfolio Review

The global economy avoided recession in the review period, despite the ongoing effects of tighter monetary policy and elevated energy prices. Much of that was down to the resilience of the US, which was expected to have grown more quickly in 2023 than in the previous year. China also picked up pace, although its recovery from Covid restrictions fell far below expectations. Eurozone growth remained weak, however, while the UK and Japan fell into a technical recession at the start of 2024.

It was a positive year for equity markets, though not without bouts of volatility. The first major event of the review period was the collapse in March 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 calendar 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 and into 2024, 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, halting their rate hiking cycle, equity markets set aside weak economic data to end the review period on a positive note.

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

Fixed income markets nevertheless struggled in an environment of still-high inflation, rate policy uncertainty and the prospect of heavy new issuance. Developed market sovereign bond yields were on a rising trend for much of the year, with the ten-year US Treasury issue hitting 5% in mid-October. While yields fell back sharply in the final quarter of 2023 on hopes that looser monetary policy was around the corner, some more cautious central bank rhetoric following some 'sticky' inflation data saw bonds start the new year with negative returns as yields climbed once more.

Corporate bonds outperformed sovereign bonds as credits spreads tightened amid broad optimism about resilient company fundamentals and strong demand from investors. Technical factors drove notably attractive returns by high-yield bonds.

Outlook

Equities appear reasonably well set given that they have the potential to perform attractively in a disinflationary environment where deep recessions are avoided. Regarding fixed income, we expect more price stability than in the previous couple of years. Markets have revised downwards their expectations for rate cuts in 2024, moving closer to alignment with central banks' forecasts, which reduces our return expectations for this asset class.

In terms of equity regions, the US, Japan and Europe appear to have the strongest potential. Although US equities valuations may be high, these are still being supported by strong earnings generation, particularly from technology stocks, and relatively resilient economic growth in the US. Regarding Japanese equities, we continue to see opportunity as the country finally emerges from decades of deflation coupled with significant corporate governance reforms which have boosted Japanese equity markets to new highs. European equities look attractive from a valuation perspective and we are encouraged by recent improvements in economic data.

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

5.06

Aviva Investors Multi-Asset Plus Fund I

Aviva Investors Multi-Asset Plus Fund I

Overall assessment

Summary Ratings

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

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

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

Quality of service

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

Performance

Performance: Annualised net return (%)

	Share Class 1	Share Class 2	Share Class 8	Share Class 9	Benchmark^
1 Year	6.31	6.58	7.05	6.85	7.31
3 Years	0.12	0.38	0.62	0.63	0.11
5 Years	1.46	1.70	1.83	1.94	2.48
7 Year	1.00	1.31	1.39	1.54	2.36

^20% MSCI® All Countries World Index (Net) GBP[2] and 80% Bloomberg Global Aggregate Bond Index Hedged GBP[3].

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

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

Aviva Investors Multi-Asset Plus Fund I (continued)

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

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

The asset allocation for the Fund is approximately 20% in equities and 80% in bonds, in the year to February 2023 the steep rise in interest rates resulted in a drop in bond prices. As a result, bonds failed to act as the intended counterbalance to equities. The Board considered this to be caused by a unique set of circumstances and can confirm that in the year to February 2024 the Fund is once again performing as intended in relation to its defensive profile.

The absolute return of the Fund for the year to 29 February 2024 is 6.3%* (share class 1, net of fees), and the benchmark has returned 7.3% over the same period, the Fund's underperformance vs the benchmark is primarily due to being underweight in one or more of the US mega-cap technology companies that have dominated the US market performance.

The Investment Manager has completed a review in conjunction with the Board providing detailed analysis of their process and philosophy in constructing the portfolios for each of the funds and the Board are satisfied that the model adopted will provide the desired outcomes for investors over the long term.

A secondary factor that we adopt to review the performance of the Funds is against a suitable peer group of funds offering comparable outcomes, and the Board notes that against a wide range of similar funds from c.25 providers the Fund is delivering returns above the majority of its peers over a 1 year period.

The Board also notes that the Fund has been operating above the expected volatility range (expected level of risk), which is primarily due to the bond sell-off seen in 2022.The volatility calculation compares the Fund's asset allocation (both equities and bonds) to a global equity index only, and therefore the impact of the volatile bond market is not factored into the risk calculation benchmark, causing the Fund's volatility to be higher relative to the index. As the Fund has approximately a 20% allocation to equities the 80% in bonds is not factored into the calculation, if this were factored in then the Fund would be in line with the benchmark. The volatility is measured on a 3 year rolling basis, therefore the spike in volatility that the Fund experienced in 2022 will have an impact on the overall calculation for some time yet.

Although the Fund's level of volatility is above the target range, the Board are satisfied that the Fund's composition is aligned with the lowest level of risk in the range and acknowledge that the increase is primarily due to a unique market event that occurred in September 2022 following the aborted mini budget.

The rapid move from a very supportive financial environment (low interest rates) where bonds performed well, to a much more restrictive environment (higher interest rates) resulted in a sharp devaluation of bonds.

The Board concludes that for investors with a low risk appetite, the Fund has provided returns that are within a reasonable range of outcomes for investors and retain confidence that the Investment Manager's continued management of the Fund should benefit the Fund and its investors over the longer term.

The Fund will remain under review for both performance and the level of volatility following our standard governance process.

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

^20% MSCI® All Countries World Index (Net) GBP[2] and 80% Bloomberg Global Aggregate Bond Index Hedged GBP.[3]
*Fund performance figures – source Morningstar, net of fees, net income reinvested.

Aviva Investors Multi-Asset Plus Fund I (continued)

Authorised Fund Manager costs

Authorised Fund Manager Costs				
	Share Class 1	Share Class 2	Share Class 8	Share Class 9
Fund management fee	0.75	0.49	0.05	0.24
Ongoing charge	0.81	0.55	0.11	0.3

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

Economies of scale

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

Comparable market rates

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

Comparable services

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

Classes of units

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

Aviva Investors Multi-Asset Plus Fund I (continued)

Fund Managers Report

Performance

The fund returned 6.3%*, which compared with a return of 7.3% from the fund's benchmark.

Portfolio Review

The fund posted a positive return in the twelve months in review, with growth assets making the strongest contribution to performance. Equity indices pushed on to new highs in some markets, notably the US and Japan, although not without volatility. The first major event of the review period was the collapse in March of two medium-sized US regional banks 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 calendar 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.

In the fourth quarter and into 2024, 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, halting their rate hiking cycle, equity markets set aside weak economic data outside the US to end the review period on a positive note.

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

Defensive assets weighed on fund performance, however. Fixed income markets struggled in an environment of still-high inflation, rate policy uncertainty and the prospect of heavy new issuance. Developed market sovereign bond yields were on a rising trend for much of the year, with the ten-year US Treasury issue hitting 5% in mid-October. While yields fell back sharply in the final quarter of 2023 on hopes that looser monetary policy was around the corner, some more cautious central bank rhetoric following some 'sticky' inflation data saw bonds start the new year with negative returns as yields climbed once more.

Corporate bonds outperformed sovereign bonds as credits spreads tightened amid broad optimism about resilient company fundamentals and strong demand from investors. Technical factors drove notably attractive returns by high-yield bonds.

The fund's exposure to uncorrelated assets added to returns overall. Gold was a standout performer, as the price of the precious metal hit an all-time high amid heightened economic uncertainty. Absolute return strategies also made solid gains over the review period. Collectively, uncorrelated assets helped to deliver additional diversification in the portfolios, which was particularly helpful during periods of underperformance in the fixed income markets.

Outlook

From an active asset allocation perspective, we prefer equities given that they have the potential to perform better in a disinflationary environment where deep recessions are likely to be avoided. We expect more price stability in fixed income than in the previous couple of years. However, markets have revised downwards their expectations for rate cuts in 2024, moving more aligned with central banks' forecasts. This reduces our return expectations for this asset class.

Aviva Investors Multi-Asset Plus Fund I (continued)

In terms of equity regions, we remain overweight the US, Japan and Europe. Although US stocks are more expensive after strong performance, share prices are still being supported by strong earnings generation, particularly from technology companies, and a resilient domestic economy. We continue to see opportunity in Japanese equities as the country finally emerges from decades of deflation coupled with significant corporate governance reforms.

Within fixed income, we continue to be overweight UK gilts and German government bonds whilst being underweight Japanese government bonds. Essentially, we believe that Japan is at the start of its monetary policy tightening cycle as rising inflationary pressures increase pressure on the Bank of Japan to raise interest rates. Central banks in other economies will start to cut interest rates this year but relatively weaker growth in Europe, compared to the US, could lead to more, or faster, rate cuts by the Bank of England and the European Central Bank. This should create a useful tailwind for these markets.

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

5.07

Aviva Investors Multi-asset Plus Fund II

Aviva Investors Multi-asset Plus Fund II

Overall assessment

Summary Ratings

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

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

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

Quality of service

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

Performance

Performance: Annualised net return (%)

	Share Class 1	Share Class 2	Share Class 8	Share Class 9	Benchmark^
1 Year	7.80	8.01	8.42	8.22	10.55
3 Years	2.49	2.68	2.90	2.88	3.29
5 Years	4.00	4.19	4.32	4.40	5.35
7 Years	3.09	3.36	3.44	3.56	4.69

^45% MSCI® All Countries World Index (Net) GBP[2] and 55% Bloomberg Global Aggregate Bond Index Hedged GBP.[3]

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

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

Aviva Investors Multi-asset Plus Fund II (continued)

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

The Fund forms part of a range of five Funds that each have a different risk profile, ranging from defensive to adventurous and this Fund aims to have a low level of risk, which is typically achieved by holding a higher weighting to bonds than equities.

The asset allocation for the Fund is approximately 45% in equities and 55% in bonds, in the year to February 2023 the steep rise in interest rates resulted in a drop in bond prices. As a result, bonds failed to act as the intended counterbalance to equities. The Board considered this to be caused by a unique set of circumstances and can confirm that in the year to February 2024 the Fund is once again performing as intended in relation to its cautious profile.

The absolute return of the Fund for the year to 29 February 2024 is 7.8%* (share class 1, net of fees), and the benchmark has returned 10.6% over the same period, the Fund's underperformance vs the benchmark is primarily due to being underweight in one or more of the US mega-cap technology companies that have dominated the US market performance.

The Investment Manager has completed a review in conjunction with the Board providing detailed analysis of their process and philosophy in constructing the portfolios for each of the funds and the Board are satisfied that the model adopted will provide the desired outcomes for investors over the long term.

A secondary factor that we adopt to review the performance of the Funds is against a suitable peer group of funds offering comparable outcomes, and the Board notes that against a wide range of similar funds from c.25 providers the Fund is delivering returns above the majority of its peers over a 1 year period.

The Board also notes that the Fund has been operating above the expected volatility range (expected level of risk), which is primarily due to the bond sell-off seen in 2022.The volatility calculation compares the Fund's asset allocation (both equities and bonds) to a global equity index only, and therefore the impact of the volatile bond market is not factored into the risk calculation benchmark, causing the Fund's volatility to be higher relative to the index. As the Fund has approximately a 45% allocation to equities the 55% in bonds is not factored into the calculation, if this were factored in then the Fund would be in line with the benchmark. The volatility is measured on a 3 year rolling basis, therefore the spike in volatility that the Fund experienced in 2022 will have an impact on the overall calculation for some time yet.

Although the Fund's level of volatility is above the target range, the Board are satisfied that the Fund's composition is aligned with the expected level of risk in the range and acknowledge that the increase is primarily due to a unique market event that occurred in September 2022 following the aborted mini budget.

