

# AVIVA INVESTORS INVESTMENT FUNDS ICVC SHORT REPORT

For the six months ended 15 April 2014

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# AVIVA INVESTORS UK EQUITY FUND

## Investment Objective

Long term capital appreciation and income.

## Investment Policy

Diversified investment within the UK equity market. Individual security selections will be based on price and long term total return prospects.

The Fund may invest in any of the following financial instruments in order to achieve its investment objective: transferable securities, money market instruments, units in collective investment schemes, deposits and derivatives and forward transactions.

## Risk Profile

The Fund can only invest in the UK equity market and movements in the UK equity market will affect Fund performance.

## Fund Manager's Report

The Fund delivered a total return of 1.86 per cent (share class A), net of fees for the six months to 15th April 2014, compared with an average return of 2.22 per cent for its peer group, the IMA\* UK All Companies sector.

Not holding AstraZeneca was detrimental to the performance of the Fund. Shares in the pharmaceutical giant rallied after it suggested it would return to growth earlier than analysts had anticipated. Majestic Wine was another negative, after a slump in February sales triggered a profit warning from the wine-warehouse chain. Although we were disappointed by this turn of events, we have retained a holding in Majestic Wine as we believe that it has strong growth prospects and the shares are undervalued at current levels.

On a brighter note, the Fund's long standing below-benchmark position in banks, which underperformed, and its above-benchmark position in insurers served it well. Prudential and Legal & General shares climbed as results from both insurers impressed. Not holding Barclays, HSBC and Lloyds Banking Group was also beneficial as shares in all three banks tumbled. Stock selection in technology was positive thanks to the Fund's overweight position in Sage and its avoidance of ARM Holdings. The accounting-software giant's shares climbed after a trading update reassured investors about the outlook for 2014 while ARM Holdings tumbled following broker downgrades.

We topped up retailer Sports Direct, which has evolved its on-line offering to be competitive and offer a wider range of higher quality brand names, and initiated a new position in Diageo. The drink manufacturer's share price has been depressed by worries about the economic outlook in China and other emerging markets.

# AVIVA INVESTORS UK EQUITY FUND (CONTINUED)

## **Fund Manager's Report (continued)**

We expect the shares to find a firmer footing once investors refocus on Diageo's strong long-term growth prospects. Following a period of disappointing performance we sold Standard Chartered and engineer Amec.

We are reasonably optimistic on the outlook for UK equities. Dividend yields look attractive when compared to the low returns available on government bonds and cash. Company balance sheets are generally in good shape too. Although equity valuations are less enticing than they were, we can still find attractively priced companies which in our view offer both capital and dividend growth potential. But there are some clouds on the horizon. If the economic recovery were to continue, speculation about the timing of future interest rate increases would intensify.

## **May 2014**

\* IMA is the Investment Management Association, the industry's trade body.

Sources: Fund and peer group performance figures – Lipper, mid to mid basis with net income reinvested in GBP, with no initial charges applied. Market data – Bloomberg.

Any opinions expressed are those of the fund manager. They should not be viewed as a guarantee of a return from an investment in the funds. The content of the commentary should not be viewed as a recommendation to invest nor buy or sell securities. 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.

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# AVIVA INVESTORS UK EQUITY FUND (CONTINUED)

## Fund Facts

Accounting dates	Ex-dividend dates	Distribution dates
15 October	16 October	15 December
15 April	16 April	15 June

Ongoing Charges Figure*	
	<b>15.04.14</b>
Share Class 1	1.00%
Share Class 2	0.82%
Share Class 3	0.32%
Share Class A	1.62%

\* The Ongoing Charges Figure (OCF) is calculated as the ratio of the total ongoing charges to the average net asset value of the Fund over the period. The OCF is made up of the Annual Management Charge and other operating costs deducted from the assets of the Fund during the period, except for those payments that are explicitly excluded (performance fees). The OCF includes transaction charges which were excluded from the Total Expense Ratio (TER) calculations provided previously. The OCF has replaced the TER.

## Revenue Distributions – Income Shares

Interim distribution for the six months ended 15 April 2014.

	Pence per share payable 15.06.14	Pence per share paid 15.06.13
Share Class 1	0.9395	0.8075
Share Class 2	1.2646	1.1387
Share Class 3	2.5424	2.1857
Share Class A	0.8171	0.7071

## Revenue Distributions – Accumulation Shares

Interim distribution for the six months ended 15 April 2014.

	Pence per share payable 15.06.14	Pence per share paid 15.06.13
Share Class 2	2.2217	1.8606

## Net Asset Value – Income Shares\*<sup>1</sup>

	Pence per share 15.04.14	Pence per share 15.10.13	Change
Share Class 1	98.13	96.94	1.23%
Share Class 2	120.30	118.86	1.21%
Share Class 3	194.62	192.31	1.20%
Share Class A	128.42	126.87	1.22%

\* Valued at bid market prices.

<sup>1</sup> The net asset value of income shares will exclude any income paid/payable to investors.

## Net Asset Value – Accumulation Shares\*

	Pence per share 15.04.14	Pence per share 15.10.13	Change
Share Class 2	213.74	208.97	2.28%

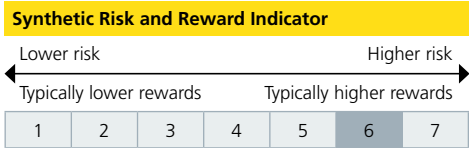
\* Valued at bid market prices.

# AVIVA INVESTORS UK EQUITY FUND (CONTINUED)

Total Return		
	Fund <sup>2</sup>	FTSE® All Share <sup>3</sup>
Share Class 1	2.20%	1.94%
Share Class 2	2.27%	1.94%
Share Class 3	2.52%	1.94%
Share Class A	1.86%	1.94%

<sup>2</sup> Source: Aviva Investors (based on midday values, mid to mid basis, net income reinvested, net of fees) six months ended 15 April 2014.

<sup>3</sup> Source: Lipper (based on close of business values) six months ended 15 April 2014.



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

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

# AVIVA INVESTORS UK EQUITY FUND (CONTINUED)

Top Ten Holdings	
15.04.14	
GlaxoSmithKline	4.83%
BT	4.73%
Rio Tinto	4.69%
BHP Billiton	3.97%
Compass	3.46%
Reed Elsevier	3.36%
Vodafone	3.36%
BBA Aviation	3.27%
Prudential	3.27%
Sage	3.17%

15.10.13	
GlaxoSmithKline	5.03%
BT	4.80%
Vodafone	4.28%
Rio Tinto	4.13%
BHP Billiton	3.43%
BBA Aviation	3.43%
Reed Elsevier	3.36%
Melrose	3.28%
Prudential	3.10%
Legal & General	2.80%

Portfolio Breakdown		
	15.04.14	15.10.13
Media	9.36%	7.09%
Travel & Leisure	8.95%	6.74%
Support Services	8.89%	8.14%
Mining	8.66%	8.16%
Life Insurance	6.94%	7.10%
General Financial	6.63%	5.97%
Mobile Telecommunications	4.87%	5.52%
Pharmaceuticals & Biotechnology	4.83%	5.03%
Fixed Line Telecommunications	4.73%	4.80%
Oil & Gas Producers	4.56%	4.64%
Other Sectors	30.25%	36.32%
Total Investments	98.67%	99.51%
Net Other Assets	1.33%	0.49%
Net Assets	100.00%	100.00%



# AVIVA INVESTORS UK EQUITY FUND (CONTINUED)

Share Price Record – Income Shares			
Share class	Calendar year	Highest price* (p)	Lowest price* (p)
Class 1	2009	70.79	45.17
	2010	79.00	65.53
	2011	83.60	69.31
	2012	86.15	75.14
	2013	101.84	85.30
	2014***	104.61	98.11
Class 2	2012**	104.00	98.45
	2013	124.91	104.69
	2014***	128.33	120.35
Class 3	2009	140.71	89.95
	2010	156.99	130.28
	2011	166.16	137.86
	2012	171.37	149.19
	2013	202.31	169.46
	2014***	208.02	195.00
Class A	2009	92.67	59.06
	2010	103.40	85.78
	2011	109.38	90.61
	2012	112.52	98.36
	2013	133.11	111.53
	2014***	136.57	128.14

\* Valued at mid market prices.

\*\* From 20 August 2012 (date of launch).

\*\*\* Up to 15 April 2014.

Share Price Record – Accumulation Shares			
Share class	Calendar year	Highest price* (p)	Lowest price* (p)
Class 2	2009	136.75	84.70
	2010	156.57	128.10
	2011	167.41	138.82
	2012	177.74	154.83
	2013	219.63	179.08
	2014**	225.65	211.60

\* Valued at mid market prices.

\*\* Up to 15 April 2014.

# AVIVA INVESTORS UK EQUITY FUND (CONTINUED)

## Revenue Record – Income Shares

The revenue record table below shows the net distribution rates per calendar year on a payment date basis for an investment made on 2 January 2009 (20 August 2012 for Share Class 2).

Share class	Calendar year	Net revenue per share (p)	Per £1,000 invested (£)
Class 1	2009	1.6812	30.13
	2010	1.7548	31.45
	2011	2.0731	37.16
	2012	2.2771	40.81
	2013	2.3891	42.82
	2014**	0.9395	16.84
	2014**	0.9395	16.84
Class 2	2012*	0.2676	2.68
	2013	3.1878	31.88
	2014**	1.2646	11.41
Class 3	2009	4.0878	36.85
	2010	4.4335	39.97
	2011	5.1647	46.56
	2012	5.5940	50.43
	2013	5.9666	53.79
	2014**	2.5424	22.92
Class A	2009	1.8262	25.00
	2010	1.8210	24.93
	2011	2.0873	28.57
	2012	2.3262	31.84
	2013	2.3903	32.72
	2014**	0.8171	11.18

\* From 20 August 2012 (date of launch).

\*\* Up to 15 June 2014 (the interim distribution payment date).

## Revenue Record – Accumulation Shares

The revenue record table below shows the net distribution rates per calendar year on a payment date basis for an investment made on 2 January 2009.

Share class	Calendar year	Net revenue per share (p)	Per £1,000 invested (£)
Class 2	2009	3.4687	33.18
	2010	3.7941	36.29
	2011	4.4130	42.21
	2012	4.9602	47.44
	2013	5.3963	51.61
	2014*	2.2217	21.25
	2014*	2.2217	21.25

\* Up to 15 June 2014 (the interim distribution payment date).

# AVIVA INVESTORS UK EQUITY FUND (CONTINUED)

Calendar Year Performance		
Total Return	Fund <sup>4</sup> %	FTSE® All Share <sup>5</sup> %
2009		
Share Class 1	30.85	30.12
Share Class 2	31.20	30.12
Share Class 3	31.66	30.12
Share Class A	30.23	30.12
2010		
Share Class 1	13.82	14.51
Share Class 2	14.06	14.51
Share Class 3	14.51	14.51
Share Class A	13.21	14.51
2011		
Share Class 1	(0.34)	(3.46)
Share Class 2	(0.15)	(3.46)
Share Class 3	0.32	(3.46)
Share Class A	(0.97)	(3.46)
2012		
Share Class 1	13.41	12.30
Share Class 2	13.57	12.30
Share Class 3	14.14	12.30
Share Class A	12.66	12.30
2013		
Share Class 1	24.63	20.81
Share Class 2	24.82	20.81
Share Class 3	25.45	20.81
Share Class A	23.83	20.81

Calendar Year Performance (continued)		
Total Return	Fund <sup>4</sup> %	FTSE® All Share <sup>5</sup> %
2014*		
Share Class 1	(2.66)	(1.93)
Share Class 2	(2.62)	(1.93)
Share Class 3	(2.48)	(1.93)
Share Class A	(2.85)	(1.93)

<sup>4</sup> Source: Aviva Investors (based on midday values, mid to mid basis, net income reinvested, net of fees).

<sup>5</sup> Source: Lipper (based on close of business values).

\* Up to 15 April 2014.

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

# AVIVA INVESTORS UK EQUITY INCOME FUND

## Investment Objective

A dividend yield above that obtainable on the FTSE® All-Share Index.

## Investment Policy

Investment principally in UK equities judged to offer high yield, above average prospects of dividend growth and long term capital growth.

The Fund may invest in any of the following financial instruments in order to achieve its investment objective: transferable securities, money market instruments, units in collective investment schemes, deposits and derivatives and forward transactions.

## Risk Profile

The Fund will invest principally in the UK equity market and movements in the UK equity market will affect Fund performance. The Fund pays all of its annual management charge from capital, this will have the effect of restricting capital growth.

## Fund Manager's Report

The Fund delivered a total return of 1.90 per cent (share class A), net of fees, compared with an average return of 3.51 per cent for its peer group the IMA\* UK Equity Income sector.

Food retailers were under pressure as Wm Morrison's plans to cut prices over the next three years, to counter the threat posed by discounters Aldi and Lidl, sparked fears of a price war in the sector. Shares in Wm Morrison, which the Fund does not hold, fell furthest but J Sainsbury and Tesco, which are held, also tumbled. Not holding Royal Dutch Shell was another negative. Shares in the oil company hit a two-year high at the end of the period amid growing optimism that the new chief executive will cut wasteful exploration spending.

On a brighter note, stock selection in technology was positive thanks to the Fund's overweight position in Sage and its avoidance of ARM Holdings. The accounting software giant's shares climbed after a trading update reassured investors about the outlook for 2014 while ARM Holdings tumbled following broker downgrades. The Fund's long-standing below-benchmark position in banks, which underperformed, and its above-benchmark position in insurers served it well. Prudential and Legal & General shares climbed as results from both insurers impressed. Not holding Barclays, HSBC and Lloyds Banking Group was also beneficial as shares in all three banks tumbled.

Takeover activity helped Fund performance. Specifically, the Fund's stake in F&C Asset Management was beneficial, as the Fund management group's shares soared after Canadian bank BMO Financial tabled a bid.

# AVIVA INVESTORS UK EQUITY INCOME FUND (CONTINUED)

## **Fund Manager's Report (continued)**

We sold the holding in Asia-focused bank Standard Chartered and bookmaker William Hill. Standard Chartered has been a disappointing performer and we felt we could find better investment opportunities elsewhere. William Hill, by contrast, had performed well over the long term but concerns over the health of the company's Australian operation prompted the sale. Infinis Energy was a new position. Infinis Energy build and run wind farms and so will benefit from the growth of alternative energy sources. We also topped up DS Smith, which produces and supplies recycled packaging. The stock has an attractive yield and a talented and acquisitive management team.

We are reasonably optimistic on the outlook for UK equities. Dividend yields look attractive when compared to the low returns available on government bonds and cash. Company balance sheets are generally in good shape too. Although equity valuations are less enticing than they were, we can still find attractively priced companies which in our view offer both capital and dividend growth potential. But there are some clouds on the horizon. If the economic recovery were to continue, speculation about the timing of future interest rate increases would intensify.

**May 2014**

\* IMA is the Investment Management Association, the industry's trade body.

Sources: Fund and peer group performance figures – Lipper, mid to mid basis with net income reinvested in GBP, with no initial charges applied. Market data – Bloomberg.

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# AVIVA INVESTORS UK EQUITY INCOME FUND (CONTINUED)

## Fund Facts

Accounting dates	Ex-dividend dates	Distribution dates
15 October	16 October	15 December
15 April	16 April	15 June

Ongoing Charges Figure*	
	<b>15.04.14</b>
Share Class 1	1.00%
Share Class 2	0.81%
Share Class 3	0.31%
Share Class 4	1.11%
Share Class A	1.61%

\* The Ongoing Charges Figure (OCF) is calculated as the ratio of the total ongoing charges to the average net asset value of the Fund over the period. The OCF is made up of the Annual Management Charge and other operating costs deducted from the assets of the Fund during the period, except for those payments that are explicitly excluded (performance fees). The OCF includes transaction charges which were excluded from the Total Expense Ratio (TER) calculations provided previously. The OCF has replaced the TER.

## Revenue Distributions – Income Shares

Interim distribution for the six months ended 15 April 2014.

	Pence per share payable 15.06.14	Pence per share paid 15.06.13
Share Class 1	1.2820	1.3952
Share Class 2	1.9695	2.1614
Share Class 3	2.7633	2.9920
Share Class 4	1.7245	1.2375
Share Class A	1.6568	1.8379

## Revenue Distributions – Accumulation Shares

Interim distribution for the six months ended 15 April 2014.

	Pence per share payable 15.06.14	Pence per share paid 15.06.13
Share Class 2	2.1857	2.3302
Share Class 3	3.6372	3.7691
Share Class 4	1.7849	1.2379
Share Class A	1.8442	1.9745

# AVIVA INVESTORS UK EQUITY INCOME FUND (CONTINUED)

## Net Asset Value – Income Shares\*<sup>1</sup>

	Pence per share 15.04.14	Pence per share 15.10.13	Change
Share Class 1	82.83	82.29	0.66%
Share Class 2	131.90	130.87	0.79%
Share Class 3	179.66	177.90	0.99%
Share Class 4	115.83	115.10	0.63%
Share Class A	111.08	110.66	0.38%

\* Valued at bid market prices.

<sup>1</sup> The net asset value of income shares will exclude any income paid/payable to investors.

## Net Asset Value – Accumulation Shares\*

	Pence per share 15.04.14	Pence per share 15.10.13	Change
Share Class 2	148.71	145.39	2.28%
Share Class 3	237.72	231.83	2.54%
Share Class 4	121.29	118.76	2.13%
Share Class A	125.32	123.01	1.88%

\* Valued at bid market prices.

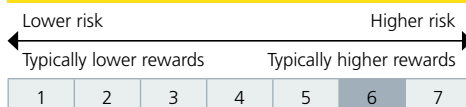
## Total Return

	Fund <sup>2</sup>	FTSE® All Share <sup>3</sup>
Share Class 1	2.24%	1.94%
Share Class 2	2.32%	1.94%
Share Class 3	2.56%	1.94%
Share Class 4	2.16%	1.94%
Share Class A	1.90%	1.94%

<sup>2</sup> Source: Aviva Investors (based on midday values, mid to mid basis, net income reinvested, net of fees) six months ended 15 April 2014.

<sup>3</sup> Source: Lipper (based on close of business values) six months ended 15 April 2014.

## Synthetic Risk and Reward Indicator



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

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

# AVIVA INVESTORS UK EQUITY INCOME FUND (CONTINUED)

Top Ten Holdings	
15.04.14	
Rio Tinto	4.67%
GlaxoSmithKline	4.28%
BT	3.69%
BHP Billiton	3.68%
BP	3.53%
Centrica	3.33%
Vodafone	3.29%
BBA Aviation	3.06%
Compass	2.97%
Diageo	2.64%

15.10.13	
Vodafone	4.68%
GlaxoSmithKline	4.17%
Rio Tinto	3.85%
Intermediate Capital	3.83%
BT	3.58%
BP	3.43%
BBA Aviation	3.26%
BHP Billiton	3.03%
Melrose	2.91%
Tesco	2.80%

Portfolio Breakdown		
	15.04.14	15.10.13
Mining	8.35%	6.88%
General Financial	7.58%	7.23%
Life Insurance	7.38%	6.55%
Travel & Leisure	7.13%	7.38%
Media	7.07%	5.97%
Pharmaceuticals & Biotechnology	5.48%	5.66%
Gas, Water & Multiutilities	5.43%	6.82%
General Industrials	5.35%	3.21%
Fixed Line Telecommunications	5.29%	5.15%
Industrial Transportation	4.79%	4.59%
Other Sectors	34.25%	38.26%
Total Investments	98.10%	97.70%
Net Other Assets	1.90%	2.30%
Net Assets	100.00%	100.00%



# AVIVA INVESTORS UK EQUITY INCOME FUND (CONTINUED)

Share Price Record – Income Shares			
Share class	Calendar year	Highest price* (p)	Lowest price* (p)
Class 1	2009	60.52	42.42
	2010	66.23	55.22
	2011	69.69	58.64
	2012	71.74	62.30
	2013	85.55	71.56
	2014***	87.97	83.14
Class 2	2009	95.36	66.69
	2010	104.61	87.13
	2011	110.24	92.76
	2012	113.76	98.78
	2013	136.12	113.61
	2014***	139.98	132.29
Class 3	2009	127.56	88.93
	2010	140.51	116.80
	2011	148.40	124.95
	2012	153.93	133.43
	2013	185.21	153.88
	2014***	190.61	180.08
Class 4	2012**	100.00	100.00
	2013	119.63	100.00
	2014***	122.97	116.23
Class A	2009	83.08	58.47
	2010	90.41	75.59
	2011	94.87	79.76
	2012	96.97	84.41
	2013	114.89	96.60
	2014***	118.02	111.58

\* Valued at mid market prices.

\*\* From 10 December 2012 (date of launch).

\*\*\* Up to 15 April 2014.

Share Price Record – Accumulation Shares			
Share class	Calendar year	Highest price* (p)	Lowest price* (p)
Class 2	2011**	107.49	92.70
	2012	120.54	102.92
	2013	151.21	121.59
	2014†	155.50	146.95
Class 3	2009	141.36	93.94
	2010	161.88	132.05
	2011	173.73	146.28
	2012	191.38	162.98
	2013	241.37	193.08
Class 4	2014†	248.41	234.69
	2012***	100.00	100.00
	2013	123.43	100.00
	2014†	126.88	119.93
Class A	2011**	92.52	79.75
	2012	102.68	88.08
	2013	127.72	103.54
	2014†	131.19	124.03

\* Valued at mid market prices.

\*\* From 18 July 2011 (date of launch).

\*\*\* From 10 December 2012 (date of launch).

† Up to 15 April 2014.

# AVIVA INVESTORS UK EQUITY INCOME FUND (CONTINUED)

## Revenue Record – Income Shares

The revenue record table below shows the net distribution rates per calendar year on a payment date basis for an investment made on 2 January 2009 (10 December 2012 for Share Class 4).

Share class	Calendar year	Net revenue per share (p)	Per £1,000 invested (£)
Class 1	2009	2.5133	48.18
	2010	2.4808	47.56
	2011	2.6638	51.06
	2012	3.0152	57.80
	2013	3.0471	58.41
	2014**	1.2820	24.58
Class 2	2009	3.9856	48.62
	2010	3.8972	47.54
	2011	4.1341	50.43
	2012	4.6741	57.02
	2013	4.7246	57.64
	2014**	1.9695	24.03
Class 3	2009	5.2578	45.57
	2010	5.2260	45.29
	2011	5.6469	48.94
	2012	6.4299	55.73
	2013	6.5463	56.74
Class 4	2012*	N/A	N/A
	2013	3.4958	34.96
	2014**	1.7245	17.25
Class A	2009	3.4730	48.25
	2010	3.3905	47.11
	2011	3.5618	49.49
	2012	3.9940	55.49
	2013	3.9954	55.51
	2014**	1.6568	23.02

\* From 10 December 2012 (date of launch).

\*\* Up to 15 June 2014 (the interim distribution payment date).

## Revenue Record – Accumulation Shares

The revenue record table below shows the net distribution rates per calendar year on a payment date basis for an investment made on 2 January 2009 (18 July 2011 for Share Class 2 and Share Class A and 10 December 2012 for Share Class 4).

Share class	Calendar year	Net revenue per share (p)	Per £1,000 invested (£)
Class 2	2011*	1.0621	10.12
	2012	4.9225	46.90
	2013	5.0707	48.31
	2014***	2.1857	20.83
Class 3	2009	5.6304	48.80
	2010	5.8479	50.68
	2011	6.5686	56.93
	2012	7.7969	67.58
	2013	8.3122	72.04
Class 4	2014***	3.6372	31.52
	2012**	N/A	N/A
	2013	3.5297	35.30
Class A	2014***	1.7849	17.85
	2011*	4.1917	46.41
	2012	4.2578	47.15
	2013	4.2836	47.43
	2014***	1.8442	20.42

\* From 18 July 2011 (date of launch).

\*\* From 10 December 2012 (date of launch).

\*\*\* Up to 15 June 2014 (the interim distribution payment date).

# AVIVA INVESTORS UK EQUITY INCOME FUND (CONTINUED)

Calendar Year Performance		
Total Return	Fund <sup>4</sup> %	FTSE® All Share <sup>5</sup> %
2009		
Share Class 1	21.65	30.12
Share Class 2	22.02	30.12
Share Class 3	22.44	30.12
Share Class A	21.05	30.12
2010		
Share Class 1	13.09	14.51
Share Class 2	13.40	14.51
Share Class 3	13.88	14.51
Share Class A	12.50	14.51
2011		
Share Class 1	0.40	(3.46)
Share Class 2	0.54	(3.46)
Share Class 3	1.03	(3.46)
Share Class A	0.26	(3.46)
2012		
Share Class 1	16.27	12.30
Share Class 2	16.47	12.30
Share Class 3	17.08	12.30
Share Class 4*	0.00	(0.04)
Share Class A	15.54	12.30
2013		
Share Class 1	26.63	20.81
Share Class 2	26.79	20.81
Share Class 3	27.48	20.81
Share Class 4	23.57	20.81
Share Class A	25.85	20.81

Calendar Year Performance (continued)		
Total Return	Fund <sup>4</sup> %	FTSE® All Share <sup>5</sup> %
2014**		
Share Class 1	(1.62)	(1.93)
Share Class 2	(1.59)	(1.93)
Share Class 3	(1.45)	(1.93)
Share Class 4	(1.68)	(1.93)
Share Class A	(1.82)	(1.93)

<sup>4</sup> Source: Aviva Investors (based on midday values, mid to mid basis, net income reinvested, net of fees).

<sup>5</sup> Source: Lipper (based on close of business values).

\* From 10 December 2012 (date of launch).

