

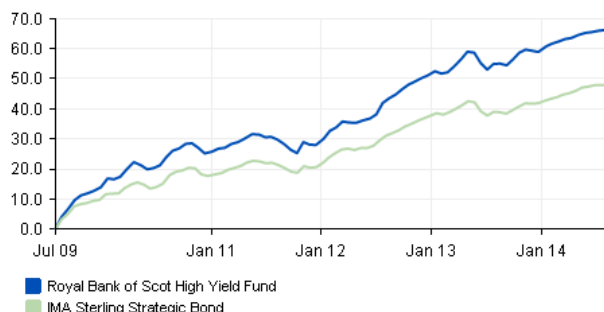
Royal Bank of Scotland

High Yield - August 2014

Fund objective

To provide a high level of income. The Fund will invest in a portfolio of fixed interest securities, principally in securities issued by corporates and supranationals, preference shares and convertibles. The Fund will not be restricted to any particular geographic regions.

Past performance



Powered by data from FE

Source: FE, performance data up to 31/07/14, bid to bid, net income reinvested.

	3m	6m	1Yr	3Yr	5Yr
Fund (%)	1.3	2.8	6.7	26.4	66.2
Sector average (%)	1.3	3.1	5.9	20.6	48.3
Quartile rank within sector	2	3	2	1	1

Source: FE, performance data up to 31/07/14, bid to bid, net income reinvested.

Year on year performance

	31/07/09 31/07/10	31/07/10 31/07/11	31/07/11 31/07/12	31/07/12 31/07/13	31/07/13 31/07/14
Fund (%)	23.1	6.8	8.4	9.4	6.7
Sector average (%)	15.6	6.3	7.4	6.1	5.9
Quartile rank within sector	1	2	2	2	2

Source: FE, performance data up to 31/07/14, bid to bid, net income reinvested.

Fund manager

James Vokins

Manager of this fund since November 2013



Fund manager report*

Sterling investment-grade corporate bonds delivered positive returns in tandem with underlying gilts as renewed banking troubles within the euro zone and a further souring of relations between Russia and the West boosted demand for safe-haven assets. UK government bond prices rose after Portugal's largest lender, Banco Espirito Santo, teetered on the verge of collapse after reporting record losses amid allegations of accounting fraud. The news reignited concern about the financial health of European banks. Appetite for low-risk assets was further boosted after the downing of a Malaysian Airlines jet over Ukraine aggravated an already tense situation. The West, blaming Russian-backed separatists for the atrocity, ratcheted up sanctions on Moscow leading to an intensification of the war of words between the two sides. The rally in gilts occurred despite the Bank of England sending the strongest signal yet that it was preparing to tighten monetary policy. Governor Mark Carney warned interest rates will start to rise in coming months, although he added that with wage growth subdued any increase would be "gradual and limited". High-yield bonds tracked US bonds lower as investors rushed to sell positions after US Fed Chair Janet Yellen stated for a second month running that valuations in high yield appeared to be 'stretched'.

Fund information (31/07/2014)

Fund size	£101.4m
Launch date	13/02/1995
Charges	see policy documentation or aviva.co.uk fund centre
SEDOL	3352021
MEXID	UYINB
Benchmark	IMA £ Strategic Bond
Sector	£ Strategic Bond

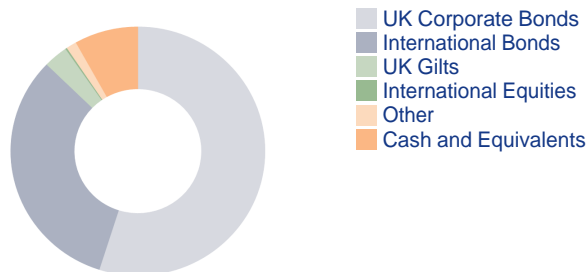
* The opinions expressed are based on the Fund Manager's own internal forecasts and should not be relied upon as indicating any guarantee of return from an investment in our funds. The information contained in this document should not be construed as a recommendation to purchase or sell stocks.

Past performance is not a guide to the future. The value of shares may fall as well as rise and is not guaranteed. The performance shown is net of tax and charges taken from the Fund. It does not take account of any additional product charges.

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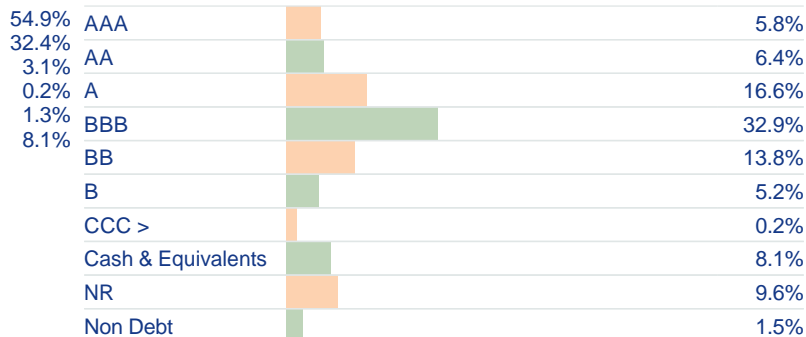
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Asset allocation



Source: Aviva Investors as at 31/07/2014

Credit quality



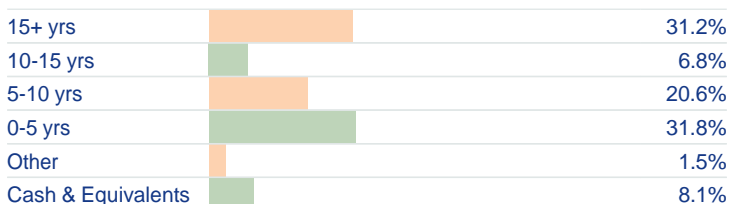
Source: Aviva Investors as at 31/07/2014

Top 10 holdings

HSBC BANK PLC 5.375% 04/11/2030 GBP	1.7%
IMPERIAL TOBACCO FINANCE 9% 17/02/2022	1.6%
MEADOWHALL FINANCE 4.988% M/BKD 12/01/2032 SINKING	1.6%
EUROPEAN INVESTMENT BANK 3% 07/12/2015	1.5%
Safeway 6% 2017	1.5%
SEGRO PLC 6.75% 23/11/2021	1.4%
FRESHWATER FINANCE PLC 4.607% EMTN 17/10/2036 GBP	1.4%
WEST MIDLAND ELEC PPL 5.75% 16/04/2032	1.4%
VIRGIN MEDIA SECURED FINANCE 5.5% 15/01/2025	1.4%
ING BANK NV 6.875% 29/05/2023	1.3%

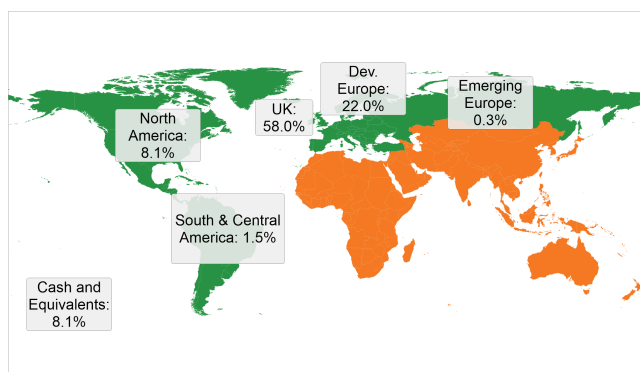
Source: Aviva Investors as at 31/07/2014

Credit maturity



Source: Aviva Investors as at 31/07/2014

Regional allocation



Source: Aviva Investors as at 31/07/2014