The rapid move from a very supportive financial environment (low interest rates) where bonds performed well, to a much more restrictive environment (higher interest rates) resulted in a sharp devaluation of bonds.

The Board concludes that for investors with a lower risk appetite, the Fund has provided returns that are within a reasonable range of outcomes for investors and retain confidence that the Investment Manager's continued management of the Fund should benefit the Fund and its investors over the longer term.

The Fund will remain under review for both performance and the level of volatility following our standard governance process.

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

^45% MSCI® All Countries World Index (Net) GBP[2] and 55% Bloomberg Global Aggregate Bond Index Hedged GBP[3]
*Fund performance figures – source Morningstar, net of fees, net income reinvested.

Aviva Investors Multi-asset Plus Fund II (continued)

Authorised Fund Manager costs

Authorised Fund Manager Costs

	Share Class 1	Share Class 2	Share Class 8	Share Class 9
Fund management fee	0.73	0.5	0.03	0.25
Ongoing charge	0.82	0.59	0.12	0.34

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

Economies of scale

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

Comparable market rates

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

Comparable services

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

Classes of units

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

Aviva Investors Multi-asset Plus Fund II (continued)

Fund Managers Report

Performance

The fund returned 7.8%*, which compared with a return of 10.6% from the fund's benchmark.

Portfolio Review

The fund posted a positive return in the twelve months in review, with growth assets making the strongest contribution to performance. Equity indices pushed on to new highs in some markets, notably the US and Japan, although not without volatility. The first major event of the review period was the collapse in March of two medium-sized US regional banks 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 calendar 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.

In the fourth quarter and into 2024, 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, halting their rate hiking cycle, equity markets set aside weak economic data outside the US to end the review period on a positive note.

Defensive assets weighed on fund performance, however. Fixed income markets struggled in an environment of still-high inflation, rate policy uncertainty and the prospect of heavy new issuance. Developed market sovereign bond yields were on a rising trend for much of the year, with the ten-year US Treasury issue hitting 5% in mid-October. While yields fell back sharply in the final quarter of 2023 on hopes that looser monetary policy was around the corner, some more cautious central bank rhetoric following some 'sticky' inflation data saw bonds start the new year with negative returns as yields climbed once more.

Corporate bonds outperformed sovereign bonds as credits spreads tightened amid broad optimism about resilient company fundamentals and strong demand from investors. Technical factors drove notably attractive returns by high-yield bonds.

The fund's exposure to uncorrelated assets added to returns overall. Gold was a standout performer, as the price of the precious metal hit an all-time high amid heightened economic uncertainty. Absolute return strategies also made solid gains over the review period. Collectively, uncorrelated assets helped to deliver additional diversification in the portfolios, which was particularly helpful during periods of underperformance in the fixed income markets.

Outlook

From an active asset allocation perspective, we prefer equities given that they have the potential to perform better in a disinflationary environment where deep recessions are likely to be avoided. We expect more price stability in fixed income than in the previous couple of years. However, markets have revised downwards their expectations for rate cuts in 2024, moving more aligned with central banks' forecasts. This reduces our return expectations for this asset class.

In terms of equity regions, we remain overweight the US, Japan and Europe. Although US stocks are more expensive after strong performance, share prices are still being supported by strong earnings generation, particularly from technology companies, and a resilient domestic economy. We continue to see opportunity in Japanese equities as the country finally emerges from decades of deflation coupled with significant corporate governance reforms.

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

Aviva Investors Multi-asset Plus Fund II (continued)

Within fixed income, we continue to be overweight UK gilts and German government bonds whilst being underweight Japanese government bonds. Essentially, we believe that Japan is at the start of its monetary policy tightening cycle as rising inflationary pressures increase pressure on the Bank of Japan to raise interest rates. Central banks in other economies will start to cut interest rates this year but relatively weaker growth in Europe, compared to the US, could lead to more, or faster, rate cuts by the Bank of England and the European Central Bank. This should create a useful tailwind for these markets.

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

5.08

Aviva Investors Multi-asset Plus Fund III

Aviva Investors Multi-asset Plus Fund III

Overall assessment

Summary Ratings

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

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

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

Quality of service

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

Performance

Performance: Annualised net return (%)

	Share Class 1	Share Class 2	Share Class 8	Share Class 9	Benchmark^
1 Year	9.28	9.48	9.89	9.70	12.52
3 Years	4.01	4.19	4.35	4.40	5.21
5 Years	5.35	5.53	5.61	5.74	7.07
7 Years	4.13	4.43	4.48	4.65	6.07

^60% MSCI® All Countries World Index (Net) GBP[2] and 40% Bloomberg Global Aggregate Bond Index Hedged GBP[3].
Performance basis: Mid to mid, net income reinvested, net of ongoing charges and fees, net of tax payable by the Fund. The figures do not include the effect of any exit or entry charge.
Full performance data is available in the Fund Fact Sheet, which can be found here Fund centre - Aviva Investors

Aviva Investors Multi-asset Plus Fund III (continued)

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

The Fund forms part of a range of five Funds that each have a different risk profile, ranging from defensive to adventurous and this Fund aims to have a medium level of risk, which is typically achieved by holding a similar weighting of bonds and equities.

The asset allocation for the Fund is approximately 60% in equities and 40% in bonds, in the year to February 2023 the steep rise in interest rates resulted in a drop in bond prices. As a result, bonds failed to act as the intended counterbalance to equities. The Board considered this to be caused by a unique set of circumstances and can confirm that in the year to February 2024 the Fund is once again performing as intended in relation to its moderately cautious profile.

The absolute return of the Fund for the year to 29 February 2024 is 9.3%* (share class 1, net of fees), and the benchmark has returned 12.5% over the same period, the Fund's underperformance vs the benchmark is primarily due to being underweight in one or more of the US mega-cap technology companies that have dominated the US market performance.

The Investment Manager has completed a review in conjunction with the Board providing detailed analysis of their process and philosophy in constructing the portfolios for each of the funds and the Board are satisfied that the model adopted will provide the desired outcomes for investors over the long term.

A secondary factor that we adopt to review the performance of the Funds is against a suitable peer group of funds offering comparable outcomes, and the Board notes that against a wide range of similar funds from c.25 providers the Fund is delivering returns above the majority of its peers over a 1 year period.

^60% MSCI® All Countries World Index (Net) GBP[2] and 40% Bloomberg Global Aggregate Bond Index Hedged GBP[3]
*Fund performance figures – source Morningstar, net of fees, net income reinvested.

The Board concludes that for investors with a moderate risk appetite, the Fund has provided returns that are within a reasonable range of outcomes for investors and retain confidence that the Investment Manager's continued management of the Fund should benefit the Fund and its investors over the longer term.

The Fund will remain under review for both performance and the level of volatility following our standard governance process.

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

Authorised Fund Manager costs

Authorised Fund Manager Costs

	Share Class 1	Share Class 2	Share Class 8	Share Class 9
Fund management fee	0.73	0.5	0.03	0.25
Ongoing charge	0.81	0.58	0.11	0.33

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

Aviva Investors Multi-asset Plus Fund III (continued)

Economies of scale

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

Investors who invest directly with us in share class 1 will benefit from the economies of scale discount that we apply at certain thresholds depending on the size of the fund, which for this fund is currently 0.01%.

Comparable market rates

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

Comparable services

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

Classes of units

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

Aviva Investors Multi-asset Plus Fund III (continued)

Fund Managers Report

Performance

The fund returned 9.3%*, which compared with a return of 12.5% from the fund's benchmark.

Portfolio Review

The fund posted a positive return in the twelve months in review, with growth assets making the strongest contribution to performance. Equity indices pushed on to new highs in some markets, notably the US and Japan, although not without volatility. The first major event of the review period was the collapse in March of two medium-sized US regional banks 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 calendar 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.

In the fourth quarter and into 2024, 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, halting their rate hiking cycle, equity markets set aside weak economic data outside the US to end the review period on a positive note.

Defensive assets weighed on fund performance, however. Fixed income markets struggled in an environment of still-high inflation, rate policy uncertainty and the prospect of heavy new issuance. Developed market sovereign bond yields were on a rising trend for much of the year, with the ten-year US Treasury issue hitting 5% in mid-October. While yields fell back sharply in the final quarter of 2023 on hopes that looser monetary policy was around the corner, some more cautious central bank rhetoric following some 'sticky' inflation data saw bonds start the new year with negative returns as yields climbed once more.

Corporate bonds outperformed sovereign bonds as credits spreads tightened amid broad optimism about resilient company fundamentals and strong demand from investors. Technical factors drove notably attractive returns by high-yield bonds.

The fund's exposure to uncorrelated assets added to returns overall. Gold was a standout performer, as the price of the precious metal hit an all-time high amid heightened economic uncertainty. Absolute return strategies also made solid gains over the review period. Collectively, uncorrelated assets helped to deliver additional diversification in the portfolios, which was particularly helpful during periods of underperformance in the fixed income markets.

Outlook

From an active asset allocation perspective, we prefer equities given that they have the potential to perform better in a disinflationary environment where deep recessions are likely to be avoided. We expect more price stability in fixed income than in the previous couple of years. However, markets have revised downwards their expectations for rate cuts in 2024, moving more aligned with central banks' forecasts. This reduces our return expectations for this asset class.

In terms of equity regions, we remain overweight the US, Japan and Europe. Although US stocks are more expensive after strong performance, share prices are still being supported by strong earnings generation, particularly from technology companies, and a resilient domestic economy. We continue to see opportunity in Japanese equities as the country finally emerges from decades of deflation coupled with significant corporate governance reforms.

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

Aviva Investors Multi-asset Plus Fund III (continued)

Within fixed income, we continue to be overweight UK gilts and German government bonds whilst being underweight Japanese government bonds. Essentially, we believe that Japan is at the start of its monetary policy tightening cycle as rising inflationary pressures increase pressure on the Bank of Japan to raise interest rates. Central banks in other economies will start to cut interest rates this year but relatively weaker growth in Europe, compared to the US, could lead to more, or faster, rate cuts by the Bank of England and the European Central Bank. This should create a useful tailwind for these markets.

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

5.09

Aviva Investors Multi-asset Plus Fund IV

Aviva Investors Multi-asset Plus Fund IV

Overall assessment

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

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

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

Quality of service

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

Performance

Performance: Annualised net return (%)					
	Share Class 1	Share Class 2	Share Class 8	Share Class 9	Benchmark^
1 Year	10.83	10.99	11.41	11.21	14.51
3 Years	5.85	6.00	6.24	6.21	7.15
5 Years	6.99	6.99	7.13	7.20	8.78
7 Years	5.41	5.57	5.65	5.78	7.44

^75% MSCI® All Countries World Index (Net) GBP[2] and 25% Bloomberg Global Aggregate Bond Index Hedged GBP[3]
Performance basis: Mid to mid, net income reinvested, net of ongoing charges and fees, net of tax payable by the Fund. The figures do not include the effect of any exit or entry charge.
Full performance data is available in the Fund Fact Sheet, which can be found here Fund centre - Aviva Investors

Aviva Investors Multi-asset Plus Fund IV (continued)

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

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

The asset allocation for the Fund is approximately 75% in equities and 25% in bonds, in the year to February 2023 the steep rise in interest rates resulted in a drop in bond prices. As a result, bonds failed to act as the intended counterbalance to equities. The Board considered this to be caused by a unique set of circumstances and can confirm that in the year to February 2024 the Fund is once again performing as intended in relation to its balanced profile.

The absolute return of the Fund for the year to 29 February 2024 is 10.8%* (share class 1, net of fees), and the benchmark has returned 14.5% over the same period, the Fund's underperformance vs the benchmark is primarily due to being underweight in one or more of the US mega-cap technology companies that have dominated the US market performance.