\*\* Up to 15 April 2014.

The value of an investment in the Aviva Investors UK Equity Income Fund and any revenue from it can go down as well as up. You may not get back the original amount invested. Past performance is not a guide to future performance.

# AVIVA INVESTORS UK GROWTH FUND

## Investment Objective

Long term capital appreciation.

## Investment Policy

Investment principally in UK equities based on price and prospects of above average earnings growth.

The Fund may invest in any of the following financial instruments in order to achieve its investment objective: transferable securities, money market instruments, units in collective investment schemes, deposits and derivatives and forward transactions.

## Risk Profile

The Fund will invest principally in the UK equity market and movements in the UK equity market will affect Fund performance.

## Fund Manager's Report

The Fund delivered a total return of 0.22 per cent (share class A), net of fees, compared with an average return of 2.22 per cent for its peer group the IMA\* UK All Companies sector.

Stock selection in the oil & gas sector was negative. The Fund's holding in BG was detrimental to the performance of the Fund. BG shares fell on news gas production would be below expectations in 2014 and 2015, due to the Egyptian government diverting gas to the domestic market leaving less to export. Not holding Royal Dutch Shell also hurt performance, as the oil company's shares rallied amid growing optimism that the new chief executive will cut wasteful exploration spending and improve shareholder returns.

On a positive note, several of the Fund's holdings in the industrial sector outperformed. Specifically an overweight position in Ashtead added value. Shares in the industrial equipment hire firm jumped after it unveiled a big jump in profits thanks partly to a strong performance of its US construction equipment rental business. Stakes in engineering groups Babcock and WS Atkins were also beneficial. Other strong performers included Sage Group and RPC. The accounting and payroll software provider leapt after its revenue growth exceeded analysts' expectations and it raised its dividend while investors welcomed RPC's results and its sensible acquisition of packaging company Maynard & Harris.

ARM Holdings, which makes the chips which power iPhones, and cash and carry retailer Booker were new additions to the Fund. In our opinion, both companies have strong long-term growth prospects.

# AVIVA INVESTORS UK GROWTH FUND (CONTINUED)

## **Fund Manager's Report (continued)**

Looking ahead, we are reasonably optimistic on the outlook for UK equities. Dividend yields look attractive when compared to the low returns available on government bonds and cash. Company balance sheets are generally in good shape too. But there are some clouds on the horizon. If the economic recovery continues, speculation about the timing of future interest rate increases will intensify. On a positive note, although equity valuations are less enticing than they were, we can still find attractively priced companies which in our view offer both capital growth potential.

**May 2014**

\* IMA is the Investment Management Association, the industry's trade body.

Sources: Fund and peer group performance figures – Lipper, mid to mid basis with net income reinvested in GBP, with no initial charges applied. Market data – Bloomberg.

Any opinions expressed are those of the fund manager. They should not be viewed as a guarantee of a return from an investment in the funds. The content of the commentary should not be viewed as a recommendation to invest nor buy or sell securities. 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.

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# AVIVA INVESTORS UK GROWTH FUND (CONTINUED)

## Fund Facts

Accounting dates	Ex-dividend dates	Distribution dates
15 October	16 October	15 December
15 April	16 April	15 June

Ongoing Charges Figure*	
	<b>15.04.14</b>
Share Class 1	1.00%
Share Class 2	0.83%
Share Class 3	0.33%
Share Class A	1.63%

\* The Ongoing Charges Figure (OCF) is calculated as the ratio of the total ongoing charges to the average net asset value of the Fund over the period. The OCF is made up of the Annual Management Charge and other operating costs deducted from the assets of the Fund during the period, except for those payments that are explicitly excluded (performance fees). The OCF includes transaction charges which were excluded from the Total Expense Ratio (TER) calculations provided previously. The OCF has replaced the TER.

## Revenue Distributions – Income Shares

Interim distribution for the six months ended 15 April 2014.

	Pence per share payable 15.06.14	Pence per share paid 15.06.13
Share Class 3	1.9392	2.1353

## Revenue Distributions – Accumulation Shares

Interim distribution for the six months ended 15 April 2014.

	Pence per share payable 15.06.14	Pence per share paid 15.06.13
Share Class 1	0.7862	0.9635
Share Class 2	1.3821	1.6131
Share Class 3	2.3303	2.4772
Share Class A	0.3138	0.5515

# AVIVA INVESTORS UK GROWTH FUND (CONTINUED)

## Net Asset Value – Income Shares\*<sup>1</sup>

	Pence per share 15.04.14	Pence per share 15.10.13	Change
Share Class 3	210.65	210.87	(0.10)%

\* Valued at bid market prices.

<sup>1</sup> The net asset value of income shares will exclude any income paid/payable to investors.

## Net Asset Value – Accumulation Shares\*

	Pence per share 15.04.14	Pence per share 15.10.13	Change
Share Class 1	139.08	138.40	0.49%
Share Class 2	209.50	208.32	0.57%
Share Class 3	255.19	253.13	0.81%
Share Class A	129.22	129.01	0.16%

\* Valued at bid market prices.

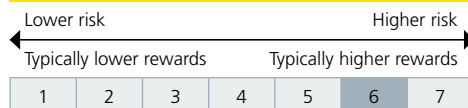
## Total Return

	Fund <sup>2</sup>	FTSE® All Share <sup>3</sup>
Share Class 1	0.53%	1.94%
Share Class 2	0.62%	1.94%
Share Class 3	0.86%	1.94%
Share Class A	0.22%	1.94%

<sup>2</sup> Source: Aviva Investors (based on midday values, mid to mid basis, net income reinvested, net of fees) six months ended 15 April 2014.

<sup>3</sup> Source: Lipper (based on close of business values) six months ended 15 April 2014.

## Synthetic Risk and Reward Indicator



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

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

# AVIVA INVESTORS UK GROWTH FUND (CONTINUED)

Top Ten Holdings	
15.04.14	
Rio Tinto	3.02%
GlaxoSmithKline	2.85%
Prudential	2.77%
Barclays	2.77%
Compass	2.72%
BT	2.61%
Aviva	2.52%
Paragon	2.38%
Northgate	2.20%
Innovation Group	2.18%

15.10.13	
Barclays	3.21%
HSBC	2.84%
GlaxoSmithKline	2.81%
Rio Tinto	2.80%
Vodafone	2.78%
BT	2.50%
Prudential	2.48%
BHP Billiton	2.27%
BG	2.19%
Compass	2.08%

Portfolio Breakdown		
	15.04.14	15.10.13
Oil & Gas Producers	10.16%	10.60%
Pharmaceuticals & Biotechnology	7.78%	5.24%
Software & Computer Services	6.83%	4.84%
Support Services	6.59%	7.11%
Media	6.54%	5.77%
Banks	4.64%	8.07%
Travel & Leisure	4.57%	6.37%
General Financial	3.76%	7.02%
Real Estate	3.35%	4.33%
Mining	3.02%	5.07%
Other Sectors	41.93%	33.18%
Total Investments	99.17%	97.60%
Net Other Assets	0.83%	2.40%
Net Assets	100.00%	100.00%



# AVIVA INVESTORS UK GROWTH FUND (CONTINUED)

Share Price Record – Income Shares			
Share class	Calendar year	Highest price* (p)	Lowest price* (p)
Class 3	2009	151.04	94.04
	2010	176.68	142.30
	2011	183.84	148.47
	2012	182.94	158.51
	2013	223.45	185.37
	2014**	228.01	211.02

\* Valued at mid market prices.

\*\* Up to 15 April 2014.

Share Price Record – Accumulation Shares			
Share class	Calendar year	Highest price* (p)	Lowest price* (p)
Class 1	2009	91.02	54.99
	2010	109.11	86.04
	2011	114.26	92.15
	2012	117.02	100.67
	2013	146.46	119.15
	2014**	149.27	138.05
Class 2	2009	136.10	82.09
	2010	163.50	128.70
	2011	171.35	138.26
	2012	175.90	151.20
	2013	220.51	179.11
	2014**	224.82	207.95
Class 3	2009	162.49	97.75
	2010	195.97	153.74
	2011	205.91	166.35
	2012	212.93	182.52
	2013	268.22	216.85
	2014**	273.70	253.30
Class A	2009	86.82	52.64
	2010	103.54	82.02
	2011	108.07	87.02
	2012	109.63	94.67
	2013	136.33	111.62
	2014**	138.79	128.27

\* Valued at mid market prices.

\*\* Up to 15 April 2014.

# AVIVA INVESTORS UK GROWTH FUND (CONTINUED)

## Revenue Record – Income Shares

The revenue record table below shows the net distribution rates per calendar year on a payment date basis for an investment made on 2 January 2009.

Share class	Calendar year	Net revenue per share (p)	Per £1,000 invested (£)
Class 3	2009	4.3317	37.65
	2010	5.0475	43.88
	2011	4.2727	37.14
	2012	4.8891	42.50
	2013	5.3442	46.46
	2014*	1.9392	16.86

\* Up to 15 June 2014 (the interim distribution payment date).

## Revenue Record – Accumulation Shares

The revenue record table below shows the net distribution rates per calendar year on a payment date basis for an investment made on 2 January 2009.

Share class	Calendar year	Net revenue per share (p)	Per £1,000 invested (£)
Class 1	2009	2.0912	30.94
	2010	2.4384	36.08
	2011	1.9566	28.95
	2012	2.3617	34.94
	2013	2.5866	38.27
	2014*	0.7862	11.63
Class 2	2009	3.4072	33.80
	2010	4.0219	39.89
	2011	3.2148	31.89
	2012	3.8161	37.85
	2013	4.2353	42.01
	2014*	1.3821	13.71
Class 3	2009	4.5474	37.92
	2010	5.4706	45.61
	2011	4.8179	40.17
	2012	5.5658	46.41
	2013	6.2440	52.06
	2014*	2.3303	19.43
Class A	2009	1.6586	25.60
	2010	1.8655	28.80
	2011	1.2291	18.97
	2012	1.5879	24.51
	2013	1.6771	25.89
	2014*	0.3138	4.84

\* Up to 15 June 2014 (the interim distribution payment date).

# AVIVA INVESTORS UK GROWTH FUND (CONTINUED)

Calendar Year Performance		
Total Return	Fund <sup>4</sup> %	FTSE® All Share <sup>5</sup> %
2009		
Share Class 1	34.98	30.12
Share Class 2	35.29	30.12
Share Class 3	35.87	30.12
Share Class A	34.31	30.12
2010		
Share Class 1	20.28	14.51
Share Class 2	20.54	14.51
Share Class 3	21.01	14.51
Share Class A	19.66	14.51
2011		
Share Class 1	(7.34)	(3.46)
Share Class 2	(7.18)	(3.46)
Share Class 3	(6.71)	(3.46)
Share Class A	(7.93)	(3.46)
2012		
Share Class 1	15.48	12.30
Share Class 2	15.66	12.30
Share Class 3	16.25	12.30
Share Class A	14.74	12.30
2013		
Share Class 1	25.70	20.81
Share Class 2	25.89	20.81
Share Class 3	26.48	20.81
Share Class A	24.89	20.81

Calendar Year Performance (continued)		
Total Return	Fund <sup>4</sup> %	FTSE® All Share <sup>5</sup> %
2014*		
Share Class 1	(4.90)	(1.93)
Share Class 2	(4.85)	(1.93)
Share Class 3	(4.72)	(1.93)
Share Class A	(5.07)	(1.93)

<sup>4</sup> Source: Aviva Investors (based on midday values, mid to mid basis, net income reinvested, net of fees).

<sup>5</sup> Source: Lipper (based on close of business values).

\* Up to 15 April 2014.

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# AVIVA INVESTORS UK INCOME & GROWTH FUND

## Investment Objective

Long term capital appreciation and income.

## Investment Policy

Diversified investment within the UK equity market. Individual security selections will be based on price and long term total return prospects.

The Fund may invest in any of the following financial instruments in order to achieve its investment objective: transferable securities, money market instruments, units in collective investment schemes, deposits and derivatives and forward transactions.

## Risk Profile

The Fund will invest principally in the UK equity market and movements in the UK equity market will affect Fund performance.

## Fund Manager's Report

The Fund delivered a total return of 2.00 per cent (share class 1), net of fees, compared to an average return of 2.22 per cent for its peer group the IMA\* UK All Companies sector.

Stock selection in technology was mixed. On the negative side, the Fund's overweight position in Spirent Communications was detrimental to the performance of the Fund. Shares in the telecom testing equipment firm tumbled after it said fourth-quarter revenue would be lower than expected due to shipment delays. However, this was more than offset by the positive impact of the Fund's stake in Sage and its avoidance of ARM Holdings. The accounting software giant's shares climbed after a trading update reassured investors about the outlook for 2014 while ARM Holdings tumbled following broker downgrades. Centrica was another disappointing performer. Shares in the utility company fell as the UK energy secretary hinted that its British Gas subsidiary might be broken up.

The Fund's strategic positioning in relation to the financial sector, specifically an above-benchmark position in insurers and a below-benchmark position in banks, served it well. In the former sector, stakes in Prudential and Aviva added value. Prudential shares climbed after its results impressed while Aviva benefited from investors' growing confidence in its restructuring programme. Not holding HSBC, Lloyds Banking Group and Royal Bank of Scotland helped, as shares in all three banks tumbled, although Standard Chartered, which is held in the Fund, was a weak performer too. A holding in ICAP was positive, as shares in interdealer broker climbed after its full-year results beat expectations.

# AVIVA INVESTORS UK INCOME & GROWTH FUND (CONTINUED)

## Fund Manager's Report (continued)

Outside of the financial sector, other noteworthy contributors included Stagecoach, which raced ahead after the transport group reassured investors that profits for the year to end of April are likely to be in line with previous forecasts despite recent storms and flooding in the area covered by its South West Trains franchise.

We initiated a new position in Diageo. The drink manufacturer's share price has been depressed by worries about the economic outlook in China and other emerging markets. We expect the shares to find a firmer footing once investors refocus on Diageo's strong long-term growth prospects. We sold out of miner Anglo American and reinvested the proceeds into BHP Billiton and Rio Tinto which we think have better prospects for future cash flow given their aggressive cost-cutting plans.

We are reasonably optimistic on the outlook for UK equities. Dividend yields look attractive when compared to the low returns available on government bonds and cash. Company balance sheets are generally in good shape too. But there are some clouds on the horizon. If the economic recovery continues, speculation about the timing of future interest rate increases will intensify. On a positive note, although equity valuations are less enticing than they were, we can still find attractively priced companies which in our view offer both capital and dividend growth potential.

**May 2014**

\* IMA is the Investment Management Association, the industry's trade body.

Sources: Fund and peer group performance figures – Lipper, mid to mid basis with net income reinvested in GBP, with no initial charges applied. Market data – Bloomberg.

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# AVIVA INVESTORS UK INCOME & GROWTH FUND (CONTINUED)

## Fund Facts

Accounting dates	Ex-dividend dates	Distribution dates
15 October	16 October	15 December
15 April	16 April	15 June

Ongoing Charges Figure*	
	<b>15.04.14</b>
Share Class 1	1.63%
Share Class 3	0.33%
Share Class R3	0.83%

\* The Ongoing Charges Figure (OCF) is calculated as the ratio of the total ongoing charges to the average net asset value of the Fund over the period. The OCF is made up of the Annual Management Charge and other operating costs deducted from the assets of the Fund during the period, except for those payments that are explicitly excluded (performance fees). The OCF includes transaction charges which were excluded from the Total Expense Ratio (TER) calculations provided previously. The OCF has replaced the TER.

## Revenue Distributions – Income Shares

Interim distribution for the six months ended 15 April 2014.

	Pence per share payable <b>15.06.14</b>	Pence per share paid <b>15.06.13</b>
Share Class 1	4.9209	4.8469
Share Class 3	8.6102	8.1293
Share Class R3	1.5362	1.4904

## Net Asset Value – Income Shares\*<sup>1</sup>

	Pence per share <b>15.04.14</b>	Pence per share <b>15.10.13</b>	Change
Share Class 1	549.71	543.56	1.13%
Share Class 3	549.85	543.79	1.11%
Share Class R3	116.64	115.35	1.12%

\* Valued at bid market prices.

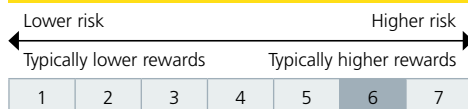
<sup>1</sup> The net asset value of income shares will exclude any income paid/payable to investors.

Total Return		
	Fund <sup>2</sup>	FTSE® All Share <sup>3</sup>
Share Class 1	2.00%	1.94%
Share Class 3	2.66%	1.94%
Share Class R3	2.42%	1.94%

<sup>2</sup> Source: Aviva Investors (based on midday values, mid to mid basis, net income reinvested, net of fees) six months ended 15 April 2014.

<sup>3</sup> Source: Lipper (based on close of business values) six months ended 15 April 2014.

## Synthetic Risk and Reward Indicator



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

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

# AVIVA INVESTORS UK INCOME & GROWTH FUND (CONTINUED)

Top Ten Holdings	
15.04.14	
Rio Tinto	5.14%
BHP Billiton	4.01%
Prudential	3.99%
GlaxoSmithKline	3.91%
Aviva	3.52%
BT	3.50%
Vodafone	3.35%
Imperial Tobacco	3.19%
BP	3.07%
Compass	3.06%

15.10.13	
GlaxoSmithKline	6.17%
Barclays	4.82%
BP	4.78%
Rio Tinto	4.58%
Royal Dutch Shell 'B'	4.07%
AstraZeneca	3.77%
Prudential	3.72%
Centrica	3.52%
BT	3.49%
BG	3.11%

Portfolio Breakdown		
	15.04.14	15.10.13
Travel & Leisure	9.79%	6.89%
Media	9.29%	5.24%
Mining	9.15%	10.97%
Life Insurance	7.51%	6.74%
Oil & Gas Producers	7.17%	13.80%
Fixed Line Telecommunications	5.40%	5.29%
Tobacco	5.36%	2.85%
Support Services	5.05%	2.30%
Pharmaceuticals & Biotechnology	4.89%	9.94%
Financial Services	4.70%	4.08%
Other Sectors	31.72%	31.98%
Total Investments	100.03%	100.08%
Net Other Liabilities	(0.03)%	(0.08)%
Net Assets	100.00%	100.00%

# AVIVA INVESTORS UK INCOME & GROWTH FUND (CONTINUED)

Share Price Record – Income Shares			
Share class	Calendar year	Highest price* (p)	Lowest price* (p)
Class 1	2009	411.77	256.77
	2010	471.84	384.38
	2011	496.01	409.37
	2012	502.82	438.99
	2013	570.79	495.86
	2014***	584.31	550.54
Class 3	2009	412.75	258.17
	2010	473.07	385.46
	2011	497.45	411.89
	2012	505.53	439.77
	2013	572.58	487.74
	2014***	587.50	552.96
Class R3	2012**	104.38	98.55
	2013	121.33	105.46
	2014***	124.39	117.12

\* Valued at mid market prices.

\*\* From 20 August 2012 (date of launch).

\*\*\* Up to 15 April 2014.

Revenue Record – Income Shares			
Share class	Calendar year	Net revenue per share (p)	Per £1,000 invested (£)
Class 1	2009	7.6238	22.91
	2010	6.9064	20.76
	2011	8.4871	25.51
	2012	10.1217	30.42
	2013	10.5323	31.66
	2014**	4.9209	14.79
Class 3	2009	11.4882	34.45
	2010	11.9082	35.71
	2011	14.5130	43.52
	2012	16.2865	48.84
	2013	17.3659	52.07
	2014**	8.6102	25.82
Class R3	2012*	0.0692	0.69
	2013	3.1794	31.79
	2014**	1.5362	15.36

\* From 20 August 2012 (date of launch).

\*\* Up to 15 June 2014 (the interim distribution payment date).



# AVIVA INVESTORS UK INCOME & GROWTH FUND (CONTINUED)

Calendar Year Performance		
Total Return	Fund <sup>4</sup> %	FTSE® All Share <sup>5</sup> %
2009		
Share Class 1	27.43	30.12
Share Class 3	28.87	30.12
2010		
Share Class 1	16.06	14.51
Share Class 3	17.38	14.51
2011		
Share Class 1	(1.28)	(3.46)
Share Class 3	0.00	(3.46)
2012		
Share Class 1	9.39	12.30
Share Class 3	10.83	12.30
Share Class R3*	0.67	(0.04)
2013		
Share Class 1	19.72	20.81
Share Class 3	21.28	20.81
Share Class R3	20.68	20.81
2014**		
Share Class 1	(2.78)	(1.93)
Share Class 3	(2.41)	(1.93)
Share Class R3	(2.55)	(1.93)

<sup>4</sup> Source: Aviva Investors (based on midday values, mid to mid basis, net income reinvested, net of fees).

<sup>5</sup> Source: Lipper (based on close of business values).

\* From 20 August 2012 (date of launch).

\*\* Up to 15 April 2014.

The value of an investment in the Aviva Investors UK Income & Growth Fund and any revenue from it can go down as well as up. You may not get back the original amount invested. Past performance is not a guide to future performance.

# AVIVA INVESTORS UK INDEX TRACKING FUND

## Investment Objective

To track the total return (after charges) of the FTSE® All-Share Index.

## Investment Policy

To hold all the stocks and in the same proportion as in the FTSE® All-Share Index except where prevented by the FCA regulations.

The Fund may invest in any of the following financial instruments in order to achieve its investment objective: transferable securities, money market instruments, units in collective investment schemes, deposits and derivatives and forward transactions.

## Risk Profile

The Fund will invest in the UK equity market and movements in the UK equity markets will affect Fund performance.

## Fund Manager's Report

The Fund (share class 1) delivered a total return of 1.45 per cent net of fees. The FTSE® All Share Index, the Fund's benchmark, returned 1.94 per cent. The average return generated by the Fund's peer group, the Investment Management Association's UK All Companies sector was 2.22 per cent. The effect of Fund charges will be to lower returns so the Fund will not be able to totally track the index return. Additional divergences will be caused by timing differences between changes in the stocks in the index and changes in the holdings in the Fund and by timing differences between the re-investment of income in the index and the re-investment of distributions in the Fund.

Shares advanced, with the FTSE® All-Share Index gaining 1.94 per cent as demand for riskier assets was buoyed by extremely loose monetary policy, a steady rise in corporate profits and a healthy flow of corporate takeovers. While stocks tumbled in early 2014 as emerging market assets plunged in response to the prospect of tighter US monetary policy and a series of weaker economic indicators from China, the sell-off proved short lived.

Shares in consumer goods companies rose especially sharply aided by a rally in homebuilders as the housing market continued to strengthen. Shares in the oil & gas and healthcare sectors were also in demand although financial shares fell.

# AVIVA INVESTORS UK INDEX TRACKING FUND (CONTINUED)

## **Fund Manager's Report (continued)**

The outlook for riskier assets in general, and equities in particular, appears favourable given the improving economic landscape. While risk-free interest rates in the US, UK and elsewhere are likely to rise eventually, leading central banks have been at pains to stress that any increase in official rates is some way off as they look to safeguard the economic recovery. While equities are far from cheap, we believe rising profits, and hence dividends, will override the negative impact of higher market interest rates.

**May 2014**

Sources: Fund and peer group performance figures – Lipper, mid to mid basis with net income reinvested in GBP, with no initial charges applied. Market data – Bloomberg.

Any opinions expressed are those of the fund manager. They should not be viewed as a guarantee of a return from an investment in the funds. The content of the commentary should not be viewed as a recommendation to invest nor buy or sell securities. 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.

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# AVIVA INVESTORS UK INDEX TRACKING FUND (CONTINUED)

## Fund Facts

Accounting dates	Ex-dividend dates	Distribution dates
15 October	16 October	15 December
15 April	16 April	15 June

Ongoing Charges Figure*	
	<b>15.04.14</b>
Share Class 1	0.93%
Share Class 2	0.23%
Share Class 3 (Acc)	0.23%
Share Class A (Acc)	1.50%

\* The Ongoing Charges Figure (OCF) is calculated as the ratio of the total ongoing charges to the average net asset value of the Fund over the period. The OCF is made up of the Annual Management Charge and other operating costs deducted from the assets of the Fund during the period, except for those payments that are explicitly excluded (performance fees). The OCF includes transaction charges which were excluded from the Total Expense Ratio (TER) calculations provided previously. The OCF has replaced the TER.

## Revenue Distributions

Interim distribution for the six months ended 15 April 2014.

	Pence per share payable 15.06.14	Pence per share paid 15.06.13
Share Class 1	0.7514	0.7634
Share Class 2	1.6376	1.0811
Share Class 3 (Acc)	2.6469	2.5308
Share Class A (Acc)	0.6607	0.6858

Net Asset Value* <sup>1</sup>			
	Pence per share 15.04.14	Pence per share 15.10.13	Change
Share Class 1	69.02	68.78	0.35%
Share Class 2	113.01	112.62	0.35%
Share Class 3 (Acc)	185.43	182.14	1.81%
Share Class A (Acc)	83.58	82.63	1.15%

\* Valued at bid market prices.

<sup>1</sup> The net asset value of income shares will exclude any income paid/payable to investors.

Total Return		
	Fund <sup>2</sup>	FTSE® All Share <sup>3</sup>
Share Class 1	1.45%	1.94%
Share Class 2	1.80%	1.94%
Share Class 3 (Acc)	1.81%	1.94%
Share Class A (Acc)	1.16%	1.94%

<sup>2</sup> Source: Aviva Investors (based on 5pm values, mid to mid basis, net income reinvested, net of fees) six months ended 15 April 2014.

<sup>3</sup> Source: Lipper (based on close of business values) six months ended 15 April 2014.

