

AVIVA INVESTORS

UK SMALLER COMPANIES FUND (SHARE CLASS 2 GBP ACC)

AS AT 30 JUNE 2019



KEY FACTS

FUND MANAGER

Trevor Green
Since 21 November 2013

BENCHMARK

FTSE Small Cap ex Investment Trusts

INVESTMENT ASSOCIATION SECTOR

IA UK Smaller Companies

SHARE CLASS CURRENCY

GBP

SHARE PRICE

GBP 653.92p

FUND SIZE

GBP 37.19m

SHARE CLASS INCEPTION DATE

13 November 1998

HISTORIC YIELD

1.00%
The Historic Yield reflects distributions declared over the past year as a percentage of the share / unit price, on the date shown. This does not include entry charges and investors may be subject to further tax on their distributions.

FEES

Fund Management Fee: 0.89% p.a.
The fund management fee is a single fixed rate charge to cover the underlying fees, costs and expenses of operating and administering the fund. It accrues daily and is calculated as a percentage of the net asset value of the fund. The underlying fees, costs and expenses covered by the fund management fee may fluctuate.

Entry Charge: None
This is the maximum that might be taken out of your money before it is invested. Current charges are available from the Fund provider on request.

Ongoing Charge: 0.89%
(as at 16 October 2018)
The ongoing charges figure is based on last year's expenses for the year ending October 2018. The ongoing charges figure is made up of the fund management fee and, where the fund invests a substantial portion of its assets in other funds, an amount for the pro-rated charges of those other funds (referred to as "synthetic charges" or the "synthetic" part of the ongoing charge).

Exit Charge: None
This is the maximum that might be taken out of your money before the proceeds of your investment are paid out. Current charges are available from the Fund provider on request.

HEDGED SHARE CLASS

No

OBJECTIVES AND INVESTMENT POLICY

The Fund aims for long term capital growth, this is generally regarded as 5 years or more.

The Fund will invest in the shares of a broad range of smaller UK companies based on the Investment Managers view of their long term return prospects, both in terms of potential share price growth and earnings growth.

At least 80% of the Fund will be invested in the shares of smaller UK companies. Smaller companies are generally regarded as those in the bottom 10% by size.

The Investment Manager actively makes the investment selection decisions for the Fund.

You can buy and sell shares on any London business day.

For full investment objectives and policy details please refer to the Prospectus.

Recommendation: this Fund may not be appropriate for investors who plan to withdraw their money within 5 years.

RISK AND REWARD PROFILE



- 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 and the income from them will change over time.
- The Fund price may fall as well as rise and as a result you may not get back the original amount you invested.

- **Equities of small and mid-size companies:** can be more volatile, and harder to sell, than those of larger companies.
- **Equities risk:** Equities can lose value rapidly, can remain at low prices indefinitely, and generally involve higher risks especially market risk than bonds or money market instruments. Bankruptcy or other financial restructuring can cause the issuer's equities to lose most or all of their value.
- **Illiquid securities risk:** Certain assets held in the Fund could, by nature, be hard to value or to sell at a desired time or at a price considered to be fair (especially in large quantities), and as a result their prices could be very volatile.
- Full information on the risks applicable to the Fund is detailed in the Prospectus.

PERFORMANCE VS. IA SECTOR AVERAGE (%) - 5 YEARS



Past performance is not a guide to future performance.

Investment decisions should not be based on short term performance.

Source: Aviva Investors/Lipper, a Thomson Reuters company, as at 30 June 2019.

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

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FURTHER INFORMATION

SHARE CLASS TYPE

Accumulation

SETTLEMENT

T + 4

NAV CALCULATION

12.00 GMT

INDUSTRY CODES

ISIN: GB0004462171
SEDOL: 0446217
Bloomberg: NORUK2I LN
MEXID: NUUSCI

MINIMUM INVESTMENT

Min. initial subscription: GBP 500,000
Min. additional subscription: GBP 25,000

DISTRIBUTION DATES (EX-DIVIDEND/PAYMENT)

16 April / 15 June
16 October / 15 December

MANAGEMENT COMPANY

Aviva Investors UK Fund Services Limited
St Helen's
1 Undershaft
EC3P 3DQ London

INVESTMENT ADVISOR

Aviva Investors Global Services Limited

CUSTODIAN

JPMorgan Chase Bank, National
Association

AUDITOR

PricewaterhouseCoopers LLP

LEGAL FORM

Sub fund of the Aviva Investors
Investment Funds ICVC

HIGHLIGHTS

- Over the month the Fund delivered an overall absolute return of 1.02%
- Our holdings in electronics group DiscoverIE and Oxford Metrics reported encouraging earnings announcements
- The main detractor was clothing retailer Ted Baker, which issued a profits warning.