The Investment Manager has completed a review in conjunction with the Board providing detailed analysis of their process and philosophy in constructing the portfolios for each of the funds and the Board are satisfied that the model adopted will provide the desired outcomes for investors over the long term.

A secondary factor that we adopt to review the performance of the Funds is against a suitable peer group of funds offering comparable outcomes, and the Board notes that against a wide range of similar funds from c.25 providers the Fund is delivering returns above the majority of its peers over a 1 year period.

^75% MSCI® All Countries World Index (Net) GBP² and 25% Bloomberg Global Aggregate Bond Index Hedged GBP³
*Fund performance figures – source Morningstar, net of fees, net income reinvested.

The Board concludes that for investors with a balanced risk appetite, the Fund has provided returns that are within a reasonable range of outcomes for investors and retain confidence that the Investment Manager's continued management of the Fund should benefit the Fund and its investors over the longer term.

The Fund will remain under review for both performance and the level of volatility following our standard governance process.

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

Authorised Fund Manager costs

Authorised Fund Manager Costs

	Share Class 1	Share Class 2	Share Class 8	Share Class 9
Fund management fee	0.73	0.51	0.03	0.26
Ongoing charge	0.81	0.59	0.11	0.34

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

Aviva Investors Multi-asset Plus Fund IV (continued)

Economies of scale

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

Comparable market rates

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

Comparable services

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

Classes of units

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

Aviva Investors Multi-asset Plus Fund IV (continued)

Fund Managers Report

Performance

The fund returned 10.8%*, which compared with a return of 14.5% from the fund's benchmark.

Portfolio Review

The fund posted a positive return in the twelve months in review, with growth assets making the strongest contribution to performance. Equity indices pushed on to new highs in some markets, notably the US and Japan, although not without volatility. The first major event of the review period was the collapse in March of two medium-sized US regional banks 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 calendar 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.

In the fourth quarter and into 2024, 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, halting their rate hiking cycle, equity markets set aside weak economic data outside the US to end the review period on a positive note.

Defensive assets weighed on fund performance, however. Fixed income markets struggled in an environment of still-high inflation, rate policy uncertainty and the prospect of heavy new issuance. Developed market sovereign bond yields were on a rising trend for much of the year, with the ten-year US Treasury issue hitting 5% in mid-October. While yields fell back sharply in the final quarter of 2023 on hopes that looser monetary policy was around the corner, some more cautious central bank rhetoric following some 'sticky' inflation data saw bonds start the new year with negative returns as yields climbed once more.

Corporate bonds outperformed sovereign bonds as credits spreads tightened amid broad optimism about resilient company fundamentals and strong demand from investors. Technical factors drove notably attractive returns by high-yield bonds.

The fund's exposure to uncorrelated assets added to returns overall. Gold was a standout performer, as the price of the precious metal hit an all-time high amid heightened economic uncertainty. Absolute return strategies also made solid gains over the review period. Collectively, uncorrelated assets helped to deliver additional diversification in the portfolios, which was particularly helpful during periods of underperformance in the fixed income markets.

Outlook

From an active asset allocation perspective, we prefer equities given that they have the potential to perform better in a disinflationary environment where deep recessions are likely to be avoided. We expect more price stability in fixed income than in the previous couple of years. However, markets have revised downwards their expectations for rate cuts in 2024, moving more aligned with central banks' forecasts. This reduces our return expectations for this asset class.

In terms of equity regions, we remain overweight the US, Japan and Europe. Although US stocks are more expensive after strong performance, share prices are still being supported by strong earnings generation, particularly from technology companies, and a resilient domestic economy. We continue to see opportunity in Japanese equities as the country finally emerges from decades of deflation coupled with significant corporate governance reforms.

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

Aviva Investors Multi-asset Plus Fund IV (continued)

Within fixed income, we continue to be overweight UK gilts and German government bonds whilst being underweight Japanese government bonds. Essentially, we believe that Japan is at the start of its monetary policy tightening cycle as rising inflationary pressures increase pressure on the Bank of Japan to raise interest rates. Central banks in other economies will start to cut interest rates this year but relatively weaker growth in Europe, compared to the US, could lead to more, or faster, rate cuts by the Bank of England and the European Central Bank. This should create a useful tailwind for these markets.

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

5.10

Aviva Investors Multi-asset Plus Fund V

Aviva Investors Multi-asset Plus Fund V

Overall assessment

Summary Ratings

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

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

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

Quality of service

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

Performance

Performance: Annualised net return (%)

	Share Class 1	Share Class 2	Share Class 8	Share Class 9	Benchmark^
1 Year	13.26	13.50	14.04	13.77	17.86
3 Years	7.61	7.84	8.05	8.11	10.42
5 Years	8.32	8.55	8.67	8.82	11.62
7 Years	6.53	6.87	6.93	7.12	9.68

^MSCI AC World NR GBP[2]

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

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

Aviva Investors Multi-asset Plus Fund V (continued)

The Fund aims to grow your investment over the long term (5 years or more) through a combination of income and capital growth. The Fund targets an overall average return before charges and taxes of at least 1.30% greater than the performance benchmark^ per year, measured over 3-year rolling periods. The Fund is managed to a "adventurous" risk profile and aims to remain within a defined risk range of 96% to 104% of the volatility of "Global Equities", targeting 100%.

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

The asset allocation for the Fund is approximately 100% in equities with a minimal allocation to bonds, in the year to February 2023 the steep rise in interest rates resulted in a drop in bond prices. As a result, bonds failed to act as the intended counterbalance to equities. The Board considered this to be caused by a unique set of circumstances and can confirm that in the year to February 2024 the Fund is once again performing as intended in relation to its adventurous profile.

The absolute return of the Fund for the year to 29 February 2024 is 13.3%* (share class 1, net of fees), and the benchmark has returned 17.9% over the same period, the Fund's underperformance vs the benchmark is primarily due to being underweight in one or more of the US mega-cap technology companies that have dominated the US market performance.

The Investment Manager has completed a review in conjunction with the Board providing detailed analysis of their process and philosophy in constructing the portfolios for each of the funds and the Board are satisfied that the model adopted will provide the desired outcomes for investors over the long term.

A secondary factor that we adopt to review the performance of the Funds is against a suitable peer group of funds offering comparable outcomes, and the Board notes that against a wide range of similar funds from c.25 providers the Fund is delivering returns above the majority of its peers over a 1 year period.

^MSCI AC World NR GBP[2]
*Fund performance figures – source Morningstar, net of fees, net income reinvested.

The Board concludes that for investors with a high risk appetite, the Fund has provided returns that are within a reasonable range of outcomes for investors and retain confidence that the Investment Manager's continued management of the Fund should benefit the Fund and its investors over the longer term.

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

Authorised Fund Manager costs

Authorised Fund Manager Costs				
	Share Class 1	**Share Class 2**	**Share Class 8**	**Share Class 9**
Fund management fee	0.75	0.53	0.05	0.28
Ongoing charge	0.84	0.6	0.14	0.35

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

Aviva Investors Multi-asset Plus Fund V (continued)

Economies of scale

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

Comparable market rates

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

Comparable services

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

Classes of units

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

Aviva Investors Multi-asset Plus Fund V (continued)

Fund Managers Report

Performance

The fund returned 13.3%*, which compared with a return of 17.9% from the fund's benchmark.

Portfolio Review

The fund posted a positive return in the twelve months in review, with growth assets making the strongest contribution to performance. Equity indices pushed on to new highs in some markets, notably the US and Japan, although not without volatility. The first major event of the review period was the collapse in March of two medium-sized US regional banks 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 calendar 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.

In the fourth quarter and into 2024, 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, halting their rate hiking cycle, equity markets set aside weak economic data outside the US to end the review period on a positive note.

Defensive assets weighed on fund performance, however. Fixed income markets struggled in an environment of still-high inflation, rate policy uncertainty and the prospect of heavy new issuance. Developed market sovereign bond yields were on a rising trend for much of the year, with the ten-year US Treasury issue hitting 5% in mid-October. While yields fell back sharply in the final quarter of 2023 on hopes that looser monetary policy was around the corner, some more cautious central bank rhetoric following some 'sticky' inflation data saw bonds start the new year with negative returns as yields climbed once more.

Corporate bonds outperformed sovereign bonds as credits spreads tightened amid broad optimism about resilient company fundamentals and strong demand from investors. Technical factors drove notably attractive returns by high-yield bonds.

The fund's exposure to uncorrelated assets added to returns overall. Gold was a standout performer, as the price of the precious metal hit an all-time high amid heightened economic uncertainty. Absolute return strategies also made solid gains over the review period. Collectively, uncorrelated assets helped to deliver additional diversification in the portfolios, which was particularly helpful during periods of underperformance in the fixed income markets.

Outlook

From an active asset allocation perspective, we prefer equities given that they have the potential to perform better in a disinflationary environment where deep recessions are likely to be avoided. We expect more price stability in fixed income than in the previous couple of years. However, markets have revised downwards their expectations for rate cuts in 2024, moving more aligned with central banks' forecasts. This reduces our return expectations for this asset class.

In terms of equity regions, we remain overweight the US, Japan and Europe. Although US stocks are more expensive after strong performance, share prices are still being supported by strong earnings generation, particularly from technology companies, and a resilient domestic economy. We continue to see opportunity in Japanese equities as the country finally emerges from decades of deflation coupled with significant corporate governance reforms.

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

Aviva Investors Multi-asset Plus Fund V (continued)

Within fixed income, we continue to be overweight UK gilts and German government bonds whilst being underweight Japanese government bonds. Essentially, we believe that Japan is at the start of its monetary policy tightening cycle as rising inflationary pressures increase pressure on the Bank of Japan to raise interest rates. Central banks in other economies will start to cut interest rates this year but relatively weaker growth in Europe, compared to the US, could lead to more, or faster, rate cuts by the Bank of England and the European Central Bank. This should create a useful tailwind for these markets.

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

5.11

Aviva Investors Multi-asset Sustainable Stewardship Fund I

Aviva Investors Multi-asset Sustainable Stewardship Fund I

Overall assessment

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

In line with the requirement to conduct a value assessment, the Board has concluded that all components of the assessment have been considered and the charges for each 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 Fund unless we have specifically noted exceptions.

It should be noted that this Sub-fund launched on 18 October 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 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.

Aviva Investors Multi-asset Sustainable Stewardship Fund I (continued)

Performance

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

Authorised Fund Manager costs

Authorised Fund Manager Costs	
	Share Class 8
Fund management fee	0.07

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

Economies of scale

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

Comparable market rates

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

Comparable services

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

Classes of units

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

Aviva Investors Multi-asset Sustainable Stewardship Fund I (continued)

Fund Managers Report

Performance

Over the period from 18 October 2023 to 29 February 2024, the Fund returned 6.6%* (share class 8, net of fees). The Fund's benchmark, the Investment Association Mixed Investments 0-35% Shares sector, returned 5.4% over the same period.

Portfolio Review

The fund avoids or limits investment into harmful companies and industries that undermine the transition to a more sustainable future. For example, the distribution and sale of tobacco and alcohol, thermal coal, oil and gas, animal testing and fur products. The fund focuses investment into companies that are industry leaders in terms of sustainability such as those that provide sustainable products and services and companies that manage their businesses sustainably. In terms of government bonds, the fund invests in green and social bonds, which focus on financing projects to improve the environment or to have a positive social impact. The fund management team are committed to the responsible stewardship of your investments through engagement, voting and public policy activities. They encourage the companies they own on your behalf to manage sustainability risks and opportunities better.