Synthetic Risk and Reward Indicator							
Lower risk				Higher risk			
Typically lower rewards				Typically higher rewards			
1	2	3	4	5	6	7	

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

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

# AVIVA INVESTORS UK INDEX TRACKING FUND (CONTINUED)

Top Ten Holdings	
15.04.14	
HSBC	5.71%
Royal Dutch Shell 'A'	4.30%
BP	4.29%
GlaxoSmithKline	3.69%
British American Tobacco	3.18%
Royal Dutch Shell 'B'	2.88%
Vodafone	2.75%
Diageo	2.36%
AstraZeneca	2.28%
Rio Tinto	2.02%

15.10.13	
HSBC	6.17%
Vodafone	5.21%
BP	4.04%
Royal Dutch Shell 'A'	3.74%
GlaxoSmithKline	3.74%
British American Tobacco	2.98%
Royal Dutch Shell 'B'	2.60%
Diageo	2.35%
Barclays	2.17%
BG	2.00%

Portfolio Breakdown		
	15.04.14	15.10.13
Oil & Gas Producers	14.21%	13.36%
Banks	11.04%	11.94%
Mining	7.24%	7.16%
Pharmaceuticals & Biotechnology	7.06%	6.54%
Tobacco	4.36%	4.01%
Life Insurance	4.27%	3.98%
Support Services	4.09%	3.82%
Beverages	4.08%	4.03%
Equity Investment Instruments	3.39%	3.27%
Travel & Leisure	3.36%	3.07%
Other Sectors	35.53%	36.96%
Total Investments	98.63%	98.14%
Net Other Assets	1.37%	1.86%
Net Assets	100.00%	100.00%

# AVIVA INVESTORS UK INDEX TRACKING FUND (CONTINUED)

Share Price Record			
Share class	Calendar year	Highest price* (p)	Lowest price* (p)
Class 1	2009	54.99	35.67
	2010	61.60	49.47
	2011	62.76	51.38
	2012	61.90	54.35
	2013	71.44	62.58
	2014***	72.99	68.50
Class 2	2012**	100.86	99.91
	2013	117.05	102.09
	2014***	119.82	112.40
Class 3 (Acc)	2009	128.46	80.41
	2010	148.00	117.22
	2011	152.77	125.29
	2012	158.68	136.78
	2013	189.24	160.61
	2014***	193.79	181.80
Class A (Acc)	2009	61.06	38.55
	2010	69.56	55.38
	2011	71.32	58.32
	2012	72.74	63.13
	2013	85.61	73.59
	2014***	87.50	82.15

\* Valued at mid market prices.

\*\* From 10 December 2012 (date of launch).

\*\*\* Up to 15 April 2014.

Revenue Record			
Share class	Calendar year	Net revenue per share (p)	Per £1,000 invested (£)
Class 1	2009	1.4246	23.42
	2010	1.2780	21.01
	2011	1.3699	22.52
	2012	1.6943	27.85
	2013	1.7549	28.85
	2014**	0.7514	12.35
Class 2	2012*	N/A	N/A
	2013	3.1009	31.01
	2014**	1.6376	16.38
Class 3 (Acc)	2009	3.9326	38.68
	2010	3.9018	38.38
	2011	4.3165	42.45
	2012	5.2598	51.73
	2013	5.7393	56.45
	2014**	2.6469	26.03
Class A (Acc)	2009	1.2851	26.28
	2010	1.0807	22.10
	2011	1.1699	23.93
	2012	1.5789	32.29
	2013	1.6299	33.33
	2014**	0.6607	13.51

The revenue record table below shows the net distribution rates per calendar year on a payment date basis for an investment made on 2 January 2009 (10 December 2012 for Share Class 2).

\* From 10 December 2012 (date of launch).

\*\* Up to 15 June 2014 (the interim distribution payment date).

# AVIVA INVESTORS UK INDEX TRACKING FUND (CONTINUED)

Calendar Year Performance		
Total Return	Fund <sup>4</sup> %	FTSE® All Share <sup>5</sup> %
2009		
Share Class 1	28.67	30.12
Share Class 3	29.57	30.12
Share Class A	28.07	30.12
2010		
Share Class 1	13.77	14.51
Share Class 3	14.49	14.51
Share Class A	13.19	14.51
2011		
Share Class 1	(4.64)	(3.46)
Share Class 3	(3.99)	(3.46)
Share Class A	(5.19)	(3.46)
2012		
Share Class 1	10.95	12.30
Share Class 2*	(0.09)	(0.04)
Share Class 3	11.75	12.30
Share Class A	10.34	12.30
2013		
Share Class 1	19.56	20.81
Share Class 2	20.40	20.81
Share Class 3	20.40	20.81
Share Class A	18.87	20.81
2014**		
Share Class 1	(2.16)	(1.93)
Share Class 2	(1.97)	(1.93)
Share Class 3	(1.97)	(1.93)
Share Class A	(2.32)	(1.93)

<sup>4</sup> Source: Aviva Investors (based on 5pm values, mid to mid basis, net income reinvested, net of fees).

<sup>5</sup> Source: Lipper (based on close of business values).

\* From 10 December 2012 (date of launch).

\*\* Up to 15 April 2014.

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# AVIVA INVESTORS UK SMALLER COMPANIES FUND

## Investment Objective

Long term capital appreciation.

## Investment Policy

Investment principally in smaller capitalisation UK equities judged to offer prospects of above average earnings growth.

The Fund may invest in any of the following financial instruments in order to achieve its investment objective: transferable securities, money market instruments, units in collective investment schemes, deposits and derivatives and forward transactions.

## Risk Profile

The Fund will invest in smaller companies listed on the UK equity market. Smaller companies are less liquid than larger companies which means that their share price may be more volatile. Movements in the UK equity market will affect Fund performance.

## Fund Manager's Report

The Fund delivered a total return of 5.92 per cent (share class 1), net of fees, compared with an average return of 9.02 for its peer group the IMA\* UK Smaller Companies sector. The FTSE® Small Cap ex IT Index, the Fund's benchmark, returned 6.57 per cent.

Blinkx was the biggest detractor to overall performance. The online video search specialist's shares tumbled after a published report made negative allegations about the business, allegations which Blinkx strongly refuted. We are closely monitoring developments but we have maintained the holding on the basis that the company has strong long-term growth prospects and, at current levels, the shares look undervalued. Other detractors included surveillance-technology provider Digital Barriers and semiconductor company Filtronic. Shares in both companies fell in response to surprise profit warnings. We retained a small holding in Digital Barriers but disposed of the position in Filtronic.

On a brighter note, stakes in Topps Tiles and RPC added value. Shares in Topps Tiles, the tile and wooden flooring specialist, surged after its first-quarter trading statement highlighted a significant acceleration in sales growth and an upbeat outlook for the remainder of the year. RPC shares climbed after its results and its sensible acquisition of packaging company Maynard & Harris impressed investors. Other contributors included medical technology firm Advanced Medical Solutions Group and Restaurant Group, which runs the Frankie and Benny's restaurant chains. Advanced Medical Solutions posted results which beat analysts' expectations while Restaurant Group said revenues had been boosted by a sustained increase in consumer spending.



# AVIVA INVESTORS UK SMALLER COMPANIES FUND (CONTINUED)

## Fund Manager's Report (continued)

Turning to activity, we sold oil services business Cape, miner International Ferro Metals and media company ITE. The proceeds were reinvested into Innovation Group and Progressive Digital Media. The Fund also participated in the flotation of AO World, an online electrical retailer that stands to benefit from overseas expansion opportunities.

We are reasonably optimistic on the outlook for UK equities. Dividend yields look attractive when compared to the low returns available on government bonds and cash. Company balance sheets are generally in good shape too. But there are some clouds on the horizon. If the economic recovery continues, speculation about the timing of future interest rate increases will intensify. We remain particularly optimistic about the long-term prospects for UK smaller companies, many of which have stronger growth prospects and more attractive valuations than their larger counterparts.

**May 2014**

\* IMA is the Investment Management Association, the industry's trade body.

Sources: Fund and peer group performance figures – Lipper, mid to mid basis with net income reinvested in GBP, with no initial charges applied. Market data – Bloomberg.

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# AVIVA INVESTORS UK SMALLER COMPANIES FUND (CONTINUED)

## Fund Facts

Accounting dates	Ex-dividend dates	Distribution dates
15 October	16 October	15 December
15 April	16 April	15 June

Ongoing Charges Figure*	
	<b>15.04.14</b>
Share Class 1	1.39%
Share Class 2	0.89%
Share Class 3	0.34%

\* The Ongoing Charges Figure (OCF) is calculated as the ratio of the total ongoing charges to the average net asset value of the Fund over the period. The OCF is made up of the Annual Management Charge and other operating costs deducted from the assets of the Fund during the period, except for those payments that are explicitly excluded (performance fees). The OCF includes transaction charges which were excluded from the Total Expense Ratio (TER) calculations provided previously. The OCF has replaced the TER.

## Revenue Distributions – Income Shares

Interim distribution for the six months ended 15 April 2014.

	Pence per share payable 15.06.14	Pence per share paid 15.06.13
Share class 3	2.6952	3.2007

## Revenue Distributions – Accumulation Shares

Interim distribution for the six months ended 15 April 2014.

	Pence per share payable 15.06.14	Pence per share paid 15.06.13
Share Class 1	0.0798	0.7469
Share Class 2	1.2408	1.9753
Share Class 3*	N/A	3.6345

\* Share class closed on 22 January 2014.

# AVIVA INVESTORS UK SMALLER COMPANIES FUND (CONTINUED)

Net Asset Value – Income Shares* <sup>1</sup>			
	Pence per share 15.04.14	Pence per share 15.10.13	Change
Share Class 3	473.33	447.02	5.89%

\* Valued at bid market prices.

<sup>1</sup> The net asset value of income shares will exclude any income paid/payable to investors.

Net Asset Value – Accumulation Shares*			
	Pence per share 15.04.14	Pence per share 15.10.13	Change
Share Class 1	278.46	262.88	5.93%
Share Class 2	433.70	408.41	6.19%
Share Class 3**	N/A	515.67	N/A

\* Valued at bid market prices.

\*\* Share class closed on 22 January 2014.

Total Return		
	Fund <sup>2</sup>	FTSE® Small-Cap (ex ITs) <sup>3</sup>
Share Class 1	5.92%	6.57%
Share Class 2	6.18%	6.57%
Share Class 3	6.47%	6.57%

<sup>2</sup> Source: Aviva Investors (based on midday values, mid to mid basis, net income reinvested, net of fees) six months ended 15 April 2014.

<sup>3</sup> Source: Lipper (based on close of business values) six months ended 15 April 2014.

Synthetic Risk and Reward Indicator							
Lower risk				Higher risk			
←				→			
Typically lower rewards				Typically higher rewards			
1	2	3	4	5	6	7	

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

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

# AVIVA INVESTORS UK SMALLER COMPANIES FUND (CONTINUED)

## Top Ten Holdings

15.04.14	
RPC	2.83%
St Modwen Properties	2.68%
LSL Property Services	2.62%
Northgate	2.26%
XAAR	2.22%
Kier Group	2.16%
Brewin Dolphin	2.15%
Topps Tiles	2.13%
Vectura	2.12%
e2V Technologies	1.99%

## 15.10.13

LSL Property Services	2.90%
St Modwen Properties	2.69%
Kier Group	2.24%
XAAR	2.08%
Paragon	2.07%
Northgate	2.05%
Cineworld	1.89%
Brewin Dolphin	1.84%
e2V Technologies	1.77%
Vectura	1.75%

## Portfolio Breakdown

	15.04.14	15.10.13
Real Estate	12.39%	11.48%
Support Services	10.27%	11.27%
Pharmaceuticals & Biotechnology	7.51%	5.92%
General Retailers	7.10%	5.39%
Technology Hardware & Equipment	6.59%	4.18%
Electronic & Electrical Equipment	6.30%	6.83%
Software & Computer Services	6.01%	7.73%
Travel & Leisure	5.75%	6.58%
Health Care Equipment & Services	5.47%	5.11%
Media	4.34%	4.92%
Other Sectors	26.01%	29.18%
Total Investments	97.74%	98.59%
Net Other Assets	2.26%	1.41%
Net Assets	100.00%	100.00%

# AVIVA INVESTORS UK SMALLER COMPANIES FUND (CONTINUED)

Share Price Record – Income Shares			
Share class	Calendar year	Highest price* (p)	Lowest price* (p)
Class 3	2009	243.96	140.48
	2010	297.56	227.45
	2011	322.99	268.17
	2012	355.42	279.39
	2013	492.91	359.71
	2014**	515.30	476.71

\* Valued at mid market prices.

\*\* Up to 15 April 2014.

Share Price Record – Accumulation Shares			
Share class	Calendar year	Highest price* (p)	Lowest price* (p)
Class 1	2009	137.09	77.01
	2010	169.03	128.59
	2011	184.15	152.49
	2012	206.61	160.64
	2013	289.21	209.09
	2014**	301.78	278.87
Class 2	2009	210.34	118.03
	2010	260.07	197.58
	2011	283.68	235.05
	2012	319.74	247.76
	2013	449.79	323.58
	2014**	469.76	434.34
Class 3	2009	258.36	144.53
	2010	321.98	243.67
	2011	352.61	292.77
	2012	401.96	309.20
	2013	568.56	406.81
	2014***	587.80	569.08

\* Valued at mid market prices.

\*\* Up to 15 April 2014.

\*\*\* Up to 22 January 2014 (date share class closed).

# AVIVA INVESTORS UK SMALLER COMPANIES FUND (CONTINUED)

## Revenue Record – Income Shares

The revenue record table below shows the net distribution rates per calendar year on a payment date basis for an investment made on 2 January 2009.

Share class	Calendar year	Net revenue per share (p)	Per £1,000 invested (£)
Class 3	2009	5.6864	38.06
	2010	5.6036	37.51
	2011	6.5271	43.69
	2012	7.1218	47.67
	2013	8.4280	56.42
	2014*	2.6952	18.04

\* Up to 15 June 2014 (the interim distribution payment date).

## Revenue Record – Accumulation Shares

The revenue record table below shows the net distribution rates per calendar year on a payment date basis for an investment made on 2 January 2009.

Share class	Calendar year	Net revenue per share (p)	Per £1,000 invested (£)
Class 1	2009	2.2460	27.37
	2010	1.8725	22.82
	2011	1.9514	23.78
	2012	2.2350	27.24
	2013	2.4923	30.37
	2014*	0.0798	0.97
Class 2	2009	3.8008	30.24
	2010	3.3884	26.96
	2011	3.6505	29.04
	2012	4.2318	33.67
	2013	5.6428	44.89
	2014*	1.2408	9.87
Class 3	2009	5.9010	38.39
	2010	5.9683	38.83
	2011	7.0884	46.12
	2012	7.9656	51.83
	2013	9.5706	62.27
	2014**	N/A	N/A

\* Up to 15 June 2014 (the interim distribution payment date).

\*\* Up to 22 January 2014 (date share class closed).

# AVIVA INVESTORS UK SMALLER COMPANIES FUND (CONTINUED)

Calendar Year Performance		
Total Return	Fund <sup>4</sup> %	FTSE® Small-Cap (ex ITs) <sup>5</sup> %
2009		
Share Class 1	57.09	57.67
Share Class 2	57.43	57.67
Share Class 3	58.32	57.67
2010		
Share Class 1	30.98	16.90
Share Class 2	31.28	16.90
Share Class 3	32.13	16.90
2011		
Share Class 1	(5.15)	(15.16)
Share Class 2	(4.92)	(15.16)
Share Class 3	(4.16)	(15.16)
2012		
Share Class 1	28.87	36.29
Share Class 2	29.30	36.29
Share Class 3	30.23	36.29
2013		
Share Class 1	39.98	43.86
Share Class 2	40.67	43.86
Share Class 3	41.45	43.86
2014*		
Share Class 1	(3.25)	0.47
Share Class 2	(3.11)	0.47
Share Class 3	(2.96)	0.47

<sup>4</sup> Source: Aviva Investors (based on midday values, mid to mid basis, net income reinvested, net of fees).

<sup>5</sup> Source: Lipper (based on close of business values).

\* Up to 15 April 2014.

The value of an investment in the Aviva Investors UK Smaller Companies Fund and any revenue from it can go down as well as up. You may not get back the original amount invested. Past performance is not a guide to future performance.

# AVIVA INVESTORS CASH FUND

## Investment Objective

To achieve a high level of income combined with a high degree of capital security.

## Investment Policy

The Fund will invest primarily in short-term cash deposits, near cash and other money market instruments. In addition, the Fund may occasionally invest in transferable securities, units in collective investment schemes, and derivatives and forward transactions in order to achieve its objective.

## Risk Profile

The main aim of the Fund is to produce income. When income is paid out instead of being reinvested, there is little prospect of any real capital growth.

Due to the low risk nature of the Fund, the prospects for achieving a relatively high level of income are limited. The solvency of organisations in which the Fund invests can change and this can affect the Fund's capital and any income paid.

As the Fund is constantly buying and selling money market instruments, the level of income that the Fund provides will often vary from one payment to the next.

## Fund Manager's Report

The Fund delivered a total return of -0.08 per cent (share class 1), net of fees. The Fund's peer group, the Investment Management Association's Money Market sector, delivered an average return of 0.10 per cent.

Sterling money market rates were little changed as investors bet that the Bank of England would keep interest rates on hold despite forecasting that Britain's economy would grow faster this year than it had previously expected. Ditching previous guidance linking interest rates to unemployment, Mark Carney said future policy decisions would no longer be tied to any particular economic indicator. The bank's governor sought to reassure business and households that rates would remain at record lows citing a lack of inflationary pressure, spare capacity, and "headwinds" at home and abroad. He added that when rates did eventually go up, they would do so only gradually. Carney's arguments were further bolstered by news that falling petrol and diesel prices in February had driven consumer price inflation to its lowest level for more than four years.



# AVIVA INVESTORS CASH FUND (CONTINUED)

## **Fund Manager's Report (continued)**

While we believe the central bank may be forced to raise rates slightly earlier than it has signalled perhaps in the first quarter of 2015, we would see any imminent rise in yield of three or six month money-market instruments as a potential investment opportunity.

We continue to avoid securities issued by banks based in Belgium, Spain, Italy, Ireland, Portugal and Greece. That is because although the euro zone's economic prospects have improved, we retain the view that much of the region remains at risk.

## **May 2014**

Sources: Fund and peer group performance figures – Lipper, mid to mid basis with net income reinvested in GBP, with no initial charges applied. Market data – Bloomberg.

Any opinions expressed are those of the fund manager. They should not be viewed as a guarantee of a return from an investment in the funds. The content of the commentary should not be viewed as a recommendation to invest nor buy or sell any securities. 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.

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# AVIVA INVESTORS CASH FUND (CONTINUED)

## Fund Facts

Accounting dates	Ex-dividend dates	Distribution dates
15 October	16 October	15 December
	16 January	15 March
15 April	16 April	15 June
	16 July	15 September

Ongoing Charges Figure*	
	<b>15.04.14</b>
Share Class 1	0.63%
Share Class 2	0.18%
Share Class 3	0.16%

\* The Ongoing Charges Figure (OCF) is calculated as the ratio of the total ongoing charges to the average net asset value of the Fund over the period. The OCF is made up of the Annual Management Charge and other operating costs deducted from the assets of the Fund during the period, except for those payments that are explicitly excluded (performance fees). The OCF includes transaction charges which were excluded from the Total Expense Ratio (TER) calculations provided previously. The OCF has replaced the TER.

## Revenue Distributions – Income Shares

Interim distribution for the three months ended 15 April 2014.

	Pence per share payable 15.06.14	Pence per share paid 15.06.13
Share Class 1	0.0000	0.0000
Share Class D*	N/A	0.0112

\* Share class closed on 6 January 2014.

## Revenue Distributions – Accumulation Shares

Interim distribution for the three months ended 15 April 2014.

	Pence per share payable 15.06.14	Pence per share paid 15.06.13
Share Class 1	0.0000	0.0000
Share Class 2	0.0474	0.0551
Share Class 3	0.0689	0.0767
Share Class D*	N/A	0.0076

\* Share class closed on 6 January 2014.

# AVIVA INVESTORS CASH FUND (CONTINUED)

Net Asset Value – Income Shares* <sup>1</sup>			
	Pence per share 15.04.14	Pence per share 15.10.13	Change
Share Class 1	49.06	49.10	(0.08)%
Share Class D**	N/A	24.56	N/A

\* Valued at bid market prices.

\*\* Share class closed on 6 January 2014.

<sup>1</sup> The net asset value of income shares will exclude any income paid/payable to investors.

Net Asset Value – Accumulation Shares*			
	Pence per share 15.04.14	Pence per share 15.10.13	Change
Share Class 1	52.02	52.06	(0.08)%
Share Class 2	78.42	78.33	0.11%
Share Class 3	106.87	106.73	0.13%
Share Class D**	N/A	26.35	N/A

\* Valued at bid market prices.

\*\* Share class closed on 6 January 2014.

Total Return		
	Fund <sup>2</sup>	IMA Money Market <sup>3</sup>
Share Class 1	(0.08)%	0.12%
Share Class 2	0.11%	0.12%
Share Class 3	0.13%	0.12%

<sup>2</sup> Source: Aviva Investors (based on midday values, mid to mid basis, net income reinvested, net of fees) six months ended 15 April 2014.

<sup>3</sup> Source: Lipper (based on close of business values) six months ended 15 April 2014.

Synthetic Risk and Reward Indicator							
Lower risk				Higher risk			
← Typically lower rewards				Typically higher rewards →			
1	2	3	4	5	6	7	

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

- This indicator is based on historical data, calculated using European Union rules, and may not be a reliable indication of the future risk profile of the Fund.
- The risk and reward category shown is not guaranteed to remain unchanged and may change over time. The lowest category does not mean 'risk free'.
- Money market investment values are affected changes in interest rates, and the issuer's creditworthiness. If interest rates go up and or an issuer has their credit rating reduced, the value of the Fund's investments may fall, and vice versa. Whilst capital is relatively safe in a building society account, money market investments may fall in value, and you may get less back than the original amount you invested.
- Full information on the risks applicable to the Fund is detailed in the Prospectus.

# AVIVA INVESTORS CASH FUND (CONTINUED)

Top Ten Holdings		
15.04.14		
Citibank CD 0.49% 04/07/2014		6.88%
Banque Federative du Credit CD 0.54% 06/05/2014		4.82%
Commonwealth Bank of Australia CD 0.5% 22/05/2014		4.82%
National Australia Bank CD 0.5% 08/07/2014		4.82%
Nordea Bank Finland CD 0.51% 28/04/2014		4.82%
Bank of Tokyo CD 0.5% 06/12/2014		4.13%
BNP Paribas CD 0.53% 04/07/2014		4.13%
Credit Agricole CD 0.54% 02/06/2014		4.13%
Deutsche Bank CD 0.525% 04/07/2014		4.13%
DNB Bank CD 0.5% 17/06/2014		4.13%

15.10.13		
National Bank Of Abu Dhabi CD 0.51% 12/11/2013		6.58%
National Australia Bank CD 0.48% 08/01/2014		4.61%
Skandinaviska Enskilda Banken CD 0.49% 14/11/2013		4.61%
Bank of Tokyo CD 0.5% 15/11/2013		3.95%
Banque Federative Du Credit CD 0.54% 03/12/2013		3.95%
Credit Agricole CD 0.52% 03/12/2013		3.95%
Deutsche Bank CD 0.5% 30/12/2013		3.95%
DNB Bank CD 0.47% 22/10/2013		3.95%
ING Bank CD 0.48% 11/12/2013		3.95%
Korea Development Bank CD 0.49% 06/11/2013		3.95%

Portfolio Breakdown		
	15.04.14	15.10.13
United Kingdom	89.02%	89.83%
Total Investments	89.02%	89.83%
Net Other Assets	10.98%	10.17%
Net Assets	100.00%	100.00%

# AVIVA INVESTORS CASH FUND (CONTINUED)

Share Price Record – Income Shares			
Share class	Calendar year	Highest price* (p)	Lowest price* (p)
Class 1	2009	49.40	48.93
	2010	49.15	49.07
	2011	49.21	49.12
	2012	49.21	49.14
	2013	49.14	49.09
	2014**	49.08	49.07
Class D	2009	24.71	24.47
	2010	24.57	24.52
	2011	24.60	24.55
	2012	24.61	24.56
	2013	24.57	24.56
	2014***	24.57	24.57

\* Valued at mid market prices.

\*\* Up to 15 April 2014.

\*\*\* Up to 6 January 2014 (date share class closed).

Share Price Record – Accumulation Shares			
Share class	Calendar year	Highest price* (p)	Lowest price* (p)
Class 1	2009	51.77	51.07
	2010	51.86	51.74
	2011	52.07	51.86
	2012	52.12	52.06
	2013	52.11	52.04
	2014**	52.04	52.03
Class 2	2009	78.16	76.89
	2010	78.44	77.96
	2011	78.97	78.45
	2012	79.24	78.11
	2013	78.37	78.17
	2014**	78.42	78.37
Class 3	2009	104.50	102.67
	2010	105.18	104.50
	2011	106.00	105.19
	2012	106.49	106.00
	2013	106.79	106.49
	2014**	106.87	106.79
Class D	2009	25.99	25.59
	2010	26.09	25.98
	2011	26.25	26.09
	2012	26.32	26.25
	2013	26.35	26.32
	2014***	26.35	26.35

\* Valued at mid market prices.

\*\* Up to 15 April 2014.

\*\*\* Up to 6 January 2014 (date share class closed).

