

### Fund aim

The investment objective is to provide a high level of investment income. The investment policy is to hold diversified investment in fixed interest securities issued by corporates, governments and supranational institutions. Investment principally in Sterling denominated securities but the Fund may also invest in global securities issued in a variety of currencies. For full details of the investment policy please refer to the Simplified Prospectus.

### Past performance

Percentage Change Total Return, Tax UK Net, Charges Applied, In GBP



— Aviva Investors Higher Income Plus Fund — IMA £ Strategic Bond

Source: Lipper Hindsight, performance data up to 31/07/2010, bid to bid, net income reinvested.

	3m	6m	1yr	3yr	5yr
Fund (%)	-1.1	4.0	22.4	8.8	12.8
IMA sector average (%)	-0.2	3.2	15.4	9.4	12.4
Quartile rank within sector	4	2	1	3	3

Source: Lipper Hindsight, performance data up to 31/07/2010, bid to bid, net income reinvested.

### Year on year performance

	30/06/05 30/06/06	30/06/06 29/06/07	29/06/07 30/06/08	30/06/08 30/06/09	30/06/09 30/06/10
Fund (%)	2.2	3.7	-6.4	-12.3	27.5
IMA sector average (%)	1.4	1.7	-3.1	-5.9	17.8
Quartile rank within sector	2	2	4	4	1

Source: Lipper Hindsight, performance data up to 31/07/2010, bid to bid, net income reinvested.

**Past performance is not a guide to the future.** Investment decisions should not be based on short term performance. The figures do not include the effect of the initial charge and any redemption fees.

### Find out more

Call: 0800 051 2003  
Web: www.aviva.co.uk

Telephone calls may be recorded for training purposes. Calls are free from BT landline. Call charges may vary from mobiles and other networks.

### Fund manager

**Christopher Higham**

Manager of this fund since November 2009



### Fund manager report

Corporate bonds performed strongly on the back of investors' increased willingness to buy risky assets. European bank stress test results, which were announced towards the end of the month, were generally well received. Only seven banks were deemed to have failed the test, but none of these were a surprise and the amount of additional capital deemed necessary to make them secure was relatively small. Bonds issued by financial companies such as banks and insurers were the strongest gainers on the back of these results. As investors resumed their hunt for assets with high yields, lower-rated sectors performed best. The recent strength of corporate earnings means the outlook is positive.

Any opinions expressed are those of Aviva Investors. They should not be viewed as indicating any guarantee of return from an investment managed by Aviva Investors nor as advice of any nature.

### Fund information (31/07/2010)

<b>Fund size</b>	£438.9m
<b>Fund launch date</b>	04/10/1999
<b>Initial charge</b>	4.00%
<b>Annual charge</b>	1.25% Class A
<b>Benchmark</b>	Merrill Lynch Composite
<b>IMA sector</b>	£ Strategic Bond
<b>Distribution yield</b>	5.3% (31/07/2010)

The Distribution Yield reflects the amount that is expected to be distributed over the next year as a percentage of the share price of the fund on the date shown. It is based on the fund on that day. This does not include Initial charges and investors may be subject to further tax on their distributions. The Distribution Yield is also the Underlying Yield for this fund.

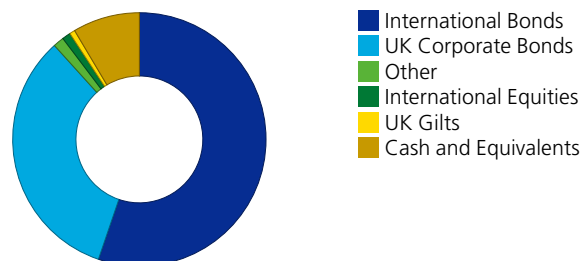
# Aviva Investors

## Higher Income Plus Fund Share Class A

August 2010



### Asset allocation



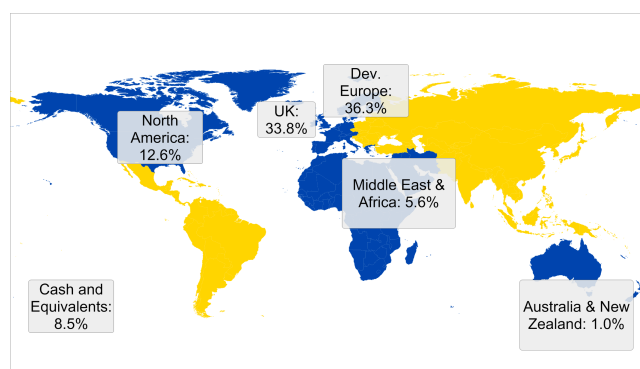
Source: Aviva Investors as at 31/07/2010

### Top 10 holdings

ABU DHABI COMM BK 5.625% SNR MTN 11/11 GBP	2.2%
JP MORGAN CHASE + CO 5.375% SNR MTN 18/10/2013	1.9%
ALLIED IRISH BANKS PLC 11.5% 29/03/2022	1.9%
Daily Mail & General Trust 5.75% 2018 (Var)	1.9%
IMPERIAL TOBACCO FINANCE 9% 17/02/2022	1.8%
FIRST HYDRO FIN 9% NTS 31/7/21 GBP1000	1.8%
MORGAN STANLEY 5.75% ANR MTN 14/02/2017	1.8%
RL FINANCE BONDS PLC 6.125% FRN GTD PERPGBP1000	1.6%
CONSOL GLASS LIMIT 7.625% BDS 15/04/2014 EUR'REGS	1.6%
HEIDELBERGCEMENT AG 8% 31/01/2017	1.6%

Source: Aviva Investors as at 31/07/2010

### Regional allocation



Source: Aviva Investors as at 31/07/2010

### Credit quality

55.2%	AAA	2.0%
33.1%	AA	0.0%
1.4%	A	22.3%
1.1%	BBB	26.1%
0.7%	BB	13.9%
8.5%	B	12.8%
	CCC >	3.5%
	Cash & Equiv	8.5%
	NR	8.6%
	Other	2.5%

Source: Aviva Investors as at 31/07/2010

### Credit maturity

	15+ yrs	14.7%
	10-15 yrs	9.9%
	5-10 yrs	47.8%
	0-5 yrs	16.6%
	Other	1.3%
	Cash & Equiv	8.5%

Source: Aviva Investors as at 31/07/2010

### Risk summary

Further information about the risks that apply when investing can be found in the Simplified Prospectus. This is available free of charge on request. The value of the fund and any income from it is not guaranteed and may fall as well as rise. You may get back less than you originally invested. Credit and fixed interest securities are the debts of governments or companies generally issued in the form of bonds. These securities are particularly affected by trends in interest rates and inflation. If interest rates go up, the value of the security may fall, and vice versa. The value of these securities will fall if the issuer is unable to repay their debt or has their credit rating reduced. Generally, the higher perceived credit risk of the issuer, the higher the rate of interest. High yield bonds (sometimes called sub-investment grade) are potentially more risky (higher credit risk) as the companies are more likely to be unable to honour repayment.