The fund's absolute returns were supported by its exposure to defensive assets, which form most of the portfolio. Sovereign bonds rallied well into the end of the calendar year 2023, although higher-than-expected inflation data in the US at the start of 2024 prompted the US Federal Reserve to scotch speculation that interest rate cuts were imminent. This led the market to give back some of its earlier strong performance. Corporate bonds were more resilient as heavy demand from key buyers such as pension funds helped support the market.

The fund's exposure to growth assets, though small, contributed well to performance. Stock markets in Europe, Japan and the US moved into range of all-time highs as investors saw increasing evidence that the feared recession in the US would be avoided and that the economy would achieve a so-called 'soft landing'. Company earnings, particularly in the US, were broadly encouraging, while investors remained enthused about the beneficiaries of the artificial intelligence revolution. Although the UK, Europe and Japan all flirted with recession over the period, signs that growth was beginning to recover underpinned investor confidence.

Overall, the fund's performance versus its benchmark was supported by our preference for shares over bonds.

Outlook

From an active asset allocation perspective, we have reduced most of our stock market positions to neutral, to book the profits that have been made this year and last year. Although the global economy has remained resilient, continued sticky inflation and rising bond yields may ultimately reduce investors' appetite for risk assets such as shares, particularly in the US, where higher inflation coupled with a strong economy may further delay rate cuts. That being said, we still hold a positive medium-term view on shares, and maintain small overweight positions in Japan and US healthcare companies.

In terms of our bonds allocation, we have two key tactical asset allocation positions: overweight UK gilts and short Japanese government bonds. Essentially, we believe Japan is at the start of its monetary policy tightening cycle, with inflationary pressures likely to lead to further interest rate hikes by the Bank of Japan following its exit from negative interest rates in the first quarter of 2024. In regard to UK gilts, the continued relatively weaker growth outlook in the UK compared to the US could lead to more, or faster, rate cuts by the Bank of England.

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.

5.12

Aviva Investors Multi-asset Sustainable Stewardship Fund II

Aviva Investors Multi-asset Sustainable Stewardship Fund II

Overall assessment

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

In line with the requirement to conduct a value assessment, the Board has concluded that all components of the assessment have been considered and the charges for each 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 Fund unless we have specifically noted exceptions.

It should be noted that this Sub-fund launched on 18 October 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 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.

Aviva Investors Multi-asset Sustainable Stewardship Fund II (continued)

Performance

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

Authorised Fund Manager costs

Authorised Fund Manager Costs	
	Share Class 8
Fund management fee	0.07

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

Economies of scale

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

Comparable market rates

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

Comparable services

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

Classes of units

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

Aviva Investors Multi-asset Sustainable Stewardship Fund II (continued)

Fund Managers Report

Performance

Over the period from 18 October 2023 to 29 February 2024, the Fund returned 8.9%* (share class 8, net of fees). The Fund's benchmark, the Investment Association Mixed Investments 20-60% Shares sector, returned 6.1% over the same period.

Portfolio Review

The fund avoids or limits investment into harmful companies and industries that undermine the transition to a more sustainable future. For example, the distribution and sale of tobacco and alcohol, thermal coal, oil and gas, animal testing and fur products. The fund focuses investment into companies that are industry leaders in terms of sustainability such as those that provide sustainable products and services and companies that manage their businesses sustainably. In terms of government bonds, the fund invests in green and social bonds, which focus on financing projects to improve the environment or to have a positive social impact. The fund management team are committed to the responsible stewardship of your investments through engagement, voting and public policy activities. They encourage the companies they own on your behalf to manage sustainability risks and opportunities better.

The fund's exposure to growth assets, which comprise around a half of the portfolio, contributed well to absolute returns. Stock markets in Europe, Japan and the US moved into range of all-time highs as investors saw increasing evidence that the feared recession in the US would be avoided and that the economy would achieve a so-called 'soft landing'. Company earnings, particularly in the US, were broadly encouraging, while investors remained enthused about the beneficiaries of the artificial intelligence revolution. Although the UK, Europe and Japan all flirted with recession over the period, signs that growth was beginning to recover underpinned investor confidence.

The fund's holdings in defensive assets, notably sovereign bonds, was less beneficial to performance. While sovereign bonds rallied well into the end of the calendar year 2023, higher-than-expected inflation data in the US at the start of 2024 led the US Federal Reserve to scotch speculation that interest rate cuts were imminent. This caused the market to give back some of its earlier strong gains. Corporate bonds were more resilient as heavy demand from key buyers such as pension funds helped support the market.

Overall, the fund's performance versus its benchmark was supported by our preference for shares over bonds.

Outlook

From an active asset allocation perspective, we have reduced most of our stock market positions to neutral, to book the profits that have been made this year and last year. Although the global economy has remained resilient, continued sticky inflation and rising bond yields may ultimately reduce investors' appetite for risk assets such as shares, particularly in the US, where higher inflation coupled with a strong economy may further delay rate cuts. That being said, we still hold a positive medium-term view on shares, and maintain small overweight positions in Japan and US healthcare companies.

In terms of our bonds allocation, we have two key tactical asset allocation positions: overweight UK gilts and short Japanese government bonds. Essentially, we believe Japan is at the start of its monetary policy tightening cycle, with inflationary pressures likely to lead to further interest rate hikes by the Bank of Japan following its exit from negative interest rates in the first quarter of 2024. In regard to UK gilts, the continued relatively weaker growth outlook in the UK compared to the US could lead to more, or faster, rate cuts by the Bank of England.

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

FUND DASHBOARD

5.13

Aviva Investors Multi-asset Sustainable Stewardship Fund III

Aviva Investors Multi-asset Sustainable Stewardship Fund III

Overall assessment

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

In line with the requirement to conduct a value assessment, the Board has concluded that all components of the assessment have been considered and the charges for each 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 Fund unless we have specifically noted exceptions.

It should be noted that this Sub-fund launched on 18 October 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 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.

Aviva Investors Multi-asset Sustainable Stewardship Fund III (continued)

Performance

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

Authorised Fund Manager costs

Authorised Fund Manager Costs	
	Share Class 8
Fund management fee	0.07

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

Economies of scale

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

Comparable market rates

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

Comparable services

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

Classes of units

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

Aviva Investors Multi-asset Sustainable Stewardship Fund III (continued)

Fund Managers Report

Performance

Over the period from 18 October 2023 to 29 February 2024, the Fund returned 10.5%* (share class 8, net of fees). The Fund's benchmark, the Investment Association Mixed Investments 40-85% Shares sector, returned 7.3% over the same period.

Portfolio Review

The fund avoids or limits investment into harmful companies and industries that undermine the transition to a more sustainable future. For example, the distribution and sale of tobacco and alcohol, thermal coal, oil and gas, animal testing and fur products. The fund focuses investment into companies that are industry leaders in terms of sustainability such as those that provide sustainable products and services and companies that manage their businesses sustainably. In terms of government bonds, the fund invests in green and social bonds, which focus on financing projects to improve the environment or to have a positive social impact. The fund management team are committed to the responsible stewardship of your investments through engagement, voting and public policy activities. They encourage the companies they own on your behalf to manage sustainability risks and opportunities better.

The fund's exposure to growth assets, which comprise around a two-thirds of the portfolio, contributed well to absolute returns. Stock markets in Europe, Japan and the US moved into range of all-time highs as investors saw increasing evidence that the feared recession in the US would be avoided and that the economy would achieve a so-called 'soft landing'. Company earnings, particularly in the US, were broadly encouraging, while investors remained enthused about the beneficiaries of the artificial intelligence revolution. Although the UK, Europe and Japan all flirted with recession over the period, signs that growth was beginning to recover underpinned investor confidence.

The fund's holdings in defensive assets, notably sovereign bonds, was less beneficial to performance. While sovereign bonds rallied well into the end of the calendar year 2023, higher-than-expected inflation data in the US at the start of 2024 led the US Federal Reserve to scotch speculation that interest rate cuts were imminent. This caused the market to give back some of its earlier strong gains. Corporate bonds were more resilient as heavy demand from key buyers such as pension funds helped support the market.

Overall, the fund's performance versus its benchmark was supported by our preference for shares over bonds.

Outlook

From an active asset allocation perspective, we have reduced most of our stock market positions to neutral, to book the profits that have been made this year and last year. Although the global economy has remained resilient, continued sticky inflation and rising bond yields may ultimately reduce investors' appetite for risk assets such as shares, particularly in the US, where higher inflation coupled with a strong economy may further delay rate cuts. That being said, we still hold a positive medium-term view on shares, and maintain small overweight positions in Japan and US healthcare companies.

In terms of our bonds allocation, we have two key tactical asset allocation positions: overweight UK gilts and short Japanese government bonds. Essentially, we believe Japan is at the start of its monetary policy tightening cycle, with inflationary pressures likely to lead to further interest rate hikes by the Bank of Japan following its exit from negative interest rates in the first quarter of 2024. In regard to UK gilts, the continued relatively weaker growth outlook in the UK compared to the US could lead to more, or faster, rate cuts by the Bank of England.

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

5.14

Aviva Investors Multi-asset Sustainable Stewardship Fund IV

Aviva Investors Multi-asset Sustainable Stewardship Fund IV

Overall assessment

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

In line with the requirement to conduct a value assessment, the Board has concluded that all components of the assessment have been considered and the charges for each 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 Fund unless we have specifically noted exceptions.

It should be noted that this Sub-fund launched on 18 October 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 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.

Aviva Investors Multi-asset Sustainable Stewardship Fund IV (continued)

Performance

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

Authorised Fund Manager costs

Authorised Fund Manager Costs	
	Share Class 8
Fund management fee	0.06

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

Economies of scale

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

Comparable market rates

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

Comparable services

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

Classes of units

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

Aviva Investors Multi-asset Sustainable Stewardship Fund IV (continued)

Fund Managers Report

Performance

Over the period from 18 October 2023 to 29 February 2024, the Fund returned 11.8%* (share class 8, net of fees). The Fund's benchmark, the Investment Association Mixed Investments 40-85% Shares sector, returned 7.3% over the same period.

Portfolio Review

The fund avoids or limits investment into harmful companies and industries that undermine the transition to a more sustainable future. For example, the distribution and sale of tobacco and alcohol, thermal coal, oil and gas, animal testing and fur products. The fund focuses investment into companies that are industry leaders in terms of sustainability such as those that provide sustainable products and services and companies that manage their businesses sustainably. In terms of government bonds, the fund invests in green and social bonds, which focus on financing projects to improve the environment or to have a positive social impact. The fund management team are committed to the responsible stewardship of your investments through engagement, voting and public policy activities. They encourage the companies they own on your behalf to manage sustainability risks and opportunities better.

The fund's absolute returns were held back somewhat over the period by the exposure to defensive assets, notably sovereign bonds. While sovereign bonds rallied well into the end of the calendar year 2023, higher-than-expected inflation data in the US at the start of 2024 led the US Federal Reserve to scotch speculation that interest rate cuts were imminent. This led to bond yields rising and prices falling. Corporate bonds were more resilient as strong demand from key buyers such as pension funds helped support the market.

The fund's exposure to growth assets, which comprise around 80% of the portfolio, contributed well to absolute returns. Stock markets in Europe, Japan and the US moved into range of all-time highs as investors saw increasing evidence that the feared recession in the US would be avoided and that the economy would achieve a so-called 'soft landing'. Company earnings, particularly in the US, were broadly encouraging, while investors remained enthused about the beneficiaries of the artificial intelligence revolution. Although the UK, Europe and Japan all flirted with recession over the period, signs that growth was beginning to recover underpinned investor confidence.