# AVIVA INVESTORS CASH FUND (CONTINUED)

## Revenue Record – Income Shares

The revenue record table below shows the net distribution rates per calendar year on a payment date basis for an investment made on 2 January 2009.

Share class	Calendar year	Net revenue per share (p)	Per £1,000 invested (£)
Class 1	2009	0.7792	15.26
	2010	0.0798	1.56
	2011	0.1466	2.87
	2012	0.1028	2.18
	2013	0.0000	0.00
	2014*	0.0000	0.00
Class D	2009	0.4541	17.75
	2010	0.0878	3.43
	2011	0.1255	4.90
	2012	0.1186	4.63
	2013	0.0478	1.87
	2014**	N/A	N/A

\* Up to 15 June 2014 (the interim distribution payment date).

\*\* Up to 6 January 2014 (date share class closed).

## Revenue Record – Accumulation Shares

The revenue record table below shows the net distribution rates per calendar year on a payment date basis for an investment made on 2 January 2009.

Share class	Calendar year	Net revenue per share (p)	Per £1,000 invested (£)
Class 1	2009	0.8111	15.88
	2010	0.0840	1.64
	2011	0.1533	3.00
	2012	0.1134	2.68
	2013	0.0000	0.00
	2014*	0.0000	0.00
Class 2	2009	1.5014	19.53
	2010	0.3086	4.01
	2011	0.4740	6.17
	2012	0.3956	5.15
	2013	0.1657	2.16
	2014*	0.0937	1.22
Class 3	2009	2.1015	20.47
	2010	0.6418	6.25
	2011	0.7082	6.90
	2012	0.6236	6.07
	2013	0.3214	3.13
	2014*	0.1361	1.33
Class D	2009	0.4739	18.52
	2010	0.0928	3.63
	2011	0.1286	5.03
	2012	0.1091	4.26
	2013	0.0334	1.31
	2014**	N/A	N/A

\* Up to 15 June 2014 (the interim distribution payment date).

\*\* Up to 6 January 2014 (date share class closed).

# AVIVA INVESTORS CASH FUND (CONTINUED)

Calendar Year Performance		
Total Return	Fund <sup>4</sup> %	IMA Money Market <sup>5</sup> %
2009		
Share Class 1	1.29	0.37
Share Class 2	1.37	0.37
Share Class 3	1.75	0.37
Share Class D	1.51	0.37
2010		
Share Class 1	0.20	0.39
Share Class 2	0.62	0.39
Share Class 3	0.65	0.39
Share Class D	0.41	0.39
2011		
Share Class 1	0.40	0.20
Share Class 2	0.68	0.20
Share Class 3	0.78	0.20
Share Class D	0.60	0.20
2012		
Share Class 1	0.08	0.56
Share Class 2	(1.01)	0.56
Share Class 3	0.46	0.56
Share Class D	0.29	0.56
2013		
Share Class 1	(0.13)	0.28
Share Class 2	0.26	0.28
Share Class 3	0.28	0.28
Share Class D	0.11	0.28

Calendar Year Performance (continued)		
Total Return	Fund <sup>4</sup> %	IMA Money Market <sup>5</sup> %
2014*		
Share Class 1	(0.02)	0.08
Share Class 2	0.06	0.08
Share Class 3	0.07	0.08
Share Class D**	0.00	0.01

<sup>4</sup> Source: Aviva Investors (based on midday values, mid to mid basis, net income reinvested, net of fees).

<sup>5</sup> Source: Lipper (based on close of business values).

\* Up to 15 April 2014.

\*\* Up to 6 January 2014 (date share class closed).

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

# AVIVA INVESTORS CORPORATE BOND FUND

## Investment Objective

A long term total return above that available on UK Government securities.

## Investment Policy

Diversified investment in Sterling denominated debt securities issued by governments, supranational institutions and corporates.

The Fund may invest in any of the following financial instruments in order to achieve its investment objective: transferable securities, money market instruments, units in collective investment schemes, deposits and derivatives and forward transactions.

## Risk Profile

As the objective of the Fund is to provide income there is minimal potential for capital growth, especially in the medium to long term. Changes in interest rates or the credit ratings of companies issuing bonds will affect Fund performance and any income paid. The solvency of organisations in which the Fund invests can change and this can affect the Fund's capital and any income paid.

## Fund Manager's Report

The Fund delivered a total return of 2.65 per cent (Share class A), net of fees. The Fund's peer group, the Investment Management Association's Sterling Corporate Bond sector, delivered an average return of 3.25 per cent.

The UK economy grew rapidly in the latter half of 2013, outstripping Bank of England forecasts and leading to suggestions that interest rates would rise sooner than expected. UK ten-year government bond yields rose above three per cent for the first time since July 2011 before yields fell in wake of a sharp sell-off in emerging market assets in early 2014. In line with our view that the UK economy will continue to grow steadily, we positioned the Fund to be less sensitive to rising market interest rates. This strategy enhanced performance over the period as a whole. The Fund takes less risk than its IMA Sterling Corporate Bond peer group and is focused mainly on less-risky, higher-quality investment-grade bonds. Restrictions on its ability to hold higher-risk, higher-yielding securities and debt denominated in other currencies, held back performance versus its peer group.

The Fund did deliver a positive return for investors however. A position in a newly issued 100-year bond from Electricite de France (EDF) was especially lucrative. Pension funds and insurance companies snapped up the issue which caused spreads to tighten 100 basis points over a matter of days. Performance was aided further by various positions in corporate hybrid and subordinated bonds – which rank below other debt in a company's capital structure – issued by financial services, utility and telecommunications companies. Subordinated bonds issued by insurers Axa and Aviva and banks HSBC and Barclays added significantly to performance. Holdings in a number of hybrid bonds issued by utility companies such as UK power supplier National Grid, further boosted returns.



# AVIVA INVESTORS CORPORATE BOND FUND (CONTINUED)

## **Fund Manager's Report (continued)**

Our long-standing preference for UK pub companies such as Greene King and Mitchells & Butlers bolstered fund performance as pub sales increased in tandem with the improving UK economy.

Although the UK and US economies appear to be improving steadily and a moderate recovery is underway in Europe, we anticipate demand for corporate bonds will remain strong since central banks will want to prevent government bonds yields from rising very far. That in turn will encourage investors to continue looking for extra income. Furthermore, default rates are low and are expected to remain so given the strength of companies' balance sheets and the fact most are holding plenty of cash and can continue to access low-cost funding. In view of this, we think there is some scope for credit spreads to narrow.

## **May 2014**

Sources: Fund and peer group performance figures – Lipper, mid to mid basis with net income reinvested in GBP, with no initial charges applied. Market data – Bloomberg.

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# AVIVA INVESTORS CORPORATE BOND FUND (CONTINUED)

## Fund Facts

Accounting dates	Ex-dividend dates	Distribution dates
15 October	16 October	15 December
	16 January	15 March
15 April	16 April	15 June
	16 July	15 September

Ongoing Charges Figure*	
	<b>15.04.14</b>
Share Class 1	0.82%
Share Class 2	0.62%
Share Class 3	0.32%
Share Class A	1.12%

\* The Ongoing Charges Figure (OCF) is calculated as the ratio of the total ongoing charges to the average net asset value of the Fund over the period. The OCF is made up of the Annual Management Charge and other operating costs deducted from the assets of the Fund during the period, except for those payments that are explicitly excluded (performance fees). The OCF includes transaction charges which were excluded from the Total Expense Ratio (TER) calculations provided previously. The OCF has replaced the TER.

Revenue Distributions – Income Shares		
Interim distribution for the three months ended 15 April 2014.		
	Pence per share payable 15.06.14	Pence per share paid 15.06.13
Share Class 1	0.3920	0.4034
Share Class 2	0.6242	0.6414
Share Class 3	0.8889	0.9121
Share Class A	0.3357	0.3462

Revenue Distributions – Accumulation Shares		
Interim distribution for the three months ended 15 April 2014.		
	Pence per share payable 15.06.14	Pence per share paid 15.06.13
Share Class 3	1.1585	1.1519

# AVIVA INVESTORS CORPORATE BOND FUND (CONTINUED)

Net Asset Value – Income Shares* <sup>1</sup>			
	Pence per share 15.04.14	Pence per share 15.10.13	Change
Share Class 1	56.24	55.46	1.41%
Share Class 2	84.70	83.54	1.39%
Share Class 3	111.61	110.08	1.39%
Share Class A	52.66	51.94	1.39%

\* Valued at bid market prices.

<sup>1</sup> The net asset value of income shares will exclude any income paid/payable to investors.

Net Asset Value – Accumulation Shares*			
	Pence per share 15.04.14	Pence per share 15.10.13	Change
Share Class 3	146.63	142.31	3.04%

\* Valued at bid market prices.

Total Return		
	Fund <sup>2</sup>	IMA £ Corporate Bond <sup>3</sup>
Share Class 1	2.78%	3.25%
Share Class 2	2.85%	3.25%
Share Class 3	2.98%	3.25%
Share Class A	2.65%	3.25%

<sup>2</sup> Source: Aviva Investors (based on midday values, mid to mid basis, net income reinvested, net of fees) six months ended 15 April 2014.

<sup>3</sup> Source: Lipper (based on close of business values) six months ended 15 April 2014.

Synthetic Risk and Reward Indicator							
Lower risk				Higher risk			
←				→			
Typically lower rewards				Typically higher rewards			
1	2	3	4	5	6	7	

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

- This indicator is based on historical data, calculated using European Union rules, and may not be a reliable indication of the future risk profile of the Fund.
- The risk and reward category shown is not guaranteed to remain unchanged and may change over time. The lowest category does not mean 'risk free'.
- Bond values are affected by changes in interest rates, and the bond issuer's creditworthiness. Bonds that produce a higher level of income usually have a greater risk of default.
- Full information on the risks applicable to the Fund is detailed in the Prospectus.

# AVIVA INVESTORS CORPORATE BOND FUND (CONTINUED)

Top Ten Holdings	
15.04.14	
European Investment Bank 5.375% 07/06/2021	2.32%
European Investment Bank 5.625% 07/06/2032	1.75%
Treasury 4.25% 07/03/2036	1.57%
KFW International Finance 6% 07/12/2028	1.55%
AA Bond 6.269% 31/07/2025	1.52%
Treasury 4.75% 07/12/2038	1.51%
American International 6.765% 15/11/2017	1.43%
HSBC Holdings 6.75% 11/09/2028	1.41%
Land Securities Capital Markets FRN 4.875% 07/11/2019	1.30%
Western Power Distribution 5.75% 16/04/2032	1.29%

15.10.13	
European Investment Bank 5.375% 07/06/2021	2.45%
European Investment Bank 5.625% 07/06/2032	1.81%
KFW 6% 07/12/2028	1.63%
Treasury 4.25% 07/03/2036	1.41%
Western Power Distribution 5.75% 16/04/2032	1.38%
Stagecoach 5.75% 16/12/2016	1.33%
Verizon Wireless Capital 8.875% 18/12/2018	1.30%
Treasury 1.75% 22/01/2017	1.28%
British Telecom 8.50% 07/12/2016	1.28%
Lloyds Banking Group 7.625% 22/04/2025	1.27%

Portfolio Breakdown		
	15.04.14	15.10.13
United Kingdom	60.32%	58.98%
United States of America	9.13%	9.34%
France	6.98%	6.21%
Netherlands	6.73%	6.01%
Channel Islands	3.65%	3.17%
Germany	2.63%	2.16%
Cayman Islands	2.50%	1.93%
Luxembourg	1.29%	1.63%
Mexico	1.26%	1.38%
Australia	0.89%	1.11%
Other Countries	1.70%	1.81%
Total Investments	97.08%	93.73%
Net Other Assets	2.92%	6.27%
Net Assets	100.00%	100.00%

# AVIVA INVESTORS CORPORATE BOND FUND (CONTINUED)

Share Price Record – Income Shares			
Share class	Calendar year	Highest price* (p)	Lowest price* (p)
Class 1	2009	49.69	39.64
	2010	53.69	49.27
	2011	52.42	50.14
	2012	56.92	51.32
	2013	58.78	54.84
	2014**	56.99	55.53
Class 2	2009	74.88	59.73
	2010	80.90	74.26
	2011	78.96	75.53
	2012	85.78	77.29
	2013	88.55	82.62
	2014**	85.87	83.67
Class 3	2009	98.71	78.74
	2010	106.66	97.90
	2011	104.07	99.57
	2012	113.06	101.86
	2013	116.69	108.91
	2014**	113.22	110.31
Class A	2009	46.53	37.12
	2010	50.26	46.14
	2011	49.08	46.94
	2012	53.29	48.05
	2013	55.04	51.33
	2014**	53.33	51.97

\* Valued at mid market prices.

\*\* Up to 15 April 2014.

Share Price Record – Accumulation Shares			
Share class	Calendar year	Highest price* (p)	Lowest price* (p)
Class 3	2009	109.07	83.73
	2010	121.89	108.18
	2011	123.83	116.04
	2012	141.41	122.99
	2013	148.43	139.15
	2014**	147.56	142.61

\* Valued at mid market prices.

\*\* Up to 15 April 2014.

# AVIVA INVESTORS CORPORATE BOND FUND (CONTINUED)

## Revenue Record – Income Shares

The revenue record table below shows the net distribution rates per calendar year on a payment date basis for an investment made on 2 January 2009.

Share class	Calendar year	Net revenue per share (p)	Per £1,000 invested (£)
Class 1	2009	2.0725	24.04
	2010	2.0245	23.48
	2011	1.8861	21.88
	2012	1.8856	21.87
	2013	1.6480	19.12
	2014*	0.7913	4.55
Class 2	2009	3.2688	49.29
	2010	3.1873	48.06
	2011	2.9023	43.77
	2012	2.8898	43.58
	2013	2.6354	39.74
	2014*	1.2598	9.41
Class 3	2009	4.5155	51.65
	2010	4.4461	50.86
	2011	4.1510	47.48
	2012	4.1652	47.64
	2013	3.7214	42.57
	2014*	1.7940	10.17
Class A	2009	1.9030	46.19
	2010	1.8301	44.42
	2011	1.3073	31.73
	2012	1.6360	39.71
	2013	1.4264	34.62
	2014*	0.6777	8.15

\* Up to 15 June 2014 (the interim distribution payment date).

## Revenue Record – Accumulation Shares

The revenue record table below shows the net distribution rates per calendar year on a payment date basis for an investment made on 2 January 2009.

Share class	Calendar year	Net revenue per share (p)	Per £1,000 invested (£)
Class 3	2009	4.8340	109.83
	2010	4.9952	113.49
	2011	4.8715	110.68
	2012	5.0817	115.46
	2013	4.7147	107.12
	2014*	2.3291	26.32

\* Up to 15 June 2014 (the interim distribution payment date).

# AVIVA INVESTORS CORPORATE BOND FUND (CONTINUED)

Calendar Year Performance		
Total Return	Fund <sup>4</sup> %	IMA £ Corporate Bond <sup>5</sup> %
2009		
Share Class 1	17.12	14.33
Share Class 2	17.41	14.33
Share Class 3	17.69	14.33
Share Class A	17.04	14.33
2010		
Share Class 1	7.80	6.91
Share Class 2	7.95	6.91
Share Class 3	8.23	6.91
Share Class A	7.62	6.91
2011		
Share Class 1	4.85	3.81
Share Class 2	4.92	3.81
Share Class 3	5.26	3.81
Share Class A	4.59	3.81
2012		
Share Class 1	14.28	12.31
Share Class 2	14.41	12.31
Share Class 3	14.75	12.31
Share Class A	14.01	12.31
2013		
Share Class 1	0.54	0.22
Share Class 2	0.69	0.22
Share Class 3	0.94	0.22
Share Class A	0.29	0.22

Calendar Year Performance (continued)		
Total Return	Fund <sup>4</sup> %	IMA £ Corporate Bond <sup>5</sup> %
2014*		
Share Class 1	3.03	3.02
Share Class 2	3.09	3.02
Share Class 3	3.16	3.02
Share Class A	2.97	3.02

<sup>4</sup> Source: Aviva Investors (based on midday values, mid to mid basis, net income reinvested, net of fees).

<sup>5</sup> Source: Lipper (based on close of business values).

\* Up to 15 April 2014.

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

# AVIVA INVESTORS DISTRIBUTION FUND

## Investment Objective

A high and growing level of income with prospects for long term capital appreciation.

## Investment Policy

Diversified investment in high yielding UK equities and UK fixed interest securities. Allocations to fixed interest securities, equities and cash will vary over time. Equity selections will be based on price and long term total return prospects.

The Fund may invest in any of the following financial instruments in order to achieve its investment objective: transferable securities, money market instruments, units in collective investment schemes, deposits and derivatives and forward transactions.

## Risk Profile

The Fund will invest principally in UK equity and bond markets.

Movements in the UK equity markets and changes in interest rates or the credit ratings of companies issuing bonds will affect Fund performance and any income paid. The Fund pays 50% of its annual management charge from capital and this will have the effect of restricting capital growth. The Fund may invest in bonds denominated in overseas currencies and variations in exchange rates may therefore affect the Fund performance.

The solvency of organisations in which the Fund invests can change and this can affect the Fund's capital and any income paid. The Fund may invest in non-investment grade bonds and this increases the risk to your investment.

## Fund Manager's Report

The Fund delivered a total return of 2.68 per cent (share class 1), net of fees, compared to an average return of 1.73 per cent for its peer group IMA\* Mixed Investment 20-60% shares.

Turning to the equity portion of the Fund, the long standing below-benchmark position in banks, which underperformed, and its above-benchmark position in insurers served it well. Prudential and Legal & General shares climbed as results from both insurers impressed. Not holding Barclays, HSBC and Lloyds Banking Group was also beneficial as shares in all three banks tumbled. Stock selection in technology was positive thanks to the Fund's overweight position in Sage and its avoidance of ARM Holdings. The accounting-software giant's shares climbed after a trading update reassured investors about the outlook for 2014 while ARM Holdings tumbled following broker downgrades. However, there were some disappointments. Majestic Wine was a notable detractor, after a slump in February sales triggered a profit warning from the wine-warehouse chain.

Although we were disappointed by this turn of events, we have retained a holding in Majestic Wine as we believe that it has strong growth prospects and the shares are undervalued at current levels. We topped up Diageo. The drink manufacturer's share price has been depressed by worries about the economic outlook in China and other emerging markets. We expect the shares to find a firmer footing once investors refocus on Diageo's strong long-term growth prospects. Sales included Asia-focused bank Standard Chartered, which has been a disappointing performer of late.



# AVIVA INVESTORS DISTRIBUTION FUND (CONTINUED)

## **Fund Manager's Report (continued)**

The bond portfolio produced positive returns. The Fund favoured hybrid and subordinated bonds –which rank below other debts in a company's capital structure – from the financial services, utility and telecommunications sectors. Our long-standing preference for UK pub companies, such as Greene King and Mitchells & Butlers, consistently boosted Fund performance as pub sales increased in tandem with the improving UK economy. Holdings in subordinated financial company bonds, one of the strongest performing sectors over the period, from insurers Axa and Aviva and banks such as HSBC and Barclays added further to returns. In line with our view that the UK economy would continue to grow steadily, we positioned the bond portfolio of the Fund to have lower sensitivity to potentially higher market interest rates. This strategy enhanced performance.

We are reasonably optimistic on the outlook for UK equities. Dividend yields look attractive when compared to the low returns available on government bonds and cash. Company balance sheets are generally in good shape too. But there are some clouds on the horizon. If the economic recovery continues, speculation about the timing of future interest rate increases will intensify. We remain particularly optimistic about the long-term prospects for UK smaller companies, many of which have stronger growth prospects and more attractive valuations than their larger counterparts. We are positive on the outlook for corporate bonds focusing on companies with prudently managed balance sheets which are looking to cut costs in order to remain competitive and maintain cash flow.

**May 2014**

\* IMA is the Investment Management Association, the industry's trade body.

Sources: Fund and peer group performance figures – Lipper, mid to mid basis with net income reinvested in GBP, with no initial charges applied. Market data – Bloomberg.

Any opinions expressed are those of the fund manager. They should not be viewed as a guarantee of a return from an investment in the funds. The content of the commentary should not be viewed as a recommendation to invest nor buy or sell securities. 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.

# AVIVA INVESTORS DISTRIBUTION FUND (CONTINUED)

## Fund Facts

Accounting dates	Ex-dividend dates	Distribution dates
15 October	16 October	15 December
	16 January	15 March
15 April	16 April	15 June
	16 July	15 September

Ongoing Charges Figure*	
	<b>15.04.14</b>
Share Class 1	1.39%
Share Class 2	0.74%
Share Class 3	0.34%
Share Class 4	0.89%

\* The Ongoing Charges Figure (OCF) is calculated as the ratio of the total ongoing charges to the average net asset value of the Fund over the period. The OCF is made up of the Annual Management Charge and other operating costs deducted from the assets of the Fund during the period, except for those payments that are explicitly excluded (performance fees). The OCF includes transaction charges which were excluded from the Total Expense Ratio (TER) calculations provided previously. The OCF has replaced the TER.

Revenue Distributions – Income Shares		
Interim distribution for the three months ended 15 April 2014.		
	<b>Pence per share payable 15.06.14</b>	<b>Pence per share paid 15.06.13</b>
Share Class 1	1.3190	1.4730
Share Class 2	1.4884	1.6386
Share Class 3	1.6206	1.7648
Share Class 4	0.7932	0.8762

Revenue Distributions – Accumulation Shares		
Interim distribution for the three months ended 15 April 2014.		
	<b>Pence per share payable 15.06.14</b>	<b>Pence per share paid 15.06.13</b>
Share Class 1	1.9427	2.1086

# AVIVA INVESTORS DISTRIBUTION FUND (CONTINUED)

Net Asset Value – Income Shares* <sup>1</sup>			
	Pence per share 15.04.14	Pence per share 15.10.13	Change
Share Class 1	191.32	188.59	1.45%
Share Class 2	197.12	193.99	1.61%
Share Class 3	201.55	198.21	1.69%
Share Class 4	107.27	105.60	1.58%

\* Valued at bid market prices.

<sup>1</sup> The net asset value of income shares will exclude any income paid/payable to investors.

Net Asset Value – Accumulation Shares*			
	Pence per share 15.04.14	Pence per share 15.10.13	Change
Share Class 1	283.64	276.12	2.72%

\* Valued at bid market prices.

Total Return		
	Fund <sup>2</sup>	IMA Mixed Investment 20-60% Shares <sup>3</sup>
Share Class 1	2.68%	1.73%
Share Class 2	2.98%	1.73%
Share Class 3	3.16%	1.73%
Share Class 4	2.91%	1.73%

<sup>2</sup> Source: Aviva Investors (based on midday values, mid to mid basis, net income reinvested, net of fees) six months ended 15 April 2014.

<sup>3</sup> Source: Lipper (based on close of business values) six months ended 15 April 2014.

Synthetic Risk and Reward Indicator							
Lower risk				Higher risk			
← Typically lower rewards				Typically higher rewards →			
1	2	3	4	5	6	7	

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

- This indicator is based on historical data, calculated using European Union rules, and may not be a reliable indication of the future risk profile of the Fund.
- The risk and reward category shown is not guaranteed to remain unchanged and may change over time. The lowest category does not mean 'risk free'.
- Bond values are affected by changes in interest rates, and the bond issuer's creditworthiness. Bonds that produce a higher level of income usually have a greater risk of default.
- The value of investments will be affected by changes in exchange rates.
- Full information on the risks applicable to the Fund is detailed in the Prospectus.

# AVIVA INVESTORS DISTRIBUTION FUND (CONTINUED)

Top Ten Holdings	
15.04.14	
Rio Tinto	1.51%
GlaxoSmithKline	1.43%
Treasury 4.25% 07/03/2036	1.39%
BP	1.28%
BT	1.25%
BBA Aviation	1.23%
Treasury 4.75% 07/12/2038	1.22%
Treasury 4.25% 07/06/2032	1.20%
BHP Billiton	1.19%
EDF 6.125% 02/06/2034	1.17%

15.10.13	
European Investment Bank 3% 07/12/2015	1.95%
Vodafone	1.72%
GlaxoSmithKline	1.67%
Intermediate Capital	1.67%
BBA Aviation	1.44%
BT	1.42%
Rio Tinto	1.39%
BP	1.37%
Melrose	1.27%
Treasury 4.25% 07/03/2036	1.15%

Portfolio Breakdown		
	15.04.14	15.10.13
United Kingdom	68.49%	74.85%
United States of America	5.65%	6.27%
France	4.35%	3.06%
Netherlands	4.00%	2.90%
Channel Islands; Jersey	2.28%	1.13%
Cayman Islands	1.99%	2.08%
Italy	1.20%	1.14%
Bermuda	1.12%	1.25%
Mexico	0.98%	1.22%
Germany	0.90%	1.01%
Other Countries	1.58%	1.54%
Total Investments	92.54%	96.45%
Net Other Assets	7.46%	3.55%
Net Assets	100.00%	100.00%

# AVIVA INVESTORS DISTRIBUTION FUND (CONTINUED)

Share Price Record – Income Shares			
Share class	Calendar year	Highest price* (p)	Lowest price* (p)
Class 1	2009	154.34	115.74
	2010	166.96	152.00
	2011	170.16	157.28
	2012	180.89	162.83
	2013	194.55	180.88
	2014***	195.35	190.62
Class 2	2009	157.09	117.57
	2010	170.32	154.72
	2011	173.93	160.89
	2012	185.69	166.80
	2013	199.91	185.70
	2014***	201.27	196.28
Class 3	2009	159.40	119.13
	2010	173.12	157.00
	2011	177.07	163.88
	2012	189.56	170.06
	2013	204.17	189.58
	2014***	205.81	200.65
Class 4	2012**	100.67	99.93
	2013	108.85	100.67
	2014***	109.52	106.83

\* Valued at mid market prices.