PERFORMANCE (%)

	Calendar					Discrete Annual to last quarter end				
	2018	2017	2016	2015	2014	30/06/18 to 30/06/19	30/06/17 to 30/06/18	30/06/16 to 30/06/17	30/06/15 to 30/06/16	30/06/14 to 30/06/15
Fund	-11.21	23.69	-0.81	16.07	-2.09	-3.27	20.33	27.20	-9.61	12.98
IA Sector average*	-11.83	26.74	8.54	14.68	-1.93	-6.05	17.05	36.15	-5.96	9.50

	Fund							Annualised				
	1M	3M	6M	YTD	1Y	3Y	5Y	Since Inception	1Y	3Y	5Y	Since Inception
Fund	1.02	7.94	17.44	17.44	-3.27	48.06	51.19	595.36	-3.27	13.98	8.62	9.85
IA Sector average*	-1.00	4.75	12.18	12.18	-6.05	49.73	54.19	749.19	-6.05	14.40	9.05	10.92

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*Primary share classes only

COMMENTARY

In the UK, politics continues to dominate the headlines with little clarity on Brexit notably whether, and in what form, the UK is going to leave the EU at the end of October. Accordingly, sterling remained around 12-month lows against the dollar and the euro even with expectations of a near-term US interest rate cut and lacklustre economic indicators from the Eurozone.

Even with Brexit uncertainties, the UK has still seen a steady stream of corporate activity with the fund a material beneficiary of TDR's agreed bid for BCA Marketplace. Also, property company Helical, which the fund holds, confirmed it has received more than one unsolicited approach.

Several holdings reported results during June, including DiscoverIE Group which continues to exhibit strong organic sales and order growth. Oxford Metrics confirmed our original investment case with the company firmly on track in the third year of their five-year growth plan.

The one major detractor from performance last month came with a profit warning from Ted Baker, which is struggling against high levels of competitive promotional activity and challenges with its Spring/Summer collections. This was a major disappointment because the company has a long track record of being able to trade through difficult conditions in the apparel market in the past.

We established a new position in Science in Sport, a world leading sports nutrition business which acquired PhD last year which is a very good fit with the existing business and will help the company develop new distribution channels and markets.

RISK STATISTICS

RISK TYPE	VALUE	GLOSSARY
Beta	0.99	A measure of the fund volatility in comparison to the market. A beta of less than 1 implies that the fund will be less volatile than the market whilst a beta greater than 1 implies the fund is more volatile than the market.
Information Ratio	0.94	A measure of the manager's ability to generate excess and consistent returns relative to the funds benchmark. The greater the IR, the more consistent a manager is.
Volatility	12.00	A measure of the funds dispersion of returns. A higher volatility implies that a fund's return is spread over a larger range of values whilst a lower volatility implies that a funds return is spread over a smaller range of values.
Tracking Error	6.05	A measure of how closely the fund follows its benchmark. A passive fund should have a tracking error close to zero, while an actively managed fund would normally have a higher tracking error.
Sharpe Ratio	1.02	A measure of the fund's risk-adjusted performance. The greater the fund's Sharpe ratio, the better its risk-adjusted performance has been.

Source: Aviva Investors/Lipper, a Thomson Reuters company as at 30 June 2019

Basis: Three year ex-poste (monthly data) in Sterling

Risk Free Rate: Three Month LIBOR, in Sterling

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IMPORTANT INFORMATION

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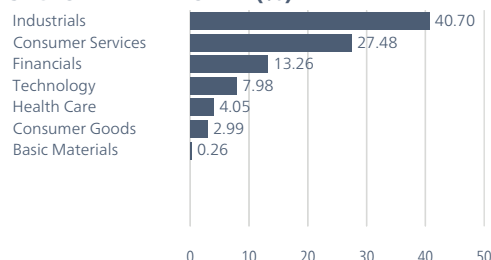
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CONTACT

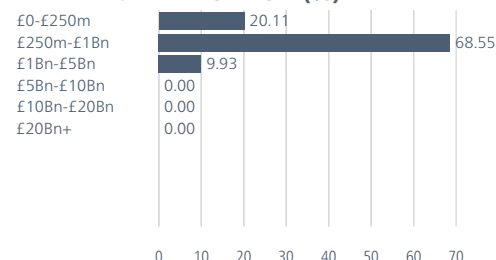
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SECTOR BREAKDOWN (%)



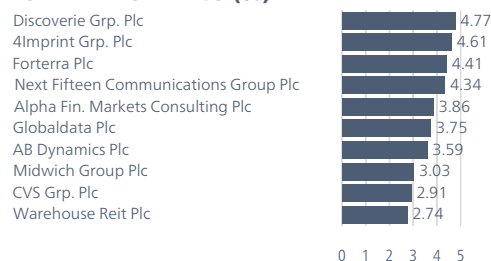
Source: Aviva Investors/Aladdin as at 30 June 2019
Basis: Excludes cash & unassigned

MARKET CAPITALISATION (%)



Source: Aviva Investors/Aladdin as at 30 June 2019
Basis: Excludes cash & unassigned

TOP TEN HOLDINGS (%)



Source: Aviva Investors/Aladdin as at 30 June 2019
Basis: Excludes cash & unassigned