The fund's holdings in defensive assets, notably sovereign bonds, was less beneficial to performance. While sovereign bonds rallied well into the end of the calendar year 2023, higher-than-expected inflation data in the US at the start of 2024 led the US Federal Reserve to scotch speculation that interest rate cuts were imminent. This caused the market to give back some of its earlier strong gains. Corporate bonds were more resilient as heavy demand from key buyers such as pension funds helped support the market.

Overall, the fund's performance versus its benchmark was supported by our preference for shares over bonds.

Outlook

From an active asset allocation perspective, we have reduced most of our stock market positions to neutral, to book the profits that have been made this year and last year. Although the global economy has remained resilient, continued sticky inflation and rising bond yields may ultimately reduce investors' appetite for risk assets such as shares, particularly in the US, where higher inflation coupled with a strong economy may further delay rate cuts. That being said, we still hold a positive medium-term view on shares, and maintain small overweight positions in Japan and US healthcare companies.

In terms of our bonds allocation, we have two key tactical asset allocation positions: overweight UK gilts and short Japanese government bonds. Essentially, we believe Japan is at the start of its monetary policy tightening cycle, with inflationary pressures likely to lead to further interest rate hikes by the Bank of Japan following its exit from negative interest rates in the first quarter of 2024. In regard to UK gilts, the continued relatively weaker growth outlook in the UK compared to the US could lead to more, or faster, rate cuts by the Bank of England.

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

5.15

Aviva Investors Multi-Manager 20-60% Shares Fund

Aviva Investors Multi-Manager 20-60% Shares Fund

Overall assessment

Summary Ratings

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

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

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

Quality of service

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

Performance

Performance: Annualised net return (%)

	Share Class 1	Share Class 2	Share Class 8	Benchmark^
1 Year	4.86	4.98	5.70	4.70
3 Years	1.00	1.13	1.63	1.05
5 Years	3.28	3.45	3.84	2.83
7 Years	2.48	2.73	3.07	2.48

^IA Mixed Investment 20-60% Shares NR

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

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

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

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

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

Authorised Fund Manager costs

Authorised Fund Manager Costs			
	Share Class 1	Share Class 2	Share Class 8
Fund management fee	1.04	0.89	0.04
Ongoing charge	1.46	1.31	0.46

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

Economies of scale

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

Comparable market rates

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

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

The Ongoing Charge Figure (OCF) for each share class has been benchmarked against a suitable peer group of funds that adopt the same "Fund of Funds" style of active investment management, and the result is that in some cases the OCF's are slightly higher in comparison to the peer group. However, the Board do not wish to put any constraints on the funds that are available for investment due to the fees and whilst we make every effort to drive prices down, the Board considers that our primary focus should be on the underlying fund returns and therefore the higher fee is justified in relation to the Fund's performance returns.

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

Aviva Investors Multi-Manager 20-60% Shares 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 Fund available in the UK.

Classes of units

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

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

Fund Managers Report

Performance

The fund returned 4.9%* in the twelve months in review, which compared with 4.7% from the fund's Investment Association peer group.

Portfolio Review

The global economy avoided recession in the review period, despite the ongoing effects of tighter monetary policy and elevated energy prices. Much of that was down to the resilience of the US, which was expected to have grown more quickly in 2023 than in the previous year. China also picked up pace, although its recovery from Covid restrictions fell far below expectations. Eurozone growth remained weak, however, while the UK and Japan fell into a technical recession at the start of 2024.

It was a positive year for equity markets, though not without bouts of volatility. The first major event of the review period was the collapse in March 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 calendar 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 and into 2024, 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, halting their rate hiking cycle, equity markets set aside weak economic data to end the review period on a positive note.

Fixed income markets nevertheless struggled in an environment of still-high inflation, rate policy uncertainty and the prospect of heavy new issuance. Developed market sovereign bond yields were on a rising trend for much of the year, with the ten-year US Treasury issue hitting 5% in mid-October. While yields fell back sharply in the final quarter of 2023 on hopes that looser monetary policy was around the corner, some more cautious central bank rhetoric following some 'sticky' inflation data saw bonds start the new year with negative returns as yields climbed once more.

Corporate bonds outperformed sovereign bonds as credits spreads tightened amid broad optimism about resilient company fundamentals and strong demand from investors. Technical factors drove notably attractive returns by high-yield bonds.

Outlook

Equities appear reasonably well set given that they have the potential to perform attractively in a disinflationary environment where deep recessions are avoided. Regarding fixed income, we expect more price stability than in the previous couple of years. Markets have revised downwards their expectations for rate cuts in 2024, moving closer to alignment with central banks' forecasts, which reduces our return expectations for this asset class.

In terms of equity regions, the US, Japan and Europe appear to have the strongest potential. Although US equities valuations may be high, these are still being supported by strong earnings generation, particularly from technology stocks, and relatively resilient economic growth in the US. Regarding Japanese equities, we continue to see opportunity as the country finally emerges from decades of deflation coupled with significant corporate governance reforms which have boosted Japanese equity markets to new highs. European equities look attractive from a valuation perspective and we are encouraged by recent improvements in economic data.

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.

5.16

Aviva Investors Multi-Manager 40-85% Shares Fund

Aviva Investors Multi-Manager 40-85% Shares Fund

Overall assessment

Summary Ratings

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

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

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

Quality of service

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

Performance

Performance: Annualised net return (%)

	Share Class 1	Share Class 2	Share Class 8	Benchmark^
1 Year	5.62	5.74	6.46	6.27
3 Years	2.76	2.90	3.40	3.05
5 Years	5.15	5.24	5.59	5.01
7 Years	4.07	4.29	4.59	4.33

^IA Mixed Investment 40-85% Shares NR

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

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

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

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

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

Authorised Fund Manager costs

Authorised Fund Manager Costs			
	Share Class 1	Share Class 2	Share Class 8
Fund management fee	1.04	0.89	0.04
Ongoing charge	1.56	1.41	0.56

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

Economies of scale

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

Comparable market rates

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

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

The Ongoing Charge Figure (OCF) for each share class has been benchmarked against a suitable peer group of funds that adopt the same "Fund of Funds" style of active investment management, and the result is that in some cases the OCF's are slightly higher in comparison to the peer group. However, the Board do not wish to put any constraints on the funds that are available for investment due to the fees and whilst we make every effort to drive prices down, the Board considers that our primary focus should be on the underlying fund returns and therefore the higher fee is justified in relation to the Fund's performance returns.

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

Aviva Investors Multi-Manager 40-85% Shares 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 Fund available in the UK.

Classes of units

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

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

Fund Managers Report

Performance

The fund returned 5.6%* in the twelve months in review, which compared with 6.3% from the fund's Investment Association peer group.

Portfolio Review

The global economy avoided recession in the review period, despite the ongoing effects of tighter monetary policy and elevated energy prices. Much of that was down to the resilience of the US, which was expected to have grown more quickly in 2023 than in the previous year. China also picked up pace, although its recovery from Covid restrictions fell far below expectations. Eurozone growth remained weak, however, while the UK and Japan fell into a technical recession at the start of 2024.

It was a positive year for equity markets, though not without bouts of volatility. The first major event of the review period was the collapse in March 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 calendar 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 and into 2024, 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, halting their rate hiking cycle, equity markets set aside weak economic data to end the review period on a positive note.

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

Fixed income markets nevertheless struggled in an environment of still-high inflation, rate policy uncertainty and the prospect of heavy new issuance. Developed market sovereign bond yields were on a rising trend for much of the year, with the ten-year US Treasury issue hitting 5% in mid-October. While yields fell back sharply in the final quarter of 2023 on hopes that looser monetary policy was around the corner, some more cautious central bank rhetoric following some 'sticky' inflation data saw bonds start the new year with negative returns as yields climbed once more.

Corporate bonds outperformed sovereign bonds as credits spreads tightened amid broad optimism about resilient company fundamentals and strong demand from investors. Technical factors drove notably attractive returns by high-yield bonds.

Outlook

Equities appear reasonably well set given that they have the potential to perform attractively in a disinflationary environment where deep recessions are avoided. Regarding fixed income, we expect more price stability than in the previous couple of years. Markets have revised downwards their expectations for rate cuts in 2024, moving closer to alignment with central banks' forecasts, which reduces our return expectations for this asset class.

In terms of equity regions, the US, Japan and Europe appear to have the strongest potential. Although US equities valuations may be high, these are still being supported by strong earnings generation, particularly from technology stocks, and relatively resilient economic growth in the US. Regarding Japanese equities, we continue to see opportunity as the country finally emerges from decades of deflation coupled with significant corporate governance reforms which have boosted Japanese equity markets to new highs. European equities look attractive from a valuation perspective and we are encouraged by recent improvements in economic data.

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

5.17

Aviva Investors Multi-Manager Flexible Fund

Aviva Investors Multi-Manager Flexible Fund

Overall assessment

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

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

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

Quality of service

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

Performance

Performance: Annualised net return (%)

	Share Class 1	Share Class 2	Share Class 8	Benchmark^
1 Year	6.61	6.77	7.68	6.17
3 Years	4.14	4.31	4.96	3.17
5 Years	6.57	6.79	7.29	5.42
7 Years	5.22	5.54	5.97	4.62

^IA Flexible Investment NR

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

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

Aviva Investors Multi-Manager Flexible Fund (continued)

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

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

Authorised Fund Manager costs

Authorised Fund Manager Costs			
	Share Class 1	Share Class 2	Share Class 8
Fund management fee	1.05	0.9	0.05
Ongoing charge	1.59	1.44	0.59

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

Economies of scale

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

Comparable market rates

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

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

The Ongoing Charge Figure (OCF) for each share class has been benchmarked against a suitable peer group of funds that adopt the same "Fund of Funds" style of active investment management, and the result is that in some cases the OCF's are slightly higher in comparison to the peer group. However, the Board do not wish to put any constraints on the funds that are available for investment due to the fees and whilst we make every effort to drive prices down, the Board considers that our primary focus should be on the underlying fund returns and therefore the higher fee is justified in relation to the Fund's performance returns.

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

Aviva Investors Multi-Manager Flexible 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 Fund available in the UK.

Classes of units

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

Aviva Investors Multi-Manager Flexible Fund (continued)

Fund Managers Report

Performance

The fund returned 6.6%* in the twelve months in review, which compared with 6.2% from the fund's Investment Association peer group.

Portfolio Review

The global economy avoided recession in the review period, despite the ongoing effects of tighter monetary policy and elevated energy prices. Much of that was down to the resilience of the US, which was expected to have grown more quickly in 2023 than in the previous year. China also picked up pace, although its recovery from Covid restrictions fell far below expectations. Eurozone growth remained weak, however, while the UK and Japan fell into a technical recession at the start of 2024.

It was a positive year for equity markets, though not without bouts of volatility. The first major event of the review period was the collapse in March 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 calendar 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 and into 2024, 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, halting their rate hiking cycle, equity markets set aside weak economic data to end the review period on a positive note.

Fixed income markets nevertheless struggled in an environment of still-high inflation, rate policy uncertainty and the prospect of heavy new issuance. Developed market sovereign bond yields were on a rising trend for much of the year, with the ten-year US Treasury issue hitting 5% in mid-October. While yields fell back sharply in the final quarter of 2023 on hopes that looser monetary policy was around the corner, some more cautious central bank rhetoric following some 'sticky' inflation data saw bonds start the new year with negative returns as yields climbed once more.

Corporate bonds outperformed sovereign bonds as credits spreads tightened amid broad optimism about resilient company fundamentals and strong demand from investors. Technical factors drove notably attractive returns by high-yield bonds.