\*\* From 10 December 2012 (date of launch).

\*\*\* Up to 15 April 2014.

Share Price Record – Accumulation Shares			
Share class	Calendar year	Highest price* (p)	Lowest price* (p)
Class 1	2009	197.48	142.81
	2010	221.50	196.22
	2011	229.62	214.49
	2012	257.43	224.62
	2013	284.29	257.41
	2014**	287.63	280.02

\* Valued at mid market prices.

\*\* Up to 15 April 2014.

# AVIVA INVESTORS DISTRIBUTION FUND (CONTINUED)

## Revenue Record – Income Shares

The revenue record table below shows the net distribution rates per calendar year on a payment date basis for an investment made on 2 January 2009 (10 December 2012 for Share Class 4).

Share class	Calendar year	Net revenue per share (p)	Per £1,000 invested (£)
Class 1	2009	6.2479	37.95
	2010	5.9471	36.12
	2011	5.6331	34.21
	2012	5.9501	36.14
	2013	5.3176	23.28
	2014**	2.4089	14.63
Class 2	2009	6.6333	48.41
	2010	6.4046	46.74
	2011	6.1196	44.66
	2012	6.4844	47.33
	2013	5.9682	31.47
	2014**	2.7408	20.00
Class 3	2009	6.9341	49.97
	2010	6.7640	48.75
	2011	6.6284	47.77
	2012	6.9774	50.28
	2013	6.4718	33.77
	2014**	3.0010	21.63
Class 4	2012*	N/A	N/A
	2013	2.7169	27.17
	2014**	1.4579	14.58

\* From 10 December 2012 (date of launch).

\*\* Up to 15 June 2014 (the interim distribution payment date).

## Revenue Record – Accumulation Shares

The revenue record table below shows the net distribution rates per calendar year on a payment date basis for an investment made on 2 January 2009.

Share class	Calendar year	Net revenue per share (p)	Per £1,000 invested (£)
Class 1	2009	7.7643	55.69
	2010	7.7172	55.36
	2011	7.5420	54.10
	2012	8.2866	59.44
	2013	7.6491	39.49
	2014*	3.5386	25.38

\* Up to 15 June 2014 (the interim distribution payment date).

# AVIVA INVESTORS DISTRIBUTION FUND (CONTINUED)

Calendar Year Performance		
Total Return	Fund <sup>4</sup> %	IMA Mixed Investment 20-60% Shares <sup>5</sup> %
2009		
Share Class 1	20.04	15.78
Share Class 2	20.63	15.78
Share Class 3	21.05	15.78
2010		
Share Class 1	10.52	8.68
Share Class 2	11.07	8.68
Share Class 3	11.48	8.68
2011		
Share Class 1	2.55	(2.06)
Share Class 2	3.04	(2.06)
Share Class 3	3.50	(2.06)
2012		
Share Class 1	14.83	8.24
Share Class 2	15.44	8.24
Share Class 3	15.88	8.24
Share Class 4*	0.46	0.44
2013		
Share Class 1	9.19	8.87
Share Class 2	9.83	8.87
Share Class 3	10.21	8.87
Share Class 4	9.68	8.87
2014**		
Share Class 1	1.43	0.11
Share Class 2	1.60	0.11
Share Class 3	1.70	0.11
Share Class 4	1.56	0.11

<sup>4</sup> Source: Aviva Investors (based on midday values, mid to mid basis, net income reinvested, net of fees).

<sup>5</sup> Source: Lipper (based on close of business values).

\* From 10 December 2012 (date of launch).

\*\* Up to 15 April 2014.

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

# AVIVA INVESTORS HIGH YIELD BOND FUND

## Investment Objective

To maximise total return while generating a high level of income through investment in a diversified portfolio of fixed interest securities.

## Investment Policy

Diversified investment in high yield bonds but also other fixed income assets, such as government bonds and investment grade corporates.

The Fund may invest in any of the following financial instruments in order to achieve its investment objective: transferable securities, money market instruments, units in collective investment schemes, deposits and derivatives and forward transactions.

Note: At least 80 per cent of assets will either be in sterling or currency hedged back to sterling.

## Risk Profile

The Fund may include investments in organisations in countries deemed to be emerging markets. These are usually considered to carry a greater degree of risk than investments in established markets. The Fund may invest in bonds denominated in overseas currencies and variations in exchange rates may affect Fund performance. The solvency of organisations in which the Fund invests can change and this can affect the Fund's capital and any income paid. The Fund may invest in non-investment grade bonds and this increases the risk to your investment.

## Fund Manager's Report

The Fund delivered a total return of 6.18 per cent (share class 1) over the six-month period, net of fees. The Fund's peer group, the Investment Management Association's Sterling High Yield sector, generated an average return of 5.00 per cent.

Corporate bonds advanced as investors sought additional yield in the face of record low official government interest rates. The UK economy grew rapidly in the latter half of 2013, outstripping Bank of England forecasts and leading to suggestions that interest rates would rise sooner than expected. UK ten-year government bond yields rose above three per cent for the first time since July before falling in wake of a sharp sell-off in emerging market assets in early 2014. Low interest rates and positive economic data enticed corporations into issuing debt but voracious investor demand kept prices buoyed as new bond issues were consistently oversubscribed throughout the period. High-yield markets benefitted significantly from investors' strong appetite for risk.

Outperformance was driven by various positions in corporate hybrid and subordinated bonds – which rank below other debt in a company's capital structure – issued by financial services, utility and telecommunications companies.

Holdings in subordinated debt issued by financial companies, including insurers Aviva and Generali and banks HSBC and Barclays, performed especially well. A bond issued by French bank Credit Agricole also boosted performance. Debt issued by Enel, the Italian electricity provider, Telefonica, the Spanish telecommunications group and Avanza a Spanish bus company also fared well boosted by a sharp rally in underlying Italian and Spanish government debt.



# AVIVA INVESTORS HIGH YIELD BOND FUND (CONTINUED)

## **Fund Manager's Report (continued)**

Bonds issued by Kerling, a leading manufacturer of PVC and caustic soda, moved higher following news the company is involved in a joint venture between Solvay and Ineos Group, two of the world's largest chemical companies. Meanwhile, our long-standing preference for the debt of UK pub companies, such as Mitchells & Butlers and Spirit Pub Co, bolstered performance as sales increased in tandem with an improving UK economy.

Although the UK and US economies appear to be improving steadily and a moderate recovery is underway in Europe, we anticipate demand for corporate bonds will remain strong since central banks will want to prevent government bonds yields from rising very far. That in turn will encourage investors to continue looking for extra income. Furthermore, default rates are low and are expected to remain so given the strength of companies' balance sheets and the fact most are holding plenty of cash and can continue to access low-cost funding. In view of this, we think there is some scope for credit spreads to narrow.

## **May 2014**

Sources: Fund and peer group performance figures – Lipper, mid to mid basis with net income reinvested in GBP, with no initial charges applied. Market data – Bloomberg.

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# AVIVA INVESTORS HIGH YIELD BOND FUND (CONTINUED)

## Fund Facts

Accounting dates	Ex-dividend dates	Distribution dates
15 October	16 October	15 December
	16 January	15 March
15 April	16 April	15 June
	16 July	15 September

Ongoing Charges Figure*	
	<b>15.04.14</b>
Share Class 1	1.15%
Share Class 2	0.65%
Share Class 3	0.35%

\* The Ongoing Charges Figure (OCF) is calculated as the ratio of the total ongoing charges to the average net asset value of the Fund over the period. The OCF is made up of the Annual Management Charge and other operating costs deducted from the assets of the Fund during the period, except for those payments that are explicitly excluded (performance fees). The OCF includes transaction charges which were excluded from the Total Expense Ratio (TER) calculations provided previously. The OCF has replaced the TER.

## Revenue Distributions – Income Shares

Interim distribution for the three months ended 15 April 2014.

	Pence per share payable 15.06.14	Pence per share paid 15.06.13
Share Class 1	0.6864	0.9095
Share Class 2	1.1467	1.4800
Share Class 3*	N/A	2.0693

\* Share class closed on 22 January 2014.

## Revenue Distributions – Accumulation Shares

Interim distribution for the three months ended 15 April 2014.

	Pence per share payable 15.06.14	Pence per share paid 15.06.13
Share Class 3	2.2483	2.7149

# AVIVA INVESTORS HIGH YIELD BOND FUND (CONTINUED)

## Net Asset Value – Income Shares\*<sup>1</sup>

	Pence per share 15.04.14	Pence per share 15.10.13	Change
Share Class 1	70.87	68.05	4.14%
Share Class 2	107.41	103.14	4.14%
Share Class 3**	N/A	137.56	N/A

\* Valued at bid market prices.

\*\* Share class closed on 22 January 2014.

<sup>1</sup> The net asset value of income shares will exclude any income paid/payable to investors.

## Net Asset Value – Accumulation Shares\*

	Pence per share 15.04.14	Pence per share 15.10.13	Change
Share Class 3	202.00	189.42	6.64%

\* Valued at bid market prices.

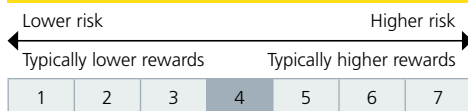
## Total Return

	Fund <sup>2</sup>	IMA £ High Yield <sup>3</sup>
Share Class 1	6.18%	5.00%
Share Class 2	6.39%	5.00%
Share Class 3	6.53%	5.00%

<sup>2</sup> Source: Aviva Investors (based on midday values, mid to mid basis, net income reinvested, net of fees) six months ended 15 April 2014.

<sup>3</sup> Source: Lipper (based on close of business values) six months ended 15 April 2014.

## Synthetic Risk and Reward Indicator



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

- This indicator is based on historical data, calculated using European Union rules, and may not be a reliable indication of the future risk profile of the Fund.
- The risk and reward category shown is not guaranteed to remain unchanged and may change over time. The lowest category does not mean 'risk free'.
- Bond values are affected by changes in interest rates, and the bond issuer's creditworthiness. Bonds that produce a higher level of income usually have a greater risk of default.
- The value of investments will be affected by changes in exchange rates.
- Full information on the risks applicable to the Fund is detailed in the Prospectus.

# AVIVA INVESTORS HIGH YIELD BOND FUND (CONTINUED)

Top Ten Holdings		
15.04.14		
Telefonica 6% FRN Perpetual		2.34%
Virgin Media Secured Finance 5.5% 15/01/2025		2.26%
Lafarge 10% 30/05/2017		2.23%
Anglian Water Osprey 7% 31/01/2018		2.14%
Germany 1.25% 14/10/2016		2.11%
Enel 8.75% 24/09/2073		2.11%
Telecom Italia 7.375% 15/12/2017		2.09%
Treasury 4% 07/09/2016		2.01%
Mitchells & Butlers FRN 15/06/2036		1.85%
CPUK Finance 11.625% 28/02/2042		1.82%

15.10.13		
Anglian Water Osprey 7% 31/01/2018		2.73%
BAA Funding 7.125% 01/03/2017		2.57%
CPUK Finance 11.625% 28/02/2042		2.34%
Agrokor 9.125% 01/02/2020		2.20%
UPC Holding 8.375% 15/08/2020		2.19%
Infinis 7% 15/02/2019		2.09%
Lafarge 10% 30/05/2017		2.07%
Lloyds Bank 10.75% 16/12/2021		1.90%
AA Bond 9.5% 31/07/2043		1.72%
Royal Bank of Scotland 3.37% 17/05/2018		1.66%

Portfolio Breakdown		
	15.04.14	15.10.13
United Kingdom	34.30%	41.35%
Netherlands	13.03%	9.89%
France	10.61%	8.23%
Italy	8.56%	2.87%
Germany	7.46%	5.07%
Luxembourg	6.52%	7.92%
Channel Islands	5.61%	4.51%
United States of America	1.90%	3.55%
Ireland; Republic of	1.53%	3.00%
Spain	1.38%	0.67%
Other Countries	7.06%	9.19%
Total Investments	97.96%	96.25%
Net Other Assets	2.04%	3.75%
Net Assets	100.00%	100.00%

# AVIVA INVESTORS HIGH YIELD BOND FUND (CONTINUED)

Share Price Record – Income Shares			
Share class	Calendar year	Highest price* (p)	Lowest price* (p)
Class 1	2009	60.76	42.16
	2010	66.94	60.85
	2011	66.91	56.97
	2012	67.34	59.64
	2013	70.21	66.80
	2014**	71.92	70.02
Class 2	2009	92.14	63.96
	2010	101.52	92.28
	2011	101.42	86.39
	2012	102.14	90.38
	2013	106.49	101.31
	2014**	109.10	106.14
Class 3	2009	122.96	85.31
	2010	135.49	123.14
	2011	135.27	115.28
	2012	136.29	120.51
	2013	142.12	135.20
	2014***	143.46	141.76

\* Valued at mid market prices.

\*\* Up to 15 April 2014.

\*\*\* Up to 22 January 2014 (date share class closed).

Share Price Record – Accumulation Shares			
Share class	Calendar year	Highest price* (p)	Lowest price* (p)
Class 3	2009	133.13	85.61
	2010	154.25	133.33
	2011	160.43	138.87
	2012	178.06	148.12
	2013	195.66	178.18
	2014**	203.01	195.77

\* Valued at mid market prices.

\*\* Up to 15 April 2014.

# AVIVA INVESTORS HIGH YIELD BOND FUND (CONTINUED)

## Revenue Record – Income Shares

The revenue record table below shows the net distribution rates per calendar year on a payment date basis for an investment made on 2 January 2009.

Share class	Calendar year	Net revenue per share (p)	Per £1,000 invested (£)
Class 1	2009	3.4703	82.32
	2010	3.5779	84.87
	2011	3.5807	84.94
	2012	3.5338	83.82
	2013	3.1470	74.65
	2014*	1.4610	34.66
Class 2	2009	5.6282	65.74
	2010	5.7219	66.83
	2011	5.7254	66.88
	2012	5.6653	66.17
	2013	5.1804	60.51
	2014*	2.4287	28.37
Class 3	2009	7.5689	118.35
	2010	8.1289	127.10
	2011	8.0700	126.18
	2012	7.9678	124.58
	2013	7.2832	113.88
	2014**	1.8043	28.21

\* Up to 15 June 2014 (the interim distribution payment date).

\*\* Up to 22 January 2014 (date share class closed).

## Revenue Record – Accumulation Shares

The revenue record table below shows the net distribution rates per calendar year on a payment date basis for an investment made on 2 January 2009.

Share class	Calendar year	Net revenue per share (p)	Per £1,000 invested (£)
Class 3	2009	7.8351	122.51
	2010	9.0125	140.92
	2011	9.5152	148.78
	2012	9.9853	156.13
	2013	9.6458	150.82
	2014*	4.7182	73.77

\* Up to 15 June 2014 (the interim distribution payment date).

# AVIVA INVESTORS HIGH YIELD BOND FUND (CONTINUED)

Calendar Year Performance		
Total Return	Fund <sup>4</sup> %	IMA £ High Yield <sup>5</sup> %
2009		
Share Class 1	54.71	45.94
Share Class 2	55.37	45.94
Share Class 3	55.60	45.94
2010		
Share Class 1	13.73	10.62
Share Class 2	14.05	10.62
Share Class 3	14.49	10.62
2011		
Share Class 1	(3.79)	(4.18)
Share Class 2	(3.49)	(4.18)
Share Class 3	(3.16)	(4.18)
2012		
Share Class 1	19.83	18.18
Share Class 2	20.25	18.18
Share Class 3	20.65	18.18
2013		
Share Class 1	9.19	6.58
Share Class 2	9.62	6.58
Share Class 3	9.88	6.58
2014*		
Share Class 1	3.51	2.50
Share Class 2	3.63	2.50
Share Class 3	3.71	2.50

<sup>4</sup> Source: Aviva Investors (based on midday values, mid to mid basis, net income reinvested, net of fees).

<sup>5</sup> Source: Lipper (based on close of business values).

\* Up to 15 April 2014.

The value of an investment in the Aviva Investors High Yield Bond Fund and any revenue from it can go down as well as up. You may not get back the original amount invested. Past performance is not a guide to future performance.

# AVIVA INVESTORS HIGHER INCOME PLUS FUND

## Investment Objective

A high level of investment income.

## Investment Policy

Diversified investment in fixed interest securities issued by corporates, governments and supranational institutions. Investment is principally in Sterling denominated securities but the Fund may also invest in global securities issued in a variety of currencies.

The Fund may invest in any of the following financial instruments in order to achieve its investment objective: transferable securities, money market instruments, units in collective investment schemes, deposits and derivatives and forward transactions.

## Risk Profile

The Fund may include investments in organisations in countries deemed to be emerging markets. These are usually considered to carry a greater degree of risk than investments in established markets. As the main aim is to produce income, the opportunity for capital growth is minimal. The Fund may invest in bonds denominated in overseas currencies and variations in exchange rates may affect Fund performance. The solvency of organisations in which the Fund invests can change and this can affect the Fund's capital and any income paid. The Fund may invest in non-investment grade bonds and this increases the risk to your investment.

## Fund Manager's Report

The Fund delivered a total return of 4.52 per cent (share class A), net of fees as corporate bonds responded to strong company results and decisions by central banks around the world to keep monetary policy loose. The Fund's peer group, the Investment Management Association's Sterling Strategic bond sector generated an average return of 3.77 per cent.

Corporate bonds advanced as investors sought additional yield in the face of record low official government interest rates. The UK economy grew rapidly in the latter half of 2013, outstripping Bank of England forecasts and leading to suggestions that interest rates would rise sooner than expected. UK ten-year government bond yields rose above three per cent for the first time since July before falling in wake of a sharp sell-off in emerging market assets in early 2014. Low interest rates and positive economic data enticed corporations into issuing debt but voracious investor demand kept prices buoyed as new bond issues were consistently oversubscribed throughout the period. High-yield markets benefitted significantly from investors' strong appetite for risk.

Outperformance was driven by various positions in corporate hybrid and subordinated bonds – which rank below other debt in a company's capital structure – issued by financial services, utility and telecommunications companies.

Holdings in subordinated debt issued by financial companies, including insurers Aviva and Generali and banks HSBC and Barclays, performed especially well. A bond issued by French bank Credit Agricole also boosted performance.



# AVIVA INVESTORS HIGHER INCOME PLUS FUND (CONTINUED)

## **Fund Manager's Report (continued)**

Debt issued by Enel, the Italian electricity provider, Telefonica, the Spanish telecommunications group and Avanza a Spanish bus company also fared well boosted by a sharp rally in underlying Italian and Spanish government debt. Bonds issued by Kerling, a leading manufacturer of PVC and caustic soda, moved higher following news the company is involved in a joint venture between Solvay and Ineos Group, two of the world's largest chemical companies. Meanwhile, our long-standing preference for the debt of UK pub companies, such as Mitchells & Butlers and Spirit Pub Co, bolstered performance as sales increased in tandem with an improving UK economy.

Although the UK and US economies appear to be improving steadily and a moderate recovery is underway in Europe, we anticipate demand for corporate bonds will remain strong since central banks will want to prevent government bonds yields from rising very far. That in turn will encourage investors to continue looking for extra income. Furthermore, default rates are low and are expected to remain so given the strength of companies' balance sheets and the fact most are holding plenty of cash and can continue to access low-cost funding. In view of this, we think there is some scope for credit spreads to narrow.

## **May 2014**

Sources: Fund and peer group performance figures – Lipper, mid to mid basis with net income reinvested in GBP, with no initial charges applied. Market data – Bloomberg.

Any opinions expressed are those of the fund manager. They should not be viewed as a guarantee of a return from an investment in the funds. The content of the commentary should not be viewed as a recommendation to invest nor buy or sell any securities. 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.

# AVIVA INVESTORS HIGHER INCOME PLUS FUND (CONTINUED)

## Fund Facts

Accounting dates	Ex-dividend dates	Distribution dates
15 October	Monthly, on the 16th of each month	Monthly, on the 14th of the following month
15 April		

Ongoing Charges Figure*	
	<b>15.04.13</b>
Share Class 1	1.00%
Share Class 2	0.63%
Share Class 3	0.33%
Share Class A	1.38%

\* The Ongoing Charges Figure (OCF) is calculated as the ratio of the total ongoing charges to the average net asset value of the Fund over the period. The OCF is made up of the Annual Management Charge and other operating costs deducted from the assets of the Fund during the period, except for those payments that are explicitly excluded (performance fees). The OCF includes transaction charges which were excluded from the Total Expense Ratio (TER) calculations provided previously. The OCF has replaced the TER.

## Revenue Distributions – Income Shares

Interim distribution for the month ended 15 April 2014.

	Pence per share payable 14.05.14	Pence per share paid 14.05.13
Share Class 1	0.1687	0.1550
Share Class 2	0.2922	0.2929
Share Class 3	0.4213	0.4177
Share Class A	0.1380	0.1600

## Net Asset Value – Income Shares\*<sup>1</sup>

	Pence per share 15.04.14	Pence per share 15.10.13	Change
Share Class 1	49.61	48.14	3.05%
Share Class 2	74.60	72.47	2.94%
Share Class 3	102.08	99.16	2.94%
Share Class A	55.44	53.81	3.03%

\* Valued at bid market prices.

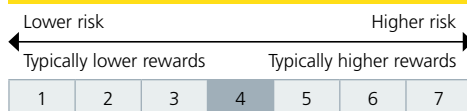
<sup>1</sup> The net asset value of income shares will exclude any income paid/payable to investors.

Total Return		
	Fund <sup>2</sup>	IMA £ Strategic Bond <sup>3</sup>
Share Class 1	4.70%	3.77%
Share Class 2	4.85%	3.77%
Share Class 3	4.98%	3.77%
Share Class A	4.52%	3.77%

<sup>2</sup> Source: Aviva Investors (based on midday values, mid to mid basis, net income reinvested, net of fees) six months ended 15 April 2014.

<sup>3</sup> Source: Lipper (based on close of business values) six months ended 15 April 2014.

## Synthetic Risk and Reward Indicator



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

- This indicator is based on historical data, calculated using European Union rules, and may not be a reliable indication of the future risk profile of the Fund.
- The risk and reward category shown is not guaranteed to remain unchanged and may change over time. The lowest category does not mean 'risk free'.
- Bond values are affected by changes in interest rates, and the bond issuer's creditworthiness. Bonds that produce a higher level of income usually have a greater risk of default.
- The value of investments will be affected by changes in exchange rates.
- Full information on the risks applicable to the Fund is detailed in the Prospectus.

# AVIVA INVESTORS HIGHER INCOME PLUS FUND (CONTINUED)

Top Ten Holdings	
15.04.14	
Aviva Investors Emerging Markets Bond ZX (EUR)	8.50%
Lafarge 10% 30/05/2017	2.39%
Treasury 4.5% 07/12/2042	1.69%
Treasury 5% 07/03/2025	1.45%
Ahold Finance 6.5% 14/03/2017	1.45%
Prudential 11.375% 29/05/2039	1.44%
Treasury 6% 07/12/2028	1.44%
First Hydro 9% 31/07/2021	1.41%
Bank of Scotland 8.117% 29/03/2049	1.38%
Paragon 7% 20/04/2017	1.30%

15.10.13	
Aviva Investors Emerging Markets Bond ZX (EUR)	7.95%
Lafarge 10% 30/05/2017	2.38%
Mitchells & Butlers 6.469% 15/09/2030	1.55%
Ahold Finance 6.5% 14/03/2017	1.46%
Daily Mail & General Trust 5.75% 07/12/2018	1.43%
Thames Water Kemble Finance 7.75% 01/04/2019	1.42%
First Hydro 9% 31/07/2021	1.40%
Bank of Scotland 8.117% 29/03/2049	1.33%
Spirit Issuer 5.472% 28/12/2034	1.30%
Sergo 6.75% 23/11/2021	1.28%

Portfolio Breakdown		
	15.04.14	15.10.13
United Kingdom	40.97%	47.62%
Luxembourg	11.21%	12.56%
Netherlands	7.78%	7.33%
France	7.26%	8.19%
United States of America	6.78%	8.01%
Italy	3.58%	2.85%
Channel Islands; Jersey	3.40%	3.35%
Germany	2.55%	0.43%
Ireland; Republic of	2.34%	3.51%
Mexico	1.27%	1.37%
Spain	0.74%	0.45%
Other Countries	10.05%	3.60%
Total Investments	97.93%	98.67%
Net Other Assets	2.07%	1.33%
Net Assets	100.00%	100.00%

# AVIVA INVESTORS HIGHER INCOME PLUS FUND (CONTINUED)

Share Price Record – Income Shares			
Share class	Calendar year	Highest price* (p)	Lowest price* (p)
Class 1	2009	42.48	30.11
	2010	45.97	42.56
	2011	45.50	41.00
	2012	48.21	42.38
	2013	49.92	47.01
Class 2	2014**	50.02	48.73
	2009	63.81	45.30
	2010	69.13	63.93
	2011	68.52	61.71
	2012	72.56	63.75
Class 3	2013	75.04	70.72
	2014**	75.31	73.37
	2009	87.32	61.99
	2010	94.61	87.49
	2011	93.78	84.46
Class A	2012	99.30	87.24
	2013	102.69	96.78
	2014**	103.07	100.41
	2009	47.46	33.67
	2010	51.38	47.54
	2011	50.81	45.78
	2012	53.88	47.37
	2013	55.79	52.54
	2014**	55.89	54.46

\* Valued at mid market prices.

\*\* Up to 15 April 2014.