Outlook

Equities appear reasonably well set given that they have the potential to perform attractively in a disinflationary environment where deep recessions are avoided. Regarding fixed income, we expect more price stability than in the previous couple of years. Markets have revised downwards their expectations for rate cuts in 2024, moving closer to alignment with central banks' forecasts, which reduces our return expectations for this asset class.

In terms of equity regions, the US, Japan and Europe appear to have the strongest potential. Although US equities valuations may be high, these are still being supported by strong earnings generation, particularly from technology stocks, and relatively resilient economic growth in the US. Regarding Japanese equities, we continue to see opportunity as the country finally emerges from decades of deflation coupled with significant corporate governance reforms which have boosted Japanese equity markets to new highs. European equities look attractive from a valuation perspective and we are encouraged by recent improvements in economic data.

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.

5.18

Aviva Investors Sustainable Stewardship Fixed Interest Feeder Fund

Aviva Investors Sustainable Stewardship Fixed Interest Feeder Fund

Overall assessment

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

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

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

Quality of service

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

Performance

Performance: Annualised net return (%)				
	Share Class 1	Share Class 2	Share Class 4	Benchmark^
1 Year	4.70	4.84	4.90	5.56
Since Launch	-4.38	-4.22	-4.16	–

^Markit iBoxx Sterling Non Gilts TR[4]

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

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

Aviva Investors Sustainable Stewardship Fixed Interest Feeder Fund (continued)

The Fund aims to: (i) provide a net return in excess of the Markit iBoxx® GBP Non Gilt Total Return Index,[4] annualised over 5 year rolling periods by investing in bonds issued by 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 Fund was launched in March 2021, as an opportunity for retail investors to invest in our longer running Sustainable Stewardship Fixed Interest strategy, which has a strong performance track record of delivering value to investors over the long term.

In the report published in June 2023 the Board noted that the value of investor's holdings declined in the year to February 2023, 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 Fund has delivered positive returns in the period to 29 February 2024, however given the severity of the market decline we are yet to see all the losses recovered.

Since the Fund was launched it has returned -4.38%*, which is 0.44% below the benchmark (share class 1, net of fees and taxes), however the Board notes that this coincides with a challenging period for bond markets, and given the parent strategy has provided investors with value over the long term the Board is not unduly concerned by the performance since launch and considers that the Fund is in a position to deliver value to investors over the longer term.

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

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

Authorised Fund Manager costs

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

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

Economies of scale

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

Comparable market rates

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

Aviva Investors Sustainable Stewardship Fixed Interest Feeder 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 Fund available in the UK.

Classes of units

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

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

Aviva Investors Sustainable Stewardship Fixed Interest Feeder Fund (continued)

Fund Managers Report

Performance

Over the twelve months ending 29 February 2024, the Fund returned 4.7%* (share class 1, net of fees). The Fund's benchmark, the Markit iBoxx GBP Non Gilt Total Return Index[4] returned -5.6% over the same period.

Portfolio Review

Sterling corporate bonds, which comprise around 90% of the Fund, posted positive returns in the period under review. While the underlying UK government bond (gilt) market was weak because of concerns that interest rates would need to be kept high to bring inflation under control, corporate bonds were able to deliver positive performance. Investors remained broadly confident that company earnings would continue to hold up. Indeed, the stronger-than-expected performance of the UK economy for much of the year helped preserve the credit ratings of many bond issuers. As the review period progressed and interest rate cuts by the Bank of England started to be anticipated for 2024, the market was supported by strong demand as investors sought to take advantage of high yields while they were still available.

In an environment of cautious optimism that lower interest rates would stimulate the economy, riskier areas of the market tended to outperform. At the sector level, the main episode of volatility during the period was the collapse in March of two medium-sized regional banks in the US. This led to a sell-off among financial company bonds, although the sector regained the lost ground over the course of the summer. The impact on the broader market was limited after swift action to guarantee savers' deposits by the US authorities.

The Fund underperformed its benchmark net of fees. In what was a positive period for the market, the portfolio was slightly disadvantaged by its generally low sensitivity to changes in interest rates and its cautious positioning in terms of credit risk. Being overweight in financials, which we felt was appropriate given their likely outperformance in a higher interest rate environment, also weighed on returns somewhat given the fallout from March's mini banking crisis in the US. However, exposure to lower-quality 'subordinated' financial debt helped support returns, particularly at times of rallying investor sentiment. For the period as a whole, the performance of sustainable corporate bond funds was hampered somewhat by their not being able to participate fully in rallies by the energy and utilities sectors

Outlook

Despite having deteriorated somewhat from a strong starting point, the fundamentals underpinning corporate bonds are still in reasonable shape. While company earnings are starting to weaken a little given the delayed impact of high interest rates, we are encouraged by more positive data that has been released on the UK economy since the start of the year.

The challenge in the shorter term will be still-high cash yields as central banks push back on early cuts in interest rates. Some investors may question the benefit of investing in a bond fund that offers a similar yield to what they can receive from cash. However, with interest rates seemingly on the way down in the coming year, investors might well consider locking in the elevated income on higher-quality corporate bonds now. Indeed, demand for bonds has been extremely robust so far this year, overwhelming high levels of issuance.

After strong performance in the latter stages of 2023 and so far in 2024, investors may also be worried about corporate bonds offering less value. This is particularly the case in the riskier areas of the market. We are optimistic, however, that strong investor demand, together with the sound financial footing of many companies, can help underpin corporate bond prices in the short to medium term.

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, share class 1, accumulation shares, net of fees, net income reinvested

5.19

Aviva Investors Sustainable Stewardship International Equity Feeder Fund

Aviva Investors Sustainable Stewardship International Equity Feeder Fund

Overall assessment

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

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

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

Quality of service

We have considered the overall quality of the services provided to investors, and have concluded that Investors have received clear communications, and relevant information at appropriate times

to enable them to make informed decisions, and the service delivered has been timely and of an appropriate quality.

Performance

Performance: Annualised net return (%)				
	Share Class 1	Share Class 2	Share Class 4	Share Class 8
1 Year	13.54	13.73	14.15	19.59
Since Launch	5.33	5.48	5.86	–

^MSCI World NR GBP²

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

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

The Fund aims to: (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").

Aviva Investors Sustainable Stewardship International Equity Feeder Fund (continued)

The Fund was launched in March 2021, as an opportunity for retail investors to invest in our longer running Sustainable Stewardship International Equity strategy, which has a strong track record of delivering value to investors over the long term.

Over the current year the Fund has invested in line with the SSIP, delivering a positive return of over 13% this year, however the Fund has underperformed the benchmark by 5%. 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 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. You will also be able to find more detailed information on fund performance within the Fund Fact Sheet on our website.

Authorised Fund Manager costs

Authorised Fund Manager Costs

	Share Class 1	Share Class 2	Share Class 4
Fund management fee	0.83	0.68	0.38
Ongoing charge	0.87	0.72	0.42

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

Economies of scale

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

Aviva Investors Sustainable Stewardship International Equity Feeder Fund (continued)

Comparable market rates

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

Comparable services

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

Classes of units

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

Aviva Investors Sustainable Stewardship International Equity Feeder Fund (continued)

Fund Managers Report

Performance

Over the twelve months ending 29 February 2024, the Fund returned 13.5%* (share class 1, net of fees). The Fund's benchmark, the MSCI World NDR Total Return GBP Index[2] returned 19.6% over the same period.

Portfolio Review

It was a positive year for equity markets, though not without bouts of volatility. The first major event of the review period was the collapse in March 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 calendar quarter as the emergence of artificial intelligence (AI) 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 and into 2024, 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, halting their rate hiking cycle, equity markets set aside weak economic data to end the review period on a positive note.

The Fund posted a strong absolute return over the review period but was behind its benchmark index. This was largely a function of a low relative exposure to the large US technology companies (the so-called 'Magnificent Seven'), many of which profited strongly from the exuberance towards AI. At the individual stock level, there were disappointing returns from Rentokil Initial. The company issued a lacklustre sales update, where organic growth for the US pest control market came in well below market expectation. This was exacerbated by its main competitor Rollins reporting robust growth, leading investors to question whether Rentokil was having problems integrating its acquisition US peer Terminix. Telecommunications infrastructure owner American Tower and UnitedHealth also lagged the market average.

A useful contribution was made by US credit scoring company Equifax, despite suffering a weak third quarter of 2023. Google-owner Alphabet also performed well on positive sentiment towards AI.

Outlook

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

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

As at the end of the review period, the main active sector positions versus the benchmark were an overweighting of financials and healthcare and an underweighting of information technology.

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, share class 1, accumulation shares, net of fees, net income reinvested

5.20

Aviva Investors Sustainable Stewardship UK Equity Feeder Fund

Aviva Investors Sustainable Stewardship UK Equity Feeder Fund

Overall assessment

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

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

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

Quality of service

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

Performance

Performance: Annualised net return (%)				
	Share Class 1	Share Class 2	Share Class 4	Benchmark^
1 Year	-0.49	-0.33	-0.03	0.93
Since Launch	3.14	3.28	3.59	–

^FTSE Custom All-Share TR GBP[1]

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

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

Aviva Investors Sustainable Stewardship UK Equity Feeder Fund (continued)

The Fund aims to: (i) grow your investment and provide an average annual net return greater than the FTSE® All-Share Custom Index[1] over a rolling 5 year period through exposure to shares of UK 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 Fund was launched in March 2021, as an opportunity for retail investors to invest in our longer running Sustainable Stewardship UK Equity strategy, which has a strong track record of delivering value to investors over the long term.

Since the Fund was launched it has returned 3.14%*, which is 0.61% below the benchmark (share class 1, net of fees and taxes), which is in part due to the specific exclusions in the SSIP, such as oil and gas, that the Fund adheres to. Given the parent strategy has provided investors with value over the long term the Board is not unduly concerned by the performance since launch and considers that the Fund is therefore able to deliver value to investors over the longer term.

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

Authorised Fund Manager costs

Authorised Fund Manager Costs			
	Share Class 1	Share Class 2	Share Class 4
Fund management fee	0.78	0.63	0.33
Ongoing charge	0.8	0.65	0.35

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

Economies of scale

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

Aviva Investors Sustainable Stewardship UK Equity Feeder Fund (continued)

Comparable market rates

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

Comparable services

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

Classes of units

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

Aviva Investors Sustainable Stewardship UK Equity Feeder Fund (continued)

Fund Managers Report

Performance

Over the twelve months ending 29 February 2024, the Fund returned -0.5%* (share class 1, net of fees). The Fund's benchmark, the FTSE® All-Share Index[1], returned 0.9% over the same period.

Portfolio Review

UK stocks posted modest gains over the review period but lagged some way behind the other major markets. Sentiment towards the UK was dented by concerns about the path of inflation, which remained higher than that of the other leading economies. While falling back sharply over the course of the period in response to falling energy and, latterly, food prices, the rate of consumer inflation was still 4% in January, exactly twice the Bank of England's target. This led investors to anticipate that interest rates would have to be kept higher for longer, which would in turn weigh on economic growth and delay any recovery. The UK did, in fact, slide into a technical recession at the start of 2024 following two consecutive quarters of negative growth. That said, some activity indicators released in January suggested that the recession was unlikely to linger and that a return to growth would be quite rapid.

The Fund posted a negative return after charges and underperformed its benchmark over the period. At the sector level, the overweighting of financial companies had a negative impact as bank shares struggled amid increasing worries about recession. In the Fund, the holding in Asia-focused financial group Standard Chartered weighed on performance, notably after the release of disappointing third quarter earnings. Exposure to consumer staples companies also proved to be a headwind for performance in the context of the ongoing cost-of-living crisis. Luxury apparel brand Burberry was a further disappointment as it issued a profit warning after weak trading in the US and China.

On the positive side, holding no exposure to struggling mining companies was helpful as global demand for commodities waned. Among the strongest individual stock contributors was smart sensor maker Oxford Metrics. Internationally diversified machinery rental group Ashtead also performed well as it profited from a surge in construction in the US.

Outlook

UK equities continue to offer value as investors apply a discount to the market owing to relative economic weakness and political instability in the UK. In our view, the valuation of the market is attractive relative to both its history and overseas markets.

Markets have been driven by hopes that interest rates have peaked and are heading lower in 2024. While we agree that rate cuts are likely to occur this year, the US Federal Reserve and Bank of England's recent statements suggest that any easing is unlikely to come in the next few months. Central banks still need to see greater evidence that inflation has been sustainably drained from the financial system.

While the UK economy fell into a technical recession in the final quarter of 2023, we expect this to be short-lived and forecast some growth in the first quarter of this year.

Geopolitical issues (most notably the conflicts in Israel and Ukraine) remain an ongoing and significant risk to equity markets, and could easily flare up at any time, causing share prices to fall.

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, share class 1, accumulation shares, net of fees, net income reinvested

5.21

Aviva Investors Sustainable Stewardship UK Equity Income Feeder Fund

Aviva Investors Sustainable Stewardship UK Equity Income Feeder Fund

Overall assessment

Summary Ratings

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

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

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

Quality of service

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

Performance

Performance: Annualised net return (%)

	Share Class 1	Share Class 2	Share Class 4	Benchmark^
1 Year	3.04	3.08	3.43	0.93
Since Launch	3.33	3.38	3.71	–

^FTSE Custom All-Share TR GBP[1].
Performance basis: Mid to mid, net income reinvested, net of ongoing charges and fees, net of tax payable by the Fund. The figures do not include the effect of any exit or entry charge.
Full performance data is available in the Fund Fact Sheet, which can be found here Fund centre - Aviva Investors

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

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

Aviva Investors Sustainable Stewardship UK Equity Income Feeder Fund (continued)

Authorised Fund Manager costs

Authorised Fund Manager Costs			
	Share Class 1	Share Class 2	Share Class 4
Fund management fee	0.78	0.63	0.33
Ongoing charge	0.81	0.66	0.36

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

Economies of scale

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

Comparable market rates

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

Comparable services

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

Classes of units

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

Aviva Investors Sustainable Stewardship UK Equity Income Feeder Fund (continued)

Fund Managers Report

Performance

Over the twelve months ending 29 February 2024, the Fund returned 3.0%* (share class 1, net of fees). The Fund's benchmark, the FTSE® All-Share Index[1], returned 0.9% over the same period.

Portfolio Review

UK stocks posted modest gains over the review period but lagged some way behind the other major markets. Sentiment towards the UK was dented by concerns about the path of inflation, which remained higher than that of the other leading economies. While falling back sharply over the course of the period in response to falling energy and, latterly, food prices, the rate of consumer inflation was still 4% in January, exactly twice the Bank of England's target. This led investors to anticipate that interest rates would have to be kept higher for longer, which would in turn weigh on economic growth and delay any recovery. The UK did, in fact, slide into a technical recession at the start of 2024 following two consecutive quarters of negative growth. That said, some activity indicators released in January suggested that the recession was unlikely to linger and that a return to growth would be quite rapid.

The Fund posted a positive return after charges and outperformed its benchmark over the period. Holding no exposure to struggling mining and energy companies was helpful as global demand for commodities waned. Being underweight in consumer staples companies was also helpful amid the ongoing cost-of living crisis. Among the leading contributors at the stock specific level was insurance group Phoenix, which was boosted by a surge in new fund inflows. Successful asset gathering also boosted the performance of niche fund manager Intermediate Capital. Internationally diversified machinery rental group Ashtead performed well as it profited from a surge in construction in the US.

On the negative side, the overweighting of financial companies had a negative impact as bank shares struggled amid increasing worries about recession. Utility company SSE also performed disappointingly as lower-than-expected reinvestment took the edge off its earnings.

Outlook

UK equities continue to offer value as investors apply a discount to the market owing to relative economic weakness and political instability in the UK. In our view, the valuation of the market is attractive relative to both its history and overseas markets.

Markets have been driven by hopes that interest rates have peaked and are heading lower in 2024. While we agree that rate cuts are likely to occur this year, the US Federal Reserve and Bank of England's recent statements suggest that any easing is unlikely to come in the next few months. Central banks still need to see greater evidence that inflation has been sustainably drained from the financial system.

While the UK economy fell into a technical recession in the final quarter of 2023, we expect this to be short-lived and forecast some growth in the first quarter of this year.

Geopolitical issues (most notably the conflicts in Israel and Ukraine) remain an ongoing and significant risk to equity markets, and could easily flare up at any time, causing share prices to fall.

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, share class 1, accumulation shares, net of fees, net income reinvested

5.22

Aviva Investors UK Listed Equity Fund

Aviva Investors UK Listed Equity Fund

Overall assessment

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

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

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

Quality of service

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

Performance

Performance: Annualised net return (%)		
	Share Class 8	FTSE All-Share TR[1]
1 Year	4.09	0.57
3 Years	2.04	7.78
5 Years	4.91	5.02
7 Years	6.69	4.45

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

Aviva Investors UK Listed Equity Fund (continued)

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

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

You can find more detailed information on fund performance within the Fund factsheet on our website.

Authorised Fund Manager costs

Authorised Fund Manager Costs	
	Share Class 8
Fund management fee	0.02

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

Economies of scale

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

Comparable market rates

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

Comparable services

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

Classes of units

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

Aviva Investors UK Listed Equity Fund (continued)

Fund Managers Report

Performance

Over the twelve months ended 28 February 2024 the Fund returned 4.1%* (net of fees). The Fund's benchmark, the FTSE® All-Share Index[1], returned 0.6% over the same period.

Portfolio Review

In December Nick wrote about each of these positions in more detail (provided below), which we hope is helpful to frame our outlook for each of them.

However, before we move onto stock specific details, it's worth noting that gaining access to companies that are likely to be beneficiaries of technological advancements has been a key investment theme in our UK strategies for well over a decade, but it's become even more of a focus in recent years as the pace of advancement has accelerated. At the end of February 2024, 45% of the portfolio is made up of six holdings (Sage, RELX, Experian, London Stock Exchange Group (LSEG), Hargreaves Lansdown and Rightmove) which all have credible opportunities to use AI to build on their substantial histories and very successful existing products. All six are dominant in their respective industries and have long track records of value creation. For example, over the past 20 years, LSEG's share price total return CAGR has been 20%, while RELX and Sage's have been 13% and 12% respectively.

But what of the rest of the portfolio? While the most advantaged companies from an AI specific perspective are unquestionably data owners and we don't expect the c.40% of the portfolio invested in premium and trusted consumer brands to benefit as directly from the technology advancements described above, we nevertheless do think that on a macro level these advancements will deliver an enormous global productivity and wealth dividend. History tells us that when there is more leisure time and wealth to go around, the newly wealthy have always spent their money on desirable consumer brands: it's no accident that the earliest trademark systems and the world's first advertising agency were established in the 1860s, in the wake of the Industrial Revolution. We believe that today's technological advancements will bring the same benefits to the owners of premium and luxury brands such as Johnnie Walker and Burberry. And at the same time, millions of people globally will also be lifted out of poverty and into the newly aspirational middle classes. So why not be optimistic about more demand for Cadbury in India and Unilever's personal care brands in Indonesia as well as demand for Diageo's reserve brands and Burberry's luxurious raincoats?

RELX

2024 marks the 40th anniversary of the creation of the FTSE 100 Index. As has been recently reported, the best performing constituent of the original FTSE 100 has been RELX, turning a £100 investment into £35,000 since 1982 and, indeed, up 39% in 2023; the third biggest holding in the portfolio at the end of December. It is trite, but true to say that RELX's prospects are better than ever and, in our view, the story for RELX's shares is still only just getting started. The company offers its customers access to trusted data in Science, Legal, Risk and Insurance. What is more, RELX has built AI-driven tools to help customers derive more value from the data. As a result, RELX is justifiably a proxy for the Data/AI bull market, that can still be purchased on a lower valuation than its global peers.

Experian

The biggest change in your portfolio over the last three years, I submit, is the building of the position in Experian from nil in 2020 to the largest holding by end 2023. In our opinion, UK investors are fortunate that Experian chose to make its primary listing on the UK stock market when it went public in 2006. The company is the biggest credit bureau in the world, including the biggest in the biggest market for credit ratings, which is the US. As a result, Experian has, arguably, the biggest collection of data on businesses and consumers on the planet and, as the company says, almost more opportunities to create new services from that data than it can deal with. Experian has grown steadily since it listed and we expect an acceleration of that growth in coming years.

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

Aviva Investors UK Listed Equity Fund (continued)

London Stock Exchange Group (LSEG)

It is three years since LSEG closed its deal to acquire Refinitiv. Its shares are still below the levels of early 2021. There are several reasons why. First, there was understandable caution from investors that the company could digest a transaction of this scale and, associated, investors themselves have had to digest billions of pounds of LSEG shares, placed by the gradually-selling former owners of Refinitiv. There is also, we are sure, a worry that a company that contains the phrase "London Stock Exchange" in its name could not, surely, be a good investment – given how moribund the UK stock market itself has been in recent years. Despite all this, LSEG's shares rose 32% in 2023, as each of these objections have proven misplaced. The merger has gone well, the consortium has successfully disposed of the majority of its shares and the London Stock Exchange itself now amounts to less than 4% of the revenues of the parent. Meanwhile, a group has been created that, amongst other crucial strategic positions, is the biggest provider of real-time financial data in the world. LSEG is now a globally-significant provider of data, clearing and liquidity to financial institutions. The vindication of the creation of LSEG is, no doubt, the joint venture (JV) it has entered into with Microsoft. The JV combines LSEG's data and analytics tools with Microsoft's Cloud and AI capabilities and is evidently important for both companies. If only more constituents of the All-Share itself had been managed with the same ambition and strategic elan as its owner! Maybe the UK stock market and economy would be in a better place.

Sage

LSEG is not the only UK company to partner with Microsoft. Sage too is working with Microsoft; to create an AI-enhanced Digital Assistant, designed to help Sage's millions of small and mid-size company software customers around the world run their businesses more efficiently. Sometimes investing requires patience and I acknowledge our investment in Sage has taken patience. There was a long period between 2016 and 2022 when the shares went sideways, but in 2023 they were up 61%, hitting all-time highs in the process. Why has that happened? Well, in part because Sage has positively surprised investors by the success of its expensive transition to delivering its services via the Cloud. The company is growing more quickly and becoming more profitable as a result. But, to us, it is also important to note the change in Sage's share register. A few years ago, US investors made up less than 20% of Sage's ownership, now it is above 40% and climbing. US investors can see the growth opportunity presented to Sage, particularly in its biggest market, which is the US – even if UK institutions can't or won't.

Diageo

Diageo slipped to the 4th position in the portfolio at the end of December, as a result of the deeply disappointing 20% fall in its price in 2023. Diageo's profit warning on 10th November caused an 11% fall in its share price in November.