Revenue Record – Income Shares			
Share class	Calendar year	Net revenue per share (p)	Per £1,000 invested (£)
Class 1	2009	2.0702	40.54
	2010	2.0822	40.78
	2011	1.7579	34.43
	2012	1.9303	37.80
	2013	2.0548	40.24
Class 2	2014*	0.5448	10.67
	2009	3.3538	65.68
	2010	3.2974	64.58
	2011	2.9081	56.95
	2012	3.0790	60.29
Class 3	2013	3.0871	60.46
	2014*	1.2107	23.71
	2009	4.7064	67.35
	2010	4.6664	66.78
	2011	4.1987	60.09
Class A	2012	4.4315	63.42
	2013	4.4658	63.91
	2014*	1.7571	25.15
	2009	2.2320	58.80
	2010	2.2160	58.38
	2011	1.8135	47.77
	2012	2.0050	52.82
	2013	1.9835	52.25
	2014*	0.7109	18.73

\* Up to 14 May 2014 (the interim distribution payment date).

# AVIVA INVESTORS HIGHER INCOME PLUS FUND (CONTINUED)

Calendar Year Performance		
Total Return	Fund <sup>4</sup> %	IMA £ Strategic Bond <sup>5</sup> %
2009		
Share Class 1	32.21	20.89
Share Class 2	32.61	20.89
Share Class 3	32.82	20.89
Share Class A	31.82	20.89
2010		
Share Class 1	9.03	7.35
Share Class 2	9.48	7.35
Share Class 3	9.67	7.35
Share Class A	8.81	7.35
2011		
Share Class 1	(0.06)	2.19
Share Class 2	0.26	2.19
Share Class 3	0.50	2.19
Share Class A	(0.35)	2.19
2012		
Share Class 1	18.81	12.45
Share Class 2	19.16	12.45
Share Class 3	19.46	12.45
Share Class A	18.45	12.45
2013		
Share Class 1	5.13	2.73
Share Class 2	5.44	2.73
Share Class 3	5.70	2.73
Share Class A	4.81	2.73

Calendar Year Performance (continued)		
Total Return	Fund <sup>4</sup> %	IMA £ Strategic Bond <sup>5</sup> %
2014*		
Share Class 1	3.37	2.56
Share Class 2	3.47	2.56
Share Class 3	3.53	2.56
Share Class A	3.28	2.56

<sup>4</sup> Source: Aviva Investors (based on midday values, mid to mid basis, net income reinvested, net of fees).

<sup>5</sup> Source: Lipper (based on close of business values).

\* Up to 15 April 2014.

The value of an investment in the Aviva Investors Higher Income Plus Fund and any revenue from it can go down as well as up. You may not get back the original amount invested. Past performance is not a guide to future performance.

# AVIVA INVESTORS MANAGED HIGH INCOME FUND

## Investment Objective

To provide a high level of investment income.

## Investment Policy

Diversified investment in global fixed interest securities issued in a variety of currencies by governments, supranational institutions and corporates.

The Fund may invest in any of the following financial instruments in order to achieve its investment objective: transferable securities, money market instruments, units in collective investment schemes, deposits and derivatives and forward transactions.

## Risk Profile

The Fund may include investments in organisations in countries deemed to be emerging markets. These are usually considered to carry a greater degree of risk than investments in established markets. As the main aim is to produce income, the opportunity for capital growth is minimal. The Fund may invest in bonds denominated in overseas currencies and variations in exchange rates may affect Fund performance. The solvency of organisations in which the Fund invests can change and this can affect the Fund's capital and any income paid. The Fund may invest in non-investment grade bonds and this increases the risk to your investment.

## Fund Manager's Report

The Fund delivered a total return of 4.64 per cent (share class 1), net of fees as corporate bonds responded to strong company results and decisions by central banks around the world to keep monetary policy loose. The Fund's peer group, the Investment Management Association's Sterling Strategic bond sector generated an average return of 3.77 per cent.

Corporate bonds advanced as investors sought additional yield in the face of record low official government interest rates. The UK economy grew rapidly in the latter half of 2013, outstripping Bank of England forecasts and leading to suggestions that interest rates would rise sooner than expected. UK ten-year government bond yields rose above three per cent for the first time since July before falling in wake of a sharp sell-off in emerging market assets in early 2014. Low interest rates and positive economic data enticed corporations into issuing debt but voracious investor demand kept prices buoyed as new bond issues were consistently oversubscribed throughout the period. High-yield markets benefitted significantly from investors' strong appetite for risk.

Outperformance was driven by various positions in corporate hybrid and subordinated bonds – which rank below other debt in a company's capital structure – issued by financial services, utility and telecommunications companies.

Holdings in subordinated debt issued by financial companies, including insurers Aviva and Generali and banks HSBC and Barclays, performed especially well. A bond issued by French bank Credit Agricole also boosted performance.

# AVIVA INVESTORS MANAGED HIGH INCOME FUND (CONTINUED)

## **Fund Manager's Report (continued)**

Debt issued by Enel, the Italian electricity provider, Telefonica, the Spanish telecommunications group and Avanza a Spanish bus company also fared well boosted by a sharp rally in underlying Italian and Spanish government debt. Bonds issued by Kerling, a leading manufacturer of PVC and caustic soda, moved higher following news the company is involved in a joint venture between Solvay and Ineos Group, two of the world's largest chemical companies. Meanwhile, our long-standing preference for the debt of UK pub companies, such as Mitchells & Butlers and Spirit Pub Co, bolstered performance as sales increased in tandem with an improving UK economy.

Although the UK and US economies appear to be improving steadily and a moderate recovery is underway in Europe, we anticipate demand for corporate bonds will remain strong since central banks will want to prevent government bonds yields from rising very far. That in turn will encourage investors to continue looking for extra income. Furthermore, default rates are low and are expected to remain so given the strength of companies' balance sheets and the fact most are holding plenty of cash and can continue to access low-cost funding. In view of this, we think there is some scope for credit spreads to narrow.

## **May 2014**

Sources: Fund and peer group performance figures – Lipper, mid to mid basis with net income reinvested in GBP, with no initial charges applied. Market data – Bloomberg.

Any opinions expressed are those of the fund manager. They should not be viewed as a guarantee of a return from an investment in the funds. The content of the commentary should not be viewed as a recommendation to invest nor buy or sell any securities. 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.

# AVIVA INVESTORS MANAGED HIGH INCOME FUND (CONTINUED)

## Fund Facts

Accounting dates	Ex-dividend dates	Distribution dates
15 October	Monthly, on the 16th of each month	Monthly, on the 27th of the following month
15 April		

Ongoing Charges Figure*	
	<b>15.04.13</b>
Share Class 1	1.39%
Share Class 2	0.64%
Share Class 3	0.34%

\* The Ongoing Charges Figure (OCF) is calculated as the ratio of the total ongoing charges to the average net asset value of the Fund over the period. The OCF is made up of the Annual Management Charge and other operating costs deducted from the assets of the Fund during the period, except for those payments that are explicitly excluded (performance fees). The OCF includes transaction charges which were excluded from the Total Expense Ratio (TER) calculations provided previously. The OCF has replaced the TER.

## Revenue Distributions – Income Shares

Interim distribution for the month ended 15 April 2014.

	Pence per share payable 27.05.14	Pence per share paid 27.05.13
Share Class 1	0.1425	0.1600
Share Class 2	0.3116	0.2960
Share Class 3	0.4404	0.4191

## Revenue Distributions – Accumulation Shares

Interim distribution for the month ended 15 April 2014.

	Pence per share payable 27.05.14	Pence per share paid 27.05.13
Share Class 3*	N/A	0.7210

\* Share class closed on 22 January 2014.



# AVIVA INVESTORS MANAGED HIGH INCOME FUND (CONTINUED)

Net Asset Value – Income Shares* <sup>1</sup>			
	Pence per share 15.04.14	Pence per share 15.10.13	Change
Share Class 1	51.91	50.40	3.00%
Share Class 2	77.83	75.62	2.92%
Share Class 3	104.52	101.55	2.92%

\* Valued at bid market prices.

<sup>1</sup> The net asset value of income shares will exclude any income paid/payable to investors.

Net Asset Value – Accumulation Shares*			
	Pence per share 15.04.14	Pence per share 15.10.13	Change
Share Class 3**	N/A	142.98	N/A

\* Valued at bid market prices.

\*\* Share class closed on 22 January 2014.

Total Return		
	Fund <sup>2</sup>	IMA £ Strategic Bond <sup>3</sup>
Share Class 1	4.64%	3.77%
Share Class 2	4.96%	3.77%
Share Class 3	5.09%	3.77%

<sup>2</sup> Source: Aviva Investors (based on midday values, mid to mid basis, net income reinvested, net of fees) six months ended 15 April 2014.

<sup>3</sup> Source: Lipper (based on close of business values) six months ended 15 April 2014.

Synthetic Risk and Reward Indicator							
Lower risk				Higher risk			
← Typically lower rewards				Typically higher rewards →			
1	2	3	4	5	6	7	

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

- This indicator is based on historical data, calculated using European Union rules, and may not be a reliable indication of the future risk profile of the Fund.
- The risk and reward category shown is not guaranteed to remain unchanged and may change over time. The lowest category does not mean 'risk free'.
- Bond values are affected by changes in interest rates, and the bond issuer's creditworthiness. Bonds that produce a higher level of income usually have a greater risk of default.
- The value of investments will be affected by changes in exchange rates.
- Full information on the risks applicable to the Fund is detailed in the Prospectus.

# AVIVA INVESTORS MANAGED HIGH INCOME FUND (CONTINUED)

Top Ten Holdings	
15.04.14	
Aviva Investors Emerging Markets Bond Z (EUR)	8.22%
Treasury 4.75% 07/12/2038	2.00%
Germany 1.25% 14/10/2016	1.66%
Virgin Media Secured Finance 5.5% 15/01/2025	1.36%
Barclays Bank 10% 21/05/2021	1.29%
Goodman Australia Finance 9.75% 16/07/2018	1.23%
First Hydro 9% 31/07/2021	1.21%
UPC 6.75% 15/03/2023	1.19%
RSA Insurance 9.375% 20/05/2039	1.15%
Scottish & Southern Energy 5.453% Perpetual	1.14%

15.10.13	
Aviva Investors Emerging Markets Bond Z (EUR)	7.73%
Treasury 6% 07/12/2028	1.79%
Treasury 4.75% 07/12/2038	1.46%
Mitchells & Butlers 6.469% 15/09/2032	1.44%
Goodman Australia Finance 9.75% 16/07/2018	1.30%
First Hydro 9% 31/07/2021	1.25%
RSA Insurance 9.375% 20/05/2039	1.23%
Scottish & Southern Energy 5.453% Perpetual	1.20%
AG Spring Finance II 9.5% 01/06/2019	1.20%
Legal & General Group 10% FRN 23/07/2041	1.19%

Portfolio Breakdown		
	15.04.14	15.10.13
United Kingdom	29.48%	34.76%
United States of America	27.87%	26.28%
Luxemburg	11.50%	10.73%
Netherlands	6.37%	4.81%
France	5.84%	6.41%
Italy	2.92%	2.61%
Germany	2.65%	–
Cayman Islands	2.48%	2.02%
Canada	2.21%	1.72%
Australia	1.58%	1.65%
Other Countries	6.25%	7.45%
Total Investments	99.15%	98.44%
Net Other Assets	0.85%	1.56%
Net Assets	100.00%	100.00%

# AVIVA INVESTORS MANAGED HIGH INCOME FUND (CONTINUED)

Share Price Record – Income Shares			
Share class	Calendar year	Highest price* (p)	Lowest price* (p)
Class 1	2009	44.29	30.62
	2010	48.43	44.36
	2011	48.77	43.37
	2012	50.77	45.46
	2013	52.67	49.34
	2014**	52.32	51.11
Class 2	2009	66.37	45.77
	2010	72.69	66.45
	2011	73.27	65.05
	2012	76.18	68.15
	2013	78.87	73.94
	2014**	78.54	76.71
Class 3	2009	89.13	61.47
	2010	97.63	89.24
	2011	98.41	87.37
	2012	102.31	91.54
	2013	105.93	99.31
	2014**	105.50	103.02

\* Valued at mid market prices.

\*\* Up to 15 April 2014.

Share Price Record – Accumulation Shares			
Share class	Calendar year	Highest price* (p)	Lowest price* (p)
Class 3	2009	102.65	67.28
	2010	117.99	102.87
	2011	122.44	110.94
	2012	138.42	117.87
	2013	146.34	137.55
	2014**	148.05	146.05

\* Valued at mid market prices.

\*\* Up to 22 January 2014 (date share class closed).

# AVIVA INVESTORS MANAGED HIGH INCOME FUND (CONTINUED)

## Revenue Record – Income Shares

The revenue record table below shows the net distribution rates per calendar year on a payment date basis for an investment made on 2 January 2009.

Share class	Calendar year	Net revenue per share (p)	Per £1,000 invested (£)
Class 1	2009	2.4413	71.72
	2010	2.3800	69.92
	2011	2.0872	61.32
	2012	2.0530	60.32
	2013	2.1046	61.83
	2014*	0.6211	18.25
Class 2	2009	3.9408	77.40
	2010	3.8682	75.97
	2011	3.6601	71.89
	2012	3.4637	68.03
	2013	3.6353	71.40
	2014*	1.0890	21.39
Class 3	2009	5.4086	73.77
	2010	5.3541	73.03
	2011	5.1434	70.15
	2012	4.8822	66.59
	2013	5.1582	70.35
	2014*	1.5465	21.09

\* Up to 27 May 2014 (the interim distribution payment date).

## Revenue Record – Accumulation Shares

The revenue record table below shows the net distribution rates per calendar year on a payment date basis for an investment made on 2 January 2009.

Share class	Calendar year	Net revenue per share (p)	Per £1,000 invested (£)
Class 3	2009	5.9635	81.34
	2010	6.2988	85.91
	2011	6.4161	87.51
	2012	6.4054	87.36
	2013	7.1158	97.05
	2014*	0.6437	8.78

\* Up to 22 January 2014 (date share class closed).

# AVIVA INVESTORS MANAGED HIGH INCOME FUND (CONTINUED)

Calendar Year Performance		
Total Return	Fund <sup>4</sup> %	IMA £ Strategic Bond <sup>5</sup> %
2009		
Share Class 1	39.39	20.89
Share Class 2	40.31	20.89
Share Class 3	40.51	20.89
2010		
Share Class 1	12.27	7.35
Share Class 2	12.96	7.35
Share Class 3	13.16	7.35
2011		
Share Class 1	0.43	2.19
Share Class 2	1.04	2.19
Share Class 3	1.28	2.19
2012		
Share Class 1	16.59	12.45
Share Class 2	17.28	12.45
Share Class 3	17.58	12.45
2013		
Share Class 1	4.63	2.73
Share Class 2	5.26	2.73
Share Class 3	5.52	2.73
2014*		
Share Class 1	3.12	2.56
Share Class 2	3.30	2.56
Share Class 3	3.37	2.56

<sup>4</sup> Source: Aviva Investors (based on midday values, mid to mid basis, net income reinvested, net of fees).

<sup>5</sup> Source: Lipper (based on close of business values).

\* Up to 15 April 2014.

The value of an investment in the Aviva Investors Managed High Income Fund and any revenue from it can go down as well as up. You may not get back the original amount invested. Past performance is not a guide to future performance.

# AVIVA INVESTORS MONTHLY INCOME PLUS FUND

## Investment Objective

A high income payable monthly and to guard against capital erosion.

## Investment Policy

Diversified investment, principally in the UK, in fixed interest securities, convertibles, preference shares and high yielding equities.

The Fund may invest in any of the following financial instruments in order to achieve its investment objective: transferable securities, money market instruments, units in collective investment schemes, deposits and derivatives and forward transactions.

## Risk Profile

As the main aim is to produce income, the opportunity for capital growth is minimal. The Fund may invest in bonds denominated in overseas currencies and variations in exchange rates may therefore affect Fund performance. The solvency of organisations in which the Fund invests can change and this can affect the Fund's capital and any income paid.

## Fund Manager's Report

The Fund delivered a total return of 3.60 per cent (share class 1), net of fees as corporate bonds responded to strong company results and decisions by central banks around the world to keep monetary policy loose. The Fund's peer group, the Investment Management Association's Sterling UK Corporate Bond sector, generated an average return of 3.25 per cent.

The UK economy grew rapidly in the latter half of 2013, outstripping Bank of England forecasts and leading to suggestions that interest rates would rise sooner than expected. UK ten-year government bond yields rose above three per cent for the first time since July 2011 before yields fell in wake of a sharp sell-off in emerging market assets in early 2014. In line with our view that the UK economy will continue to grow steadily, we positioned the Fund to be less sensitive to rising market interest rates. This strategy enhanced performance over the period as a whole.

The Fund did deliver a positive return for investors however. A position in a newly issued 100-year bond from Electricite de France (EDF) was especially lucrative. Pension funds and insurance companies snapped up the issue which caused spreads to tighten 100 basis points over a matter of days. Performance was aided further by various positions in corporate hybrid and subordinated bonds – which rank below other debt in a company's capital structure – issued by financial services, utility and telecommunications companies. Subordinated bonds issued by insurers Axa and Aviva and banks HSBC and Barclays added significantly to performance. Holdings in a number of hybrid bonds issued by utility companies such as UK power supplier National Grid, further boosted returns.

# AVIVA INVESTORS MONTHLY INCOME PLUS FUND (CONTINUED)

## **Fund Manager's Report (continued)**

Our long-standing preference for UK pub companies such as Greene King and Mitchells & Butlers bolstered Fund performance as pub sales increased in tandem with the improving UK economy.

Although the UK and US economies appear to be improving steadily and a moderate recovery is underway in Europe, we anticipate demand for corporate bonds will remain strong since central banks will want to prevent government bonds yields from rising very far. That in turn will encourage investors to continue looking for extra income. Furthermore, default rates are low and are expected to remain so given the strength of companies' balance sheets and the fact most are holding plenty of cash and can continue to access low-cost funding. In view of this, we think there is some scope for credit spreads to narrow.

## **May 2014**

Sources: Fund and peer group performance figures – Lipper, mid to mid basis with net income reinvested in GBP, with no initial charges applied. Market data – Bloomberg.

Any opinions expressed are those of the fund manager. They should not be viewed as a guarantee of a return from an investment in the funds. The content of the commentary should not be viewed as a recommendation to invest nor buy or sell any securities. 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.

# AVIVA INVESTORS MONTHLY INCOME PLUS FUND (CONTINUED)

## Fund Facts

Accounting dates	Ex-dividend dates	Distribution dates
15 October	Monthly, on the 16th of each month	Monthly, on the 27th of the following month
15 April		

Ongoing Charges Figure*	
	<b>15.04.13</b>
Share Class 1	1.13%
Share Class 3	0.33%
Share Class R3	0.63%

\* The Ongoing Charges Figure (OCF) is calculated as the ratio of the total ongoing charges to the average net asset value of the Fund over the period. The OCF is made up of the Annual Management Charge and other operating costs deducted from the assets of the Fund during the period, except for those payments that are explicitly excluded (performance fees). The OCF includes transaction charges which were excluded from the Total Expense Ratio (TER) calculations provided previously. The OCF has replaced the TER.

## Revenue Distributions – Income Shares

Interim distribution for the month ended 15 April 2014.

	Pence per share payable 27.05.14	Pence per share paid 27.05.13
Share Class 1	0.1200	0.1268
Share Class 3*	0.0000	0.1588
Share Class R3	0.3000	0.3083

\* Up to 22 January 2014 (date share class closed).

## Revenue Distributions – Accumulation Shares

Interim distribution for the month ended 15 April 2014.

	Pence per share payable 27.05.14	Pence per share paid 27.05.13
Share Class 1	0.3197	0.3278
Share Class 3	0.4541	0.4413
Share Class R3	0.3170	0.3138



# AVIVA INVESTORS MONTHLY INCOME PLUS FUND (CONTINUED)

Net Asset Value – Income Shares* <sup>1</sup>			
	Pence per share 15.04.14	Pence per share 15.10.13	Change
Share Class 1	48.04	47.06	2.08%
Share Class 3**	N/A	47.02	N/A
Share Class R3	103.82	101.71	2.07%

\* Valued at bid market prices.

\*\* Share class closed on 22 January 2014.

<sup>1</sup> The net asset value of income shares will exclude any income paid/payable to investors.

Net Asset Value – Accumulation Shares*			
	Pence per share 15.04.14	Pence per share 15.10.13	Change
Share Class 1	128.31	123.79	3.65%
Share Class 3	138.39	133.09	3.98%
Share Class R3	110.05	105.96	3.86%

\* Valued at bid market prices.

Total Return		
	Fund <sup>2</sup>	IMA £ Corporate Bond <sup>3</sup>
Share Class 1	3.60%	3.25%
Share Class 3	3.93%	3.25%
Share Class R3	3.80%	3.25%

<sup>2</sup> Source: Aviva Investors (based on midday values, mid to mid basis, net income reinvested, net of fees) six months ended 15 April 2014.

<sup>3</sup> Source: Lipper (based on close of business values) six months ended 15 April 2014.

Synthetic Risk and Reward Indicator							
Lower risk				Higher risk			
← Typically lower rewards				Typically higher rewards →			
1	2	3	4	5	6	7	

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

- This indicator is based on historical data, calculated using European Union rules, and may not be a reliable indication of the future risk profile of the Fund.
- The risk and reward category shown is not guaranteed to remain unchanged and may change over time. The lowest category does not mean 'risk free'.
- Bond values are affected by changes in interest rates, and the bond issuer's creditworthiness. Bonds that produce a higher level of income usually have a greater risk of default.
- The value of investments will be affected by changes in exchange rates.
- Full information on the risks applicable to the Fund is detailed in the Prospectus.

# AVIVA INVESTORS MONTHLY INCOME PLUS FUND (CONTINUED)

Top Ten Holdings		
15.04.14		
Guoman Hotels 10.75% 20/12/2014		3.22%
KFW International Finance 5% 09/06/2036		2.52%
Aggregate Industries 7.25% 31/05/2016		1.89%
KFW International Finance 6% 07/12/2028		1.80%
Birmingham Airport 6.25% 22/02/2021		1.66%
AA Bond 6.269% 31/07/2025		1.65%
European Investment Bank 5.625% 07/06/2032		1.63%
European Investment Bank 5% 15/04/2039		1.51%
THPA Finance 8.241% 15/03/2028		1.51%
European Investment Bank 6% 07/12/2028		1.49%

15.10.13		
Guoman Hotels 10.75% 20/12/2014		3.25%
European Investment Bank 5.625% 07/06/2032		2.99%
Aggregate Industries 7.25% 31/05/2016		1.91%
KFW International Finance 6% 07/12/2028		1.76%
Birmingham Airport 6.25% 22/02/2021		1.61%
Deutsche Bahn Finance 2.75% 20/06/2022		1.59%
Goodman Australia Finance 9.75% 16/07/2018		1.56%
AA Bond 6.269% 31/07/2025		1.51%
Western Power Distribution 5.75% 16/04/2032		1.48%
Siemens 6.125% 14/09/2066		1.47%

Portfolio Breakdown		
	15.04.14	15.10.13
United Kingdom	55.74%	57.57%
United States of America	9.56%	11.14%
Netherlands	8.62%	7.46%
Germany	5.01%	1.76%
Channel Islands; Jersey	4.53%	3.25%
France	3.57%	5.47%
Cayman Islands	2.79%	3.46%
Luxembourg	2.51%	1.76%
Ireland; Republic of	1.46%	1.43%
Mexico	1.22%	1.53%
Other Countries	2.28%	3.84%
Total Investments	97.29%	98.67%
Net Other Assets	2.71%	1.33%
Net Assets	100.00%	100.00%

# AVIVA INVESTORS MONTHLY INCOME PLUS FUND (CONTINUED)

Share Price Record – Income Shares			
Share class	Calendar year	Highest price* (p)	Lowest price* (p)
Class 1	2009	41.67	32.07
	2010	45.34	41.36
	2011	44.73	41.77
	2012	48.16	42.66
	2013	49.95	46.44
	2014***	48.52	47.27
Class 3	2009	41.53	31.97
	2010	45.29	41.24
	2011	44.71	41.73
	2012	48.12	42.59
	2013	49.92	46.41
	2014†	48.04	47.25
Class R3	2012**	104.09	99.79
	2013	107.97	100.38
	2014***	104.90	102.20

\* Valued at mid market prices.

\*\* From 20 August 2012 (date of launch).

\*\*\* Up to 15 April 2014.

† Up to 22 January 2014 (date share class closed).

Share Price Record – Accumulation Shares			
Share class	Calendar year	Highest price* (p)	Lowest price* (p)
Class 1	2009	94.68	70.11
	2010	106.40	94.00
	2011	108.50	102.05
	2012	123.41	105.81
	2013	129.31	120.84
	2014***	129.27	124.99
Class 3	2009	99.37	73.22
	2010	112.20	98.68
	2011	115.31	107.79
	2012	132.00	111.79
	2013	138.62	129.66
	2014***	139.43	134.57
Class R3	2012**	105.30	99.79
	2013	110.49	103.31
	2014***	110.88	107.09

\* Valued at mid market prices.

\*\* From 20 August 2012 (date of launch).

\*\*\* Up to 15 April 2014.

# AVIVA INVESTORS MONTHLY INCOME PLUS FUND (CONTINUED)

## Revenue Record – Income Shares

The revenue record table below shows the net distribution rates per calendar year on a payment date basis for an investment made on 2 January 2009 (20 August 2012 for Share Class R3).