There were two aspects to the warning. One not so surprising and to some extent priced in, the other much more surprising. First, Diageo reinforced the general understanding that interest rates being "higher for longer" and the unwinding of the post-Covid binge have resulted in consumers retrenching their discretionary spending and in some markets trading down from premium to mass-market brands. Almost every consumer company we follow has acknowledged similar conditions, as indeed had Diageo in its guidance from earlier in the year. What was unexpected, though, was Diageo's admission that its Latin American business is subject to a far more material reversal, down c.20% year-on-year. This matters, because it constitutes c.11% of group revenues. What is more, part of the problem in Latin America has been overstocking, not just a contraction of demand. This is not the first time that Diageo has discovered it has, doubtless inadvertently, over-supplied the region – effectively booking revenues and profits early – and suffered a painful hiatus, while supply and demand come back into balance. It was galling to investors and, we are sure, the very new CEO, that the warning came not only as a surprise, but resulted from a mistake that previous CEO Ivan Menezes had endeavoured to eradicate.

On balance, we do not believe the warning about Latin America invalidates the investment case for Diageo, frustrating though it is. There are two, apparently unavoidable, characteristics of doing business in that region. First, its economies are volatile and unpredictable. But, second, its peoples love Diageo's products, particularly whisky. Over the last decade, Diageo's sales there have grown, up c.25% to £1.8bn last year. Operating margins in 2022/3 in Latin America were an attractive 36%. Overall group revenues are up 50% since 2013, hence Diageo's exposure to Latin America is down a couple of percentage points. Nonetheless, as investors we must be happier to benefit from that £1.8bn revenues rather than not, even with the accompanying volatility.

Aviva Investors UK Listed Equity Fund (continued)

Diageo confirmed that trading for the other 89% of its business was progressing as expected and continues to forecast steady growth at least through to the end of this decade.

Diageo is another UK business with a growing proportion of its register made up of US shareholders. Indeed this was a reason given by Diageo's CEO for the decision to alter its currency of accounting from Sterling to US Dollars. It is no surprise, we think, that US investors, even with all their domestic market to choose from, would, nonetheless, accumulate over 40% of Diageo's equity. Diageo is the world's biggest premium alcoholic beverage company, with exceptional economic returns and an obvious medium-term growth opportunity. Diageo offers us an opportunity to participate in the wealth created by the diffusion of technology, as consumers experiment or treat themselves to finer and rarer liquors.

Burberry

Burberry listed in 2002 and since then its business has grown meaningfully, confirming the relationship I noted through this report between the growing wealth created by technology and consumer engagement with luxury brands. Revenues in 2002 were c.£500m and are forecast to be over £3bn for the year 2023. New management has set itself a medium-term goal of taking revenues to £5bn. Despite the company's successful long-term record of growth in revenues and earnings, investors are clearly dubious, as evidenced by the share price fall in 2023, triggered by industrywide concerns about slowing growth, particularly in China. Burberry is not and never will be an LVMH or an Hermès, but it does have a genuine global luxury brand, particularly its iconic outerwear franchise. Meanwhile, the shares are back to levels last seen in 2011, trading on a low-teens P/E and offering a dividend yield of over 4%. At these levels Burberry looks a bargain to us.

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.

Index disclaimers

[1]FTSE International Limited	"FTSE®" is a trade mark of the London Stock Exchange Group companies and is used by FTSE under licence. All rights in any FTSE index (the "Index") vest in FTSE International Limited ("FTSE"). Aviva Investors' Investment Funds ICVC has been developed solely by Aviva Investors UK Fund Services Limited. Any FTSE Index is calculated by FTSE or its agent. FTSE and its licensors are not connected to and do not sponsor, advise, recommend, endorse or promote the Funds which refer to a FTSE Index and do not accept any liability whatsoever to any person arising out of (a) the use of, reliance on or any error in the Index or (b) investment in or operation of the relevant Funds. FTSE makes no claim, prediction, warranty or representation either as to the results to be obtained from the relevant Funds or the suitability of the Index for the purpose to which it is being put by Aviva Investors UK Fund Services Limited.
[2]MSCI Limited	MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indices or any securities or financial products. This prospectus is not approved, endorsed, reviewed or produced by MSCI. None of the MSCI data is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such.
[3]Bloomberg Index Services Limited	"Bloomberg®" and any Bloomberg index are service marks of Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited ("BISL"), the administrator of the index (collectively, "Bloomberg"), and have been licensed for use for certain purposes by Aviva Investors UK Fund Services Limited. The Funds are not sponsored, endorsed, sold or promoted by Bloomberg. Bloomberg does not make any representation or warranty, express or implied, to the owners of or counterparties to the Funds or any member of the public regarding the advisability of investing in securities generally or in the Funds particularly. The only relationship of Bloomberg to Aviva Investors UK Fund Services Limited and/or the Funds is the licensing of certain trademarks, trade names and service marks and of the Bloomberg Indicies, which is determined, composed and calculated by BISL without regard to Aviva Investors UK Fund Services Limited or the Funds. Bloomberg has no obligation to take the needs of Aviva Investors UK Fund Services Limited or the Funds into consideration in determining, composing or calculating the Bloomberg Index. Bloomberg is not responsible for and has not participated in the determination of the timing of, prices at, or quantities of the Funds to be issued. Bloomberg shall not have any obligation or liability, including, without limitation, to Fund investors, in connection with the administration, marketing or trading of the Funds.

[4]IHS Markit Benchmark Administration Limited	An index referenced as "Markit" is the proprietary property of Markit North America, Inc., Markit Indices GmbH, Markit Equities Limited and its affiliates ("Markit"), which are the index providers in respect of the relevant Fund and have been licensed for use in connection with the Fund (or other investment vehicles) or securities referenced in and associated to the relevant Fund. Each party acknowledges and agrees that the relevant Fund is not sponsored, endorsed or promoted by Markit. Markit makes no representation whatsoever, whether express or implied, and hereby expressly disclaim all warranties (including, without limitation, those of merchantability or fitness for a particular purpose or use) with respect to the relevant index or any data included therein or relating thereto, and in particular disclaim any warranty either as to the quality, accuracy and/or completeness of the index or any data contained therein, the results obtained from the use of the index and/or the composition of the index at any particular time on any particular date or otherwise and/or the creditworthiness of any entity, or the likelihood of the occurrence of a credit event or similar event (however defined) with respect to an obligation, in the index at any particular time on any specific date or otherwise. Markit shall not be liable (whether in negligence or otherwise) to the parties or any other person for any error in the index, and Markit is under no obligation to advise the parties or any person of any error therein. Markit makes no representation whatsoever, whether express or implied, as to the advisability of purchasing or selling the relevant Fund, the ability of the index to track relevant markets' performances or otherwise relating to the index or any transaction or product with respect thereto, or of assuming any risks in connection therewith. Markit has no obligation to take the needs of any party into consideration in determining, composing or calculating the index. No party purchasing or selling the associated Fund nor Markit shall have any liability to any party for any act or failure to act by Markit in connection with the determination, adjustment, calculation or maintenance of the index. Markit and its affiliates may deal in any obligations that compose the index, and may, where permitted, accept deposits from, make loans or otherwise extend credit to, and generally engage in any commercial or investment banking or other business with the issuers of such obligations or their affiliates, and may act with respect to such business as if the index did not exist, regardless of whether such action might adversely affect the index or the connected Fund.
[5]J.P. Morgan Securities LLC	Information has been obtained from sources believed to be reliable but J.P. Morgan does not warrant its completeness or accuracy. The Index is used with permission. The Index may not be copied, used, or distributed without J.P. Morgan's prior written approval. Copyright 2020, J.P. Morgan Chase & Co. All rights reserved.

Important information

Except where stated as otherwise, the source of all information is Aviva Investors Global Services Limited (AIGSL). Unless stated otherwise any views and opinions are those of Aviva Investors. They should not be viewed as indicating any guarantee of return from an investment managed by Aviva Investors nor as advice of any nature. Information contained herein has been obtained from sources believed to be reliable but has not been independently verified by Aviva Investors and is not guaranteed to be accurate. Past performance is not a guide to the future. The value of an investment and any income from it may go down as well as up and the investor may not get back the original amount invested. Nothing in this material, including any references to specific securities, assets classes and financial markets is intended to or should be construed as advice or recommendations of any nature. This material is not a recommendation to sell or purchase any investment.

In Europe this document is issued by Aviva Investors Luxembourg S.A. Registered Office: 2 rue du Fort Bourbon, 1st Floor, 1249 Luxembourg. Supervised by Commission de Surveillance du Secteur Financier. An Aviva company. In the UK issued by Aviva Investors Global Services Limited. Registered in England No. 1151805. Registered Office: 80 Fenchurch Street, London EC3M 4AE. Authorised and regulated by the Financial Conduct Authority. Firm Reference No. 119178. In France, Aviva Investors France is a portfolio management company approved by the French Authority “Autorité des Marchés Financiers”, under n° GP 97-114, a limited liability company with Board of Directors and Supervisory Board, having a share capital of 17 793 700 euros, whose registered office is located at 14 rue Roquépine, 75008 Paris and registered in the Paris Company Register under n° 335 133 229. In Switzerland, this document is issued by Aviva Investors Schweiz GmbH.

In Singapore, this material is being circulated by way of an arrangement with Aviva Investors Asia Pte. Limited (AIAPL) for distribution to institutional investors only. Please note that AIAPL does not provide any independent research or analysis in the substance or preparation of this material. Recipients of this material are to contact AIAPL in respect of any matters arising from, or in connection with, this material. AIAPL, a company incorporated under the laws of Singapore with registration number 200813519W, holds a valid Capital Markets Services Licence to carry out fund management activities issued under the Securities and Futures Act (Singapore Statute Cap. 289) and Asian Exempt Financial Adviser for the purposes of the Financial Advisers Act (Singapore Statute Cap.110). Registered Office: 138 Market Street, #05-01 CapitaGreen, Singapore 048946. In Australia, this material is being circulated by way of an arrangement with Aviva Investors Pacific Pty Ltd (AIPPL) for distribution to wholesale investors only. Please note that AIPPL does not provide any independent research or analysis in the substance or preparation of this material. Recipients of this material are to contact AIPPL in respect of any matters arising from, or in connection with, this material. AIPPL, a company incorporated under the laws of Australia with Australian Business No. 87 153 200 278 and Australian Company No. 153 200 278, holds an Australian Financial Services License (AFSL 411458) issued by the Australian Securities and Investments Commission. Business Address: Level 30, Collins Place, 35 Collins Street, Melbourne, Vic 3000, Australia.

The name “Aviva Investors” as used in this material refers to the global organization of affiliated asset management businesses operating under the Aviva Investors name. Each Aviva Investors’ affiliate is a subsidiary of Aviva plc, a publicly traded multi-national financial services company headquartered in the United Kingdom. Aviva Investors Canada, Inc. (AIC) is located in Toronto and is registered with the Ontario Securities Commission (OSC) as a Portfolio Manager, an Exempt Market Dealer, and a Commodity Trading Manager. Aviva Investors Americas LLC is a federally registered investment advisor with the U.S. Securities and Exchange Commission. Aviva Investors Americas is also a commodity trading advisor (CTA) registered with the Commodity Futures Trading Commission (CFTC) and is a member of the National Futures Association (NFA). AIA’s Form ADV Part 2A, which provides background information about the firm and its business practices, is available upon written request to: Compliance Department, 225 West Wacker Drive, Suite 2250, Chicago, IL 60606.

Goals and Exclusions: ESG related goals, investment restrictions and/or exclusions, etc. can vary based on country where investments are managed and/or country where the investor is based as well as upon individual client needs and specifications. In some cases, there are no specific ESG restrictions on the Investment Manager’s decisions. Refer to an investment’s offering document or investment management agreement document for specifics details.

594350, June 2024

Contact

Aviva Investors
80 Fenchurch Street
London EC3M 4AE
+44 (0)20 7809 6000

www.avivainvestors.com