Share class	Calendar year	Net revenue per share (p)	Per £1,000 invested (£)
Class 1	2009	1.9594	24.93
	2010	1.8817	23.94
	2011	1.6805	21.38
	2012	1.7523	22.29
	2013	1.5336	19.51
	2014**	0.6050	7.70
Class 3	2009	2.2284	27.18
	2010	2.0495	24.99
	2011	2.0039	24.44
	2012	2.0221	24.66
	2013	1.7951	21.89
	2014***	0.3178	3.88
Class R3	2012*	0.8214	8.21
	2013	3.7131	37.11
	2014**	1.5000	14.99

\* From 20 August 2012 (date of launch).

\*\* Up to 27 May 2014 (the interim distribution payment date).

\*\*\* Up to 22 January 2014 (date share class closed).

## Revenue Record – Accumulation Shares

The revenue record table below shows the net distribution rates per calendar year on a payment date basis for an investment made on 2 January 2009 (20 August 2012 for Share Class R3).

Share class	Calendar year	Net revenue per share (p)	Per £1,000 invested (£)
Class 1	2009	4.3137	54.88
	2010	4.3472	55.31
	2011	4.0444	51.46
	2012	4.3807	55.73
	2013	3.9757	50.58
	2014**	1.6025	20.39
Class 3	2009	5.1373	62.65
	2010	4.9880	60.83
	2011	5.0861	62.02
	2012	5.3690	65.47
	2013	5.0552	61.65
	2014**	2.1762	26.54
Class R3	2012*	0.8230	8.23
	2013	3.7957	37.96
	2014**	1.5751	15.75

\* From 20 August 2012 (date of launch).

\*\* Up to 27 May 2014 (the interim distribution payment date).

# AVIVA INVESTORS MONTHLY INCOME PLUS FUND (CONTINUED)

Calendar Year Performance		
Total Return	Fund <sup>4</sup> %	IMA £ Corporate Bond <sup>5</sup> %
2009		
Share Class 1	19.88	14.33
Share Class 3	20.62	14.33
2010		
Share Class 1	9.58	6.91
Share Class 3	10.24	6.91
2011		
Share Class 1	2.34	3.81
Share Class 3	3.03	3.81
2012		
Share Class 1	17.20	12.31
Share Class 3	17.99	12.31
Share Class R3*	0.58	0.41
2013		
Share Class 1	1.37	0.22
Share Class 3	2.03	0.22
Share Class R3	1.79	0.22
2014**		
Share Class 1	3.17	3.02
Share Class 3	3.36	3.02
Share Class R3	3.29	3.02

<sup>4</sup> Source: Aviva Investors (based on midday values, mid to mid basis, net income reinvested, net of fees).

<sup>5</sup> Source: Lipper (based on close of business values).

\* From 20 August 2012 (date of launch).

\*\* Up to 15 April 2014.

The value of an investment in the Aviva Investors Monthly Income Plus Fund and any revenue from it can go down as well as up. You may not get back the original amount invested. Past performance is not a guide to future performance.

# AVIVA INVESTORS STRATEGIC BOND FUND

## Investment Objective

To provide a high total return from a diversified portfolio of global debt securities.

## Investment Policy

Diversified investment in global fixed interest securities, including non-investment grade.

The Fund may invest in any of the following financial instruments in order to achieve its investment objective: transferable securities, money market instruments, units in collective investment schemes, deposits and derivatives and forward transactions.

Note: At least 80 per cent of assets will either be in sterling or currency hedged back to sterling.

## Risk Profile

The Fund may include investments in organisations in countries deemed to be emerging markets. These are usually considered to carry a greater degree of risk than investments in established markets. The Fund may invest in bonds denominated in overseas currencies and variations in exchange rates may affect Fund performance. The solvency of organisations in which the Fund invests can change and this can affect the Fund's capital and any income paid.

The Fund may invest in non-investment grade bonds and this increases the risk to your investment.

## Fund Manager's Report

The Fund delivered a total return of 4.96 per cent (share class 1), net of fees as corporate bonds responded to strong company results and decisions by central banks around the world to keep monetary policy loose. The Fund's peer group, the Investment Management Association's Sterling Strategic bond sector generated an average return of 3.77 per cent.

Corporate bonds advanced as investors sought additional yield in the face of record low official government interest rates. The UK economy grew rapidly in the latter half of 2013, outstripping Bank of England forecasts and leading to suggestions that interest rates would rise sooner than expected. UK ten-year government bond yields rose above three per cent for the first time since July before falling in wake of a sharp sell-off in emerging market assets in early 2014. Low interest rates and positive economic data enticed corporations into issuing debt but voracious investor demand kept prices buoyed as new bond issues were consistently oversubscribed throughout the period. High-yield markets benefitted significantly from investors' strong appetite for risk.

Outperformance was driven by various positions in corporate hybrid and subordinated bonds – which rank below other debt in a company's capital structure – issued by financial services, utility and telecommunications companies.

Holdings in subordinated debt issued by financial companies, including insurers Aviva and Generali and banks HSBC and Barclays, performed especially well. A bond issued by French bank Credit Agricole also boosted performance.

# AVIVA INVESTORS STRATEGIC BOND FUND (CONTINUED)

## **Fund Manager's Report (continued)**

Debt issued by Enel, the Italian electricity provider, Telefonica, the Spanish telecommunications group and Avanza a Spanish bus company also fared well boosted by a sharp rally in underlying Italian and Spanish government debt. Bonds issued by Kerling, a leading manufacturer of PVC and caustic soda, moved higher following news the company is involved in a joint venture between Solvay and Ineos Group, two of the world's largest chemical companies. Meanwhile, our long-standing preference for the debt of UK pub companies, such as Mitchells & Butlers and Spirit Pub Co, bolstered performance as sales increased in tandem with an improving UK economy.

Although the UK and US economies appear to be improving steadily and a moderate recovery is underway in Europe, we anticipate demand for corporate bonds will remain strong since central banks will want to prevent government bonds yields from rising very far. That in turn will encourage investors to continue looking for extra income. Furthermore, default rates are low and are expected to remain so given the strength of companies' balance sheets and the fact most are holding plenty of cash and can continue to access low-cost funding. In view of this, we think there is some scope for credit spreads to narrow.

## **May 2014**

Sources: Fund and peer group performance figures – Lipper, mid to mid basis with net income reinvested in GBP, with no initial charges applied. Market data – Bloomberg.

Any opinions expressed are those of the fund manager. They should not be viewed as a guarantee of a return from an investment in the funds. The content of the commentary should not be viewed as a recommendation to invest nor buy or sell any securities. 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.

# AVIVA INVESTORS STRATEGIC BOND FUND (CONTINUED)

## Fund Facts

Accounting dates	Ex-dividend dates	Distribution dates
15 October	16 October	15 December
	16 January	15 March
15 April	16 April	15 June
	16 July	15 September

Ongoing Charges Figure*	
	<b>15.04.14</b>
Share Class 1	1.13%
Share Class 2	0.63%
Share Class 3	0.33%

\* The Ongoing Charges Figure (OCF) is calculated as the ratio of the total ongoing charges to the average net asset value of the Fund over the period. The OCF is made up of the Annual Management Charge and other operating costs deducted from the assets of the Fund during the period, except for those payments that are explicitly excluded (performance fees). The OCF includes transaction charges which were excluded from the Total Expense Ratio (TER) calculations provided previously. The OCF has replaced the TER.

## Revenue Distributions – Income Shares

Interim distribution for the three months ended 15 April 2014.

	Pence per share payable 15.06.14	Pence per share paid 15.06.13
Share Class 1	0.5212	0.5169
Share Class 2	0.8918	0.8804
Share Class 3*	N/A	1.2676

\* Share class closed on 22 January 2014.

## Revenue Distributions – Accumulation Shares

Interim distribution for the three months ended 15 April 2014.

	Pence per share payable 15.06.14	Pence per share paid 15.06.13
Share Class 3	1.6422	1.5594



# AVIVA INVESTORS STRATEGIC BOND FUND (CONTINUED)

Net Asset Value – Income Shares* <sup>1</sup>			
	Pence per share 15.04.14	Pence per share 15.10.13	Change
Share Class 1	71.11	68.77	3.40%
Share Class 2	107.08	103.54	3.42%
Share Class 3**	N/A	138.12	N/A

\* Valued at bid market prices.

\*\* Share class closed on 22 January 2014.

<sup>1</sup> The net asset value of income shares will exclude any income paid/payable to investors.

Net Asset Value – Accumulation Shares*			
	Pence per share 15.04.14	Pence per share 15.10.13	Change
Share Class 3	185.84	176.34	5.39%

\* Valued at bid market prices.

Total Return		
	Fund <sup>2</sup>	IMA £ Strategic Bond <sup>3</sup>
Share Class 1	4.96%	3.77%
Share Class 2	5.17%	3.77%
Share Class 3	5.30%	3.77%

<sup>2</sup> Source: Aviva Investors (based on midday values, mid to mid basis, net income reinvested, net of fees) six months ended 15 April 2014.

<sup>3</sup> Source: Lipper (based on close of business values) six months ended 15 April 2014.

Synthetic Risk and Reward Indicator							
Lower risk				Higher risk			
← Typically lower rewards				Typically higher rewards →			
1	2	3	4	5	6	7	

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

- This indicator is based on historical data, calculated using European Union rules, and may not be a reliable indication of the future risk profile of the Fund.
- The risk and reward category shown is not guaranteed to remain unchanged and may change over time. The lowest category does not mean 'risk free'.
- Bond values are affected by changes in interest rates, and the bond issuer's creditworthiness. Bonds that produce a higher level of income usually have a greater risk of default.
- The value of investments will be affected by changes in exchange rates.
- Where a third party appointed to manage transactions or ensure the safe keeping of assets fails in their duty a loss may occur.
- Financial derivatives may only require a low initial deposit relative to the asset exposure, a relatively small price movement in the underlying asset may result in substantial losses to the Fund.
- Full information on the risks applicable to the Fund is detailed in the Prospectus.

# AVIVA INVESTORS STRATEGIC BOND FUND (CONTINUED)

Top Ten Holdings	
15.04.14	
Treasury 4% 07/09/2016	2.97%
Treasury 4.75% 07/09/2015	2.82%
Treasury 1.75% 22/01/2017	2.71%
Treasury 5% 07/03/2018	2.42%
Germany 1.25% 14/10/2016	2.25%
Virgin Media Secured Finance 5.5% 15/01/2025	2.23%
Treasury 3.75% 07/09/2021	1.70%
UPC 6.75% 15/03/2023	1.69%
Cable Communications Systems 7.5% 01/11/2020	1.69%
Mitchells & Butlers FRN 15/06/2036	1.65%

15.10.13	
Treasury 4.75% 07/09/2015	2.98%
Treasury 2.75% 22/01/2015	2.84%
Treasury 4% 07/09/2016	2.78%
Treasury 4.75% 07/12/2038	2.51%
Treasury 1.75% 22/01/2017	1.76%
Lloyds Banking Group 10.75% 16/12/2021	1.66%
Veolia Environnement 4.85% Perpetual	1.49%
Schaeffler Finance 8.75% 15/02/2019	1.46%
Greene King Finance 'B' 5.702% FRN 15/12/2034	1.44%
Barclays Bank 6% FRN Perpetual	1.41%

Portfolio Breakdown		
	15.04.14	15.10.13
United Kingdom	48.81%	55.36%
France	7.89%	7.37%
Netherlands	7.53%	4.38%
United States of America	5.76%	4.44%
Luxembourg	5.07%	4.72%
Italy	4.53%	3.35%
Channel Islands; (Jersey)	3.97%	1.81%
Germany	3.82%	0.59%
Mexico	1.90%	1.46%
Iceland	1.37%	3.10%
Other Countries	2.42%	5.13%
Total Investments	93.07%	91.71%
Net Other Assets	6.93%	8.29%
Net Assets	100.00%	100.00%

# AVIVA INVESTORS STRATEGIC BOND FUND (CONTINUED)

Share Price Record – Income Shares			
Share class	Calendar year	Highest price* (p)	Lowest price* (p)
Class 1	2009	60.73	47.64
	2010	66.35	60.62
	2011	65.57	58.61
	2012	68.42	60.96
	2013	70.21	67.52
	2014**	71.97	70.22
Class 2	2009	91.49	71.75
	2010	100.00	91.34
	2011	98.77	88.32
	2012	103.11	91.87
	2013	105.80	101.74
	2014**	108.46	105.83
Class 3	2009	122.08	95.68
	2010	133.45	121.89
	2011	131.73	117.86
	2012	137.59	122.52
	2013	141.21	135.78
	2014***	142.77	141.26

\* Valued at mid market prices.

\*\* Up to 15 April 2014.

\*\*\* Up to 22 January 2014 (date share class closed).

Share Price Record – Accumulation Shares			
Share class	Calendar year	Highest price* (p)	Lowest price* (p)
Class 3	2009	129.47	97.03
	2010	147.23	129.27
	2011	150.82	136.49
	2012	169.59	143.95
	2013	180.26	168.85
	2014**	186.68	180.32

\* Valued at mid market prices.

\*\* Up to 15 April 2014.

# AVIVA INVESTORS STRATEGIC BOND FUND (CONTINUED)

## Revenue Record – Income Shares

The revenue record table below shows the net distribution rates per calendar year on a payment date basis for an investment made on 2 January 2009.

Share class	Calendar year	Net revenue per share (p)	Per £1,000 invested (£)
Class 1	2009	2.6002	53.85
	2010	3.0334	62.83
	2011	2.5744	53.32
	2012	2.7084	56.09
	2013	1.9927	41.27
	2014*	1.1189	23.17
Class 2	2009	4.2147	57.90
	2010	4.8634	66.81
	2011	4.1830	57.46
	2012	4.3913	60.32
	2013	3.4212	47.00
	2014*	1.9002	26.10
Class 3	2009	5.9756	61.55
	2010	6.9816	71.91
	2011	5.9911	61.71
	2012	6.2812	64.69
	2013	4.9312	50.79
	2014**	1.4440	14.87

\* Up to 15 June 2014 (the interim distribution payment date).

\*\* Up to 22 January 2014 (date share class closed).

## Revenue Record – Accumulation Shares

The revenue record table below shows the net distribution rates per calendar year on a payment date basis for an investment made on 2 January 2009.

Share class	Calendar year	Net revenue per share (p)	Per £1,000 invested (£)
Class 3	2009	6.1270	62.93
	2010	7.5593	77.64
	2011	6.8234	70.08
	2012	7.4854	76.88
	2013	6.1020	62.67
	2014*	3.4679	35.62

\* Up to 15 June 2014 (the interim distribution payment date).

# AVIVA INVESTORS STRATEGIC BOND FUND (CONTINUED)

Calendar Year Performance		
Total Return	Fund <sup>4</sup> %	IMA £ Strategic Bond <sup>5</sup> %
2009		
Share Class 1	31.77	20.89
Share Class 2	32.17	20.89
Share Class 3	32.68	20.89
2010		
Share Class 1	11.19	7.35
Share Class 2	11.54	7.35
Share Class 3	11.95	7.35
2011		
Share Class 1	(1.25)	2.19
Share Class 2	(0.92)	2.19
Share Class 3	(0.58)	2.19
2012		
Share Class 1	17.28	12.45
Share Class 2	17.65	12.45
Share Class 3	18.04	12.45
2013		
Share Class 1	5.65	2.73
Share Class 2	6.08	2.73
Share Class 3	6.34	2.73
2014*		
Share Class 1	3.29	2.56
Share Class 2	3.41	2.56
Share Class 3	3.49	2.56

<sup>4</sup> Source: Aviva Investors (based on midday values, mid to mid basis, net income reinvested, net of fees).

<sup>5</sup> Source: Lipper (based on close of business values).

\* Up to 15 April 2014.

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

# AVIVA INVESTORS EUROPEAN EQUITY FUND

## Investment Objective

Long term capital appreciation.

## Investment Policy

Diversified investment within and across European equity markets. Allocations to individual markets will vary over time. Individual equity selections will be based on price and long term total return prospects.

The Fund may invest in any of the following financial instruments in order to achieve its investment objective: transferable securities, money market instruments, units in collective investment schemes, deposits and derivatives and forward transactions.

## Risk Profile

The Fund will invest principally in European equity markets. Movements in European equity markets and variations in currency exchange rates will affect Fund performance. The Fund may include investments in countries deemed to be emerging markets. These are usually considered to carry a greater degree of risk than investments in established markets.

## Fund Manager's Report

The Fund delivered a total return of 2.60 per cent (share class A), net of fees, compared to an average return of 3.25 per cent for its peer group the IMA\* Europe excluding UK sector. The Fund's benchmark, the FTSE® World Europe ex UK Index, returned 1.69 per cent over the same period.

The Fund benefited from its above-benchmark position in the healthcare sector and its stakes in several providers of specialist healthcare products. Specifically, a holding in SkyePharma was beneficial. Shares in the oral and inhalation drug delivery specialist leapt after its results beat market expectations due to growing sales of its asthma treatment Flutiform. Biotechnology firm Ablynx also did well, as investors welcomed strong full-year results and management's optimistic comments on the trading outlook. Stock selection in the technology sector was another positive, thanks to an upward move in Temenos shares. The catalyst to the rebound was news that the banking software specialist had seen a sizeable pick-up in licence growth.

On the negative side, stock selection in financials detracted. UBS and BNP Paribas underperformed as investors switched their attention to banks in the euro zone periphery in light of improving economic data there. However, the strong performance of Italian asset manager Azimut partially offset this.

During the review period, we increased the Fund's stake in Novo Nordisk. The Danish insulin producer now derives over three quarters of its revenues from diabetes care products and we believe that the outlook for the company is improving.

# AVIVA INVESTORS EUROPEAN EQUITY FUND (CONTINUED)

## **Fund Manager's Report (continued)**

With the European economy as a whole still struggling to recover in the aftermath of the financial crisis, we believe a more broad-based recovery needs to materialise over the coming months to justify a continued rally in equity markets. In an environment of subdued economic growth and low inflation, our focus remains on companies with sustainable earnings prospects that are in a strong position to grow market share.

**May 2014**

\* IMA is the Investment Management Association, the industry's trade body.

Sources: Fund and peer group performance figures – Lipper, mid to mid basis with net income reinvested in GBP, with no initial charges applied. Market data – Bloomberg.

Any opinions expressed are those of the fund manager. They should not be viewed as a guarantee of a return from an investment in the funds. The content of the commentary should not be viewed as a recommendation to invest nor buy or sell securities. 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.

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# AVIVA INVESTORS EUROPEAN EQUITY FUND (CONTINUED)

## Fund Facts

Accounting dates	Ex-dividend dates	Distribution dates
15 October	16 October	15 December
15 April	16 April	15 June

Ongoing Charges Figure*	
	<b>15.04.14</b>
Share Class 1	1.00%
Share Class 2	0.86%
Share Class 3	0.36%
Share Class A	1.66%

\* The Ongoing Charges Figure (OCF) is calculated as the ratio of the total ongoing charges to the average net asset value of the Fund over the period. The OCF is made up of the Annual Management Charge and other operating costs deducted from the assets of the Fund during the period, except for those payments that are explicitly excluded (performance fees). The OCF includes transaction charges which were excluded from the Total Expense Ratio (TER) calculations provided previously. The OCF has replaced the TER.

## Revenue Distributions

Interim distribution for the six months ended 15 April 2014.

	Pence per share payable <b>15.06.14</b>	Pence per share paid <b>15.06.13</b>
Share Class 1 (Acc)	0.0000	0.3752
Share Class 2 (Acc)	0.0000	0.7338
Share Class 3	0.5407	1.3262
Share Class A (Acc)	0.0000	0.0000

## Net Asset Value\*<sup>1</sup>

	Pence per share <b>15.04.14</b>	Pence per share <b>15.10.13</b>	Change
Share Class 1 (Acc)	152.77	148.43	2.92%
Share Class 2 (Acc)	237.21	230.32	2.99%
Share Class 3	252.80	245.37	3.03%
Share Class A (Acc)	151.97	148.14	2.59%

\* Valued at bid market prices.

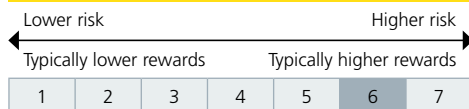
<sup>1</sup> The net asset value of income shares will exclude any income paid/payable to investors.

Total Return		
	Fund <sup>2</sup>	FTSE® World Europe (ex UK) Index <sup>3</sup>
Share Class 1 (Acc)	2.94%	6.54%
Share Class 2 (Acc)	3.01%	6.54%
Share Class 3	3.27%	6.54%
Share Class A (Acc)	2.60%	6.54%

<sup>2</sup> Source: Aviva Investors (based on midday values, mid to mid basis, net income reinvested, net of fees) six months ended 15 April 2014.

<sup>3</sup> Source: Lipper (based on close of business values) six months ended 15 April 2014.

## Synthetic Risk and Reward Indicator



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

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



# AVIVA INVESTORS EUROPEAN EQUITY FUND (CONTINUED)

Top Ten Holdings	
15.04.14	
Roche Holdings	6.59%
SAP	5.44%
Unilever	3.30%
Schneider Electric	2.94%
Compagnie Financière Richemont 'A'	2.84%
Syngenta	2.36%
ABB	2.32%
Volkswagen Non Voting Redeemable Preference Shares	2.22%
Technip	2.21%
Deutsche Boerse	2.19%

15.10.13	
Roche Holdings	7.58%
SAP	3.70%
Schneider Electric	3.19%
Unilever	3.11%
Cie Financiere Richemont	2.99%
UBS	2.90%
Volkswagen Non Voting Redeemable Preference Shares	2.66%
BNP Paribas	2.34%
Publicis Groupe	2.32%
Technip	2.14%

Portfolio Breakdown		
	15.04.14	15.10.13
Switzerland	23.12%	21.03%
Germany	20.55%	23.34%
France	18.03%	20.64%
Ireland; Republic of	5.68%	5.03%
Denmark	4.93%	3.28%
Spain	4.81%	1.81%
Netherlands	4.60%	8.65%
United Kingdom	4.32%	1.92%
Italy	3.84%	4.30%
Austria	1.96%	2.57%
Other Countries	4.78%	5.17%
Total Investments	96.62%	97.74%
Net Other Assets	3.38%	2.26%
Net Assets	100.00%	100.00%

# AVIVA INVESTORS EUROPEAN EQUITY FUND (CONTINUED)

Share Price Record			
Share class	Calendar year	Highest price* (p)	Lowest price* (p)
Class 1 (Acc)	2009	118.73	72.17
	2010	120.90	99.23
	2011	129.76	93.79
	2012	123.80	97.36
	2013	154.22	123.90
Class 2 (Acc)	2014**	160.57	148.94
	2009	183.04	111.18
	2010	187.01	153.26
	2011	200.71	145.16
	2012	191.86	150.84
Class 3	2013	239.37	192.02
	2014**	249.29	231.20
	2009	210.58	128.88
	2010	212.12	172.23
	2011	222.95	160.62
Class A (Acc)	2012	207.16	164.90
	2013	255.26	207.35
	2014**	266.09	246.67
	2009	121.43	73.98
	2010	123.38	101.13
	2011	131.63	94.90
	2012	124.20	98.07
	2013	153.72	124.28
	2014**	159.84	148.36

\* Valued at mid market prices.

\*\* Up to 15 April 2014.

Revenue Record			
Share class	Calendar year	Net revenue per share (p)	Per £1,000 invested (£)
Class 1 (Acc)	2009	1.8997	19.72
	2010	2.0039	20.80
	2011	1.4452	15.00
	2012	1.6458	17.08
	2013	1.6117	16.73
Class 2 (Acc)	2014*	0.0000	0.00
	2009	3.2203	21.71
	2010	3.5226	23.75
	2011	2.4838	16.75
	2012	2.7939	18.84
Class 3	2013	2.8264	19.06
	2014*	0.0000	0.00
	2009	4.2372	24.67
	2010	4.7562	27.69
	2011	3.7149	21.63
Class A (Acc)	2012	4.0318	23.47
	2013	4.1725	24.29
	2014*	0.5407	3.15
	2009	1.5206	15.38
	2010	1.4269	14.43
	2011	0.7143	7.22
	2012	0.9091	9.19
	2013	0.7390	7.47
	2014*	0.0000	0.00

\* Up to 15 June 2014 (the interim distribution payment date).

# AVIVA INVESTORS EUROPEAN EQUITY FUND (CONTINUED)

Calendar Year Performance		
Total Return	Fund <sup>4</sup> %	FTSE® World Europe (ex UK) Index <sup>5</sup> %
2009		
Share Class 1	21.19	30.68
Share Class 2	21.44	30.68
Share Class 3	21.83	30.68
Share Class A	20.66	30.68
2010		
Share Class 1	5.08	5.75
Share Class 2	5.32	5.75
Share Class 3	5.72	5.75
Share Class A	4.53	5.75
2011		
Share Class 1	(16.26)	(14.71)
Share Class 2	(16.14)	(14.71)
Share Class 3	(15.69)	(14.71)
Share Class A	(16.80)	(14.71)
2012		
Share Class 1	20.91	23.23
Share Class 2	21.03	23.23
Share Class 3	21.64	23.23
Share Class A	20.10	23.23
2013		
Share Class 1	25.73	26.32
Share Class 2	25.92	26.32
Share Class 3	26.55	26.32
Share Class A	24.91	26.32

Calendar Year Performance (continued)		
Total Return	Fund <sup>4</sup> %	FTSE® World Europe (ex UK) Index <sup>5</sup> %
2014*		
Share Class 1	(0.70)	0.87
Share Class 2	(0.67)	0.87
Share Class 3	(0.52)	0.87
Share Class A	(0.89)	0.87

<sup>4</sup> Source: Aviva Investors (based on midday values, mid to mid basis, net income reinvested, net of fees).

<sup>5</sup> Source: Lipper (based on close of business values).

\* Up to 15 April 2014.

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# AVIVA INVESTORS INTERNATIONAL INDEX TRACKING FUND

## Investment Objective

To track the total return (after charges) of the FTSE® World (ex UK) Index.

## Investment Policy

To invest in international equities employing a combination of sampling and full replication strategies across the equity markets which comprise the FTSE® World (ex UK) Index.

The Fund may invest in any of the following financial instruments in order to achieve its investment objective: transferable securities, money market instruments, units in collective investment schemes, deposits and derivatives and forward transactions.

## Risk Profile

The Fund will invest principally in overseas equity markets. Movements in overseas equity markets and variations in currency exchange rates will therefore affect Fund performance. The Fund may include investments in countries deemed to be emerging markets. These are usually considered to carry a greater degree of risk than investments in established markets

## Fund Manager's Report

The Fund (share class 1) delivered a total return of -0.10 per cent net of fees. The Fund's benchmark, the FTSE® World ex UK index, returned 1.41 per cent. The average return generated by the Fund's peer group, the Investment Management Association's Global (equity) sector was -0.10 per cent. The effect of Fund charges will be to lower returns so the Fund will not be able to totally track the index return. Additional divergences will be caused by timing differences between changes in the stocks in the index and changes in the holdings in the Fund and by timing differences between the re-investment of income in the index and the re-investment of distributions in the Fund.

Global equities advanced as demand for riskier assets was buoyed by extremely loose monetary policy, a steady rise in corporate profits and a healthy flow of corporate takeovers. European markets climbed especially rapidly as worries about the euro-zone crisis eased and as the European Central Bank cut interest rates to a new low. While stocks tumbled in early 2014 as emerging-market assets plunged in response to the prospect of tighter US monetary policy and a series of weaker economic indicators from China, the sell-off proved short lived.

Technology and healthcare stocks rose especially sharply, with the industrial and oil & gas sectors also posting healthy rises, although financial shares fell.

# AVIVA INVESTORS INTERNATIONAL INDEX TRACKING FUND (CONTINUED)

## **Fund Manager's Report (continued)**

The outlook for riskier assets in general, and equities in particular, appears favourable given the improving economic landscape. While risk-free interest rates in the US, UK and elsewhere are likely to rise eventually, leading central banks have been at pains to stress that any increase in official rates is some way off as they look to safeguard the economic recovery. While equities are far from cheap, we believe rising profits, and hence dividends, will override the negative impact of higher market interest rates

**May 2014**

Sources: Fund and peer group performance figures – Lipper, mid to mid basis with net income reinvested in GBP, with no initial charges applied. Market data – Bloomberg.

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# AVIVA INVESTORS INTERNATIONAL INDEX TRACKING FUND (CONTINUED)

## Fund Facts

Accounting dates	Ex-dividend dates	Distribution dates
15 October	16 October	15 December
15 April	16 April	15 June

Ongoing Charges Figure*	
	<b>15.04.14</b>
Share Class 1	0.96%
Share Class 2	0.26%
Share Class 3	0.26%

\* The Ongoing Charges Figure (OCF) is calculated as the ratio of the total ongoing charges to the average net asset value of the Fund over the period. The OCF is made up of the Annual Management Charge and other operating costs deducted from the assets of the Fund during the period, except for those payments that are explicitly excluded (performance fees). The OCF includes transaction charges which were excluded from the Total Expense Ratio (TER) calculations provided previously. The OCF has replaced the TER.

## Revenue Distributions – Accumulation Shares

Interim distribution for the six months ended 15 April 2014.

	Pence per share payable 15.06.14	Pence per share paid 15.06.13
Share Class 1	0.4632	0.4689
Share Class 2	0.8587	0.7776
Share Class 3	1.6643	1.5651

## Net Asset Value – Accumulation Shares\*<sup>1</sup>

	Pence per share 15.04.14	Pence per share 15.10.13	Change
Share Class 1	99.74	99.72	0.02%
Share Class 2	104.63	104.24	0.37%
Share Class 3	202.63	201.87	0.38%

\* Valued at bid market prices.

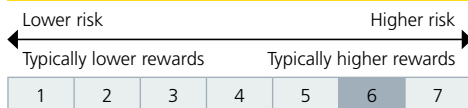
<sup>1</sup> The net asset value of income shares will exclude any income paid/payable to investors.

Total Return		
	Fund <sup>1</sup>	FTSE® World (ex UK) Index <sup>2</sup>
Share Class 1	(0.10)%	1.41%
Share Class 2	0.27%	1.41%
Share Class 3	0.26%	1.41%

<sup>1</sup> Source: Aviva Investors (based on midday values, mid to mid basis, net income reinvested, net of fees) six months ended 15 April 2014.

<sup>2</sup> Source: Lipper (based on close of business values) six months ended 15 April 2014.

## Synthetic Risk and Reward Indicator



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

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

# AVIVA INVESTORS INTERNATIONAL INDEX TRACKING FUND (CONTINUED)

Top Ten Holdings	
15.04.14	
Apple	1.47%
ExxonMobil	1.35%
Microsoft	0.93%
Johnson & Johnson	0.84%
General Electric	0.83%
Wells Fargo	0.80%
Nestle	0.78%
Chevron	0.72%
Proctor & Gamble	0.69%
JPMorgan Chase & Co	0.66%

15.10.13	
Apple	1.48%
ExxonMobil	1.27%
Microsoft	0.85%
General Electric	0.81%
Johnson & Johnson	0.81%
Google 'A'	0.79%
Chevron	0.76%
Wells Fargo	0.73%
Nestle	0.72%
Proctor & Gamble	0.71%

Portfolio Breakdown		
	15.04.14	15.10.13
United States of America	52.64%	51.31%
Japan	8.60%	9.67%
Switzerland	4.20%	4.03%
France	4.06%	3.92%
Germany	3.82%	3.65%
Canada	3.82%	3.85%
Australia	3.45%	3.53%
Spain	1.50%	1.39%
Netherlands	1.47%	1.46%
Korea; Republic of	1.45%	1.99%
Other Countries	14.23%	13.71%
Total Investments	99.24%	98.51%
Net Other Assets	0.76%	1.49%
Net Assets	100.00%	100.00%

# AVIVA INVESTORS INTERNATIONAL INDEX TRACKING FUND (CONTINUED)

## Share Price Record – Accumulation Shares

Share class	Calendar year	Highest price* (p)	Lowest price* (p)
Class 1	2009	72.91	47.26
	2010	83.03	68.22
	2011	85.26	68.98
	2012	84.29	75.34
	2013	102.31	84.02
	2014**	103.14	96.36
Class 2	2009	74.79	48.34
	2010	85.51	70.12
	2011	88.02	71.25
	2012	87.61	78.09
	2013	107.02	87.35
	2014**	108.17	100.95
Class 3	2009	143.79	92.79
	2010	164.81	134.99
	2011	169.86	137.55
	2012	169.67	151.03
	2013	207.25	169.16
	2014**	209.48	195.49

\* Valued at mid market prices.

\*\* Up to 15 April 2014.

## Revenue Record – Accumulation Shares

The revenue record table below shows the net distribution rates per calendar year on a payment date basis for an investment made on 2 January 2009.

Share class	Calendar year	Net revenue per share (p)	Per £1,000 invested (£)
Class 1	2009	0.9608	15.79
	2010	0.8820	14.50
	2011	1.0837	17.81
	2012	1.1337	18.63
	2013	1.1448	18.82
	2014*	0.4632	7.61
Class 2	2009	1.2079	19.43
	2010	1.2406	19.95
	2011	1.4856	23.89
	2012	1.5470	24.88
	2013	1.8431	29.65
	2014*	0.8587	13.81
Class 3	2009	2.5693	21.54
	2010	2.7467	23.03
	2011	3.2570	27.30
	2012	3.3891	28.41
	2013	3.6219	30.36
	2014*	1.6643	13.95

\* Up to 15 June 2014 (the interim distribution payment date).



# AVIVA INVESTORS INTERNATIONAL INDEX TRACKING FUND (CONTINUED)

Calendar Year Performance		
Total Return	Fund <sup>3</sup> %	FTSE® World (ex UK) Index <sup>4</sup> %
2009		
Share Class 1	19.77	18.86
Share Class 2	20.21	18.86
Share Class 3	20.47	18.86
2010		
Share Class 1	15.32	16.69
Share Class 2	15.81	16.69
Share Class 3	16.08	16.69
2011		
Share Class 1	(7.67)	(6.12)
Share Class 2	(7.24)	(6.12)
Share Class 3	(7.02)	(6.12)
2012		
Share Class 1	9.48	11.95
Share Class 2	10.00	11.95
Share Class 3	10.27	11.95
2013		
Share Class 1	21.18	22.69
Share Class 2	22.03	22.69
Share Class 3	22.02	22.69
2014*		
Share Class 1	(1.36)	(0.91)
Share Class 2	(1.16)	(0.91)
Share Class 3	(1.16)	(0.91)

<sup>3</sup> Source: Aviva Investors (based on midday values, mid to mid basis, net income reinvested, net of fees).

<sup>4</sup> Source: Lipper (based on close of business values).

\* Up to 15 April 2014.

The value of an investment in the Aviva Investors International Index Tracking Fund and any revenue from it can go down as well as up. You may not get back the original amount invested. Past performance is not a guide to future performance.

# AVIVA INVESTORS GLOBAL EQUITY INCOME FUND

## Investment Objective

To provide an annualised income yield at least one and a quarter times that of the annual income yield obtainable on the MSCI World Index (GBP), with the potential for capital growth. Income on the Fund will be paid quarterly. The income aim is a 12 month rolling target and is before the deduction of charges and after the deduction of tax for a UK basic rate income taxpayer. For the purposes of measuring the income aim the annual income yield of the Index will also be calculated on a 12 month rolling basis.

## Investment Policy

Investment principally in global equities judged to offer above average dividend yields with prospects of dividend growth and the potential for long term capital growth. The Fund may also invest in other transferable securities, collective investment schemes, money market instruments, deposits, cash, near cash, derivatives and forward transactions.

## Risk Profile

The Fund will invest principally in overseas equity markets. Movements in overseas equity markets and variations in currency exchange rates will therefore affect Fund performance.

## Fund Manager's Report

The Fund Share Class 1 returned -1.66 per cent over the reporting period, in comparison with an average return of 0.66 per cent for the IMA\* Global Equity Income sector.

A number of holdings lost ground on disappointing earnings announcements. California-based toymaker Mattel posted fourth quarter revenue that trailed market estimates. The Christmas holiday season proved lacklustre for retailers in the US, which is Mattel's largest market. Although global revenue from its Barbie doll brand fell over the quarter, the company did however boost its quarterly dividend payment. French group Technip provides offshore oil services to major oil companies, which have been affected by higher production costs. The company forecast profit margins in its subsea operation would drop during 2014 before recovering by year-end. A holding in UK insurance group Resolution weakened after a surprise announcement in the March budget that with effect from 2015 retirees with defined contribution pensions would no longer be required to purchase an annuity, which will have negative implications for this part of Resolution's business.

Amongst the main contributors over the reporting period were Dutch group LyondellBasell, which manufactures plastic, chemical and fuel products, and US smartphone chipmaker Qualcomm. LyondellBasell is a beneficiary of the shale gas boom, which has lowered gas prices for plastic making. Strong cash flow generation underpins Qualcomm's capability to raise dividend payments and repurchase shares.

# AVIVA INVESTORS GLOBAL EQUITY INCOME FUND (CONTINUED)

## **Fund Manager's Report (continued)**

We added BMW to the Fund. The German automaker has performed well as its premium car brands, which include BMW, Mini, and Rolls-Royce, continued to gain market share. BMW has seen strong volume growth in China in particular, where there has been large demand for luxury cars from an increasing middle-class population.

Looking ahead, we believe that the backdrop of low interest rates and reasonable valuations should be supportive for international equity markets over the coming months.

## **May 2014**

\* IMA is the Investment Management Association, the industry's trade body.

Sources: Fund and peer group performance figures – Lipper, mid to mid basis with net income reinvested in GBP, with no initial charges applied. Market data – Bloomberg.

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# AVIVA INVESTORS GLOBAL EQUITY INCOME FUND (CONTINUED)

## Fund Facts

Accounting dates	Ex-dividend dates	Distribution dates
15 October	16 October	15 December
	16 January	15 March
15 April	16 April	15 June
	16 July	15 September

Ongoing Charges Figure*	
	<b>15.04.14</b>
Share Class 1	1.66%
Share Class 2	0.91%
Share Class 3	0.46%

\* The Ongoing Charges Figure (OCF) is calculated as the ratio of the total ongoing charges to the average net asset value of the Fund over the period. The OCF is made up of the Annual Management Charge and other operating costs deducted from the assets of the Fund during the period, except for those payments that are explicitly excluded (performance fees). The OCF includes transaction charges which were excluded from the Total Expense Ratio (TER) calculations provided previously. The OCF has replaced the TER.

## Revenue Distributions – Income Shares

Interim distribution for the three months ended 15 April 2014.

	Pence per share payable 15.06.14	Pence per share paid 15.06.13
Share Class 1	0.7948	0.0024
Share Class 2	0.7855	0.0020
Share Class 3	0.6792	1.0236

## Revenue Distributions – Accumulation Shares

Interim distribution for the three months ended 15 April 2014.

	Pence per share payable 15.06.14	Pence per share paid 15.06.13
Share Class 1	0.7398	0.5003
Share Class 2	0.8006	0.8727
Share Class 3	0.7916	0.0018

# AVIVA INVESTORS GLOBAL EQUITY INCOME FUND (CONTINUED)

## Net Asset Value – Income Shares\*<sup>1</sup>

	Pence per share 15.04.14	Pence per share 15.10.13	Change
Share Class 1	97.72	100.81	(3.07)%
Share Class 2	98.48	101.20	(2.69)%
Share Class 3	92.27	94.48	(2.34)%

\* Valued at bid market prices.

<sup>1</sup> The net asset value of income shares will exclude any income paid/payable to investors.

## Net Asset Value – Accumulation Shares\*

	Pence per share 15.04.14	Pence per share 15.10.13	Change
Share Class 1	91.73	93.29	(1.67)%
Share Class 2	99.35	100.65	(1.29)%
Share Class 3	95.35	96.39	(1.08)%

\* Valued at bid market prices.

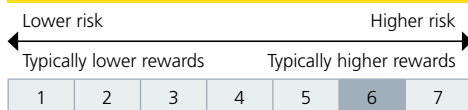
## Total Return

	Fund <sup>2</sup>	MSCI World Index <sup>3</sup>
Share Class 1	(1.66)%	13.09%
Share Class 2	(1.29)%	13.09%
Share Class 3	(1.08)%	13.09%

<sup>2</sup> Source: Aviva Investors (based on midday values, mid to mid basis, net income reinvested, net of fees) six months ended 15 April 2014.

<sup>3</sup> Source: Lipper (based on close of business values) six months ended 15 April 2014.

## Synthetic Risk and Reward Indicator



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

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

# AVIVA INVESTORS GLOBAL EQUITY INCOME FUND (CONTINUED)

Top Ten Holdings	
15.04.14	
Apple	3.17%
Altria	3.06%
Unilever	3.01%
Microsoft	2.99%
Qualcomm	2.95%
Australia & New Zealand Bank	2.81%
Roche Holdings	2.80%
Amgen	2.79%
Coca-Cola	2.78%
Siemens	2.76%

15.10.13	
Time Warner	3.21%
Apple	3.07%
Roche Holdings	2.97%
Coca-Cola	2.97%
HSBC	2.95%
Toronto-Dominion Bank	2.94%
Altria	2.91%
Legal & General	2.83%
Australia & New Zealand Bank	2.73%
Schlumberger	2.73%

Portfolio Breakdown		
	15.04.14	15.10.13
United States of America	52.01%	52.09%
United Kingdom	12.28%	12.87%
Japan	8.60%	4.93%
Germany	7.44%	3.52%
Australia	2.81%	2.97%
Switzerland	2.80%	3.91%
Canada	2.55%	2.73%
Italy	2.53%	2.70%
Netherlands	2.51%	2.20%
France	2.19%	3.52%
Other Countries	2.03%	7.46%
Total Investments	97.75%	98.90%
Net Other Assets	2.25%	1.10%
Net Assets	100.00%	100.00%

# AVIVA INVESTORS GLOBAL EQUITY INCOME FUND (CONTINUED)

Share Price Record – Income Shares			
Share class	Calendar year	Highest price* (p)	Lowest price* (p)
Class 1	2013**	105.76	96.15
	2014***	101.69	96.16
Class 2	2013**	105.84	96.28
	2014***	102.42	96.76
Class 3	2009	71.62	47.01
	2010	81.62	66.19
	2011	85.10	65.96
	2012	86.99	75.22
	2013	98.59	84.79
	2014***	95.89	90.52

\* Valued at mid market prices.

\*\* From 12 April 2013 (date of launch).

\*\*\* Up to 15 April 2014.

Share Price Record – Accumulation Shares			
Share class	Calendar year	Highest price* (p)	Lowest price* (p)
Class 1	2009	70.34	45.78
	2010	80.00	64.86
	2011	83.39	64.36
	2012	84.92	73.63
	2013	96.37	82.85
	2014***	94.67	89.55
Class 2	2009	74.28	48.15
	2010	84.88	68.68
	2011	89.36	68.55
	2012	90.67	78.53
	2013	104.05	88.86
Class 3	2014***	102.51	96.84
	2013**	99.68	90.07
	2014***	98.37	92.86

\* Valued at mid market prices.

\*\* From 12 April 2013 (date of launch).

\*\*\* Up to 15 April 2014.

# AVIVA INVESTORS GLOBAL EQUITY INCOME FUND (CONTINUED)

## Revenue Record – Income Shares

The revenue record table below shows the net distribution rates per calendar year on a payment date basis for an investment made on 2 January 2009 (12 April 2013 for Share Class 1 and Share Class 2).

Share class	Calendar year	Net revenue per share (p)	Per £1,000 invested (£)
Class 1	2013*	1.7102	17.10
	2014**	1.4308	14.31
Class 2	2013*	1.6915	16.91
	2014**	1.4040	14.04
Class 3	2009	0.9675	17.02
	2010	0.6526	11.48
	2011	0.8481	14.92
	2012	0.8488	14.93
	2013	2.5680	45.18
	2014**	1.2040	21.18

\* From 12 April 2013 (date of launch).

\*\* Up to 15 June 2014 (the interim distribution payment date).

## Revenue Record – Accumulation Shares

The revenue record table below shows the net distribution rates per calendar year on a payment date basis for an investment made on 2 January 2009 (12 April 2013 for Share Class 3).

Share class	Calendar year	Net revenue per share (p)	Per £1,000 invested (£)
Class 1	2009	0.3311	5.97
	2010	0.0000	0.00
	2011	0.0000	0.00
	2012	0.0000	0.00
	2013	2.0701	24.46
	2014**	1.3286	23.96
Class 2	2009	0.6935	11.90
	2010	0.2339	4.01
	2011	0.3042	5.22
	2012	0.3091	5.30
	2013	2.5635	43.99
	2014**	1.4365	24.65
Class 3	2013*	1.6630	16.63
	2014**	1.4252	14.25

\* From 12 April 2013 (date of launch).

\*\* Up to 15 June 2014 (the interim distribution payment date).



# AVIVA INVESTORS GLOBAL EQUITY INCOME FUND (CONTINUED)

Calendar Year Performance		
Total Return	Fund <sup>4</sup> %	MSCI World Index <sup>5</sup> %
2009		
Share Class 1	(35.83)	26.51
Share Class 2	(35.47)	26.51
Share Class 3	(35.02)	26.51
2010		
Share Class 1	28.33	4.72
Share Class 2	29.01	4.72
Share Class 3	29.64	4.72
2011		
Share Class 1	6.61	(4.31)
Share Class 2	6.99	(4.31)
Share Class 3	7.46	(4.31)
2012		
Share Class 1	(7.75)	10.12
Share Class 2	6.99	10.12
Share Class 3	7.46	10.12
2013		
Share Class 1	15.06	33.93
Share Class 2	15.92	33.93
Share Class 3	17.30	33.93
2014*		
Share Class 1	(2.50)	3.00
Share Class 2	(2.28)	3.00
Share Class 3	(2.17)	3.00

<sup>4</sup> Source: Aviva Investors (based on midday values, mid to mid basis, net income reinvested, net of fees).

<sup>5</sup> Source: Lipper (based on close of business values).

\* Up to 15 April 2014.

The value of an investment in the Aviva Investors Global Equity Income Fund and any revenue from it can go down as well as up. You may not get back the original amount invested. Past performance is not a guide to future performance.

# OTHER INFORMATION

More information about the activities and performance of the Aviva Investors Investment Funds ICVC for this period and previous periods can be obtained from the Authorised Corporate Director.

Any future returns and opinions expressed should not be relied upon as indicating any guarantee of return from investment in the funds.

The information contained within this document should not be construed as a recommendation to purchase or sell stocks.

The Shareholders are not liable for the debts of the Aviva Investors Investment Funds ICVC.

## **Significant Information**

On 10 September 2013 the Aviva Investors UK Special Situations Fund was closed and is currently in the process of being terminated.

On 6 January 2014 the following share classes closed:

- Aviva Investors Cash Fund share class D (income shares)
- Aviva Investors Cash Fund share class D (accumulation shares).

On 22 January 2014 the following share classes closed:

- Aviva Investors High Yield Bond Fund share class 3 (income shares)
- Aviva Investors Managed High Income Fund share class 3 (accumulation shares)
- Aviva Investors Monthly Income Plus Fund share class 3 (income shares)
- Aviva Investors Strategic Bond Fund share class 3 (income shares)
- Aviva Investors UK Smaller Companies Fund share class 3 (accumulation shares).

On 7 February 2014 the Aviva Investors Blue Chip Tracking Fund merged into the Aviva Investors UK Index Tracking Fund.

On 7 February 2014 the Aviva Investors Balanced Managed Fund merged into the Aviva Investors Multi-asset Fund III, part of the Aviva Investors Portfolio Funds ICVC.

# OTHER INFORMATION (CONTINUED)

## **Annual General Meetings**

The Company will not be holding Annual General Meetings.

## **Publication of Prices**

Information on the prices of Shares will be available by calling 0800 051 2003 or on the internet at [www.avivainvestors.co.uk](http://www.avivainvestors.co.uk). Calls may be recorded for training or monitoring purposes.

## **Stamp Duty Reserve Tax (SDRT)**

The ACD's chosen policy on SDRT is to charge it directly against the property of the Fund. This is then reflected within the published prices of the Fund. However, the ACD reserves the right to charge SDRT on redemptions of shares in a Fund in excess of £250,000 to the investor rather than the relevant Fund.

## **Report and Financial Statements**

Copies of the annual and half yearly long form report and financial statements are available free of charge by calling us on 0800 051 2003, or by writing to us at:

Aviva Investors Administration Office  
PO Box 10410  
Chelmsford  
Essex, CM99 2AY

Telephone calls may be recorded for training and monitoring purposes.

## **Paper Information**

The paper used to produce this document originates from forests that are managed in accordance with the principles and criteria of the Forest Stewardship Council (FSC). The paper is chlorine free.

# COMPANY INFORMATION

## **Authorised Corporate Director**

Aviva Investors UK Fund Services Limited  
No.1 Poultry  
London, EC2R 8EJ

With effect from 1 May 2014, Aviva Investors UK Fund Services Limited (the ACD) is a wholly owned subsidiary of Aviva Investors Holdings Limited, a company incorporated in the United Kingdom and within the Aviva Group of Companies. Prior to this date, the ACD was a wholly owned subsidiary of Aviva Life Holdings UK Limited, a company incorporated in the United Kingdom and within the Aviva Group of Companies. The ACD is a member of the Investment Management Association and is authorised and regulated by the Financial Conduct Authority.

## **Directors of the Authorised Corporate Director**

T Orton  
B A Curran (resigned 31 March 2014)  
A Beswick  
J Green

## **Administrator and Registrar**

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

## **Investment Managers**

For all Funds, except the Aviva Investors UK Special Situations Fund:

Aviva Investors Global Services Limited  
No.1 Poultry  
London, EC2R 8EJ

Aviva Investors Global Services Limited is a member of the Investment Management Association and is authorised and regulated by the Financial Conduct Authority. The ultimate parent company of Aviva Investors Global Services Limited is Aviva Plc.

For the Aviva Investors UK Special Situations Fund:

Schroder Investment Management Limited  
31 Gresham Street  
London, EC2V 7QA

Authorised and regulated by the Financial Conduct Authority.

## **Depository**

Citibank International Plc  
Citigroup Centre  
Canada Square  
Canary Wharf  
London, E14 5LB

Authorised and regulated by the Financial Conduct Authority.

## **Independent Auditors**

PricewaterhouseCoopers LLP  
7 More London Riverside  
London  
SE1 2RT



Please use the details below to ask for additional information, to buy or sell investments, or if you wish to complain to us.

### If you wish to write to us:



Aviva Investors Administration Office  
PO Box 10410  
Chelmsford  
CM99 1AY

### If you wish to call us:



Customer services: **0800 051 2003**  
**(8.30am - 5.30pm Monday to Friday)**

Dealing services: **0800 051 2003**  
**(9.00am - 5.00pm Monday to Friday)**

Calls to this number may be recorded for training and monitoring purposes. Calls are free from a BT landline. Costs may vary from mobiles and other networks.

**Further information about Aviva Investors  
can be found on our website:**



Website: [www.avivainvestors.co.uk](http://www.avivainvestors.co.uk)